

ABOUT THIS REPORT

Korea Airports Corporation (KAC) has published the Sustainability Report every year to transparently disclose its achievements and to communicate with its stakeholders. This report is the 13th Sustainability Report, consisting of a Vision Report that presents the vision of KAC and an ESG report that covers topics such as social responsibility management and Global Reporting Initiative (GRI).

Reporting Principles and Guidelines This report was prepared in accordance with the Core Option of the GRI Standards. In addition, we have applied ISO 26000, the international standard for social responsibility, UN Sustainable Development Goals (UN SDGs), Task force on Climate-related Financial Disclosures (TCFD) and other standards for global initiatives such as standard of the Sustainability Accounting Standards Board (SASB) for the first time in the history. KAC plans to further expand disclosure of information about sustainability including climate.

Reporting Period and Boundaries This report is based on the activities and achievements of KAC from January 1, 2020, to December 31, 2020, and also contains some important progress in 2021. For quantitative performance, data from the last three years (2018 - 2020) have been included so that readers can keep track of the progress. The scope of this report covers the headquarters and 16 branch offices nationwide including regional headquarters.

Third Party Assurance To ensure the objectivity and reliability of this report, third-party assurance was conducted by an independent assurance service provider. The result of the assurance can be found in this report.

Report Inquiry The opinions of stakeholders related to social responsibility management are heard through various channels such as telephone, and e-mail.

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COVER STORY

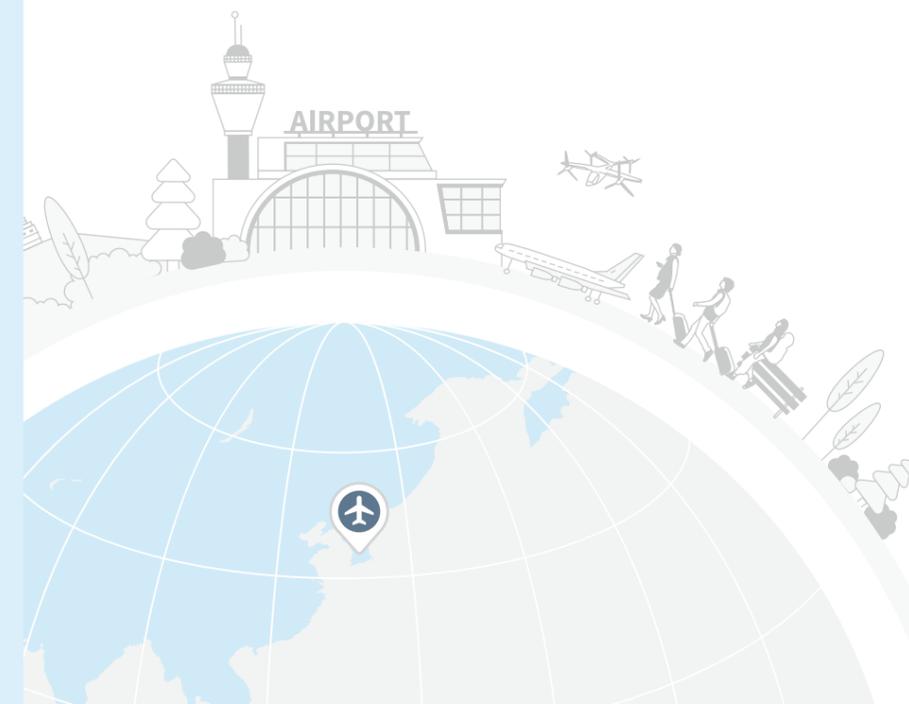
KAC is in charge of the sky road of Korea. The cover of this report expressed the KAC's vision and willingness to operate airports and create infrastructure for the earth and environment, society and people, technology and the future.

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1) C.L.E.E.N : Continuous Low Energy Emission Noise



Shortcuts Added to Webpage

KAC created shortcuts leading to webpages to present more details on our Sustainability Report 2021. If you click on the icon above, it will lead you to relevant websites for accessing to additional information.

Click on this button to navigate within the page

Click on this button for more information

HIGHLIGHT



KEY POINT

- Greenhouse gas reduction **44%**
- Improvement rate of environmental impact assessment of noise **54%**
(Ministry of Land, Infrastructure and Transport's Goal exceeded)



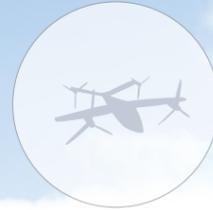
KEY POINT

- Received the President's Award in Safety Disaster Control Rating
- Acquired Airport Health Accreditation by ACI (Airports Council International) (Gimpo, Jeju, Daegu, Cheongju, Gimhae)

KAC: realizing a safe and clean airport

The top priority of Korea Airports Corporation (KAC) is the safety for all. KAC has performed rigorous safety inspections in all 14 airports nationwide, declaring our safety management plans designed to protect the lives of the people and staff. We continue to constantly monitor the airports to detect risks such as terrorist attacks and security vulnerabilities. In addition, our zero-contact system has been established and expanded to prepare for the post-COVID-19 pandemic era. As one of Korea's representative corporations in the aviation industry, we are committed to creating an environment for all our citizens to enjoy their air travel in a safe and convenient manner.

HIGHLIGHT



KEY POINT

- Establishing the world's first open BIM-based airport digital twin
- Involved in UAM Team Korea



KEY POINT

- Acquired the Manta Airport operational right in Ecuador
- Strengthening of Smart Technology-based Airport Services



KAC: making the future airport a reality

KAC has led innovative management plans with our passion for a better future ahead. We have actively expanded into new markets by constructing and operating foreign airports as well as exporting air navigation systems for our sustainable and innovative growth. In addition, we have put a lot of effort into airport-centered development projects to contribute to the national and local economy. Our existing airports have also transformed into smart airports using big data and AI with the implementation of next-generation technologies. We are also actively investing in the commercialization of Urban Air Mobility (UAM), which is now regarded as the next-generation transportation. We will do our best to make your dreams a reality.



KEY POINT

- Score in the Evaluation of Integrity Grade 2
(the highest rating among the first-tier public corporations)
- Achieved more than 100% of government standard
in Social economy companies' preferential purchase performance



KEY POINT

- Recruited 164 people
- KACoon beneficiary company achieved
4.1 billion KRW in sales.

KAC: becoming a partner for all

KAC can't exist on our own. That is why we have introduced a win-win management model across all business areas in order to share and support the tangible and intangible resources of the airports with SMEs and social economy enterprise. Internally, we strive to promote communication between staff regardless of positions and departments and use various methods to enhance organizational capabilities. In addition, we will communicate with the local community and put public values into practice to fulfill our responsibilities as a public institution.

CEO BRIEFING

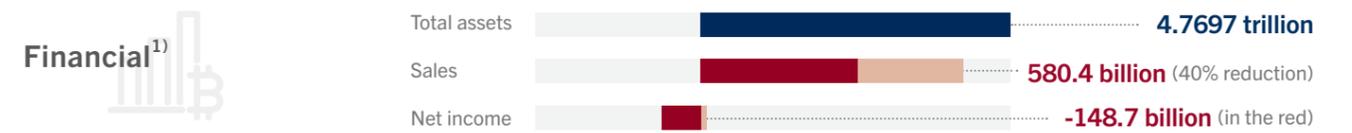


“ KAC will take a step further, looking forward to the uplifting day you can travel again in an airport full of passengers. ”

Dear Stakeholders,

In 2020, KAC has faced a lot of changes due to the spread of the COVID-19 pandemic. The annual passenger traffic and consumers have decreased despite years of growth. In addition, we have noticed changes in financial indicators such as sales and net profit compared to previous years. Despite all the obstacles brought on by the pandemic, we have continuously pursued management activities for social values. We have contributed to reducing greenhouse gas by more than 14% compared to the government’s target and implemented various projects and support for residents in noisy areas. We put our efforts into creating new jobs with continuous recruitment and private job support. In particular, we have been selected as the best practice case for actively supporting SMEs, small business owners and the aviation industry. We also continued to maintain our transparent management by diversifying the board of directors, receiving the highest rating among the first-tier public corporations in the Public corporate integrity survey by the Anti-Corruption & Civil Rights Commission.

Performance



1) Financial positions

Now that we face the post-COVID-19 era with all the changes caused by the pandemic, Korea Airports Corporation hopes to present the following future directions to our stakeholders.

We will create an attractive airport for all based on safety.

We will make all 14 airports free from viruses, safety accidents, and security threats. In order to strengthen Non-contact airport services, we will promote the use of One ID designed to provide non-stop process from arrival to check-in that doesn't require passengers to take off their mask and hand over ID card. It also provides other services such as advance reservations and operates unmanned systems at airports. In addition, we move towards a truly clean airport in an environmentally friendly manner. It also prepares for natural disasters as well as safety accidents such as airside and landside while putting efforts into creating an accident-free airport through the effective monitoring process. In order to actively participate in the activities for accomplishing the country's emission reduction goals, we will identify the factors that can contribute to the environment by introducing solar photovoltaic facilities and eco-friendly cars and creating new infrastructure to apply them in airports in a rapid manner. To minimize the environmental impacts on water, air, and land, we will be reborn as an attractive airport for both people and the environment by performing transparent inspections and improvement activities.

We will maintain our leading position in the future aviation industry while promoting future businesses smoothly.

For over the past 40 years, we have accumulated our know-how of airport operations. Now is the time to turn to global expansion beyond the domestic market. By utilizing our accumulated know-how, we will begin to operate and manage foreign airports while accelerating the localization of navigation equipment, exporting our amazing technologies to other countries. In Korea, we will successfully complete the construction of the regional airport that is already under construction, to reach our two goals of revitalizing the local economy and tourism. In addition, we will construct a smart airport based on data, AI and networks by adopting rapidly developing innovative technologies. To overcome physical obstacles, we will maximize our efficiency in the operation of the airports and provide new, unprecedented smart experiences to consumers, acting as the testbed for innovative technologies. We will also take the lead in the urban air mobility business, which is regarded as a new means of transportation, in order to respond to the rapid changes in the aviation industry. It's only natural that change induces fear and innovation looks unfamiliar. However, we will be ahead of our times in order to take steps towards paradigm shifts in the aviation industry by confronting innovative changes.

We will draw happiness for our members, the local community, and the people of Korea.

The happiness of all members is our organizational culture as well as the highest value we seek to pursue. Although everyone is struggling due to the COVID-19 pandemic, we will share the pain instead of looking away. We will put our efforts into supporting small business owners and socioeconomic organizations to promote shared growth and realize coexistence in the aviation industry. We will continuously consider ways to secure quality jobs that the people want and to improve job security. Our solutions including "KACoon," a public incubation center, and "Value Happiness," a growth ladder supporting program for small business owners and social economy organizations, have received a



lot of attention as excellent examples of creating social value. Going forward, we will protect the local community and stakeholders from risks. We will also be committed to using the benefits generated by the role expansion of airports for mutual growth with the local community.

Lastly, we will accelerate a new ESG era in earnest.

While fulfilling our social responsibilities, we will go a step further to recognize and manage environmental and social issues as our significant risks. In August 2021, we marked the start of something special by issuing ESG bonds for the first time in our history. In October 2021, we established the ESG management organization to set our strategies. Creating a sustainable institution is as important as creating a sustainable environment and society. With the heavy responsibility to pass on the better earth to the next generation, KAC will plan and prepare for the future instead of being short-sighted

For the past 41 years, we have always faced many obstacles and difficulties everywhere. However, we have overcome them thanks to the knowledge we have accumulated, the dedicated efforts of our employees, and last but not the least, your support for KAC. We will take a step further, looking forward to the uplifting day you can travel again in an airport full of passengers.

Thank you.

Chang-Wan Son
President & CEO of KAC



About KAC



KAC has managed fourteen airports nationwide in an integrated manner while playing a pivotal role in the domestic aviation industry. KAC has contributed to the growth of the national economy and public welfare by efficiently building, managing, and operating each airport to ensure smooth air travel and support the aviation industry.

General Status As of December 31, 2020

Name of Organization	Korea Airports Corporation
President	Chang-Wan Son
Ministry	Ministry of Land, Infrastructure and Transport
Type of Organization	Market Type Public Enterprise
Date of Establishment	30-May-80
Ground for Establishment	Korea Airport Public Company Act
Location of Head Office	78 Haneul-gil, Gangseo-gu, Seoul, South Korea
Shareholding Structure	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Ministry of Economy and Finance</p> <p>51.7%</p> </div> <div style="text-align: center;"> <p>Ministry of Land, Infrastructure and Transport</p> <p>48.3%</p> </div> </div>
No. of Employees	2,489.75

Main Business Areas

- 1

Integrated construction, management, and operation of regional airports

 - Management and operation of airports and development in areas around airports
 - Management and business operations of airport facilities and airfield facilities
 - Businesses for new construction, expansion, and improvement of facilities necessary for operations of airports
 - Research and development of construction, management, and operation of airport facilities and development of technologies

- 2

Nurturing and supporting the aviation industry

 - Training for aviation professionals and establishment/operation of training facilities
 - Manufacture, sales and export of development equipment and implementation and investment of overseas airport business
 - Airport noise reduction and local community support projects
 - Handling and maintenance of aircrafts
 - Construction and operation of overseas airports

History

1980

- 1980.05 Established International Airport Authority
- 1980.07 Acquired Gimpo Intl. Airport and began operation
- 1983.05 Acquired Gimhae Intl. Airport and began operation
- 1984.06 Established Civil Aviation Training Center
- 1985.09 Acquired Jeju Intl. Airport and began operation

1990

- 1990.04 Changed name to Korea Airport Management Corporation
- 1990.06 Acquired nine domestic airports in areas such as Daegu, Gwangju, Ulsan, and began operation
- 1992.05 Acquired Mokpo Airport and began operation
- 1992.11 Acquired Gunsan Airport and began operation
- 1994.12 Established Route Facilities Center
- 1997.01 Acquired Cheongju Intl. Airport & Wonju Airport and began operation
- 1999.01 Acquired ATCRBS sites (8 locations) began operation

2000

- 2001.03 Flights transferred from Gimpo International Airport to Incheon International Airport
- 2002.03 Established Korea Airports Corporation
- 2002.04 Acquired Yangyang Intl. Airport and began operation
- 2007.11 Acquired Muan Intl. Airport and began operation
- 2007.06 Launched overseas business (Project for the Improvement of the Broadband Infrastructure Development in Montenegro)

2010

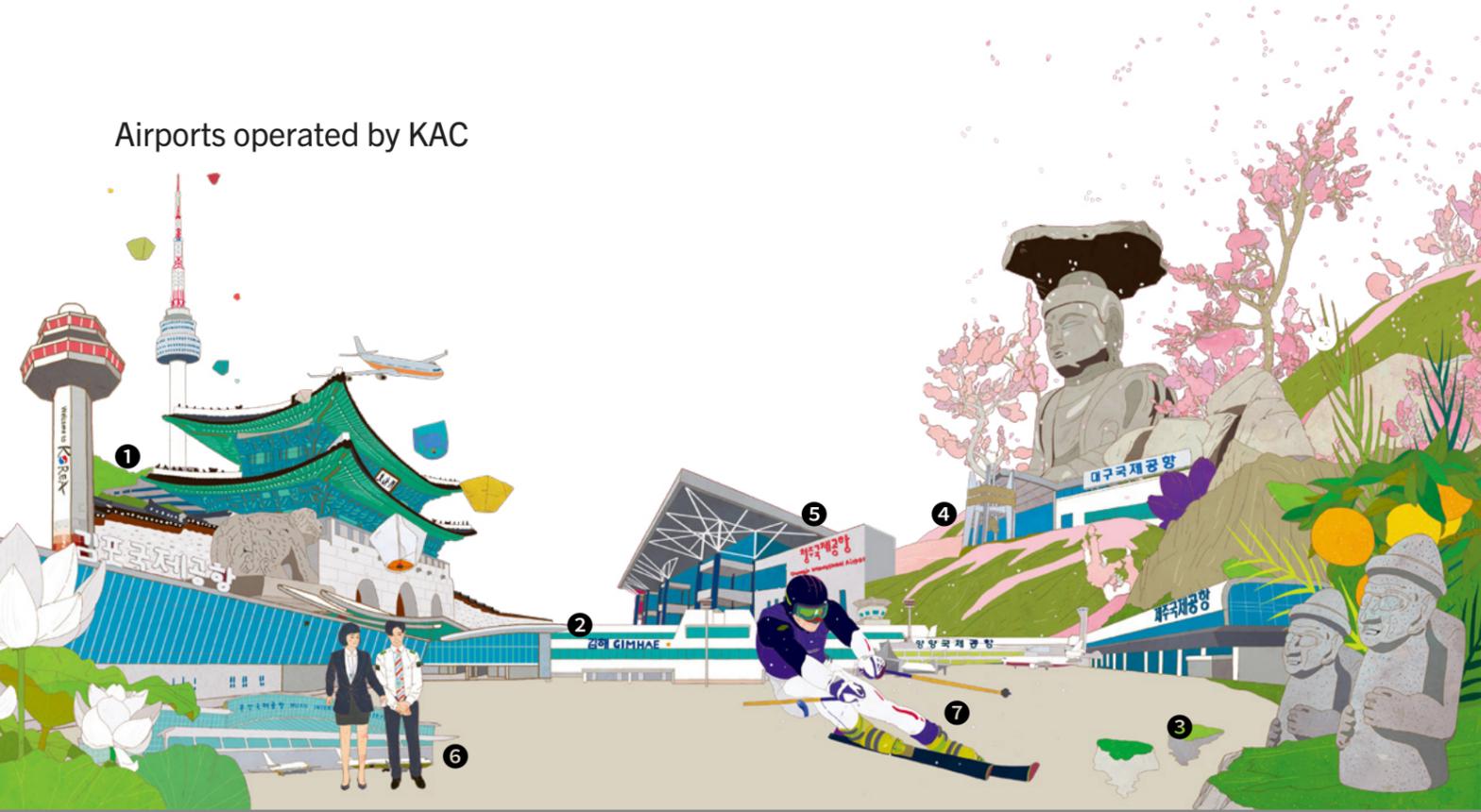
- 2010.07 Established Ulsan Civil Aviation Training Center and began operation
- 2014.03 Expanded purpose of establishment (Aviation personnel development projects)
- 2014.11 Expanded business scope (aircraft handling, and maintenance)
- 2016.06 Established Seoul Gimpo Business Aviation Center
- 2017.06 Established Aviation Training Center and began operation
- 2018.10 Completed remodeling of Gimpo Intl. Airport in celebration of its 60th anniversary
- 2018.12 Reached 80 million passengers in the airports nationwide

2020

- 2021.04 Acquired the long-term Manta Airport operational right in Ecuador



Airports operated by KAC



International Airport

1 Gimpo International Airport Contributing to Korea's impressive growth, Gimpo international airport has already moved forward into the future. It will transform into a convenient and attractive airport based on smart technologies such as self-check-in, biometric identification, and Urban Air Mobility (UAM).

2 Gimhae International Airport As a representative airport in the southeast region, Gimhae international airport was the first regional airport to resume international flights. It has contributed to the regional development through quarantine measures that help combat anxiety of the local community to achieve mutual growth and fulfill our social responsibilities.

3 Jeju International Airport Jeju international airport has acted as a gateway to the pristine Jeju. As the demand for travel has recovered in Jeju island after the COVID-19 pandemic, it has applied various measures to emerge as a clean and safe airport by installing thermal cameras for fever detection, enhancing cleaning and disinfection of the airport with the quarantine guidelines, and operating walking-through screening centers.

4 Daegu International Airport Daegu international airport suffered the most severe pains in the early stage of the pandemic. However, using the

crisis as an opportunity, it has achieved amazing accomplishments, getting selected as the world's best airport for excellent quarantine.

5 Cheongju International Airport Cheongju international airport has the one and only development directions of the airport in the comprehensive plan of the Ministry of Land, Infrastructure and Transport to deal with the steady increase in demand for flights. It will move toward becoming a representative airport in the central region while developing hinterlands and settling low-cost airlines.

6 Muan International Airport As the only airport in the southwest region, Muan international airport is preparing to provide better passenger services by implementing projects for improving airport facilities and renovating passenger terminals, taking advantage of the fewer passengers during the COVID-19 pandemic.

7 Yangyang International Airport Yangyang international airport supported the Pyeongchang 2018 Winter Olympic Games successfully and it has achieved unprecedented growth after the COVID-19 pandemic while actively dealing with the increase in demand for travel to clean areas in Gangwon-do.



Domestic Airport

1 Ulsan Airport Ulsan airport has been discovering and expanding various businesses to revitalize the airport and contribute to the development of local tourism, such as launching a small airline based in Ulsan and providing services for irregular international flights to attract more foreign travelers.

2 Gwangju Airport Started as Gwangju Airfield, Gwangju airport has served as a base transportation hub that is annually frequented by about 2 million passengers. As it's highly likely to contact with a lot of people in the airport, it is conducting thorough quarantine and disinfection, and it has rapidly regained vitality by launching new routes.

3 Yeosu Airport Yeosu airport has played a pivotal role as the gateway to the eastern region of Jeollanam-do by developing free economic zones and an industrial complex. It has also committed to reducing passenger inconveniences by increasing the number of flights to meet the demand from the growing number of travelers.

4 Pohang Airport After it temporarily closed its doors due to the severe impacts of the COVID-19 pandemic, it has taken a leap forward as a small

but strong airport in areas of Pohang and Gyeongju due to the increased numbers of passengers following the launch of a new airline.

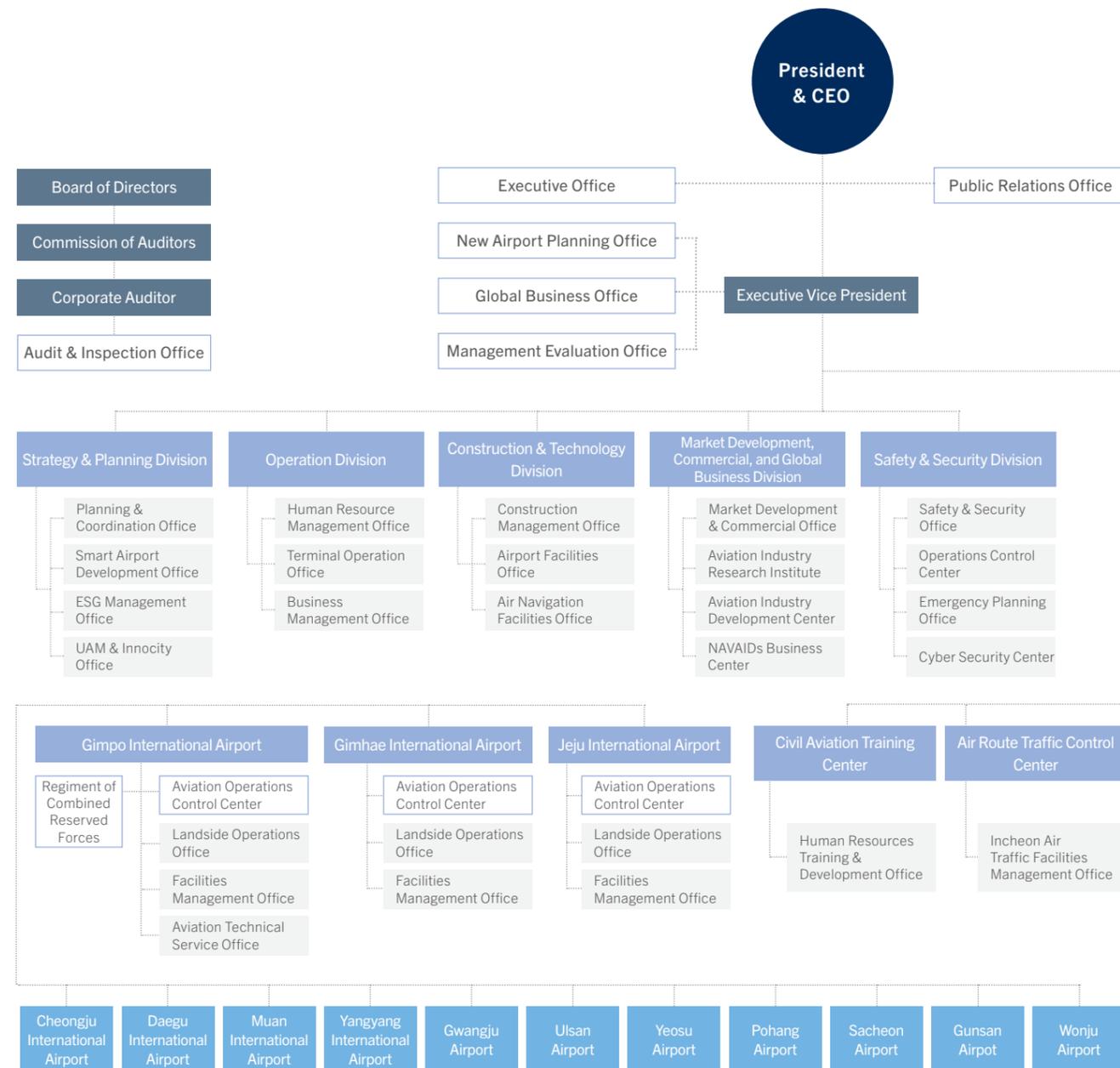
5 Sacheon Airport Sacheon airport has put its efforts into revitalizing the airport with the launch of new routes to Gimpo and Jeju. In particular, it has attracted small airlines actively to reduce passenger inconveniences.

