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2020/2021 Incheon International Airport Corporation Sustainability Report

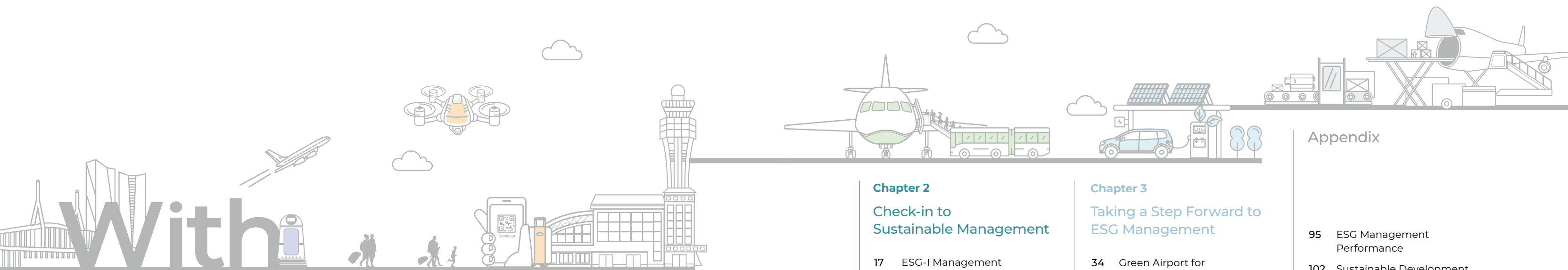
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2020/2021 Incheon International Airport Corporation Sustainability Report

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Sustainability Report





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ABOUT THIS REPORT

Overview of the Report

Incheon International Airport Corporation(IIAC) has published the Sustainability Report every year since 2007 to share the sustainable management vision, activities, and achievements with stakeholders. This report is our 15th published report, which places an emphasis on ESG management and future technologies to reflect the reinforced ESG-based social value management and innovative growth trends and material issues derived through the materiality test.

Report Preparation Standard

This report has been prepared to comply with the Core Option in the Global Reporting Initiative (GRI) Standards. In addition, it included the ISO 26000 Standard, which is an international standard for social responsibility and reflected the UN Global Compact (UNGC) and UN Sustainable Development Goals (SDGs). The report standard and definitions of finance and non-finance information contained in this report follow the Korean International Financial Reporting Standards.

Reporting Period, Scope, and Boundary

This report contains the activities and achievements from Jan. 1 to Dec. 31, 2020, and for some important achievements, it contains content for the first half of 2021. The data for the recent three years (2018–2020) was organized to display the trend of changes in qualitative performance results. The report scope includes all the operation areas in which IIAC is involved, and the report scope and limitations in terms of material issues was also presented on pages 31.

Report Verification

Third-party verification has been conducted according to the AA1000AS V3 standard, which is an international verification standard to ensure the objectivity and reliability of the report. The verification results can be found in the appendix.

For Inquiries on the Report

The Korean and English versions of the report can be downloaded from IIAC website. Stakeholders' feedback on the report is welcomed via phone, fax, and postal mail listed below.



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Jung-gu, Incheon, Republic of Korea (22382)
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CEO MESSAGE



Dear Honorable Stakeholders

Since the grand opening of Incheon International Airport in 2001, we have achieved remarkable growth that any similar success case can be hardly found in the history of airport business. Our success would not be possible without warm affection and trust of Korean people. The great enabler of such achievement was the advanced operation system in application of smart technologies and differentiated airport services which can be found only in Incheon Airport. Thanks to the strong dedication of 70 thousand airport employees, we could leap to becoming a hub airport, ranked number 3 and 5 in terms of international cargo tonnage and passenger volume respectively in 2019.

Due to the global COVID-19 pandemic that started from the last year, the airport industry was suffered the most among other sectors. Up until when we enjoyed our precious daily lives without the disease, the airport was lively place, visited by more than 200 thousand travelers a day but now we are navigating through the worst crisis since the opening, recording 90% passenger traffic reduction from the pre-pandemic level and the first time ever financial deficit.

Recognizing the aviation security reorganized the airport industry paradigm after the 9/11, Incheon International Airport has been leading the global airport paradigm transition in the upcoming post-COVID era by presenting ingenious airport disease control measures ahead of other airports and our pandemic measures become the model to be followed by overseas airports.

On the other hand, Incheon Airport has been a guardian of Korean national aviation industry by providing financial support package, consisting of airport charge exemption and deferral worth KRW1.2 trillion to protect the aviation industry ecosystem and jobs.

New transition of airport industry paradigm,
VISION 2030+

Entering into the 20th anniversary of Incheon International Airport, we set our strategic focus on preparing for the moment when we restore our priceless daily lives and securing the essential competitiveness in the new era.

Incheon Airport is flying towards “The new 20 years, sustainable growth” to transform the airport to an innovative value creating space where “people, technologies and culture meet one another” based on the smart technologies and ESG management.

Incheon International Airport will become the people-oriented airport that creates new life values.

Instead of the space that simply provides the mode of transportation, Incheon International Airport is envisioning the future as the space where people and technology are combined to create innovative value. By actively introducing cutting-edge technologies of the 4th industrial revolution to the overall airport operations, Incheon International Airport will be reinvented as the efficient space where provides differentiated services. In addition, Incheon Airport is developing the airport economic zone to become a new center of global business and to generate the air travel demand for itself.

Incheon International Airport will advance as the high-quality airport by adopting culture & arts contents, adopting new concepts.

The airport and its surrounding area will be developed as the culture and art belt as well as “travel destination” to generate synergy effect with the airport economic zone.

The belt combining the functions of transportation, tourism, business and shopping will make Incheon International Airport and Yeongjong Island into the hub of inbound tourism demand generation and relevant industries, and the area will be full of pleasure and excitement of various culture and arts. In addition, the belt will create jobs through the convergence of cross-sectoral industries and new job creation will fulfill our core part of social responsibilities.

Incheon International Airport will create innovative paradigm in the future aviation industry through ESG management.

Incheon International Airport introduced RE100 for the first time among Asian airports to realize the ‘Zero Waste’ and ‘Low Carbon’ Green Airport, and we will continue the efforts on developing the sustainable environment and society by establishing transparent and fair governance. Incheon International Airport has already initiated the transformation to “Green Mobility Airport” by introducing electric and hydrogen vehicles and create 120,000 new jobs until 2020 through development of the airport economic zone to implement the role as the happiness platform that grows together with the local community, country and the world.

We will disseminate our core values, represented by the highest level of human rights, transparency and work ethics to 70,000 employees hired by our 1,000 business partners and align all the stakeholders as “One Airport” to put the values into the practice altogether.

For the last 20 years, Incheon International Airport has paved new way which no one has treaded before. The way ahead of us for the next 20 years will be the same. By taking the first step towards the future through the connection of people and culture, Incheon International Airport will pioneer the new history and milestone in the global aviation industry. Technologies of the 4th industrial revolution will be introduced actively to provide the foundation for innovation in the future paradigm for creating new value. Incheon International Airport will respond preemptively to the changes in the New Normal Era to create the safest airport that all passengers want to visit. In this journey of creating a new path towards the global leading airport, Incheon International Airport Corporation is asking for your great support and encouragement in our challenges and innovations.

Incheon International Airport will prepare and wait for the precious moment when we are regaining the normalcy. Thank you.

August 2021

President and CEO of Incheon International Airport Corporation

Kyung-wook Kim

김정욱

CEO MESSAGE



Dear Honorable Stakeholders

Since the grand opening of Incheon International Airport in 2001, there was 20 years of world-class airport services, high-tech airport operating system and committed efforts by the 70,000 airport workers for the last 20 years along with the infinite affection and trust by the people to become the global hub airport with third in the world in international cargo and fifth in international passenger volume. Incheon International Airport showed unrivaled innovative development to leave a significant mark in the global airport history.

Due to the global COVID-19 pandemic that started from last year, the airport industry was field that suffered the most. Incheon International Airport was not an exception. Before COVID-19 invaded our precious everyday lives, Incheon International Airport was a place where over 200,000 passengers visited the airport every day with thrill, and it was the most vibrant and energetic place, but now, the number of passengers was reduced over 90%, and the airport recorded enormous deficit for the first time in 17 years to suffer the worst crisis since the opening.

However, Incheon International Airport is considering this as the opportunity rather than being discouraged at the crisis threatening the survival to find the chance to go forward decisively for a new change and challenge. As the paradigm of the airport industry was shifted centrally of aviation security after the 9/11 terror, Incheon International Airport provided the global standards on the airport quarantine preemptively even during the pandemic crisis last year, and took the role as the benchmarking model for overseas airports to lead the paradigm shift of global airports in the With COVID-19 Era. Moreover, Incheon International Airport led the KRW 1.2 trillion of reduction and payment deferral in airport usage fee to protect the aviation industry ecosystem and jobs, and to become the strong support for the domestic aviation industry.

VISION 2030+

‘We Connect Lives, Cultures and the Future’

In March 29, 2021, Incheon International Airport Corporation (IIAC) declared the ‘Incheon International Airport New Vision 2030+’ through the 20th anniversary opening event. To respond to the arrival of New Normal Era due to COVID-19 and paradigm change in the aviation industry, the new vision established to preoccupy the global competitive advantage in the Post COVID-19 Era is ‘We Connect Lives, Cultures and the Future’.

The ‘New Vision 2030+’ includes the idea of IIAC on advancing into the person-centered airport creating new value in life, prestige airport through the cultural network playing the role more than a hub, and to advance into the future airport innovating the paradigm by pioneering new areas through the ultimate value of the airport of ‘Connect’.

The plan is to realize the digital airport and customer value in the overall areas of the airport based on ESG management through the 2030 goal of placing in top rank in the ACI¹⁾ Customer Experience, No. 1 in energy independence among airports in the Northeast Asian countries, achieving zero accidents, global No. 1 in Airport Throughput Units (ATU)²⁾, and accomplishing KRW 88 trillion in contribution to national economy. In addition, we are planning to become the new growth engine in the Korean economy by expanding the global cultural network, developing the integrated cultural/industrial belt, and leading the next-generation mobility.

- 1) ACI (Airports Council International): Non-profit organization established to achieve joint profit and promote the excellence of the airport in airport management and operation
2) ATU (Airport Throughput Units): Airport Throughput Units (ATU), formulated by the Airports Council International (ACI), is an indicator used for the assessment of airports' air transportation capability. It is counted as: No. of passengers + Tons of freight x 10 + No. of flights x 100

New transition of airport industry paradigm,
VISION 2030+



Connect Lives



IIAC aims to innovate Incheon International Airport as the space connected with people and value of life by improving the customer value based on digital innovation, and through the ESG management growing together with the environment and society. The plan is to change Incheon International Airport into the life platform of creating the customer value such as pleasure and excitement, etc. by reducing the departure time up to 69% through the Smart Pass enabling biometrics recognition, Off-Airport boarding and Home-to-Airport customized guide, etc., and by expanding the customer-oriented contents such as digital healthcare, Smart Showroom and AR/VR cultural experience extensively. In addition, Incheon International Airport will introduce RE100* for the first time among Asian airports, and introduce Green Mobility in full-scale to become the ‘Energy Independent Airport’. Moreover, Incheon International Airport will innovate into the ESG platform to build up the dream with the customers, stakeholders and the people through the efforts to create the jobs in the happy airport ecosystem for 120,000 workers.

* RE 100 : As renewable expansion global initiative, namely a voluntary promise of companies to procure 100% power consumption from renewable energy, approximately 300 global companies participated as of July 2021



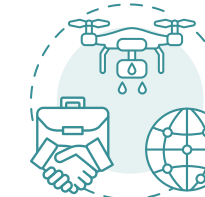
Connect Cultures



Destinations will be expanded to 250 cities until 2030 to create diversified global culture and communication opportunities secured with the best network connectivity in North-east Asia. Also, IIAC will provide a new paradigm in the air logistics by developing Smart logistics infrastructure and through process innovation in response to new growth cargo such as e-commerce and bio-technology, etc., and the value of Incheon International Airport will be improved to become the center of new cultural exchange and product commerce. Moreover, the Passenger Terminal will be developed into a multi-cultural art space, anchor facilities will be attracted, and MRO cluster becoming the center of airport industry development will be established to upgrade Incheon International Airport as the hub for aviation-tourism convergence industry that creates airport demand spontaneously.



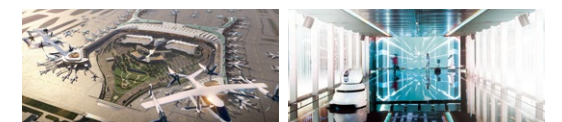
Connect the Future



IIAC will Apply advanced technologies such as UAM¹⁾ representing the next-generation mobility actively into the airport to construct the future airport in utilization of advanced digital innovation. To enable this, UAM airport shuttle infrastructure from the center of the city to Incheon International Airport will be established to reduce the current transportation time from 1 hour to 30 minutes for improving the airport accessibility greatly. Moreover, Verti-Hub²⁾ will be established until 2030 to realize the Smart Mobility City in connection to autonomous vehicles, and IIAC aims to lead the new mobility innovation by expanding into the industries related to UAM. Based on the airport infrastructure and know-how on overseas businesses, the goal is to develop Incheon International Airport into the largest airport in Northeast Asia that can accommodate 136 million users until 2030. Also, IIAC is planning to diversify the overseas business portfolio to development of new airports, consignment operation of the terminal and equity investment, etc. to establish the stable overseas business revenue model, and to expand the economic territory of Korea globally.

1) UAM: Urban Air Mobility

2) Verti-Hub: Comprehensive UAM take-off and landing facility connected to commercial facilities and means of transportation going beyond simple take-off and landing function



Incheon International Airport at a Glance

Company Introduction

Incheon International Airport Corporation (IIAC) was established for the purpose of smooth air transportation through efficient construction, management and operation of Incheon International Airport, and for the goal of contributing to the national economic development. For the past 22 years, IIAC has grown into the global expert in airport construction, management and operation based on the top-class technology and airport services. In the 20th anniversary of opening in 2021, IIAC established the New Vision 2030+ of ‘We Connect Lives, Cultures and the Future’ to continue the innovation and challenge on becoming the global leading airport in the Post COVID-19 Era.

| | |
|------------------------|---|
| Company Name | Incheon International Airport Corporation (IIAC) |
| President & CEO | Kyung-wook Kim |
| Date of Establishment | February 1, 1999 |
| Head Office | 47, Gonghang-ro 424-gil, Jung-gu, Incheon, Korea |
| Basis of Establishment | Incheon International Airport Corporation Act (Enacted in Jan. 26, 1999) |
| Competent Agency | Ministry of Land, Infrastructure & Transport |
| Type of Organization | Market-based Public Corporation |
| Capital | KRW 8.5 trillion |
| No. of Employees | 1,828 persons |
| Shareholders | 100% Government funded |
| Main Businesses | <ul style="list-style-type: none">• Incheon International Airport construction, management & operation• Surrounding area development, incidental business and other government consigned business• Consulting business related to airport construction & operation, etc.• Overseas airport construction, management and operation, and development of surrounding area |

Main History

○

1992. 11

Initiated construction of Incheon International Airport

1996. 05

Began construction of Terminal 1

1999. 02

Establishment of Incheon International Airport Corporation (IIAC)

2001. 03

Opening of Incheon International Airport

2003. 09

First airport to operate CAT-IIIIB

○

2006. 03

Launched Incheon International Airport Free Trade Zone

2008. 06

Completed construction of concourse and runway 3

2009. 02

Advanced into the overseas airport project for the first time

2013. 09

Began construction of Terminal 2

2014. 12

Joined as member of Global Traveler’s Hall of Fame

○

2015. 06

Signed the contract on consulting for operating the new Istanbul airport

2017. 04

Ranked World No. 1 for 12 consecutive years in ACI ASQ Evaluation

2018. 01

Opening of Terminal 2

2018. 04

Signed contract on T4 consignment operation project in Kuwait International Airport

2019. 05

Opening of first Duty Free Zone in the Arrival Hall

2019. 08

Recorded 700 cumulative passengers

2019. 11

Initiated 4th phase construction project

○

2020. 08

Became the first airport to acquire the Airports Council International (ACI) Airport Health Accreditation (AHA) in the Asia-Pacific Region

2020. 12

Signed the contract on overseas project in the leading European market (Poland) for the first time

2020. 12

Achieved non-stop operation of air navigation facility for 20 consecutive years since its opening

2021. 04

Became world’s first Level 4 Airport Customer Experience accredited airport by the Airports Council International (ACI)

Global Network

Airlines

Countries

Cities

63^{EA} 44^{EA} 110^{EA}

(AS of Jun. 2021)

Europe 19, CIS 8, North America 23, Central & South America 5, Africa 1, Southwest Asia 1, Southeast Asia 11, Oceania 6, Republic of Korea, Japan 5, China 25, Middle East 4, Northeast Asia 2

As the Global Top 5 Airport, Incheon International Airport is continuing the efforts to expand new routes, and to attract more airlines to increase the global network competitiveness. The operation performance was reduced greatly for the first time since its opening due to the global COVID-19 crisis, but the competitive advantage as the hub airport in Northeast Asia was preoccupied through the efforts of creating the demand by constructing the fresh cargo infrastructure, and by attracting on-stop tour flight, etc. In addition, Incheon International Airport is consolidating its status as the global leading airport by continuing the cooperation such as MOU with overseas airports, and by hosting World Aviation Conference, etc.

IIAC Overview

Major Achievements of Incheon International Airport in 2020


Check-in to Sustainable Management

Taking a Step Forward to ESG Management


Appendix

Endless Flight Towards Sustainable Management


2007~2011 Embarking on Corporate Social Responsibility (CSR) alongside stakeholders

- 


2007
Beginning of Corporate Social Responsibility (CSR) towards the dreams of people

 - Awarded Grand Prize in Air Transport Research Society (ATRS) Airport Efficiency Award
 - Ranked No. 1 for 2 consecutive years in the World Airport Service Quality (ASQ) evaluation
 - Obtained recertification of ISO 14001 in the Airport Construction sector
- 

2008
Taking the lead as the active leader for changing the society

 - Grand opening of the Concourse and Runway 3
 - World's top cargo airport selected by the Air Cargo
 - Joined as the member of UN Global Compact
- 

2009
Global airport company fulfilling social responsibilities

 - Entered overseas airport business for the first time
 - World Top Airport Award selected by Business Traveler Awards U.S.
 - Exceeded KRW 1 trillion in sales
- 

2010
Warm companion towards the dream

 - Ranked No. 1 for 5 consecutive years in the World Airport Service Quality (ASQ) evaluation
 - Achieved 80,000 hours of non-stop flight operation with navigation safety facility
 - Exceeded 5 million transfer passengers
- 

2011
Development into the World No. 1 Airport

 - Won the Grand Prize in the Climate Change Response Sector at the Korea Green Management Excellence Awards
 - Acquired the top level of 'AA' for 2 consecutive years in customer satisfaction level on Korean public corporations
 - Received grand prize in the Labor-Management Culture Awards and Social Contribution Awards

2012~2015 Taking off as a world top-notch public corporation affected and trusted by people around the world

- 

2012
Providing customer satisfaction and value above expectations

 - Ranked No. 1 for 7 consecutive years in the World Airport Service Quality (ASQ) evaluation and joined as member of Hall of Fame
 - Ranked at Top 10 airport in air transport demand
 - Achieved world best grade in the ICAO Aviation Security Evaluation
- 

2013
Public Corporation standing by the people

 - Started construction of Terminal 2 of Incheon International Airport
 - Achieved 100,000 hours of non-stop flight operation with navigation safety facility
 - The Best Green Logistics Service Airport Asia Award by Cargo News
- 

2014
Global hub airport, world-class public corporation

 - Achieved status as the major airport by exceeding 40 million passengers
 - Achieved AAA in sustainability management survey for 5 consecutive years
 - Entered the rank of Korea's top six respected public corporations first-ever
- 

2015
Incheon International Airport loved by the world, and IIAC trusted by the people

 - Ranked No. 1 for 10 consecutive years in the World Airport Service Quality (ASQ) evaluation
 - Achieved No. 1 in international passengers increasing rate of the world top 10 airports
 - Posted KRW 2 trillion in duty free sales first-ever in the world airports

2016~2018 Ceaseless challenge towards the future as a global leading airport

- 

2016
The Second Leap Ahead, and Global Leading Airport

 - Ranked No. 1 for 11 consecutive years in the World Airport Service Quality (ASQ) evaluation
 - Obtained Energy Management System (ISO 50001) certification for the first time among domestic airports
 - Prime Minister citation in the Energy Efficiency Awards organized by the MOCIE
- 

2017
Global airport company growing with dreams and hopes alongside people

 - Ranked No. 1 for 12 consecutive years in the World Airport Service Quality (ASQ) evaluation
 - Attained grade 1 in the corruption prevention policy evaluation of the Anti-Corruption & Civil Rights Commission
 - Ranked No. 1 in the Global Contribution Sector of Forbes Corporate Social Responsibility (SCR) Awards
- 

2018
Connected Incheon International Airport with people

 - Terminal 2 opened, and acquired the most advanced grade in green construction certification
 - Acquired Global Carbon Trust Standard (CTS)
 - Recorded KRW 1 trillion in net profit for the first time

2019~2020 Global Airport Industry Leading Value Creator

- 

2019
International Airport developing together with people by opening the routes of the sky

 - Achieved world 5th and 3rd ranks based on the number of international passenger volume and cargo volume
 - Operating top three international organizations-recognized curriculum first-ever in the aviation field in Asia-Pacific region
 - Won Kuwait's Terminal 4 Operation Project
- 

2020
Taking off towards the world alongside Korean people

Social value creator, Incheon International Airport

 - Became world's first Level 3 Airport Customer Experience accredited airport by the Airports Council International (ACI)
 - Awarded the Presidential Prize on the Day of Social Welfare
 - Received a triple crown in accident/disaster evaluation by the government

Chapter 1

Major Achievements of Incheon International Airport in 2020

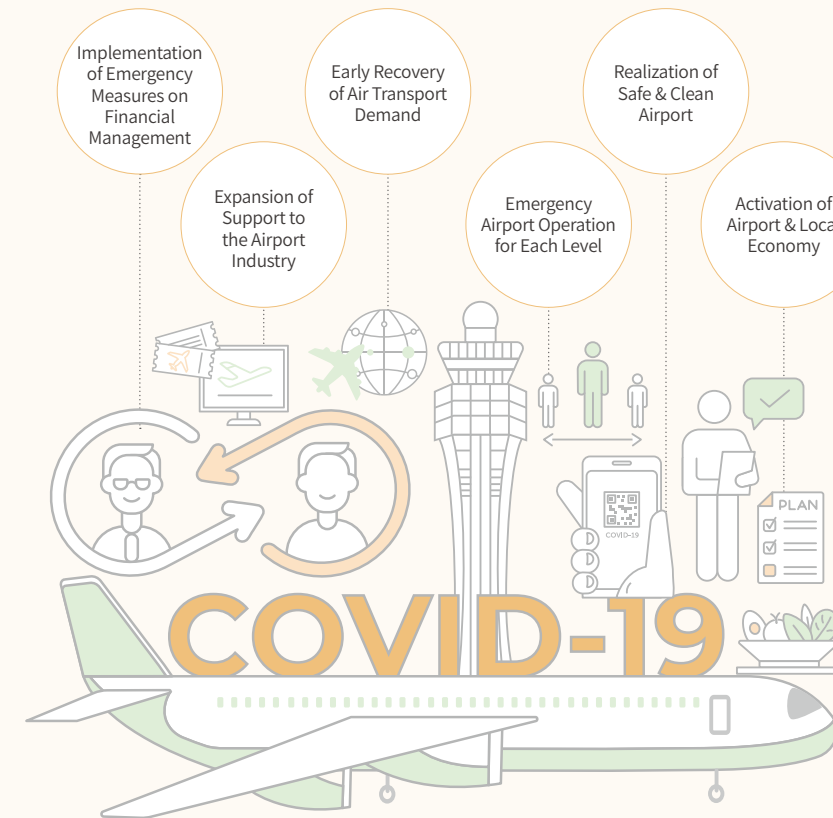
Efforts for Creating Value

- 9 Turning Crisis into Opportunity, Response to COVID-19 by Incheon International Airport
- 12 Issuing ESG Overseas Bonds for the Future
- 14 Focus of Incheon International Airport in 2020



Turning Crisis into Opportunity, Response to COVID-19 by Incheon International Airport

IIAC has played a leading role in K-disease control and prevention and a support role of the aviation industry amid COVID-19 crisis, and is continuously carrying out innovation to be a leading airport in the post-COVID-19 era.



First Public Corporation to Convert to Emergency Management System

In March 26, 2020, IIAC was the first public corporation to convert to the emergency management system to take the lead in overcoming the COVID-19 crisis. Even in the unprecedented crisis, IIAC continued the efforts to protect the aviation industry ecosystem through quick response and by actively sharing the burden in the scale of KRW 1.2 trillion. Also, 6 major countermeasures were established in the 4 main fields, and we continuously endeavor to lay the foundation for aviation ecosystem's recovery through rigorous monitoring by drawing 25 management indicators. IIAC is maintaining the efforts to establish the foundation for the recovery of the aviation industry ecosystem.

Improvement of Resilience in the Aviation Industry

Despite the total blockage of the overall aviation industry, IIAC is turning the crisis into opportunity by continuing the efforts for securing the future competitiveness by creating the demand such as implementing Korea's first no-landing tourism flight tour flight service, supporting the establishment of travel bubble, and constructing the exclusive facility on fresh cargo to strengthen the competitiveness of air logistics. As a result, Incheon International Airport recorded No. 1 in Asia on passenger volume, and No. 3 in the world on cargo volume.

Main Performance

K-Airport Quarantine Model by Incheon International Airport provided a global standard

- Became the first airport to acquire the Airports Council International (ACI) Airport Health Accreditation (AHA) in the Asia-Pacific Region, and exported quarantine consulting services
- Korea's first airport to operate the COVID-19 test center, and established world's first 4-Step quarantine system for departure

Preservation of competitiveness in the aviation industry through active and decisive support

- Provided financial support of KRW 1.2 trillion and performed employment stability measures
- 88% of the workers in the airport maintained their jobs, and new jobs were created

Stability of financial structure secured through comprehensive risk management

- Annual finance expenses saved by 17% due to securing timely liquidity
- Acquired global credit rating (AA) for the first time since the opening

Joint cooperation with all stakeholders for early recovery of demands

- Discovered new demands such as introducing no-landing tourism flight for the first time in Korea
- Recorded No. 1 in Asia on international passenger volume, No. 3 in the world on international cargo volume
- Additional creation of 36,000 transfer passengers, and achieved 1.5 times more transfer rate year on year

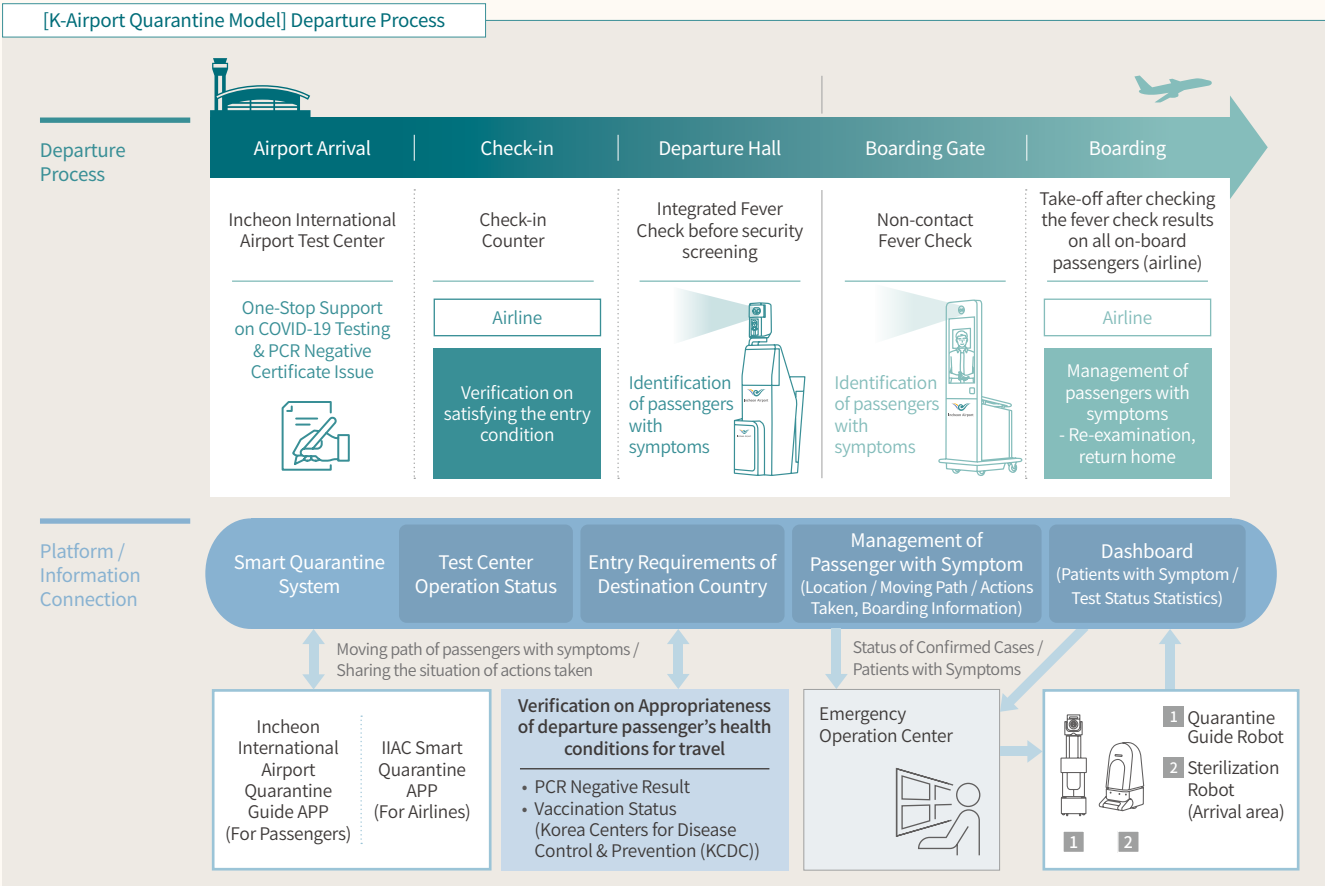
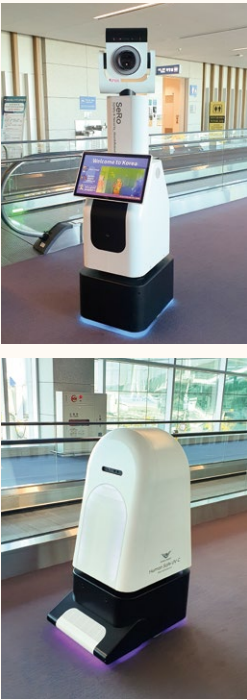
Leading the Innovation in Airport Services in the New Normal Era

- Became world's first Level 4 Airport Customer Experience accredited airport by the Airports Council International (ACI)
- Acceleration of digital transformation on airport services customized for customer needs

Leading the Global Standard through the K-Airport Quarantine Model

By using the experience on response to epidemics such as the MERS or SARS, etc. occurred globally in the past, and by utilizing the advanced Smart Disease Control and Prevention technology, perfect response system on the spread of COVID-19 is established to lead global standard through the K-Airport Quarantine. Special Quarantine zone was established in all areas of entry, and exclusive immigration for those with COVID-19 symptoms and luggage separation and delivery process was operated. Also, information center was installed through partnership with local governments on transportation for each city and province, and exclusive bus boarding space was provided to minimize the spread of COVID-19 by the foreigners entering the country.

Moreover, world's first 4-Step departure quarantine system was established to reinforce the quarantine on passenger departure, and Korea's first COVID-19 test center was operated for one-stop support on issuing the PCR Negative Certificate to guarantee the convenient and safe foreign travel of our people. In addition, digital transformation of the quarantine process was implemented to establish the Smart quarantine system for pre-identifying and managing the risk factors of the epidemic to support the quick and safe travel. Passengers can check the immigration process information and Incheon International Airport Test Center results through the 'Incheon International Airport Quarantine Guide' and 'IIAC Smart Quarantine' App, and even the moving path of the confirmed passengers in the airport can be identified. When the confirmed cases are identified through the 4-Step departure fever check, airlines can receive the alarm immediately to manage the passengers accurately. Moreover, 5G Smart Quarantine Service was realized in the overall immigration process to introduce the non-contact and automatic fever check device in main points of immigration. Through this, Smart Quarantine System was established to share the information on confirmed cases immediately to the airline and relevant agencies, and sterilization robot and quarantine guide robot were introduced for the first time in Korea to focus on managing the blind spots in quarantine. IIAC will continue the efforts on realizing the clean airport for the safety of the people.



Transformation into Differentiated Customer Experience Space

IIAC changed the current crisis into opportunity to perform the improvement work on the old Terminal 1, and customized space for each moving path was developed in consideration of the passenger characteristics to transform into the 'Passenger-centered Airport'. Customs inspection facilities were expanded to reduce the time required for immigration, and passenger waiting space was increased to provide more comfortable environment for the passengers.

Also, more efforts are given on maximizing the passenger convenience by introducing the barrier-free airport plan for the mobility handicapped, autonomous vehicle (AV) using Smart technology, luggage cart robot and Smart scale, etc.

Achieved the highest overall satisfaction score ever at World Airport Service Quality (ASQ) evaluation



Level 4
Airport Customer Experience accredited airport



Moreover, mid-long term strategy and road map were established for advancing into the airport providing culture & art services to perform various businesses. In 2020, global cultural marketing events were performed to publicize culture & arts-oriented Incheon International Airport through the public art of 'Art Wall' was installed on top of the temporary partitions for the T1 renewal, and special video filming for the Billboard Music Awards featuring BTS to record 40 million views. Incheon International Airport also performed activities for establishing the foundation for K-Pop contents that can communication with the world by successfully hosting the 'Beyond Reality VR Exhibition' in cooperation with the French government.

In June, 2021 'Incheon International Airport Museum' was opened in collaboration with the National Museum of Korea, and genuine relics, national intangible cultural assets and works on Korean culture were exhibited in the airport. In addition, Bucheon International Fantastic Film Festival (BIFAN) was held in joint in last July to show the Global Extended Reality (XR) Film Festival, 'XR3'. As such, IIAC is carrying out various activities to stay competitive and gain differentiated competencies of Incheon International Airport amid the Post COVID-19 Era by providing new customer experiences like introducing diverse cultural shows and exhibits in collaboration with institutions in culture & the arts local and abroad. When the day the world regains most of the semblance of normal life, Incheon International Airport will be waiting to greet you with differentiated experiences and world-class services.



Issuing ESG Overseas Bonds for the Future

To prepare for the Post COVID-19 Era through smooth implementation of the 4th phase construction and development of surrounding areas, etc., and to take a leap as the global airport corporation, IIAC decided on issuing the ESG Overseas Bonds for the first time.

Background of Issuing Overseas Bonds

In the COVID-19 pandemic, IIAC managed Incheon International Airport through win-win partnership dedication centrally of the new vision, and also pursued new changes, and as part of the efforts, IIAC decided on acquiring the international credit-rating and issuing the ESG-certified overseas bonds for the first time since establishment. Due to the prolonged COVID-19 pandemic situation to increase the burden of financing continuously, the issue of Overseas Bonds was attempted for the first time to diversify the financial leverage sources by advancing into the overseas capital market, and to minimize the borrowing costs to reinforce the stability of financing.



Acquisition of International Credit-Rating

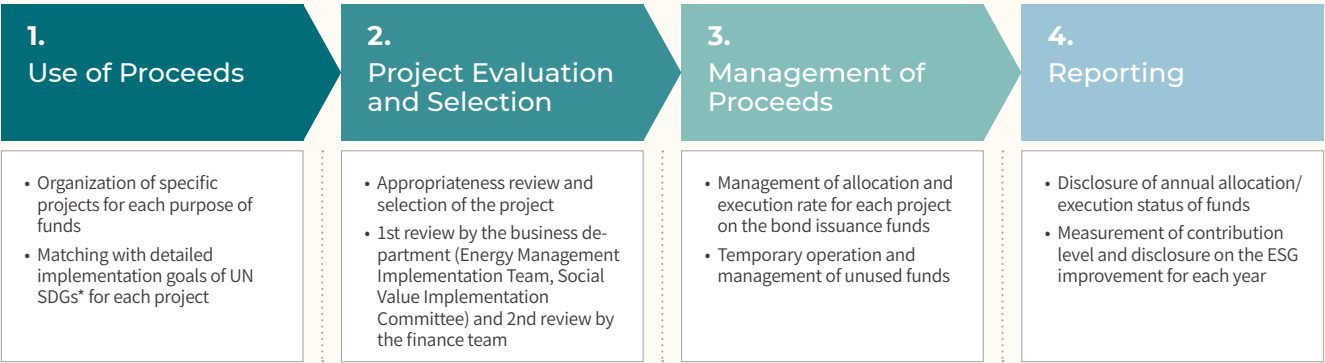
To issue the overseas bonds, international credit-rating must be acquired from at least 2 institutions, and IIAC selected S&P and Moody's among the global top 3 international credit-rating agencies, and the national strategic significance and outstanding business/financial structure of Incheon International Airport were emphasized through the checklist answers and due diligence meeting, etc. As a result, despite some financial deterioration due to COVID-19, IIAC acquired the high credit rating (AA/Aa2) at the Korean government level, and the highest independent grade (BBB+/Baa1) among public corporations. Acquiring a high international credit-rating made it possible to access overseas capital at a low interest rate, which can be considered as global news-worthy event and used as a favorable factor to win a tender for overseas airport projects.

Acquisition of ESG Certification

ESG bonds are issued for the purpose of raising the funds to improve the non-financial aspects of the company such as the environmental, social, and governance structure. In a situation where demand for global ESG bonds are rapidly increasing rather than simply raising funds, IIAC decided to promote our first-ever overseas bond issuance in the form of ESG bonds to attract the interests of more investors, and to induce the issue of overseas bonds at lower interest rates. In ESG, however, the bond issuance was already exceeded with just the funds required for the environmental sector, so it was promoted in Green Bond form, and funds required for the social sector will be utilized with the domestic ESG bonds that will be issued in the future.

ESG bond certification is the process of confirming that an internal system (ESG Framework) has been established in accordance with the guidelines of the International Capital Market Association (ICMA) to issue the relevant bonds, and whether the funds raised are invested in ESG-related activities. IIAC published the ESG bond issue report for disclosure, and acquired Second Party Opinion (SPO) from two certifying organizations (DNV, S&P), renowned with their expertise and favored by overseas bond investors. By acquiring the ESG certification, IIAC will take the next step as the international ESG management company to induce the overseas bond investment on Incheon International Airport by the global ESG investors.

ESG Bond Management System



ESG Overseas Bond Issuance

IIAC acquired the international credit-rating and ESG certification and propelled to issue overseas bonds. First, we selected a lead manager for bond issuance, a law firm, and an accounting firm, and prepared for various documents including offering circular (OC), PT for investors, and contract for underwriting. We met approximately 100 overseas bond institutional investors through online investment presentations including investor calls and emphasized the Incheon International Airport's capabilities as a hub airport in Northeast Asia. Also we attracted their interest in our first overseas bond issuance by letting them know about our solid financial structure, despite the COVID-19 pandemic situation.

On the day of the overseas bond issuance, USD 1.95 billion in order amount was achieved, over 6.5 times more than the slated issuance amount of USD 300 million, despite our first appearance in the international fund market. As a result, we were successful in debut issuance of overseas bonds at low interest rate of T+52.5bp (1.361%). Since then, we have achieved the final interest rate at 0.965% through currency swap transaction for avoidance of an exchange rate volatility risk. Given that fund procurement rate was 1.7% in the Korean fund market those days, we expect KRW 4.2 billion in interest expense saving effect for five years, excluding various costs.

The successful debut issuance of the ESG overseas bonds has a meaning in that it minimized the liquidity risk by diversifying loan portfolios, as well as saving interest expenses. The reason is that we can effectively use it through diverse loan options construction when the Korean fund market strain. We have also strengthened our status as a global airport through excellent international credit rating acquisition and ESG certification. IIAC plans to review various fund procurement methods including additional overseas bond issuance for financial capability consolidation, maintain excellent credit rating and upward adjustment upon renewal of international credit rating. In line with our ESG activity reinforcing plan, we will propel ESG certification and plan to continuously attract institutional investors' investments in ESG activities.



Certification by International ESG Evaluation Agency (DNV)



Certification by International ESG Evaluation Agency (S&P)

What are ESG bonds?

Generally, bonds are issued for the purpose of financing the Company to achieve its financial performance. Among them, bonds issued for the purpose of raising funds to improve the non-financial factors of the company of environment, social, and governance are referred to as 'ESG bonds.' Funds raised through ESG bonds are used for eco-friendly projects, solving of social issues and for improving the governance, and types of ESG bonds include green bonds, social bonds and sustainable bonds.

Green bonds are special-purpose bonds to raise the funds to invest in eco-friendly projects. To issue the green bonds, an internal system in line with the guideline of ICMA should be built.

Focus of Incheon International Airport in 2020

To prepare for the moment of regaining the precious everyday lives and to secure the competitiveness for the new era, IIAC is changing Incheon International Airport into the space where people, technology and culture are met to create innovative value through the securement of Smart technology and transformation into ESG management.



With Pain Sharing of KRW 1.2 trillion, Supporting the Recovery of the Aviation Industry

Focus 01

IIAC was committed to supporting the agreement of maintaining employees of 56 companies in the aviation industry along with the reduction in rents and use fees as well as deferred payment worth KRW 1.2 trillion. Through the support, we achieved the employment retention rate of around 88% of workers in the airport and defended the ecosystem of the aviation industry.



Acquired Airport Health Accreditation (AHA) granted by the Airport Council International (ACI) in the Asia-Pacific region for the first time

Focus 02

IIAC has developed the 4-Step departure quarantine system from transportation access to all immigration processes in the airport and made a continuous effort to become a global standard of a safe and clean airport in the era of COVID-19 such as preemptive adoption of smart Disease control and prevention technology. As a result, the K-Airport Quarantine of the Corporation has been internationally recognized such as the acquisition of airport health accreditation (AHA) granted by the Airport Council International (ACI) in August 2020 for the first time in the Asia-Pacific region.



Acquired the World's First ACI Customer Experience Level 4

Focus 03

IIAC Corporation has acquired the world's first Level 4 in the customer experience accreditation hosted by the ACI in March 2021. The Corporation will create the differentiated unique customer experience value of the Incheon Airport using various smart technologies and cultural and art contents.