6 Gunsan Airport Gunsan airport provides the only sky road that connects Jeollabuk-do with other regions. Ahead of the 30th anniversary of the opening of the airport, it has renovated old facilities to provide convenient customer services and create a pleasant working environment.

7 Wonju Airport Wonju airport connects western regions of Gangwon-do with Jeju. It has a high potential for growth since it covers the areas such as the eastern regions of Gyeonggi-do and Chungcheongbuk-do.

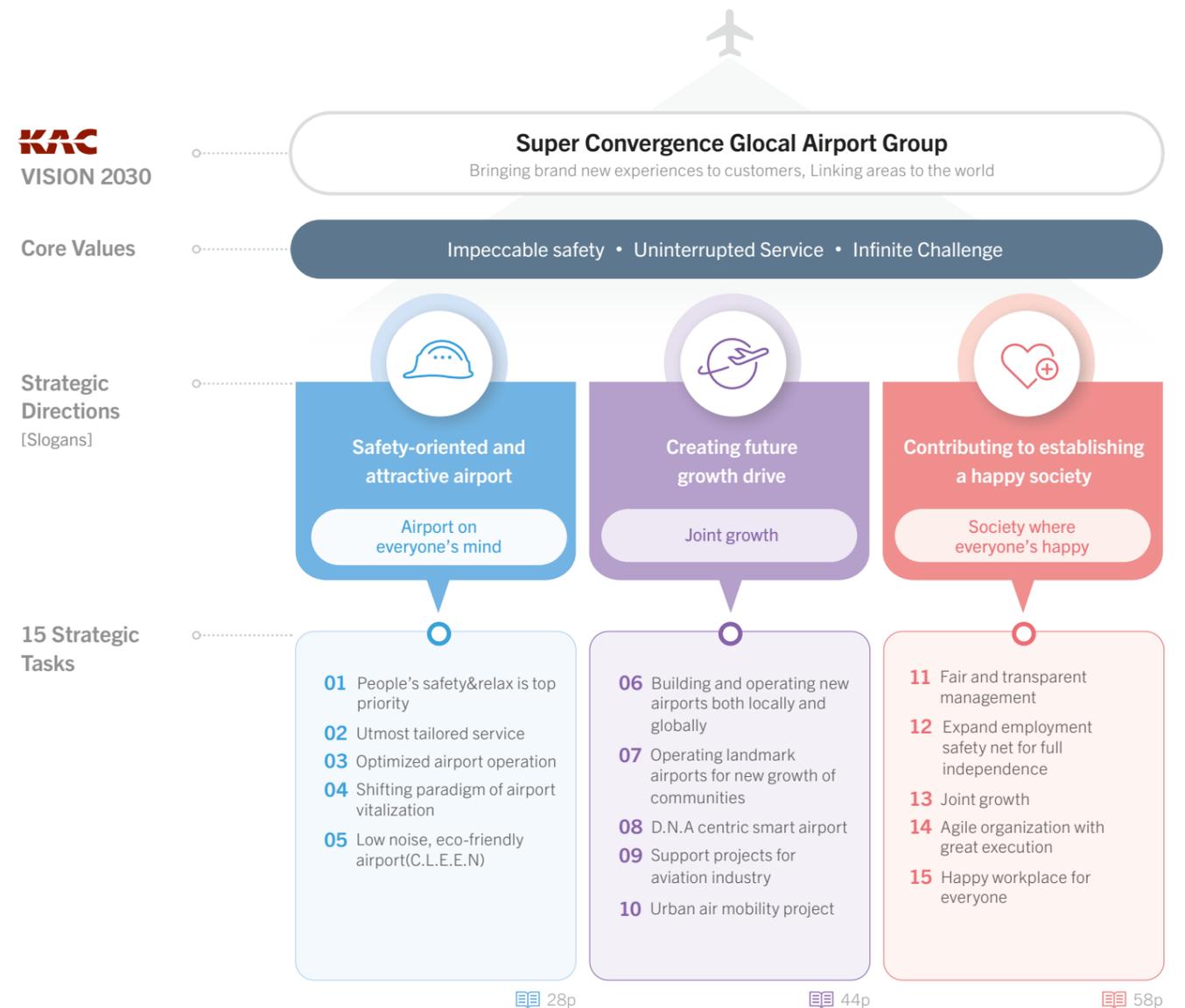
Organizational Structure

For efficient management activities and promotion of social values, KAC has constructed a systematic organization and allocated work based on employee abilities. We have transformed the airport development business into the system under the direct control of the Vice President. We have also streamlined the operations of infectious diseases and other unexpected disasters to the Safety and Security Head Office and separated the organization to specialize in specific research fields. The existing Social Value Promotion Office has changed into the ESG Management Office to generalize the work related to ESG management.



VISION 2030

KAC has established "Super Convergence Glocal Airport Group" as VISION 2030 and set our management goals, core values, and strategic directions according to this vision. Since 2021, we have put our efforts into accomplishing the vision with detailed rolling wave planning that reflects environmental changes and pending issues that could affect KAC's future growth strategies. We have laid the foundation for effective growth by reflecting global key issues in 2021, such as securing the strategies of resilience to overcome the crisis in management caused by the COVID-19 pandemic, as well as pursuing ESG management. We will continuously produce positive values based on the new VISION 2030.



KAC ESG Management

The importance of ESG, which means environment, society, and governance, is increasing day by day.

Management activities that focus only on financial performance are no longer recognized and we need to think about ways to enhance non-financial values such as the environment and society. We will strategically promote ESG activities unique to Korea Airports Corporation by re-establishing social responsibility management activities based on ESG.

KAC Social Value Index

While establishing VISION 2030, KAC developed the “KAC Social Value Index” that can comprehensively quantify the social values created by KAC. The final version of the KAC Social Value Index was derived through the analysis of the industrial environment, media, benchmarking as well as the assessment from stakeholders. The final 17 issues were realigned with a focus on ESG and divided into 50 detailed indicators. We are committed to achieving a score of 100 in all fields in the KAC Social Value Index according to VISION 2030.

Section	Issue	Main Contents	ESG	UN SDGs
Job creation	Improving the job environment	Number of employees on parental leave, flexible working arrangements	S	3 4 8
	High-quality jobs	Performance of job creation	S	
Equal opportunity & Social Integration	Employment of social equity jobs	Employment of socially vulnerable people	S	4 5
	Expansion of female talent	Nurturing and training of female managers	S	8 10
Safety & Environment	Occupational injury	Industrial accident rate	S	
	Airport safety	Aviation accidents, ground safety accidents, etc.	S	
	Aviation security	Regular security inspection	S	3 6 7
	Information security	Personal information management	S	12 13 15
	Environmental conservation	Improvement rate of environmental noise, reduction rate of greenhouse gas, etc.	E	
Mutually Beneficial Cooperation & Regional Development	Mutually beneficial cooperation	Purchasing of products from SMEs and social enterprises, shared growth assessment, etc.	S	1 2 3
	Fairtrade	Compliance grade, number of revisions to fair business practice standards, etc.	S	8 9
	Community contribution	Volunteer participation rate, social contribution donations, etc.	S	
Ethical Management	Ethical Management	Kevis index	G	
	Human Rights Management	Human Rights Impact Assessment	S	
	Culture of integrity	Internal and external integrity evaluation, board of directors' participation rate	G	16 17
	Information disclosure and record management	Expansion of management information disclosure, etc.	G	
	Public participation	Operations of Citizen Participation Innovation Group, etc.	G	

E Environment **S** Social **G** Governance

Issuance of ESG bonds

To achieve challenging ESG management goals, it's essential to make a large investment. ESG bonds are expected to secure much more investment demand than corporate bonds. If the actual demand increases, it can help improve financial health since the bonds are likely to be issued in favorable conditions. The funds raised by the bond will be used to purchase eco-friendly construction materials and transportation means, give financial support to SMEs and promote the local community. We will enhance reliability by objectively analyzing and transparently disclosing the use of the funds and environmental impacts caused by the execution of the business.

Investment Projects	
Purchasing of eco-friendly buses	<p>Contents Replacing existing old compressed natural gas (CNG) buses in Gimpo Intl. Airport with electric buses</p> <p>Effects Expect to comply with government policies, improve efficiency, reduce costs, and improve the environment</p>
Improvement of sewage pipes	<p>Contents Replacing sewage pipes installed in the 1980s</p> <p>Effects Expect to contribute to the environmental protection and support the infrastructure near Gimpo Intl. Airport by preventing land subsidence and sewage outflow</p>
New construction of management building	<p>Contents Constructing new management building according to the integration policy for Muan Intl. Airport and Gwangju Airport</p> <p>Effects Increase operational efficiency and maintain an energy efficiency grade of 1++ and a grade of Green 2 of the Green Building Certification System</p>
Rent reduction	<p>Contents Implementing the projects for reducing rent for SMEs and small business owners in commercial facilities of passenger terminals</p> <p>Effects Expect to create social values that help reduce the economic burdens of tenants</p>
Fund for shared growth	<p>Contents Conducting projects that help create funds for shared growth companies in the aviation field related to smart airports and R&D</p> <p>Effects Expect to vitalize the ecosystem of the aviation industry and actively develop innovative technologies</p>
Noise countermeasure project	<p>Contents Implementing the noise countermeasure projects in 5 airports that need noise management including Gimpo, Gimhae, Jeju, Ulsan, and Yeosu</p> <p>Effects Expect to achieve shared growth by alleviating conflicts with residents and improving welfare and living conditions</p>

ESG Implementation

KAC currently plans to respond to the paradigm shifts of ESG management to improve our sustainability and reduce non-financial risks. The government continues to present ESG-focused management policies that go beyond public institutions creating social values. We will actively discover ESG-related businesses to lead the ESG management of public institutions requested by many stakeholders.

Promotion of the Roadmap to Carbon Neutrality	Discovery and Implementation of ESG Management	Building of Implementation System
<ul style="list-style-type: none"> “The Framework Act on low-carbon, green growth” approved by the Legislation and Judiciary Committee to deal with the climate crisis. In accordance with the expansion of the Greenhouse-gas Emission Trading Scheme (ETS), set mid- to long-term goals and pursue the “KAC-Green New Deal’s integrated roadmap to carbon neutrality” 	<ul style="list-style-type: none"> Receive external specialized consultations and evaluate the current ESG assessment-based status, model after other organizations on utilizing ESG data, and analyze the gap between leading companies Setting future KPI, deriving and implementing its assignments 	<ul style="list-style-type: none"> Newly establishing an ESG management committee centered on executives for the efficient implementation of ESG management, as well as an ESG management office through organizational restructuring

Stakeholder Engagement

KAC defines key stakeholders as employees, families of the airport, consumers, local communities, the government, and related institutions who can affect the management activities directly and indirectly. Through various communication channels, we assess and reflect the needs of those stakeholders in our decision-making process.

Key Stakeholders	Communication Channels	Issues related to Stakeholders	Created Values
KAC employees (All employees and trade unions)	<ul style="list-style-type: none"> CEO Mailbox Executive-branch office mentoring Reverse mentoring Class-specific communication workshop GWP communication board Staff briefing session · proposals and contests Hotline between labor and Mgt. heads Labor-Management Council Labor-Management joint Committee, etc. Star employee project 	<ul style="list-style-type: none"> Work-life balance Fair Compensation system Cultivation of global talent Win-win labor-management relationship 	<p>Pride and Harmony</p> 
Airport Family (Subsidiaries, Airlines, Commercial Facilities, Suppliers)	<ul style="list-style-type: none"> Co-development workshops with subsidiaries SKYONE Airline CEO meetings Meetings for airport revitalization Meetings with resident companies Resident Customer VOC Committee Partners' Day Workshops for field representatives Supervisor meetings, etc. 	<ul style="list-style-type: none"> Expansion of shared growth Realization of a fair society Cultivation and support for airlines Enhancement of partners' competitiveness 	<p>Co-Prosperity and Cooperation</p> 
Consumers (Passengers, the General Public)	<ul style="list-style-type: none"> Civil Participation Innovation Group Airport Service Public Suggestion Team Kakao Talk Plus Friend Cyber portal KAC Customer Satisfaction Center Customer surveys Customer proposals Idea contests for the public Corporate Growth Response Center Kakao Talk Chatbot, etc. 	<ul style="list-style-type: none"> Customer service improvements Realization of top airport safety 	<p>Fast and Convenient Service</p> 
Local Communities (Local Residents, Areas around Airports, NGOs, Academia)	<ul style="list-style-type: none"> Presentation for residents Noise Control Committee Discussion meeting with local residents Sharing with the disadvantaged in noise-affected areas Resident survey, etc. 	<ul style="list-style-type: none"> Development of differentiated social contribution programs Job creation Revitalization of regional airports Improvement of the welfare of people in noise-affected areas 	<p>Development of Local Communities</p> 
Government and Related Agencies (Government Departments, the National Assembly, Local Governments, Public Institutions)	<ul style="list-style-type: none"> Aviation Industry Development Council Operation reports and consultations with ministries regarding pending issues Government project implementation Policy proposal Pending issue handling meetings Panel discussion, etc. 	<ul style="list-style-type: none"> Leading role as a public institution in national tasks Revitalization of regional airports Job creation Low-carbon green airports 	<p>Public and Social Value</p> 

New Communication System

KAC has been seeking to change communication channels in line with the changes in the management environment and the needs of stakeholders. In 2020, we have diversified communication channels to strengthen communication with subsidiaries, new business officials, public institutions and ESG specialized groups within the region.

Stakeholders	New Communication Channels	Implementation Results
Airport Family (Subsidiaries)	<ul style="list-style-type: none"> Consultative body for parent-subsidiaries (Searching for joint countermeasures on pending issues) 	<ul style="list-style-type: none"> Preparing effective operation plans for manpower Improving supervision guidelines and task details
Airport Family (New business officials)	<ul style="list-style-type: none"> UAM TEAM KOREA Gimpo Intl. Airport Development Committee 	<ul style="list-style-type: none"> Reflecting plans designed to nurture Gimpo Intl. Airport as a base for UAM industry
Related Agencies (Public institutions within the region)	<ul style="list-style-type: none"> Innovation network (6 organizations jointly promoting innovation projects in the region) 	<ul style="list-style-type: none"> Talk concert for sharing work experiences from workers Campaign for preserving the marine environment in Jeju Island
Related Agencies (ESG specialized group)	<ul style="list-style-type: none"> Non-contact communication with stakeholders ESG advisor 	<ul style="list-style-type: none"> Preparing the basic directions for ESG management Evaluating the status and deriving assignments

Non-contact Communication with Stakeholders



While preparing to publish the sustainability report every year, we have communicated with various stakeholders. Offline meetings, in particular, have been considered one of the significant communication channels for sharing ideas and finding solutions altogether. However, due to the pandemic, we have decided to hold a Non-contact meeting to prioritize the health and safety of stakeholders. We received some common ideas on the role and direction of “KAC that will lead the airports and aviation industry in the future”. Keeping this in mind, we will be redesigning our direction to move forward and accomplish our role in economic, social, and environmental practices in a responsible manner. Going forward, we will continue to promote sustainable growth with stakeholders.

Non-contact Communication with Stakeholders

Employee

Kim Kyoung-Won

Employee of KAC



After conducting our own ethical management assessment and ethical educational programs, KAC has become the only organization to achieve the comprehensive integrity level 2 among other first-tier public institutions, improving the public awareness of ethical management. Going forward, I hope that KAC will use various contents to provide basic training on rank-specific points such as “No request for entertainment and money” and “Do not use positions”. In addition, while actively pursuing carbon neutrality as an airport operator, I hope that KAC will become the leading cooperation in ESG to continuously create new jobs and support small business owners for sustainable growth for all.

Employee

Sea Yong-Seok, Yoon Won-Gwon

Employee of KAC



To create a safer airport, KAC has formed a dedicated COVID-19 response team, promoted non-contact service, strengthened quarantine measures in the pre-travel process, and prepared for the resumption of international flights. Going forward, in the post-COVID-19 era, we aspire to nurture high-value-added industries by utilizing the airport infrastructure and discover social value models to be reborn as a public institution that garners greater support from everyone.

Airport Family

Song Gyeong-Hun

Team leader of Jeju Air



KAC has continuously supported airlines severely hit by the COVID-19 pandemic by reducing the airport service charges. I believe that these efforts and cooperation should be continuously carried out in a systematic manner until the aviation industry recovers. In addition, the main tasks in airports and the aviation industry are greenhouse gas reduction and carbon neutrality. We should introduce eco-friendly airplanes and operate more efficiently to reach the common goals, such as bio aviation fuels which are regarded as a good alternative, in cooperation with airports and airlines.

Airport Family

Kim So-Hyeong

Team leader of KAC Airport Service



By converting temporary workers into permanent employees through subsidiaries, we have strengthened the stability of employment to provide high-quality services. However, we still need to improve previous work practices and task instructions. Subsidiary workers should have the necessary capabilities and consciousness as a worker of the public institution. Both an active organizational immunity system and improved cooperative relationships are also required. In particular, KAC should review the changes of laws and regulations on next-gen technologies at the same time.

Local Communities

Kim Min-Young

General manager of FOOD FOR THE HUNGRY



Since 2018, we have started the program called “Poti, Let’s Play” with KAC in cooperation with local children’s centers to prevent child crime and neglect while helping them grow well. These have brought positive effects on nurturing them within a system, reducing the burden of raising families, and creating new jobs. Due to the pandemic, a society have paid more attention to economic performance and job creation, No. 8 of the UN’s SDGs. I hope that KAC will continuously create new jobs as a public institution and actively support small business owners. I also hope that KAC will play a pivotal role in providing eco-friendly social contribution activities for our future generation.

Local Communities

Kim Jung-Ye

CEO of Busan Galmegi Store



Within the airport, KAS has set up shared sales centers for socio-economic companies to establish the shared market for local small business owners and socio-economic companies. That helps sell more than 480 types of products from 26 companies to airport users in Gimhae Intl. Airport. I hope that the various infrastructure and systems of KAC would be widely shared with vulnerable companies to serve as a foundation for future sustainable growth. Shared growth with local companies will contribute to creating new jobs indirectly. In addition, with the support of providing multilateral trading systems, KAC will pave the way for the global market where products created by local small business owners are sold.

Government & Related Agencies

Lee Yun-Cheol

Professor of Korea Aerospace University



KAC should put efforts into setting high-level environmental goals and expanding the process of its practices with major stakeholders. In particular, since airports act as a hub for various industries, it needs to diversify participation channels for stakeholders. What’s more, it needs to lead the way to strengthen the ecosystem of the aviation industry severely devastated by the pandemic. While using new technologies of air transportation to act as a support center for new businesses, it should actively help UAM businesses to become the support base that can supplement existing ones in the field. In the process, it’s essential to have active exchanges with private companies.

Government & Related Agencies

Park Gwang-Guk

Professor of the Catholic University of Korea



KAC has been involved in various activities to tackle climate change. In particular, incentive systems such as the carbon point system play a significant role. I hope that we could see a smart management system for carbon reduction established for achieving net-zero for the years going forward. In fact, ESG is a means of managing risk factors in advance for sustainable management. That’s why it’s important to have a governance model designed to reach a consensus while collecting different opinions of many stakeholders to maintain a balance between the economy, society, and the environment.

ESG Experts

Heo Seung-Jun

Team leader of Center for Social Value Enhancement Studies



As a public institution that connects with local airports, KAC has produced excellent results in the coexistence and cooperation with local communities. It needs to be involved in value-chain-specific activities of measurement, management, and disclosure. In particular, in a situation where carbon neutrality is emerging as an issue at home and abroad, KAC should disclose all scopes and stages of carbon emissions in a detailed manner. It also needs to take the responsibility to manage carbon dioxide emitted by its partner companies in the future.

Customers

Kim Ye-Ji

Airport user

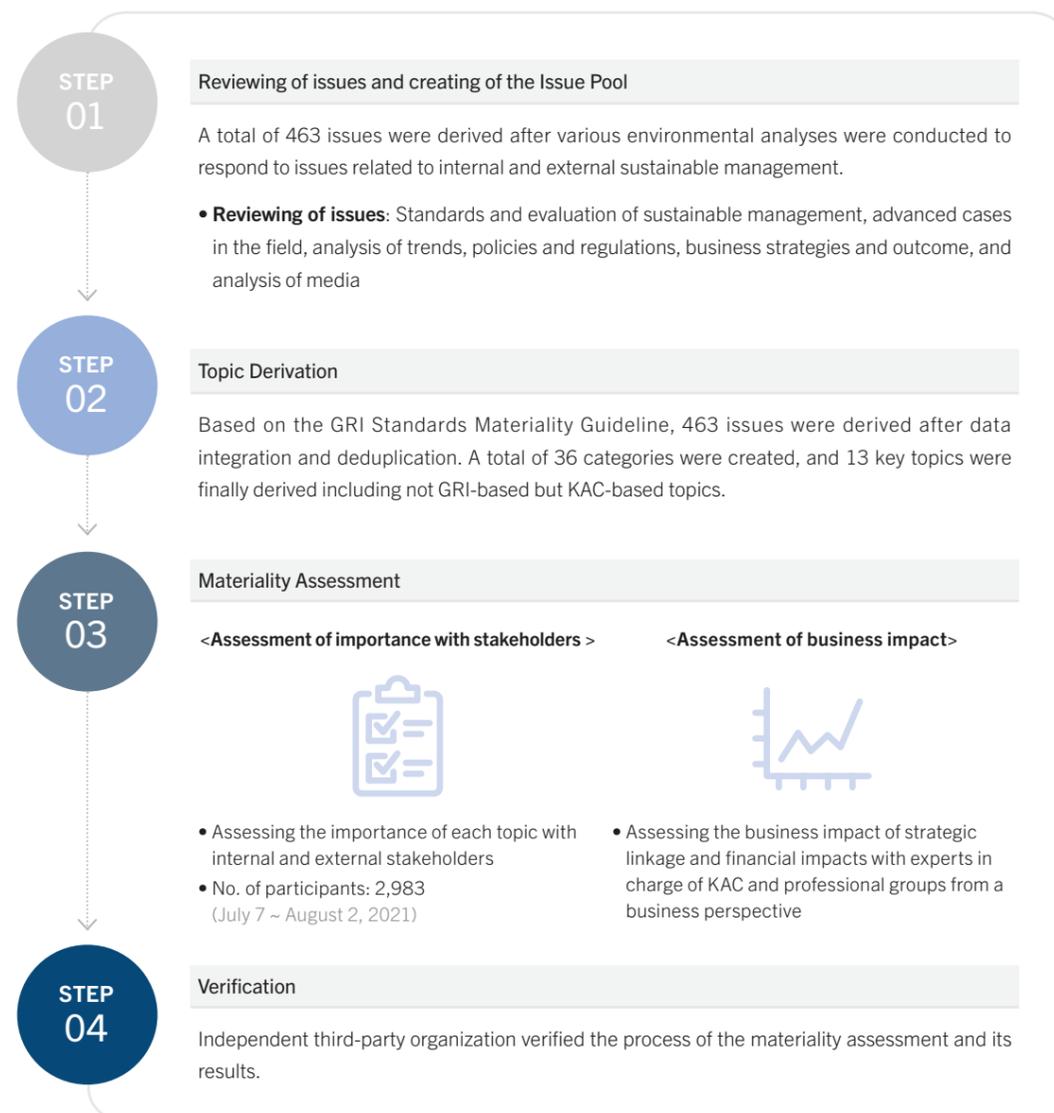


I have recently used the boarding services at the airport, such as self-service kiosks for ticket issuance and biometric technology for identity verification in a fast and convenient manner. However, I really wondered, “Can digitally vulnerable groups such as elderly people enjoy those services?” At a time to leap forward to a smart airport, KAC should take those social issues such as digital alienation seriously and come up with market-leading solutions. I believe that is the right direction KAC should pursue.