No. 1 in Asia on Passenger Volume, and No. 3 in the World on Cargo Volume

Focus 04

IIAC has created an alternative supply such as 'flights to nowhere' for the first time in Korea and expanded the growth support of aviation logistics such as hosting the global delivery center and building fresh goods cargo infrastructure. As a result, it has maintained the existing international airline networks as many as possible compared to other competitive airports (Beijing, Narita) to have a competitive edge as a hub airport in Northeast Asia.



Building the Largest Size of Hydrogen Mobility among Airports in Korea

Focus 05

IIAC has expanded the hydrogen infrastructure such as the operation of hydrogen fueling stations, which are the largest size in Korea, in Terminal 2 as it has introduced 91 hydrogen vehicles. Along with this, we have actively led the implementation of low-carbon and eco-friendly airports by converting its vehicles for business into 100% eco-friendly vehicles.



Successful Localization of Integrated Docking Guidance System (IDGS) Technology in Korea

Focus 07

IIAC has accomplished the successful localization of Integrated Docking Guidance System (IDGS) technology, which is regarded as one of the key systems in the airport operation, with small and medium-sized enterprises (SMEs) in Korea in November 2020. This is the results of the localization support project of foreign-based technologies, which is expected to save about KRW 35 billion in foreign currency. We will actively lead the shared growth with local SMEs through the expansion of joint R&D in the future.



One-Stop Support System Operation of Total Support System (F.A.S.T) for SMEs

Focus 09

IIAC has operated a total support system where the support of SMEs is given according to the growth phase such as finance, investment, sales routes, and technology growth after selecting excellent SMEs through the technical contest. Currently, we are making an effort to ensure the competitiveness of SMEs by supporting 54 SMEs to fulfill the role of companion to create an ecosystem of innovation growth for SMEs.



Starting the Operation of Drone Detection System for the First Time in Private Airports

Focus 06

IIAC has built a drone detection system for early detection of illegal drones around the airport for the first time in private airports and begun the operation in September 2020. In addition, we have been recognized as a leader to establish manuals of how to respond to illegal drones for the first time in Korea and the revise related acts to propose a best practice model of how to build a drone detection system.



Won the Bid of the Strategic Advisory Project of a New Airport in Poland, the Entry to the Advanced Market for the First Time in Europe

Focus 08

IIAC has successfully conducted 30 projects in 15 nations ever since it entered the overseas airport projects for the first time in 2009 based on the airport construction and operation know-how, and engaged in various activities to export the Korean-type airport model overseas. Based on the entry to the advanced market in Europe, it will strive to leap forward to become one of the professional global top 5 companies in airport operation by 2030.



Acquired Aa2 and AA International Credit Ratings first-ever since the Foundation of IIAC

Focus 10

IIAC has achieved AA in the final public credit rating, which is the same level as that of the Korean Government in the international credit rating evaluation, which was conducted for the first time since the establishment of the Corporation, and BBB+ in the standalone rating, which is the top-level among the public corporations in Korea. The Corporation has proven its financial soundness and future growth potential as a global airport specialized company even in this unprecedented crisis.



Chapter 2

Check-in to Sustainable Management

Approach to Sustainable Management

- 17 ESG-I Management Innovation
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- 30 Materiality Assessment



ESG-I Management Innovation



In June, 2021, Incheon International Airport Corporation (IIAC) declared the ESG-I Management Innovation and announced the mid- and long-term strategies under the participation of stakeholders including the employees of IIAC and subsidiaries, and experts from expert groups under the new vision 2030+. The paradigm of management will be transformed to pursue ESG management as the business management, which emphasizes on Corporate Social Responsibility (CSR) such as global eco-friendly efforts, creating social value and improving the transparency in governance, etc. Accordingly, IIAC will take a step forward on becoming the world-class ESG hub airport by adding innovation to ESG for implementing the ESG-I management.

First, IIAC will respond preemptively on the climate change crisis to take the lead on converting to low-carbon economy.

Since becoming the first airport in Asia to become a member of RE100 Initiative, Incheon International Airport will convert all power usage of the airport to renewable energy until 2040 to take the next step as the 'Energy Independent Airport'. Also, Incheon International Airport will respond preemptively on the environmental risks on future airport operation such as establishing the Bio-Aviation Fuel (BAF) supply system to realize the low-carbon, eco-friendly airport.

Second, IIAC will reinforce the person-centered Corporate Social Responsibility (CSR) management to take the lead on creating social value.

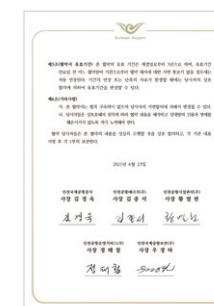
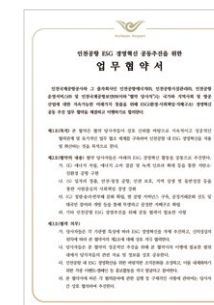
IIAC is planning to accelerate the development of aviation-tourism convergence airport economic zone, and create 120,000 reliable jobs through the New Deal Project oriented on Incheon International Airport. In addition, IIAC will establish the flawless safety & clean airport environment to enable the people to use the airport safely by constructing the Smart quarantine system, and the organizational culture will be reformed to customer-centered organization in effort to create a happiness platform that enables shared growth.

Third, One-Airport will be realized by spreading the culture of emphasizing on human rights, fairness and ethics throughout the airport.

ESG committee will be organized under the Board of Directors to reinforce the ESG-I management innovation, and labor director system will be introduced to establish the transparent and fair governance. In addition, core value of human rights, fairness and transparent ethical management will be implemented throughout Incheon International Airport for the goal of achieving the highest integrity level among public corporations to become the 'One Airport' where it is practiced by all stakeholders including the employees, customers and airport officials, etc.

Lastly, IIAC will innovate the airport operation by utilizing 4th industrial technology to lead the Digital New Deal.

Transformation to the digital-based Smart airport will be accelerated by innovating the immigration process through the biometric technology, and the growth of new future industries will be expanded by developing new technologies on the airport industry such as Urban Air Mobility (UAM) to provide the progressive paradigm for the leading airport in the Post COVID-19 Era.



ESG-I Strategic System & Main Goals

ESG Vision

Fly to the World Best ESG Hub

| Implementation Direction | Mid-Long Term Goal | Strategic Task |
|---|---|--|
| <div>Environment</div> <div></div> <div>Realize low-carbon, eco-friendly airport</div> | <div>Renewable energy conversion rate</div> <div>100%</div> <div>(~2040)</div> | <div>Conversion to green energy for airport operation</div> <div>Lead green mobility ecosystem</div> <div>Green transformation of airport infrastructure and environment</div> <div>Reduction of aircraft carbon emission and fine dust</div> |
| <div>Social</div> <div></div> <div>Reinforce person-centered CSR</div> | <div>Create new jobs</div> <div>120,000</div> <div>(~2030)</div> | <div>Activation of job ecosystem in the airport industry</div> <div>Realization of flawless safety & clean airport</div> <div>Innovation of organization for advanced corporate culture</div> <div>Lead local coexistence & development, and shared growth</div> |
| <div>Governance</div> <div></div> <div>Establishment of transparent and fair governance</div> | <div>Comprehensive Public Institution Integrity Level</div> <div>1</div> <div>(~2025)</div> | <div>Realization of transparent and ethical management</div> <div>Establishment of governance throughout the airport</div> <div>Public participation and resource opening</div> <div>Lead and spread the culture of fair trade</div> |
| <div>Innovation</div> <div></div> <div>Expansion of new future industry growth</div> | <div>Contribution level to national economy</div> <div>KRW 88 trillion</div> <div>(~2030)</div> | <div>Lead Digital New Deal by utilizing 4th industrial technology</div> <div>Expand aviation, logistics and culture & art network</div> <div>Develop new industries and innovative growth talent training</div> <div>Establishment of airport economic zone and diversification of overseas business</div> |

* Definition of Hub: ESG management innovation for reinforcing the leadership position in the global aviation industry as the operator of hub airport in Northeast Asia

ESG Brand

ESG Hub+ INCHEON AIRPORT

| Specific Task | Main Goal for Each Strategic Task |
|--|--|
| <div>• 3 specific tasks including RE100 membership and realization of energy independence, etc.</div> | <div>Join RE100 membership and energy independence • Renewable energy utilization rate</div> <div>3%2021100%2040</div> |
| <div>• 3 specific tasks including the construction of green mobility charging station (hydrogen electric vehicle charging station), etc.</div> | <div>Green transformation of diesel airport equipment • Conversion rate to eco-friendly airport equipment</div> <div>2%2021100%2030</div> |
| <div>• 3 specific tasks such as recycling of eco-friendly resources and preservation of ecological environment, etc.</div> | <div>Bio-aviation fuel (BAF) supply system • Bio-aviation fuel (BAF) supply rate</div> <div>Strategy Establishment202150%2050</div> |
| <div>• 2 specific tasks such as establishing the sustainable supply system of bio-aviation fuel (BAF), etc.</div> | <div>Recycling of eco-friendly resources & ecological preservation • Recycling rate of waste in the resource recovery facility</div> <div>50%202170%2040</div> |
| <div>• 2 specific tasks such as expanding the innovative jobs including the New Deal and startups, etc.</div> | <div>Expansion of innovative jobs • Create new jobs (~2017 total)</div> <div>30,000 persons2021120,000 persons2030</div> |
| <div>• 2 specific tasks including the construction of Smart quarantine infrastructure in all areas of the airport, and reinforcing the occupational safety and health of the workers, etc.</div> | <div>Construction of Smart quarantine infrastructure • ACI Airport Health Accreditation (AHA)</div> <div>Accreditation2021Continuous Renewal2025</div> |
| <div>• 3 specific tasks including the improvement of work productivity through digital-based innovation in working method, etc.</div> | <div>Promote the activation of local economy • Social benefit calculation amount (SROI standard)</div> <div>KRW 3.0trillion2021KRW 5.0trillion2025</div> |
| <div>• 2 specific tasks such as leading in solving the regional, national and global social issues, etc.</div> | <div>Digital-based work innovation • Sensitivity of improvement in work efficiency (employees)</div> <div>94%202196%2025</div> |
| <div>• 2 specific tasks including the system for establishing anti-corruption corporate ethics, etc.</div> | <div>Establishment of anti-corruption corporate ethics • Integrity of public institutions (Anti-Corruption & Civil Rights Commission)</div> <div>Comprehensive Level 22021Comprehensive Level 12025</div> |
| <div>• 2 specific tasks such as reinforcing the professionalism and transparency on the parent-subsidiary companies (Increase in the establishment of subsidiaries, and labor director system, etc.)</div> | <div>Reinforcement of professionalism and transparency on the parent-subsidiary companies • Operation of labor director system</div> <div>Participation in Board of Directors2021Official Introduction2025</div> |
| <div>• 2 specific tasks such as activating the citizen-participation type open communication channel, etc.</div> | <div>Spread autonomous fair trade compliance program • Autonomous fair trade compliance program (CP) level</div> <div>Level A2021Level AA2025</div> |
| <div>• 2 specific tasks such as leading the appropriate transaction model by sophisticating the fair culture Implementation system, etc.</div> | <div>Private & Public Cooperation Network • Comprehensive evaluation of information disclosure (Ministry of the Interior & Safety)</div> <div>Normal Level2021TOP Level2025</div> |
| <div>• 2 specific tasks including the paradigm shift to Smart technology-based passenger service</div> | <div>Paradigm shift to Smart passenger service • Time required for immigration</div> <div>Departure 38min.2021Departure 35min.2025</div> |
| <div>• 2 specific tasks by creating the hub through early recovery of demands and strategic network expansion, etc.</div> | <div>Early recovery and expansion of strategic network • No. of international passengers (10,000persons)</div> <div>2,09320218,4412025</div> |
| <div>• 2 specific tasks such as innovating the airport access transportation by introducing future transportation method preemptively</div> | <div>Economic zone converging business and tourism, etc. • Contribution level to national economy</div> <div>KRW 15 trillion2021KRW 61 trillion2025</div> |
| <div>• 2 specific tasks including the establishment of Incheon International Airport economic zone converging business, tourism and high-tech industry, etc.</div> | <div>Advanced introduction of future transportation methods • Introduction and establishment of UAM system</div> <div>Preparation for Introduction2021Test Operation2025</div> |

Risk Management

Risk Management System

IIAC will provide the foundation for sustainable growth through systematic management on various risks that are occurred in the unable business environment and activities. Accordingly, IIAC established the Enterprise Risk Management (ERM) system to diagnose or prevent the risks in advance, and response system (response team and on-site action manual, etc.) is provided and operated in preparation for occurrence of actual risks. IIAC selected 30 key risks (6 management risks, 24 operational risks) and established the Key Risk Index (KRI) for measuring the risk level (4 stages of attention, caution, alert and serious) on each relevant risk to perform periodic monitoring and risk management. Departments responsible for the ERM include the Planning & Coordination Group for management risks (strategic management group), and Safety Innovation Group and Integrated Airport Operation Center (IOC) for operational risks (internal control group, crisis response group).

| Category | Management risk (6 items) | Operation risk (24 items) | |
|-------------------------------|---------------------------------------|---|-----------------------|
| Risk Group Category | Strategic Management Group | Internal Control Group | Crisis Response Group |
| | Risk management on strategic business | Airport operation failure management | Response to disasters |
| General Management Department | Planning & Coordination Group | (Ordinary) Safety Innovation Group | |
| | | (Emergency) Safety Innovation Group / Integrated Airport Operation Center (IOC) | |
| Main Management Manual | Practical manual on crisis response | Operational Control Procedure (OCP) | On-site Action Manual |

Response Methods for Each Risk Type

Separate from the departments responsible for ERM, IIAC organized departments responsible for the risk management and actual response for each of the 30 key risks to provide and operate the response measures for each risk type. Each department diagnose the risk in advance through monitoring of each KRI, and actions are taken according to the practical manual for each risk type and on-site action manual when occurred with actual risks.

| Category | | Main KRI | Monitoring |
|---------------------------|--------------------------------------|--|--|
| Operation Risk (24 items) | Airport Safety | • Damage from storm, flood and snow • Damage from aircraft accident • Level of epidemic | Establishment of 4-Step alert level Utilization for decision-making on response to crisis for each level of 'Attention - Alert - Caution - Serious' and judgment criteria for actions |
| | Aviation Security | • Number of smuggling accidents • Number of cyber infringements | |
| | Facility Manager | • Suspension time of shuttle train service • Failure level of airport power system | |
| | Aircraft Operation Safety Management | • Level of A-SMGCS failure • ARTS failure occurrence time | |
| | Information Communication | • IIS system failure duration time • Suspension time of key information linked service | |
| | Terminal Operation | • No. of flights discontinued with check-in procedure • Time restricted/stopped of passage to the main access roads | |
| Management Risk (6 items) | Future Growth | • Change in duty-free sales compared to the previous year • Delay rate in overall 4-stage progress | Alert stage setting management and case analysis per issue |
| | Business Management | • No. of corruption events/accidents (exposed externally) • Level and range of strike on the consignment business | |

Risk Response Activity

In 2020, unprecedented management crisis occurred due to the COVID-19 pandemic, and IIAC took the initiative on operating the emergency countermeasure organization to declare the emergency management (March, 2020) for the first time among public corporations. From April on showing full-scale impact of the COVID-19 pandemic, the passenger demand showed rapid decrease of 5.63 million compared to the previous year, and in the same period, the aviation revenue decreased 52% along with 6% decrease in the non-aviation revenue to show total decrease of KRW 195.3 billion in revenue. IIAC took the effort to protect and prevent the collapse of the airport industry ecosystem by carrying out large-scale supports such as KRW 773.3 billion in reduction of airport charges and KRW 391.8 billion in payment deferral, and diversified the financing for liquidity risk management. Also, strategic measures were planned to reduce the budget, etc. Meanwhile, various policies were implemented to quickly restore the aviation industry by establishing marketing strategies to quickly recover the demand, by creating new demand through development of no-landing tourism flight service, and by developing alternative demand such as attracting the overseas arrival demand as the transfer demand.

IIAC operated the Emergency Management Center to prevent the spread of epidemic, and reinforced the quarantine system in airport operation. 3-Step fever checkpoints was operated for each passenger moving path from the terminal entrance, departure hall and boarding date, and management of passengers with symptoms and epidemiologic survey were performed to prevent the spread of COVID-19 in the airport. Two test centers were established, and various policies were implemented such as total inspection of arrival passengers, supply of hygiene products for workers in contact with the passengers, and social distance campaign, etc. were performed to realize the flawless measures on preventing the spread of epidemic.

Even during the COVID-19 crisis, plan was established on preparing for damage from storm and flow, and Emergency Operation Room was managed to minimize the damage from strong wind and heavy rain in the summer season. When occurred with fire in the airport (3 cases in 2020), the situation was spread quickly to take initial action by the fire department for preventing any risks that can occur in airport operation.

| Category | Liquidity Risk | Business Risk | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|--|--|-------------------------------|-------------------------------|---------|---------|---------------|------------|------------|------------|-----------|---|--------|-----------|---------|-------|---------|-----------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Risk Classification | Lack of short-term funds | Decrease in aviation/non-aviation revenue | | | | | | | | | | | | | | | | | | | | |
| Key Risk Indicator (KRI) | Short-term liquidity ratio | Revenue change rate | | | | | | | | | | | | | | | | | | | | |
| Risk Level Diagnosis | <table><tr><td>Normal</td><td>Attention</td><td>Caution</td><td>Alert</td><td>Serious</td></tr><tr><td>200% and more</td><td>Below 200%</td><td>Below 150%</td><td>Below 100%</td><td>Below 50%</td></tr></table> <p>• Faced 94% in short-term liquidity ratio due to plunge of inflow of funds caused by an action of large scale rent reduction/ payment postponement.</p> | Normal | Attention | Caution | Alert | Serious | 200% and more | Below 200% | Below 150% | Below 100% | Below 50% | <table><tr><td>Normal</td><td>Attention</td><td>Caution</td><td>Alert</td><td>Serious</td></tr><tr><td>Level of the previous month</td><td>Within 5%p of reduction rate</td><td>Within 10%p of reduction rate</td><td>Within 15%p of reduction rate</td><td>Within 20%p of reduction rate</td></tr></table> <p>• A total of KRW 195.3 billion (22%) fell due to 52% and 6% reduction in aviation revenue and non-aviation revenue, each, year on year, based on April 2020.</p> | Normal | Attention | Caution | Alert | Serious | Level of the previous month | Within 5%p of reduction rate | Within 10%p of reduction rate | Within 15%p of reduction rate | Within 20%p of reduction rate |
| | Normal | Attention | Caution | Alert | Serious | | | | | | | | | | | | | | | | | |
| 200% and more | Below 200% | Below 150% | Below 100% | Below 50% | | | | | | | | | | | | | | | | | | |
| Normal | Attention | Caution | Alert | Serious | | | | | | | | | | | | | | | | | | |
| Level of the previous month | Within 5%p of reduction rate | Within 10%p of reduction rate | Within 15%p of reduction rate | Within 20%p of reduction rate | | | | | | | | | | | | | | | | | | |
| Crisis Management Activity | <p>• Preemptive establishment of funds plan assuming the worst situation</p> <p>- Funds balance analysis and risk management activity per scenario by demand recovery period/airport use charges reduction/ exemption, upward adjustment of loan ceiling approved by the BOD</p> | <p>• Taking actions from the long-term perspective, rather than immediate revenue pursuit</p> <p>- Use charges reduction – KRW 773.3 billion, payment postponement – KRW 391.8 billion</p> <p>• Promotion of the aviation industry's recovery through alternative demand development</p> <p>- Development of no-landing tourist flights and attraction of transfer passengers returning home from abroad</p> | | | | | | | | | | | | | | | | | | | | |
| Implementation Performance | <p>• Stable management through 133% in annual average liquidity ratio, 47.9% in debt ratio (4.4%p down compared to financial target)</p> | <p>• Maintained top level network competitiveness in the COVID-19 crisis situation.</p> <p>- Number of international routes: Beijing International Airport (27 routes: -74%), Narita International Airport (55 routes: -50%), Incheon International Airport (90 routes: -42%)</p> <p>• Created 13,000 new passengers and 36,000 alternative demand for transfer passengers with an attraction of two new routes.</p> | | | | | | | | | | | | | | | | | | | | |

Stakeholder Engagement

Definition of Stakeholders & Communication with Stakeholders

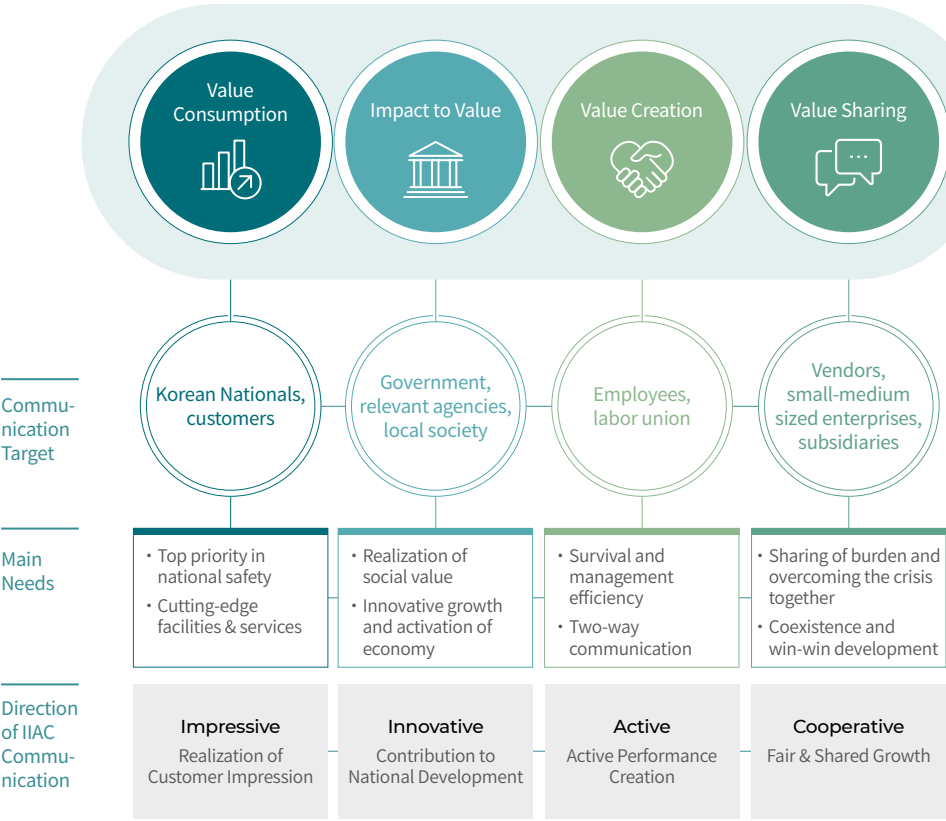
Communication and cooperation with the stakeholders is most important to increase the future value of Incheon International Airport where various stakeholders are residing. IIAC is classifying the stakeholders to those consuming value (general public, customer), having impact to the value (government, relevant agencies and local society), creating value (employees, labor union) and sharing value (vendors, small-medium sized enterprises and subsidiaries), and customized communication channel is operated for each group to listen to their various opinions. These opinions of the stakeholders are reflected into the major decision-making and business management activities of IIAC such as developing the Incheon International Airport Quarantine APP, etc.

Stakeholder Communication Strategy System

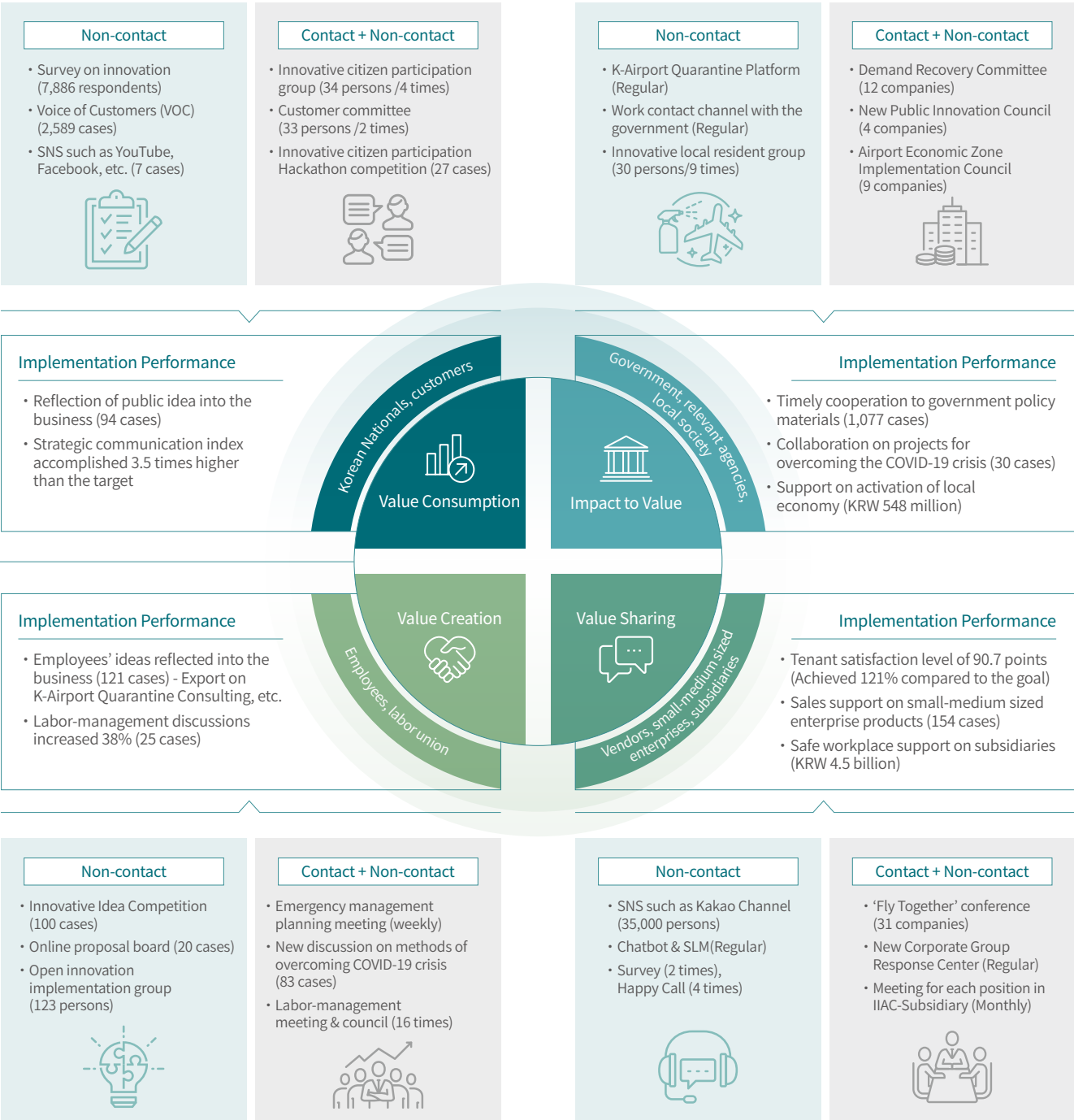
Communication Objectives

Overcome the COVID-19 crisis by realizing exclusive IIAC communication channel & innovation of airport operation in the New Normal Era

Classification



Communication Channel for Each Stakeholder Group



Main Cases of Reflecting Stakeholder Opinion on Business Activities

01

Spread of performance and sharing through the branding of social value strategy (Together)

Reflection Result

- Production of contents such as video, leaflet and info graphic, etc. was increased, and held events open to the public

02

Consider qualitative indicators in the measurement of social value performance

Reflection Result

- Non-quantitative indicators adopted in internal assessment (expanded additional points applied to indicators) and awards given for superior performance (65 cases)

03

Guarantee equal safety rights to all workers in the airport

Reflection Result

- COVID-19 response standard shared with all employees (13 times)
- Face mask and sanitizers distributed freely (KRW 6 billion)

04

Developed the system to enable arriving/ departing passengers to share infectious disease status in advance

Reflection Result

- IIAC quarantine APP developed in cooperation with Inha University hospital and a private IT service provider

05

Strengthened alliance and cooperation with other airports required in COVID-19 Era

Reflection Result

- Quarantine consulting to Indonesia Bali Airport (Global cooperation network is planned to be continuously expanded in the future)

06

International standardization of K-airport quarantine

Reflection Result

- Site briefing provided to diplomatic delegations (47 countries)
- Quarantine checklist disseminated to aviation industry

07

Provide new service by applying new technologies according to the emergence of non-face-to-face/non-contact business

Reflection Result

- Introduced portable temperature screening KIOSK, quarantine/disinfection robot, AI voice recognition signage, etc.

08

Airport facilities renovated for the socially vulnerable such as the mobility handicapped

Reflection Result

- Autonomous driving electric car 'Air Ride', cart robot 'Air Porter' introduced for the mobility handicapped

09

More active communication and PR to satisfy the people's right to know

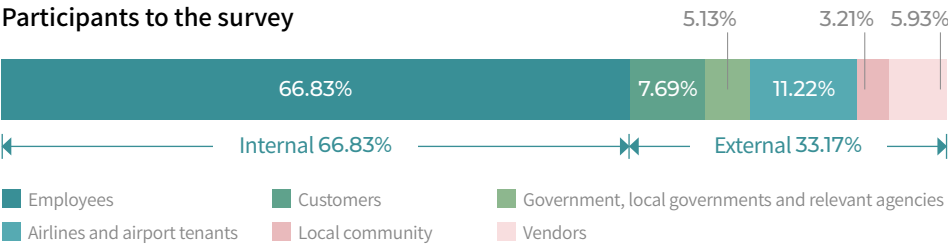
Reflection Result

- Information list 100% disclosed (1.8 million cases)
- SNS such as YouTube, etc. operated in 4 languages (Korean/English/Chinese/ Japanese, 1.28 million subscribers)

Issues of Interest/
Response
Method for Each
Stakeholder

IIAC is conducting annual survey on stakeholders to identify the issues of interest by major stakeholder groups, and their significance in implementing sustainable management. By conducting the survey, IIAC identified the importance of issues in each area of sustainable management that must be responded and managed in priority to fulfill the social responsibility, and to develop into a sustainable corporation. Various opinions collected through survey will be reflected actively in the future sustainable management strategies and tasks of IIAC.

Participants to the survey



Survey Result

The survey was designed to evaluate the impact and significance to IIAC regarding the issues for each 4 sectors of general, economic, social and environmental sustainable management to promote strategic and systematic sustainable management on IIAC. The survey result showed that the highest priority was responding to COVID-19 that is emphasized of significance not only domestically, but also around the world, and issues having impact to the sustainability in connection to the organizational tasks such as 'Safe Airport' and 'Customer Safety & Securing Health' were shown to have high significance. Also, issues based on sustainable management such as 'Ethical Management & Risk Management', etc. were also shown to have high significance. Most of the issues in the upper and lower rank of the survey in the previous rank were also shown to be in the similar ranking in this year's survey, and implementation of the ESG strategy system was selected as the new issue.

| Internal | | | External | | |
|----------|--|---------|----------|--|---------|
| Rank | Internal | Average | Rank | External | Average |
| 1 | Response to COVID-19 | 4.62 | 1 | Implementation of ESG Strategy System | 4.74 |
| 2 | Establishment of Safe Airport | 4.61 | 2 | Response to COVID-19 | 4.64 |
| 3 | Ethical & Legal Compliance | 4.56 | 3 | Ethical & Legal Compliance | 4.55 |
| 4 | Reinforcement of Governance Transparency & Expertise | 4.48 | 4 | Risk Management | 4.50 |
| 5 | Secure Customer Safety & Health | 4.47 | 5 | Reinforcement of Governance Transparency & Expertise | 4.43 |
| 6 | Risk Management | 4.46 | 6 | Stakeholder Inclusiveness | 4.40 |
| 7 | Reinforcement of Passenger Volume & Logistics Capability | 4.42 | 7 | Create Economic Value | 4.38 |
| 8 | Securement of New Growth Engine | 4.40 | 8 | Reinforcement of Passenger Volume & Logistics Capability | 4.35 |
| 9 | Establishment of Win-Win Labor-Management Relationship | 4.33 | 9 | Sustainable Supply Network Management | 4.31 |
| 10 | Maximize Customer Convenience | 4.32 | 10 | Waste Water & Waste Management | 4.20 |

SR Stakeholders' Committee

Convening the Committee Meeting & Results



According to the increase in the significance of 'Stakeholder Inclusiveness', IIAC is establishing the positive and reliable relationship through the communication with stakeholder group from various fields. The stakeholder committee meeting is held once a year from 2012 to share the various activities and performances of sustainable management that is promoted by IIAC, and efforts are made to reflect the precious opinions of the stakeholders to the sustainable management strategies and activities.

In the SR stakeholder committee meeting held in 2021, major stakeholder groups of IIAC such as those from the academia, civic group, airport workers and representative of the people, etc. were gathered to review the major issues for sustainable management by IIAC, and in-depth discussions were made on the implementation and development methods required in the future for IIAC to perform the strategic sustainable management activities. In addition, Executive Vice President and sustainable management personnel of IIAC participated as the internal panel members to explain and share the policies and directions of the sustainable management by IIAC.

Report on Main Opinions of the Committee Members (In the order of speech)



“ Sustainable management must be the ultimate goal of corporate management, and accordingly, this declaration of ESG management by IIAC has great significance on the point that the promotional direction of public corporations was indicated first. Based on the results of the significance evaluation, we would be grateful if you could provide a proposal for the contents that should be included in the Sustainability Report, or if you can tell us about ESG management of IIAC in the future.

Yoon-chul, Lee
Chairman | Professor of Korea Aerospace University



“ It would be better for Incheon International Airport to play the leading role in implementing ESG while having continuity with the existing CSR and CSV. As a healthy tree can take root in a good soil, efforts should be made to create a foundation for forming healthy relationships with stakeholders. We must utilize ESG to eliminate inappropriate customers, and find methods for creating economic and social values at the same time. Also, I propose a review on the methods to classify important issues as E, S, G, and to set indicators (SASB) that are important in the airport industry, and to include the basis for such setting in the report.

Jae-gu, Kim | Win-Win Subcommittee | Professor of Myungji University



“ I propose the introduction of the significance evaluation method as the binary choice method to increase the discriminative power of significance assessment. ESG strategy can be established with results different from the present if significance evaluation is performed in detail such as for each age, gender and political orientation, etc. Also, it is necessary to develop a measurement tool that converts the company's impact on economy, society, and environment into financial figures, and it is necessary to enable real ESG management through the disclosure of climate-related information by officially declaring support for TCFD.

A-reum, Jeong | Economic Subcommittee | SK Center for Social value Enhancement Studies

“ A method is required for the customers and passengers to actually acknowledge the ESG strategy implemented by Incheon International Airport. I recommend that tasks for practicing ESG are discovered, and detailed PR method and active communication channel with the customers must be provided. Especially, a window to communicate on the socially sensitive issue without reproach and to reflect the voices of MZ generation is needed.

Hye-yoon, Lee | Inclusiveness Subcommittee | Customer Committee (Freelancer)



“ ESG tasks that each employee working in Incheon International Airport can practice during the work and everyday life must be discovered. When the detailed eco-friendly practice method is provided, the implementation level can be identified to reflect to the report on results. Also, professionalism and transparent disclosure of contract are required to materialize the support for win-win work.

Oh-soo, Park | Safety & Environment Subcommittee | Incheon International Airport Security

“ In the situation where the focus is made on the issue of carbon emission occurred from the logistics and transportation due to COVID-19, there are discussions made officially in Europe regarding the replacement of railway with aircrafts, and this trend will also be applied domestically in the near future. As we are approaching the period of commercializing the hydrogen energy, Incheon International Airport must take preemptive response towards the logistics related to hydrogen energy. We need to prepare for playing the pivotal role in hydrogen energy within the supply chain of air-sea-rail transportation by considering the geographical characteristics of the Incheon region.

Chul-woong, Lee | Economic Subcommittee | Professor of Korea University





“ The global paradigm is shifting to inclusive growth, stakeholder capitalism and carbon-free society. Especially, decarbonization for response to climate crisis is a very important task, and goals and methods must be provided in detail to achieve RE100. Also, airports must establish the collaborative ecosystem for practicing the carbon reduction. According to the declaration on support TCFD and TCFD framework in the future, I propose that the system is provided on reporting the governance, strategy, risk management, indicators and reduction goal related to the climate, and find the method for objectifying the performance and level of IIAC through the Carbon Disclosure Project (CDP).

Jong-oh, Lee | Win-Win Subcommittee | Secretary-General of Korea Sustainability Investing Forum (KoSIF)



“ I hope that there are visible PR methods for the people to recognize the ESG cases by Incheon International Airports even when they don't visit the airport during the period of decrease in passengers. It will be effective to discover cases of practicing Green Airport to promote through various channels in the future.

Min-seok, Park | Process Subcommittee | Customer Committee (E-Mart)

“ Majority of the general public don't know what a Sustainability Report is, so the report must be prepared in the method where it can be understood and communicated easily. Especially in the period where people are sensitive to environmental issues, more efforts are required for enabling internalization by the employees and establishing consensus with the local community. Method of adding the implementation entity and action plan in detail on the promotional tasks in the ESG strategy must be reviewed.

Yong-ho, Woo | Inclusiveness Subcommittee | Head of Center of Korea National Council on Social Welfare



“ New Vision 2030+ (People, Culture, Future) and ESG must be promoted strategically and clearly. ESG can be practiced on the technical factors, environmental factors and financial aspects such as global economization. Value of the customers and stakeholders must be created, and convenience of using the airport must be promoted. Also, ESG must be introduced initiatively to expand the existing function in the environment and technology perspectives. Due to the M&A of Korean Air in the transboundary period and ultra large-scale airport, there will be more elements on enabling Incheon International Airport to become an ESG Hub Airport. Especially, the win-win ecosystem with the local community of Incheon must be developed appropriately for connection with the ESG strategy, and the implemented performance must be measured and delivered for acknowledgment by the stakeholders.

Jin-woo, Park | Economic Subcommittee | Professor of Korea Aerospace University

“ There are many points in which ESG is difficult for the general public to acknowledge, so proper method is required for delivery. Especially, possibility of realization in the mid-long term perspective must be considered to review the priority of the significant issues. Performance of eco-friendly campaign that can be practiced by the airport employees internally is recommended. Also, social consensus on the safety within the airport ecosystem, practice method and provision of the system are required.

Oui-tae, Son | Win-Win Subcommittee | Team Leader of Lotte GRS



“ A campaign on encouraging the eco-friendly behavior possible for participation by IIAC, employees of Incheon International Airport and general public is recommended. Also, I recommend the consideration of various methods (utilization of APP, etc.) where the people can communication and participate in the ESG management. Moreover, social contribution activities for the local residents in connection with the employees in the aviation industry and students of local schools are requested.

Hong-joo, Yoon | Safety · Environment Subcommittee | Customer Committee (Housewife)



“ ESG must be approached with a long-term perspective. The sincerity of ESG management and what standard is used to disclose the information transparently will grant the significance on publishing the report, so the communication window for exchanging various opinion by the civil society and stakeholders must be activated to have the will to practice. I wish that true sense of ESG management is achieved where human rights-focused management, transparent disclosure of results, checking and suggesting ideas by civil society and stakeholders can be facilitated. As a public corporation which emphasizes cooperation with the government, IIAC must prepare a rational standard and set precedents like the case of airport quarantine in the COVID-19 crisis which has been regarded as being successful.

Se-ryun, Song | Win-Win Subcommittee | Professor of Kyunghee University

“ The participation of the local community was reduced compared to the previous year in the significance evaluation, and I think that the social contribution activities by IIAC are not well-known externally. I propose that the PR on the social contribution is reinforced for more appropriate communication with the local community.

Joong-bin, Lim | Safety · Environment Subcommittee | Customer Committee (Cell Return)



“ Recently, many public corporations in Korea were emphasized with negative issues to increase the ethical management in the 2021 significance evaluation compared to the previous year. Through the publication of the Sustainability Report, I hope that Incheon International Airport have a sense of responsibility in the overall management.

Chang-geun, Lee | Win-Win Subcommittee | Customer Committee (Fliers Corporation)

“ As shown through the successful response to the COVID-19 crisis, I request that Incheon International Airport decides on active facility improvement to provide convenience in using the airport by the socially underprivileged. Also, I hope that the contents related to Incheon International Airport are developed and provided through the channels such as YouTube to enable the general public to take interest in the contents.