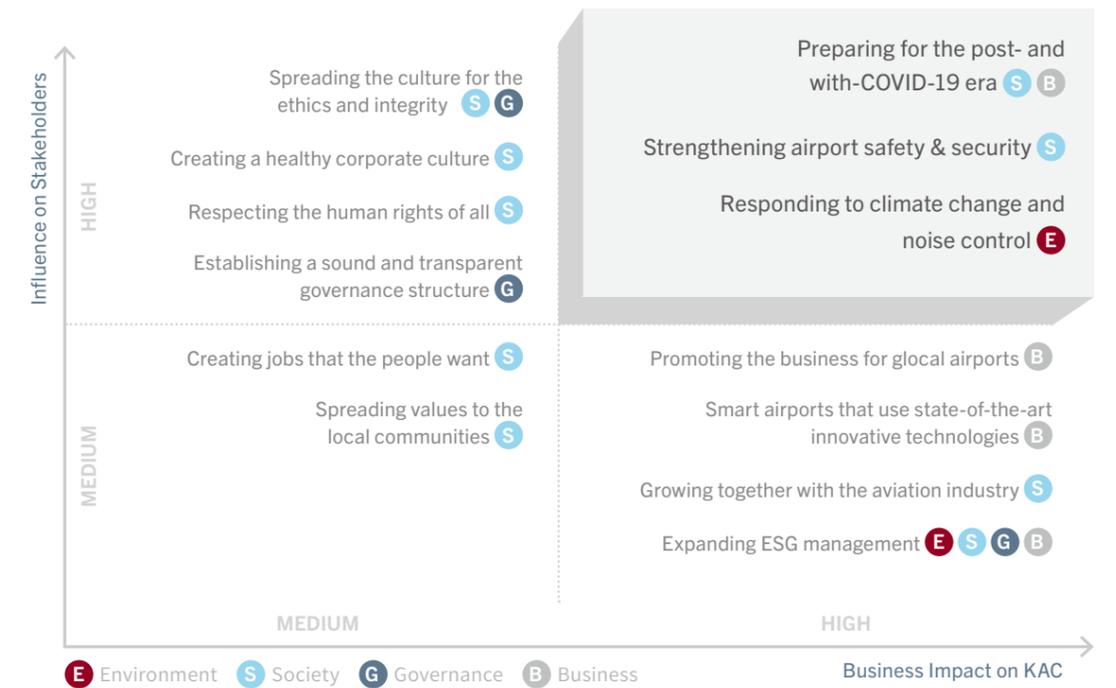
Materiality Assessment

Process of the Materiality Assessment

KAC conducted a materiality assessment to identify internal and external environmental factors and various interests of key stakeholders that can affect our sustainability management. In this report, a total of 13 key topics were derived and the detailed process is as follows.

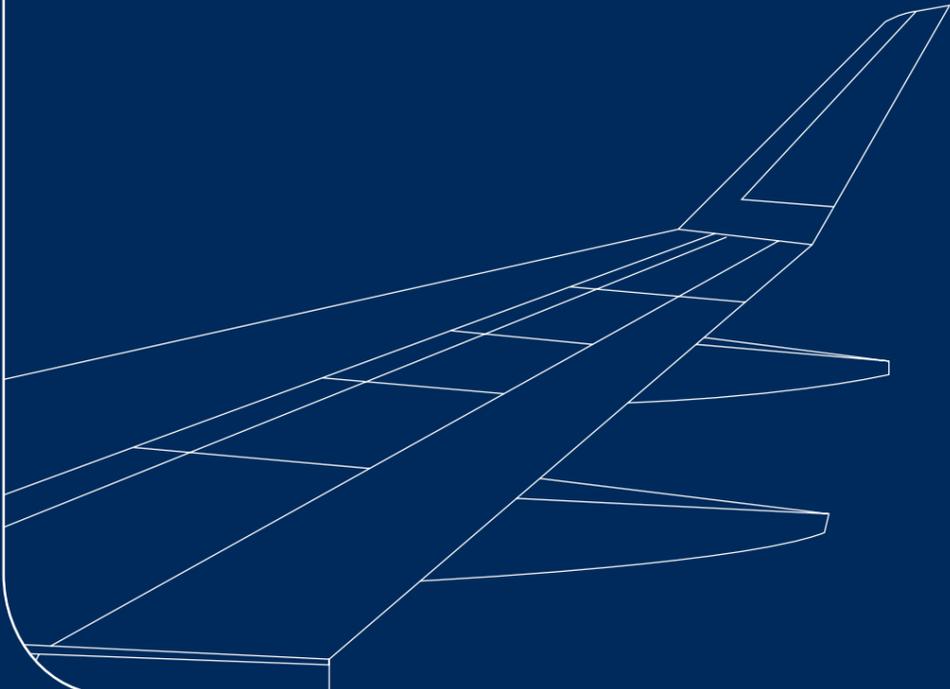


Results of the Materiality Assessment



Key Topics	Major Stakeholders					Page
	Employees	Airport Family	Consumers	Communities	Government & Related Agencies	
1 Preparing for the post- and with-COVID-19 era	●	●	●	●	●	38~43
2 Strengthening airport safety & security	●	●	●			29~33
3 Promoting the business for glocal airports				●	●	45~50
4 Responding to climate change and noise control			●	●	●	34~37, 75~78
5 Smart airports that use state-of-the-art innovative technologies	●		●		●	51~53
6 Growing together with the aviation industry		●		●		50, 59~63
7 Spreading the culture for the ethics and integrity	●	●	●	●	●	91~92
8 Creating a healthy corporate culture	●	●				65~69
9 Expanding ESG management	●	●	●	●	●	18~19
10 Respecting the human rights of all	●	●				83~84
11 Establishing a sound and transparent governance structure	●				●	89~91
12 Spreading values to the local communities			●	●		64, 86~87
13 Creating jobs that the people want	●				●	66, 79~80

VISION REPORT



Safety: Safe and C.L.E.E.N Airport	28
Future: Airport that leads the Future	44
Happiness: Happy Airport for All	58

Safety: Safe and C.L.E.E.N¹⁾ airport

1) Continuous Low Energy Emission Noise



1 GOOD HEALTH AND WELL-BEING SUSTAINABLE CITIES AND COMMUNITIES **Strengthening airport safety and security**

2 AFFORDABLE AND CLEAN ENERGY CLIMATE ACTION LIFE BELOW WATER LIFE ON LAND **Eco-friendly Airport**

1

CONTENTS

- 1.1 Strengthening of Airport Security System
- 1.2 ZERO Air Security Accidents
- 1.3 Safe Working Environment
- 1.4 Sophisticated System for Cyber Security and Privacy Protection

Strengthening airport safety and security

Management Approach

By actively introducing innovative technologies, KAC has built a systematic infrastructure for safety and security and managed it in a seamless manner. Responding to the spread of the COVID-19, it has minimized contacts in the entire check-in process including parking and guidance and established the quarantine system on a regular basis to ensure safety use of airports for all.

2020 Performance

 Received the President's Award in Safety Disaster Control <small>(achieved the highest grade for 3 consecutive years)</small>	 Certified as an excellent company for disaster reduction by the Ministry of the Interior and Safety <small>(Gimpo, Gimhae, Jeju, Muan, Yangyang, Ulsan, Yeosu)</small>
 Acquired KOSHA-MS certification at 18 business areas nationwide	 ZERO Infection case through the airport

2025 Next step

- Continuously modernize air navigation aids
- Reaching 100% drone-based system distribution rate
- Improving disaster response capabilities of KAC
- Safety accidents ZERO

Strengthening of Airport Security System

Establishing of Integrated Disaster Safety System

KAC has established an ICT-based integrated disaster safety system to act as a control tower across the airport. Our integrated disaster safety system enables us to respond to disasters immediately while overcoming the limitations of the existing situation-sharing system. Our existing CCTV system for collecting information was considered difficult to check the scenes of accidents since we only had 235 CCTV units. However, our new system has been designed to minimize blind spots while providing extended video data with 1,835 units. By reconstructing the existing Ultra High Frequency (UHF)¹⁾ network system on a national basis, we are now able to communicate between the headquarters and airports nationwide. In addition, our integrated disaster control system helps to share external information on weather and earthquake from the National Weather Service, general-purpose and satellite maps from the National Geographic Information Institute, national space information from the Ministry of Land, Infrastructure, and Transport. In addition, we have established a system to support the decision-making process of directors by connecting and sharing internal systems such as the airport facilities and the integrated operations information system. At the same time, we have strengthened our emergency response capabilities by sharing the situations in real-time and establishing the signal system.

1) UHF (Ultra High Frequency) network that uses radio frequencies for performing disaster-related work and managing facilities of KAC



Strengthening the Response to Disaster

Disasters such as earthquakes and heavy snowfall can cause not only major disruptions to the operations of the airport but also anxiety among airport users, and they can lead to large-scale damage. KAC has worked hard to minimize the disruptions of flights and human casualties through various disaster management initiatives. In particular, in Jeju Intl. Airport where weather changes rapidly, we have strengthened our response capabilities by establishing the real-time snowfall and rainfall warning system and also built the automatic measurement system of the paved road in preparation for heat wave and freezing. In addition, we have supported on-site workers by setting up outdoor heat wave shelters for workers in movement areas and installing ice machines. We have also secured seismic safety of facilities through earthquake-proof reinforcement projects.

KAC has also worked hard to provide stable airport safety service by securing high-performance and high-efficiency equipment. We are planning to introduce and operate high-performance fire trucks equipped with High Reach Extendable Turret (HRET) in 7 airports nationwide including Gimhae Intl.



Measurement of airborne radio waves in navigation facilities

ZERO Air Security Accidents

Reducing the number of passengers who are unable to board domestic flights by

97.3%

Reducing the national social costs by about

1.6 billion KRW a year

Received the **excellence award** for the innovative Mobile-ID system (Ministry of Personal Management, the Ministry of the Interior and Safety, Office for Government Policy Coordination of Prime Minister's Secretariat)

Sharing KAC's excellent examples of **Non-contact practices such as chatbots**

with the Transportation Security Administration (TSA) of the US and presenting them to the Airports Council international (ACI).

Airport, Cheongju Intl. Airport, and Ulsan Airport, to strengthen our capabilities to respond to aircraft accidents. In addition, we have improved our snow removal capability by introducing up-to-date snowplows in Gimhae Intl. Airport and Muan Intl. Airport to reduce the time spent on snow removal.

Improving our Air Navigation System

KAC introduced AR-based remote support solutions in Gimpo Intl. Airport and Yangju Signpost on a trial basis. In a work environment that is not constrained by time and space, we have improved our manpower operational efficiency and strengthened emergency crisis response capabilities. In addition, we have started to measure airwaves using drones to tackle issues related to the existing system for measuring radio waves at underground air navigation facilities. The development of advanced technologies has demonstrated tangible progress, reducing the number of failures that occur at navigation facilities by 75%.

Air Security System Innovations

KAC has taken the lead to create passenger-friendly airports through the innovation of the air security system. To address the inconvenience of passengers without their passports, we have adopted the mobile identification system, and also introduced chatbots to give standard guidance for items passengers can carry to remove security threats in advance. We have also established a notification system to show the time taken for the security screen and procedures for passengers to go through airport security with their pets.

Implementation of Mobile-ID System

Cooperation with related agencies	Introducing Mobile-ID system	Expanding customer value
Cooperation with 11 institutions such as the Ministry of Land, Infrastructure and Transport, NIS, airline companies and others	Replacing ID with driver's license and identification of mobile apps like GOV.KR	Preparing alternative methods for digitally vulnerable people
Avoiding confusion on-site	Enhancing security	Promotion to the public
Publishing a guidebook for on-site workers to avoid any confusion	Adding accredited authentication certificate and additional questions in the logon-procedure	Promoting the changes of our system both online and offline, via various sites such as the homepage of the Ministry of Land, Infrastructure and Transport and YouTube

Strengthening Smart Security Screens

KAC has built an environment that minimizes delays and congestion by preventing possible mistakes that could occur in security checks. As part of this new system, we have improved the efficiency and speed of the checking process by implementing AI detection systems, minimizing human error and improving accuracy. Based on this system, we will plan to further strengthen the dual detection system. In addition, we have introduced the digital automated record management system to help security workers focus on their work. We have also established a system to send an automatic SMS to those who are subject to bag checks. That helps the system block passengers from entering into the screening process in advance, improving the efficiency of our existing process.

Illegal Drone Detection System [🔗](#)

KAC has prepared corresponding responses to prevent damage to airports caused by illegal drones. We have revised the Airport Facility Act and established the frequency standards, as well as our own counter-drone standards. In cooperation with KAIST and related agencies (civil, government, military, and police), we piloted the detection equipment and developed urban drone detection radar, contributing to the localization of our equipment.

Counter-Terrorism Response System

To avoid domestic and overseas risk factors of terrorism in advance, KAC has improved the equipment and system for security screening and revised related regulations. By strengthening the level of security at airports, KAC has achieved zero cases during the regular inspection by the Ministry of Land, Infrastructure and Transport.



Two-way X-ray machine¹⁾

Re-checking by the security screening system

Liquid explosive detection system

¹⁾ One-way machine shows vertical screen
But, two-way machine shows vertical and horizontal screens

Safe Working Environment



Declaration of Safety-Centered Management

KAC has declared its commitment to achieving “zero fatality, zero-defect airport” and presented strategies for creating a safer environment for passengers and preventing industrial accidents for workers. One of the major strategies presented during the ceremony was to expand the safety and health management system and establish the standard system safety management in all workplaces. 336 risk factors were detected through a comprehensive investigation of the safety management system and a safety evaluation by the specialized institution, and KAC has conducted activities to remove these risk factors through customized consulting for each day of the week and each business site. As a result, we have completed the establishment of the standard system for safety and health management and acquired KOSHA-MS (Korea Occupational Safety and Health Agency-Management System) certification. Based on these efforts, we are continuing various activities to prevent risk factors in advance and to practice the rules and regulations.

Coexisting Safety Management

KAC has practiced coexisting safety management designed to protect the safety of subsidiaries, operators, and construction companies. By establishing a cooperation system for safety management between the parent company and subsidiaries, we have provided active support to the subsidiaries to enhance their safety. The Safety Management Committee establishes a safety improvement plan of airports and checks the performance with the parent and subsidiary companies. We have also taken various suggestions from ground workers, the government, airlines, and other related agencies to create a customized work environment, and raised safety awareness by providing safety information and sending text messages to construction site workers.

Sophisticated System for Cyber Security and Privacy Protection

Zero cyber incidents

due to the realization of a trusted cyber security net

Grand prize

at the 2020 National Intelligence Service Cyber Security Contest

Zero

personal information leakage accidents

with the strengthened management system

Achieved an

excellent rating

for 5 consecutive years in the level of personal information management

Sophisticated Cyber Safety Net

Preparing for the spread of the COVID-19, KAC is strengthening the cyber security system to continue security work and to create a remote work environment. We have established step-by-step response plans to prevent any security gaps in the event of confirmed or suspected cases of infection. In addition, we have introduced new related systems and security policies to create a safe remote work environment for employees. It has also continuously involved in various security management activities by setting guidelines designed to prevent security incidents and accidents done by external workers and conducting random inspections.

Step-by-step countermeasures against the suspension of security control in the event of confirmed or suspected cases of the COVID-19

	Stage 1: Pre-preparation	Stage 2: Center closure (Short-term)	Stage 3: Center closure (Long-term)
Security control	- Classifying work can be performed through the remote-control system - Preparing to establish the remote-control system	- Transferring to the remote-control center for security workers - Monitoring with the remote system	- Developing the new methods to connect dispatched workers with KAC, remotely controlling the system
Manpower management	- Setting and reporting plans such as the number of essential workers - Maintaining good personal hygiene for security workers	- Quarantining secondary infections in the event of confirmed or suspected cases of infection - Organizing and operating the emergency response team	- Close cooperation between quarantined workers and the emergency response team for security control
Cooperation system	- Establishing emergency measures at each stage - Checking the security control response system	- Transitioning partial control into the Ministry of Land, Infrastructure and Transport - Partial remote-control	- Central control taken over by National Intelligence Service and Ministry of Land, Infrastructure and Transport - Implementing full remote control

Strengthening the Privacy Management System

To establish a safe environment for personal information usage, we have strengthened the stage of inspection, established a vulnerability management system, and secured channels designed to share the vulnerabilities with the working-level staff. In addition, the management methods for each level of personal information protection, including collection, use, entrustment, and deletion have been strengthened. and individual firewalls distributed at regional airports nationwide have been applied through an integrated management method. To enhance the protection of the operating system at airports, we have precisely detected and blocked cyber threats, applied enterprise firewall policies comprehensively, and monitored internal and external boundary systems.



2

CONTENTS

- 2.1 Climate Change Response
- 2.2 Realization of a Clean Society
- 2.3 Reducing Noise Pollution

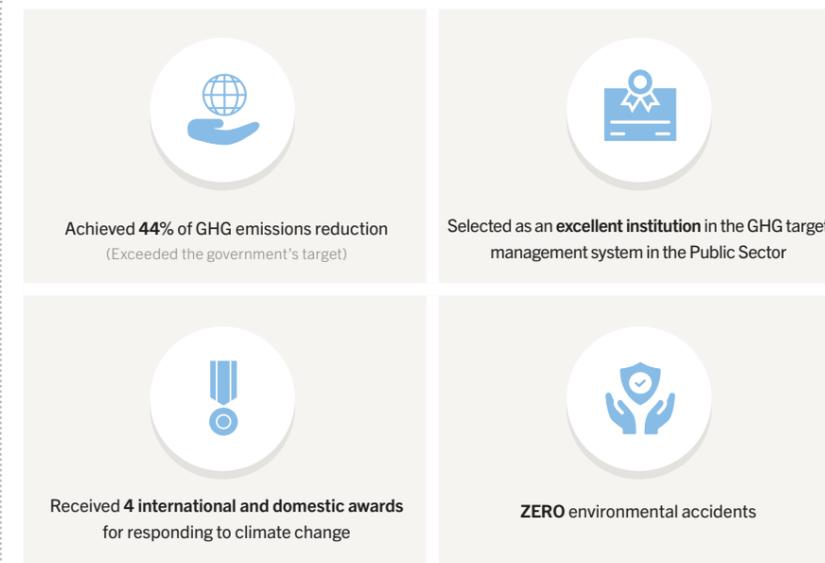


Eco-friendly Airport

● Management Approach

KAC has reduced greenhouse gases and secured sustainability by converting into an eco-friendly low-carbon infrastructure and implementing measures to reduce fine dust. We are continuously pursuing our environmental management to realize a low-carbon and eco-friendly airport created by stakeholders of the local community by minimizing the environmental impact in the process of airport operations, reducing airport noise and conducting reviews from various angles in order to reduce airport noise and expand support for noisy areas near airports.

● 2020 Performance



● 2025 Next step

- Introducing high-efficiency and renewable facilities
- Maintaining 30% of the national legal standard on fine dust (PM10: 100 µg/m³) in airports nationwide
- Achieving the noise environment improvement rate above the target of the Ministry of Land, Infrastructure and Transport

Climate Change Response



CORSIA

CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) is a carbon offset and carbon reduction scheme developed by the International Civil Aviation Organization (ICAO) to lower CO₂ emissions for international flights. Based on the scheme, the global aviation industry must keep its emissions at the level of the year 2020 and purchase carbon credits to offset the excess portion of its emissions. As the severity of climate change is emerging as a major global issue and the global aviation industry is demanding an eco-friendly green airport, KAC has been pursuing support and response activities at a greater level. We will actively participate in activities to respond to climate change in the airports as well as the aviation industry by using sustainable fuels and building an eco-friendly infrastructure through the development of devices such as AC-GPS and A-CDM.

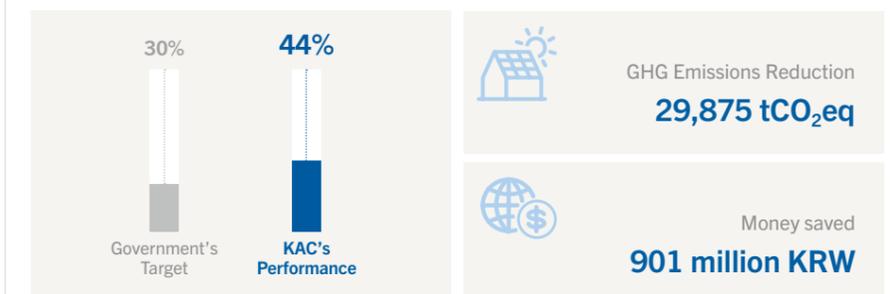
Promotion of the Green New Deal Project

The Korean government announced the “Korean New Deal Comprehensive Plan” to overcome the crisis caused by COVID-19 and design a new future. In the plan, “Green New Deal” is a strategy designed to transform a carbon-dependent economy into an eco-friendly green economy. It includes various tasks and goals for carbon neutrality. KAC is pursuing the strategy to create an eco-friendly transportation infrastructure through a comprehensive future-oriented transportation charging hub. We have promoted an eco-friendly future-mobility-based society by expanding the infrastructure for charging electric vehicles and switching to eco-friendly cars. In addition, we have set directions and established implementation plans to create a future transportation charging hub in connection with the UAM hub. We also established additional renewable energy facilities and replaced all lights with LED to enhance energy efficiency.

Reduction of GHG Emissions

KAC has implemented various eco-friendly activities along with the transition to green technology infrastructure. Our efforts to save airport energy include establishing step-by-step management plans, providing energy saving consulting for resident companies and tenants, executing environmental campaigns, offering educational programs, and discovering examples of best practices. Due to these active efforts and practices, we were selected as the best public institution in the target management system in 2019. In addition, we reached a 44% reduction in GHG emissions, higher than the government's target in 2020. The prize money of 20 million KRW received as the best organization in the target management system, along with the President's Prize of 13.75 million KRW received for the best grade of the Disaster Management Evaluation, were donated to vulnerable people in the noise-affected area of Yangcheon-gu, sharing the warmth with the local community.

GHG Emissions Reduction



Received the

excellence award

in GHG Target Management System in the Public Sector from the Ministry of Environment

Received the

encouragement award

from the Korea Green Climate Award

Received the

silver award

for saving energy from the 2019 Green Apple Award in the UK

Received the

silver award

from the International CSR Excellence Awards in the UK

Realization of a Clean Airport



MOU for Clean Jeju

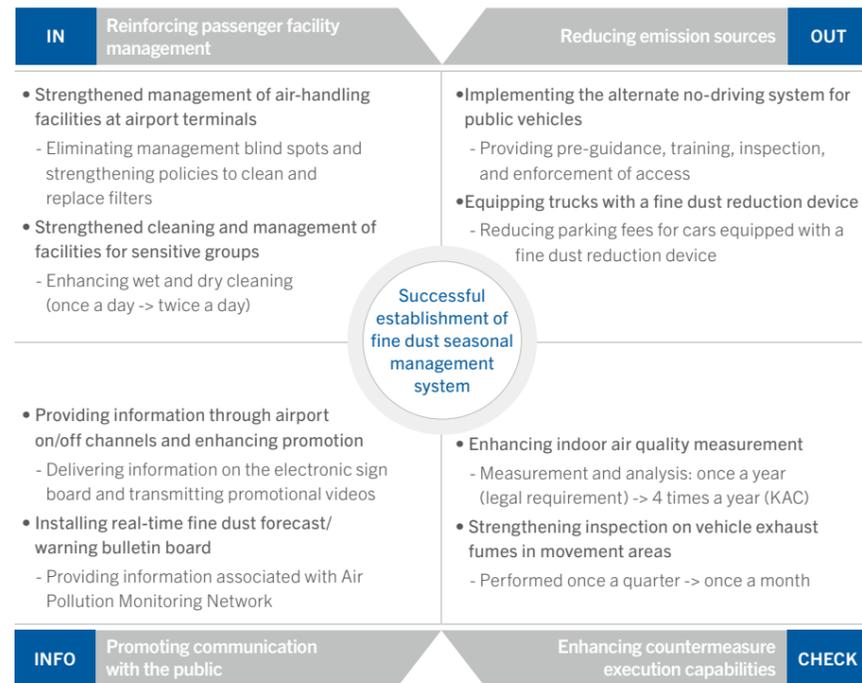
Promotion of Public-Private Partnership Schemes

Jeju Intl. Airport has achieved the highest traffic volume among airports operated by KAC. As the number of tourists increases due to its beautiful natural environment, it helps grow the local economy and activate the airport. However, as serious concerns over the environment are risen due to increase in use of disposable cups, the need for resource recycling has arisen.

In June 2021, we decided to promote 'Clean Jeju' in cooperation with the Ministry of Environment and Jeju Island to encourage the use of reusable cups in coffee shops as our first step. We installed cup collection machines at the airport on a trial basis to encourage participation in reducing the use of single-use cups by revising the guidelines for commercial facilities. In October, we signed an agreement designed to practice carbon neutrality with the Ministry of Environment, representative organizations of each industry and companies in order to increase efforts to promote practical moves and raise awareness to create a clean society.

Fine Dust Management

KAC is committed to controlling fine dust to create a pleasant airport environment and to protect the health of our passengers. In particular, during high concentration days of fine particular matter from December to March, we implement the company-wide "Seasonal fine dust management system" to reduce fine dust at airports and protect public health. We continuously make efforts into maintaining a pleasant airport environment through the inspection of exhaust emissions of vehicles in moving areas and measurements of fine dust outdoors.



ZERO Environmental Accidents

To prevent environmental accidents in advance and to eliminate the risk factors, KAC has strengthened the sector-specific management in water quality, indoor air quality, waste, and soil. We will continuously create a sustainable eco-friendly airport through diversified management.

Water Quality	Indoor Air Quality	Waste	Soil
<ul style="list-style-type: none"> Managing the water recycling center and sewage treatment plant Inspecting the national airport water system Inspecting discharged water quality periodically 	<ul style="list-style-type: none"> Enhanced air quality monitoring (once a year -> 4 times a year) Installing the fine dust forecast and warning system in 1 area Creating an indoor garden in connection with the Korea Forest Service in 2 areas 	<ul style="list-style-type: none"> Establishing the de-icing system and improving related facilities Offering education on the management and treatment process of waste Sharing regulations and amendments related to waste 	<ul style="list-style-type: none"> Operating the ultra-precise leakage detection system Introducing eco-friendly liquid and solid snow deicing agents Checking for the damage to aircraft fluid lines

ZERO environmental accidents

Reducing Noise Pollution

Noise Reduction Projects

KAC has worked hard to reduce aircraft noise and improve the living environment for residents near airports through noise countermeasure projects. In accordance with the Airport Abatement Act, we are implementing various projects amount to 10 billion KRW by installing soundproofing facilities and air conditioners, and supporting fees for electricity and TV in cooperation with the local government. We continue to communicate with residents and collect their opinions to promote the projects that could satisfy the residents from their point of view. In addition, we organize and operate a subcommittee for supporting residents in order to establish a promotion system for resident-led projects. Amid the COVID-19 pandemic, we are committed to investing budget preemptively and securing the national treasury to save additional budget for noise countermeasure projects. Also we add our opinions to establish a clear standard for setting the boundaries of noisy areas to support more residents. We lay the foundation for long-term management of noisy areas through the public-private cooperation by cooperating with the local government in order to contribute to the selection of the Urban Regeneration New Deal Project.

Details	Achievements
Focusing the budget on the support that residents prefer, including support for electricity costs and installing air-conditioners and soundproofing facilities	Achieved noise reductions of 54%
Organizing resident-led subcommittee to collect the opinions of local residents	Local resident participation in urban regeneration projects
Planning the cooperation with Yangcheon-gu for urban regeneration projects in noise-affected areas	Contributing to securing the government budget of 22.5 billion KRW

Promotion of Airport Noise Information System

Since 2014, KAC has provided information on aircraft noise in airports and their surrounding areas through the Airport Noise Information System (ANIS). Reflecting on the diversified needs of local residents in noise-affected areas and increased Non-contact communication due to the COVID-19 pandemic, KAC has linked the internal and external noise information systems to improve their performance. In particular, with the establishment of a spatial information platform, it is now possible to disclose information in a transparent and rapid manner by helping residents check information on aircraft noise levels and flight routes in real time. In addition, with the improvement of the application process, the number of online applications for noise countermeasure projects has increased by 57% compared to the previous year (7,116 cases in 2019, 11,183 cases in 2020).



Airport Noise Information System

SPECIAL PAGE



Beyond COVID-19, New KAC



The world is experiencing unprecedented challenges from the COVID-19 that emerged in December 2019. World Health Organization (WHO) has declared the COVID-19 outbreak a global pandemic, the highest level of infectious diseases. The government's Crisis Alert Level went up to the highest level. As such, a high number of aircraft stopped operating and KAC is now facing huge challenges caused by the significant reduction in the number of passengers. These challenges include a reduction in profits, job insecurity of airport workers, and the overwhelming pressure to reduce rental costs. To address these issues, we have established a response system to minimize the impacts on airport workers and prepare for the post-COVID-19 era.

01

Beyond COVID-19

Towards a Clean Airport

1

Operations of the COVID-19 Response Headquarters

KAC has operated the COVID-19 Response Headquarters and Field Headquarters with an average of 103 workers a day to respond to situations, even before the government issued a state of emergency. We have monitored the quarantine status of airports nationwide every day and implemented measures to prevent the spread of the virus. We have completed the production and distribution of a practical guide for responding to the COVID-19, covering each situation and on-site quarantine management plans. In addition, we have continuously raised awareness of the virus by conducting video conferences across all the airports, hosted by the CEO, the head of the COVID-19 Response Headquarters. We have also organized a special TF team to support the air transportation of vaccines to contribute to prompt vaccine distribution.

Head Office COVID-19 Response Headquarters



Airport COVID-19 Field Headquarters



2 Strengthening Step-by-step Quarantine Responses

To protect passengers from the COVID-19, KAC has actively provided quarantine services throughout the airport procedures in a seamless manner, from departure to arrival. We inform passengers of our airport quarantine system in advance and prevent further infections by restricting suspected cases from boarding the airplane. We are currently operating screening clinics for the rapid testing of passengers on major routes. In particular, Jeju Intl. Airport operates a walk-through screening clinic while Gimpo Intl. Airport supports the operations of a temporary screening clinic. We are also regularly monitoring the implementation of quarantine rules by installing RFID systems, closing off children's playgrounds and indoor sports facilities, checking restaurant patrons' temperature and recording their attendance with a QR code.

Departure	At Airport	Arrival
Operating the system to prevent suspected cases from boarding the airplane	Implementing measures to prevent further infections of the COVID-19	Operating walk-through screening clinics at airports
<ul style="list-style-type: none"> Providing quarantine information through social media sites online Occurrence of suspected cases → Isolation of suspected cases → Recommendation of suspension from boarding → Boarding restrictions Supporting 50 workers for checking fever while operating 23 walk-through body temperature detector cameras 	<ul style="list-style-type: none"> Distributing 25,000 quarantine kits including masks and guidelines Shortening cycles for quarantine, disinfection, and indoor ventilation Operating KAC's non-contact luggage disinfection system (99% removal of bacteria and microorganisms)¹⁾ 	<ul style="list-style-type: none"> Installing 10 cameras in the Arrival Hall Operating screening clinics at the route from Gimpo to Jeju and other routes

1) Installed at Gimpo Intl. Airport and Cheongju Intl. Airport, planning to expand to other airports

3 Protecting Workers from Infection

KAC has done its best to protect our valuable human resources. To reduce personnel density, we have expanded the implementation of remote work and flexible work. In addition, we have taken other measures such as installing dividers, separating worker movement routes, and dispersing break times. We have stockpiled supplies such as masks and disinfectants to give to field workers and have distributed self-inspection kits to 14 airports across the country. In particular, we have established a step-by-step business continuation plan for the non-stop operations of airports after checking the status of essential elements of the airports, such as security, guard, and firefighting. We are working hard to ensure the airports operate without any interruption by implementing safety measures in 3 steps: 1) reduce the number of workers for continuously operating the airports with the minimum number of people, 2) change the format of work, and 3) provide additional workers (available workers being transferred from other airports).

4 International Health Certification

KAC has worked hard to prevent the spread of the virus and operate the airports smoothly. As a result, we have been certified as the "Airport Health Accreditation" by Airports Council International (ACI). ACI has launched the Airport Health Accreditation program in July 2020 to evaluate airport quarantine measures according to 122 items across 10 fields of airport operations, from passenger and airport staff protection at international airports to airport facilities. Followed by Gimpo Intl. Airport certified in October 2020, other international airports in four regions (Gimhae, Jeju, Daegu, Cheongju) have sequentially acquired the certification, proving their effective quarantine measures globally.



02

New KAC

Towards Non-contact Smart Airport

2 3 Steps for Non-contact Smart Airport

Step.1 Non-contact system in the entire process of checking in for flights

At Home	<ul style="list-style-type: none"> Providing one-stop reservation system for passengers to book flights, hotels, and rental cars all at once before going to airport
Parking	<ul style="list-style-type: none"> Offering the parking reservation system designed to settle payments with simple payment service and check in through Non-contact services
Guidance	<ul style="list-style-type: none"> Providing chatbot and other chatting services to deliver information
Check-in	<ul style="list-style-type: none"> Installing touchless self-check-in screen <ul style="list-style-type: none"> - Installing the contactless air touch screen using UV sensors - Preventing the spread of infectious agents caused by the dissemination of aerosols
Identification	<ul style="list-style-type: none"> Improving the contactless authentication for biometric sensors <ul style="list-style-type: none"> - Increasing the number of those using biometrics by 6.93% compared to the previous year
Security Check	<ul style="list-style-type: none"> Relieving airport congestion by reducing security wait times <ul style="list-style-type: none"> - Establishing a database for managing 14 types of handwritten records - Installing a total of 89 terminals and scanners at 5 airports
Arrival	<ul style="list-style-type: none"> Offering pilot operations of self-boarding gates





Step.2 One ID Biometrics-based System

One ID replaces boarding passes and identifications with biometrics, palm veins, in the check-in process in a fast and convenient manner without having to check the face of passengers individually. It is currently used at Gimpo Intl. Airport on a trial basis, and it is expected to expand to Gimhae Intl. Airport and Jeju Intl. Airport for years going forward. In addition, in cooperation with the Korean National Police Agency and the Ministry of Justice, KAC has plans to enhance its safety. Due to the joint development and launch of One ID payment service combined with biometrics and fintech, the system is available in commercial facilities and duty-free shops so that consumers do not need to have their boarding passes and credit cards when using the airport facilities as well as skip pre-registration. On a global level, these achievements have been introduced as an excellent example of the non-contact process of airports by the International Air Transport Association (IATA) and technology magazine of the Airports Council International (ACI) through the cooperation agreement for improving passenger procedures.

Step.3 Establishment of Self-check-in Process

1. Korea's first Self-check-in System for the Mobility Handicapped

Despite its conveniences, Kiosks are considered difficult to be used for the visually and hearing handicapped. To take the issue, KAC has developed self-check-in technology to provide a convenient Non-contact service environment for the mobility handicapped cooperating with experts. The system is equipped with a simple keyboard for the visually handicapped and an automatic voice guidance system using proximity sensors. It is designed to avoid digital alienation of the mobility handicapped and reduce concerns about infections in the face-to-face check-in process.

Expansion and Improved Accessibility	Airline Participation	Awareness Raising and Promotion
<ul style="list-style-type: none"> Added 24 self-check-in counters and 5 biometrics systems Operating security checkpoints only for passengers who use biometrics system Relocating them according to the best passenger routes 	<ul style="list-style-type: none"> Expanded self-check-in counters to domestic airlines (a total of 9 airlines) Supporting self-check-in counters for new flights of low-cost airlines Operating self-boarding gates 	<ul style="list-style-type: none"> Presenting the guidance message of One ID on the screen in the self-check-in process Developing and distributing devices for the mobility handicapped Promoting through media and social media sites

2. Self-check-in Service

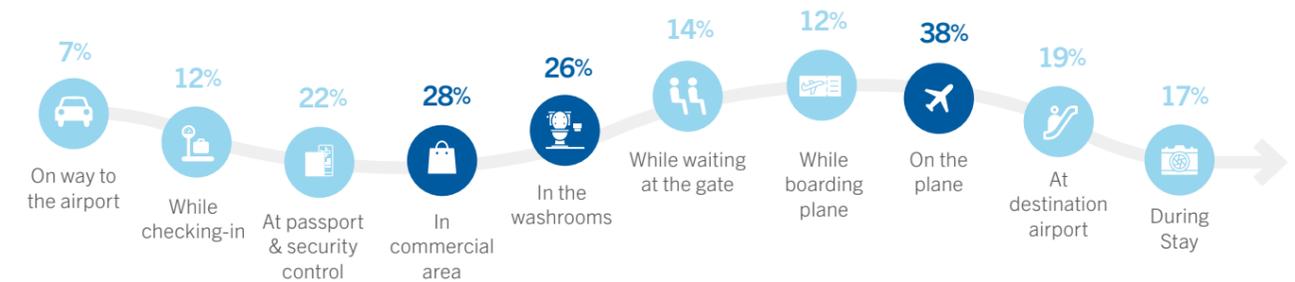
By promoting the use of self-check-in service, KAC has shortened waiting times and reduced airport congestion. The number of self-check-in users has increased by 27% compared to the previous year. As a result, 4.48 million hours check-in time per year have reduced our economic gains have amounted to 73.9 billion KRW.

Self-check-in rate of passengers in 2020(YoY)

27% up

2 Development of KAC Non-contact Index

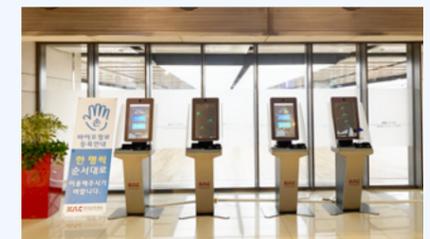
Source: ASQ 2020 Global Traveller Survey by ACI



KAC will develop the systematic performance index designed to create a safe airport amid the global pandemic in order to lead the aviation industry. We have classified the entire air travel process into 10 stages. In addition, we set priorities on the risk of transmission in the process and the prevention effect of each stage through consultation with infectious disease experts to ensure effectiveness. By achieving the 2030 target performance for each stage, we will create a safe airport that can lead to new customer satisfaction.

Details of KAC Non-contact Index

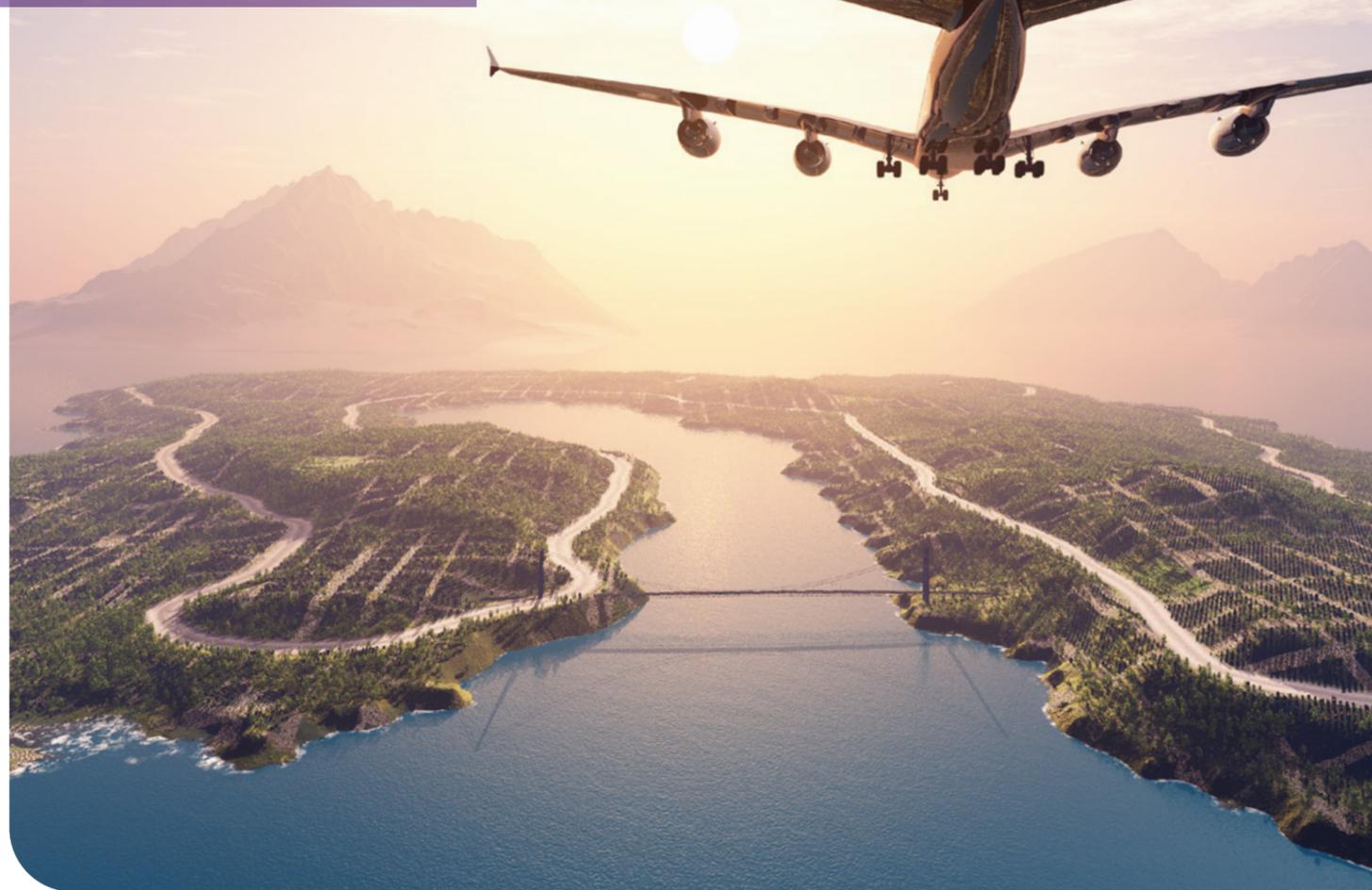
On way to the airport	<ul style="list-style-type: none"> Utilization rate of unmanned parking fee settlement service Number of those who use smart parking reservation system
While checking-in	<ul style="list-style-type: none"> Utilization rate of self-service (self-check-in + mobile) system in domestic flights Utilization rate of self-service system in international flights Utilization rate of self-bag drop system
At passport & security control	<ul style="list-style-type: none"> Number of passengers per hour at security checkpoints Utilization rate of One ID check-in service Number of X-Ray screening quarantine systems in the departure hall
In commercial area	<ul style="list-style-type: none"> [Small airport] Introduction of unmanned convenience stores [Mid-large airport] Introduction of unmanned smart vending machines
In the washrooms	<ul style="list-style-type: none"> Installation rate of touchless faucets Installation rate of touchless bubble soaps
While waiting at the gate	<ul style="list-style-type: none"> Installation rate of One ID boarding gates
While boarding plane	<ul style="list-style-type: none"> Development and installation rate of unmanned approach system at boarding bridges
On the plane	<ul style="list-style-type: none"> Installation of walking through quarantine devices
At destination airport	<ul style="list-style-type: none"> Installation rate of sterilizers at arrival baggage conveyor belts Installation rate of UV sterilizers in E/S handrail
During Stay	<ul style="list-style-type: none"> Compliance rate of regular disinfections in passenger convenience facilities Installation rate of UV sterilizers in passenger convenience facilities Development of simulation analysis algorithm for managing the level of service Nurturing experts for simulation analysis



One ID

Future:

Airport that leads the Future



1,2



Stepping towards Glocal Airport
Implementation of Smart Airport

1

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- 1.1 Expansion of New Businesses
- 1.2 Vitalization of Regional Airports
- 1.3 Building a Healthy Aviation Eco-System

Stepping towards Glocal Airport

Management Approach

Based on the know-how we have accumulated through the operations of airports for more than 40 years, KAC has conducted various airport businesses around the world. We have secured the growth foundation in the mid-to-long term by expanding into Central and South America as well as Southeast Asia. We have also constructed airports as part of the national policy project, contributing to the activation of regional tourism and the revitalization of the economy. In addition, we have actively played a pivotal role in the growth of the aviation economy.