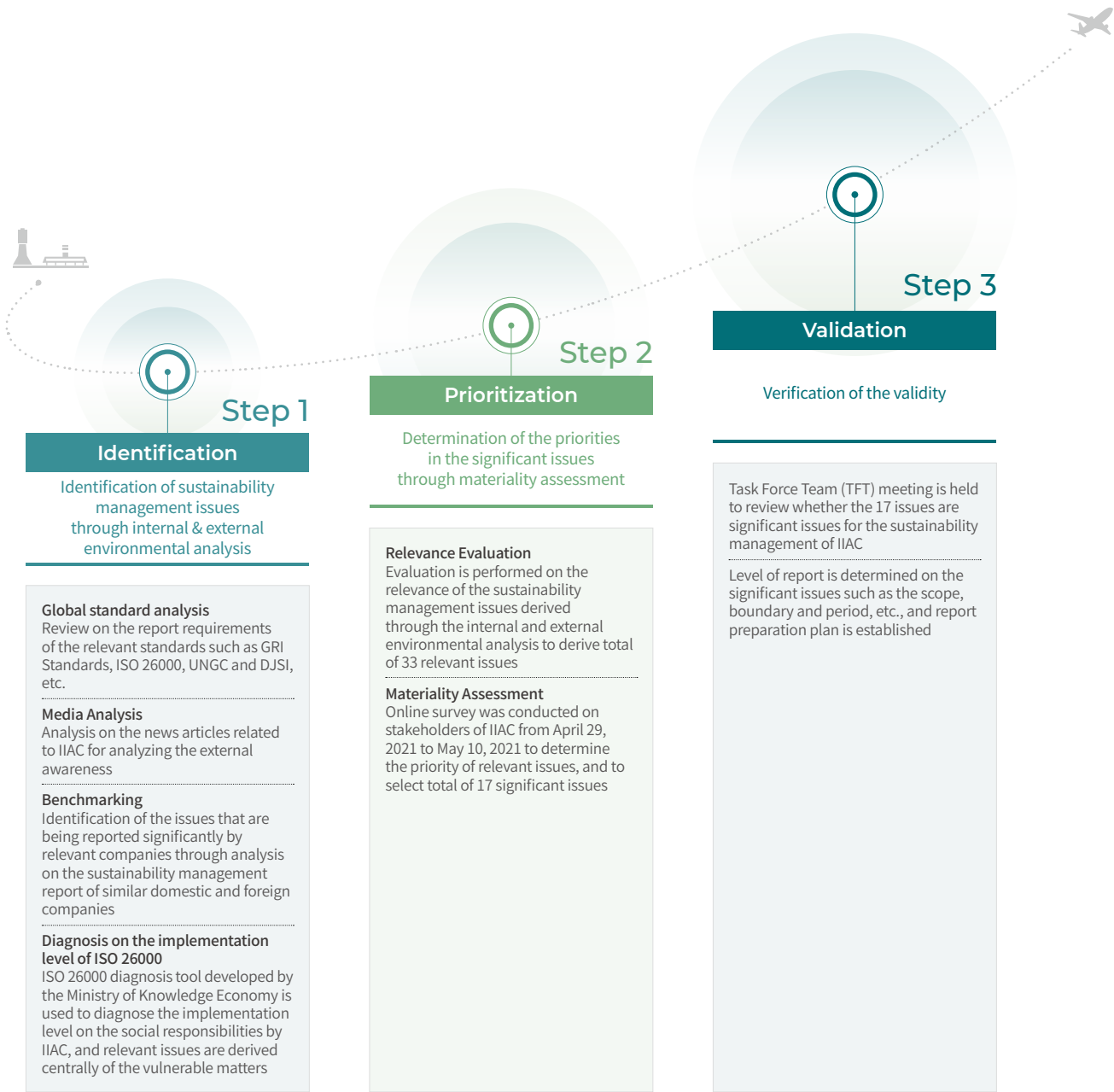
Tae-kyu, Kim | Safety · Environment Subcommittee | Customer Committee (Unify Systems)



Materiality Assessment

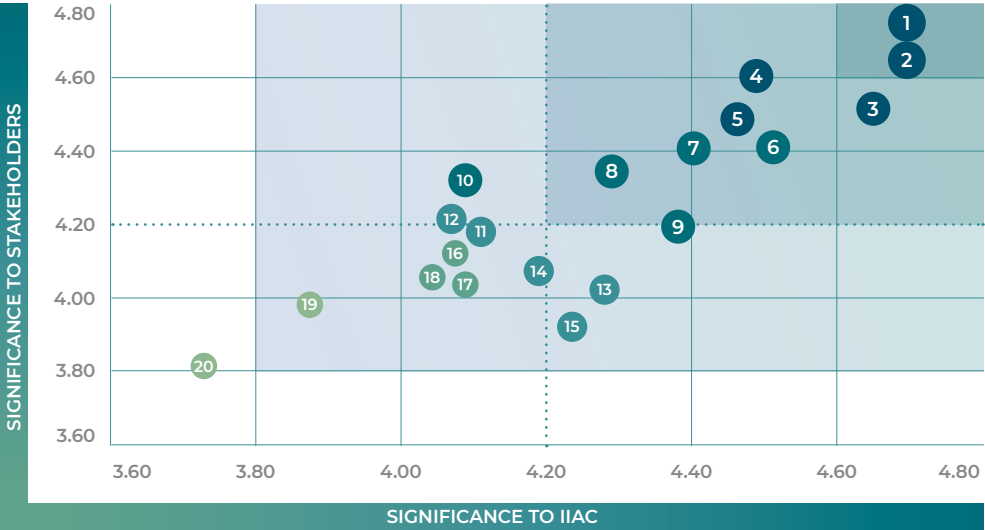
Materiality Assessment Process

Selection of significant issue is one of the important processes for the efficient and systematic report of the various issues related to Sustainability Management. IIAC performed materiality assessment based on the principles of sustainability context, materiality, completeness and stakeholder engagement recommended by ISO 26000 and GRI Standards to select the significant issues related to Sustainability Management by IIAC. Among the many sustainability issues of IIAC, the table of contents and details of the report was composed centrally of the matters of main interest by the stakeholders and issues with high relevant to the sustainability management field and businesses by IIAC, and efforts were taken on including the relevant information faithfully.



Result of Materiality Assessment

Stakeholders of IIAC evaluated the significance of various Sustainability Management issues of IIAC, and 20 issues with high significance average were selected as the main issues on sustainability management. Topics selected to be significant for the sustainability management of IIAC by the employees and stakeholders in 2021 showed that the highest priority was responding to COVID-19, and issues having impact to the sustainability in connection to the organizational tasks such as 'Safe Airport' and 'Customer Safety & Securing Health' were also shown to have high significance. In addition, issues based on Sustainability Management such as 'Ethical Management & Risk Management', etc. were also shown to have high significance.



Significant Issues & Composition of Table of Contents in the Report

| No. | Significant Issue | Table of Contents in the Report | Report Boundary | 2020 Ranking | No. | Significant Issue | Table of Contents in the Report | Report Boundary | 2020 Ranking |
|-----|--|--|----------------------|--------------|-----|--|---|----------------------------|--------------|
| 1 | Response to COVID-19 | Response to COVID-19 | All Stakeholders | 1 | 11 | Sustainable Supply Network Management | Future-oriented Airport | Employees, Vendors | 8 |
| 2 | Establishment of Safe Airport | Realization of Safe Airport | All Stakeholders | 3 | 12 | Implementation of ESG Strategy System | Talent Management | All Stakeholders | New |
| 3 | Ethical & Legal Compliance | Ethical Management | Employees | 11 | 13 | Establishment of Win-Win Labor-Management Relationship | Shared Growth & Win-Win Cooperation | Employees | 10 |
| 4 | Secure Customer Safety & Health | Realization of Safe Airport | Customer | 3 | 14 | Talent Attraction, Maintenance & Development | Green Airport | Employees | 12 |
| 5 | Risk Management | Risk Management | All Stakeholders | 7 | 15 | Creation of Economic Value | Stakeholder Engagement | Employees, Customers | 6 |
| 6 | Reinforcement of Governance Transparency & Expertise | Establishment of Transparent Governance | Employees | 14 | 16 | Respect for Human Rights & Diversity | Local Community Engagement | All Stakeholders | 13 |
| 7 | Reinforcement of Passenger Volume & Logistics Capability | Expansion of Airport & Logistics Network | Employees, Customers | 2 | 17 | Waste Water & Waste Management | Establishment of low-carbon, eco-friendly airport | Employees, Local Community | 16 |
| 8 | Maximize Customer Convenience | Reinforcement of Airport Service | Employees, Customers | 5 | 18 | Response to Climate Change | Establishment of low-carbon, eco-friendly airport | All Stakeholders | 17 |
| 9 | Securement of New Growth Engine | Expansion of Future Business Growth | All Stakeholders | 4 | 19 | Noise Control | Establishment of low-carbon, eco-friendly airport | Employees, Local Community | 18 |
| 10 | Stakeholder Engagement (Increase in communication channel and response to interests) | Stakeholder Engagement | All Stakeholders | 15 | 20 | Local Community Engagement | Coexistence & Development with Local Community | Employees, Local Community | 9 |

Chapter 3

Taking a Step Forward to ESG Management

Social Value Creation



Sustainability Management Activities Based on ESG-I

What IIAC conceives about ESG is keeping the basics, setting the standards, and following the principles.

Our basics are the environment, our standards are the customers, and our principles are integrity and fairness.

Here, we aim for industry-leading global airport with future oriented innovations. IIAC will begin the righteous transformation to ESG-I management.

- 34 **Environment** | Green Airport for a Better World
- 48 **Social** | Customer Experience & Safety Oriented Airport
- 62 **Social** | Airport Growing Together Win-win Partnership
- 70 **Social** | Airport Leading the Organizational Innovation
- 78 **Governance** | Fair & Transparent Ethical Airport
- 86 **Innovation** | Airport in the Economic Zone Showing Innovative Growth

Green Airport for a Better World

WHY THIS MATTERS

There are disasters occurring frequently around the world due to abnormal climate, and we are now able to feel the environmental crisis in our everyday lives. In this period where even the survival of mankind is being mentioned, the international society is gradually reinforcing the environment regulations according to the climate change, and environmental risk is increasing in the aviation industry. Eco-friendly management is the foundation of the sustainable future for mankind, and the first step of ESG-I management considered by IIAC. IIAC will establish eco-friendly management as the key promotional strategy in the Vision 2030+, and the role as the facilitator for the ‘Sustainability’ of the future generation will be performed faithfully.

APPROACH

To construct the Green Airport, IIAC established the 4 major strategies in the Green New Deal of ‘Conversion to Green Energy for Airport Operation’, ‘Establishment of Green Mobility Operating System’, ‘Reduction of fine dust and exhaust gas from Aircrafts’, and ‘Green Transformation of Airport Infrastructure and Environment’ to accomplish the transformation of Incheon International Airport to Green Airport by 2030. Efforts will be continued to convert the power to renewable energy in full-scale, and the airport will be transformed to energy independent airport for becoming the global leading eco-friendly hub airport that minimizes environmental impact.



KEY FIGURES

Energy Independence

3.2% Achieved



Eco-friendly Vehicle
Introduced on Business Vehicles

100%



ACI Airport Carbon Accreditation (ACA)

Level 3 Renewed



Greenhouse Gas (GHG) Reduction

51,959 tCO₂



Hydrogen Vehicle Charging
Infrastructure

The Largest size
in Korea



Green New Deal Strategy &
Eco-friendly System Operation

Green New Deal Implementation Strategy

‘Green New Deal’ is a sustainable development policy where the environment and people become the center by constructing the low-carbon economic structure of inducing economic stimulation and implementation of employment through investment on the environment. International Civil Aviation Organization (ICAO) is implementing the carbon-neutral growth to reduce the greenhouse gas (GHG) emission in the aviation industry, and the Korean government also announced on July 14, 2020 regarding the ‘Comprehensive Plan on Korea New Deal’ that includes ‘Establishment of Green Airport for Leading the Green New Deal’. To joint and global trend and to participate actively on the government policy, IIAC is implementing the ‘Establishment of Green Airport for Leading the Green New Deal’. Low-carbon, eco-friendly and energy independent airport will be realized based on the vision of ‘Global Leading Green Airport’ to reinforce the competitiveness of the global airport in the Post COVID-19 Era. IIAC will enable the transformation of Incheon International Airport to Green Airport by 2030 through the 4 major strategies in the Green New Deal of ‘Conversion to Green Energy for Airport Operation’, ‘Establishment of Green Mobility Operating System’, ‘Reduction of fine dust and exhaust gas from Aircrafts’, and ‘Green Transformation of Airport Infrastructure and Environment’.

Global Leading Green Airport by Establishing & Implementing
the 4 Major Strategies in the Green New Deal

| | |
|---|--|
| ENERGY | Establishment of Energy Independent Airport |
| <ul style="list-style-type: none">• Operation of photovoltaic power facility and cleaning system (7,312kW)• Maintenance, early completion and operation of the geothermal power facility (8,195kW)• Full-scale replacement of indoor lighting to LED in the airport (14,000EA) | |
| MOBILITY | Establishment of Green Mobility Operating System |
| <ul style="list-style-type: none">• Operation of 84 hydrogen vehicles for business and 7 hydrogen buses• Operation of 40 electric vehicles for business and 11 electric buses• Agreement on conversion of 1,300 diesel support equipment to eco-friendly equipment (February) | |
| EMISSION | Reduction of Fine Dust & Exhaust Gas on the Aircraft |
| <ul style="list-style-type: none">• Decrease in greenhouse gas of 45,000 tCO₂ compared to the previous year (17% ↓)• High-speed exit taxiway extension design and installation of LED lights (423EA)• Operation of 208EA of AC-GPS and 91EA of PC-Air through localization of technology* <p>* AC-GPS : Aircraft Ground Power Supply, PC-Air : Pre-Conditioned Air</p> | |
| INFRA | Green Transformation of Airport Infrastructure & Environment |
| <ul style="list-style-type: none">• Waste recycling of waste battery and scrap metal, etc. (2,460 ton)• Expansion of surrounding green space (320,000㎡) and increase in water recycling (14.7% ↑)• Renewal of ISO 14001(Environmental Management System) Certification (November) | |



Publication of Green Report
IIAC is continuing the diversified efforts to manage and improvement low-carbon, eco-friendly management implementation performance, and along with the Sustainability Report, the ‘Green Report’ is published annually to share these activities with the stakeholders. Details on the activities and performances related to the issues of ‘Realizing Green Airport’ can be verified through the ‘Green Report’ posted in the official IIAC website.

Conversion to Green Energy for Airport Operation

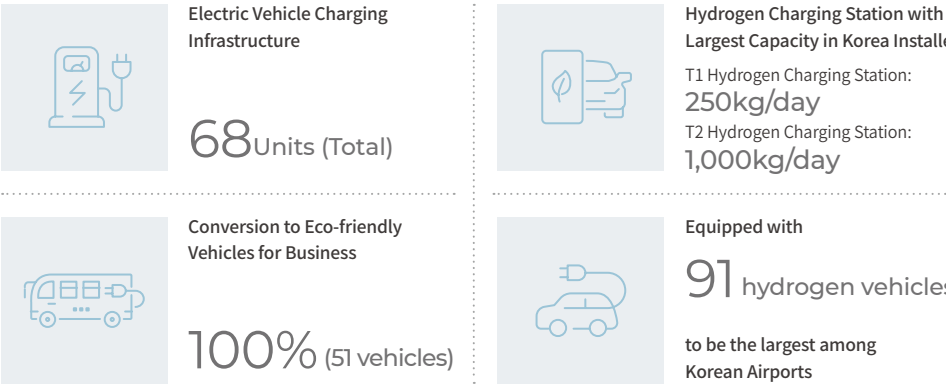
To contribute to the environment and national health, IIAC will improve the proportion of renewable energy on the energy required for airport operation, and promote projects on increasing the energy consumption efficiency to become the energy independent airport. To realize this goal, IIAC will operate the T/F team exclusively on the Green New Deal to sophisticate the low-carbon & eco-friendly management system, and methods will be provided to enable all airport operators such as the airlines and handling companies to participate in the greenhouse gas (GHG) reduction. In addition, IIAC is expanding the use of renewable energy such as photovoltaic and geothermal power, and implementing the introduction of power facilities using hydrogen energy to accomplish the goal of 20% supply rate in self-production of renewable energy. Moreover, IIAC will participate in the initiative for expanding the renewable energy of RE100*, and K-RE100 implementation methods will be used to actively promote the use of renewable energy for accomplishing the goal of increasing the current renewable energy proportion of 3.2% to 60% by 2030, and to 100% by 2040.

* RE100 : As the global initiative on expanding the use of renewable energy through the voluntary promise by the companies to cover 100% of power consumption through renewable energy, there are currently about 300 global companies participating in this initiative as of July, 2021.



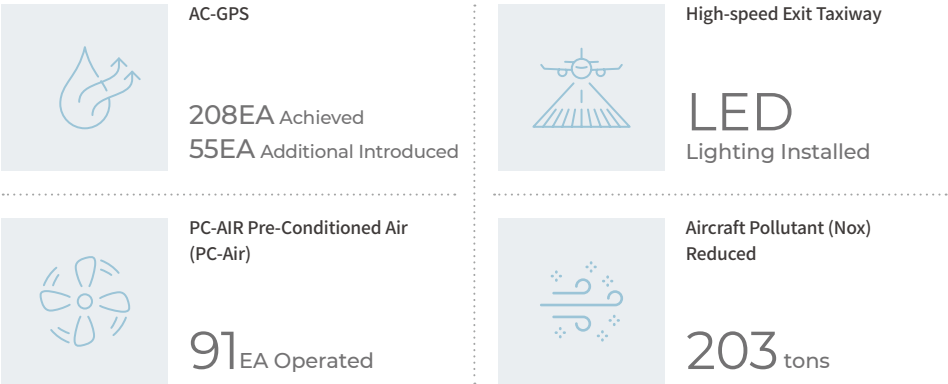
Establishment of Green Mobility Operating System

To develop a clean atmospheric environment without fine dust, IIAC is establishing the Green Mobility Operating System to convert the vehicles operated in the airport area into eco-friendly vehicles. Electric vehicle charging stations are being expanded continuously throughout the airport, and the first hydrogen vehicle charging station was installed in the Terminal 1 in January, 2021. Also, the second hydrogen vehicle charging station was installed in July, 2021 on the Terminal 2. Also, voluntary collaborative system was established and agreed with 5 major handling companies for the first time as a domestic airport, joint target of converting the diesel support equipment to 100% eco-friendly equipment by 2030 was established. IIAC is implementing the installation and operation of the exclusive charging station for the eco-friendly support equipment, and government grants and incentive by IIAC will be provided to relieve the burden of initial investment cost by the cargo handling companies. All the business vehicles were changed to eco-friendly vehicles, and 50% of the shuttle buses and special vehicles will also be changed to eco-friendly vehicles until 2030. Also, incentive is provided on airport customers using eco-friendly vehicles by reducing the airport parking fee by 50%, and expanding the number of exclusive parking spaces for the eco-friendly vehicles.



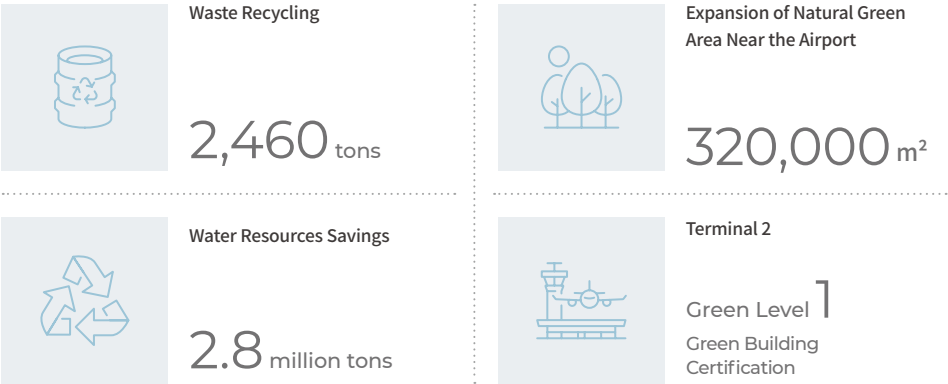
Reduction of Fine Dust & Exhaust Gas on Aircraft

To correspond to the goal of reducing greenhouse gas emission in the aviation industry by the International Civil Aviation Organization (ICAO), IIAC operated 208EA of AC-GPS that performs alternative supply of power when the aircraft is parked in the apron, and air-conditioning and heating system of 91EA of PC-Air to enable efficient aircraft operation. As a result of these efforts, 203 tons of aircraft air pollutant (Nox) emission was reduced compared to 2019. Also, efforts of energy-saving will be continued through the high-speed exit taxiway extension design, installation of LED lighting, and additional introduction of 55EA of AC-GPS through the 4th phase construction project currently in progress.



Green Transformation of Airport Infrastructure & Environment

IIAC is continuing the efforts for reducing the fine dust and greenhouse gases by improving the energy efficiency of the buildings such as performing green remodeling on old buildings, and implementing the zero-energy and green building certification on new buildings. Also, recycling rate of resource recovery facility is improved in effort to construct the resource recirculation-type airport operation environment. Valuable metal and non-ferrous metal were collected to recycle about 2,460 tons of waste, and recycling rate will be increased up to 70% until 2030. 320,000m² of natural green area around the airport were developed to reduce the fine dust and to improve the environment, and project is currently being planned to restore the ecosystem near the airport. Along with this environment infrastructure, activation of the local economy is also expected by enhancing the leisure activities of the local residents, and by attracting tourists from other regions.



Operation of the Eco-friendly System

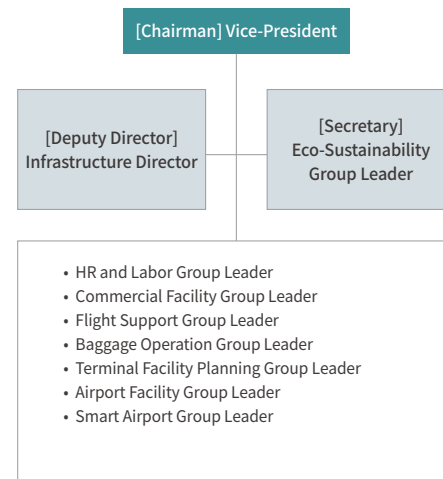
Eco-friendly System Operation System

IIAC is operating the ‘Greenhouse Gas Reduction & Energy-Saving Implementation Committee’ composed of the top management according to the 「Regulation on Implementation of Rationalization on the Use of Energy by Public Institutions」 by the Ministry of Trade, Industry & Energy. The committee meeting is held twice a year to establish and implement the basic plan on low-carbon and eco-friendly strategy, analyze and evaluate the implementation performance, and perform decision-making on the energy-saving methods for response to climate change.

Organization Chart on Energy Management Implementation Committee



Organization Chart of Greenhouse Gas Reduction & Energy-Saving Implementation Committee



Operation of Energy Management System (ISO 50001)

In February, 2012, IIAC established the Energy Management System in the Incheon International Airport for the first time among airports in the world, and acquired the demonstration authentication on the energy management system in the building sector from the Korea Energy Agency. According to the official announcement of ISO 50001 international standard, IIAC acquired the official certification on compliance to the international standard in June, 2014. Afterwards, the energy management system was improved continuously by establishing the energy target, improving the performance, and through the energy management including the efficiency in energy use. The performance was acknowledged to renew the ISO 50001 certification in June, 2020.

Operation of Environmental Management System (ISO 14001)

In 1998, IIAC acquired the Environmental Management System (EMS) of ISO 14001 Certification for the first time in the airport construction field, and in 2002, additional certification was acquired on the airport operation field after the airport opening. In addition, the improvement result on implementation of the International Organization for Standardization (ISO) requirements such as establishment of environmental objectives, evaluation of significant environmental impact, internal environmental audit and training, etc. are performed with follow-up evaluation through the external certification agency once year. Moreover, compliance of the environmental management system is being recognized by verifying through the re-certification evaluation every 3 years.

ACI Airport Carbon Accreditation (ACA) (Level 3)

Among the Airport Carbon Accreditation (ACA) level certified by the Airports Council International (ACI), IIAC acquired the highest global level of ‘ACA Level 3’ for the first time in Korea in 2014. The management range of ‘ACA Level 3’ includes not only the carbon emission related directly or indirectly to the airport operation, but also the carbon emission of the stakeholders that are not under the control of the airport, but with relevance to the airport. IIAC was recognized of actively managing even the carbon emissions in the range relevant to Scope 3 to renew the ‘ACI Level 3 Accreditation’ in 2020. We will continuously renew the Airport Carbon Accreditation at world top level through active management and improvement activities.

ISO 50001 Certification



ISO 14001 Certification



ACI Airport Carbon Accreditation (ACA)



Response to Climate Change

International Air Transport Association (IATA) and International Civil Aviation Organization (ICAO) adopted the common goal of ‘2020 Carbon-Neutral Growth’ on maintaining the total carbon emission after 2020 into the level of 2020. Accordingly, IIAC recognized the climate change to respond preemptively and actively to the climate change crisis. The top priority is to minimize the impact to the environment on airport operation, and efforts are continued to achieve the carbon-neutral growth and to prepare for the climate change risk by managing the greenhouse gas emission continuously, converting into eco-friendly vehicles, and by operating the carbon offsetting program.

Effort to Reduce the Greenhouse Gas (GHG)

Carbon Footprint

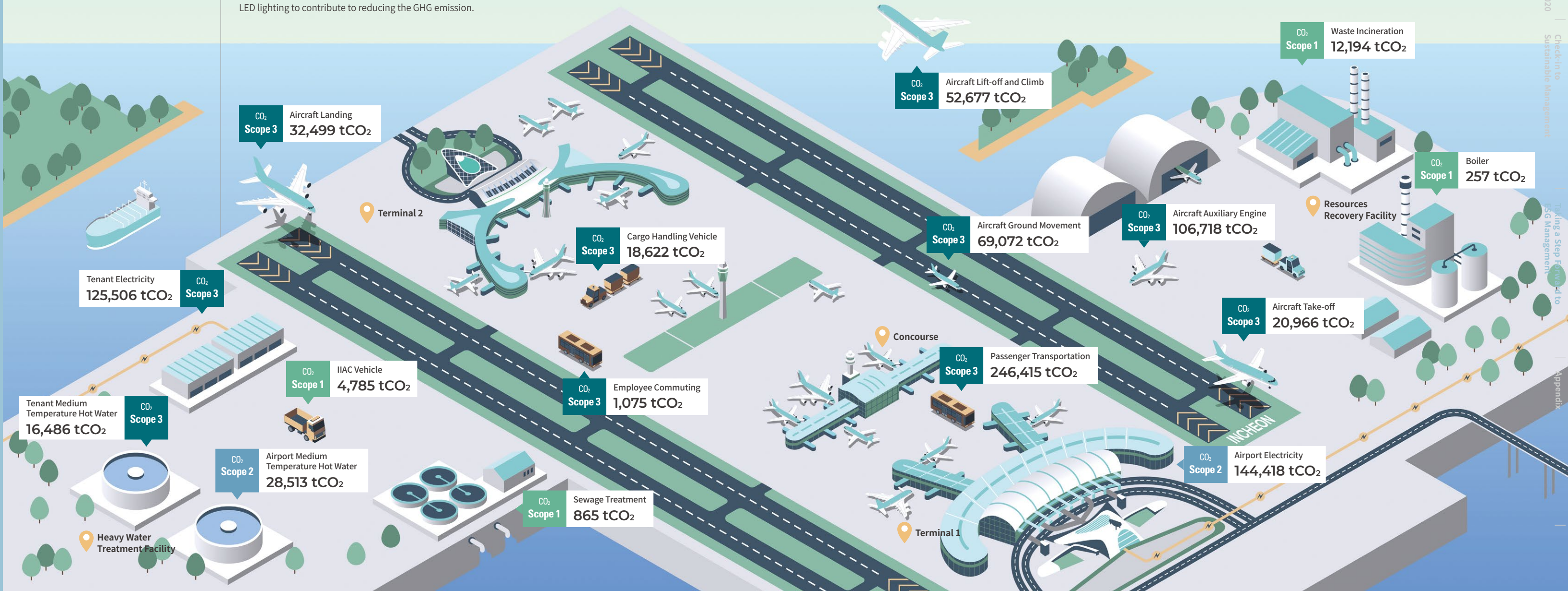
The global environmental crisis is appearing in the form of climate change. IIAC will identify and manage the greenhouse gases that are emitted directly or indirectly to contribute to overcoming the environmental crisis through eco-friendly airport operation. As a result, the total GHG emission by Incheon International Airport in 2020 was 881,092tCO₂, which is reduced 20% compared to 2019. IIAC is performing energy-saving activities continuously every year to reduce the GHG emission, and in 2020, the indoor lightings inside the passenger terminal were changed completely into LED lighting, replaced to high-efficiency aviation lighting, and operation was improved on various lighting facilities to reduce the 51,959tCO₂ in GHG emission. Also, the building currently under extension work in the Terminal 2 and estimated of completion in 2024 will be installed with LED lighting to contribute to reducing the GHG emission.

Airport GHG emission for each scope(tCO₂)

| Scope | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------|-----------|-----------|-----------|-----------|---------|
| Scope 1 | 22,637 | 23,346 | 28,131 | 27,475 | 18,127 |
| Scope 2 | 141,288 | 172,276 | 232,101 | 206,249 | 172,929 |
| Scope 3 | 1,070,124 | 1,131,579 | 1,195,395 | 1,244,948 | 690,036 |

※ Calculated according to the ACI Airport Carbon Emission Calculation Guideline

| Scope 1 | Scope 2 | Scope 3 |
|--|--|---|
| <ul style="list-style-type: none">Direct GHG emission, and GHG emission from the emission source owned and controlled by the airport operator (Boiler fuel, vehicle fuel and incineration) | <ul style="list-style-type: none">Indirect GHG emission, and GHG emission from the use of electricity and steam purchased and consumed by the airport operator (Power, medium temperature hot water) | <ul style="list-style-type: none">Other indirect GHG emission, and as a result of the airport operator's activity, GHG emission from the facility not owned or controlled by the airport operator (Aircraft emission, power and medium temperature hot water used by the tenants, ground operation equipment, passenger transportation and commuting) |



Eco-friendly Vehicle Conversion Goal

IIAC is converting the vehicles used in the airport to eco-friendly vehicles in order to accomplish the ‘Global Leading Green Airport’ vision, and according to the government policy on expanding the eco-friendly vehicles. For business vehicles, there are 84 hydrogen vehicles and 40 electric vehicles to achieve 100% conversion to eco-friendly vehicles, and in November, 2020, 8 eco-friendly electric air-side shuttle buses were introduced additionally along with the 7 hydrogen low-floor buses and 2 electric articulated buses that were already in operation. IIAC is planning to change 33% of the shuttle buses in the airport to hydrogen bus until 2024, and 100% conversion will be achieved by 2030. For subsidiaries, the plan is to change 30% to eco-friendly vehicles until 2025, and enable 100% conversion to eco-friendly vehicles by 2030. Hydrogen truck, garbage truck, forklift and electric truck, etc. will be converted in stages. Moreover, the support equipment by the airline and handling companies are planning to change 20% of the vehicles to eco-friendly vehicles until 2025, and 100% conversion to eco-friendly vehicles will be achieved by 2030. For business vehicles, the goal is to change 20% to eco-friendly vehicles until 2025, and achieve 50% conversion to eco-friendly vehicles by 2030.

Eco-friendly Vehicle Conversion Plan

| | | |
|-------------------------------|--------------------|--|
| IIAC & Subsidiaries | Business Vehicle | 100% conversion to hydrogen vehicles (84EA) and electric vehicles (40EA) completed in 2021 |
| | Shuttle Bus | 33% conversion to hydrogen bus (17EA) until 2024 and 100% conversion by 2030 |
| | Commercial Vehicle | Conversion of hydrogen truck, garbage truck, forklift and electric vehicles in stages |
| | Subsidiary | Cooperation on 30% conversion until 2025 and 100% conversion by 2030 |
| Airlines & Handling Companies | Support Equipment | Cooperation on 20% conversion until 2025 and 100 % conversion by 2030 |
| | Business Purpose | Achieve 20% conversion until 2025 and 50% conversion by 2030 |

Carbon Offsetting Program

IIAC introduced the Carbon Offsetting Program from 2013 to fulfill the social responsibility on the greenhouse gases that are occurred from the business activities. The carbon emissions from business performance by the employees and various events by IIAC, etc. are converted and accumulated into the funds through the Carbon Offsetting Program for use in activities such as supporting the project on exchanging LED lighting in the child care institutions. In 2020, photovoltaic system was installed to child care institutions in the Incheon region to offset 316.6tCO₂ of greenhouse gases, and from 2013, IIAC achieved the total greenhouse gas offset effect of 3,978tCO₂.

BEST PRACTICE

Introduction & Operation of Green Energy Infrastructure and Eco-friendly Vehicles



Electric Vehicle Charging Infrastructure

- 47 high-speed battery chargers including 10 bus chargers, and 21 slow battery chargers installed (February, 2021). 124 high-speed battery chargers will be installed additionally (4th construction project in implementation)



Hydrogen Vehicle Charging Infrastructure

- Hydrogen charging station operated near the Terminal 1 (January, 2021)
- Hydrogen charging station operated near the Terminal 2 (July, 2021)



Eco-friendly High-Capacity Low Floor Bus

- 7 hydrogen low floor buses and 2 electric articulated buses introduced and operated
- 3 hydrogen low floor buses introduced additionally (2021)
- Old shuttle buses will be changed to hydrogen bus (goal until 2025)



Eco-friendly Electric Air-side Shuttle Bus

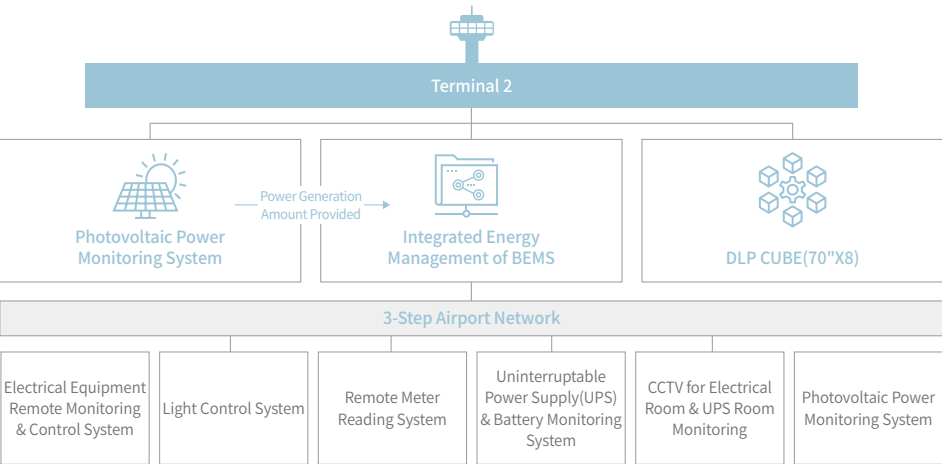
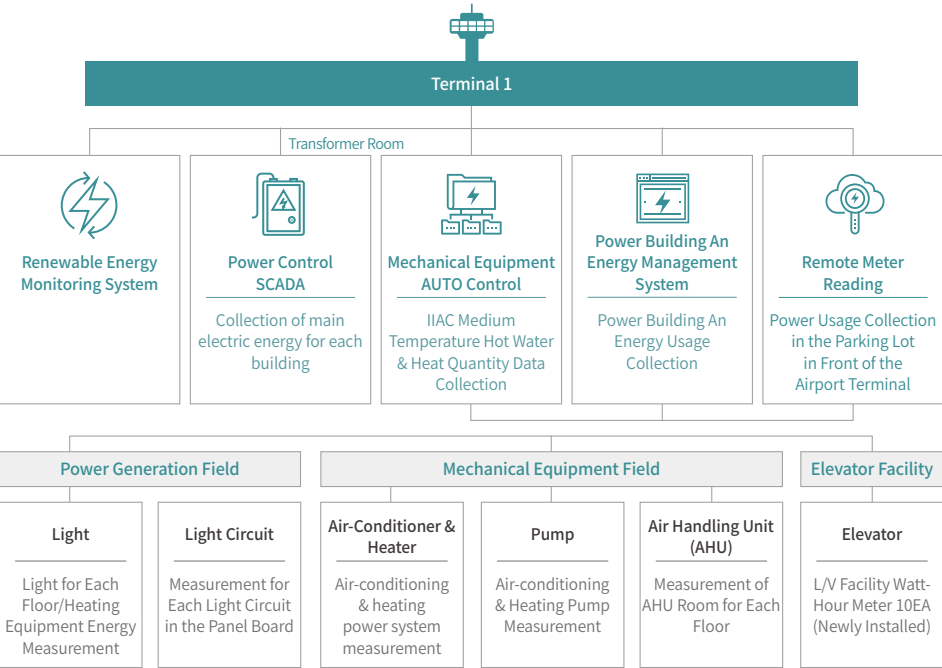
- Total of 8 air-side (Aircraft Movement Area) shuttle bus introduced in November, 2020

Energy Saving

Building Energy Management System (BEMS)

IIAC introduced the Building Energy Management System (BEMS) for real-time monitoring on the energy use status in the building, and the analysis results are utilized for the optimization of energy management. The Cargo Terminal E planned to be constructed in the second semester of 2021 is also applied with BEMS, and stable and efficient energy management will be performed on the building through BEMS.

Blueprint of BEMS



Top Level in the Green Building Certification (Green Level 1) on the Terminal 2

The Terminal 2 in the Incheon International Airport is a green building that uses the energy about 40% less than the Terminal 1 due to use of facility lighting, ventilation, insulation design, high-efficiency LED lighting, renewable energy and use of products with ECO Mark Certification. Also, over 26% of the lot area are developed as natural green area. These environmental performances were recognized to receive the highest Green Building Certification level of Green Level 1 from the Ministry of Environment in 2018, and IIAC is planning to continue the sustainable energy efficiency management during the effective period of certification (2018~2023) to maintain the Green Building Certification for 5 years.

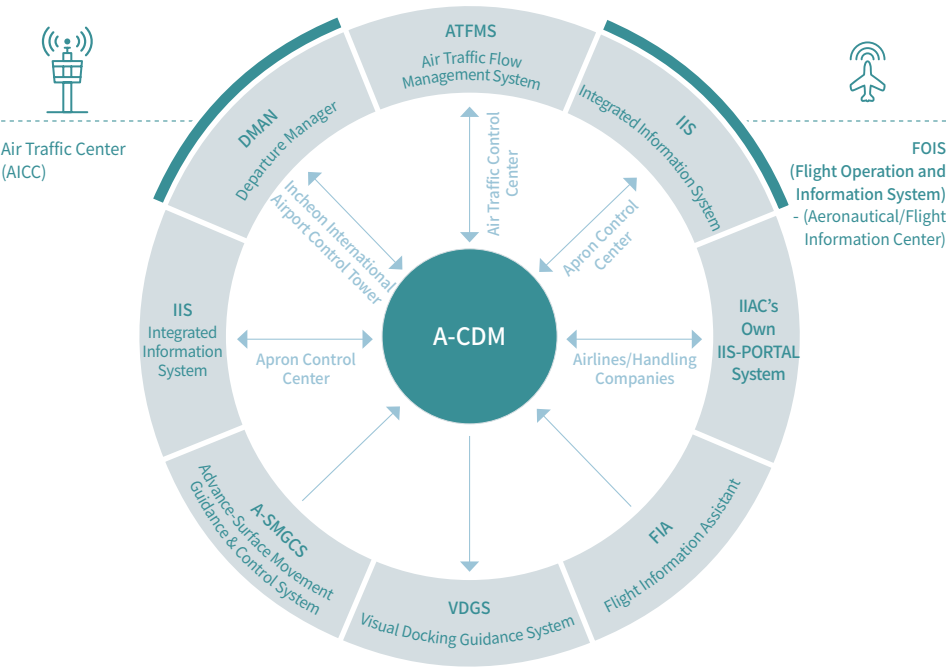
Energy Saving Activity

Efficiency in Energy Use on Aircrafts

A-CDM Operation

IIAC is continuing the efforts on energy-saving by actively operating A-CDM (Airport Collaborative Decision-Making) to support the decision-making based on accurate prediction by all collaborative agencies such as the airport operator participating in the aviation services, and the air traffic control agency, airline and handling companies, etc. A-CDM developed for responding to the increase in air traffic demand is an eco-friendly operation system that enables efficient use of limited resources in the airport to minimize the aircraft delay, unnecessary aircraft movement and ground standby to reduce the energy consumption, and to decrease the GHG emission.

Composition of Linkage System between A-CDM in the Incheon International Airport



Aircraft-Ground Power Supply (AC-GPS) Operation

IIAC is operating the Aircraft-Ground Power Supply (AC-GPS) to supply the power when the aircraft is parked on the apron for energy-saving. AC-GPS can reduce 98% of the energy use compared to the power supply method through the aircraft engine to enable efficient energy-saving. In the standard of 2020, IIAC is operating total of 208 units of AC-GPS, and 55 units of AC-GPS will be introduced additionally through the 4th phase construction project currently in progress to enable continuous energy-saving. Also, 91 units of Pre-Conditioned Air (PC-Air) are operated in effort to operate the aircraft engine efficiently.

Advanced-Surface Movement & Guidance System (A-SMGCS)

IIAC sophisticated the existing Advanced-Surface Movement & Guidance System (A-SMGCS) to provide 24-hour 'Follow the Greens' control service. 'Follow the Greens' operation system converts the route guidance function in A-SMGCS and prevents the wrong entry of aircraft into the runway to guarantee the safety of aircrafts, and to reduce the ground movement time of aircrafts. Through this, it is expected to have the effect of saving 18% of fuel, and to reduce 20% of GHG emission.

Efficiency in Airport Energy Use

IIAC continued the energy-saving activities through improvement of operation and facilities in 2020. Power-saving operation of flight information terminal and lighting equipment according to the change in flight schedule was applied for annual energy-saving of 4,365,913kWh, and 3,513,099kWh/year of energy was saved by replacing 423 aeronautical lights into high-efficiency LED, replacing ordinary lighting into high-efficiency lighting, and by installing the low-friction belt for preventing the overload in the Belt Conveyor. Through these efforts, IIAC saved KRW 1.926 billion in energy cost.

Performance of Energy-Saving Activity in 2020

| Classification | Facility Improvement | Operation Improvement | | | Total |
|--------------------------------------|----------------------|-----------------------|------|------|-------|
| | Power | Power | Heat | Fuel | |
| No. | 21 | 31 | 1 | 1 | 54 |
| Reduction Effect(tCO ₂) | 2,154 | 6,293 | 132 | 56 | 8,635 |
| Energy Saving Effect (KRW 1 million) | 458 | 1,400 | 64 | 4 | 1,926 |
| Investment Cost (KRW 1 million) | 3,770 | - | - | - | 3,770 |

Efforts on Energy Independence

Introduction & Expansion of Renewable Energy

IIAC is continuing the efforts to improve the energy independence by expanding the introduction of renewable energy, and by implementing the improvement of energy-saving and efficiency to realize the 2050 Carbon-Free Airport. The parking lot in the cargo terminal and the site on soundproof walls on T1-T2 road were utilized for additional installation of the photovoltaic facility, and fuel cell power generation facility was introduced to secure the stability of power and heat supply in the airport. Through this, 15.5MW of renewable energy is being utilized. This is actually exceeding the 2020 energy independence goal, and IIAC will continue the multilateral efforts to achieve the goal of 100% conversion to renewable energy by 2050.

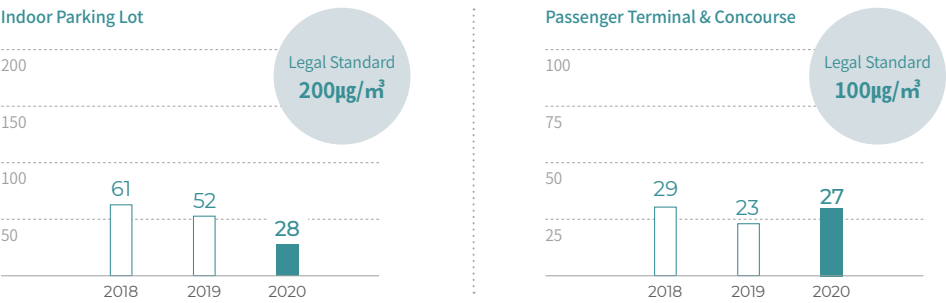


Minimization of Environmental Impact

Atmospheric Environment Management
(Air Quality, Fine Dust, Indoor Air Quality Management)

IIAC established and operated the air management system in the airport environment to improve the air pollution that is occurred during the airport operation. Periodic inspection is performed on the pollutants that are occurred from the equipment and facilities related to aircraft operation utilized in the airport facility area to minimize the air pollution. In the case of the incineration facility emitting large quantity of air pollutants, exhaust gas treatment facility is operated for operation as the Clean-Plant on controlling the pollutants from the source. The combined heat & power plant is using the clean fuel of LNG that has almost no air pollutants, and the plant is established in the same site as the incineration facility to have the effect of saving the fuel recycling of resources for power generation by reusing the waste heat from the incineration facility. In addition, indoor air quality measuring device was installed to 6 points in the Terminal 1 & 2 and concourse for real-time monitoring. Measurement is performed in 34 points of the airport passenger terminal for each quarter, and the results are submitted to the relevant agencies along with transparent disclosure through the official IIAC website. Air quality is managed through the independent standard that is more reinforced than the legal standards on indoor air quality maintenance standard and recommended standard items according to the 'Indoor Air Quality Management Act', and for fine dust, response system is prepared for each operation stage on yellow dust. Independent exchange standard on the air handling unit (AHU) filter is established in effort to maintain the optimum indoor air quality.