2020 Performance

 <p>Acquisition of the operating rights for Manta Airport in Ecuador worth 540 billion KRW</p>	 <p>Export of the navigation equipment worth 20.8 billion KRW for the first time</p>
 <p>Domestic passengers: 50.62 million (originally targeted 50.11 million)</p>	 <p>100% increase in the aviation maintenance capacity (100 units per year -> 200 units)</p>

2025 Next step

- 100% execution rate in the construction project of Ulleung Airport
- Additional orders for the operations of foreign airports handling aircrafts
- Establishment and operations of overseas flight training centers
- Stepping forward as the world's four largest symposiums of the Asian Aviation Education and Training Symposium (AAETS)

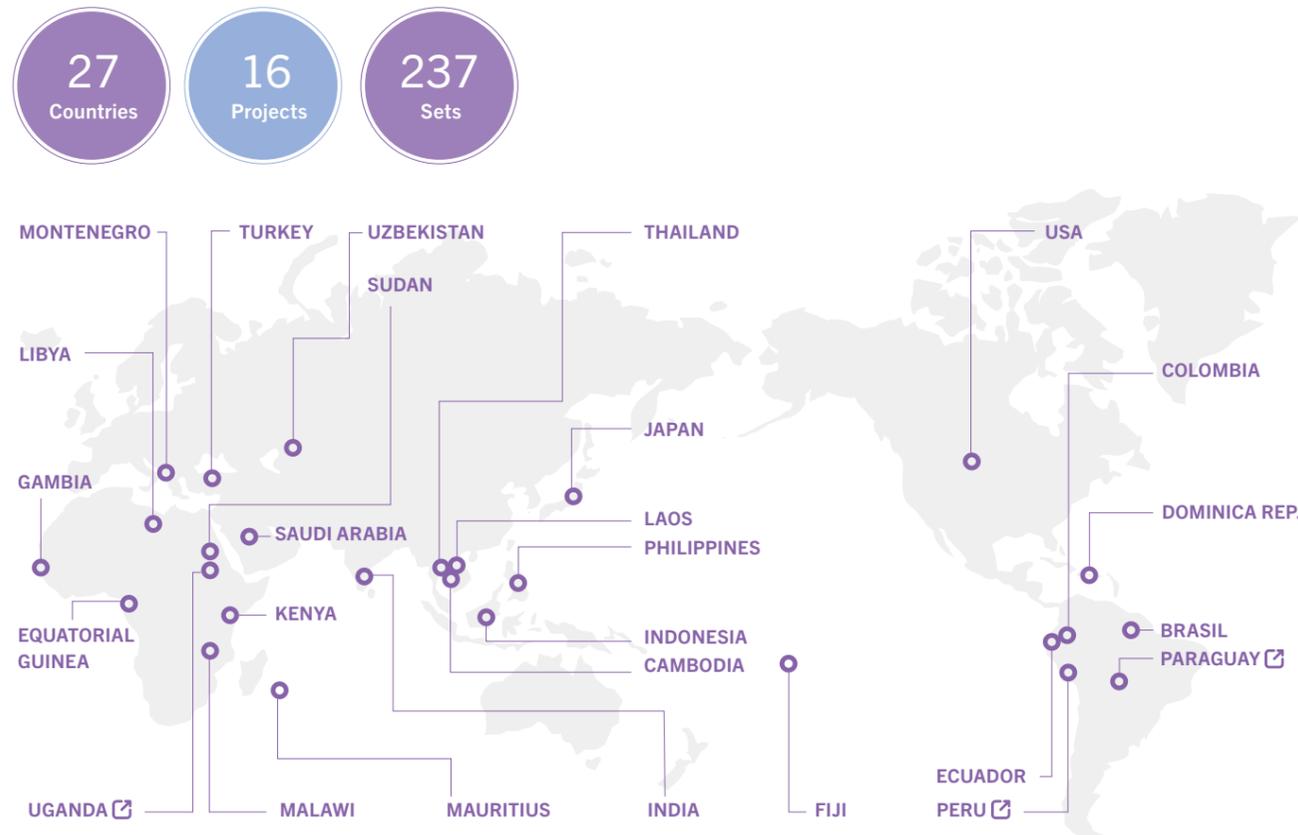
Expansion of New Businesses

Overseas Airport Projects

In a situation where there is a dramatic drop in air demand and sluggish global infrastructure market in the aviation industry due to the COVID-19, KAC has been recognized for its know-how we have shown through the airport projects by winning overseas business orders. By acquiring the 30-year operating rights for Manta Airport in Ecuador, we have created Korea's first overseas airport. It is expected that the economic effect of the airport would amount to 540 billion KRW. In addition, it was officially designated as the developer of the development project of Luang Prabang International Airport estimated to amount to 100 billion KRW. we have put our efforts into winning orders, normalizing the situation with strategic responses tailored to each ongoing project and expanding businesses by helping domestic private construction companies to sign more contracts.



Overseas business performance



Exportation and Development of Air Navigation Systems

By localizing air navigation systems based on our technological prowess and expertise, KAC is creating an ecosystem for the aviation manufacturing industry and pioneering global technology. In particular, we completed the development of TACAN using our exclusive technology in 2016 and installed 3 additional TACANs at domestic air force and navy bases in 2020. Despite the difficulties presented by COVID-19, we established "Team Korea," a private-public cooperative system and successfully entered the foreign TACAN market for the first time in history. There are now plans to export air navigation systems including 90 TACANs over 6 years and KAC will continuously contribute to the private companies' expansion into global markets and the creation of an ecosystem for the domestic manufacturing industry.



TACAN (TACtical Air Navigation)	<ul style="list-style-type: none"> Providing information of azimuth and distance to military aircrafts (information of distance available to civil aircrafts)
ILS (Instrument Landing System)	<ul style="list-style-type: none"> Localizer: Providing information of runway centerline for aircrafts to land on the runway safely
	<ul style="list-style-type: none"> Glide Path: Providing information of runway landing angle for aircrafts to land on the runway safely
DME (Distance Measuring Equipment)	<ul style="list-style-type: none"> Providing information of destination airport for aircrafts
FTS (Field Test Set)	<ul style="list-style-type: none"> Performance test of navigation safety or measurement equipment on the ground
PBB (Passenger Boarding Bridge)	<ul style="list-style-type: none"> Supporting passengers to move from airport terminal to aircraft in a fast and safe manner
BHS (Baggage Handling System)	<ul style="list-style-type: none"> Handling customer baggage in the passenger terminal in a fast and safe manner

Vitalization of Regional Airports

New Airport Construction

KAC has participated in new airport construction projects to increase the convenience of the access to regional areas and provide convenient services for passengers. Considering the various interests of local residents and the environment during these projects, we have established and implemented response strategies tailored to each airport in cooperation of major related agencies.

New Airport Plan (Government)

Undetermined	Undetermined	2025 completion	Opening in 2026	Opening in 2028	Opening in 2028
Gadeokdo New Airport	Jeju 2nd Airport	Ulleung Airport	Heuksan Airport	Saemangeum Airport	Daegu-Gyeongbuk integrated airport

Normalization of Airport Operations

With the rapid spread of COVID-19, domestic aviation demand has declined significantly. As a result, many airports such as Wonju Airport and Pohang Airport stopped their operations in late February. In addition, Sacheon Airport, Muan Intl. Airport and Gunsan Airport stopped their operations in March. KAC has tried to reopen those airports by tackling issues such as profitability and ground handling. It offers an additional 20%p discount on airport charges on infrequently used routes and conducts joint promotions with airline companies both online and offline. As a result, the airports have resumed its operations in Pohang (July), Muan and Sacheon (September), and Gunsan and Wonju (October).

As International demand declined more significantly than domestic demand, 7 international airports have shut down in line with the policy designed to block the inflow and spread of infectious diseases from overseas. KAC has persuaded the government into opening three airports in Gimhae, Jeju, and Daegu sequentially while stressing the public interest and regional economic effect of the routes. Furthermore, it has redesigned the check-in process according to the responses of infectious diseases with the help of the military and police, special quarantine teams, and transportation support center in cooperation with local governments. As a result, it has helped Gimhae Intl. Airport to open its door to international passengers for the first time as a regional airport on December 3, 2020, eight months after its shutdown.

Promotion of Domestic Air Tourism

KAC has been implementing comprehensive countermeasures to recover the demand for air travel which has plummeted due to the COVID-19. We have attracted new airlines in regional airports, added inland routes, minimized the inconvenience of passengers, and cooperated with local governments. We also applied personalized marketing strategies that reflect the trends such as “Clean Tour,” “Non-contact Tour,” and “Free Individual Tour,” resulting in 50.62 million domestic passengers exceeding the original target. With these efforts, we are trying to switch our strategies from outbound to inbound to recover the number of passengers while preparing for the opening of international airports. We have also established a one-stop reservation platform for foreigners and applied non-contact marketing strategies such as overseas online advertisements and online tours. We will actively support the Korea Total Tourism Package (KTTP) project which will start from the year 2021 while intensively supporting the trial airports in areas such as Cheongju, Daegu, and Muan.



Non-contact Tour



Support for domestic air travel

Expansion of Airport-centered Development

KAC has strived to support the government's Korean New Deal policy and preemptively respond to the development policy of the airport-centered regional bases. We have discussed multiple issues in various directions such as expansion of cultural facilities at airports and its surrounding areas, development of new businesses in cooperation with the National Aviation Museum of Korea, and promotion of urban regeneration projects at declining areas around airports.



Basic directions for the development of areas around the airport

Building an airport-based economy platform	Economy ecosystem where various industries have converged to create new added values
Smart Industrial Complex for Future Transportation	Industrial complex for developing state-of-the-art technologies of the 4th industrial revolution and future transportation such as air taxis
Eco-friendly and Renewable Energy Complex	So-called green art airport where eco-friendly and renewable energies are used for composite communities combined with culture and arts
Cluster Supporting the Aviation Industry	Composite cluster supporting the aviation industry in connection with the local economy and creating new jobs
Smart Tourism & Hospitality Industry	Platform designed for the hospitality industry with state-of-the-art smart tourism + accommodation, rest, and convenience facilities for airport workers
Next Logistics Platform	System for new growth focusing on aircrafts and new modes of transportation and for supporting high-efficiency logistics

Gimpo Intl. Airport has established a new dedicated organization, promoted its research, cooperated with related agencies, and performed other activities according to the development directions. For the successful step-by-step construction project that would start from 2023 covering about 430,000m², KAC will collect and reflect the opinions of various stakeholders.

Building a Healthy Aviation Eco-System



Training for aviation professionals

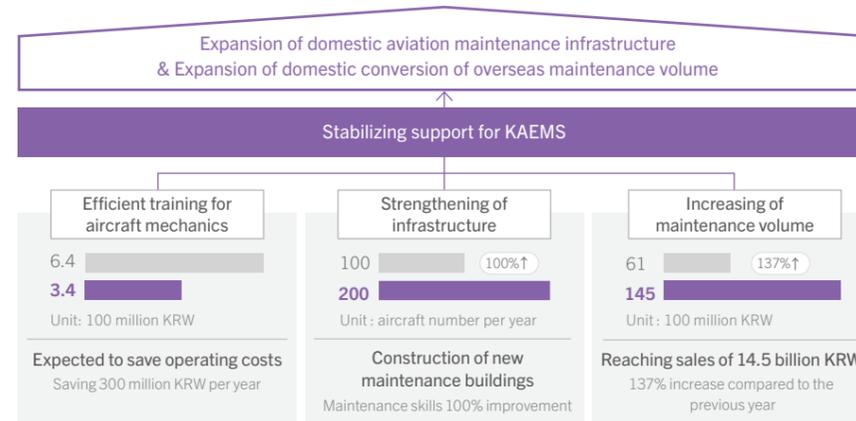
Professional Pilot Training

As part of efforts to support the development of the aviation industry, KAC is providing pilot training programs. It has created Korea's first Non-contact infrastructure for offering education to pilots, providing online training system and creating a self-training platform that provides a similar environment with the actual aircraft. By benchmarking MCC¹⁾ training, which is not yet introduced in the country, we have created a Korean-style program to lead the advancement of domestic aviation. Furthermore, we have changed simple technical training into competency-based training to build pilot trainee's crisis management capability and ensure safety of flights. We are committed to identifying problems related to unemployment of pilot trainees, actively supporting them to maintain their abilities and supporting airline companies to employ more people.

1) MCC Training: It is a training program for enhancing the pilot safety. In advanced aviation countries, it is required to complete the training before working.

Improvement of Aviation Maintenance Capabilities

The shortage of the domestic aviation maintenance infrastructure has intensified overseas consignment maintenance of the airlines, resulting in excessive capital outflows of approximately 1.4 trillion KRW a year. Accordingly, KAC has nurtured aviation maintenance companies such as the KAEMS to effectively nurture training aviation maintenance personnel, strengthen the infrastructure, and localize aircraft maintenance work to prevent financial outflow caused by a lack of domestic maintenance facilities. We have also relaxed regulations that used to include only the Seoul Gimpo Business Aviation Center (SGBAC) to expand into all flights of the domestic airlines. We also expand the use of limited public hangars to build an aircraft maintenance infrastructure for low-cost carriers (LCCs). Due to these efforts, the facility utilization rate increased by more than 50% compared to the previous year, contributing to building the first LCC aircraft maintenance infrastructure at Gimpo Intl. Airport.



Support of Ground Handling Services

Since October 2016, KAC has been providing ground handling services at Muan Intl. Airport and Yangyang Intl. Airport to help LCCs and small airlines improve their operating conditions. In particular, we have eased the financial burden of airlines and supported capacity building by setting a passenger transport quality management system in place. In addition, we have deployed additional operating equipment and human resources, and secured spare equipment for smooth flight operations. As a result, the number of flights at Yangyang Intl. Airport recorded a remarkable performance of 484% while the number of flights at other airports has decreased by 44.3%.

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- 2.1 Establishment of Smart Airport Infrastructure

Implementation of Smart Airport

Management Approach

KAC has put its efforts into converging technologies of the 4th industrial revolution in the aviation industry. By utilizing Internet of Things (IoT), artificial intelligence (AI) and big data, we have focused on predicting all situations related to the operations of airports and responding properly through real-time monitoring. In addition, to provide airport users with unprecedented experiences, we are developing recent technologies of various areas such as parking and transportation through collaboration and security screening in order to use them on a trial basis.

2020 Performance



2025 Next step

- Establishing an integrated operations center and platform
- Increased passenger throughput per hour at the smart security checkpoint
- Early budgeting for the implementation of Smart Airport

Establishment of Smart Airport Infrastructure

Establishment of Integrated Operations Center

KAC has put its efforts into solving issues such as duplication of work, confusion, and delay in decision-making caused by distribution of the airport operations system and data. Also, we have set implementation strategies to establish the integrated operations platform and center and implemented task management plans in order to improve efficiency. Once the task management plans are completed, we will operate the integrated operations platform and center at Gimpo Intl. Airport on a trial basis. We will also expand into other airports from large ones such as Gimhae and Jeju, and small and medium-sized ones to new ones. By establishing a control tower for all national airports and digitalizing the airport operations, we will increase efficiency in various areas such as service and safety.

4 Areas of Airport Operations

Operations		Management	
Improved punctuality	Reducing congestion	Management increases efficiency	Preemptive prevention of accidents
Airside	Landside	Airport facilities	Safety/Security
Strategy: Sharing flight information Goal: Delay 5% ↓	Strategy: Prediction and distribution of congestion Goal: Processing time 20% ↓	Strategy: Sharing flight information Goal: Facility management cost ↓	Strategy: Dataization of accident information Goal: ZERO accidents

World's First Open BIM-based Digital Twin

The KAC-Building information modeling (KAC-BIM) developed based on open BIM is an integrated model of information including planning and construction of airports, operations of airports, and management of assets, operations, and maintenance process. This world's first hyper-connected technology establishes digital twin connecting people, objects, and 3D information models. We have also provided its international compatibility since we achieved the world's first ISO19650 certification in the airport sector. Going forward, KAC has plans to develop and commercialize the systematic digital standards and guidelines. Though this, we will lead the global smart airports market while managing airports and improving the efficiency of operations.

Digitalization of BIM-based airport infrastructure

Building 3D digital twin at Gimpo Intl. Airport office and runway facilities



3D BIM of Gimpo Intl. Airport

Integration of internal and external status of airports with development plan

Internal: Management of KAC airport development plan and database that shows the status of infrastructure

External: Integration of 5 Gimpo Intl. Airport underground facilities and transportation network for visualization



3D BIM of Gimpo Intl. Airport underground facilities

Increased the satisfaction rate for roads near Jeju Intl. Airport by

2.3 points (93.3 ->95.6)

Selected Smart Crosswalk as

Best Practices of

"Protecting People's Lives Project" by the Office for Government Policy Coordination of Prime Minister's Secretariat

Strengthening of Smart Technology-based Airport Services

By actively introducing future innovation technologies, KAC has enhanced customer satisfaction and work efficiency. In particular, by using the airport as a testbed, we plan to use the system developed through the cooperation with innovative companies and SMEs on a trial basis. We will create an airport where consumers, airports and companies are continuously developing by remedying problems identified and improving their functions.

Development of AI-based sign language interpretation system	<ul style="list-style-type: none"> Completed joint development of AI algorithm and user's program Demonstration and pilot operations of the world's first sign language interpretation system at airports
Development of AI and big data-based X-ray	<ul style="list-style-type: none"> Promotion and completion of joint development after technology competition Installation and pilot operations of the world's first security checkpoint
Development of 24-hour system for detecting foreign object damage (FOD) on the runway	<ul style="list-style-type: none"> Promotion of multilateral joint development with 4 SMEs Completion of field performance verification
Development of AI automatic driving system for boarding bridge	<ul style="list-style-type: none"> Promotion of joint research with SMEs Designing of hardware for 2020 auto landing system and development of software
Installation of IoT technology-based smart crosswalk	<ul style="list-style-type: none"> Prevention of accidents by introducing red LED flashes of ground-level traffic lights Flickering of guidance light for stopping cars after detecting pedestrian movement ICT convergence traffic light equipped with traffic enforcement camera to decelerate speed Guidance of vehicles passing priority at intersections
Advancement of smart parking system	Advancement of the system covering from parking reservation to payment and expansion of airports using the system

Airport Collaborative Decision Making (A-CDM)

Airport Collaborative Decision Making (A-CDM) is a smart navigation platform based on big data and deep learning. It is designed to share information on flight time individually managed by the stakeholders and predict flight time in advance to reduce flight delay rates and carbon emissions. It is expected that it will help reduce the costs of 24.1 billion KRW in economic values. KAC will gradually improve the efficiency of the operations of airports in an innovative manner while beginning its official operations at Gimpo Intl. Airport, Gimhae Intl. Airport, and Jeju Intl. Airport.

Establishment of A-CDM System

KAC

Sharing and management of real-time information of 16 main time

Control Unit

Landing

Arrival at dedicated parking facilities

Start of ground operations

Start of passenger boarding

Control clearance

Airline, Operators

Sharing the time of arrival

Sharing information on dedicated parking facilities in advance

Sharing the status of ground operations

Sharing of passenger boarding time

Allocation of control clearance order

SPECIAL PAGE



New Journey, UAM



Urban Air Mobility (UAM) refers to urban transportation systems that include low-noise and eco-friendly power-based vertical take-off and landing transportation as well as take-off and landing infrastructure supporting them. It is now regarded as a means of future's innovative transportation to fly both people and cargo over the city. The needs for UAM are growing due to the increase in urban density, alleviating urban traffic problems, and worsening environmental problems.

Economic and Social Values of UAM

Expected to reduce an average of travel time in Seoul by **70%** compared to cars
(Data from the Korea Aerospace Research Institute)

Expected to reduce an annual amount of **42.9** billion in Seoul and **273.5** billion KRW in all major cities
(Data from the Korea Aerospace Research Institute)

Expected to achieve accumulated market size of **13** trillion KRW by 2040 while creating **160,000** new jobs and reaching **23** trillion KRW worth of production
(Data from the Ministry of Land, Infrastructure and Transport)

Expected to develop **sustainable transportation** with less noise by using an electric vertical take-off and landing (eVTOL)
(Data from the Ministry of Land, Infrastructure and Transport)

Expected to suppress fire, and support emergency transportation and search and rescue
(Ehang in China, Volocopter in Germany, etc.)

UAM is expected to present the high economic feasibility with an amount of 731 trillion KRW by 2040. To achieve the rapid commercialization and secure the competitiveness of the global market, the government has presented a roadmap for K-UAM while launching the UAM TEAM KOREA as Korea's UAM consultative body in June 2020.

K-UAM Strategy of Korea government



Vision

Leaping forward UAM leading country and strengthening urban competitiveness
Paradigm shift in time and space due to transportation innovations
Creating future jobs in technology intensive areas such as production, construction, and IT

Goal

UAM flight demonstration in 2022~2024, commercialization in 2025, full-scale commercialization in 2030
Expanding to 10 routes in 2030 and 100 routes in 2035 with call-type service applied

Core Value



Safety



Sustainability



Convenience

Basic Direction

- Private-led project supported by the government in terms of system and test
- Establishing a new institutional framework instead of using existing safety and transportation system

- Encouraging its growth in the advanced industries with global standards applied

Contents

Implementation Strategy

- ① Establishing a rational system to ensure safety
- ② Creating an environment to secure and strengthen private capabilities
- ③ Realizing step-by-step services to expand public acceptance

- ④ Establishing the infrastructure and connected transportation for convenience of use
- ⑤ Creating a fair, sustainable, and sound industrial ecosystem
- ⑥ Expanding international cooperation in line with global standards



Milestone

Preparation Stage 2020~2024	Introduction Stage 2025~2029	Growing Stage 2030~2035	Maturity Stage 2035~
<ul style="list-style-type: none"> • Exploring of issues and tasks • Improvement of the legal system • Test and demonstration (private-led) 	<ul style="list-style-type: none"> • Commercialization of some routes • Transportation base in and out of the city • Establishment of connected transportation system 	<ul style="list-style-type: none"> • Expansion of flight routes • Urban hub • Turning business profit 	<ul style="list-style-type: none"> • Generalization of use • Expanding movement between cities • Realization of autonomous flight



To lead the global UAM market, KAC established our roadmap in July 2020 in a quick manner. Based on know-how we have accumulated through the operations of airports and air traffic management for the last 40 years, we established an UAM Vertiport to lead the field of traffic management. In particular, we presented the concept of UAM takeoff and landing hub reflecting the real flight environment at Gimpo Intl. Airport for the first time in history and suggested Korea's urban UAM operating model.

To realize the commercialization of UAM transportation, several players from the fields such as air, airport infrastructure, service operation are required to cooperate with leading companies involved in UAM TEAM KOREA such as SK Telecom, Hanwha Systems, and Korea Transportation Institute by signing a MOU to commercialize UAM business. In the second half of this year, it is expected to publish and present the "Concept of Operations of UAM" that contains the overall concept and operational direction of UAM Vertiport based on previous multi-faceted research and international cooperation with UAM organizations in France, Germany, and others.

UAM Idea Contests of Public Participation

KAC held a "Idea Contest for Designing UAM Vertiport Opening the New Sky" to raise public interest in the future transportation industry and discover ideas that would lead the global UAM market. We selected one grand prize, one excellence prize, two merit prizes and six participation prizes among a total of 52 works submitted to the contest. The participants' ideas are going to be used in designing future Vertiport and in the passenger process.



UAM Idea Contests of Public Participation



MOU for UAM

UAM TEAM KOREA

KAC	<ul style="list-style-type: none"> • Construction and operation of UAM takeoff and landing sites • UAM Traffic Management
Hanwha Systems	<ul style="list-style-type: none"> • Development of gas • Development of solutions for navigation, control, and ICT
SKT	<ul style="list-style-type: none"> • Communication network for air traffic • Mobility Platform Services
Korea Transport Institute	<ul style="list-style-type: none"> • Prediction of the demand for UAM • Research of public acceptance

Happiness:

Happy Airport
for All



Cooperative
Growth



Pleasant Work
Environment

1

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- 1.1 Creating Win-win Cooperation
- 1.2 Strengthening of support for Shard Growth
- 1.3 Expansion of Social Contribution



Cooperative Growth

Management Approach

KAC has continuously contributed to supporting of the public interest and developing the community by using the airport infrastructure through the promotion of fair practices, support for SMEs' R&D activities and innovative technologies. Under the management philosophy of "Becoming the people's corporation by fulfilling social responsibilities and roles through the realization of love and sharing," we have actively continued our contribution to the public interest and the development of the community.