Fine Dust Measurement Result on Indoor Air (Average Value of 4 Quarters)



Waste Management

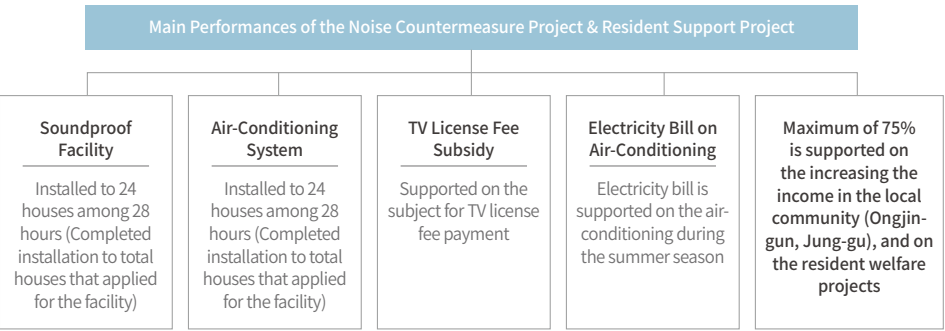
IIAC cuts waste volume and treatment costs by operating resource collecting facilities that hygienically treat waste for incineration generated in the airport in order to minimize environmental effects on communities. In 2020, we saved KRW 4.5 billion through recycling of 118,000 tons of two types of waste concrete in the treatment process by recycling the waste and collecting resources having value as part of our efforts for sound resource circulation. Also, 7 types of valuable resources accumulating up to 2,500 tons such as waste wires were separated and collected for KRW 1.66 billion in revenue. IIAC will continue the efforts to improve the environment by diversifying the use of resources.

Water Resources Management

IIAC introduced the water-saving machine in the airport, and the water quality of heavy water was improved to increase the recycling rate up to 14.7%. IIAC was able to save 27,760,000 tons of water in 2020 for total of KRW 2.7 billion in cost reduction.

Noise Management

IIAC is continuing the efforts to improve the noise damage from the aircraft, and supports are provided to residents living nearby. Noise Measure Committee is operated, and measurement of noise impact from the aircraft was expanded actively to 4 sites of Jangbongdo Island, Songdo, Daebudo Island and Yeongheungdo Island. KRW 6.2 billion was supported on welfare for the residents living near the airport, and KRW 12.9 billion was provided as the funds for projects regarding the countermeasure on noise to support the vulnerable social group. Also, efforts are given on various supports to the local community such as scholarship and construction of public infrastructure, etc.



Harmful Substance Management

IIAC performed total inspection of the asbestos classified as harmful substance to remove 1,300m² of harmful asbestos, and all asbestos structures were evaluated of the risk to receive the safest level of 'Low' for management. In addition, products used in the airport were also performed with total inspection on the chemical substances for systematic management such as content management and use of alternative items on the harmful chemical substance.

Airport Natural Environment Improvement

IIAC expanded 319,597m² of green area for improvement of national environment in the airport such as the open space in the cargo terminal aircraft operation area, airport access road and airport road. As a result green area was increased to by 12% compared to the previous year. 880,000m² of Oseongsan Mountain Ecological Park development project was promoted to restore the damaged ecological area, and interior landscaping in the passenger terminal was expanded to 345.2m². Also, endangered bio-species in the airport area were protected and monitored to improve the biological diversity to 274 species, which is 2.6% increase compared to the previous year.

Customer Experience & Safety Oriented Airport

WHY THIS MATTERS

IIAC is creating Incheon International Airport as the space that innovates the future by connecting the people and culture. Instead of being the place simply for the immigration process, Incheon International Airport is continuing the efforts to provide convenient to the customers through the Smart services and to become the space safe, full of culture and arts, and providing pleasure to the customers. While the travel between countries are limited due to the COVID-19 pandemic, Incheon International Airport will wait for the time when the people in the world can travel freely again to present completely new and special experience that is unique in Incheon International Airport.

APPROACH

IIAC is reorganizing the terminal operating system for the convenience of the customers and safety use of the airport, and the passenger process is performed with full-scale digital transformation to lead the global Smart airport standard. In addition, realization of Culture & Arts Airport and top-class commercial service are promoted to enable the customers to enjoy the diverse and dynamic experiences in the airport. As Smart infectious disease spread prevention measures are becoming more important in the Post COVID-19 Era, IIAC will continue the efforts to operate the safe airport through zero-flaws, zero-accidents and continuous operation.



KEY FIGURES

Smart Scale

For the First Time
in the Airports Worldwide,

182EA Introduced



ACI Customer Experience Accreditation

Level 4

World's First (Top Level)



Non-stop Airport Operation

170,000 hours



Public Institution
Safety Grade System

CPA4

(Top grade in the public
institution sector)



Introduction of Drone Detection System

Detection Rate

90%



Innovation in
Customer Experience

| Conversion of Terminal Operating System during the COVID-19 Crisis | | | |
|--|--|--|---|
| At COVID-19 | Over COVID-19 | Post COVID-19 | New Normal |
| <div>System Conversion</div> <ul style="list-style-type: none">Conversion to the terminal operating system centrally of all-round quarantine | <div>Overcoming the Stagnation</div> <ul style="list-style-type: none">Overcome the stagnation from COVID-19 by introducing new aviation projects and immigration system | <div>Facility Construction</div> <ul style="list-style-type: none">Realization of passenger-friendly airport through renewal of immigration facilities and by developing the space tailored for the passengers | <div>Mid-Long Term Terminal Operation</div> <ul style="list-style-type: none">Establishment of Master Plan, preparation of New Normal and future innovation |

IIAC will increase the service quality in the overall process of travel in the Incheon International Airport from the moment that the passenger departs for the airport to the entry. Customer convenience is maximized through the full-scale digital transformation on the immigration process, and Culture & Arts Airport is realized to become a space for enabling the customers to experience various values. As the inclusive airport that can be used by anyone without any difficulties, IIAC is continuing the efforts to realize the barrier-free airport.

Convenient Immigration Service

Reorganization of the Terminal Operating System

IIAC performed full-scale reorganization of the existing terminal operating system that was operated with top priority in speed. The current focus of the terminal operating system is centrally on safety and infectious disease control. Exclusive quarantine zone was established in all moving line of entry, and along with the special quarantine facility in the arrival hall, exclusive moving line was designated on all areas of entry for overseas Korean residents from dangerous countries. Accordingly, safe entry system was established for blocking the inflow of COVID-19 from overseas, and for preventing the infection in the airport. In addition, IIAC changed the existing method of operating centrally of the entry quarantine to establish the 4-Step departure quarantine system through cooperation with other agencies, and flawless safety quarantine system was established in all areas of departure, arrival and boarding on the transportation method. As the safety quarantine airport, Incheon International Airport played the leading role as the global airport and central role on quarantine diplomacy. Moreover, the arrival and departure halls of the Terminal 1 were renovated in large-scale for enhancing the customer convenience in immigration to continue the innovation on adding convenience and comfort to the safety such as expanding the waiting space, renewal of the restrooms, and increasing the transfer signage, etc.

| Established the World's First Immigration Disease Control and Prevention System | |
|---|--|
| Arrival | <ul style="list-style-type: none">Exclusive quarantine zone established on the overall moving line of arrival : Gate ⇄ Quarantine ⇄ Immigration ⇄ Baggage ⇄ Greeting AreaAdoption of one stop integrated entry disease control and prevention system : Processing time reduction through the use of QR code after pre-reporting with the integrated AppConstruction of an entry system for Korean nationals from dangerous countries |
| Departure | <ul style="list-style-type: none">Pan-agency cooperation and world's first 4-Step departure quarantine<ol style="list-style-type: none">Access Transport (Carrier)Entrance (IIAC Employee)Departure Hall (Military, Subsidiary)Gate (Airline)Adoption of infectious disease control system for passengers leaving for the U.S. |
| Transfer | <ul style="list-style-type: none">Change in transfer line to pass through the quarantine processTemperature screening performed on security search during the transfer |



Innovation on Airport Access Transportation

IIAC established the ‘2030 Transportation Service Strategy’ to realize the speedy and convenient transportation environment for smooth immigration. To lead the next 10 years, wide-area railway network and highway system connected with Incheon International Airport are constructed, and bus & transfer services are expanded. At the same time, transportation circulating within the airport is reinforced, and future transportation system will be introduced. In 2020, late-night bus service route was newly established in the Gyeonggi Region, and real-time bus information system was introduced. IIAC is continuing the innovation for providing the transportation convenience to the customer by operating the testbed on robot parking system, etc. In addition, the plan is to promote the implementation task on reflecting the second airport railroad, introducing Urban Air Mobility (UAM) and autonomous driving, and developing the Yeongjongdo Complex Transfer Center, etc. until 2030.

BEST PRACTICE

Total Blockade of Community Infection through Separation of Moving Line & Special Transportation

As there are concerns of the inbound passengers from overseas through the Incheon International Airport spreading the infection through the contact with the local community during the movement to the destination, IIAC is performing the separation of moving line and special transportation for the first time among airports in the world. Through this process, the contact with the local community from the entry to arriving at the destination is blocked in full-scale. All contact points that can occur during the movement of the passenger from the ticketing, standby, transfer and use of commercial facility, etc. were blocked to prevent the secondary infection to the local community by the 220,000 inbound passengers from overseas. This special transportation is a new model in K-Airport Quarantine, and it is considered as the successful quarantine case of being benchmarked by the Minister of Columbia and by the diplomatic group from 47 countries.

Entry into the Arrival Hall

Local Municipality Information Desk

Transportation Means Selection/Ticketing

Passenger Waiting

Boarding Pre-arranged Bus

Verification by the Local Government

- Exclusive passage is operated in the greeting area for the inbound passengers, and 1:1 guide is provided (to prevent leaving)

- Information desk installed for each local government (stationed by personnel)
- Report on residence and information on the transportation method (Verification on matching the information on returning home)

| | | | | | |
|------------------|--|--|---|--|---|
| Bus | <ul style="list-style-type: none">Exclusive ticket office operated (Exclusive ticketing machine developed)Ticketing Details ⇄ Linked with Local Government System Network | <ul style="list-style-type: none">Standby space secured for each region for passenger separation | <div>Seoul Metropolitan area</div> Special transportation bus operated on main points | <div>Non-Seoul Metropolitan area</div> Exclusive Bus (Gwangmyeong Station) ⇄ Exclusive KTX Cabin | Get off at the destination & return home after report |
| Airport Railroad | Inbound passengers are prohibited from boarding and controlled on the ticket gate (Used only by the public) | | | | |
| Car | Moving line separated from contact to the parking lot is informed and induced | | | | Return Home |
| Taxi, Call-Van | Exclusive boarding stand operated and guided for the infectious disease control vehicle (approved by the local government) | | | | |

Differentiated Airport Service

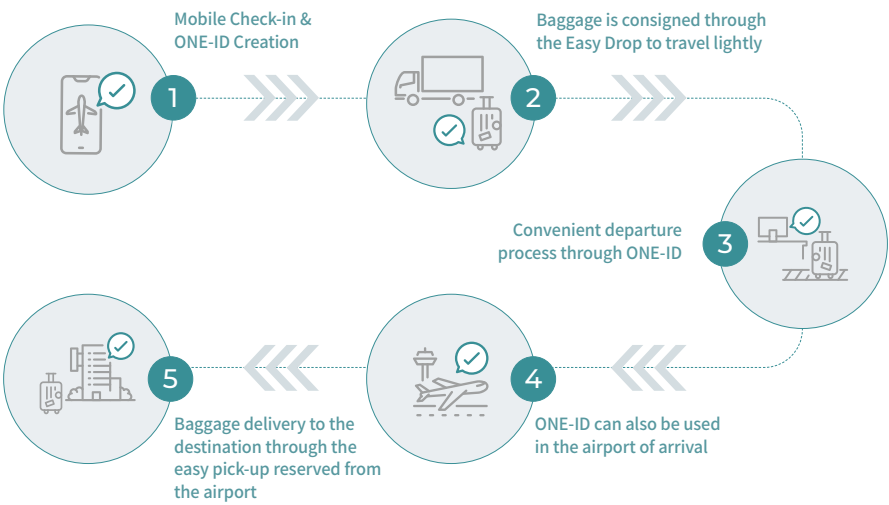
Leading the Global Smart Airport Standard

The paradigm of the airport is changing due to the acceleration into the digitalization and convergence of technologies related to the aviation industry, and paradigm shift into the new airport is accelerating due to the COVID-19 crisis. Accordingly, IIAC is establishing the implementing new strategies on becoming the Smart Airport to preoccupy the competitive advantage of the airport in the New Normal Era. 4th industrial technology is introduced into the overall airport operation to operate the Smart Quarantine Process in the entire immigration process, and next-generation immigration service is introduced preemptively. Also, digital innovation is performed by implementing the non-contact departure through the biometric Smart Pass to open the new horizon as the global leading airport providing differentiated airport services.

• Smart Process

Since the COVID-19 crisis, Incheon International Airport is continuing the efforts on implementing the introduction of infectious disease control service by reinforcing the Smart facilities and by utilizing the Smart technology to provide the immigration service that can be used safely and conveniently by the customers. Preliminary public health risk management / disease spread prevention measures and non-contact boarding procedure on the smart facility such as self-check-in, etc. are established to reinforce the non-contact guide, and non-contact temperature screening service based on facial recognition was introduced to enable safe departure. On arrival, USB for installing the self-diagnosis App was distributed in advance to provide speedy public health risk management / disease spread prevention measures process, and UV sterilization system was introduced to the arrival baggage claim to relive any concerns by the passengers. In addition, Smart quarantine service was introduced to the overall immigration process to provide the preliminary prevention and response system through monitoring and tracking management of the passengers with symptoms. The real-time location of the passengers with symptoms can be checked through the IIAC Safe Travel Mobile App, and the examination result can be transmitted and managed. Safe immigration service is provided by expanding the Smart quarantine system possible for real-time information system between relevant agencies by identifying the passengers with symptoms based on AI/Big Data, quarantine guide & sterilization robot, and by the quarantine infrastructure of CCTV on checking fever automatically. IIAC is planning to introduce the One-ID Smart Pass produced with the biometrics information to enable all passengers to use the immigration service that can also be used conveniently in foreign airports.

Smart Immigration Service



Incheon International Airport introduced the world’s first Smart Baggage Scale in May, 2020. By placing the baggage on the Smart Scale, the weight, size and carry on-board can be checked at once for quick check-in by the customer. Total of 182 Smart Scales were installed in the airport including 73 units near the check-in counter and 109 units near the boarding gate to increase the accessibility by the airport users.



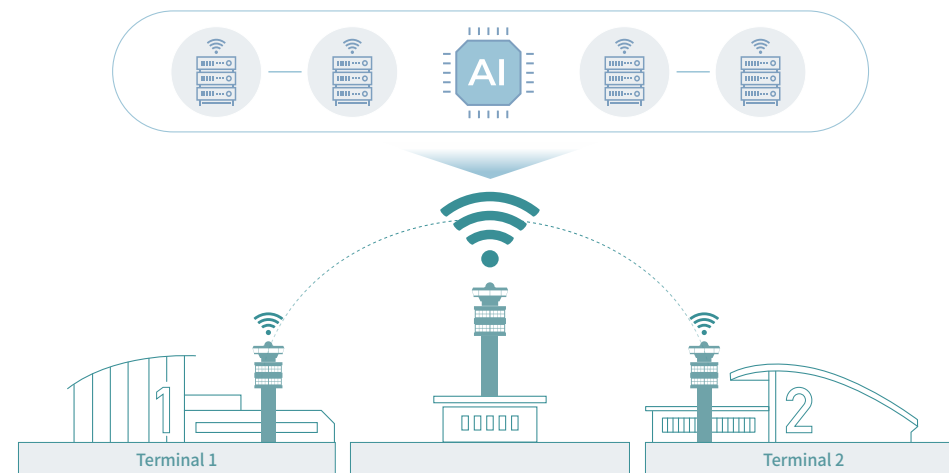
• Smart Service

On December, 2020, IAC introduced 29 units of AI comprehensive guide Smart Signage for the first time in the world. Smart Signage enables non-contact comprehensive guide through the voice recognition and video guide function based on the cutting-edge ICT technologies such as AI (Artificial Intelligence), etc., and the moving path and time required to go to the boarding gate are guided just by scanning the boarding pass. Also, 'Incheon International Airport in My Hand' App can be used to verify the baggage for each individual and real-time verification on the arrival status, and customized airport information service such as the parking space and advance reservation, etc. to enhance the convenience of the customers.

• Smart Operation

The goal of Incheon International Airport is to integrate the data dispersed throughout the system based on Big Data, and enterprise data governance is constructed to operate the Smart Airport based on prediction by utilizing AI. The Big Data Platform newly constructed in 2021 analyzes and converges the operating system data in each areas of the airport to not only provide customized information service, but it is utilized on developing new services such as passenger flow management, Smart facility management and Smart shopping, etc. to become a driving force for advancing into a higher level of Smart Airport.

Smart Airport Operation



BEST PRACTICE



What is Customer Experience Accreditation?

As the system that is supplemented and developed from the existing Airport Service Quality (ASQ) evaluation, it is the accreditation by the Airport Council International (ACI) on comprehensive evaluation of the quality control system and innovative activities on the customer experience services in the airport (Level 1~5)

World's First ACI Customer Experience Accreditation Level of Level 4 Acquired

Despite the difficulties that the global aviation industry is suffering due to the COVID-19 crisis, Incheon International Airport received the highest overall satisfaction score ever (5 points) at World Airport Service Quality (ASQ) evaluation, and by providing the world's top-class customer experience, Incheon International Airport received Level 4 for the first time in the world in the Customer Experience Accreditation by Airport Council International (ACI) (Acquired Level 3 Accreditation in March, 2020).

This ACI Customer Experience Accreditation Level 4 is the first time among the airports in the world, and it was possible due to the innovative customer experience management system of Incheon International Airport based on the unique, sophisticated and customized customer management method (CX Management Program including the persona, customer journey map, customer committee and customer experience observation, etc.). Incheon International Airport was evaluated to provide differentiated customer experience through the shift to a new airport service paradigm of providing not only customer satisfaction, but managing even the experiences and emotions of the customers that are obtained through the airport services. Incheon International Airport will strengthen the status as the global customer experience leading airport through various efforts on providing new experience values by utilizing various Smart technologies and culture & arts contents. The final goal is to acquire the highest level in the ACI Customer Experience Accreditation of Level 5 by 2022.



Realization of Culture & Arts Airport

IAC will realize the differentiated Culture & Arts Airport to advance into the global leading airport that can add value and impression to the customer's travel. Exclusive team on culture & arts was newly organized to establish the integrated management system, and specialized manpower was developed through relevant training along with the improvement of design approval procedure to increase the work efficiency. Also, various activities are promoted to become the platform for spreading the K-Pop contents that can be communicated with the world. Special video for the Billboard Music Awards featuring BTS was filmed in the airport to record 40 million views (4th quarter of 2020), and VR exhibition was attracted based on the culture & arts exchange and collaboration with the Embassy of France in Korea. Total of 1,262 performances were held in the Incheon International Airport in 2020, and the airport is being developed as the complex cultural space that can enjoy the cultural performances, experiences and exhibitions such as Korea's representative modern works using the Media Wall, and exhibition of the interactive media art combined with art and IT technology on the large media in the airport including the media tower. In addition, traditional culture PR media installed in the arrival hall was unveiled, and Incheon International Airport Museum on exhibiting Korean authentic relics was opened to be acknowledged as the diverse and dynamic culture & arts airport.

Concept and Program by Culture and Arts Airport Terminal

| | |
|--|---|
| Terminal 1 Where classic meets modern | Space Implementation of traditional beauty using unique Korean elements Composite theme space + Arrival Media Wall + K Brand Hall |
| | Content Building a network of culture and art-specialized institutions Interactive media + Realistic content + International art fair |
| | Artwork Art that represents Korea Exhibition of works by world-class contemporary Korean artists + Korean Cultural Heritage Pavilion |
| Concourse A place to meet today's Korea | Space Incheon Airport Museum exhibits genuine relics National Museum of Korea Genuine Relic + Intangible Cultural Property |
| | Content Media tower specialized for media art Media art exhibition by up-and-coming artists + Global work rotating exhibition |
| | Artwork Contemporary and Experimental Exhibition Korean Literature Exhibition + Air Conditioning Tower Wrapping + Contemporary Design |
| Terminal 2 Where the world meets Korea via art | Space Space where the arts and culture of the future meet Node Culture Plaza + Five Senses Gallery + Pop-up Art Museum |
| | Content Convergence content of technology and art Drone art + Large media façade |
| | Artwork A venue for international cultural and artistic exchange A rotating exhibition of world-famous masterpieces + Annex of the global art museum |



Provision of Commercial Service

Win-Win Management of Commercial Facilities

Total Support for Overcoming the Crisis in the Airport Commercial Ecosystem

Due to the rapid decrease in the passenger demand, tenants at Incheon International Airport are suffering from financial difficulties to give up their business, and concerns of employment and infection from the pandemic are expanding to face the crisis of existence on the airport commercial ecosystem. Accordingly, IIAC is actively supporting them in full-scale to overcome the crisis of airport commercial ecosystem as quickly as possible. Communications are made continuously with the business owners in the commercial facility through meetings to relive their concerns, and preemptive and active government discussion is promoted to expand the range and scale of support. Government support policy was derived throughout 5 times of discussions to respond to the long-term crisis on operation of the commercial facilities. In addition, contract was signed with the businesses in the commercial facility on maintaining the employment to prevent any occurrence of large-scale unemployment crisis. Moreover, government policy was applied equally to the businesses in pop-up stores without direct contractual relationship with IIAC, and infectious disease control facilities and items are provided to support the operating site. Through these efforts, closing of stores were minimized to currently have 70 stores operating in the commercial facility, and this will become the foundation of quickly returning to normal business when recovering the passenger demand.

Major Human Rights Protection Activities by Stakeholder in 2020

| | |
|--|---|
| Lease Support  <ul style="list-style-type: none"> • Support in largest amount among the public sector Reduction Approx. KRW 665.9 billion Deferment of Payment Approx. KRW 319.5 billion | Protection of Vulnerable Social Group  <ul style="list-style-type: none"> • Lease reduced on pop-up stores Total of 62 stores for approximately KRW 14.9 billion in reduction (Small-medium enterprise/ micro-enterprise ratio of 74%) |
| Effort for Maintaining Employment  <ul style="list-style-type: none"> • Over 90% are maintained of employment in the duty-free on the date of signing the MOU (Monitoring to be continued on the implementation status) | Prevention of Spread in Infection  <ul style="list-style-type: none"> • 24-house emergency contact system operated • Total of 35 cases on situation report such as epidemiological survey, etc. • ZERO confirmed cases maintained on the commercial facility |

Establishment of Automatic Crisis Sharing System of 'Special Reduction System' in the Commercial Facility

To respond preemptively to unpredictable large-scale risks that can occur after the end of COVID-19 crisis, IIAC established the special reduction system during the crisis period, which is separate from the government policy. Based on the existing method of reflecting the passenger decrease rate of the relevant year on the calculation of lease fee in the following year, lease reduction system linked with the monthly passenger demand was enabled to be applied immediately without separate procedure when decreasing rapidly in passenger demand. When there are any unexpected crisis in the future such as pandemic similar to COVID-19 or economic crisis, etc. the lease fee is reduced automatically to support the sustainable operation of the commercial facility through risk sharing in the rational and fair direction based on system design instead of unnecessary dispute and damage in trust. Moreover, limit of reducing the lease was eliminated to relieve the burden of operation by the business owners, and foundation for long-term win-win partnership between the airport and the tenants were provided.

Introduction of the Duty Free Shopping in the Departure Hall for No-landing International Tourism Flight

IIAC introduced the no-landing international tourism flight to satisfy the demand for travel on the people, and to activate the aviation industry ecosystem. No-landing tourism flight is a product newly developed for implementing the new market opening on the airlines and the duty-free industry facing the COVID-19 crisis, and the domestic passengers using the flight can fly over the overseas territory without separate immigration procedure. Also, purchase of duty-free products is also possible just like before. The service began in December,


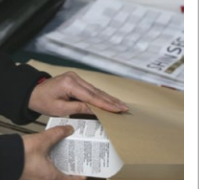


2020, and moving path of the boarding passengers were strictly limited to comply with the quarantine rules. Also, passengers are not allowed to move seats, and in-flight meals are not provided. Like the existing flight service, passengers can purchase up to USD 5,000 in duty-free products, and tax is imposed on the items exceeding USD 600. The duty-free consumption scale of no-landing tourism flight passengers is USD 1,520 per passenger, and it is giving a new vitality to the duty-free industry. Also, theme promotion on overseas travel is performed with Japan and Spain, etc. through the partnership with overseas travel associations and airlines to promote the activation of airport use.

Sustainable Growth of Commercial Facilities

Realization of Green Duty Free

IIAC is implementing ESG-I management innovation with the environment and people as the top priority value. Accordingly, airport duty-free stores will also be realized with 'Green Duty Free' to minimize the environmental burden and inconvenience of the passengers, and to pursue sustainable growth. The stability of the duty-free item transportation equipment was reinforced to reduce the use of vinyl packing greatly, and free eco-friendly shopping bags were introduced for eco-friendly duty-free logistics process. The sustainable growth model will be established additionally in the commercial field by launching eco-friendly products and performing relevant campaigns.

| | |
|---|--|
| Stationary transportation equipment possible for X-Ray reading | <ul style="list-style-type: none"> • Through the internal fixation function, the risk of product damage is low to greatly reduce the use of air caps for product packing compared to transportation equipment in fabric material (3 layers in the past > Improved to 1 layer)  |
| Biodegradable duty-free shopping bag | <ul style="list-style-type: none"> • Biodegradable shopping bag possible for providing for free are introduced, and durability is considered to apply initially on lightweight items such as food and cigarette, etc. (February~) • Eco-friendly buffer material (reusable memory foam and paper material, etc.) developed to replace the air cap, and introduced for trial use (participated by 4 companies)  |

Introduction of Non-Contact Smart Order

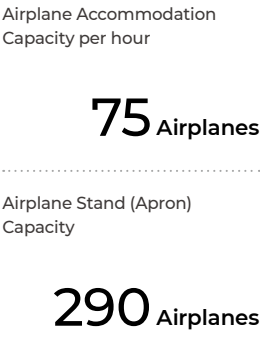
Smart Order performed in non-contact in the overall process of food order-payment-reception through the online (mobile) simple payment system will be introduced to the food & beverage stores to enhance the convenience of the customers by reducing the waiting line and time. Also, efficient store operation will be promoted for innovation in the operating method of food and beverage stores. Based on the survey conducted on airport workers regarding the non-contact food & beverage services, the business was performed in cooperation with the food & beverage businesses, system operator and Naver that was selected as the subject for the pilot project through the evaluation meeting. Accordingly, pilot project on Naver Smart Order was initiated in Incheon International Airport on the first semester of 2021. The Naver Smart Order Service is estimated to satisfy the customer needs on the non-contact service that has increased since the COVID-19 crisis, and to increase the convenience of the users by ordering the food in advance and not waiting in line to pick-up the order.

Construction of "Incheon International Airport Car Wash for Fulfilling the Social Value"

It is important for public corporations to realize the social value, and necessity of collaboration with the local community is increasing. IIAC signed a partnership with the Incheon Metropolitan City Government as the public corporation growing together with the local community to construct the "Incheon International Airport Car Wash for Fulfilling the Social Value". In this project, 1,063m² of land in Yeongjongdo Island and 330.61m² of building space were rented for free and supported with the initial facility cost. This is expected to create 27 new self-support jobs, and the self-support worker will be possible to get other jobs or start a new business based on the techniques and experiences acquired from the car wash. IIAC will continue to coexist with the local community by realizing the social value according to the regional characteristics.



Realization of Safe Airport



In the airport where a single accident can lead to catastrophic casualties, ensuring the safety of the airport operation is the very basic and top priority task by the airport operator. In addition, the scope of airport safety management was expanded to quarantine due to the impact of the COVID-19 crisis. Accordingly, Incheon International Airport is making an effort to realize the safe airport by sophisticating the safety/security system preemptively, and by reinforcing the disaster response capabilities. For the goal of putting safety as top priority and enabling non-stop, zero-flaws and zero-accident airport, Incheon International Airport will reinforce the disaster response capability to lead the aviation security standard through the world's highest level of security.

Flight Safety

Sophistication of Flight Safety System

Based on the real-time traffic information, Runway 3 was converted to the take-off and landing combined method to expand the aircraft capacity to over 2 aircrafts per hour, and high-speed exit taxiway was actively utilized to reduce the runway occupancy time on landing. Moreover, use of multiple routes on the landing runway was promoted to reduce the take-off standby time, and Runway 2 & 3 were also enabled with simultaneous landing through the visual access to reduce the interval on the landing time. By improving the operating procedure of the runway, the total airport capacity per hour on the Incheon International Airport is 75 aircrafts, which is increase in 5 aircrafts compared to 2019.

Construction of Smart Integrated Control Platform (iCWP)¹⁾

Due to the increase in the size of Incheon International Airport from continuous expansion, the control area is expanded, and various flight and navigation systems are operated simultaneously to increase the burden of performing the control service. Smart Integrated Control Platform (iCWP) for minimizing the human risk by applying future technology such as AI, etc. is being promoted of construction in stages. The flight and operation know-how of Incheon International Airport along with the high-tech IT technologies of Korea such as AI and AR, etc. will be combined to secure the intellectual property right on the Smart Integrated Control Platform (iCWP), and the first integrated platform among domestic airports will be constructed to lead the future of Remote Air Traffic Services (RATS)²⁾ in the Post COVID-19 Era.

- 1) iCWP(integrated Controller Working Position) : iCWP(integrated Controller Working Position) : An intuitive display system integrating flight & navigation information, and applied with 4th industry technology such as AI & AR, etc.
- 2) RATS(Remotely Operated Aerodrome air Traffic Services) : Remote air traffic service using the imaging technology and replacing the existing airport control tower

Reinforcement of Flight Stability

According to the necessity of joint response with cooperating agencies and preliminary management on the airport congestion, Incheon International Airport introduced the 'Airport Collaborative Decision-Making (A-CDM)* for the first time in Korea in 2017 to reduce the ratio of flight delay and achieve zero-accident in air traffic. In addition, Incheon International Airport operated the Vehicle Detection System (VDS) for the first time in the world on enabling the pilot to recognizing the air traffic even in the bad weather condition, and sophisticated the Advance Surface Movement Ground Control Systems (A-SMGCS) to provide ground light of 'Follow the Greens' to the pilot on 24 hours. Through the visual instruction control method instead of the existing voice instruction control method, wrong entry by the aircraft was reduced to strengthen the flight stability of the aircraft even more. IIAC will continue to reinforce the Smart safety management system in the airport to realize the ground safety and zero-accidents.

* A-CDM(Airport Collaborative Decision Making) : Aircraft movement time information sharing system between collaborative agencies

Increase of Airport Capacity through the Innovation of Parking Ramp Operation

IIAC will sophisticate the aircraft flight safety system to advance into the future leading airport. Due to the rapid increase in the aircrafts parking in long term and mooring on the ground according to the suspended operation from the COVID-19 crisis, Incheon International Airport identified the requirement of long-term parking and flight schedule of airlines preemptively to derive the safe emergency parking method. Also, unused taxiway and De-icing Pad parking ramp were utilized to urgently secure the parking space for increasing the emergency receiving capacity, and emergency operation system was established to secure the long-term parking facility and



efficiency in operation. Aircrafts from other domestic airports were also accommodated to prevent any occurrence of national aviation crisis. Currently, the aircraft parking capacity of Incheon International Airport is 290 aircrafts, and it is 20% increase from the existing capacity of 242 aircrafts.

Smart Navigation Control System

In preparation for the Post COVID-19 Era, IIAC introduced new technologies in the navigation field preemptively to reinforce the status as the zero-flaw airport, and provided innovation methods on the maintenance and operating system of the high-tech navigation safety facilities to prepare for any emergencies. The Smart navigation control system based on the 4th industrial innovation technologies enables real-time monitoring of the air-side operation status, and compares and analyzes the air traffic control volume for allocation and extended operation of the parking ramps. Accordingly, safe take-off and landing of aircraft and timeliness of flight were ensured to achieve the efficiency in the airport operations. IIAC anticipates that the smart navigation control system will enhance aircraft's punctuality by 7.8%, and prepared the grounds to maximize new flight service by introducing Big Data in control information and high-speed large capacity transmission system.

Provision of Uninterrupted Navigation Control Service

IIAC regards passenger safety as a top priority, and in order to provide the control service continuously, over 240,000 periodic preventive inspections were performed annually. Preemptive special inspections were also performed at seasonal external environment change timing on the navigation control system to discover and eliminate the risks actively. By separate operation of safe management system(SMS) in the area of navigation facilities, IIAC is continuing the every possible efforts to pursue the systemic safe work performance and air safety by reinforcing the safety awareness on the employees. In addition, IIAC implemented precision diagnosis by the expert on the radar antenna and overall network facilities to reinforce the reliability during the period of limited flights due to the COVID-19 crisis. IIAC also established the 「Mid-long term Navigation Control System Implementation Strategy (2030)」 to operate the navigation control system based on long-term perspectives and strategies.

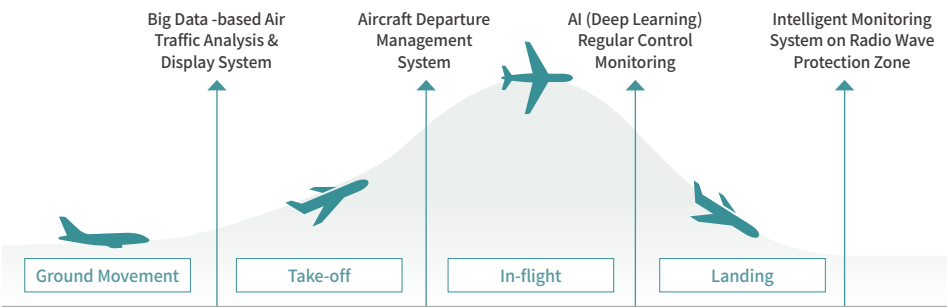
Navigation Control System Failure

ZERO

Non-Stop Airport Operation

170,000 Hours

Navigation Control System



BEST PRACTICE



Success in Aircraft Ground Movement Innovation & Air Navigation Facilities Localization

Incheon International Airport is implementing the innovation in the aircraft ground movement for the safe operation of the aircrafts. By using the 'Follow the Greens' service that provides 24-hour visual control instructions to the pilot to relieve any ambiguity in the travel route and to reinforce the visibility, the rate of wrong entry by the aircrafts decreased 79.4% (standard of runway and parallel taxiway in the Incheon International Airport). Also, the satisfaction level of the pilots was 95% to be very high. In addition, the domestic R&D technology on the A-VDGS* was developed through the joint private-public investment, and the problem of monopoly by the foreign equipment on the navigational system and high-cost and inefficiency due to lack of original technology were solved through the localization. Domestic A-VDGS is predicted to lay the foundation for entry into foreign markets by obtaining competitiveness through technical certification from overseas and installation and operation in Incheon International Airport for operation. We expect that this will provide an opportunity for the domestic technology to be advanced to the overseas market. IIAC is expecting that this will create approximately KRW 35 billion in foreign currency value, and support will be provided actively to contribute to the shared growth.

* A-VDGS(Advanced-Visual Docking Guidance System) : It provides visual information to a pilot when docking at a parking ramp



Airport Disaster Safety

Sophistication of Integrated Safety Management System

IIAC sophisticated the Incheon International Airport ANSIM Program* led by the CEO, and discovered safety risks in the overall areas of the airport in advance to establish various implementation tasks for solving these issues. Construction safety will be secured in the 4th airport construction project through more sophisticated and integrated safety management system, and the safety management capability of the 3 newly established subsidiaries will be reinforced. In addition, IIAC will respond perfectly to the key pending issues in safety such as implementing the safety management based on life-cycle on the obsolete facilities since the airport opening to create the safety ecosystem throughout the airport for safe use by the people.

* ANSIM Program : As the Integrated Safety Management System of Incheon International Airport, ANSIM stands for Airport Non-defect Safe & Innovative Management

Incheon International Airport's Safety Management System

| Flawless & Safe Airport | | | |
|---|---|---|--|
| Safety Management | Disaster Safety | Occupational Safety | Facility/Construction Safety |
| Sophistication of Integrated Safety Management System | Airport responding perfectly to various disasters | Establishment of safe working environment | Improvement of obsolete facilities Securement of safety in the 4th phase construction project |
| <ul style="list-style-type: none">Sophistication of the ANSIM ProgramEstablishment of functional continuity planReinforce safety practice by subsidiaries | <ul style="list-style-type: none">Lead K-Airport Quarantine on COVID-19Perfect response to natural disastersResponse to high-level social disasters | <ul style="list-style-type: none">On-site safety managementImprovement of quality of life on the vulnerable workersStabilization of autonomous safety culture | <ul style="list-style-type: none">Preemptive management of airport facilitiesReinforcement of construction safety management system led by IIAC |

Perfect Response to Disasters

As the gateway into Korea, non-stop and flawless operation of the Incheon International Airport is the top priority management objective of IIAC, and preparations are made strictly to respond perfectly to various disasters. Disaster management system is established preemptively through the systematic response plan, preventive maintenance and observation flight training, etc. to provide the world-class airport service as the airport safe to all users. These performances and efforts were acknowledged to receive the highest level in the ‘Disaster Management Evaluation on Public Corporations’, and IIAC received the Presidential Citation as the public corporation and commendation from the Minister of Interior & Safety in the ‘National Disaster Management Merits’.

Heavy Snow

Perfect snow-removing performed by establishing the cooperative system based on the systematic snow-removal plan

- Perfect response to heavy snow by establishing systematic snow-removal plan, timely securement of human and material resources, and by establishing the response system
 - Snowplow cars (total of 99EA) and deicing agents (3,410 tons) secured, emergency preparedness training was performed 19 times, and system is established to deploy up to 400 workers for snow removal
- “De-icing Pad Control Center” was constructed in joint by IIAC-Handling Company in effort to minimize the inconvenience of the passenger on heavy snow, and as a result, required time for deicing was decreased 10 minutes compared to the previous year for each aircraft (14% ↓)

Heavy Rain

Outstanding response to the heavy rain from preventive maintenance to management of overall water level in Yeongjongdo Island

- Perfect response system is established through the 4-step multi-channel intensive preventive maintenance activities

| | | | | | | |
|--|---|--|---|---|---|---|
| 1st (Non-periodic) Performed by the subsidiaries and construction companies | > | 2nd (~ April 28th) Special inspection by IIAC | > | 3rd (~ April 29th) Inspection by the Ministry of Land, Infrastructure and Transport(MOLIT) | > | 4th (~ May 14th) Confirmation and check by the Safety Innovation Group |
|--|---|--|---|---|---|---|

- Performance of the situational training (road flooding) in preparation for heavy rain, and inspection and measures taken on vulnerable facilities (28 cases)

Aircraft Accident

Response system is established on the aircraft accidents according to the plan even during the COVID-19 crisis

- Changes on response to the aircraft accidents (Fire department, apron, etc.) are reflected for quick revision on the Incheon International Airport Emergency Plan (2 times)
- Actual fire training (November) was performed on aircraft accident while following the COVID-19 prevention and control guideline
- Joint water training (December) performed with the airlines to strengthen the cooperative system in preparation for aircraft accidents

Fire/ Emergency Rescue

Response system is established on the fire that is customized for the airport to protect the lives of the people through quick emergency rescue activities

- Characteristics of the large-scale airport was reflected for fire response training in 14 areas, and fire safety training was reinforced (12 times → 24 times)
- Dispatch time was greatly reduced even in the total of 777 dispatch cases on occurring with emergency patients, etc. (4min. 51sec. → 3min.)

Human Life and Facility Damage

ZERO

Preemptive Management of Airport Facilities

Incheon International Airport responded perfectly to the longest rainy season in history and powerful typhoons through the preemptive improvement of obsolete facilities and preventive maintenance. Safety risk analysis was performed in advance on each facility to prepare for the increase in the occurrence of large-scale disasters such as deterioration of the facility due to passing 20 years after airport opening and powerful natural disasters from climate change, etc., and risk factors such as fire and accidents were eliminated in advance. Moreover, safety facilities were installed facilities concentrated with passengers to prepare for various facility disasters and accidents. Incheon International Airport was able to prevent any occurrence of damage in the airport facilities due to these customized facility disaster prevention activities, and safety level of “Satisfactory” Level was received on all airport facilities (42EA).