2020 Performance

 <p>Achieved the highest rating among the first-tier public corporations in the Public corporate integrity survey by the Anti-Corruption & Civil Rights Commission</p>	 <p>Ranked the first among public institutions in the participation rate of innovative prototype by Public Procurement Service</p>
 <p>Achieved more than 100% of government standard in Social economy companies' preferential purchase performance</p>	

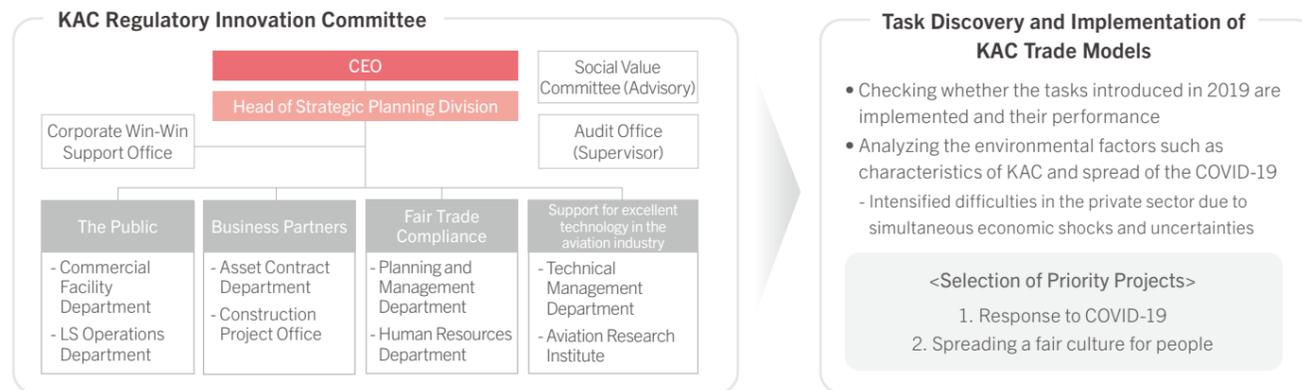
2025 Next step

- Rated Compliance Program AA grade
- Enhancing support for win-win growth
- Increasing purchase rate of SME products
- Securing the budget for KAC social contributions

Creating Win-win Cooperation

Regulatory Innovation Committee

To realize the win-win cooperation for a sustainable growth, KAC has the responsibility to urge the win-win cooperation as a public institution. To this end, we have established the regulatory innovation committee chaired by CEO to organize the committee into 4 categories such as fair trade with the public, fair trade with business partners, voluntary compliance with fair trade, and support for excellent technology in the aviation industry. Through this, we have discovered exemplary models for transactions, selected key tasks, and support SMEs' excellent technologies in a systematic manner.



Creating Fair Culture for the Public

KAC has been taking the lead to spread the atmosphere of fair culture for the public by revising our practices of contract signing. We have prevented unfair practices in the negotiation process by revising the details of the evaluation standard for contract proposals and revised some regulations to fairly share the joint stamp duty with our counterpart when signing a contract.

We have introduced Compliance Program (CP) as our internal legal system to prevent illegal risk factors related to unfair practices in advance. In addition, we have established our internal monitoring system for evaluating assessing legal risks of violation and preparing an internal reporting system while producing and distributing the KAC Fair Trade Voluntary Compliance Manual and providing education to employees. Going forward, we will be committed to spreading the atmosphere of win-win cooperation by operating voluntary compliance programs and preventing unfair practices in advance in a proactive manner.

Preparing Implementation System	(Standard) Establishing CP operations guidelines (Organization) Corporate Win-Win Support Team (Responsibility) Appointing a compliance manager
Establishing an internal monitoring system	Assessing the risk of violation of the law <ul style="list-style-type: none"> - Discovering illegal factors of fair practices in KAC - Preparing a response plan according to each risk Preparing an internal reporting system <ul style="list-style-type: none"> - Establishing an employee reporting system available for internal and external users - Supervising and monitoring possible violations of the law
Suggesting standard of conduct	Providing education on fair practices to employees <ul style="list-style-type: none"> - Non-contact education for all employees - Separate training programs designed for highly work-related departments Producing and distributing the KAC Fair Trade Voluntary Compliance Manual <ul style="list-style-type: none"> - Fair trade checklist and guidelines - Increased possibility for employees to use electronic files and printed materials

Strengthening of support for Shard Growth

Support for Customized Integrated Package

KAC is operating support programs for SMEs and small business owners. We strengthened the competitiveness for self-reliance of SMEs by providing customized integrated packages such as financial support and capacity building programs that fit their individual situations covering from the launch of their business to securing of profits. In particular, we have enhanced the competitiveness of domestic aviation technologies by jointly developing the systems and equipment in the field of aviation and navigation to secure new growth engines for SMEs.

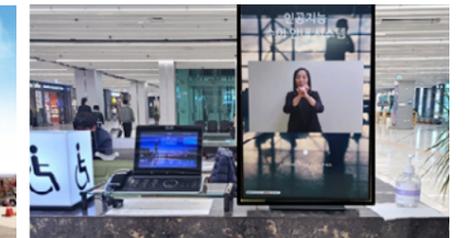
Support for Customized Integrated Package

Funding	<ul style="list-style-type: none"> • Increasing win-win cooperation fund (low-interest loan) • Contributions to the mutual growth fund for SMEs and small business owners
Capacity Building	<ul style="list-style-type: none"> • Increasing support for digital New Deal-based business • Offering opportunities to advance into overseas market in a Non-contact manner
Cooperative Performance	<ul style="list-style-type: none"> • Providing rent reduction or exemption for companies achieving goals with the new cooperative benefit-sharing system

Performance of joint development



AI and big data-based boarding bridge system
- Promoting joint research with excellent SMEs through external technology competition and designing system hardware and development of software



Non-contact check-in device for the mobility handicapped
- Increased demand for Non-contact devices to bridge the gap of the digitally excluded people (people with disabilities)



Automatic system for detecting foreign object damage (FOD)
- Developing a 24-hour foreign material detection system on the runway in joint cooperation with 4 SMEs



Advancing the boarding bridge and luggage equipment
- Heating and air-cooling systems for boarding bridges and device to eliminate fine dust
- Developing a luggage weight-specific slate inclination adjustment device

Support for the Social Economy



KAC is taking the lead to purchase the “Buy Social” products to help social enterprises and small business owners. By signing more contracts with them and awarding prizes to excellent departments, we have laid a foundation for revitalizing the public procurement and delivery of socially underprivileged companies. This resulted in a 20% increase in the transaction volume between the corporation and social economy enterprises. In addition, we hold online events and offer online consulting services where consumers can purchase social economy products in a non-face-to manner to overcome the crisis caused by the pandemic.

Expanding the purchase of Buy Social products

Online special exhibition led by the Ministry of Finance (Ranked first in purchase amount)	<ul style="list-style-type: none"> Received early orders for items of KAC among other products Achieved purchase amount of 700 million KRW in 15 days (44% of total purchase amount)
KAC online purchase consultation session (54 companies participated)	<ul style="list-style-type: none"> Reinforcing the recruitment and promotion of participating companies in collaboration with the Ministry of SMEs and Startups Providing 54 companies with opportunities to purpose their business worth 14.6 billion KRW

KAC guarantees a delivery period of at least two years for items that need continuous purchasing and preferentially selects companies hiring disabled employees as a contractor. Due to these efforts, we have signed long-term contracts with the social enterprises to ensure more stable and quality jobs for people with disabilities.

Developing and operating our own “Order confirmation system for products of the disabled”

Long-term contract	Guarantee delivery period of at least 2 years when repetitive and continuous purchase required - Selecting items to be piloted in the first year of the introduction of the commitment system, and gradually increasing the number of items
Designation as a production company for the disabled	Selecting social enterprises hiring many disabled employees as a contractor - Securing a pool of excellent companies selected by the Korea Employment Agency for Persons with Disabilities - Establishing the criteria for selecting companies in terms of sales and number of employees

Achieved more than

100%

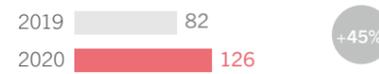
of government standard in Social economy companies' preferential purchase performance

Winning the

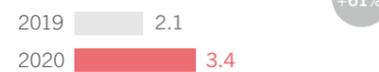
Minister of Employment and Labor Award

at the Social Value Creation Contest for Public Institutions

Social Enterprise (Unit: 100 million KRW)



Cooperative (Unit: 100 million KRW)



Village cooperative (Unit: 100 million KRW)



Self-support cooperative (Unit: 100 million KRW)



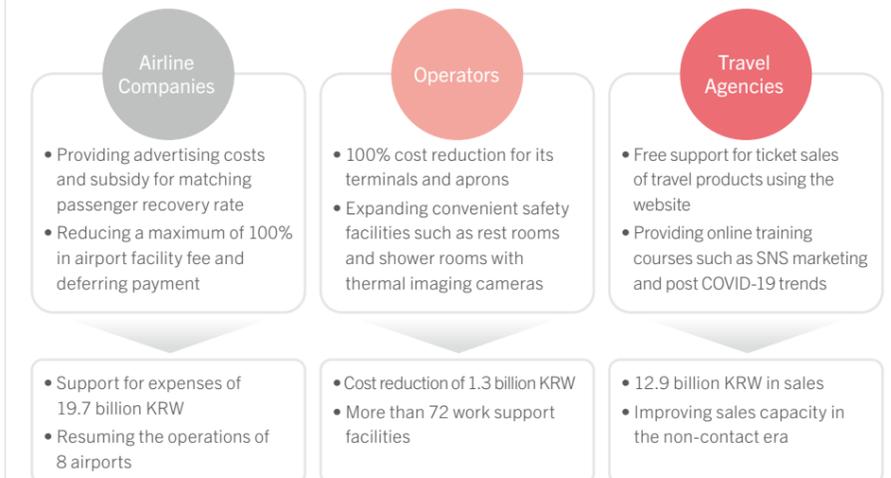
Sharing of the Burden of the Aviation Industry

Amid the crisis in the aviation industry, KAC has implemented polices to lift the burden of its resident companies by discounting or exempting airport charges or deferring their payment. As a result, the closure rate of them has dropped to half of the average closure rate of the self-employed workers over the past three years. In addition, we are doing our best to respond to the crisis in the aviation industry and secure self-reliance by reviewing funding for the establishment of the Aviation Industries Association, providing incentives, and mitigating the conditions.

Support for KAC's resident companies

Supporting rental fees for resident companies	<ul style="list-style-type: none"> Implementing reductions and exemptions according to the number of passengers Minimizing the burden by deferring sales commission for 10 months
Extending the contract period for closed facilities	<ul style="list-style-type: none"> Extending the contract period equivalent to the period of closure when resident companies apply for commercial facilities in regional airports
Supporting new businesses	<ul style="list-style-type: none"> Exempting rental fees or discounting sales fee of new resident companies in small airports Establishing a new proposal system for commercial facilities industry and supporting Non-contact contracts
Support for hygiene management technology	<ul style="list-style-type: none"> Free technical support and consultation of hygiene management companies for food and beverage stores and specialty product stores

Support for airline companies



Expansion of Social Contribution



Kimchi Sharing Event of Love

KAC Social Contribution Programs

To fulfill our social responsibilities as a trusted public institution, KAC has implemented comprehensive plans to connect airports, local community, and the public under the goal of “Realizing the best social value through win-win cooperation and development of local community.” In particular, as the COVID-19 pandemic has accelerated the economic difficulties, we have actively engaged in activities to overcome the social issues in an active manner. Going forward, we will contribute to development of local communities and the aviation industry by continuously implementing strategies in a faithful manner.

Aligning Social : Contributions with Business

Through “**KAC Wise Fair Travel,**” KAC connects travelers with small business owners and social economy enterprises severely hit by the COVID-19 pandemic. The resulting sales have contributed to the vitalization of the regional economy. We have agreed to continue the project for the next 3 years since the pilot project in 2020 was considered effective. In addition, through the Party Night Play Project, we support to keep children of the vulnerable and dual-income families safe and healthy. We have contributed to the creation of jobs in the local community by hiring residents. In addition, KAC supports various welfare programs designed to help the socially underprivileged such as “Senior Airport Supporters” creating jobs for the elderly and “Kimchi Sharing Event of Love.” We also promote various projects that reflect the ideas of the public to order to support socially disadvantaged individuals.

Aligning Growth: Regional Development and Win-Win Cooperation

KAC has continuously performed the “KAC Sky Route Green Companion Project” designed to improve residential environment in noise-affected areas of Gimpo Intl. Airport since 2017. Based on previous experience we have accumulated through communication with the local community, we also promote the “Community Space Project for Local Residents” with the active participation of residents. We support some of operating expenses of a cooperative for small urban bag manufacturers in noise-affected areas experiencing a decrease in sales due to the COVID-19. We also contribute to self-reliance and growth of the local community near the airport by holding cultural events to revitalize the local community’s culture and arts. Also, we support the art marketing for farmhouses near the airport and perform other activities to create added value. Through these activities, we contribute to the independence and growth of the local community near the airport.



KAC Sky Route Green Companion Project

Aligning Happiness: Promoting Employee Participation and Strengthening Partnership

We have established channels to collect opinions from various stakeholders to create a local community where everyone can satisfy. We support the development and nurturing of the aviation industry through the Korea National Defense University and Haulsarang Scholarship Foundation. In addition, we establish strategies for global social contribution activities by introducing our shared value creation model connected with overseas business. As such, we are working hard to deliver KAC’s good influence on people.

2

CONTENTS

- 2.1 Creating Fair Jobs
- 2.2 Creating Working-friendly Environment

Pleasant Work Environment

● Management Approach

KAC has worked hard to create a work environment that all employees can satisfy. Despite the crisis caused by the COVID-19, we have continuously tried to create quality jobs and promoted job stability for employees. In addition, we have strengthened the communication system within the organization and provided educational programs in order to promote participation in decision-making and improve work competency. Through this, we create an environment where the organization as well as employees create a positive impact on each other.

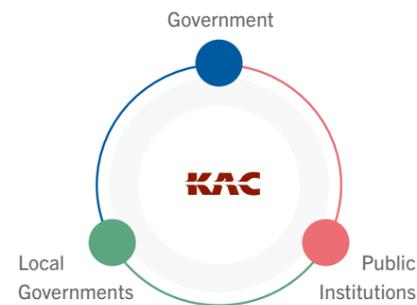
● 2020 Performance



● 2025 Next step

- Enhancing the level of sharing the internal vision
- NCS recruitment based on job competency
- Increasing number of KACoon beneficiary company
- Launching an in-house venture team and expanding commercialization

Creating Fair Jobs



Employee turnover rate of subsidiaries reduced by

50%

(2018; 9.71%, 2019; 8.36%, 2020; 4.85%)

ZERO

labor disputes of subsidiaries achieved

Creating New Jobs

At a time where new hires can be burdensome due to the prolonged pandemic and the subsequent decrease in profits, KAC has minimized vacancies by prioritizing hiring. A TF was formed for hiring new employees, arranging emergency workers, and keeping social distance rules to prevent the spread of the virus. As a result, we hired 164 new direct employees in 2020 through the first-half-year and second-half-year recruitments. We have also put efforts into securing hiring capacity by identifying job vacancies due to retirement, improving the shift work system, and conducting a preliminary survey on those who are planning to take a leave of absence or shorten working hours. In addition, by establishing cooperative governance with the government, local governments, and other public institutions, we have produced 1,053 jobs in the private sector on top of our direct hiring.

Efforts to create jobs in the private sector

● Government	● Local Governments	● Public Institutions
<ul style="list-style-type: none"> • [Ministry of Land, Infrastructure and Transport] Operating Aviation Job & Career Support Center • [Ministry of SMEs and Startups] Established a video conference room of the Business Incubation Center • [The Office of Education] Holding the Startup Contest for vocational high school students in Seoul 	<ul style="list-style-type: none"> • [Seoul Special City] Operating the social economy stores at Gimpo Intl. Airport • [Busan Metropolitan City] Recruiting senior supporters at Gimhae Intl. Airport • [Gangseo-gu] Providing jobs for vulnerable people at Gimpo Intl. Airport 	<ul style="list-style-type: none"> • [KISED] Providing the in-house venture commercialization funds, etc. • [JDC] Operating pop-up stores with small business owners at Jeju Intl. Airport • [K-SURE, etc.] Establishing the Display and Sales Market of export companies within the airport

Improving Employment Stability

The COVID-19 pandemic has caused a decrease in air passengers, deepened financial instability, and worsened the job insecurity of workers. However, KAC endeavored to eliminate the anxiety of our workers, not implementing any wage cuts or reduction in the labor force. Since 2017, we established three subsidiaries (KAC Airport Service Co., Ltd., Aviation Security Partners Co., Ltd., and Nambu Airport Service Co., Ltd.) to oversee the operations of airports, facility management, and security management, while preventing the outflow of specialist workers and securing job stability without wage reduction or internal staff adjustments. We also have provided essential quarantine supplies to prevent mass infections among field workers. Through the pre-employment screening system, we have analyzed the continuity and professionalism of jobs in order to minimize the number of contract workers. Due to these efforts, we reached 0.3% of contract workers, much lower than the average rate of 2.6% among other first-tier public institutions.

New Deal Start-up Power Plant, KACoon [🔗](#)

KACoon, a compound word of KAC and Cocoon, inspired by the transformation of a caterpillar coming out of a cocoon and turning into a butterfly through feeding, is KAC's startup powerplant to help a startup company develop into a unicorn company with our active support. In January 2019, four companies joined the "KAC Business Incubation Center" established at Gimpo Intl. Airport. There are now nine companies. KAC is committed to not only providing a physical location but also supporting the growth of startups and activating a startup ecosystem. To this end, we offer management consulting, provide a testbed, and hold investment attraction contests. As such, we will work hard to develop Korea's industry and realize social values by creating jobs through innovative technologies created by KACoon.

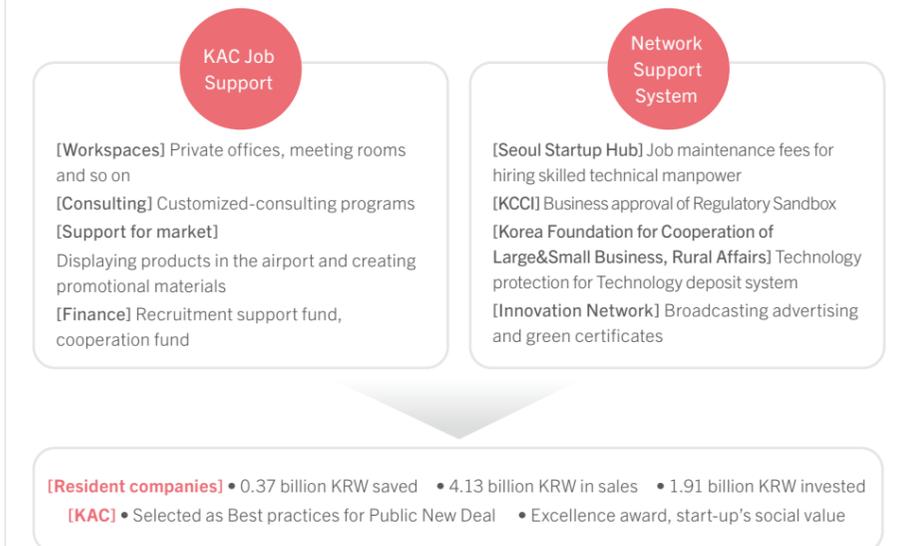


KACoon

End-to-end Service for Customized Founding

Support for start-ups	<ul style="list-style-type: none"> • Customized consulting service from experts and mentoring program • Expanding the size of offices and meeting room & support for free 	<ul style="list-style-type: none"> • New businesses of 10 companies • New recruitment of 71 employees (34 employees added)
Support for company operations	<ul style="list-style-type: none"> • Financial support for recruitment and Win-win Cooperation Fund • Support for markets displaying products and installing promotional materials 	<ul style="list-style-type: none"> • Attracted 4.13 billion KRW in sales • Attracted 1.91 billion KRW in investment
Operation of high-level business program	<ul style="list-style-type: none"> • Competition that targets vocational high schools in Seoul struggling to connect students with companies • Consulting programs and financial support for 10 teams • Online programs via Youtube and virtual meetings 	<ul style="list-style-type: none"> • Presented the best practices for non-contact competition
Operation of academy for prospective middle-aged entrepreneurs	<ul style="list-style-type: none"> • Coaching and mentoring programs for 12 weeks for early retired job seekers due to the technology change and economic crisis • Continuous support for graduates' workspace and investment attraction strategy 	<ul style="list-style-type: none"> • All participants successfully taking off (start-ups for 6 people, employment for 3 people)

KACoon's Integrated Support System



With KAC

Activated In-house Venture

KAC has been using the in-house venture system as our driving force to discover new businesses and create jobs. After evaluating the business plans of internal applicants and the preliminary incubation of selected excellent ideas, official in-house venture teams are launched to promote in-house businesses and spin-off start-ups. On August 1, 2021, we founded "With KAC" [🔗](#), an independent company that developed the technology of the UV-plasma sterilization system, and it was selected as an in-house venture operation company by the Ministry of SMEs and Startups.

Creating Working-friendly Environment

Employees' vision and shared value increased by

23.5% (3.49->4.31 points)

Active Communication

The anxiety and confusion caused by COVID-19 have affected KAC deeply. To overcome the crisis and unite all employees' minds, KAC has strengthened our communications management. We are now focused on fundamental matters such as managing CEO meetings, operating the committee, and hosting conferences for officials in the aviation industry. In addition, KAC highlights sympathetic communication in consideration of the status by holding all employees' participatory virtual concert.

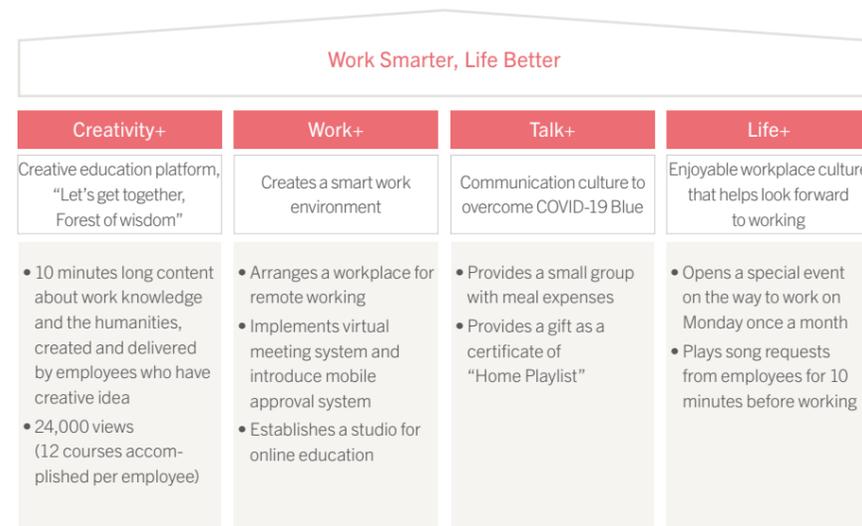
Basic Communication	<ul style="list-style-type: none"> Holds CEO meeting online and operate Emergency Management and New deal Promotion committee Field management mentoring from executives of Vision conference Vision Rolling working group (21 times)
Non-contact and digital Communication	<ul style="list-style-type: none"> All employees' participatory vision and sympathy concerts (2,200 views, 113 participants) Delivers a message to encourage the public through 6 types of the media ("Korea, Back to Normal" reaching 12 million views)
Sympathetic and considerate communication	<ul style="list-style-type: none"> Vision share Food truck in local airport Donates the government reward of 34 million KRW to a local business voucher, Food bank Hosts conferences with aviation officials

Innovative Organizational Culture and Work

With the goal of transition to participatory culture and creating a working friendly environment, KAC is committed to promoting an organizational culture that motivates employees. After forming an innovative organizational culture TF led by the CEO, we declared the promotion directions of "Creativity+", "Work+", "Talk+", and "Life+" under the slogan of "Work Smarter, Life Better" in order to exchange ideas with employees. In addition, based on trust in employees and transparent management, we are creating a "F.U.N" (Flexible, Unique, No-Corruption) working environment. Going forward, we will work hard to cherish and listen to all employees' opinions and create a workplace that all members can satisfy.