Implementation of Disaster Management on Airport Facilities based on P-D-C-A

| PLAN | DO | CHECK | ACTION |
|---|---|--|---|
| <p>Establishment of Response Plan to Damage from Storm, Flood and Snow</p> <ul style="list-style-type: none">Establishment of preliminary response plant on damage from storm, flood and snow (2 times/year) (Damage from storm & flood: May 15~Oct. 15, Damage from snow: Nov. 1~Mar. 31 on the following year) <p>Strict preparation by establishing the disaster response plan</p> | <p>Preemptive Emergency Response to Disasters</p> <ul style="list-style-type: none">Training for each situation to prepare for damage from storm, flood and snow (28 times)Emergency operation center is operated on damage from storm, flood and snow (33 times, 4,758 persons) <p>Improvement of quick response capability for each disaster situation</p> | <p>Inspection on the Vulnerable Facility to take Necessary Measures</p> <ul style="list-style-type: none">Performance of special joint inspection in preparation for the typhoon (Aug. 24~25)Improvement and measures on the vulnerable drainage facilities (28 cases) <p>Improvement of disaster preventive capability of the facility through preventive maintenance and measures</p> | <p>Introduction of Smart Maintenance System</p> <ul style="list-style-type: none">Establishment of Big Data and Introduction of AI on the drainage gatePerformance of remote inspection of the facilities by using drones <p>Prevention of blind spots in safety through Smart maintenance</p> |

Airport Security

Highest Level of Airport Security Service in the World

IIAC is reinforcing the security measures in response to new terror threats and illegal sabotages such as drone and biochemical substances, etc. to lead the new aviation security standard through the highest level of airport security in the world, and conversion of the aviation security activities are accelerated according to the expansion of new technologies such as AI (Artificial Intelligence) and biometrics, etc. Innovative system will be established on the aviation security, and new concept of security service will be provided through the Smart security utilizing the cutting-edge technology realized with the Anti-Virus security process. In addition, voluntary engagement-type airport security will be activated. In 2020, the expertise of the security manpower was improved and converted to permanent position to improve the airport security service and to reinforce the expertise, and response system was established on the security threats. Moreover, Smart security screening equipment was introduced in advance, access control system was sophisticated, and drone detection system was operated, etc. to use Smart technology and to sophisticate the equipment.



BEST PRACTICE



Successful Operation of the Drone Detection System for the First Time Among Civilian Airports

IIAC initiated the operation of the drone detection system successfully to establish the early detection and quick response system on illegal drones for the first time among civilian airports. In May, 2020, drone detection system was installed into the field, and safety verification was completed in August. Over 90% of detection rate was achieved through the demonstration, and joint private-public-military response system was established to operate the drone detection system from September. MOU was signed between IIAC-military-police to perform the joint training for response to illegal drones for the first time in Korea. After initiating the operation, total of 149 illegal drones were detected in 10 months, and this is evaluated to have provided outstanding model on establishing the drone detection system.

Worker Safety & Health

Implementation of the ‘Safety Culture A·C·E Strategy’

IIAC is implementing the ‘Safety Culture A·C·E Strategy’ of introducing various assessments (A), performing campaigns (C), and reinforcing the safety education (E) to spread the safety culture throughout the airport. To help the subsidiaries lacking safety management capabilities relatively, ‘Subsidiary Safety Evaluation System’ was developed for the first time among public corporations to provide the foundation for safety management system on the subsidiaries, and evaluation is performed systematically. Also, awards are given annually to outstanding workplaces and person of merit on safety management to induce autonomous safety activities by the workers. Meanwhile, various programs are performed with participation by IIAC, subsidiaries and local residents such as Safety Golden Bell, UCC & Slogan Contest and Poster Competition through the ‘Safety Awareness Boom-Up Event’, and meeting on communication regarding safety and cultural events such as Safety Check Day, etc. are held to focus on improving the awareness on safety. In addition, effectiveness is evaluated by all workers to hear their opinion for continuous improvement of safety training contents, and safety training customized for the demand such as the ‘Visiting Safety Training’, ‘Training on the Vulnerable Group on Safety Awareness’ and ‘Professional Training for Each Field’ are provided to enhance the effectiveness and satisfaction level of the training. Due to these efforts, IIAC received Grade A for 2 consecutive years in the ‘Safety Activity Standard Evaluation on Public Institutions’ supervised by the government, and also received the award from the Minister of Employment & Labor in the ‘2021 Presentation of Outstanding Cases on Safety & Health Activities in the Service Field’.

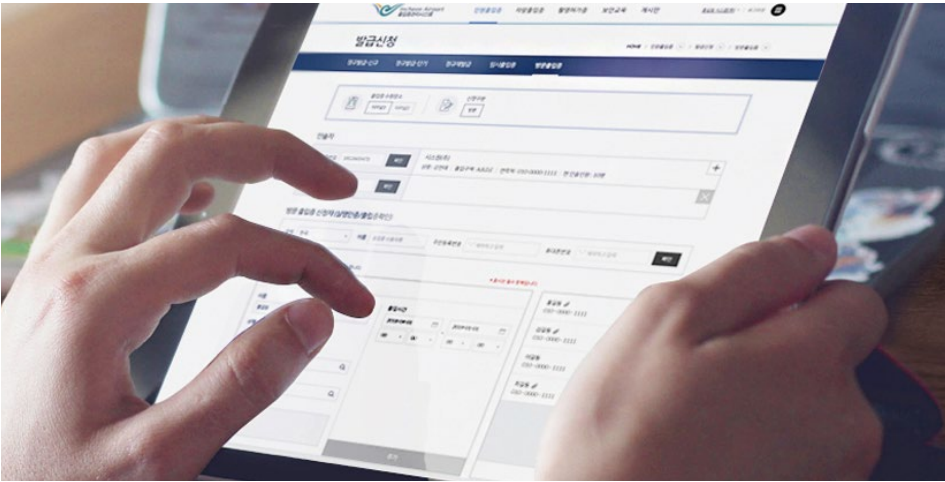
| A | C | E |
|---|--|--|
| Assessment | Campaign | Education |
| <ul style="list-style-type: none">• Safety assessment system for subsidiaries• Excellent workplaces selection• Industrial safety reward/punishment system, etc. | <ul style="list-style-type: none">• Bottom-up event for awareness of safety• Safety communication meeting• Safety inspection day, etc. | <ul style="list-style-type: none">• Outreach safety education• Education for people vulnerable to the awareness of safety• Specialized education in each field, etc. |

On-site Safety Management

On-site safety management is performed to develop the safe working environment for the workers in Incheon International Airport. Various safety inspections such as periodic inspection, special inspection and risk assessment, etc. are performed frequently, and ‘Incheon International Airport Safety Report System’ is operated to enable any airport workers and passengers to report the risk factors in the airport to discover risk factors in the site for immediate improvement. Meanwhile, drone is used on pipe inspection or wearable robot is provided for baggage handling personnel to combine IT technology with safety management in effort to prevent the industrial accidents of the on-site workers. Through these top-class safety management, the industrial accidents of IIAC, subsidiaries and construction companies are decreasing consistently, and IIAC achieved ZERO serious accidents for 2 consecutive years.

Improvement of Quality of Life on the Vulnerable Workers

IIAC is taking effort to improve the working environment of the vulnerable workers that can easily be exposed to disasters. ‘Cooling Time System’ is introduced to provide urgent rest to workers providing emotional labor and receiving malignant complaints, and work stress test is performed through online on shift workers to introduce new systems for protecting the mental health of the workers. In addition, safe work is supported actively on the workers in the enclosed space with high possibility of occurring with serious accidents. Program for work in the enclosed space is established, periodic rescue training and on-site inspection are performed, and safety equipment rental service is provided to help the safe work of these workers. Ground handling workers who work mostly outdoors are provided with the mobile rest area installed with air-conditioning and heating system to enable their comfortable rest even in hot summer and cold winter, and CCTV and defibrillators are installed additionally in blind spots to reinforce the safety during the work. IIAC will continue the efforts to create a happy workplace for all workers in the airport.



Reinforcement of Information Security

Reinforcement of Response Capability on Cyber Security Risks

IIAC is taking effort to operate the airport stably through the highest level of cyber security management among public corporations. As the cyber security threat is increasing due to the COVID-19 crisis, lice on remote work system was acquired additionally and non-contact maintenance standards on external systems were established to provide the response measures according to the environmental change. Also, all information system OS were upgraded to Windows 10, and total inspection was performed on DB encryption to continue the efforts on reinforcing the response capability towards cyber security risks.

Moreover, security awareness of all employees were improved by performing ‘Security Management Together’ through ‘Voluntary Security’, and voluntary implementation of security was reinforced to improve not only the security level of the employees, but also, IIAC was acknowledged of the security management capability externally.

‘First’
among Public Corporations

👍

Citation of the Science & ICT Minister on the Information Protection Day

‘Grand Prize’
for 2 consecutive years

🏆

Information Protection Sector in the National Industry Awards

‘ZERO’
Security Breach Accidents

0%

Voluntary security check and full-scale action on vulnerabilities discovered

Establishment of Personal Information Protection Environment

IIAC improved the management sector such as reinforcing the capabilities of the exclusive manpower, inspection on personal information, and expansion on the range of protection, etc. to establish the safe personal information protection environment. Verification of protective measures, discover of improvement for action are implemented continuously through periodic inspection on the management condition and full-scale maintenance of personal information in the business PC, and the personal information protection solution was introduced not only in IIAC, but also to the subsidiaries to provide the safe working environment. Due to these efforts, IIAC received the highest level for 2 consecutive years in the ‘Diagnosis on Personal Information Management Standard in Public Institutions’ supervised by the Personal Information Protection Committee.

| Diagnosis on Personal Information Management Standard in Public Institutions | Establishment of Safe Personal Information Protection Environment | ‘ZERO’ Personal Information Spill Accidents |
|--|---|---|
| Highest level received for 2 consecutive years | Access control system operated, and protection solution extended for introduction | Protective measures were implemented and inspection was made on prevention of information spill |



Airport Growing Together Win-win Partnership

WHY THIS MATTERS

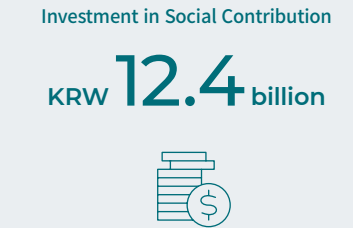
The airport industry as an ecological business form of being connected closely between the local community and various stakeholders. This means that there can be win-win growth or decline in business according to the operating circumstances of the airport. Therefore, it is important for IIAC to develop the infrastructure environment for shared growth of all airport workers, and to perform various activities for win-win relationship with the local community. As the global airport corporation, IIAC will provide the direction for shared growth with the aviation industry, and develop into the hub airport creating social impact as the companion of the local community performing the role of public development faithfully.

APPROACH

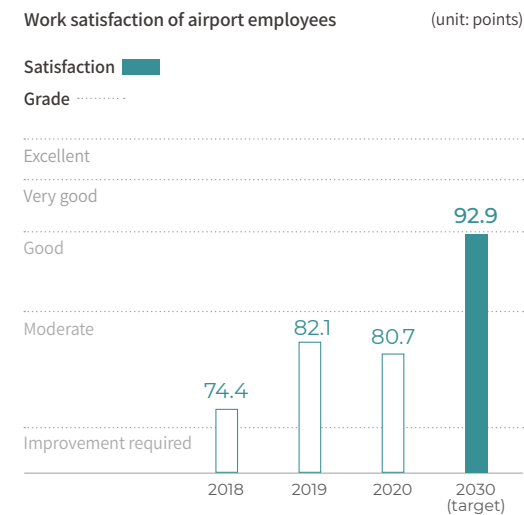
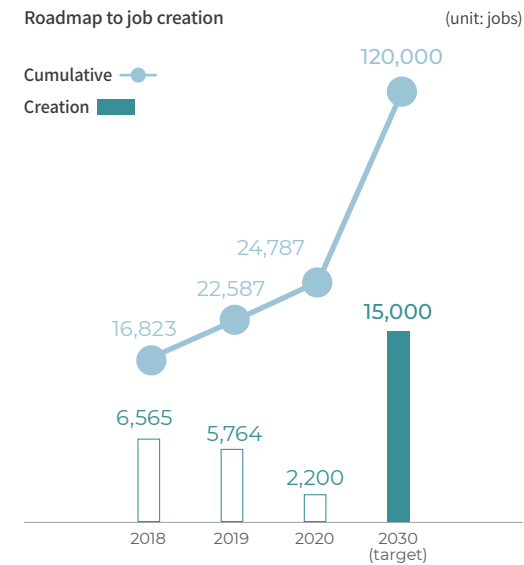
To reinforce the employment safety network due to the COVID-19 crisis, IIAC is discovering and actively implementing the social role of the public corporation in the airport industry ecosystem such as performing job support package projects to protect the jobs of the vulnerable social group in the airport, developing small-medium enterprises in Korea, and providing the support for localization of major technologies in the aviation industry, etc. In addition, mutual survival is promoted by activating the local economy and maintaining the local industry ecosystem to relieve the social imbalance from the COVID-19 pandemic. Moreover, establishment of healthy local communities are supported through various programs for relieving the regional issues such as supporting education to multi-cultural families and creating jobs for middle-aged workers. Through this, co-existence and development with the local community is promoted.



KEY FIGURES



Job Ecosystem NO. 1



Support of Job Ecosystem in the Incheon International Airport

Re-establishment of Job Creation Implementation Strategy System

The IIAC has established a mid-to-long-term job creation strategy of our own with the vision of “Quality Job No. 1, Incheon Airport” according to the government’s job creation roadmap thereby implementing activities to raise the quality of jobs by improving job quality and job creation environment. In pace with the change in government policies such as Korean New Deal and local and external environmental changes such as employment crisis due to COVID-19 in recent years, we have re-established the strategy to create quality jobs in Incheon International Airport to strengthen the recovery and protection strategy of aviation ecosystem by re-setting the job creation area that matches the New Normal Era. We will strengthen the employment safety net by providing action tasks for each COVID-19 phase and create 120,000 quality jobs by 2030 to make a happy airport for 200,000 airport workers.

Leading the Job Protection of 70,000 Airport Workers

The aviation industry has an unprecedented crisis due to the long-term COVID-19. IIAC has striven to stop the collapse of the aviation industry ecosystem such as reduction of airport use fees and rents and active persuasion of central and local governments to additionally include the ground handling service in the special employment support business type. Through this, we keep a total of 41,300 jobs through the agreement of job keeping with 56 companies such as airlines and commercial facilities and achieved 88% or higher job keeping rate thereby leading the coexistence and co-prosperity of the airport industry ecosystem.

In addition, the IIAC has protected vulnerable classes of airport jobs through the “tailored job support package project for Incheon Airport”. It has protected the ecosystem of airport industry jobs by inducing long-term employment through the payment of welfare grants to youth employees, recruitment support of workers for SMEs, and supporting 138 employees in 13 companies through re-employment support for middle-aged employees who were laid off due to COVID-19.

Job Creation Implementation Strategy System

| No. 1 best job in Korea, Incheon International Airport | | | |
|--|--|--|--|
| Vision | Creating new jobs | Connecting good quality jobs | Keeping sustainable jobs |
| Implementation Strategy | Job creation 120,000 (cumulative) | Job matching 70,000 (cumulative) | Work satisfaction of employees Very good grade |
| Priority Goal (Up to 2030) | ① Job creation of airport economic sphere ② Creation of innovative jobs ③ Creation of inclusive jobs | ④ Connection with the foundation of Fourth Industrial technologies ⑤ Connection to demand-based tailored jobs ⑥ Connection of close contact between company and job applicants | ⑦ Building an employment safety net ⑧ Raising the vitality of airport industry jobs ⑨ Strengthening competence and implementing talented HRs |
| Implementation Task | | | |

Creation of Inclusive Jobs

‘The Incheon Airport Value Project’ is a project that promotes social-economic organization as part of the profit return project of arrival hall duty-free shops, which is the promise with the Korean people. In particular, this project has focused on assisting to strengthen the competitiveness of social economy enterprises that were suffered due to COVID-19 and diversification of support policies for social economy enterprises at the growth phase.

Based on the idea that most implementation policies for social economy organizations are concentrated on their startup phase, the project provides customized business consulting for 25 social economy organizations that were established more than three years ago and supports the growth fund for excellent companies. In addition, it has achieved USD 950,000 of overseas exports through additional supports such as the introduction of global online platforms including Amazon, and support of overseas patent development after building an online sales route support system to respond to the change in the business environment caused by COVID-19, as well as the domestic online sales has increased by 265%.

Furthermore, it has enhanced the mobility right of the mobility handicapped by discovering collaboration tasks in link with the airport industry and supporting barrier-free travel product development and sales and helped the social economy organization in the travel industry to grow. We have achieved the creation of a barrier-free tour product-related cooperative association through this project started in 2018. Moreover, we are implementing a business to provide customized coaching and support the investment attraction demonstration day by matching mentor companies for startups in K-travel, culture, and food and beverage sectors in link with the Culture and Art Incheon Airport in collaboration with Technopark. Through this, we have invested worth of KRW 5.8 billion in 28 startups and discovered 63 intellectual property rights.

The effort of the IIAC to become an accelerator of the social economy will be continued such as the promotion of social enterprises at the growth phase, the discovery of collaboration tasks in link with the airport industry, and the expansion of direct purchase of products and services from social enterprises.

Incheon Airport Value Project

| 1. Let's Go with the Value of Incheon Airport | Promotion of social-economic enterprises at the growth phase |
|--|---|
| <p>Sales route exploring in local and overseas and investment of growth fund (25 companies)</p> <ul style="list-style-type: none">Entry to online platforms including Amazon, development of overseas patents, and loan of business fundAchieved 45 cases of product and service improvement, 112 cases of on- and off-line entry, and 85 cases of consulting <p>Concentrated promotion of eco-friendly products and services in line with Green New Deal (12 companies)</p> <ul style="list-style-type: none">Measuring social impact such as eco-friendly index and providing customized growth consultingSelection of 15 companies (December), strategy establishment consulting, and implementing the entry to crowdfunding <p>Fostering community social enterprises with the institution-allied fund creation (15 companies)</p> <ul style="list-style-type: none">First alliance of 4 public institutions including us and providing regional social economy organization basisGrowth fund investment and support of the entry to online crowdfunding with customized consulting (45 times) | <p>Achieving USD 950,000 of overseas export (increase by 1.5 times)</p> <p>Increase of domestic online sales by 265%</p> <p>Increase of sales of supported companies by 14% compared to that of the previous year</p> |
| 2. Incheon Airport Value Travel | Discovery of collaboration tasks in link with the industry |
| <p>Promoting barrier-free fair travel companies (3 companies)</p> <ul style="list-style-type: none">Strengthening a right of mobility for the mobility handicapped in cooperation with the Corporation, fair travel companies, mobility handicapped, and university studentsDevelopment and sales of overseas products in 2018-2019/ development of local products (Incheon, Goheung, and Jeju) in 2020 <p>Promotion of 3K(K-tour, culture, and food and beverage) by Culture and Art Incheon Airport (28 companies)</p> <ul style="list-style-type: none">Mentor company-linked customized coaching and hosting the investment attraction demonstration day in collaboration with Incheon Technopark | <p>Follow-up promotion and support with the Incheon Airport-type cooperative association</p> <p>KRW 5.8 billion of investment attraction</p> <p>63 intellectual property rights</p> |
| 3. Incheon Airport Together Value | Expansion of direct purchase of products and services |
| <p>(Purchase promotion) Enforcing internal promotion and participation in online planning exhibition hosted by the Ministry of Strategy and Finance (50 cases)</p> <p>(System improvement) Expansion of point of purchase records by internal evaluation (increase by 0.1 point), demolition of private settlement of the private contract</p> | <p>Achieving KRW 9.03 billion of purchase record</p> |



Diversification of Shared Growth Implementation System

Shared Growth

Implementation System

Expansion of Joint R&D

Support of Testbed Infrastructure

Shared Growth

Implementation System

Expansion of Joint R&D

Support of Testbed Infrastructure

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Implementation System

Expansion of Joint R&D

Support of Testbed Infrastructure

Shared Growth

Shared Growth Implementation System

IIAC is continuing the shared growth with collaborated SMEs for the win-win of the aviation ecosystem and the creation of sustainable future value and has newly established the mid-to-long-term implementation strategy in 2021. We have strengthened the executive power by performing autonomous monitoring activities largely by the Shared Growth Implementation Committee and raised the fairness of the support projects. To improve the technical skills of SMEs that are involved with joint R&D, the innovation technology R&D scale has been expanded, and productivity innovation projects have been supported such as smart factories, innovation partnerships, and industry innovation movement in collaboration companies and regional SMEs. In addition, a consumer-customized shared growth system is building.

Expansion of Joint R&D

IIAC is endeavoring to discover joint R&D tasks with domestic SMEs and secure future source technologies through localization of foreign-based technologies of aviation industry-related materials, parts, and equipment. In addition, we are expanding the innovation technology R&D based on Data-Network-AI-based digital New Deal. The number of researchers in the Airport Industry Technology Research Institute has increased by 10 to enhance the internal competence of technical development and the technical communication channel has been diversified to discover 19 new tasks and 7 joint R&D tasks. We have also supported the development and self-reliance of key technology with 4 SMEs such as the development of Terminal 1 luggage dual-composite material tray, which was 25% lightweight compared to that of foreign-based one for the localization of materials, components, and equipment technologies. In addition, IoT asset management system, ground moving vehicle’s path monitoring using AI image recognition, and education content of MR aviation security check have been developed with the collaboration with seven SMEs, thereby expanding the participation of SMEs in overall digital transformation projects of airport operation. The discovery of R&D tasks in 2020 alone has increased by 19 (3.1 times that in the previous year) and the joint R&D investment has increased by 1.6 times. We will sincerely play a role as a reliable growth helper of excellent SMEs in the future.

Support of Testbed Infrastructure

IIAC has provided a large testbed for the commercialization of superior technology using the excellent airport infrastructure. It has supplied a testbed of six owned technologies including the advanced visual docking guidance system, aviation ground power supply device technologies for five SMEs in 2020 thereby acquiring performance certification to provide the foundation of sales increase and inducing the sales rise of KRW 380 million. Furthermore, it has completed a large testbed of automatic foreign object debris detection system on runways for the first time in Korea with the efforts for five years via the collaboration with 3 SMEs and active approval support of licensing for institutions. Through this, we have owned a detection technology above the recommended level of the Federal Aviation Administration (FAA) thereby achieving a feat of securing technology value worth KRW 8 billion. With the recognition of our efforts, we have been awarded a commendation from the Minister of Land, Infrastructure and Transport on the ‘Construction New Technology Day of the Korea Construction Transport New-technology Association’ in October 2020.





Expansion of Sales Route Support for SMEs

IIAC has supported a business of collaborated companies by converting the existing sales route support policy into online support and diversifying a sales route support system to recover the economic vitality of the airport industry even in the COVID-19 crisis. The online fairs, which were held 13 times including new technology online (Future, Connect) exhibition of the airport industry, experience hall of K-airport quarantine in Incheon Airport in the overseas online EXPO, and holding a meeting “Fly Together with SMEs and Start-ups”, recorded 30,000 visitors and created a sale of KRW 51 million. Furthermore, the airport common user system (AirCUS), which is a represented SME technology of integrated ticketing introduced to the Incheon International Airport, was proposed to be introduced to Batam Airport in Indonesia and autonomous driving cart robots are pilot operated in Kuwait Airport, which is a target airport of our overseas projects and their introduction will be expanded sequentially. Moreover, the smart luggage scale technology, which is one of the superior SME technologies in Korea, has been pioneering overseas sales networks through the MOU signed among the Corporation, development company, and LG Electronics.

Revitalizing the Local Economy



Protection of Citizen's Livelihood Economy

Distribution of Local Business Vouchers of “Let's Go with the Value of Incheon Airport” for the first time in Public Corporations

To support the economic plight of vulnerable classes due to the COVID-19 crisis, local business vouchers exclusively used in Jung-gu Incheon-si were developed and distributed to 5,727 citizens of near poverty groups in the district worth KRW 1.7 billion to supply local currencies to overcome the crisis. The local business vouchers contributed to local economy vitalization as they created KRW 2.47 billion-worth local economy ripple effect by supporting sales increases of 14,871 small business owners in the district through the virtuous cycle linked with sales after developing a system to be used only in small shops within the region.



Resolution of Financial Difficulties of Small Shop Owners in Crisis

The emergency business fund worth KRW 1.15 billion was supplied to 201 small shop owners who were in a crisis of survival in damaged sectors such as travel, floriculture, and education service, which were directly hit by COVID-19. Considering that the government support was a high-interest rate above 4.5% on average and took at least five weeks, we tried to raise the effectiveness by supplying a fast fund within 10 days using a non-face-to-face examination without guarantee and security and with zero-interest-rate and achieved 90% of survival rate of small business owners subject to support even after one year from the subsidy payment.

Expansion of Sales Routes for Regional Companies

We have put the policy to consider regional companies in place to significantly alleviate the participation criteria such as construction capacity evaluation amounts only for regional-based companies when awarding the Phase 4 construction order, which is a large scale of construction. As a result, the number of participated regional companies and contract amounts have increased more than tripled compared to those of the Phase 3 construction. In addition, we have led overcoming the crisis of regional economy by establishing fast, emergent, and immediate tailored support measures such as the contribution to resident income increase by distributing Manila clam seeds and creating a joint workplace to develop a regional tourist resource.

Local participants in the phase 4 construction

6 companies
(two companies in the phase 3 construction)



SMEs One-Stop Comprehensive Support System (F.A.S.T Implementation)

IIAC has operated the comprehensive support system (F.A.S.T) for SMEs, which is a one-stop support system, by which support of finance (F), application for investment (A), sales route (S), and technical growth (T) are conducted for each growth phase after selecting superior companies through the technical contest. In particular, we have concentrated on financial assistance to alleviate the business burden due to COVID-19 in 2020. It has promoted the win-win collaboration loan project worth KRW 10.12 billion for the business stabilization fund and signed the working-level agreement of mutual aid project for tomorrow saving for superior HRs of SMEs to work for a long term. In addition, it has supported a total of 54 companies up until now through the operation of 12 unit projects including the support of intellectual property right acquisition cost for SMEs to focus on the competitiveness internalization. Moreover, anyone with new technology in the aviation industry can participate in the public contest of research tasks and advertisement of a superior technology by expanding the technology market functions in Incheon Airport, and the innovation growth of SMEs has been supported by the consulting assistance such as the support of technical data escrow for SMEs and the issuance of technical certification based on the reliability of Incheon International Airport. Through this, 80 superior technologies were discovered, and a total of KRW 511 million in sales was achieved. We also supported 240 SMEs, which was increased by 1.87 times that of 2019, thereby being selected as the best practice in the Corporation Growth Support Committee of the Ministry of Land, Infrastructure, and Transport in November 2020. In February 2021, we launched and expanded six unit businesses including consulting for technology exception listing with stock market to the comprehensive support system for SMEs (F.A.S.T. Plus) so that SMEs can actually feel the support by actively reflecting corporate demand through “Win-Win Plus Conference” with CEOs of 50 SMEs.

BP comprehensive support system for SMEs



Protection of Industrial Economy

Support of Overcoming a Crisis in the Airport Industry Ecosystem

IIAC has promoted the shared survival with active pain sharing with tenant companies, in-flight meal suppliers, and commercial facilities to maintain the industrial ecosystem of Incheon Airport despite that the severe business crisis. We have protected Korean national airlines’ competitiveness through timely support of six major use charges for those airlines. We aim to become a supporter of the aviation industry ecosystem by proposing to include aircraft ground handling services into the special support industry considering the difficulties of ground handlers who were blindsided by the government support. Furthermore, we prevented the regional unemployment crisis by signing an MOU to stabilize the employment of airport tenant companies and enhanced business sustainability through the assistance of alternative sales routes for in-flight meal suppliers to deliver their meals to cafeterias in the airport. Moreover, we have steadily made efforts to reduce the damage due to passenger reduction as much as possible such as assistance to ensure minimum passengers by conducting a promotion of the use of commercial facilities targeting permanent employees. As such, IIAC has been committed to stopping the collapse of the aviation industry with the maximum pain-sharing efforts in the public sector at a scale of KRW 1.2 trillion spendings.

| | | |
|---|-------------------------------------|---|
| Consultation with the Government | Suggestion to expand support policy | <ul style="list-style-type: none">Listening to real voices from the industry and suggestions to Government ⇒ Expansion of support scale, target, and period |
| Pain sharing | Alleviation of business burden | <ul style="list-style-type: none">Increase in non-operating aircraft ⇒ Reduction in parking charges and airport apron use feeReduction of rent and land use fee by 75% for SMEs and 50% for large and middle standing enterprises |
| | Securing liquidity | <ul style="list-style-type: none">Payment deferral of six airport use fees including landing and lighting charges and rent |
| Mutual survival | Enhancing sustainability | <ul style="list-style-type: none">(Commercial facility) Sales promotion executed targeting permanent employees led by the Corporation(Privately financed facility) Supply of products to cafeterias of permanent residents from in-flight meal production facilities |
| 88% of employee retention rate in the aviation industry achieved through the Job Keeping MOU signed with business owners subject to support | | |

Reinforcement of Win-Win Development with the Local Community

Under the social contribution vision of ‘Incheon International Airport connecting the people and value’, Incheon International Airport Corporation (IIAC) invested KRW 72 billion in social contribution for the last 5 years even during the COVID-19 crisis to play the leading role as the ‘Public Corporation’ for win-win development with the local community.

Development of Local Talents

By noticing the lack of local educational infrastructure, IIAC is operating the local talent development program for each life cycle. After-school programs such as art and work experience, etc. were supported to students in 19 local elementary and middle schools for the last 13 years, and ‘Incheon Haneul Academy’ was established and operated in the Yeongjong International City to continue the efforts on preventing the outflow of local talents. In addition, IIAC is operating the ‘Incheon International Dream’ scholarship, and total of 632 students were selected since 2005, with total scholarship of KRW 1.38 billion. Moreover, IIAC is supporting the development of local talents in various fields such as elite athletes in the Incheon Region, etc.

Establishment of Healthy Local Community

IIAC is supporting the renovation of local social welfare facilities and operating programs to relieve the difficulties of the social welfare sites, and the right to live of the underprivileged is protected by providing goods for the cold weather to those living in the compact rooms and homeless people. Also, IIAC is

Leading the Local Growth



continuing the activities for protecting the mobility rights of the transportation vulnerable by supporting walking aids to elders and vehicles to facilities for the disabled.

Discovery and Practical Resolution of Regional Problems

IIAC is searching for various methods and roles for the win-win development with local communities as a representative regional public corporation. We have made efforts to reflect the needs of the local communities proactively by listening to various opinions such as social institutions within the district, expert groups, and local government to provide the support that can be felt by the local communities. In recognition of our efforts to resolve regional problems and build a regional cooperation model, the Corporation was selected as ‘Incheon Regional Social Contribution Recognized Company’ and awarded the Minister of Health and Welfare Award.

‘Jump Together with Incheon Airport’

The population of multi-cultural residents in the Incheon region is the third-largest in the country, and interest in multicultural families is growing. IIAC has supported triangle mentoring called “Jump together with Incheon Airport” consisting of company employees, university students, and multi-cultural youth to resolve the education gap and support the healthy growth of multi-cultural youth. Company employees provide future job mentoring for university students, who then provide education and emotional support mentoring for multi-cultural youth. We support the social growth of company employees and university students to have an opportunity to search for quality jobs and develop soft skills as well as supporting multi-cultural youth to grow healthy as a member of the society.



Round. G Community Center

IIAC is supporting the continuous social participation of new middle-aged retirees, who are retired baby boomers, by implementing a project to create the Round. G community center and creating jobs for them to resolve the problem of the rapid increase in the number of baby boomer retirees as the society enters the aging society, which is emerging as a social problem in recent years. The middle-aged retirees will play a role as an operator of the cafeteria as well as a lecturer in the community programs that share their competence and experiences with young generations, sharing their expert knowledge with local residents and the youth. The Round G community center has opened No. 1 and No. 2 branches in Incheon and Daejeon, and it will be expanded and created steadily in the future.

Building a Regional Cooperation Model

IIAC is expanding the value creation ripple effect by strengthening cooperation with stakeholders from all walks of life in the region who pursue the same value as a leader to build a multilateral cooperation model.

| Building a Regional Cluster to Develop the Aviation Industry | | |
|--|---|---|
| Creation of Incheon Industry-Academy Collaboration Institute | Fostering 3K startups | Vitalization of aviation MRO |
| <ul style="list-style-type: none">Building a platform to foster the aviation industryTargeting to foster 100 aviation parts companies <div>The Corporation - Incheon City - Inha University</div> | <ul style="list-style-type: none">Vitalization to foster regional startupsAchieving KRW 300 million sales by startups <div>The Corporation - Incheon City, IFEZ - Incheon Technopark</div> | <ul style="list-style-type: none">Fostering aviation MRO-specialized technical HRsFostering 740 aviation HRs <div>The Corporation - Korea Polytechnics</div> |

| Vitalization of the Economy in Incheon Region | | |
|---|--|---|
| Building the governance of airport economic sphere | Promoting regional innovation growth | Vitalization of employment in the airport industry |
| <ul style="list-style-type: none">Driving a joint business in the airport economic sphereImplementing UAM specialized city <div>The Corporation - Incheon City, IFEZ - Six public institutions</div> | <ul style="list-style-type: none">Driving four collaboration tasks including smart factory setupCreation of KRW 548 million fund for regional economy vitalization <div>The Corporation - small, medium, and large-sized foundations - Three public institutions in Incheon</div> | <ul style="list-style-type: none">Providing the job recovery packageSupport of job recovery for 119 employees <div>The Corporation - Incheon TP - Korea Civil Aviation Development Association</div> |

Airport Leading the Organizational Innovation

WHY THIS MATTERS

The best asset of the Incheon International Airport Corporation is our employees. The reason for becoming the global leading airport is due to our employees in the Incheon International Airport. Thus, IIAC is creating a trusted labor-management culture to provide a basis for our employees to exhibit their competence, actively reflect their needs, and facilitate communication between labor and management. We are committed to the respect and growth of individual diversity and the work and life balance by providing a basis to pursue happiness.

APPROACH

IIAC is conducting the human rights protection activities for airport employees, users, and local residents through the transparency enhancement and improvement of operation methods of the human rights management system. We are supporting the improvement of individual competence for employees by respecting the diversity of members within the organization and implementing a strategy to foster talented and innovative HRs. In addition, we are making a trusted labor-management culture that can reflect the mutual needs based on various communication channels and resolve the current issues. We are committed to providing happier work environments for employees through the change in the work manner and organization culture.



KEY FIGURES

Education of Future Airport Experts

5 courses

212 employees



Employee Communication Satisfaction


4.46 points

(4.26 points in 2019)



Employees' Family-Friendly System Satisfaction

4.5 points



Female Managers

43 persons



Innovative Talent Development

Education Conducted to Strengthen Competence

| Full-time Professor | Global Experts | Management Expert/Key HRs |
|--|--|--|
| <ul style="list-style-type: none">• Introduction of full-time professor and dual fostering path• Establishing a mid-to-long-term roadmap and operation plan | <ul style="list-style-type: none">• Introduction and operation of Global Insight Diplomacy program to foster experts in overseas projects and global lecturers | <ul style="list-style-type: none">• Introduction of management expert manager fostering course (linked with MBA course in Yonsei University)• Fostering CVC key HRs (linked with KAIST) |
| <ul style="list-style-type: none">• Completion of selection of three full-time professors• Implementation of assetization of airport construction and operation knowledge | <ul style="list-style-type: none">• Improvement of quality in global expertise education (education satisfaction 4.9 points/increased by 2.7% compared to the previous year) | <ul style="list-style-type: none">• Expected to produce around 50 graduates in professional Masters• Completion of 56 students with CVC fusion education |

Implementation Performance

Providing a basis to foster around 330 experts in each area by 2025

(12 future airport experts and 181 quasi-experts, 10 full-time professors, 25 global experts, and around 100 professional Master's graduates, etc.)

Fostering Airport Experts

IIAC established the roadmap to foster future airport experts who can lead the airport industry and put the roadmap in place. Through this, we are fostering future-oriented HRs who can realize the new vision and be a growth engine.

Implementing the Strategy to Foster HRs

Selection of Future Jobs Aligned with the Strategy

| Vision and strategy | New growth industry promotion | Hub-smart airport in Northeast Asia | Airport operation innovation | Safe airport | Sustainable Management |
|---------------------|--|-------------------------------------|---|---|------------------------------------|
| | future aviation, surrounding development, etc. | culture and art, etc. | MRO, latest advanced navigation, global logistics, etc. | innovation, venture, value-added creation | Big Data analysis, AI, VR/AR, etc. |

Four types of future airport experts

| | | |
|---|--|---|
| ← | 1 Future air transport | → |
| ← | 2 AI, 3 Big Data | → |
| | 4 Culture and art design (service convergence) | |

| Establishing Expert Roadmap | | | | |
|-----------------------------|--------------------------|----------------|----------------------|-----------------|
| Expert level | Lv.1 (Assistant workers) | Lv.2 (Workers) | Lv.3 (Quasi-experts) | Lv. 4 (Experts) |
| 2020~2023 | 545 | 265 | 109 | 6 |
| 2024~2025 | 285 | 160 | 72 | 6 |
| Goal (cumulative) | 830 | 425 | 181 | 12 |

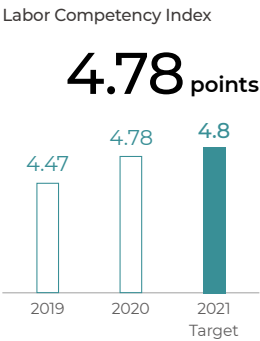
Education Execution

- **Top expert collaboration and education**
education conducted for 212 employees in five courses for each expert area
- **Learning organization, partnership**
Needs survey⇒ Configuration of the voluntary learning organization and strengthening Industry-Academy collaboration partnership

Establishment of Advanced Corporate Culture

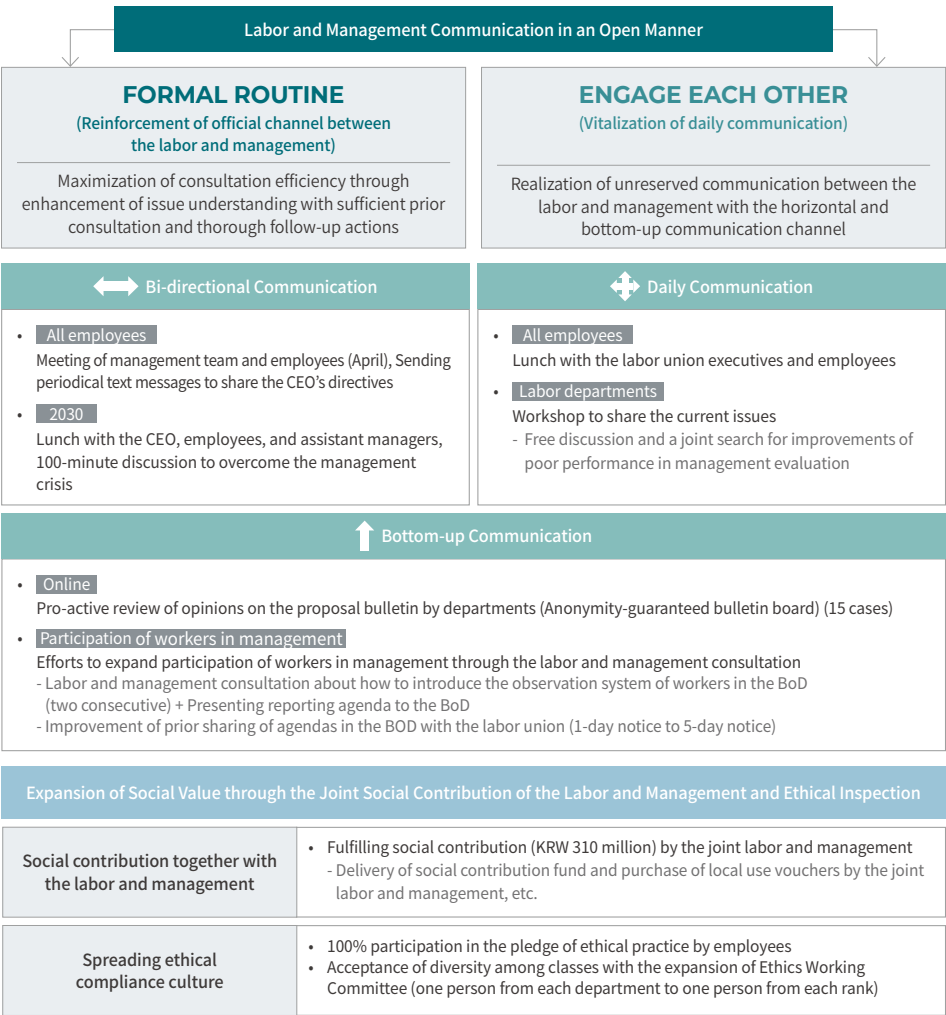
Robotic Process Automation (RPA) Adoption

Daily **75** minutes of work-hour on average reduced



Trusted Labor and Management Culture

IIAC is forming a consensus between labor and management with unreserved communication and creating a mutually trusted labor and management culture with the reinforcement of official labor and management communication channels. The collective agreement specifies that consultation between labor and management should be conducted before decision making regarding material issues related to management activities. We have proposed an agenda to consult by reflecting mutual needs of the labor and management, have resolved the issues with balanced viewpoints, and have improved working conditions. To satisfy both sides, in which the management demanded unavoidable emergency business due to a huge loss and the labor requested safer work conditions through the improvement of non-monetary working conditions, we have ensured the fund and induced the improvement of working conditions that are closely related to daily living. Through this, we can mitigate the management crisis by drawing the management efficiency and employee satisfaction. We will make a best practice of labor and management culture by building a mutual win and trusted labor and management relationship.



Changes in how to Work and Organizational Culture

IIAC is implementing simple, safe, and smart work process innovation according to the need for non-contact work environment improvement due to the expansion of COVID-19 and productivity strengthening through advanced technological innovation. We have enhanced the efficiency of repetitive work processing through digital technology and system improvements via AI use and robotic process automation (RPA) adoption. Through this, we have achieved work processing hours reduction by 75 minutes on a daily average and 0%

of calculation error in 100,000 claims of airport use charges annually workplaces were distributed so that the COVID-19 infectious rate has been zero between employees within the workplaces thanks to the minimization of contact, and the work-from-home participation rate of employees, and the satisfaction rate of the remote report system reached 87% and 93.5%. In addition, The security search accuracy has been improved by applying AI search technology in existing works, and the IoT-based smart asset management system has been implemented to save KRW 100 million in human and material resources per year.

Flexible Working System

We have established a safe and efficient working system through the non-contact work system due to spreading COVID-19 thereby introducing a spatial flexible working system and building infrastructure for the system. We have supported notebooks and tablets for work-from-home for employees and implemented a system to enable drafting and approving with the remote working system. In addition, we have committed to resolving the inconvenience of commuting of employees by building a remote office system. The satisfaction level of employees in the flexible working system was high as 4.5 points by improving the convenience of users.

Family-friendly Management (Maternity Protection Policy, etc.)

IIAC has raised the convenience of employees with the streamlined system and expanded operation of the family-friendly system by reflecting the social environment change and COVID-19 in the existing operation of the work and family balance system. We have expanded the work-from-home and reduced work hours for pregnant employees for maternity protection of the future mother, and introduced a parental leave for future mothers to enable a parental leave before childbirth. We also expanded the family caring to flexibly cope with COVID-19.