Let's get together, Forest of wisdom



Flexible	Flexible work environment that respects employees' autonomy and responsibility	
	Spin-offs and remote working increased by 7.5 times - Shift work: 352 cases (129 cases in 2019) - (KAC's first) remote working: 618 cases (zero in 2019)	Improved work practices - Implements PC-OFF 3 days a week nationwide - Creates guidelines for shift working and reinforces manpower
Unique	Accumulates assets at work based on collective intelligence and simplifies task	
	Wikipedia-type electronics job manual "The Principle of Working" - Wikipedia-type job manual where solutions are instantly provided - Available for all employees to write, modify, and update the manual	Idea Seed Farm, "i-Farm" - Discovers and conducts tasks to simplify management work, indicating more than 80% of employees' consensus (4 cases)
No-Corruption	Promotes public confidence based on transparent organization and personnel management	
	Highly aware of abusing power practices - Creates fair trade compliance program, protects corporate complaints and declares the service charter	ZERO corruption and sexism at work - Internalizes employees' ethical awareness (Human Rights-stagram, Impact Assessment of Human Rights)

Establishment of Education System for Nurturing Future Talents

We provide curriculums related to 4 industries of the future such as smart airport, new airport construction, overseas business, and UAM and drones. We also offer courses for improving essential capability such as language, smart work skills, and innovative thinking. We are also providing educational programs required to realize successful digital transformation of the work environment, such as AR, VR, AI, and coding. Also, we are utilizing various educational methods to identify the needs of employees and resolve issues concerning non-contact education in line with the change of the times. We established an infrastructure for creating digital textbooks, "Next-generation Learning Management System," and online education platform based on metaverse. In this regard, we put a lot of effort into providing online education for lecturers to develop their techniques in order to boost education effects.

Moreover, in collaboration with Korea Aerospace University, we have contributed to the development of the international aviation industry and raised our nation's status to a higher level in the aviation industry by selecting 75 talented people from developing countries and implementing scholarship projects for those taking a master's degree in Aviation Management.



Establishment of next-generation integrated education management system (LMS)



Operation of the curriculum using Metabus



Scholarship projects for those from developing countries taking a master's degree in Aviation Management

SPECIAL PAGE



Go together, Value Happiness



KAC is creating our airports into a platform where small business owners and socioeconomic organizations can grow together. We will move faster to create a society where various kinds of companies can cooperate with each other, connecting people with people as well as people with values.

Values We Find Together, Value Happiness

Due to the prolonged COVID-19 pandemic, many small business owners and socioeconomic organizations are faced with a lot of difficulties. Because of their limited budget for marketing and promotion, many good quality products are not given the chance to meet consumers in a proper manner. We have turned our attention to their voices for sustainable coexistence and recreated the airports, where many people come and go, into a growth ladder for small business owners and socioeconomic organizations. When competitive products are discovered, we have been establishing special stalls or popup stores within resident companies to increase accessibility and profits.

We are hoping that this "Value Happiness Project" will help create a culture of value consumption in Korea. Value consumption has recently garnered a lot of attention as a means of "Meaning out," a compound word of "meaning" and "coming out," to reveal one's beliefs towards social issues such as climate change as a consumer. This is a phenomenon that started after Generation MZ emerged as a major consumer group. We have been introducing the stories of the product or the brand to help consumers see how their consumer activities can have a positive impact on each other.

가치행복행



Heart
A heart that symbolizes value and happiness. It means excitement, expectation, and hope.



Airplane
Symbol of KAC.



45 degree angle
Expressing the state of advancing toward the sky. It symbolizes future-oriented thinking and identity.



Pink
Showing love and tolerance. It symbolizes sweetness, humor, cuteness, and kindness.



行
"行 (Go to)" means moving forward and starting.

Value Happiness Special Exhibition

KAC is organizing the "Value Happiness Special Exhibition" for socioeconomic organizations and small business owners to sell value products at pop-up stores in the airport. By discovering socioeconomic organizations with high growth potentials and using the airport infrastructure to support sales channels and promotions, we are spreading the social economy values around the country. In addition, we are supporting small business owners who sell good quality products and providing attractive incentives for resident companies to draw their participation and win-win growth. In 2020, the exhibition was held at major airports such as Gimpo Intl. Airport, Gimhae Intl. Airport and Jeju Intl. Airport. In 2021, we have expanded the operation to medium-sized airports with strong regional characteristics. Through our "Value Happiness Special Exhibition," a total of 164 companies have discovered new markets and sold 411 value products. In addition, we are connecting with shop-in-shop stores based on appropriate consumer purchase types and data analysis.



Value Happiness Shop-in-Shop

"Value Happiness Shop-in-Shop" is a project to install a display counter dedicated for small business owners and socioeconomic organizations at our airport resident companies. It is a means of addressing the lack of awareness and the burden of commissions so products can be sold through these channels at low commissions. Since a wide variety of products that are hard to come by are getting displayed, passengers have been enjoying shopping during their free time while they wait for boarding, and

consumer satisfaction has improved since good quality products are provided. "Shop-in-Shop" is the result of win-win growth and coexistence as KAC works hard to create social values, providing opportunities for local specialty and travel goods stores to launch at our airports. We will continue to seek ways to expand support from various angles so that more benefits can be given to small business owners, socioeconomic organizations, and existing stores.



Dedicated Permanent Stores

For value products of socioeconomic organizations that have proved their competitiveness through the "Special Exhibition" and "Shop-in-Shop," KAC is operating dedicated permanent stores so the products can be consumed more stably. These include the Special Store in Gimpo, Galmegi Store in Gimhae, and Value Jeju Store in Jeju Intl. Airport. For Value Jeju Store In particular, Value Jeju Store has been created to promote the export of products of SMEs. Also we have established the sales promotion halls for export commodities in cooperation with JDC and K-SURE based on their core capabilities. We are also supporting to not only exploring markets and but also promoting the growth of social economy organizations through various incubating projects.



- 1 Special Store in Gimpo
- 2 Galmegi Store in Gimhae
- 3 Value Jeju Store
- 4 Cheongju Intl. Airport special exhibition

ESG REPORT

Section.1 Environment

Environmental Policy

As global climate change affects our daily life, management activities that lower the increased global temperature and minimize environmental risks have drawn huge attention. The emergence of CORSIA is one of the most representative policies requested by stakeholders to businesses. KAC is applying strategic environmental management that the government and people pursue. In particular, we put a lot of efforts into supporting the introduction of eco-friendly aircrafts and expansion of green infrastructure to ultimately achieve carbon neutrality.

Roles of Board of Directors and Management

KAC considers climate change as a crucial crisis and manages the issue under the board of directors and CEO. If the management activities that KAC is pursuing are highly likely to affect the environment, the board of directors choose the agenda to discuss with other directors. Once it is considered inappropriate, the business department cooperates with diverse related departments and external organizations to set a new plan and review its appropriateness. In addition, the Social Value Committee under the CEO reviews businesses in detail and leads their resolutions related to the Green New Deal and the promotion plan for environment management. For more specialized decision making, we set up “ESG Management Committee” to improve its function. We will devote ourselves to stable response measures for climate change and environmental management under the board of directors.

Identifying and Responding to Environmental Risks

KAC has identified transition and physical risks caused by climate change, listed potential opportunities, and monitored its financial impacts of business linkages.

The transition risks defined by us refer to changes of policies, regulations, technology, and markets as well as impacts of reputation in the implementation of low carbon policies. We have implemented the Target Management System (TMS) and Korea Emissions Trading Scheme (ETS) to achieve our goal of reducing greenhouse gas emissions. To expand the scope for applying the revisions of Emission Trading Act that will be implemented in August 2021, we have provided consulting and verification services for newly developing and managing greenhouse gas inventory and offered related education programs. In addition, we have built a high-efficiency and renewable infrastructure to reduce GHG emissions in the mid to long-term by increasing the number of eco-friendly vehicles and charging stations.

Meanwhile, the physical risks refer to acute and chronic risks caused by abnormal climate weather and extreme weather events caused by climate change. We are preparing for disasters caused by climate change by developing our in-house integrated disaster safety system and introducing high-end equipment such as highly efficient snowplows.

We have committed to improving the budget management system to implement environmental management initiatives and minimizing the financial risks involved in climate change response. As part of our efforts, we recently issued ESG bonds worth 30 billion KRW for eco-friendly projects.

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Environmental Policy

Climate Change Risks and Impacts

		Profit and Loss	Financial Impacts
Transition Risks	Short-term	Increase purchasing costs of carbon credit when the price of it increases or GHS emissions exceed above the standard	GHG emission liabilities increase when costs of carbon credit increase
		Increase expenses due to Greenhouse Gas Emissions Trading Scheme	Increase spending due to facility construction and related education
	Mid to long-term	Increase expenses of building a more high-efficiency and renewable infrastructure	Increase costs of establishing low-carbon facilities and expanding an infrastructure Brand value increase due to heightened awareness of being EGS, increase in intangible assets such as business rights, and ease of raising capital for expansion of new business
Physical Risks	Short-term	Increase expenses in damage restoration of airport facilities and compensation for workers	Damage to airport assets
	Mid to long-term	Increase costs to set more facilities and advanced systems to respond to climate change	

In August 2021, the government presented the draft version of 2050 Carbon Neutral Strategy. In line with the government's policies, we will take the lead in environmental management by increasing the use of electricity, hydrogen, and alternative fuels, enhancing energy efficiency, and creating green infrastructure. We will also promote the transition to a low-carbon and eco-friendly society through in-depth analysis of the 2050 Carbon Neutral Strategy.

Integrated Risk Management of Environment

KAC has taken the risks caused by climate change seriously. To resolve them, we have subdivided the risk areas for systematic management, established and continuously monitored a response organization and decision-making system. In particular, in case of severe disasters and emergencies, we rapidly respond to them through our integrated disaster control system that connects with internal and external related agencies and departments to share the situation. In addition, we continuously manage the system considering possible risks that could impact its business. We inspect air and water quality regularly and thoroughly conduct the Environmental Assessment and other preliminary investigations. Once risks are identified, we derive improvements in cooperation with the dedicated department and external professional organizations to educate and distribute them across the cooperation. Each department review environmental issues periodically and perform follow-up improvement activities. It is reported to the ESG Management Committee directly under the CEO to assess the progress.

Key Goal

KAC has overachieved the goal of reducing GHG emissions for 10 consecutive years by recording and managing the annual execution tasks of environmental management. In line with the government's 2050 Carbon Neutral Strategy, we have established and managed our goals to reduce GHG emissions and energy consumption. We will take a step ahead of an eco-friendly C.L.E.E.N. airport considering our responsibilities to building low-carbon infrastructure and providing incentives to encourage airlines to introduce electric aircrafts.

Airport Environment Management

Energy

Energy Consumption

Classification	Item	Unit	2018	2019	2020
Direct energy			286	253	197
Indirect energy		TJ	1,369	1,428	1,256
Total energy consumption			1,656	1,681	1,453
Capacity of Renewable Energy	Solar Power	kW	65	212	135
Operation Status of EV Charging Stations	High-Speed	Numbers	7	-	14

Greenhouse Gas

Greenhouse Gas

Classification	Item	Unit	2018	2019	2020
GHG Emissions	Direct (Scope 1)	tCO ₂ eq	15,539	13,706	10,642
	Indirect (Scope 2)		66,506	69,376	60,986
Total GHG emissions		tCO ₂ eq	82,045	83,082	71,628
Units of Emissions		tCO ₂ eq/ Net Profits (1 million KRW)	0.088	0.085	0.109
GHG reduction (Government's Target)		%	35(26)	39(28)	44(30)

Airport Carbon Point System

Classification	Unit	2018	2019	2020
Participating companies	Numbers	406	453	437
GHG reduction of Participating companies	tCO ₂ eq	406	239	525

Water and Wastewater

Water

Classification	Item	Unit	2018	2019	2020
Water Consumption	City water		640,153	615,636	576,009
	Underground water	Tons	518,850	499,797	462,553
	Heavy water		227,284	227,688	128,192
Total Consumption			1,386,287	1,343,121	1,166,754
Rate of Water Recycling		%	16.4	17.0	11.0

Water Quality and Wastewater

Classification	Item	Unit	2018	2019	2020
Water Quality ¹⁾	pH	-	6.7	7.1	7.2
	DO	ppm	2.7	3.1	4.4
	SS		16.9	10.3	8.6

1) Water quality (Gimpo)

Airport Environment Management

Water Quality and Wastewater

Classification	Item	Unit	2018	2019	2020
Water Quality ¹⁾	COD	ppm	11.5	17.7	8.6
	OIL	AER	134.6	63.4	27.5
Total wastewater discharged ²⁾		Tons	48.0	48.0	37.0

1) Water quality (Gimpo) 2) Wastewater discharge (Gimpo, Gimhae, Jeju)

Waste

Waste

Classification	Item	Unit	2018	2019	2020
Waste Discharge ¹⁾	General		4,861	4,264	3,232
	Designated	Tons	99	116	200
Total waste discharge			4,960	4,380	3,432

1) Excluding Air Route Traffic Facility Center and Civil Aviation Training Center

Air Quality

Air Quality and Indoor Air Quality

Classification	Item	Unit	2018	2019	2020
Air Quality ¹⁾	SO ₂		0.004	0.009	0.006
	NO ₂	ppm	0.050	0.038	0.036
	CO		0.7	0.8	0.5
	O ₃		0.021	0.006	0.008
	PM10	μg/m ³	25.4	43	37
	PM2.5		13	21	11
Indoor Air Quality ²⁾	PM10	μg/m ³	33.4	30.4	28.2
	CO ₂	ppm	528.8	509.7	524.4
	CO		0.7	1.0	0.9

1) Data from Gimpo Intl. Airport 2) Average for airports across the nation

Green Purchases

Green Products

Classification	Unit	2018	2019	2020
Green Products Purchases	%	82.0	81.0	84.0

Environmental Laws

Violation of Environmental Laws

Classification	Unit	2018	2019	2020
Number of Violation of Environmental Laws	Cases	0	0	0
Fine for Violation of Environmental Laws	KRW	0	0	0

Section.2 Social

Labor

Employment

KAC does not discriminate employees based on gender, age, religion, or educational background and guarantees the basic rights of employees. We minimize the discrepancy in the number of current permanent employees with strict management. In particular, we put a lot of efforts into increasing the percentage of female executives and managers. We are currently improving the operations of peak wage system to improve work immersion by distributing appropriate work. Also, we have established the re-employment system for retirees, offered re-employment consulting system, and provided specialized training to support their second life planning.

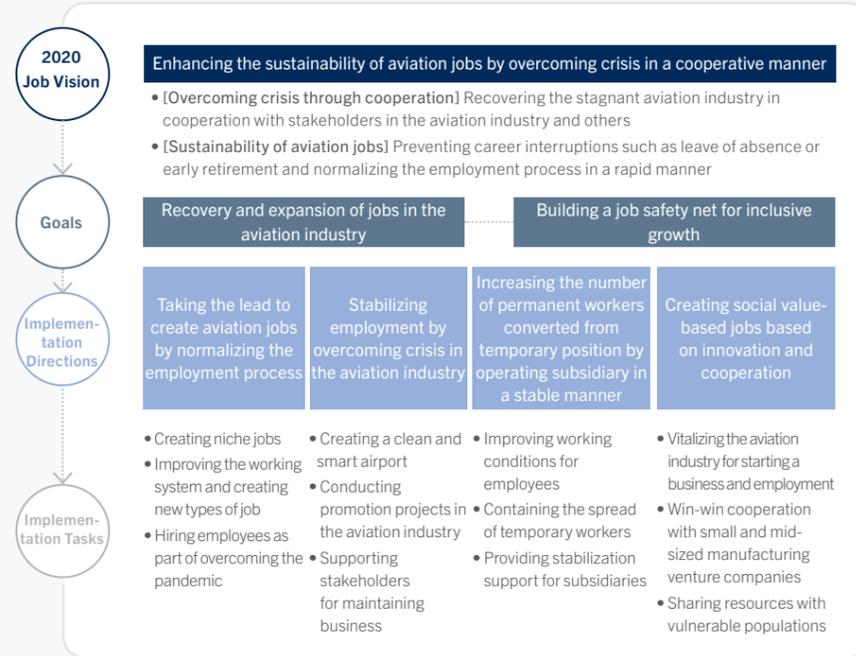
Employment

Classification	Unit	2018	2019	2020
Number of positions		2,510.00	2,586.00	2,646.75
Current number of employees		2,148.00	2,455.50	2,472.75
Regular retirements		48	60	57
Early voluntary retirements	Persons	10	5	11
Indefinite contract employees		8	7	5
Non-regular workers (direct employment)		14	4	6
Female employees		281	310	347
Female managers		18	18	24
Average years of service	Years	15	13	13

Job Creation Strategy

The shortage of quality jobs is one of severe social programs. To tackle this issue, the government has continuously established employment policies. As one of major public corporations, KAC has put its efforts to fulfill its social responsibility. In 2020, considering different interests in various industries, we have established our vision of employment, "Enhancing the sustainability of aviation jobs by overcoming the cooperative crisis." Various tasks have been selected according to the implementation directions such as normal recruitment of employees, reinforcement of job security, improvement of work environment, creation of social value jobs, and others. In particular, we have gained favor among recruiters by holding a non-fac-to-face recruitment fair and implementing a pre-registration system designed for them to input their language scores before their expiry date in consideration of the suspension of the language test. Going forward, we will continuously work hard to create quality jobs in a quantitative or qualitative manner. We will also build trust in the transparent employment process through NCS-based blind recruitment without discrimination of their education background and gender.

Labor



Full-time Employment

Classification	Unit	2018	2019	2020
Total new recruits		212	421	131
Youths		189	293	101
Women		55	41	26
Disabled	Persons	6	5	22
Local talent		79	292	67
High school graduates		19	97	14
Indefinite contract employees		0	4	1

Supporting a Work-Life Balance

KAC has implemented various policies to help employees balance their work and life. Since the year 2020, we have encouraged employees take advantage of their flexible working arrangements due to the COVID-19 pandemic. And we relieve the burden of childcare for employees with children aged 0 to 5 by providing day care in the workplace. In 2020, 63 employees have sent their children to childcare. In addition, we have provided a leave of absence to those who need to take a leave of absence due to child rearing or family care.

Parental Leave

Classification	Unit	2018	2019	2020
Parental leave (female)		19	25	28
Parental leave (male)	Persons	7	8	17
Total		26	33	45
Return rate of maternity leave	%	100	100	100

Labor

Flexible Working System

Classification	Item	Unit	2018	2019	2020
Part-time work			5.63	2.25	5.25
Flexible Working System	Flextime work	Persons	71	110	352
	Time-selective work		1,319	1,269	1,108
	Compressed work		36	21	5
Satisfaction with flexible working system ¹⁾		Points	4.28	4.28	4.16

1) Perfect score is 5 points

Welfare Benefits

KAC has operated a reasonable level of welfare expenses compared to labor costs. We have established the standards for proper welfare costs when inspecting the budget with external experts and prevented negligent management through follow-up inspections. As a result, we have implemented welfare benefits at a reasonable level compared to the average among first-tier public corporations for the last five years.

Welfare Benefit

Classification	Unit	2018	2019	2020
Welfare benefit	1 thousand KRW	2,815	2,836	2,842
Welfare satisfaction ¹⁾	Points	71.6	71.8	72.2

1) Perfect score is 100 points

Talent Development

In January of every year, KAC establishes the “Comprehensive Plan for Education Training and Its Detailed Plan” that reflect the evaluation results of the previous year and their improvements in order to nurture talents. In particular, we have completely re-established our HRD strategy to reflect the changing times affected by COVID-19, setting a “5-year roadmap for training global human resources to lead the world aviation industry.” In line with non-contact cultures, our training programs have been rapidly transitioned to online courses while an online studio is designed to provide our in-house e-learning content that meets the needs of employees in a timely manner. In addition, by increasing the level of immersion and its effectiveness, we have introduced the latest technologies such as metaverse in order to lay the foundation for nurturing unwavering future talents in the COVID-19 era. Through these efforts, we could be certified as one of the world’s top 20 aviation training institutions by the ICAO. Currently we expect positive synergy effects of winning new orders across from overseas. In 2020, we also achieved results by providing 39,396 trainees with a total of 967 courses.

Employee Training

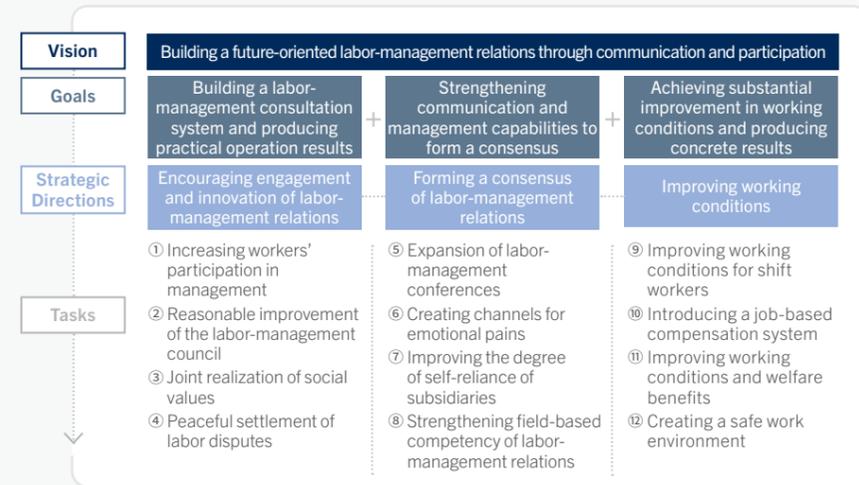
Classification	Item	Unit	2018	2019	2020
Training hours per person		Hours	116	114	124
Training budget per person		10 thousand KRW	174	149	99
Trainees by Position	Level 1	Persons	530	725	467
	Level 2		2,404	2,592	1,988
	Level 3		4,853	5,827	4,816
	Level 4		9,478	11,970	11,657
	Level 5 or below		12,342	19,707	20,468
	Total		29,607	40,821	39,396

Labor

Labor-Management Relations

Strategies for Labor-Management Relations

To build a sustainable business, we need to develop our labor-management culture into our organizational culture. In a rapidly changing business environment, it's not possible to continue our growth and development if we cannot build harmonious labor-management relations. Based on our mutual respect, KAC has set our vision, "Building a future-oriented labor-management relations through communication and participation" in order to build a cooperative labor-management relationship. In 2020, we increased workers' participation in management while improving the labor-management council rules. As such, we are currently overcoming the crisis caused by COVID-19 through a win-win labor-management collaboration. Going forward, we will be committed to earning employee's trust and support by promoting labor-management cooperation.



Labor-Management Communication Channels

KAC has diversified communication channels to listen to the voices of all employees. We have put our efforts into visiting the workplace to listen to their opinions, and hold several meetings such as Union Member Meeting, meeting among employees, Grievance Resolution Meeting, and others to avoid labor disputes and resolve grievance. In addition, various communication channels such as regular Labor-Management Council, ongoing working-level meetings, and Three-Party Labor-Management Joint Committee help maintain our multiple labor unions.

Labor Union

Classification	Unit	2018	2019	2020
Rate of joining the labor union	%	99.3	99.2	99.2
Those eligible for the labor union ¹⁾	Persons	2,259	2,237	2,249

1) All employees, except those at Level 2 and above, Level 3 team leaders, and a representatives of user profits, are eligible to join the labor union.