Welfare and Benefit Programs

IIAC is committed to raising the satisfaction of employees by improving non-monetary welfare systems that reflect various needs of employees. We have promoted a welfare and benefits program that can expand the choice options and ensure consumer-tailored support and the balance between work and family. As a result, it acquired the first certification of the family-friendly certified company from the Ministry of Gender Equality and Family and since then, it has continued the consecutive certification for 12 years. We have increased the participated employees by increasing the number of programs preferred by employees and strengthened the use convenience of employees through the restructuring of selective welfare services. We have assigned emergence break times for employees who respond to malicious complaints by providing protection measures and merits for emotional workers. It has also committed to providing a tailored special lecture for prospective retirees and improving the morale of employees whose work status has been changed recently to full-time by applying the same welfare and benefits system of existing full-time workers. In addition, it has expanded the childcare leave to ensure ceaseless childcare due to COVID-19 and recorded a high use rate of 29.6% compared to that of the previous year by activating work-from-home and flexible work systems.

Current Status of Workers Support Program Operation

| Expert consultation | No. of Participants (persons) | No. of Sessions (sessions) |
|------------------------|-------------------------------|----------------------------|
| Related to job | 5 | 21 |
| Individual emotion | 21 | 86 |
| Home/children | 33 | 157 |
| Financial consultation | 4 | 6 |
| Legal advice | 28 | 28 |
| Total | 91 | 298 |

※ Subjects of the service : Employees and their family (maximum 8 sessions per employee annually)

| Program | No. of Participants (persons) | No. of Sessions (sessions) |
|--------------------------------------|-------------------------------|----------------------------|
| Body and soul care program | 101 | 3 |
| Experience class and special lecture | 109 | 4 |
| Total | 210 | 7 |

Communication Culture of the IIAC



Employment of High School Graduates

A record high of
67 persons

Female Managers

43 persons
(22 persons in 2016)

Health Management of Body and Soul (Activities to Enhance the Health of Employees)

The stress of employees due to work and family events is significantly affecting the productivity of the Corporation. IIAC has recognized the importance of the non-monetary welfare and benefits system for the health improvement of employees and operated various worker support programs such as expert counseling and experience programs. As such, it has committed to improving life quality and work conditions with the management of physical and mental stress of employees.

Communication between Employees

IIAC has settled down the healthy communication culture, by which employees can actively propose and reflect their opinions anonymously through the BTS(Brainstorming, Talking and Sharing) bulletin, which is the IIAC communication board opened based on the demand from employees for free communication space and intention of the CEO and management team who want to communicate and take care of all employees.

Respect for Diversity

Open Recruitment that Respects Diversity

IIAC has evaluated only job performance competence based on the National Competency Standards (NCS) and blind recruitment principle and opened a recruitment opportunity to all with qualified competence without discrimination against characteristics that are not related to work positions regardless of gender and education background. In addition, it has conducted socially equal recruitment without social imbalance and discrimination to realize the social value through the inclusiveness of various social classes. It has introduced a divided recruitment process to expand the employment of the disabled and national veterans recipients. We have developed and assigned suitable positions for employees with severe disabilities and scored merit for recipients of Basic Livelihood Security and career interrupted women during the recruitment process. Furthermore, we have conducted blind recruitment not to identify the applicant’s gender in the document-based screening and provided prior education about gender equality for interviewers.

| Current Status of HR and Recruitment Records in 2020 (unit: persons) | | |
|--|-----------------------------------|----------|
| Current No. | | |
| New recruitment of full-time workers | Youth | 162(52%) |
| | Female | 53(17%)* |
| | HRs from non-metropolitan regions | 136(44%) |
| | Disable Employees | 10(3%) |
| | National veterans recipients | 16(5%) |
| | Low income class | 2(0.6%) |
| Total | | 379 |

* Due to direct recruitment of disaster prevention positions, the female recruitment ratio has somewhat decreased.

Development of Female Talent

IIAC has set up a system to support and develop female talent. Under the scheme, IIAC has made a road map to embrace gender equality in the corporate culture. About 93% of female employees are in Level 4 or lower, so we decided to empower our future female managers. We are securing aspiring female talent, developing them as leaders, and comprehensively managing the female talent pool by expanding the number of female workers in the managerial level. We are constantly hiring women, offering professional training aimed at sharpening their capability. We run a talent pool from which we select the right person for given positions. We are appointing women in key management positions, such as Level 4 team leader or full-time professor positions. In addition, we devised a 2030 Road map to embed a family-friendly system into our corporate culture where we respect one another. Under the road map, we are providing gender equality training to eliminate prejudice of managers.

Human Rights Management



Human Right Management Implementation System and Human Rights Culture Dissemination

Human Rights Management System

IIAC has enhanced its initiative and independence by improving how the human rights management body is operated to build a reliable system by strengthening its human rights system. In July 2020, the chairman of Human Rights Management Committee was elevated to vice president and launched a supply chain management group to systemically expand Human Rights Management Team. In October of the same year, we revised our human rights regulations to enhance transparency and operation of the human rights organization. We supplemented the grievance counseling system by preparing a human rights monitoring process by external stakeholders, and overhauled the relief procedure for handling and settling human rights violation by enacting detailed criteria in human rights regulations. These efforts have proved successful as zero cases of human rights violation was reported last year.



Embedding Human Rights Management into Corporate Culture

As part of efforts to prevent potential human rights abuse risks as well as to enhance our employees’ capability for human rights, IIAC provides human rights education associated with areas of high risk. In 2020, we offered competency enhancing courses to members of the Human Rights Committee to strengthen the capability of human rights managers and members of a human rights organization. We also provided workshops to those in charge of human rights in each department. We conducted basic training, including gender equality training for managers and disability awareness training for the entire employees. Our employees have taken 3.4 human rights training sessions per person, and over 96% of the entire personnel have completed the basic training, proving our efforts to embrace human rights management. In September last year, we arranged an employee grievance counseling scheme to strengthen not only the internal human rights protection system but also those in the supply chain. Building on these mutual efforts to improve human rights management, we aim to realize the concept of One-Airport.

Human Rights Assessment and Analysis

IIAC has conducted human rights impact assessment that identifies potential human rights violation that can take place in all management activities. Of all 32 indicators in the assessment, we received outstanding grade in 30, and needs improvement in two. We also carry out a human rights assessment on key business areas to identify and make improvements on weaknesses found. In 2020, we have conducted assessment on airport operation service projects and discovered areas that need improvement, including increased human rights awareness, responsible supply chain management, and strengthening protective measures for the right to safety. Based on these results, we are establishing specific measures to improve and implementing them into practice. Moreover, we have developed and introduced a new human rights management diagnostic model according to CHRB international standards to conduct an analysis of our human rights management system. As a result, our system was rated with a high grade of A. The 13 areas of improvement that was pointed out in the diagnosis are reflected in our yearly plan 2021 human rights management plan.

Results of Human Rights Assessment

| Category | Project type | Time implemented | Contents |
|---|-----------------------------|------------------|---|
| Human rights impact assessment on corporate operation | Overall corporate operation | Dec 2018 | Method : 10 indicators, 33 categories, 135 items Result : Positive results in 93.3% indicators |
| Human rights impact assessment on major businesses | Construction | Dec 2019 | Method : 6 categories, 37 items Result : Positive results in 100% items |
| | Airport operation service | May 2020 | Method : 8 categories, 32 items Result : Positive results in 96.9% items |

Relief Procedures for Handling and Settling Human

We have established a relief procedure for handling and settling human rights violation so that the victims of human rights abuse can freely submit their complaints with their anonymity guaranteed. Victims of human rights violations can submit their complains through a reporting channel. A human rights infringement relief committee investigates these cases to resolve disputes and restore the rights of victims. For independent and just relief of victims, an external staff takes on a role of a chairman, while a majority of committee members are also from outside.

Human Rights Violation Relief Process



Human Rights Management Level Diagnosis

A grade

Key Activities for Human Rights Protection in 2020 by stakeholder

| Stakeholders | Customized Human Rights Protection Activities |
|--|--|
| <div>The Transportation Vulnerable</div> | <ul style="list-style-type: none">Introduced the world's first indoor autonomous airport trains (2), robot carts (6) for enhanced mobilityAdopted baggage claim area dedicated to the transportation vulnerable (20), and introduced small electric cars (4)Secured professional volunteers and launched exclusive service centers for the transportation vulnerable (2) |
| <div>Passengers</div> | <ul style="list-style-type: none">Increased non face-to-face services including self check-ins and bag drop areas. Monitoring quarantine compliance via robots and kiosks.Established four-stage quarantine system along the paths passengers walk through, and an automatic baggage quarantine system.Operates preemptive emergency control headquarters, and provides airport functions according to a set scenario for confirmed COVID-19 patients. |
| <div>Vulnerable workers</div> | <ul style="list-style-type: none">Workers working underground or in closed space : Real-time location tracking, and IoT safe control system in placeEmotional workers : Survey on all emotional workers (1,199), healing program where a counselor visit them as needed.Field workers : Introduced the first safety activity evaluation system for subsidiaries in the public sector. Launched the Safe Always campaign. |
| <div>Local Residents</div> | <ul style="list-style-type: none">Noise : Installed environment-friendly soundproof walls. Initiated a welfare project for locals in affected areas (KRW 6.2 billion) and invested in future resources (KRW 12.9 billion).Facility : Increased the use of new and renewable energy including solar and geothermal power and converted to eco-friendly diesel equipment.Logistics : Introduced carriers on which products are fixed, and green packaging materials for duty-free products.Transportation: Deployed green mobility such as hydrogen cars (91) and electric vehicles (51). |

BEST PRACTICE



Human Rights Film Festival for Airport Families

IIAC held the first film festival in 2020 named the 2020 IIAC Human Rights Film Festival: Together, the merrier. It was the year when we suffered a blow from COVID-19.

Our goal was to invite not only IIAC employees but also our subsidiaries and resident companies and provide a venue to reflect on human rights of people around us that can be overlooked. Considering the current epidemic situation, the festival was held both as an offline and an online event similar to car film festivals. All films were presented as barrier-free screening, accessible for all. Barrier-free screenings offer universal experience where even people with hearing or visual impairments can enjoy the film accompanied by descriptive audio feature and subtitles that narrate all actions in the film. It gave the audience an opportunity to rethink the human rights of people with disabilities. Films featured in the festival were I Can Speak, based on a true story of a victim of sex slavery by the Imperial Japanese Army what occupied Korea in 1930s and 1940s, and Billy Elliot, which tells a story of an English boy who dreams of becoming a ballerino while overcoming prejudice and discrimination in a coal mining village. An audience who was at the showings said, “I thought that we can easily violate human rights by being oblivious of things or by simply not thinking correctly.” He also added that the movies were a good opportunity to change his views. The event became a meaningful occasion where IIAC and its affiliates improved their awareness on human rights. Through this event, the awareness of human rights of the IIAC and business partners’ employees could be fostered, and a little consolation could be given to the participants having difficulties due to COVID-19. We conducted a survey asking them how much the participants were satisfied with the event, and we earned 4.6 points (out of five). We’ve collected feedbacks from them and plan to develop the event further into a must-see local human rights festival where visitors can not just watch a movie, but also join performances, talk concerts and a flea market.

Fair & Transparent Ethical Airport

WHY THIS MATTERS

IIAC is set to become a state-owned enterprise with great moral integrity, trusted by the people as a leader of a transparent society. At a time when fairness and transparency of a public enterprise has become more important than ever, IIAC is revamping the organization for right decision-making, giving priority to the happiness of all stakeholders, including customers, shareholders, and our business partners. Above all, we strive to run the company and communicate with the public in a way that meets their needs as a public company.

APPROACH

We are working hard to be an enterprise that practice strong moral principles daily by innovating our system, people and culture. We are revamping corporate culture and implementing regulations to reinforce our ability to practice ethical management. We are also expanding the All Public Information In-One (ALIO) to guarantee people's right to know and transparency of information. Furthermore, we have improved fairness and transparency of contracts, enhanced a system designed to protect economically and socially vulnerable people. Going forward, we will lead compliance management by running Fair Trade Compliance Program (CP), an internal compliance system for fair trade.





Ethical Management



Ethical Management System

IIAC looks forward to creating an ethical organizational culture worldwide befitting a global aviation company that leads the aviation industry of the world. In order to do this, we will make a vision for ethical management in connection with our core values to practice ethical management, which is the basis of sustainable development of a company. We will share our intention with internal and external stakeholders and spread ethical culture across IIAC. We have established measures to improve across management to transform the management environment that needs enhanced transparency to uphold the public nature of a public enterprise, disclose information, and fight against corruption and observe ethics, as well as to overcome generation gaps and resolve issues posed by custom and practice. The year 2020 was a year when we worked to realize an IIAC with high moral integrity by revamping our system, people and corporate culture. We devised specific strategies implementation systems, and regulatory systems and tried implementing them by monitoring the process. The ethical management committee centered around the CEO is making important decisions related to ethical management, and each department has appointed a working ethics committee member who is leading the practice of ethical culture. Moreover, we are conducting anti-corruption and integrity activities such as an anti-corruption team and an integrity inspection team focused on the Chief Corporate Auditor.

IIAC have amended thirteen corporate rules such as the code of ethics rules, rules on operation of contracts with integrity, audit regulations to prevent corruption and strengthen integrity and transparency to settle an ethical culture across the organization.

| Ethical Management System | | | |
|---------------------------|--|--|--|
| Mission | To establish a foothold to grow into a leading public enterprise of the world based on ethical management, shared growth, and compliance management | | |
| Goals for 2020 | To transform IIAC into a corporate where integrity is practiced daily by overhauling the system, people, and culture. <div>Fair and transparent system Ethical leadership Culture of practice</div> | | |
| Implementation system | Formulation of policies/participation | Execution/advice | Report channels |
| | <div>Management</div> <ul style="list-style-type: none">Ethical management committee <div>Supervisors</div> <ul style="list-style-type: none">Anti-corruption team | <div>Internal</div> <ul style="list-style-type: none">Working ethics committeeHonorary code of conduct officer <div>External</div> <ul style="list-style-type: none">Integrity OmbudsmanEthics partner committee | <ul style="list-style-type: none">Employment corruption report centerWorkplace harassment report centerReporting of unfair practices/Anonymous reportAnonymous reporting center (red whistle) |
| Regulation system | Code of ethics (4), detailed guidelines (10), disposal standards (4), 7-Rules | | |
| Monitoring | Integrity mileage, diagnosis on the level of ethical awareness, integrity activities by department, independent analysis on external level of integrity | | |

Embracing the Culture of Ethical Management

We are strengthening our ethical management practices by improving the corporate culture and implementing relevant regulations. IIAC has defined what it is to be Incheon Airport through a company-wide campaign and agreed on ethical code of conduct. In February 2020, we formed an integrated body that consist of organization, HR, ethics, innovation, and education. In July, we established mid-to-long-term strategies of ethical organizational culture (30 projects) to empower respective bodies. To stimulate communication between different generations, we increased the number of members in the working ethics committee from 31 to as many as 132 people. In the meantime, we encouraged people from various departments and positions to take part in the committee. IIAC employees had extensive discussions to draw up specific principles of ethical behaviors in seven areas (7-Rules) including HR, workplace innovations, corruption and safety which are where most conflicts begin between different generations. We asked employees to submit integrity pledge under a company rule and reinforced the protection system with which whistle blowers can seek advice from lawyers in and out of the company. By incorporating illegal acts and driving under the influence based on ranks into the scope actions subject to disciplinary action, we secured effectiveness. This, in turn, enhanced the level of compliance and ethics in HR regulations. These revisions in the ethics regulations improved our ethical management practices. IIAC offers ethics training to all employees, workshops, and on-site ethics training tailored to employees of different levels. This is strengthening ethics in the Incheon Airport ecosystem. Currently these programs are offered online in small groups under a flexible system. With our efforts to spread ethics by giving integrity pledges, holding group discussions per different levels of employees, giving out ethics quiz, and self integrity evaluations, we were able to reach 75.5% in ethical awareness and 72.4% in the level of satisfaction on corporate culture.

Operating a Reporting Channel

IIAC revamped the reporting system that is easy to use for informants. It also improved the workplace harassment report channel to enhance access against corruption. The mobile page for informing new cases is also improved with greater accessibility. Employees don't even need to sign up and jut join as a member through a simple phone identification. Integrity One Call is a hotline for reporting illegal solicitation. Employees would need to press a single number once on their office phones which is a simple process designed to prevent such acts in advance. We also opened a Workplace harassment report and support center to eliminate abuse and to make it easy for victims to report their situation.

In addition, we are running a mobile reporting system with which employees can report corruption, illegal solicitation, bribery, and any other action that violate the public interest by IIAC executives and employees. A Helpline operated by an external company is provided as an anonymous reporting system for enhanced protection of informants. To protect them (including those who helped the whistle blower) from possible harm, we ensure secrecy, personal protection, and provide other protective measures.

Stepping up Internal Controls

IIAC runs a strategic audit system for internal control. With our proactive administrative actions aimed at controlling internal affairs in advance, we are expanding our support to audits and providing greater rewards for best practices. In parallel, we have diversified our PR and educational programs to create a working organizational culture. People today are working in diverse conditions such as working at home, flexible and distributed working. The widespread use of smart technology is also increasing the possibility of leaking confidential business information. Now is the time we need to convert into smart auditing. At IIAC, we seek to continue offering stable audit activities by sharpening the expertise of auditors that can be applied by blending face-to-face audits with system/data audits.

Expanding the Amount of Information Disclosed to the Public

IIAC intends to guarantee the public's right to know and transparency by enhancing information disclosure to the public. To that end, we acquired international certification (ISO 30301) in all areas of record management, the first in the public sector. Now, the disclosure rate for standard pre-information registration and information list is 100%. We are opening up more public airport data such as passenger, cargo, and parking information that could help create new business areas in the private sector. The volume of public data increased by 130% year on year, recording more than 100 million use cases for three consecutive years.

Ethical Awareness of Employees

75.5%

All Public Information In-One (ALIO)

https://www.alio.go.kr



Governance



Board of Directors

As of July 2021, BOD of IIAC is comprised of six executive directors and seven non-executive directors. BOD plays a role in deliberating and resolving critical strategies and policies on the operations of IIAC. For performing its function of checks and balances against the management, BOD stipulates that the proportion of non-executive directors should be more than half of all directors in the board. A senior non-executive director is allowed to assume the chairman of BOD to consolidate the function of checks against the management. We appoint candidates for directors equipped with qualifications prescribed in related laws & regulations and corporate regulations in order to ensure the BOD's independence, fairness, and transparency. By doing so, we can ensure independence, fairness, and transparency of the board. For CEO, the director recommendation committee recommends candidates for the position, and then the Minister of Land, Infrastructure and Transport makes a request for appointment, which is followed by the president's appointment. CEO appoints executive directors following a general meeting of shareholders while the Minister of Economy and Finance names non-executive directors after the recommendation of the director recommendation committee The term of office for CEO and directors is three and two years respectively. They can serve consecutive terms every year.

| BOD Composition | | | | | |
|------------------------|-----------------|-----|--------|--|--|
| (As of July 2021) | | | | | |
| Category | Name | Age | Gender | Position/Expertise | Role |
| Executive Directors | Kyung-wook, Kim | 55 | Male | Chief Executive Officer | Chief Executive Officer |
| | Kil-sung, Kim | 62 | Male | Chief Corporate Auditor | Chief Corporate Auditor |
| | Pill-yeon, Kim | 57 | Male | Executive Vice President | Executive Vice President |
| | Byung-gi, Lim | 54 | Male | Head of Business Administration Division | Head of Business Administration Division |
| | Jeong-sun, Baek | 58 | Male | Head of Operations | Head of Operations |
| | Kyung-yong, Lee | 56 | Male | Head of Infrastructure Division | Head of Infrastructure Division |
| Non-executive director | Soon-yong, Kim | 53 | Male | Legal | BOD Chairperson |
| | Jung-hyun, Heo | 48 | Female | Legal | Non-executive director |
| | Jae-hyun, An | 47 | Male | Accounting/Finance | Non-executive director |
| | Soo-jin, Park | 39 | Female | Legal/Public | Non-executive director |
| | So-young, Park | 46 | Female | Legal/Public | Non-executive director |

Operation process of BOD

We are making our BOD getting more involved in management to strengthen public nature and public interests as a public institution. To this end, we have established a clear operation system and widened the scope of a support system for non-executive directors in order to vitalize BOD operation. We gathered directors from various fields, including legal, public affairs, aviation, and economic industries, thereby raising feasibility of the BOD's role of votes and checks. The operation effectiveness is managed by highly detailed performance indicators such as attendance rate, ratio of preliminary review of agendas, and the number of comments made by non-executive directors. A department in charge makes and notifies the schedule of board meetings convened by the chairperson of the BOD. Board meetings are held regularly, yet temporary meetings can be held as needed. There were 21 board meetings held in 2020, and the function of checking the management in check was enhanced with the increased number of remarks made per non-executive director in meetings (up 0.8 times). If any director has a special stake in a certain agenda, the person involved cannot participate in resolution of the agenda. In addition, information concerning major resolution of the BOD or subcommittees is open to public through IIAC website and ALIO in a transparent manner.

Active participation and recommendation of non-executive directors with expertise in different fields helps IIAC achieve management goals. Thus, we have established and operated diverse support systems for non-executive directors to enhance their capabilities and sense of responsibility We hold orientations for new direc-

tors in order to give them a better understanding of the airport industry and operation while providing opportunities to nurture global mindset through exchange programs with other advanced airports. In addition, our system of explaining agenda in advance not only improves the understanding of agendas but raised the efficiency of board meetings. Through the system, the CEO directly shares current issues in management, forming a consensus when making decisions. Moreover, we hold a combined workshop with executives once a year to promote mutual understanding and have established an executive liability insurance system so that directors can make decisions according to their conviction.

With an aim of raising rationality of decision-making in the BOD, IIAC has set up three subcommittees under the board of directors: ESG Committee, Audit Committee, and Director Recommendation Committee. Chairpersons of the subcommittees are all comprised of non-executive directors to secure independence and expertise. We have instituted a ‘Marathon Deliberation Process’ because we found that the ESG Committee used to have difficulty in conducting in-depth reviews of a number of important agendas due to limited deliberation time. The marathon deliberation process enables the BOD to have a briefing session on the first day and an in-depth discussion on the second day while allowing the extension of deliberation time to two days, which results in better deliberations on agendas and higher efficiency of meetings.

Starting in April 2021, we have introduced a system where employees can observe board meetings to bolster transparency and accountability in the decision-making process of the BOD. One employee may attend the BOD to observe the deliberation and decision-making process of set agenda. With an approval of the chairperson, he/she may get a right to speak and present an opinion.

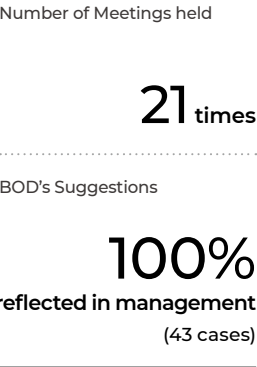
| Status of BOD | | | | |
|---|-------------------------|-------|-------|-------|
| Category | | 2018 | 2019 | 2020 |
| Number of agendas decided/reported (cases) | | 51/31 | 39/27 | 72/28 |
| Number of the BOD held (times) | | 18 | 16 | 21 |
| Attendance rate (%) | Board of Directors | 93.9 | 95.9 | 95.9 |
| | Non-Executive Directors | 94.2 | 95.9 | 91.0 |
| Number of comments made by non-executive directors (time/per meeting) | | 4.6 | 5.9 | 6.7 |

Independence and Expertise of BOD

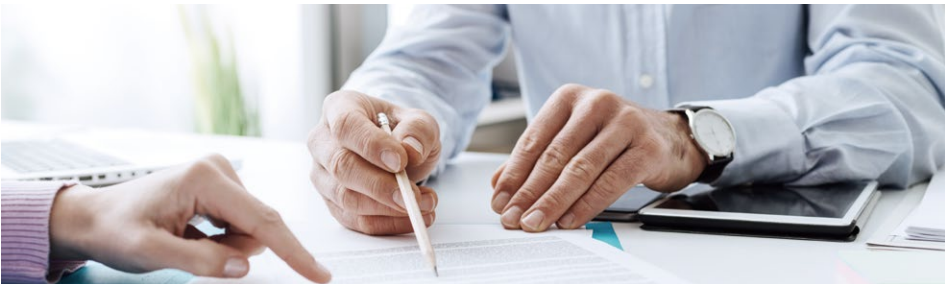
We have specified the BOD’s operation goals and reinforced its performance indicators with an aim of establishing reliable and trustworthy governance for Korean citizens. The president and CEO is determined to stimulate the BOD and improve its effectiveness to ensure independence, expertise, and diversity of BOD. IIAC considers the diverse careers and experience of potential directors in the selection process to secure expertise and diversity in major decision-making processes. Non-executive directors are guaranteed to provide active advice and management suggestions from their knowledge and experience in their field. The management suggestions from non-executive directors are readily reflected on IIAC’s management activities. The results are reported prior to the next BOD meeting for feedbacks. To help non-executive directors understand the airport and the aviation industry better, we report them on the current project and airport operation status when they first come on board.

Compensation and Evaluation of BOD

Remuneration of executive directors is paid in accordance with regulations after the approval of a general shareholders’ meeting while that of non-executive directors is given on the basis of the ‘Remuneration Guidelines for Public Officials of the Public Institutions’ of the Ministry of Strategy and Finance. Remuneration of the board members is disclosed in both IIAC website and state portal called ALIO in a transparent manner under the related law and regulations. The head of the corporation is evaluated based on the Management Performance Assessment of Public Institutions and the Management Performance Assessment of CEOs at Public Institutions by the Ministry of Strategy and Finance while executive directors are evaluated in accordance with the Management Performance Assessment of Public Institutions and the Performance Assessment of Management Contract.



Fair Trade



A Structure of the Fair Trade System

Under the goal of strengthening the basis of fair trade, IIAC has bolstered fairness and transparency of contracts, improved systems that protect the economically and socially vulnerable people. Building on these improvements, we are successfully implementing the four-phase project. We have also enhanced internal system related to public procurement, bolstered our education programs to expand the volume of procurement from SMEs and social enterprises. To that end, we are in the process of building a system of coexistence with small businesses that have weak economic/social standing. To achieve fair trade, we have put in place a contractor safeguarding system and analyzed the public procurement performance to constantly monitor fair trade activities.

| An Implementation Scheme for Fair Trade Strategies | | | | |
|--|---|---|--|--|
| Strategies | Providing equal opportunity | Operation of fair contracts | Appropriate and timely payment | |
| Action plans | <ul style="list-style-type: none">• Offering more opportunities for small businesses to participate• Enhancing transparency in decision making | <ul style="list-style-type: none">• Rent reform• Checking of standard contract terms | <ul style="list-style-type: none">• System reshuffle and reflection of production cost• Timely payment/ Wage payment | |
| Performance indicators | <ul style="list-style-type: none">• Ratio of new mandatory items to be purchased• Price negotiation rate for small businesses | <ul style="list-style-type: none">• Whether to reflect on the bidding announcement• Whether to revise the contract terms | <ul style="list-style-type: none">• Percentage of accepted requests to increase supplier price• Percentage of delayed payment/wages | |
| Monitoring | Electronic bidding system | Level of integrity in contract management | Contractor safeguard system | |

Strengthening Fairness and Transparency

IIAC increased the proportion of external evaluation committee members from 50% to more than 60% and abolished the ratio of internal committee members that must attend the meeting to improve the fairness and transparency of large-scale business contracts. The contract deliberation committee has made it mandatory to involve more than 50% of external members in meetings to expand participation of outside members. We modified 13 standard contract requirements to establish an equal trade order, deleting or revising a total of 19 provisions under six special articles that are likely to violate the Fair Trade Act and Terms and Conditions Act. In order to guarantee the rights of the contracting party, we amended the general contract terms and conditions to enable them to reflect 100% of the increase in supply cost due to price volatility if they ask us to revise the contract terms. The deadline for completion inspections is cut down to seven days and the payment deadline is also reduced to three days by temporarily applying contract exception due to the COVID-19 pandemic. We have directly paid subcontract workers’ wages by separating the labor cost account for subcontractor protection in order to prevent overdue wages of construction workers. Thanks to these efforts, we have increased KRW 7.29 billion for requests to revise 20 contracts following the hike in supply costs. We maintain zero amount of deferred payment and overdue wages which, altogether, invigorated the airport industry and improved construction quality. In addition, we take into account environmental and social effects when we select partner firms through green construction certification and the performance of industrial accidents and disasters prevention, as well as credit rating evaluation on unethical management such as subcontract violation and overdue wages upon bidder qualification screening.

Payment in Arrears and
Overdue Wages

ZERO

Bolstering Security Measures for Small Businesses

IIAC is working to lower the barriers to entry for socially vulnerable companies and to build a fair trade order with policies that support them. We have eased terms for local companies to participate in the bidding for the KRW 1.1 trillion project to expand the second passenger terminal and to complete the frame construction. We alleviated the qualification examination standards, added an item where we gave three points to companies that create jobs, and expanded the period for recognizing the performance of startups from five to seven years. These series of measures have widened the entry of socially disadvantaged businesses to the bidding. The scope of guidelines for public procurement has been expanded to all areas of goods, services, and construction. The list of items that must be purchased from companies that provide products made by severely handicapped people has increased to 13 items. We included socially disadvantaged businesses such as companies for the disabled in the pool of companies excluded from price negotiation standards in private contracts. This way, we strengthened safeguard measures to open them with more opportunities.

Operation of the Fair Trade Compliance Program (CP)

Since July 2013, we have introduced Fair Trade Compliance Program (CP), an internal compliance system for fair trade, to voluntarily comply with fair trade laws and regulations for the first time as a public enterprise. In 2019, we adopted an ideal business model for the first time as a public enterprise in response to the government policy to spread the culture of fair trade. With the model in place, we preemptively corrected the flaws in existing trade practices in an effort to establish and disseminate fair trade and the culture of coexistence. The CEO of the corporation held a briefing on IIAC’s drive to spread fair culture through compliance management, by collaborating with SMEs, preventing bidding for lower costs, and expressed his willingness to comply with fair trade policies. The event was held at a fair economic performance report meeting in the Blue House (July 2019). We are spreading the culture of fair trade and compliance management in the aviation industry at the enterprise level. We are continuing our efforts to support harmonious existence of large corporations and SMEs to build a transparent, fair economy and to make a fair aviation ecosystem that can grow together. We have identified 11 projects such as contract bidding, business operation, and termination of contracts, by taking into account the management environment and the nature of our business. Those qualities include ensuring fair trade practices for the Korean people, improvement of trading practices with contractors, impeding unfair practices of private companies, establishing a fair trade compliance system, and creating a model of cooperation with SMEs. We are continuing the revisions of operational standards for Fair Trade Compliance Program, restrictions imposed on employees who have violated the Fair Trade Act, and complementary checklists. In April 2020 the BOD appointed a fair trade compliance manager, and by September the number of Certified Compliance Professionals (CCPs) expanded to four. IIAC has made and distributed the 5th compliance manual to all employees (June 2020). The manual was also uploaded on IIAC website and a company rule app for the entire personnel to check detailed guidelines of the code of conduct to comply with the Fair Trade Act. In October, we provided a CP training session to new employees. We also offer fair trade training program every six months where participants make compliance pledges to renew their wills for fair trade practices. With our efforts to comply with fair trade rules, IIAC will boost our competitiveness, prevent potential violation of fair trade laws that could occur in the work process, and make voluntary corrections in internal practices to embed compliance with fair trade rules into our corporate culture and be a leader of compliance management.



Improving the BEST e Lease System to Minimize Pressure on Commercial Facility Operators

IIAC upgraded the ideal business model by making improvements to the renting system in a way that minimizes the burden on commercial facility operators. The existing system that guarantees the minimum amount for commercial facilities have taken a heavy toll on tenants because their sales have fallen sharply due to COVID-19. If they choose to give up their business, it could have caused our foundation for commercial facilities to collapse. As a short-term measure, we are applying a rent system that imposes a certain percentage of their sales for rent until 2021. The policy will continue until the number of passengers are restored up to 80% of the number before the pandemic began. Beginning in 2022, IIAC will adopt an automatic system that reduces the rent down to 50% in cases where the number of passengers drop by 40% or higher compared to the previous year due to similar risks.



Operating Body

Fair trade compliance manager

Fair trade compliance meeting

Fair trade compliance office (legal team)

Fair trade compliance manager

Vision and Strategies

Mission

To set a foundation for growth into the world's top public enterprise through ethics management, shared growth and compliance management.

Vision

To establishment a corporate culture that complies with fair trade rules

Strategies

Building a CP system

Preventing violation of fair trade rules and taking corrective measures by applying fair trade practices on work

System evaluation and refinement

Creation of a sustainable virtuous cycle

Complier Organization

| Name | Structure | Content |
|-------------------------------|--|---|
| HR committee | Convened at the request of the Fair trade compliance manager | <ul style="list-style-type: none">Deliberation on restrictive measures for employees who violated the rules |
| Fair trade compliance manager | Vice President | <ul style="list-style-type: none">Performs audits on compliance and reports the committee of the resultsRequests submission of violators of ethics and compliance management to the HR committeeWorks with competitors and provides support |
| Fair trade compliance meeting | Head of the ethical management team Head of the harmonious coexistence team Head of the contract system team Head of the legal affairs team (secretary) | <ul style="list-style-type: none">Held every six monthsCoordinates ethical management, harmonious coexistence, and fair trade compliance policiesDevises the basic fair trade compliance policies, reviews related plans and policiesExamines and discusses the result of monitoring for fair trade compliance |
| Fair trade compliance office | Legal affairs team | <ul style="list-style-type: none">Department in charge of operation of fair trade compliance programsProduction and supplementation of fair trade regulations and manualsOffers fair trade related adviceChecks whether business departments have violated lawsOperation of educational programs and document managementMonitoring and reporting of operational status of CP |
| Compliance manager | Compliance manager in the Legal affairs team | <ul style="list-style-type: none">Supports the operation of fair trade compliance programsRuns an internal system (hotline) for reporting illegal activitiesChecks and analyzes compliance of business departmentsWrites periodic compliance reportsConducts educational programs and offers counselingCollects and manages CP documentsSpreads fair trade information within the corporation |

A Structure of the Hotline System

Illegal activity is detected

Case reported

Investigation by the Fair trade compliance office

Report by the Fair trade compliance office

Follow-up measures

Notification of the result

Fair trade compliance office

Website

Direct report

Direct report

Violation cases

Non-violation cases

Handling of operation standards for restrictions against employees who violated the Fair Trade Act, Notification of the result

Notification of the result

IIAC Overview

Major Achievements of Incheon International Airport in 2020

Check-in to Sustainable Management

Taking a Step Forward to ESG Management

Appendix

Airport in the Economic Zone Showing Innovative Growth

WHY THIS MATTERS

The aviation industry is faced with dire circumstances more severe than ever due to COVID-19. For sustainable management in the new normal, IIAC aims to ensure future competitiveness and lead the post-COVID-19 era, and realize a globally unrivaled airport to drive paradigm shifts in the aviation industry. We will await the future by innovating the organization that would help us overcome crisis and move forward.

APPROACH

IIAC has formulated plans to implement the K-New Deal under which we introduced smart airport services that are convenient, safe, and accurate. By building a D.N.A ecosystem, we are improving the efficiency of airport operation. We are also taking measures to restore the number of passengers and cargo that was reduced dramatically due to the pandemic. We are continuing to attract investment and build infrastructure by developing future growth models centered around the airport economic bloc. At the same time, we are diversifying our offshore business by winning a strategic consulting project for a new airport in Poland.



KEY FIGURES

Achieved
World No. 3
in International Cargo
Transportation



Entered the European Market
for the First Time

**Bagged the Polish
New Airport
Consultation project**



The Largest Sales to date
in Overseas Business

KRW 26.3 billion



Attracted GDC

240 new employees
17,000 tons
of Cargo Transportation Expected



Leading the Digital New Deal

Major Projects

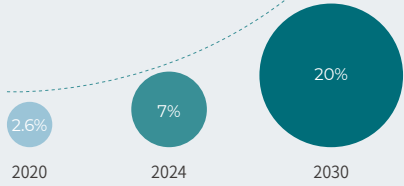
20 projects in total
(2 core projects/ 18 freely chosen projects)

- Core projects : Revamping the passenger process using IoT, Formation of green airport that will lead the Green New Deal
- Freely chosen projects : Deploying smart passes, Building a smart air cargo terminal, Wide adoption of UAMs

Goals

Setting up an integrated platform for Big Data, IoT, and AI (by 2030)

- Greater energy independence :

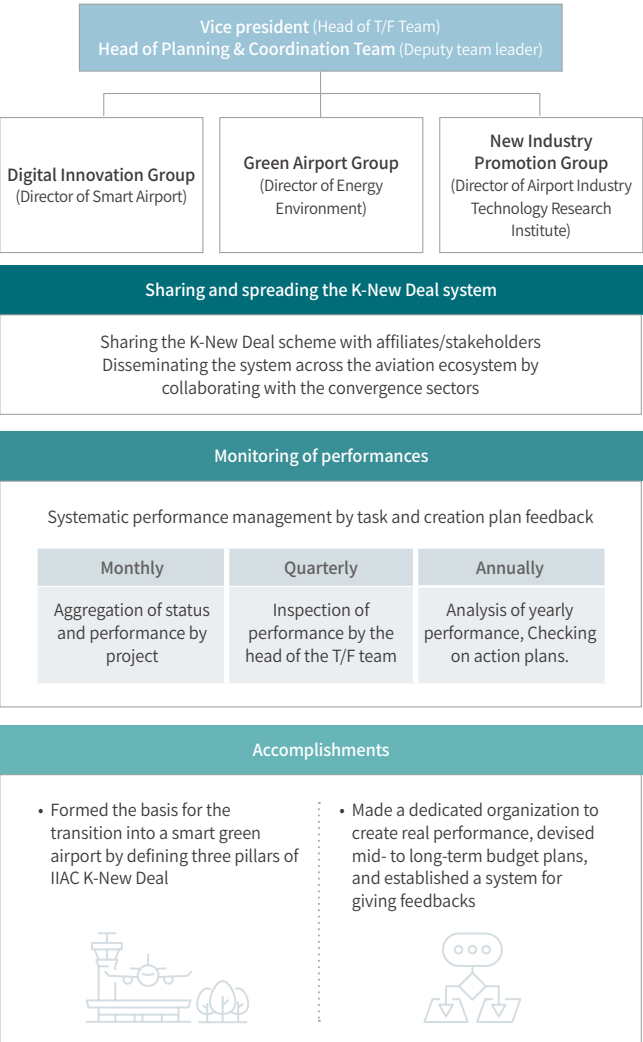


Laying the Groundwork for K-New Deal

Devising Plans to Implement K-New Deal

In a bid to respond to changes in economic and social structure and the new normal in the aviation industry post COVID-19, and to overcome crisis and lead market reform by implementing digital transformation and achieving green energy transformation, we have established a scheme to initiate IIAC K-New Deal. The K-New Deal project is underway under a vision, smart green airport that leads the global aviation industry. There are three pillars under this vision, ① digital transformation based on new convergence technology, ② becoming a leader of low-carbon, green airport, and ③ developing new industries for shared growth in the ecosystem. We have put in place IIAC K-New Deal T/F Team where members monitor performance periodically and provide feedbacks to plans devised to calibrate the project. We plan to share and work in collaboration with our affiliates and stakeholders and share and spread our K-New Deal system across the aviation ecosystem.

Formation of IIAC K-New Deal T/F Team (as of Dec 2020)

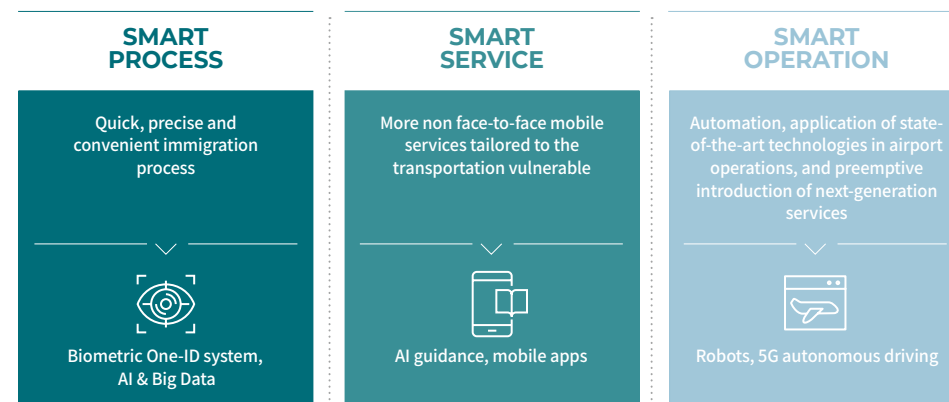




Airport Digital Transformation

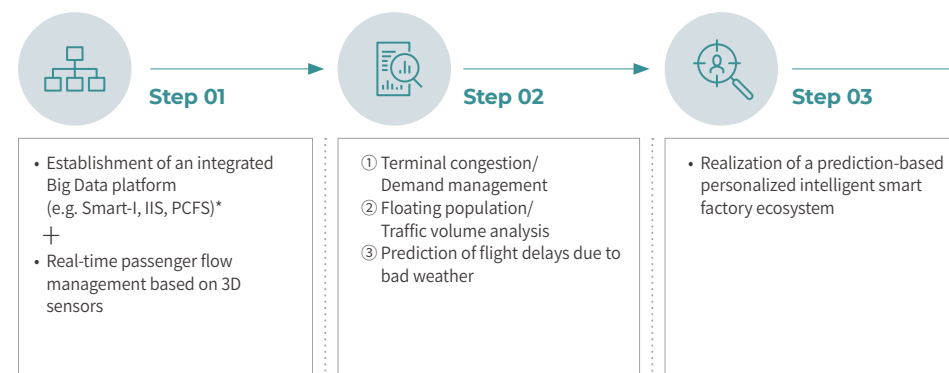
Converting into a state-of-the-Art Smart Airport under the Digital New Deal

IIAC aims to provide the optimum service to customers by converting into a high-tech smart airport that embraces Industry 4.0 technologies. Our agile, accurate, and convenient immigration procedures allow users to use airport services in a timely manner that greatly enhances efficiency. We are the first airport in the world to service indoor autonomous trains and self-driving robot carts that provide services tailored to the transportation vulnerable. Visitors can also use a mobile application to view the location of checked baggage, reserve a space in an airport parking lot and make payment. By implementing IIAC Digital New Deal, we achieved 4.98 points (up 0.07 points from the previous year) in our route finding service evaluated by ASQ, marked 3.22% in robot usage rate (up 0.69% from the previous year), and were chosen as an airport that provides customized smart airport services, which was a priority innovation task of the Ministry of Economy and Finance (MOEF) in 2021 (December, 2020). We look forward to becoming a smart airport with our convenient, accurate, and safe services.



Formation of a Data-Network-AI (D.N.A) Ecosystem

IIAC viewed that it is necessary to preemptively respond to rapidly changing environment that stresses non-face-to-face channels, where the paradigm of the airport industry is shifting toward digital transformation due to COVID-19. This is why we have been trying to create a Data-Network-AI (D.N.A) Ecosystem in line with the Korean version of the New Deal. By July 2021, we integrated 32 airport data that have been dispersed and built a Big Data platform that provides seven analysis services including management of real-time passenger flow. We plan to gradually expand the area subject to the passenger flow control and enlarge the IoT platform to complete an AI convergence platform that enables an integrated airport management by the year 2030. These achievements are expected to secure rapid response capabilities based on predictive data analytics, enable us to allocate resources optimally, which would take us a step further in terms of efficiency in airport operation.



* SMART-I : A statistics portal for the public passenger system, IIS : Integrated information system, PCFS : Parking control facility system

Selected as an Innovation priority Task of the Ministry of Economy and Finance

Offering Tailored Smart Airport Services

Expansion of an Aviation Logistics Network

Transfer Rate

17.4% achieved
(11.8% in 2019)

Hike in the Number of Passengers

Expediting the Recovery of Passenger Demand

IIAC took the lead in establishing an extensive system of cooperation in the aviation industry and organized a committee for airline demand recovery together with national airlines, travel and tourism industry, and airport commercial facilities. They meet quarterly to identify pending issues and discuss about joint projects. Their hard work resulted in alleviation of the curb on transfer restrictions in seven Asian countries including China. As a result, Chinese transit passengers grew by 10 times. We have achieved new passengers creation and so on through co-marketing of nonstop tourism flights and the ease of seat restrictions. Duty-free sales also surged by USD 1.5 million. These moves can be regarded as paving the way to overcoming the COVID-19 crisis through active co-response of the entire aviation ecosystem.

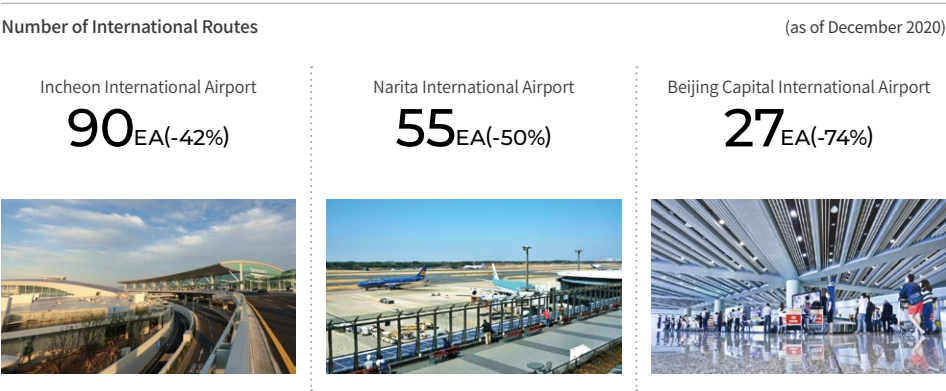
Full Support to Restore the Aviation Industry Ecosystem

Sharp decline in aviation demands and massive amount of fixed costs are pushing airlines to the brink of collapse due to insurmountable debt. Accordingly, IIAC relieved the burden of airlines through large-scale reductions in airport cost. We also carried out support measures that would minimize maintenance and cash outlays. We offered KRW 810,000 per flight (based on B747-400) to reduce risks and help airlines secure cash. This helped them minimize the loss of competitiveness such as asset sales and restructuring. Since April 2020, international flights have increased by an average of 5.8% per month, and in the second quarter, two largest airlines in Korea turned into surplus.



Strengthening the basis of Network Competition

IIAC is working hard to maintain our network competitiveness by bracing ourselves against the post-COVID-19 era. We have continued activities to lay the foundation for network including the conclusion of the Aviation Liberalization Agreement by supporting Korea-Palau Aviation Conference as part of an effort to expand the flight route right. With our continuous marketing aimed at encouraging airlines to be put into service, such as international conferences, airline meetings, and incentive systems, we expanded the size of the airline network size, attracting two new airlines and adding two routes. Through these efforts, IIAC currently has the largest international flight network compared to the completion, and has created a basis for as many as 120,000 new passengers.



Increased Volume of Cargo

An all-out Effort for Early Recovery of Air Logistics

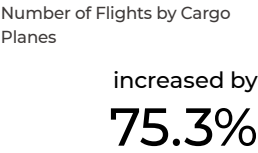
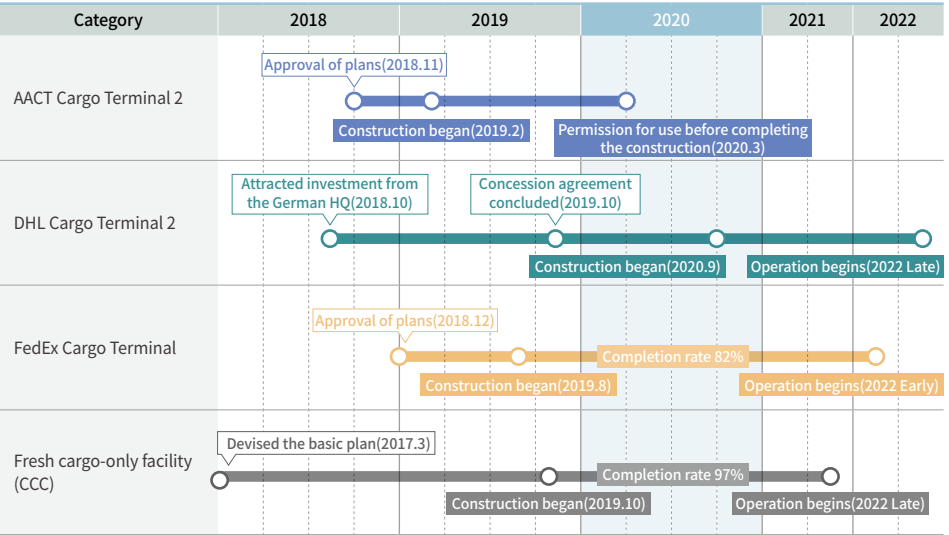
With growing uncertainties in air logistics due to prolonged COVID-19 pandemic, we have paved a way for sustainable air freight transportation by strengthening support to overcome these obstacles. Therefore, the number of cargo flights jumped 75.3% in 2020 compared to the previous year regardless of the COVID-19 situation. To provide sufficient amount of cargo space, IIAC has increased the emergency management support and incentives, as normal cargo transportation has been limited due to reduction of flight routes. We offered 20% deduction in landing fees for cargo planes arriving at Incheon for as many as 10 months, and reduced parking fees of cargos by 50% for a year. This way, we offered many discounts for various items. For example, we have provided KRW 11.5 billion to 16 airliners, KRW 400 million to nine logistics companies. It sums up to KRW 11.9 billion in total, achieving 61,933 cargo flights per year.

Lay the Foundation for New Growth and Attract High Value Cargo

IIAC seeks to enhance the competitiveness of the logistics hub by actively making use of remaining plots in the 2nd airport logistics complex. We will strengthen the competitiveness of air logistics by increasing the share of value-adding cargo based on the attraction of new operators and a management system that meets business needs. In order to overcome the current constraints to enhancing the competitiveness of the airport logistics complex, we improved RFPs and strengthened standards to attract operators that meet business goals. We also set up and implemented a regular monitoring system. We have signed agreements with PNS Networks Ltd., a general logistics company specializing in air transportation of semiconductors and Baekma Logistics Ltd., a company specialized in import and export of air cargo. These deals are expected to create 167 new jobs and 73,000 tons of new cargo for the next five years.

Timely Development of Aviation Logistics Infrastructure

Accelerated growth of the e-commerce calls for urgent development of infrastructure related to fresh cargo and express delivery companies as existing facilities are now fully saturated. We are also pushing for a timely development of a dedicated terminal so that we can nimbly respond to demands. Through strategic expansion of infrastructure, we expect to hire 108 new employees, reach 120,000 tons in annual freight volume (AACT Cargo Terminal 2), improve the annual cargo handling efficiency by 159% (DHL Cargo Terminal 2) and by 110% (FedEx Cargo Terminal), which would create 55,000 tons of cargo annually (fresh cargo facility).



BEST PRACTICE



Striking Agreements early on Travel Bubbles between Countries

Under the premise that resuming safe air travel through travel bubble* agreements is the sole breakthrough in the aviation industry, IIAC has developed an evaluation model by preparing a system that selects candidate countries for travel bubble agreements to minimize risks and maximize the impact of travel bubbles. We have also supported the government in the candidate selecting process and setting up necessary procedures to promote the agreement. We narrowed down the candidate down to 67 countries in the first screening where we analyzed the country's stability and past direct flight performances. In the second screening, we looked into their disease prevention and control system, potential market power, and their dependency on tourism. We reported the result to the government for them to base their argument on when they conclude an agreement. Furthermore, we worked with Aéroports de Paris (ADP) and developed a checklist for safe routes that verifies the safety of resumed flights between airports. This would enable us to resume flights quickly with countries that sign an agreement with.

* Travel bubble : The ideas that a set of countries with good quarantine status would open their borders only to each other and resume air transportation. People in the travel bubble are not subject to entry bans and self-isolation periods.

BEST PRACTICE



Taking off as an E-Commerce Logistics Hub

IIAC is placing considerable effort to attract the Global Distribution Center (GDC) cluster to strengthen our role as a hub for e-commerce logistics. We recently attracted a GDC for a German logistics company, DB Schenker by introducing measures to attract new business and creating a foothold to increase e-commerce. We concluded an enforcement agreement in November 2020 through one on one marketing with the target company. We plan to make and operate a global delivery center for semiconductor equipment, medical instruments, and e-commerce goods. Once the GDC sets off, the cluster is anticipated to create 240 new jobs and 17,000 tons of cargo by 2026. From there, we will build a IIAC GDC cluster, along with iHerb and Spasys 1.

* GDC(Global Distribution Center) : An international logistics center taking in and storing the products of overseas e-commerce companies, classifying, repackaging the products suitable for individual orders, and then delivering them.

Shaping the Airport Economic Zone

Propulsion of Airport Economic Zone

KRW **15.3** trillion
Production inducement effect is projected by 2030.



Strengthening the Strategic Grounds for the Airport Economic Zone

Sustainable Growth Centered on the Airport Economy

With COVID-19 continuing to disrupt our lives, the aviation industry had to open a new chapter along with tourism. IIAC is facing such tasks as new aviation demand creation and business portfolio diversification to respond to social structure change. Bearing this in mind, we established an airport economic zone plan to create economic demand by integrating diverse associated industries around the airport in 2020. To fulfill our plan, we are set to adjust and upgrade the airport economic bloc strategy suitable for today's needs and develop new tourism destinations and resources by combining them with urban air mobility (UAMs). We also plan to create an attractive investment environment where visitors would find highly advanced logistics complexes. We will work to add more free trade zones (FTZs) in the area and attract businesses that require logistics, maintenance, repair, and overhaul (MRO) and air transport.

In addition, with the establishment of Incheon airport economic zone implementation council in July 2020, the economic bloc will take on greater space, from the airport area to the entire Yeongjongdo area. Now not only IIAC, but also other companies and organizations can develop the area jointly. Furthermore, we confirmed the possibility of future collaboration and investment with leading companies worldwide in our investment attraction activities targeting major industry groups. We will continue to improve the investment environment in the airport economic zone to maximize synergy and create new values by interacting with various partners.

IIAC Airport Economy Platform



Creating Infrastructure for Aviation Related Businesses

Deriving Future Growth Models according to the Plan for the Economic Zone

IIAC is leading the infrastructure formation and invigoration of the airport-related industry including tourism, logistics, and aviation support industries. To actualize an airport-centered new tourism paradigm, we make efforts to shape new infrastructure converging the aviation and tourism fields such as establishing an art hub development plan including a landmark complex and an artwork storage to satisfy various customer experiences including cultures and arts, shopping, eating and drinking services, and passenger conveniences. To this end, we are determined to lay the strategic foundation for sustainable growth for airport's tourism field role expansion in the post COVID-19 era. In November 2020, IIAC was designated as a site for FTZ under the K-FTZ 2030 Innovation Strategy (MOTIE). FTZs, are not subject to customs or VAT requirements. This was a milestone achievement that is expected to provide an opportunity to export large number of Korean products (KRW 1 trillion or more) and create more than 3,000 MRO jobs. Moreover, we have developed an Amazon business model that supports export designed to assist SMEs' entry into global markets and expand the volume of e-commerce cargo. IIAC and Amazon Korea have jointly selected a company who will operate the pilot project. In the project, the company operated Amazon's integrated processing model IIAC Lounge A for three months. In an interim inspection, we were satisfied with convenient delivery and that they would need to expand the period and the scope of the project. Based on the efforts, IIAC will dedicate ourselves to contribution to community development and national economy by growing Incheon International Airport as a competitive platform.

Diversification of Business Offshore

IIAC is vigorously carrying out overseas business to export Korean-version airport model based on the knowledge and experience of our airport construction and operation. We have been globally recognized by successfully performing 30 projects in 15 countries. IIAC is doing our best to leap forward as one of the global top 5 airport operators by participating in 10 overseas airport operations by 2030.

Starting New Businesses

First Entry into the European Market

A counseling service as a strategic adviser for an airport project in Poland is our very first attempt to enter the European market. We won this deal in January 2021. The Ministry of Land, Infrastructure and Transport (MOLIT) and IIAC expressed a message to the Polish Ministry of Business and CPK (ordering company) that we'd like to implement the project at the government level. We provided free consulting by our internal experts in advance. This was a chance to demonstrate our outstanding airport development capabilities. We also conducted joint public-private marketing activities before the order was placed to win an upper hand in bidding. We participated in the Competitive Dialogue, a European bidding method, or the first time in the Korean airport industry. We led the negotiations so we could highlight our strengths. When the talks became virtual due to COVID-19, we conducted proactive marketing activities online with our CEO and directors also attending the video conference. As a result, we won an overwhelming victory in a competition against Japan's Narita Airport. Starting in January 2021, we will act as a strategic advisor to the new airport for 36 months on construction planning and operational advice. From this project, we have secured KRW 5.6 billion from overseas business. It was also a chance for the public and the private sector to enter the overseas market jointly. This greatly increases our chance of securing the position of a strategic partner for the follow-up project, construction and operation of a new airport in Poland (amounting to KRW 5 trillion). In addition, it is meaningful that we have made a foundation for expanding overseas business in advanced Global markets.

Surplus Earnings through Stable Operation of Overseas Business

IIAC has established a stable business system overseas and achieved exceeding profits in the face of global disaster situations due to the COVID-19 pandemic worldwide such as setbacks and delays in airport operation. In case of Kuwait, we carried our local projects stably without interruption by responding to crisis in a timely manner and setting up an emergency hotline with the HQ and on-site quarantine system. We strengthened communication with customers, offered a variety of educational programs to increase the level of satisfaction of customers. With Istanbul Operation Consulting, we overcame the risk of contract suspension through pre-emptive negotiation with the company and active contract management. Despite their financial difficulties, we received all payment without any delays, achieving the highest sales in overseas business history of KRW 26.3 billion.

Preparing a Stable Overseas Business Implementation System

Reinforcing Business Capabilities

Today, we are making preparations to strengthen internal capabilities and improve our systems so we can seize investment and development opportunities that are expected to increase sharply in the post-COVID-19 era. We have made an export platform for optimum package of the Korean airport model. We selected 80 key personnel from the Overseas Business Group and built an education system to develop overseas business experts. We have also completed the revision of Risk Management Measures for Overseas Business by adding details on how to identify and manage investment risks. As we move forward, we will diversify our overseas business and secure business competitiveness by strengthening the organization, manpower, and the system, and become a leading airport in the global airport industry.

Overseas Business Sales

Achieved a record high of
KRW **26.3** billion



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Organization

ESG Management Performance

Economic Performance

- Period No. 22: Jan. 1, 2020 to Dec. 31, 2020
- Period No. 21: Jan. 1, 2019 to Dec. 31, 2019
- Period No. 20: Jan. 1, 2018 to Dec. 31, 2018

Summary of Consolidated Statements of Financial Position

| Incheon International Airport Corporation and its Subsidiaries | | (Unit: KRW) | |
|--|--------------------|--------------------|--------------------|
| Account title | Period No. 20 | Period No. 21 | Period No. 22 |
| Current Assets | 901,557,255,937 | 706,094,837,564 | 719,281,962,425 |
| 1. Cash and Cash Equivalents | 431,223,505,725 | 233,129,945,309 | 140,073,289,529 |
| 2. Current Financial Assets | 1,153,332,368 | 20,448,041,678 | 21,246,715,288 |
| 3. Trade and Other Receivables | 360,565,979,889 | 350,393,326,829 | 460,628,343,216 |
| 4. Inventories | 34,001,950,505 | 39,592,793,307 | 41,593,106,294 |
| 5. Current Tax Assets | 50,079,144 | 207,346,037 | 25,184,551,139 |
| 6. Other Current Non-Financial Assets | 74,562,408,306 | 62,323,384,404 | 30,555,956,959 |
| Non-Current Assets | 11,459,600,760,130 | 11,555,237,961,421 | 11,791,989,216,965 |
| 1. Other Non-Current Financial Assets | 34,283,171,553 | 43,413,227,215 | 53,600,987,301 |
| 2. Long-Term Trade and Other Receivables | 106,172,215,899 | 107,954,775,003 | 117,885,722,304 |
| 3. Properties and Equipment | 10,500,254,097,960 | 10,627,570,427,905 | 10,849,646,143,392 |
| 4. Investment Properties | 369,550,599,796 | 379,337,410,870 | 366,616,667,612 |
| 5. Goodwill | 177,398,443,930 | 177,398,443,930 | 36,127,065,032 |
| 6. Intangible Assets Other than Goodwill | 91,616,124,298 | 86,049,013,193 | 90,852,132,165 |
| 7. Deferred Tax Assets | 111,606,684,727 | 109,514,397,702 | 253,780,233,552 |
| 8. Non-Current Non-Financial Assets | 68,719,421,967 | 24,000,265,603 | 23,480,265,607 |
| Total Assets | 12,361,158,016,067 | 12,261,332,798,985 | 12,511,271,179,390 |
| Current Liabilities | 1,226,609,743,838 | 1,227,767,191,655 | 1,219,594,149,382 |
| 1. Trade and Other Payables | 327,437,060,496 | 529,530,968,585 | 455,277,994,788 |
| 2. Current Financial Liabilities | 560,000,000,000 | 420,000,000,000 | 647,000,000,000 |
| 3. Current Income Tax Liabilities | 236,656,174,200 | 151,591,399,873 | 4,549,273,509 |
| 4. Other Current Non-Financial Liabilities | 81,438,146,121 | 75,961,128,535 | 61,264,045,871 |
| 5. Current Provisions | 21,078,363,021 | 50,683,694,662 | 51,502,835,214 |
| Non-Current Liabilities | 2,336,224,312,028 | 1,747,117,177,075 | 2,830,638,240,181 |
| 1. Long-Term Trade and Other Payables | 729,839,971,593 | 563,526,274,829 | 604,966,235,628 |
| 2. Non-Current Financial Liabilities | 1,489,000,000,000 | 1,069,000,000,000 | 2,100,000,000,000 |
| 3. Non-Current Non-Financial Liabilities | 103,530,102,753 | 85,510,169,159 | 70,090,409,737 |
| 4. Employee Benefit Liabilities | 13,854,237,682 | 29,080,733,087 | 55,581,594,816 |
| Total Liabilities | 3,562,834,055,866 | 2,974,884,368,730 | 4,050,232,389,563 |
| Paid-In Capital | 3,617,845,480,000 | 3,617,845,480,000 | 3,617,845,480,000 |
| Retained Earnings (Accumulated deficit) | 5,181,656,744,867 | 5,669,667,325,008 | 4,844,436,530,694 |
| Other Equity Components | (221,441,787) | (46,878,652) | (250,869,222) |
| Equity Attributable to Owners of the Parent Company | 8,799,280,783,080 | 9,287,465,926,356 | 8,462,031,141,472 |
| Non-Controlling Interests | (956,822,879) | (1,017,496,101) | (992,351,645) |
| Total Equity | 8,798,323,960,201 | 9,286,448,430,255 | 8,461,038,789,827 |
| Total Equity and Liabilities | 12,361,158,016,067 | 12,261,332,798,985 | 12,511,271,179,390 |

Income Statement

| Incheon International Airport Corporation and its Subsidiaries | | (Unit: KRW) | |
|--|-------------------|-------------------|-------------------|
| Account title | Period No. 20 | Period No. 21 | Period No. 22 |
| Revenue | 2,726,885,161,146 | 2,826,525,918,534 | 1,157,449,702,388 |
| Cost of Sales | 1,260,745,356,304 | 1,330,481,765,371 | 1,314,143,646,293 |
| Gross Profit | 1,466,139,804,842 | 1,496,044,153,163 | (156,693,943,905) |
| Selling and Administrative Expenses | 167,481,989,788 | 206,264,280,572 | 204,040,472,890 |
| Operating Profit | 1,298,657,815,054 | 1,289,779,872,591 | (360,734,416,795) |
| Other Revenue | 3,604,195,968 | 6,495,932,387 | 458,949,222 |
| Other Expenses | 13,220,040,341 | 26,497,248,191 | 18,937,077,335 |
| Other Gains (Loss) | 258,683,678,201 | (22,444,008,392) | (147,298,473,654) |
| Financial Income | 8,014,405,249 | 5,828,345,699 | 7,238,972,546 |
| Financial Costs | 69,071,570,239 | 52,745,976,986 | 42,990,609,699 |
| Net income before corporate tax expenses | 1,486,668,483,892 | 1,200,416,917,108 | (562,262,655,715) |
| Income Tax Expenses | 365,799,405,367 | 336,989,804,517 | (139,409,602,484) |
| Profit from Continuing Operations | 1,120,869,078,525 | 863,427,112,591 | (422,853,053,231) |
| Profit | 1,120,869,078,525 | 863,427,112,591 | (422,853,053,231) |
| Other Comprehensive Income (Net of Tax) | (6,278,837,558) | 230,318,805 | (3,146,446,207) |
| Total Comprehensive Income | 1,114,590,240,967 | 863,657,431,396 | (425,999,499,438) |
| Attributable Profit | 1,120,869,078,525 | 863,427,112,591 | (422,853,053,231) |
| 1. Profit Attributable to Owners of the Parent Company | 1,120,845,244,889 | 863,492,171,763 | (422,878,264,844) |
| 2. Profit (Loss) Attributable to Non-Controlling Interests | 23,833,636 | (65,059,172) | 25,211,613 |
| Attributable Comprehensive Income | 1,114,590,240,967 | 863,657,431,396 | (425,999,499,438) |
| 1. Comprehensive Income Attributable to Owners of the Parent Company | 1,114,568,010,908 | 863,717,504,096 | (426,024,643,893) |
| 2. Comprehensive Income Attributable to Non-Controlling Interests | 22,230,059 | (60,072,700) | 25,144,455 |

Key Financial Indicators

| Category | | 2018 | 2019 | 2020 |
|---------------|--------------------------------------|-------|-------|--------|
| Stability | Debt Ratio | 40.5 | 32.0 | 47.9 |
| | Equity-to-Asset Ratio | 71.2 | 75.7 | 67.6 |
| Profitability | Operating Profit Ratio | 47.6 | 45.6 | (31.2) |
| | Return on Assets | 9.0 | 7.0 | (3.4) |
| | Gross Profit Margin | 54.5 | 42.5 | (48.6) |
| Growth | Revenue Growth Rate | 9.1 | 3.7 | (59.1) |
| | Total Assets Growth Rate | 0.0 | (0.8) | 2.0 |
| | Properties and Equipment Growth Rate | (0.8) | 1.2 | 2.1 |

Performance in Air Transport

| Category | | 2018 | 2019 | 2020 |
|------------|-----------------------------------|------------|------------|------------|
| Flights | Total Flights (Flight) | 387,497 | 404,104 | 149,982 |
| | International Flights (Flight) | 381,747 | 398,815 | 148,988 |
| Passengers | Total Passengers (Person) | 68,259,763 | 71,169,722 | 12,049,851 |
| | International Passengers (Person) | 67,676,147 | 70,578,050 | 11,955,756 |
| | Transfer Passengers (Person) | 8,020,405 | 8,389,136 | 2,093,706 |
| | Transfer Rate (%) | 11.7 | 11.8 | 17.4 |
| Cargo | International Cargo (Ton) | 2,952,069 | 2,764,350 | 2,822,364 |
| | Transshipment Cargo (Ton) | 1,161,777 | 1,057,360 | 1,150,826 |
| | Transshipment Rate (%) | 39.4 | 38.2 | 40.8 |

Performance in Airport Operation

| Category | | 2018 | 2019 | 2020 |
|---------------------------|--|-------|-------|-------|
| Revenue | | 2,727 | 2,827 | 1,157 |
| Aeronautical Revenues | Revenue from Flights | 395 | 412 | 145 |
| | Revenue from Passengers | 497 | 517 | 83.8 |
| Non-Aeronautical Revenues | Commercial Revenues | 1,491 | 1,518 | 621 |
| | Revenue from Rent and Utility | 240 | 279 | 218 |
| | Revenue from Overseas and Other Businesses | 23.7 | 97.3 | 30.7 |

Distribution of Financial Value

| Stakeholders | Unit | 2018 | 2019 | 2020 |
|----------------------------|--------------------------------------|------|------|------|
| Employees | Labor Cost* | 137 | 158 | 164 |
| Partners | Outsourcing Cost** | 525 | 553 | 569 |
| Shareholders and Investors | Dividends | 376 | 399 | - |
| | Interests | 65.6 | 49.2 | 38.6 |
| Government | Tax and Dues, Corporate Tax | 406 | 411 | (90) |
| Local Community | Contributions | 13.1 | 21.5 | 12.4 |
| Others*** | Facility Management Fees, Rent, etc. | 593 | 689 | 735 |

* Labor Cost: Pay + Allowances + Miscellaneous Pay + Retirement Benefits + Welfare Benefits
** Outsourcing Cost : Total of Outsourcing cost (including conversion amount from partners to subsidiaries)
*** Other facility management fees, Rent, etc. : Combined total of (COGs + SG&A + donations + interest cost + Taxes and dues + corporate tax) - figures in the table above (excluding dividends)

Social Performance

Overview of Executives and Employees

(Unit: Person, %)

| Category | | 2018 | 2019 | 2020 |
|--|---|-------------|-------------|-------------|
| Total | | 1,427 | 1,556 | 1,828 |
| Gender | Male (%) | 1,079(75.6) | 1,162(74.7) | 1,389(76.0) |
| | Female (%) | 348(24.4) | 394(25.3) | 439(24.0) |
| Number of Employees Who Have Retired or Left to Work for Another Company | Male (%) | 19(1.3) | 24(92.3) | 31(79.5) |
| | Female (%) | 13(0.9) | 2(7.7) | 8(20.5) |
| New Employees | Male (%) | 94(67.6) | 106(68.8) | 259(83.0) |
| | Female (%) | 45(32.4) | 48(31.2) | 53(17.0) |
| Equity New Employment | Disabled | 7 | 6 | 11 |
| | High school graduates | 3 | 4 | 69 |
| | Veterans | 3 | 15 | 7 |
| | Local talents | 51 | 57 | 137 |
| Position | Executives | 5 | 5 | 4 |
| | Supervisors & Managers | 474 | 487 | 494 |
| | Below Supervisors & Managers | 948 | 1,064 | 1,330 |
| Age | 20s (%) | 355(24.9) | 421(27.1) | 441(24.1) |
| | 30s (%) | 409(28.7) | 440(28.3) | 592(32.4) |
| | 40s (%) | 427(29.9) | 441(28.3) | 500(27.4) |
| | Above 50 (%) | 236(16.5) | 254(16.3) | 295(16.1) |
| Types of Employment | Regular | 1,419 | 1,548 | 1,822 |
| | Temporary | 8 | 8 | 6 |
| Diversity | Number of Female Employees (%) | 348(24.4) | 394(25.3) | 439(24.0) |
| | Number of Women in Management Positions (%) | 30(6.3) | 37(7.6) | 43(8.7) |
| | Percentage of People with Disabilities | 3.4% | 3.7 | 3.8% |

Training and Education

| Category | | Unit | 2018 | 2019 | 2020 |
|---|-------------------|---------------|----------------|----------------|----------------|
| Training & Education Hours Per Person | Male | Hours | 139 | 149 | 112 |
| | Female | | 134 | 133 | 116 |
| Training & Education Budget Per Person | | KRW million | 288 | 309 | 224 |
| Number of People Trained by Position(%) /hr | Level 1~2 | Person(%) /hr | 139(10)/14,444 | 141(9)/21,920 | 144(8)/15,801 |
| | Level 3 | | 309(23)/46,959 | 345(22)/52,413 | 349(19)/41,552 |
| | Level 4 | | 431(32)/68,721 | 510(33)/69,841 | 547(30)/65,249 |
| | Level 5 and under | | 450(34)/59,966 | 555(36)/80,902 | 784(43)/83,501 |
| Satisfaction Level (Out of 5 Points) | | Points | 4.78 | 4.78 | 4.66 |
| Applicability (Out of 5 Points) | | | 4.48 | 4.70 | 4.74 |

Integrity and Ethical Education Program

(Unit: Person)

| Education Target | Education Method | Period | 2018 | 2019 | 2020 |
|--------------------|--|---------------------|-------|-------|-------|
| All Employees | Group and Face to Face | Once a year | 1,543 | 1,370 | - |
| | Cyber Education | Throughout the year | 1,255 | 2,658 | 3,365 |
| | New Hires | Upon recruitment | 52 | 142 | 196 |
| Career Transitions | Promoted | Upon promotion | 93 | 56 | 108 |
| | Manager | Throughout the year | 170 | 140 | 168 |
| Outsourced | Outsourced Education, e.g., Civil Rights Commission Integrity Training | Throughout the year | 4 | 6 | 13 |
| Others | Practical Education for Rank and File, Department-level Education | Throughout the year | 413 | 526 | 318 |

Use of Flexible Work Arrangements and Short-Term Work

(Unit: Person)

| Category | | 2018 | 2019 | 2020 |
|----------------------------|--------------------------------------|------|------|------|
| Hourly Work | | 58 | 71 | 89 |
| Flexible Work Arrangements | Personalized Start & Departure Times | 431 | 481 | 618 |
| | Personalized Work Hours | 314 | 362 | 441 |
| | Flexible work | 385 | 416 | 618 |
| Remote Work Policy | Work-from-home | - | - | 983 |
| | Smart Work | 88 | 71 | 33 |

Use of Parental Leave

(Unit: Person, %)

| Category | | 2018 | 2019 | 2020 |
|--|-------------------------------|------|------|------|
| Number of Users | Male | 8 | 12 | 11 |
| | Female | 48 | 54 | 58 |
| Use status of maternity leave | Maternity leave for employees | 16 | 18 | 16 |
| | Maternity leave for spouses | 31 | 23 | 16 |
| Use status of work-hour reduction system during pregnancy and childcare period | Total | 13 | 18 | 16 |

Shared Growth implementation performance

| Category | Unit | 2018 | 2019 | 2020 |
|---|-------------|----------|-------------|------|
| Shared Growth Assessment Rating | Grade | Moderate | Improvement | Good |
| Partners' Satisfaction with the Win-Win Cooperation Program | Points | 84.8 | 80.6 | 76.3 |
| Payments under Service Level Agreements | KRW billion | 646 | 746 | 910 |
| Performance of Airport R&D Technical Purchase | | 0.3 | 1.5 | 0.5 |
| Performance of Airport R&D Development Investment | | 0.2 | 1.1 | 1.8 |

Local Community Participation

| Category | | Unit | 2018 | 2019 | 2020 |
|----------------------------------|--|-------------|-------|--------|--------|
| Donations | | KRW billion | 13.1 | 21.5 | 12.4 |
| Number of Volunteer Participants | | Person | 900 | 2,302 | 1,103 |
| Volunteer Hours | | Hour | 4,338 | 17,691 | 22,537 |

Customer Satisfaction Surveys

(Unit: Points)

| Survey type | | 2018 | 2019 | 2020 |
|--------------------------------------|--|------|------|-------------------------------|
| Satisfaction with Departure Services | | 87 | 88 | 91 |
| Satisfaction with Arrival Services | | 88 | 89 | Not conducted due to COVID-19 |
| Satisfaction with Transit Services | | 88 | 89 | 91 |
| Satisfaction with Airlines' Services | | 92 | 93 | 93 |

VOC Operations

| Category | Unit | 2018 | 2019 | 2020 |
|----------------------------|------|-------|-------|-------|
| Number of Cases Registered | Case | 7,380 | 6,589 | 2,589 |
| Number of Cases Processed | | 7,380 | 6,589 | 2,589 |
| Process Rate | % | 100 | 100 | 100 |

Environmental Performance

Energy Use

| Category | | Unit | 2018 | 2019 | 2020 |
|--|---------------------------------|----------|--------|--------|--------|
| Energy Use | Electricity | TJ | 4,087 | 4,217 | 3,310 |
| | Medium-temperature Hot Water | | 757 | 660 | 677 |
| | Others | | 107 | 178 | 130 |
| | Total | | 4,951 | 5,055 | 4,117 |
| Capacity of Renewable Energy Facility | Solar Power (Cumulative) | KW | 5,832 | 6,842 | 7,315 |
| | Geothermal Power (Cumulative) | | 8,195 | 8,195 | 8,195 |
| Electric Vehicle Charging Stations | Express Charge (Cumulative) | Stations | 25 | 37 | 37 |
| | Slow Charge (Cumulative) | | 11 | 11 | 21 |
| Waste Heat from Resource Recovery Facility | Volume of Waste Heat Produced | Ton | 86,077 | 90,433 | 57,501 |
| | Volume Consumed Within Facility | | 42,751 | 40,881 | 13,926 |
| | Sales Volume | | 43,326 | 49,552 | 41,752 |

Current Status of Waste Generated

| Category | | Unit | 2018 | 2019 | 2020 |
|----------------------------------|---------------------------|------|--------|--------|--------|
| Waste Generated | Total Waste | Ton | 45,164 | 53,805 | 29,767 |
| | General Waste | | 20,105 | 20,872 | 12,879 |
| | Designated Waste | | 1,516 | 1,825 | 1,654 |
| | Construction Waste | | 23,544 | 31,108 | 15,234 |
| Waste Processing | Amount of Waste Recycling | Ton | 28,063 | 38,168 | 19,651 |
| | Waste Recycling Rate | % | 62 | 71 | 66.0% |
| | Incinerated | Ton | 15,490 | 13,964 | 7,655 |
| | Buried | Ton | 1,567 | 1,669 | 2,461 |
| Disposal of Waste De-icing Fluid | | Ton | 8,183 | 8,225 | 4,800 |

Current Status of Water Use and Recycling

| Category | | Unit | 2018 | 2019 | 2020 |
|--|----------------------------|------|-------------|-------------|-------------|
| Water Management | Water Use | ML | 0.002404367 | 0.002293037 | 0.001142106 |
| | Sewage Volume | ML | 0.006062198 | 0.006439329 | 0.003861714 |
| | Amount of Water Recycled | ML | 0.003436549 | 0.003680145 | 0.002776369 |
| Monitoring Result of Pollutants in Drainage from Wastewater Reuse System | COD (Legal standards 20) | ppm | 4.7 | 6.5 | 5.9 |
| | BOD (Legal standards 10) | | 0.4 | 0.5 | 0.4 |
| | SS (Legal standards 10) | | 0.5 | 0.6 | 0.4 |
| | T-N (Legal standards 20) | | 4.9 | 4.4 | 5.5 |
| | T-P (Legal standards 2) | | 0.2 | 0.2 | 0.2 |
| Reclaimed Water Usage | City Reclaimed Wastewater* | ML | 0.00135392 | 0.001377431 | 0.001088823 |
| | Landscaping | | 0.000418376 | 0.000751532 | 0.000497195 |
| | Industrial Water | | 0.000953864 | 0.001205489 | 0.000804799 |
| | Others | | 0.000710389 | 0.000345683 | 0.000385552 |
| | Total | | 0.003436549 | 0.003680135 | 0.002776369 |

* City reclaimed wastewater: water used for toilet cleansing, water for cleaning, and water for cleaning and sprinkling

Current Status of Greenhouse Gas and Air Pollutants Emissions

| Category | | Unit | 2018 | 2019 | 2020 |
|--|---|---------------------|-----------|-----------|---------|
| GHG emission* | Scope 1 | tCO ₂ | 28,131 | 27,475 | 18,127 |
| | Scope 2 | | 232,101 | 206,249 | 172,929 |
| | Scope 3 | | 1,195,395 | 1,244,948 | 690,036 |
| | Total | | 1,687,222 | 1,786,348 | 881,092 |
| Airport Area Air Quality Monitoring** | SO ₂ | ppm | 0.006 | 0.006 | 0.005 |
| | CO | | 0.5 | 0.5 | 0.5 |
| | NO ₂ | | 0.020 | 0.020 | 0.013 |
| | O3 | μg / m ³ | 0.040 | 0.040 | 0.042 |
| | Fine Dust (PM10)*** | | 39(39) | 45(40) | 39(38) |
| | Ultra-fine Dust (PM2.5)*** | | 22(22) | 27(23) | 25(24) |
| Fine dust concentrations of Indoor air | Indoor Parking Lot - Legal standards 200 | μg / m ³ | 61 | 52 | 28 |
| | Passenger Terminal and Concourse - Legal standards 150 | | 29 | 23 | 27 |
| Measurement of gas emissions from resource recovery facility**** | PM - Legal standards 26 | μg / m ³ | 1.21 | 1.64 | 1.62 |
| | SO ₂ - Legal standards 18 | ppm | 0.07 | 0.00 | 0.00 |
| | NO ₂ - Legal standards 50 | | 3.21 | 5.99 | 3.86 |
| | CO - Legal standards 50 | | 6.58 | 4.43 | 3.97 |
| | HCl - Legal standards 15 | | 1.69 | 1.71 | 1.34 |
| | | | | | |

* Amount of GHG emissions: Data for two years from 2018 to 2019 changed in accordance with the altered scope of GHG emission calculation and standards.

** Air quality monitoring for the airport and its surrounding areas: The average of three results measured from air quality real-time monitoring stations

*** The measurement values for PM10, PM2.5 were taken on days without yellow dust warnings.

**** Measurement of emitted gas from resource recovery facility: Average of values measured from two incinerators

Sustainable Development Goals (UN SDGs)

UN Sustainable Development Goals (UN SDGs)

IIAC has set six SDGs (UN-SDGs 3, 4, 7, 8, 9, 13) in relation to our business out of 17 UN SDGs pledged with the UN in 2015 and recorded the performance of initiatives. The following are brief explanations of the related activities. For more details, please refer to the corresponding pages.



| UN-SDGs | IIAC's Activities | Page |
|---------|--|----------------------|
| | UN-SDGs 3 Ensure healthy lives and promote well-being for all at all ages. IIAC supports maternity protection, career interruption assistance, and work-family-life balance for our employees good health and well-being. We have increased the participating employees by increasing the number of programs preferred by employees and strengthened the convenience for employees to use them through the restructuring of selective welfare benefit services. In addition, we have led the global standard of K-Airport quarantine in response to COVID-19 restrictions. We have implemented the world's first-ever Four-step Outbound Quarantine System and reinforced the quarantine measures for outbound passengers. We have also ensured convenient and safe overseas travel for travelers with the One-stop Support that issues expedient COVID-19 PCR test results using the COVID-19 Testing Center in the airport for the first time in Korea. Furthermore, our effort to implement the regional collaboration model for the solution of regional problems was recognized with the Minister of Health and Welfare's commendation awarded to us for being an exemplary "social value contribution company in the Incheon area". | 10, 49, 69, 73 |
| | UN-SDGs 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. We assist triangle mentoring, which consists of adults, university students, and multi-cultural youths to resolve the educational gap of multi-cultural youths and support their healthy growth through the "Incheon Airport Value Jump". Moreover, we promote a project to create the Round G Community Center to solve the transition to an aging society and surge in baby boomer retirees thereby providing an opportunity of learning for continuous social participation of the "new middle-aged" generation, which means retired baby boomer generation. | 69, 71, 74 |
| | UN-SDGs 7 Ensure access to affordable, reliable, sustainable and modern energy for all. We aim to improve the ratio of new renewable energy reliance required for airport operations to contribute to the environment and citizen's health and become an energy self-reliant airport with the promotion of a project to improve energy consumption efficiency project. To achieve this, we have upgraded our low carbon and eco-friendly management system by forming the task force team specialized in green new deal strategy. In addition, we are expanding renewable energy alternatives such as solar and geothermal energy and introducing fuel power generation that uses hydrogen energy to achieve 20% of supply ratio using self-generated renewable energy by 2030. Furthermore, we participate in RE100* to achieve a 60% of renewable energy supply ratio by 2030 and striving for 100% by 2040 from the current level of 3.2%. | 35-36, 42-43, 45 |
| | UN-SDGs 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. We have established a mid-to-long-term job creation strategy of our own with the vision of "Quality Job No. 1, Incheon Airport" according to the government's job creation roadmap to provide quality jobs by promoting activities to improve the quality and number of jobs with a pro-job creation ambition. In pace with the change in government policies such as the Korean New Deal (Green+Digital) and local and external environmental changes such as the employment crisis due to COVID-19 in recent years, we have re-established the strategy to create quality jobs at Incheon International Airport to strengthen the recovery and protection strategy of the aviation ecosystem due to COVID-19 crisis by re-setting the focus on job creation such as the discovery of new businesses adapted to the New Normal era. IIAC promotes the Incheon Airport Value Project to foster social economic organizations by returning the profits of the duty free shops located in the arrivals hall. | 9, 14, 54, 63~64, 69 |
| | UN-SDGs 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. We adopted the green mobility operation system for creating a clean air environment without fine dust through the steady expansion of electric car charging infrastructure throughout the airport. We have installed hydrogen fueling stations at the passenger Terminal 1 for the first time in January 2021 and we have been operating hydrogen fueling stations at the Passenger Terminal 2 since July 2021. Furthermore, we will promote the green renovations of aging buildings and the certification of new zero energy buildings & green buildings and are planning to restore the ecosystem near the airport by expanding and creating 320,000 m ² of natural green space around the airport. | 15, 57, 64-69, 89-92 |
| | UN-SDGs 13 Take urgent action to combat climate change and its impacts. We manage GHG emissions directly or indirectly to cope with climate change and strive for GHG reduction through LED lighting replacement, etc. inside the terminals. In line with the accomplishment of the 'Global Leading Green Airport Vision' and eco-friendly vehicle expansion policy of the government, we are committed to converting vehicles inside the airport into eco-friendly vehicles and taking our social responsibility against GHG emissions during operations and business activities by introducing the carbon-offset program since 2013. | 40-42 |

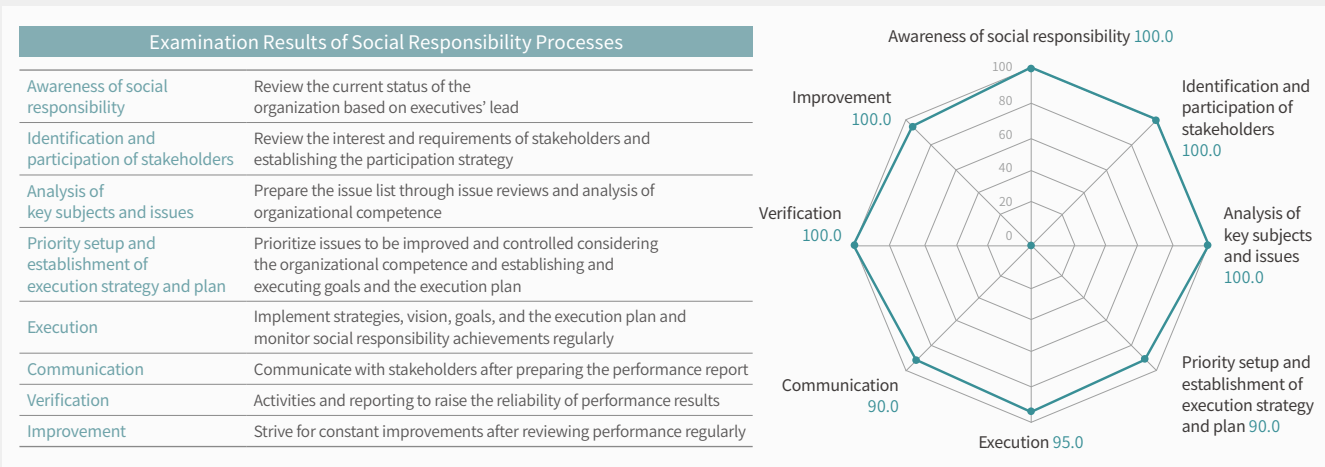
* RE 100 : As renewable expansion global initiative, namely a voluntary promise of companies to procure 100% power consumption from renewable energy, approximately 300 global companies participated as of July 2021.

ISO 26000 Diagnosis Report

| | |
|----------------------|---|
| Examination Standard | The Korean Standards Association has developed a checklist to examine whether social responsibility is fulfilled in accordance with ISO 26000, which is an international standard providing guidelines for social responsibility recognizing outsourcing work from the Korean Agency for Technology and Standards. This examination report is the outcome after examining the sustainable management process and achievements of each of the seven key subjects pursued by IIAC according to the examination checklist of the Korean Standards Association. |
| Examination Scope | The Korean Standards Association has examined the processes that realize the social responsibility of IIAC and the implementation achievements. To this end, the mid-to long-term strategy and its execution activities, participation of stakeholders, and social responsibility activities of the Corporation have been examined. |
| Examination Method | The Korean Standards Association has performed the following activities to gather related bases that are appropriate according to the examination criteria of the ISO 26000 implementation level. <ul style="list-style-type: none">• Internal data review about sustainable management activities and achievements of IIAC.• Interview with persons in charge of each issue in sustainable management at IIAC. |

I. Examination Results by ISO 26000 Social Responsibility Process

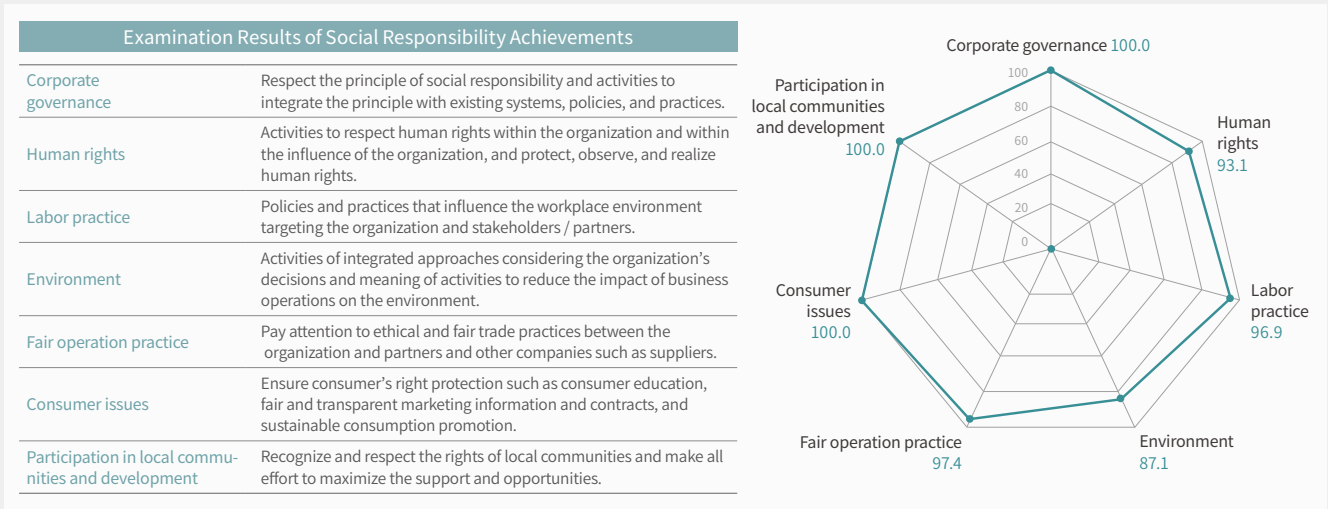
IIAC has steadily examined the social responsibility management implementation level based on ISO 26000, which is an international standard of social responsibility, from 2014 and has committed to steady improvements of deficiencies after identifying the current status of the organization. The examination results of the process sector acquired 346 points out of 360 points (96% of fulfillment rate). We have a high level of awareness of social responsibilities. It has reported achievements through materiality testing after collecting the opinions of stakeholders to publish the Sustainability Report and performed verification and improvement activities through communication with our stakeholders. We are making strides to establish the objectives of stakeholders participation by upgrading the process of identification and participation of stakeholders, which has been customary for a long time, and defining the major group of stakeholders who are universally accepted at the enterprise level. We also expect to conduct a social impact assessment on a global scale as the Group 1 public enterprise that leads the social responsibility management.



II. Examination Results by each of seven key subjects in ISO 26000

| | |
|----------------------|--|
| Corporate governance | The Board of Directors (BoD) consists of 13 inside and outside directors. A female director is included among the Executive Directors and experts in various fields such as human rights, gender equality, environment, corporate governance, management, and finance are appointed as outside directors. Through this, we have made every effort to build a corporate culture in which social responsibility issues can be discussed within the BoD. In recent years, the ESG innovation plan has been established by the proposal from one of the non-executive direct, and our ambition of ESG innovation has been emphasized through the declaration of “ESG Innovation” released to the general public, which has been highly regarded. In addition, the ESG Committee within the BoD has been newly installed to spearhead establishing the Labor Director System, and ensure that transparent and fair corporate governance is pursued and disclosed, which are company milestones. |
| Human rights | IIAC has pledged its commitment to the Human Rights Charter, and set up and operates the human rights management plan including human rights goals and implementation tasks. We have conducted the human rights impact assessment for organizational operation and each of the major businesses and construction contractors, local residents, and airport customers were also included in the scope of the human rights impact assessment when conducting the human rights impact assessment in terms of construction and airport operation services. However, we had a disappointing performance in disseminating human rights management targeting primary and secondary partners as our current initiatives for human rights management are mainly focused on our newly installed subsidiaries. We recommend the scope will be expanded to primary and secondary partners as the human rights management gains traction among subsidiaries. |
| Labor practice | In pace with the government policies, the Incheon International Corporation prioritized the recruitment of permanent full-time employees while part-time employment has been restricted to temp workers filling in those on parental leave and experience-oriented internships for fresh graduates, etc. We are committed to minimizing the recruitment of part-time employees after reviewing whether the short-term positions, dispatch, or subcontractors are appropriate through the prior examination system. The disputes between unions and the laborer & management team, which occur in the process of turning part-time positions into permanent ones, is a matter of interest among many stakeholders including executives and employees. We expect to gather diverse opinions, disclose the opinions and outcomes in the Sustainability Report, and communicate with our stakeholders who share a common interest. |


| | |
|--|--|
| Environmental | IIAC has declared the RE100 to convert 100% of the total energy consumed into renewable energy by 2040 and announced the conversion of vehicles for airport operations and special vehicles to 100% electric and hydrogen vehicles in addition to the plan to build a biojet fuel supply system. We have also implemented continuous improvement activities after ISO 14001 Certification to build and maintain the eco-friendly management system. The negative environmental impacts such as electricity consumption and GHG emission have been reduced substantially compared to that in the previous year. However, the due to the rapid decrease in passengers under COVID-19 restrictions. We expect the environmental performance would improve in tandem with more normalized aviation operations. |
| Fair operation practice | IIAC has created and implemented the plan to promote anti-corruption and fair trade practices in our business activities. We have operated the Ethics Working Committee and Anti-Corruption & Integrity Promotion teams within the organization, as well as the independent Ombudsman outside the organization. We are keenly paying attention to internal and external feedback about our promotion policies by utilizing our own integrity surveys, including one for executive employees. We evaluated the integrity business practices of staffers and departments through the Integrity Mileage System, through which fair and honest work practices have been encouraged in line with KPI performance. We also verified that the promotion activities of social responsibilities within the influence of the organization have been actively conducted, but they are limited to the area of safety, integrity, and ethics. We recommend making every effort to spread the social responsibility management within our subsidiaries and partners by expanding our activities to human rights and environmental sectors. |
| Consumer issues | The main customers of IIAC are the general public, airport users, and local residents. The information about the corporation management is transparently open through ALIO and its website. The information required for airport users can be easily accessed through guide staff inside the guide center in the airport and leaflets and websites. We are always committed to the safety and health of airport users such as providing facilities for people with disabilities, including the mobility handicapped, cart bumper installation, hearing-impaired assistance services, and expansion of safety and eco-friendly facilities in children's playgrounds at the airport. Along with this, we are striving to ensure the basic right to access service for the mobility handicapped by introducing unmanned vehicles to ensure their right to open accessibility. |
| Participation in local communities and development | IIAC has fully met the requirements demanded on the participation and development of local communities in ISO 26000. We have encouraged the consultation with local representative communities and volunteer work by our employees for social contribution activities in the local community. We have operated various social contribution programs such as education promotion, functional development, work collaboration with universities and research centers, health support for local residents, and technical skills development. We have also planned social contribution activities for the resolution of local issues in Incheon after listening to the voices of residents in Incheon, which we highly appreciate. |




III. Examination Results

The ISO 26000 response level of IIAC has been examined and the evaluation results exhibited that the process sector scored 346 points out of 360 and the performance sector 608 points out of 640, resulting in 954 points in total, which has been ranked to the SR 4 Grade. This grade means the awareness level of organization members on social responsibilities is high and the operation system, policies, and practices of the organization are well established so far. This grade is viewed as a stage that requires continuous maintenance by promoting social responsibility within the influence of the organization and strengthening solidarity with the local community. However, progress should be made to inspect whether social responsibility activities are integrated and operated and performance management implemented effectively throughout the whole process of organizational activities. A recommendation for making greater strides from the current status is as follows: the process sector should be internalized in the corporate affairs and airport operations after upgrading the social responsibility process, which was conventionally operated, to the global arena. For the performance sector, the scope of ongoing activities to disseminate the social responsibility management to the subsidiaries should be expanded to partners.

July 2021

The CEO of the Korean Standards Association
Myeong-Soo Kang



The Korean Standards Association is a special corporation established according to the Industrial Standardization Act in 1962. It is a knowledge service institution that supplies and spread industrial standardization, quality management, sustainable management, and IS and ISO certifications, etc. In particular, it has contributed to sustainable development in society as ISO 26000 Korean agency, GRI designated education institution, AA1000 verification institution, Korea Sustainability Index (KSI), UN CDM operation organization, and verification institution of greenhouse gas goal management system.

Third Party Audit Opinion

To: stakeholders of IIAC

THE CSR was requested by Incheon International Airport Corporation (hereafter “IIAC”) to assure “2020/2021 IIAC Sustainability Report” (hereinafter “Report”). THE CSR submits the results of its review of the publication process and contents of the Report to the management and stakeholders of IIAC.

Assurance Standards

We conducted the assurance evaluation by reviewing whether the Report complied with AA1000AS v3(2020) assurance standard and reporting principle of GRI Standards which are internationally used for assurance.

- Application of principles of stakeholder inclusivity, materiality, responsiveness and impact in AA1000AS
- Fulfillment of the principles for defining report content and report quality of the GRI Standards
- Fulfillment of Core Option of GRI Standards

Assurance Level

For the assurance, we conducted evaluation at moderate level by applying the principles of AA1000AS and did data sampling at limited level with examining the questionnaire and corresponding interview. The assurance is Type 2. The assurance process includes the following major activities.

- Review of the feasibility of the materiality assessment process
 - Review of reporting based on criteria for selected major topics
- Review of stakeholder participation
 - Review of consistency with business report

Limitations

THE CSR confirmed the reliability of the Report through the limited level of interview and document reviews. However, it does not mean that the Report is 100% accurate.

Independence

THE CSR is an independent third-party institute and presents its opinions with the ethical and independent status secured.

Opinions

THE CSR submits following opinions after a series of processes to verify compliance with assurance standard of the AA1000AS and the principles of internationally recognized reporting guideline.

Fulfillment of Core Option of GRI Standards

THE CSR reviewed whether the Report fulfilled Core Option of GRI Standards, the international guideline for report publication and confirmed that the Report met the reporting criteria of general management disclosure and the reporting requirements on 20 material topics. The following table shows the assurance indices of material topics confirmed through the procedure.

| | | | |
|-------------|---|---|---|
| General | • Governance 102-18, 102-22, 102-23, 102-24, 102-27, 102-30, 102-35 • Stakeholder engagement 102-40, 102-41, 102-42, 102-43, 102-44 | | |
| Economy | • Economic Performance 201-1 | • Indirect-economic impacts 203-1 | • Anti-corruption 205-1, 205-2 |
| Environment | • Water and effluents 303-5 • Environment compliance 307-1 | • Emission 305-1, 305-2 • Supplier-environmental compliance 308-1 | • Waste 306-2 |
| Social | • Employment 401-1, 401-2 • Diversity and equal opportunity 405-1 • Supplier-social assessment 414-1, 414-2 • Socioeconomic Compliance 419-1 | • Labor-management relations 402-1 • Human rights assessment 412-2 • Customer Health and Safety 416-1 | • Training and Education 404-1, 404-2 • Local communities 413-1, 413-2 • Customer Privacy 418-1 |

Application of principles of AA1000AS v3(2020)

THE CSR confirmed that the Report applied four principles of AA1000 accountability standards.

| | | |
|----------------|---|--|
| Inclusivity | Does IIAC adhere to the principle of stakeholder engagement in order to ensure a responsible and strategic response in advancing sustainability management? | THE CSR checked IIAC’ stakeholder selection process and did not find any significant stakeholder groups that were intentionally omitted in the stakeholder participation process conducted by each department. |
| Materiality | Does IIAC report the issues important to stakeholder? | THE CSR checked IIAC’s procedure for identifying the issues to report and reviewed the materiality assessment procedure and did not find any problem. |
| Responsiveness | Does IIAC respond appropriately to stakeholders’ requirements and expectations? | THE CSR confirmed that IIAC had acknowledged the impact of its business decisions on stakeholders and that the Report appropriately described crucial issues of sustainability. |
| Impact | Does IIAC identify how its actions affect stakeholder, or broader eco-systems? | THE CSR confirmed that IIAC reported how they manage the ESG impact caused from their activities based on the quantitative data with reliability. |

Recommendations

Airports play a vital role in the air transport industry value chain acting as the interface point between the air and surface transport modes. Globally waste produced as a by-product of airport operation and water consumed for its infrastructure and service are considered as critical environmental issues with the increase of air travellers. IIAC has well recognized this issue and established management strategy regards on waste and water (effluents). IIAC has made efforts to reduce wastes and to find out alternatives for its resource usages. THE CSR recommends IIAC to more specify the environmental management indices, set mid-term management target for those indices and monitor them systematically for solid sustainable growth.

Eligibility of the Assurance Institute

THE CSR requested by IIAC to assure the Report is the specialized global sustainability assurance institute and has the AA1000AS assurance license officially certified by the UK-based AccountAbility which is the global sustainability management standard firm and is the Gold Community Member of the Global Reporting Initiative(GRI). Multinational CSR experts who have CSR research achievements in many countries including Korea, the US, the UK, and Germany participate as members of the THE CSR Expert Committee.

Aug. 2021
CEO of THE CSR **Se-woo Jung**



GRI Index

Universal Standards

| GRI 102: General Disclosure | | | Page | Verified |
|-----------------------------|--------|---|------------------------|----------|
| Organizational profile | 102-1 | Name of the organization | 6 | ● |
| | 102-2 | Activities, brands, products, and services | 6 | ● |
| | 102-3 | Location of headquarters | 6 | ● |
| | 102-4 | Location of operations | 6 | ● |
| | 102-5 | Ownership and legal form | 6 | ● |
| | 102-6 | Markets served | 6 | ● |
| | 102-7 | Scale of the organization | 97, 99 | ● |
| | 102-8 | Information on employees and other workers | 100 | ● |
| | 102-9 | Supply chain | 99 | ● |
| | 102-10 | Significant changes to the organization and its supply chain | No Significant Changes | ● |
| | 102-11 | Precautionary Principle or approach | 14~15, 22~23 | ● |
| | 102-12 | External initiatives | 112~114 | ● |
| | 102-13 | Membership of associations | 115 | ● |
| Strategy | 102-14 | Statement from senior decision-maker | 2~3 | ● |
| Ethics and integrity | 102-16 | Values, principles, standards, and norms of behavior | 4~5 | ● |
| | 102-17 | Mechanisms for advice and concerns about ethics | 82 | ● |
| Governance | 102-18 | Governance structure | 83~84 | ● |
| | 102-22 | Composition of the highest governance body and its committees | 83~84 | ● |
| | 102-23 | Chair of the highest governance body | 83~84 | ● |
| | 102-24 | Nominating and selecting the highest governance body | 83~84 | ● |
| | 102-27 | Collective knowledge of highest governance body | 83~84 | ● |
| Stakeholder engagement | 102-35 | Remuneration policies | 83~84 | ● |
| | 102-40 | List of stakeholder groups | 24, 25 | ● |
| | 102-41 | Collective bargaining agreements | 100 | ● |
| | 102-42 | Identifying and selecting stakeholders | 24, 25 | ● |
| | 102-43 | Approach to stakeholder engagement | 24~25, 27~31 | ● |
| Reporting practice | 102-44 | Key topics and concerns raised | 26~31 | ● |
| | 102-45 | Entities included in the consolidated financial statements | 97, 98 | ● |
| | 102-46 | Defining report content and topic Boundaries | 33 | ● |
| | 102-47 | List of material topics | 33 | ● |
| | 102-48 | Restatements of information | About This Report | ● |
| | 102-49 | Changes in reporting | 33 | ● |
| | 102-50 | Reporting period | About This Report | ● |
| | 102-51 | Date of most recent report | About This Report | ● |
| | 102-52 | Reporting cycle | About This Report | ● |
| | 102-53 | Contact point for questions regarding the report | About This Report | ● |
| | 102-54 | Claims of reporting in accordance with the GRI Standards | About This Report | ● |
| | 102-55 | GRI Content Index | 110, 111 | ● |
| | 102-56 | External assurance | 110, 111 | ● |

Topic-specific Standards

| GRI 200: Economic | | | Page | Verified |
|-----------------------------------|-------|--|-----------|----------|
| Economic Performance | 103 | Management Approach | 86 | ● |
| | 201-1 | Direct economic value generated and distributed | 97 | ● |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | 114 | ● |
| Indirect Economic Impacts | 103 | Management Approach | 86 | ● |
| | 203-1 | Infrastructure investments and services supported | 71, 93~94 | ● |
| Anti-corruption | 103 | Management Approach | 78 | ● |
| | 205-1 | Operations assessed for risks related to corruption | 82 | ● |
| | 205-2 | Communication and training about anti-corruption policies and procedures | 82 | ● |
| GRI 300: Environmental | | | Page | Verified |
| Energy | 103 | Management Approach | 36 | ● |
| | 302-2 | Energy consumption within the organization | 43 | ● |
| Water and Effluents | 103 | Management Approach | 36 | ● |
| | 303-5 | Water consumption | 102 | ● |
| Emissions | 103 | Management Approach | 36 | ● |
| | 305-1 | Direct (Scope 1) GHG emissions | 43, 102 | ● |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | 43, 102 | ● |
| Waste | 103 | Management Approach | 36 | ● |
| | 306-2 | Management of significant waste-related impacts | 102 | ● |
| Environmental Compliance | 307-1 | New suppliers that were screened using environmental criteria | None | ● |
| Supplier Environmental Assessment | 308-1 | Negative environmental impacts in the supply chain and actions taken | 67 | ● |
| GRI 400: Social | | | Page | Verified |
| Employment | 103 | Management Approach | 81 | ● |
| | 401-1 | New employee hires and employee turnover | 100 | ● |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 75~76 | ● |
| Labor/Management Relations | 103 | Management Approach | 74 | ● |
| | 402-1 | Minimum notice periods regarding operational changes | 74 | ● |
| Occupational Health and Safety | 103 | Management Approach | 50 | ● |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 56~58 | ● |
| Training and Education | 103 | Management Approach | 72 | ● |
| | 404-1 | Average hours of training per year per employee | 100 | ● |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | 73 | ● |
| Diversity and Equal Opportunity | 103 | Management Approach | 73 | ● |
| | 405-1 | Diversity of governance bodies and employees | 76, 83 | ● |
| Human Rights Assessment | 103 | Management Approach | 77 | ● |
| | 412-2 | Employee training on human rights policies or procedures | 77 | ● |
| Local Communities | 103 | Management Approach | 64 | ● |
| | 413-1 | Operations with local community engagement, impact assessments, and development programs | 69~71 | ● |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | 49 | ● |
| Supplier Social Assessment | 103 | Management Approach | 64 | ● |
| | 414-1 | New suppliers that were screened using social criteria | 67 | ● |
| | 414-2 | Negative social impacts in the supply chain and actions taken | None | ● |
| Customer Health and Safety | 103 | Management Approach | 12~13 | ● |
| | 416-1 | Assessment of the health and safety impacts of product and service categories | 54 | ● |
| Customer Privacy | 103 | Management Approach | 61 | ● |
| | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 61 | ● |
| Socioeconomic Compliance | 103 | Management Approach | 80 | ● |
| | 419-1 | Non-compliance with laws and regulations in the social and economic area | None | ● |

UN Global Compact



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.
We welcome feedback on its contents.

UNGC Advanced Level

The United Nations call on companies to align with 10 universal principles defined in the four areas of human rights, labor, environment, and anti-corruption and to support its development plan in a comprehensive scope by endorsing ten principles. ‘Communication on Progress’ (COP) regulations have been refined to the Advanced Level to encourage corporates’ social responsibility and to facilitate communication with stakeholders. UNGC Advanced Level means a declaration and announcement of adopting sustainable governance and management on the basis of the ‘Blueprint for SDG Leadership’ and the ‘UN Global Compact Management Model’ and disclosing the achievement in regard to sustainable management to public. Firmly committing to fulfilling our corporate social responsibilities, IIAC joined the UN Global Compact in March 2007 and has been reporting performances in compliance with ten principles. This report contains 21 standards required by Advanced Level of the UN Global Compact. We implement blind recruitment and provide training on gender equality to interviewers in advance of actual interviews.

| Content | Content of the report |
|---|---|
| 1. The COP describes mainstreaming into corporate functions and business units. | Incheon International Airport at a Glance |
| 2. The COP describes the implementation of global compact policies in value chain. | UN Global Compact |
| 3. The COP describes robust commitments, strategies or policies in the area of human rights. | Human Rights Management |
| 4. The COP describes effective management systems to integrate the human rights principles. | |
| 5. The COP describes effective monitoring and evaluation mechanisms of human rights integration. | |
| 6. The COP describes robust commitments, strategies or policies in the area of labor. | Establishment of Advanced Corporate Culture |
| 7. The COP describes effective management systems to integrate the labor principles. | |
| 8. The COP describes effective monitoring and evaluation mechanisms of labor principles integration. | |
| 9. The COP describes robust commitments, strategies or policies in the area of environmental stewardship. | Green New Deal Strategy & Eco-friendly System Operation |
| 10. The COP describes effective management systems to integrate the environmental principles. | |
| 11. The COP describes effective monitoring and evaluation mechanisms for environmental stewardship. | |
| 12. The COP describes robust commitments, strategies or policies in the area of anti-corruption. | Ethical Management |
| 13. The COP describes effective management systems to integrate the anti-corruption principle. | |
| 14. The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption. | |
| 15. The COP describes core business contributions to UN goals and issues. | UN-SDGs |
| 16. The COP describes strategic social investments and philanthropy. | Lifting the regional growth |
| 17. The COP describes advocacy and public policy engagement. | Green New Deal Strategy & Eco-friendly System Operation |
| 18. The COP describes partnerships and collective action. | Diversification of shared growth implementation system |
| 19. The COP describes CEO commitment and leadership. | CEO Message |
| 20. The COP describes the decision-making process and corporate governance system for corporate sustainability. | Governance |
| 21. The COP describes stakeholder engagement. | Stakeholder Engagement |

UN GPRF (Guiding Principles Reporting Framework)

IIAC respects internationally recognized human rights based on the UN Guiding Principles on Business and Human Rights (UNGPs) and reports how it respects such human rights accordingly through the UN Guide Report Framework as follows:

| Category | Framework | | Activities of IIAC | Page |
|---|-----------|---|---|------|
| Governance of Respect for Human Rights | A1 | Human Rights Policy Commitment (whether or not to disclose the will to respect) | IIAC has respected internationally recognized human rights based on the UNGPs and externally declared the will to respect human rights by elevating the Chairperson of Human Rights Management to the Vice President. | 86 |
| | A1 | Embedding Respect for Human Rights (efforts to internalize the will to respect human rights) | We educate all of our employees on human rights to spread culture of respecting human rights. | 87 |
| Focus Areas of Reporting | B1 | Statement of Salient Issues (material human rights issues related to management) | In 2020, IIAC conducted a human rights impact assessment and identified areas that need improvement, including human rights awareness, responsible supply chain management, and enhanced protection of the right to safety, and carried out measures to tackle these areas. | 87 |
| | B2 | Identification of Salient Issues (method to determine material issues) | We have introduced a new examination model of human rights management according to the CHRB International Standard and identified human rights infringement issues that may occur in the major businesses through the human rights impact assessment. | 87 |
| | B3 | Choice of Focal Geographies (places where major human rights issues occurred or ways to select places) | The region where major human rights issues occurred is a local place where our workplace is located. | 87 |
| | B4 | Potential Human Rights Issues (underlying human rights issues besides material issues) | We have identified potential human rights issues such as the right to move, the right to safety, the right to health, and the right to the environment that may be infringed by transport-socially marginalized segments, passengers, vulnerable workers, and local residents through the human rights impact assessment in the major businesses. | 88 |
| Management of Salient Human Rights Issues | C1 | Specific Policies (policies to deal with salient human rights issues) | We have conducted customized human rights protection activities for each area. In addition, we have spread the human rights management in the supply chain and newly installed the subcommittee of supply chain management. | 87 |
| | C2 | Stakeholder Engagement (participation of stakeholders in determining and responding to human rights issues) | We have conducted the human rights impact assessment through the participation of internal and external stakeholders and identified potential human rights infringement factors. | 87 |
| | C3 | Human Rights Impact Assessment (constant identification of human rights issues) | The Corporation is conducting the human rights impact assessment once a year on a regular basis. | 87 |
| | C4 | Taking Action (decision-making process and reflecting onto activities) | We have established the promotion direction based on the characteristics of stakeholders identified through the human rights impact assessment in the major businesses. | 126 |
| | C5 | Tracking Performance (effectiveness of human rights issue resolution) | We have strengthened the human rights management implementation organization as well as a response system. After this, the human rights organization was inspected four times in 2020, and no human rights infringement case was reported. | 126 |
| | C6 | Remediation (supporting human rights victims) | We have reinforced the complaint handling system to strengthen the procedure for external victims of human rights and remedies for human rights violations have been improved to stipulate remedies that were operated as internal guidelines. | 87 |

TCFD(Task Force on Climate-related Financial Disclosures)

IIAC has supported the Task Force on Climate-related Financial Disclosures (TCFD) for the response to climate change. Accordingly, requirements in the four key areas of corporate governance, strategy, risk management, and metrics and targets required by the TCFD are reported as follows:

| TCFD Recommendations | | Report Page and Answer |
|----------------------|---|--|
| Governance | a) Explanation of the BoD activities that manage and supervise the risks and opportunities in relation to climate change | Our BoD has dealt with climate change-related issues, and configured and operated the “Greenhouse Gas Reduction and Energy Saving Promotion Committee” as the top executive team. The establishment and implementation of low-carbon eco-friendly strategies and basic plans, analysis, and evaluation of promotion performance, and climate change response and energy conservation for carbon reduction are discussed once a half year and necessary decisions are made. |
| | b) Explanation of the roles of the executive team that evaluates and manages the risks and opportunities in relation to climate change | |
| Strategy | a) Explanation of the risks and opportunities in relation to climate change identified by the organization for short-, mid-, to long-term | We have recognized the severity of climate change and participated in scenarios that reduced air temperature by 2°C or more according to the COP21. We have also promoted the task of “Green New Deal-led Eco-friendly Airport Development” in the Korean New Deal. We have established the 2030 Green New Deal plan including four strategies: “eco-friendly conversion of airport operation energy”, “development of green mobility operation system”, “reduction in aviation fine dust and emission gas”, and “green conversion of airport infrastructure and environment” and 14 detailed promotion tasks. We have strengthened the green ecosystem-oriented response to climate change and financial management system to reinforce the corporate liquidity management such as issuance of overseas bonds and built the financial risk analytics (FRA). |
| | b) Explanation about the impact of climate change-related risks and opportunities on corporate affairs and airport operations, strategy, and financial plans | |
| | c) Explanation about the flexibility of management strategy considering scenarios in relation to various climate changes including 2°C scenarios in the Paris Agreement on Climate Change | |
| Risk management | a) Explanation of procedure to identify and evaluate climate change-related risks | IIAC is well aware of the severity of climate change and places priority on minimizing the impact on the environment. We are constantly monitoring the greenhouse gas emissions and converting to more green technologies. We are operating a carbon offset program to achieve carbon neutral growth and to prepare for the climate change-related risks. |
| | b) Explanation of procedure to manage climate change-related risks | |
| | c) Explanation of method of how the procedures that identify, evaluate, and manage climate change-related risks are integrated into the overall risk management system | |
| Metrics and Targets | a) Metrics used by the organization to evaluate climate change-related risks and opportunities according to the management strategy and risk management procedure | We have established a plan to supply the power required for airport operations with 100% renewable energy by 2040 as we have participated in the RE100 Initiative. We have established a goal to achieve a 20% supply ratio of renewable energy by 2030 by expanding renewable energy steadily, introducing hydrogen fuel cell power generation, and applying photovoltaics fusion and composite innovation technologies and everyday solar power. The greenhouse gas emission in 2020 is as follows: Scope 1: 18,114 tCO ₂ eq Scope 2: 172,929 tCO ₂ eq Scope 3: 690,036 tCO ₂ eq |
| | b) Release Scope 1, Scope 2, and Scope 3 of greenhouse gas emissions (GHG) | |
| | c) Explanation of climate change-related risks and goals used by the organization for risk management and performance compared to the goal | |

Awards & Membership Status

Major Award-winning Records

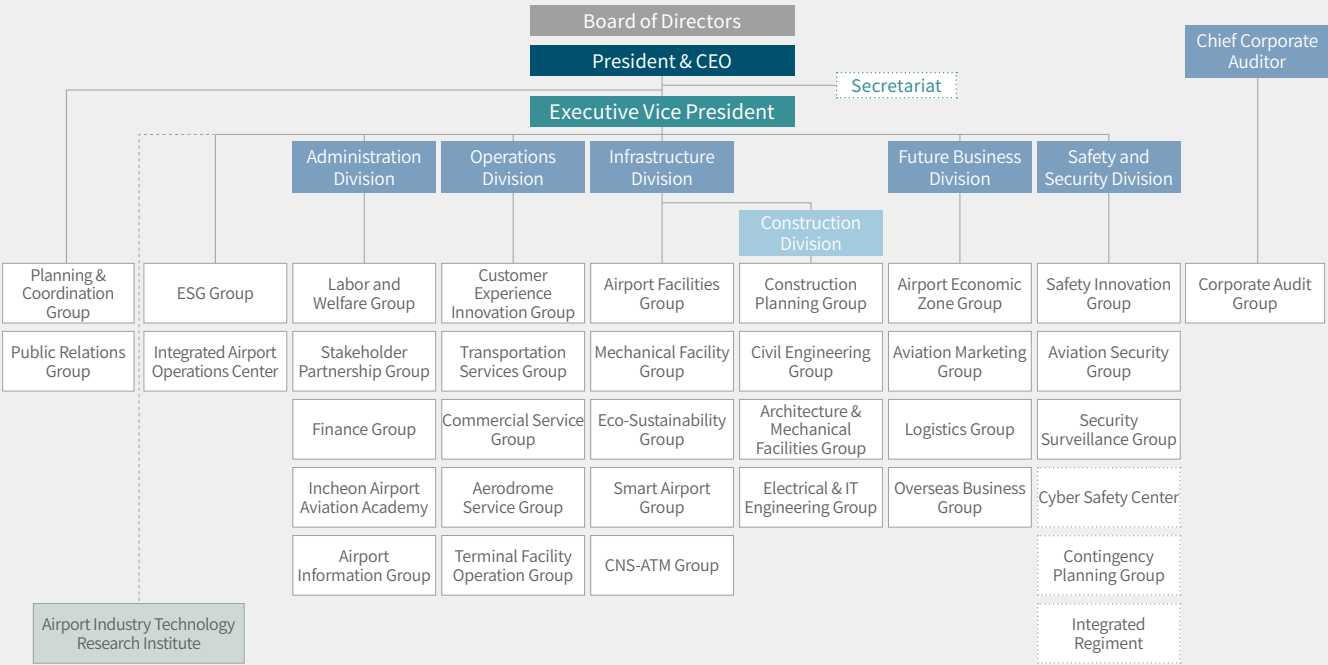
| Award date | Award name | Hosted by |
|----------------|---|--|
| May 2020 | 2020 World Airport Awards (World’s Best Airport Terminals) | The UK Skytrax |
| May 2020 | 2020 World Airport Awards in two consecutive years (World’s Best Transit Airport) | The UK Skytrax |
| May 2020 | 2020 Grand Prize at the National Industry Awards in the information protection sector for 2 consecutive years | The Institute for Industrial Policy Studies |
| June 2020 | 2020 Best prize in the field of occupational safety in the public institution safety and health activity best case presentation contest | Korea Occupational Safety & Health Agency |
| June 2020 | 2020 National Disaster Management Contribution Presidential Citation | Ministry of the Interior and Safety |
| September 2020 | Grand prize in 2020 National Service Awards in the airport transit service sector | The Institute for Industrial Policy Studies |
| October 2020 | Most Unique Airport Duty-free | Smart Travel Asia |
| October 2020 | Grand prize of 2020 Global Standard Management Awards (GSMA) in the sustainable management report sector | Korea Management Registrar (KMR) |
| October 2020 | Commendation from the Minister of Land, Infrastructure, and Transport on the 18th Construction New Technology Day | Ministry of Land, Infrastructure, and Transport, Korea Construction transport New-technology Association |
| November 2020 | National Value Engineering (VE) Contest and Conference Public Sector Excellence Award | Ministry of Land, Infrastructure, and Transport |
| November 2020 | 2020 Excellent Company Award from Minister of Health and Welfare in the Local Community Contribution Recognition Day | Ministry of Health and Welfare, Korea National Council on Social Welfare(SSN) |
| November 2020 | The world’s best duty-free shop award selected by the Business Traveller Asia Pacific for 10 consecutive years | Business Traveller Magazine Asia Pacific |
| December 2020 | The world’s best duty-free shop award selected by the Business Traveler US for 11 consecutive years | Business Traveller Magazine US |
| December 2020 | The 2020 Top Prize in the Dominant of the Value sector for seven consecutive years in the Management Grand Prize in Korea | Korea Management Association Consulting (KMAC) |
| January 2021 | 2020 Safety Inspection Service Contribution of Minister’s Commendation in the Pan-Governmental Safety Sector of Anti-Corruption Council | Ministry of the Interior and Safety |
| January 2021 | Best Institution Award in Strategic Innovation Sector at the 2020 Audit Awards | The Institute of Internal Auditors Korea |
| March 2021 | Selected as the most respected company in Korea for 14 consecutive years | Korea Management Association Consulting (KMAC) |
| May 2021 | Presidential Citation for Contribution to Election Culture Development at the 10th Voter’s Day Commemoration Ceremony (Group Category) | National Election Commission |

Membership Status

| Year Joined | Institution | Year Joined | Institution | Year Joined | Institution |
|-------------|---|-------------|--|-------------|--|
| 1995 | Korea Environmental Preservation Association (KEPA) | 2011 | Korean Society for Aviation and Aeronautics | 2019 | Korea Council of Public Organization Internal Auditors |
| 2000 | Incheon Chamber of Commerce and Industry | 2012 | Korea Air Traffic Controllers' Association | | Institute of Internal Auditors Korea |
| 2001 | Korea Civil Aviation Association (KCA) | 2013 | Korea Air Navigation Safety Technology Association | | Korean Society of Safety |
| | Korea Emergency Planning Association | 2014 | ICAO | | Korean Society of Transportation |
| 2002 | ACI Asia-Pacific Region | | Korea Electric Engineers Association | | Korean Academy of International Business Management |
| 2003 | BBB Korea | | Incheon Environmental Volunteer Association | | Korea Air Transport Research Society |
| | Korea Construction Promotion Association | 2015 | OECD | | Korea Exchange (KRX) |
| 2004 | Korea Navigation Institute | | IATA Aviation Fuel Technology Committee | | Korea Aviation Noise Policy Forum |
| 2005 | International Contractors' Association of Korea (ICAK) | | Incheon International Airport Integrated Defense Council | | Aviation Management Society of Korea |
| | Korea Engineering & Consulting Association | 2016 | Korea Management Association (KMA) | | Korean Institute of Landscape Architecture |
| 2007 | UN Global Compact | | Korea International Trade Association (KITA) | 2020 | Korea Business Roundtable (KBR) |
| | BEST Forum: Business Ethics and Sustainability management for Top performance | 2018 | Korean Association for Public Administration | | Korea Data Industry Association |
| | ACI World | | Korean Society For Quality Management | | Korea Software Industry Association |
| 2009 | Alumni Association | | Korean Society For Quality Management | | Korea Service Management Society |
| 2010 | Korea Industrial Technology Association | | Korea Society of IT Services | | Korea Electric Engineers Association |
| | Korea Integrated Logistics Association | | Korea Productivity Center | | Korea Aviation Security Association (KASA) |
| | | | Korean Security Association | | Korea Council of Chief Information Security Officers |
| | | | | | Korea Transportation Society |
| | | | | | Korea Service Management Society |

Organization

IIAC(Incheon International Airport Corporation)



Subsidiaries

| | Incheon Airport Energy Co., Ltd. | Incheon Airport Facilities Co., Ltd. | Incheon Airport Operation Services Co., Ltd. |
|---------------------------------------|--|--|--|
| Address | 78-43 (Unseo-dong), 1050-gil, Yeongjong Haeanbuk-ro, Jung-gu, Incheon, Republic of Korea | #310, 444 (Unseo-dong, CIQ Bldg. 2), Terminal 2-daero, Jung-gu, Incheon, Republic of Korea | #118, 122, 124(Unseo-dong, CIQ Bldg. 2), Terminal 2-daero, Jung-gu, Incheon, Republic of Korea |
| Date of Establishment | May 1997 | September 2017 | January 2019 |
| No. of Employees (Based on July 2021) | 48 | 3,540 | 2,323 |
| Website | www.iae.co.kr | www.airportfc.co.kr | www.airportos.co.kr |
| Equity Ratio | 99% | 100% | 100% |
| Sales (2020) | KRW 76,314,690,914 | KRW 239,772,462,125 | KRW 105,130,615,203 |
| | ⇒ Incheon International Airport management & operation and maintenance business | ⇒ Incheon Airport Facilities is carrying out management & operation and maintenance of 32 businesses in 5 sectors of Incheon International Airport - transportation, machinery, facilities, electricity, and IT. | ⇒ Incheon Airport Operation Services is performing operation support of 14 businesses in five sectors - Incheon Airport Terminal, environmental cleaning, traffic, free trade zone, and boarding bridge. |

| | Incheon Airport Security Co., Ltd. | PT. Mitra Incheon Indonesia | Incheon Korea for Airports Services Company S.P.C. |
|---------------------------------------|--|---|---|
| Address | #209, 210, 211, 212 (Unseo-dong, Business Support Center), 296-gil, Gonghangdong-ro, Jung-gu, Incheon, Republic of Korea | Indonesia | Kuwait |
| Date of Establishment | March 2020 | January 2012 | January 2019 |
| No. of Employees (Based on July 2021) | 3,319 | 1 | 132 |
| Website | www.airportsc.kr | - | - |
| Equity Ratio | 100% | 99.91% | 100% |
| Sales (2020) | KRW 97,865,032,059 | KRW 240,218,756 | KRW 17,165,107,516 |
| | ⇒ Incheon Airport Security is carrying out security search and security guarding of the Incheon International Airport. | ⇒ A local subsidiary established to carry out smooth airport business and manage & operate the business within Indonesia. | ⇒ A local subsidiary established for Kuwait Airport T4 consignment business and management & operation of the business. |