Labor-Management Performance¹⁾

Classification	Unit	2018	2019	2020
Labor-Management Cooperation Index		84.9	82.3	83.0
Labor-Management Communication Index	Points	78.6	75.4	76.0
Labor-Management Trust Index		83.2	78.4	79.0

1) Perfect score is 100 points

Labor

Employee Satisfaction

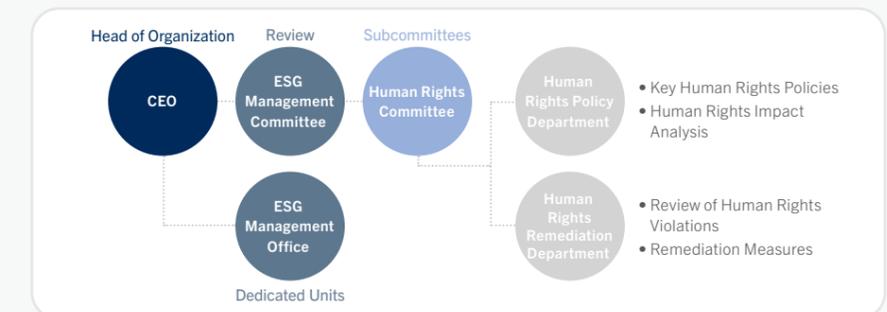
Classification	Item	Unit	2018	2019	2020
Employee satisfaction ¹⁾	Individual	Points	4.17	4.12	4.08
	Organization		4.17	4.08	4.01

1) Based on standard positions. Perfect score is 5 points

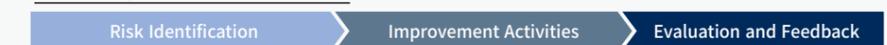
Human Rights

Human Rights Management Systems

In line with the public expectations of integrity fit for a public institution and the government's strategies to promote social value for inclusive growth, KAC is pursuing human rights management to secure external credibility based on a company-wide consensus. We have established the KAC Human Rights Charter and its guidelines in compliance with the UN Global Compact, the Universal Declaration of Human Rights, the ILO Conventions, "Guidelines for Human Rights Management and Checklist of the National Human Rights Commission" in Korea. In addition, we have been involved in improvement activities to resolve human rights risks. In particular, in 2020, with the goal of spreading human rights management where everyone can experience for oneself, we have actively enhanced our human rights sensitivity and reduced damages to human rights.



Human Rights Promotion Process



	Risk Identification	Improvement Activities	Evaluation and Feedback
Employee Self-Inspection	<ul style="list-style-type: none"> • Diagnosis by using the KAC Checklist (27) • Analysis of results for each checklist • Identification of related risks • Reviewing of influence and importance 	<ul style="list-style-type: none"> • Identification of risk-specific improvements • Consultation on improvements and its methods (with dedicated department or external professional institutions) • Improvement activities 	<ul style="list-style-type: none"> • Inspection of checklist and regular reporting of analysis results • Reporting of improvement results and reflecting on feedback
Dedicated Department Implementation	<ul style="list-style-type: none"> • Identification of vulnerable areas and potential risks • Regular inspection of company-wide human rights management risks • Investigation of human rights in areas related to various departments and implementation of impact evaluation 	<ul style="list-style-type: none"> • Consultation on improvements and its methods and sharing results • Establishment of company-wide human rights management implementation plans and management of indicators • Activities of improving human rights sensitivity through education and creation of culture & activities of sharing internally and externally 	<ul style="list-style-type: none"> • Collection and inspection of performance results related to human rights management • Reporting to the ESG Management Committee about human rights implementation plans, performance and getting feedback
Company-Wide Implementation and Management	<ul style="list-style-type: none"> • Inspection of risks through KAC Human Rights Charter, implementation guidelines and checklist • Reviewing of influence and importance • Conducting the Humans Rights Impact Evaluation and factual survey when implementing business 	<ul style="list-style-type: none"> • Identification of risk-specific improvements • Consultation on improvements and its methods (with dedicated department or external professional institutions) • Reflecting improvements for each department in advance or afterwards 	<ul style="list-style-type: none"> • Reporting to stakeholders, dedicated departments, and Social Value Committee and reflecting feedback • Sharing contents of risks and improvements with stakeholders

Human Rights

Counseling and Declaring

KAC has put its efforts into fulfilling our social responsibility in all management activities and prioritizing human dignity and value. The target is all stakeholders including employees, passengers, and residents, and we are actively working hard to aid them in case of human rights violations. We have appointed a professional human rights officer who is responsible for processing a report in KAC Sinmungo of our website where employees can select whether the contents of their reports are about human rights violation. In addition, we have other systems such as Red Whistle, an anonymous reporting system, grievance counseling, Employee Self-Service (ESS) and KAC Human rights Counseling Center located on the second floor of the headquarter.

Performance Measurement and Evaluation of Human Rights

Comprehensive Index of Human Rights Management

To identify the accurate performance of human rights activities, KAC has newly developed a Comprehensive Index of Human Rights Management. Thanks to professional advice from experts and easy quantification of measurement evaluation, a total of 31 items in 3 areas were finalized. Based on this, we scored 83.5 in the comprehensive index of human rights management in 2020. Going forward, we will seek and practice several ways to improve the score.

KAC Human Rights Impact Assessment

KAC has established its own human rights impact assessment system, a first as the public institution. This is a system that identifies actual and potential human rights risk factors that can affect human rights in business operations. Unlike the "Institution Operations and Human Rights Impact Assessments in Key Business" mostly performed by institutions, our human rights impact assessment system provides "human rights impact assessment for major business models" for evaluating the regulations of KAC and "self-control of major operations" for self-evaluation of the person in charge. In particular, "self-control of major operations" has been selected as an excellent example by the Human Rights Management Forum and included in the policy booklet of the National Human Rights Commission of Korea. In addition, in 2020, the overall operations of the Porty Care Service, a service for the mobility handicapped, was assessed by an external professional organization for the human rights impact.

Spread of Human Rights Culture

To spread the human rights culture within the organization, KAC has designated human rights education as a mandatory class. We also increase the number of hours for human rights education every year, focusing on workplace harassment and sexual harassment. In addition, to improve the awareness of employees towards human rights, we are involved in various activities such as Human Rights-tagram, quiz games, and card news.

Human Rights Performance

Classification	Unit	2018	2019	2020
Number of hours for human rights education per person	Hours	-	-	4
Number of reports of human rights violations	Cases	0	0	0
Number of relief cases of human rights violations	Cases	0	0	0

Occupational Safety and Health

Industrial Accidents

KAC eliminates harmful risk factors to protect human lives and property from industrial accidents. Also, we offer a safe and pleasant work environment by preventing accidents and occupation diseases. We provide industrial fall-protection airbags to compensate for negligence of workers working at high altitude and make it mandatory to wear it. As part of safety-focused management, we are implementing field safety inspection at the site visited by CEO and the management while actively holding the "4-4-4 safety inspection days" in compliance with the government policy. Also, we were involved in the Symbiosis Cooperation Program of the KOSHA and supported 1 billion KRW for improving the work environment. So, we measured the safety level of all workplaces and conducted safety diagnosis by specialized institutions. In addition, we offered customized consulting for each workplace. As a result, we have set the standard safety work methods by developing a new manual and work procedure. We have also unified a standardized safety management system at all 18 business areas nationwide. Due to our meticulous and strong management system, we have acquired the Disaster Mitigation Certification for best-run business as well as KOSHA-MS (Korea Occupational Safety and Health Agency-Management System) certification in Korea.

Airport Safety Accidents

Classification	Unit	2018	2019	2020
Number of ground safety accidents	Cases	14	7	5
Number of aerodrome facility failures		0	0	1

Industrial Accidents Management¹⁾

Classification	Unit	2018	2019	2020
Number of occupational accidents	Cases	2	1	0
Rate of occupational accidents	%	0.08	0.04	0.00

1) Based on parent company data

Occupational Safety Education

KAC has committed to creating a safe environment where all employees are involved and protected. We are performing the occupational safety education in compliance with the statutory & mandatory hours every year. We are also providing quality education content to employees of parent and subsidiary companies.

Shared Growth

Win-Win Cooperation

KAC is continuously purchasing products and services in hopes of growing together with social enterprises. In particular, we have established the “Advance Purchase System for the Disabled enterprise” to compensate for previous advance purchase system only focusing on one-time purchases and support their stable employment and growth. We are actively taking the lead to realize a fair economy by improving the systems and regulations that could be discovered, abolished, and improved in terms of unfair trade conditions in order to cut off all the sources of unfair transactions.

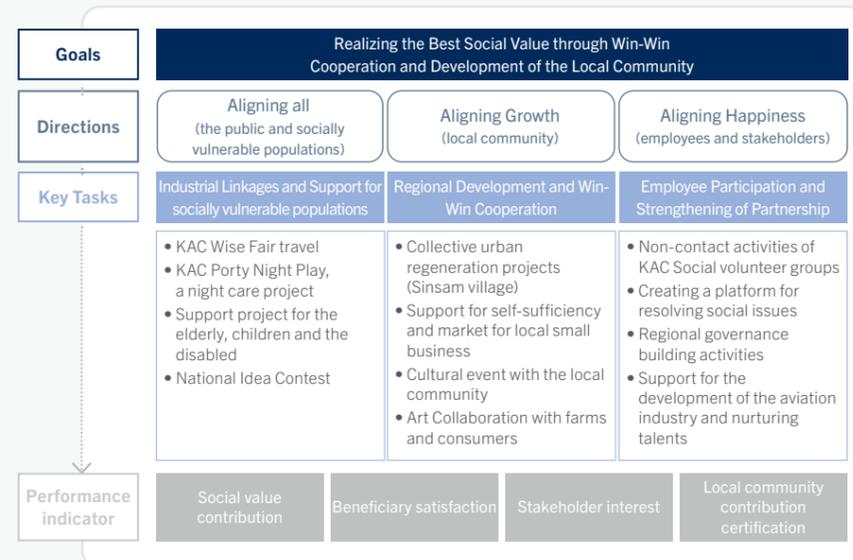
Win-Win Cooperation Purchase Amount

Classification	Item	Unit	2018	2019	2020
SMEs			519,735	395,068	269,657
Social enterprises	Social enterprises		4,296	8,776	12,645
	Social Sharing Cooperative		54	218	347
Disabled	Products of severely disabled	1 million KRW	3,221	5,494	4,278
	Standard workplaces for the disabled		1,530	2,656	4,170
	Disabled enterprises		3,184	2,868	4,031
Severely disabled/Men of national merit			164	176	114
Female-owned companies			75,115	72,636	29,028
Technology development			14,359	11,258	29,662

Social Contributions

Social Contribution System

The social responsibility requested by public institutions is increasing. KAC has established the Social Contribution System and promoted various social contribution activities in various directions. At the beginning of every year, we evaluate our social contribution activities of the previous year and identify improvements applied for the year. We have organized the Social Contribution Committee under the ESG Management Committee to pursue social contribution business in a fair and balanced manner.



Social Contributions

Social Contribution Activities

In order to relieve the suffering of the local community and the public due to COVID-19, KAC has made donations to healthcare workers and the underprivileged through “Local Economy Vitalization Fund” and involved in campaigns supporting healthcare workers with such hashtags as “#CheerUp #HealthcareWorkers.” In addition, we have provided financial support through the “Blue Lighthouse Donation Scholarship.” We have carried out various sharing activities by donating goods to surrounding areas near the airport and sharing Kimchi of love that could help the local community. We also donated the entire amount of the rewards received from the government to the local community when receiving the Presidential Citation for the “2020 Disaster Management Evaluation” and the Minister Prize for the “2020 GHG Reduction Performance Evaluation in the Public Sector” from the Ministry of Environment. We are continuously involved in various voluntary activities such as social welfare business, multicultural family support program, mentoring, and improvement activities for children’s study room. To this end, we have organized organization-wide social volunteer groups as well as dedicated department in a systematic manner.

Social Contributions

Classification	Item	Unit	2018	2019	2020
Volunteer work ¹⁾	Total service hours		28,251	23,080	4,215
	Average service hours per employee	Hours	14.3	10.2	10.8
	Participation rate	%	66.8	52.8	15.4
Donations ²⁾	Total donation amount	1 million KRW	3,175	3,422	2,972
	Ratio to sales	%	0.35	0.35	0.52

1) Volunteer work hours in 2020 reduced due to social distancing to prevent the spread of COVID-19.

2) The total amount of donations in 2020 decreased while the ratio to sales increased.

Customer

Customer Satisfaction System

We have customer service department for each regional headquarter in Seoul, Busan, and Jeju to collect customers’ opinions in a systematic manner and reflect them on our management activities. In addition, we provide other communication channels such as Civil Participation Innovation Group, customer surveys, Kakao Talk Plus Friend, Sinmungo (Ombudsman) for regulation improvement, and KAC Customer Satisfaction Center to listen to the demands of customers and improve customer satisfaction.

Customer Satisfaction Activities

KAC puts its unwavering efforts into providing the best airport service to customers. We have also worked hard to identify the demands of customers ahead of them while rapidly responding to social changes by strengthening quarantine services and providing more Non-contact services amid the pandemic. In addition, by developing the self-check-in kiosk for the mobility handicapped, we are continuously committed to improving service quality. We also take the lead to collect the demands for each customer and implement customized improvements in services where consumers can experience for oneself. As a result, we achieved a high score of 97.1 in the customer satisfaction survey of quarantine and hygiene management in response to the pandemic, a first in the institution. By reducing traffic congestion of Jeju Intl. Airport to solve the inconvenience of customers, we achieved a score of 95.6, an increase of 2.3 points from the previous year in our “Road Use Satisfaction” survey.

Customer

Customer Satisfaction

Classification	Unit	2018	2019	2020
PCSI (Public-Service Customer Satisfaction Index)	Grade	A	TOP	TOP
Average handling time of complaints	Hours	26h 16	24h 46	26h 56
Average handling time compliance rate	%	96.5	95.6	96.9

Information Security and Privacy

Cyber Security

KAC has established a remote system and newly formulated security policies to support a safe remote amid the COVID-19. We upgraded to Windows 10 from Window 7s and other OS that no longer provides technical support. In addition, we provide systematic security management solutions to prevent information leakage during service business. As a result, we achieved zero cyber incidents and received the grand prize at National Intelligence Service's Cyber Security Contest.

Cyber Security

Classification	Unit	2018	2019	2020
Incidents of violations	Cases	0	0	0

Privacy

KAC has strengthened its privacy inspection stages from 2 to 3 while managing the vulnerability history to create a safe environment for privacy. In addition, it has improved the management methods for each stage for processing privacy to prevent the problem of privacy leakage in advance. It has enhanced the protection of the airport management system by integrating firewalls distributed across the airports nationwide. As a result, it achieved zero personal information leakage accidents and the highest rating in the Safety Personal Information Management Rating for 5 years in a row.

Privacy

Classification	Unit	2018	2019	2020
Personal information leakage	Cases	0	0	0

Section.3 Governance

Corporate Governance

BOD Composition

KAC operates a BOD (Board of Directors) as its top decision-making body, which deliberates on and resolves important management issues such as establishment of management goals and budgets and changes to the articles of association. The BOD consists of 6 executive members, including the CEO, and 7 non-executive members, and is chaired by the senior non-executive director. Those experts show a high degree of understanding in the fields of management, finance and accounting, architecture, public audit, labor management, public relations, and ICT convergence. Among the 13 board members, 6 of them are women to ensure the representation of women in corporate governance. In addition, female directors are appointed for 2 years in a row, a first as the public institution.

New directors will be appointed through the Director Recommendation Committee in accordance with the law. There is no discrimination in gender, religion, race, nationality, etc. in the selection process, and candidates go through fair screening and procedures. Related information is transparently disclosed through management disclosure.

BOD Composition

Oct. 2021

Classification	Name	Gender	Position and Career	Job Title
Executive Directors	Chang-Wan Son	Male	<ul style="list-style-type: none"> Standing Audit Committee Member, KORAIL President, Korean National Police University Director, Jeonbuk Provincial Police Agency 	CEO
	Young-Sun Park	Female	<ul style="list-style-type: none"> Advisor, Office of Member of the National Assembly Chief Policy Advisor, Minister of Gender Equality and Family Non-Executive Director, RTV 	Senior Audit Committee Member
	Myeong-Woon Kim	Male	<ul style="list-style-type: none"> Director, Daejeon Regional Office of Construction Management Director, Urban Planning Bureau, National Agency for Administrative City Construction Chief Manager, Ministry of Land, Infrastructure and Transport 	Executive Vice President
	Mi-Ae Lee	Female	<ul style="list-style-type: none"> Head, Air Business Division Head, Safety and Security Division Head, Operations Support Office 	Head of Strategy & Planning Div.
	Su-Bong Kim	Male	<ul style="list-style-type: none"> Head, Safety and Security Division Head, Jeju Regional Headquarters Head, Office of Personnel Management 	Head of Operations Div.
	Jong-Ho Lee	Male	<ul style="list-style-type: none"> Technical Director, Seoul Regional Headquarters Wonju Airport Manager Team leader, Education Support Team, Civil Aviation Training Center 	Head of Construction & Technology Div.

Corporate Governance

BOD Composition

Classification	Name	Gender	Position and Career	Area of Expertise
Non-Executive Directors	Eun-Jung Lee (BOD Chair)	Female	<ul style="list-style-type: none"> Professor, College of Economics & Finance, Hanyang University Research Professor, Seoul National University Leader, Research Team, Korea Corporate Governance Service (KCGS) 	Accounting & Finance
	Hae-Sun Park	Female	<ul style="list-style-type: none"> Professor, Department of Architecture, Inha Technical College Director, Inha Engineering Technology Education Center, Inha Technical College General Manager, SPACE GROUP 	Construction
	Bong-Woon Lee	Male	<ul style="list-style-type: none"> Chairman, South-North Economic Cooperation Co., Ltd. 2nd Deputy Mayor, Goyang-si, Gyeonggi-do CEO, Goyang International Flower Foundation 	Business Management
	Seung-Hyun Jo	Male	<ul style="list-style-type: none"> General Manager, Bureau of Public Administration and Security Audit, Second Deputy Secretary General, Board of Audit and Inspection General Manager, Bureau of Public Institution Audit, First Deputy Secretary General, Board of Audit and Inspection Auditor, Auditor's Office, Seoul Metropolitan Office of Education 	Audit
	Hak-Su Kim	Male	<ul style="list-style-type: none"> Professor, Graduate School of Management Technology, Hoseo University Public Interest Member, National Labor Relations Commission Head, Labor-Management Cooperation Team, SK Hynix 	Labor
	Yang-Hee Nam	Female	<ul style="list-style-type: none"> Vice Dean & Professor, College of Science & Industry Convergence, Ewha Womans University Member, Deliberation Committee for Special Regulatory Exceptions, Special Regulatory Free Zones Member, Data Operation Committee, Ministry of Land, Infrastructure and Transport 	ICT Convergence
	Yeong-Hei Nam	Female	<ul style="list-style-type: none"> Full-time Spokesperson, Democratic Party of Korea Special Member, National Balanced Development Committee Executive Officer, Secretary for Administration, Blue House 	Public Relations

BOD Operation

The BOD makes it a rule to hold a meeting once a month, and ad-hoc meetings are also held to review and resolve pending issues when necessary. Meetings are begun when a majority of the current members are present, and issues are decided by a majority vote of those present to ensure fair decision making. In addition, the BOD regulations stipulate that any directors who have conflicts of interest with a given agenda are not allowed to vote, to ensure transparent and objective decision-making. BOD meeting results are usually announced through "Alio," a management disclosure system for public organizations.

BOD Operation Performance

Classification	Unit	2018	2019	2020
Number of BOD meetings held	Times	18	16	19
BOD attendance rate	%	90.8	97.0	96.6
Number of agendas concluded	Items	43	31	46
Number of amended agendas concluded	Items	4	3	2
	%	5.9	5.7	2.9
Number of agendas reported	Items	25	22	23

BOD Operation

Participation of Non-Executive Directors in Management

Classification	Unit	2018	2019	2020
Management proposals	Items	31	39	22
Proposals reflected		31	39	22

Subcommittees

To promote professionalism and rationality in the decision-making process of the BOD, KAC operates the Innovation & Strategy Committee, Safety Committee, Budget & Investment Committee, and Audit Committee under the BOD. The Innovation & Strategy Committee and Safety Committee help strengthen its expertise in determining management goals and strategies while the Budget & Investment Committee and Audit Committee conduct, check and supervise business feasibility studies.

Innovation & Strategy Committee	Deliberation on mid to long-term management goals and regulations of organization and personnel
Budget & Investment Committee	Budget, settlement, and accounting & Deliberation on investment in new growth business
Safety Committee	Deliberation on safety regulations such as the Safety Management Responsibility Plan
Audit Committee	Accounting and business audit & enactment and revision of ethics regulations

Evaluation and Compensation

In accordance with the "Employee Salary Regulations" and the "Act on the Management of Public Institutions", KAC has fixed the basic salary of executive directors. They are also provided with performance-based bonus based on the comprehensive results of government's management performance evaluation of public institutions and internal management performance evaluation. To achieve transparency of the BOD, the salary details of executives and non-executive directors are often announced through "Alio," a management disclosure system for public organizations.

Ethical Management

Ethical Management System

KAC has established a mid- to long-term roadmap for ethical management and strengthened the driving force for ethical management according to the roadmap. The ESG Management Office which was reorganized in 2021 has engaged in educational programs, monitoring and disciplinary actions with Audit & Inspection Office and Integrity Inspection Department. ESG Management Committee has expanded based on its four strategies, highest level of integrity, routinization of transparent management, principles and compliance audits, and human rights-friendly management. Due to these efforts, its Integrity Citizen's system was selected as a best practice by of the Anti-Corruption and Civil Rights Commission, serving as an example to the public.

Ethical Management

Ethical Management Evaluation

KAC has practiced our ethical management through the public corporate integrity survey and anti-corruption policy analysis externally while conducting the self-integrity survey internally. In particular, our grade has continuously risen in terms of the public corporate integrity survey. In particular, the rating has increased every year in the survey. As a result, in 2020, we ranked second among other public institutions.

Ethical Management Evaluation

Classification	Unit	2018	2019	2020
(External) Comprehensive integrity of public institutions	Grade	4	3	2
(Internal) Result of self-assessment on integrity ¹⁾	Points	9.60	9.75	9.71

1) Perfect score is 10 points

Internalization of Ethical Practices

In order to internalize the ethical values and settle down the culture within the organization, KAC has provided stage-by-stage customized ethical education covering from employment to retirement. The curriculum includes comprehensive contents such as prohibition of entertainment and bribery, prohibition of intervening in the use of position, unfair personnel, and reporting of violations of the Code of Conduct to help establish a culture of integrity.

Ethical Training

Classification	Unit	2018	2019	2020
Number of ethical training participants	Persons	2,129	2,455	2,453
Ethical training per person	Hours	7.1	6.1	13.8

Code of Conduct

KAC has established a code of conduct to require all employees to follow them. They also need to take an anti-corruption and integrity pledge in case when they are newly employed, promoted, or assigned to another position. If they violate the pledge, their violations are reported to the officer of the code of conductor the Anti-Corruption & Civil Rights Commission. After their violations are confirmed, the officer should report them to the CEO or standing member of the audit committee. Therefore, the employees who violate the code of ethics shoulder responsibility for their acts through disciplinary actions.

Code of Conduct

Classification	Unit	2018	2019	2020
Violations of code of conduct	Cases	25	11	8
Corruption and bribery		0	0	0

Section.4 Economic

Finance

Summarized Financial Position

Classification	Unit	2018	2019	2020
Assets	Current assets	368,224	301,589	203,653
	Non-current assets	4,291,473	4,350,735	4,566,022
	Total assets	4,659,697	4,652,324	4,769,675
Liabilities	Current liabilities	260,636	255,250	236,034
	Non-current liabilities	140,784	153,678	495,702
	Total liabilities	401,420	408,928	731,736
Equity	Capital (A)	2,357,766	2,357,766	2,357,766
	Others (B)	1,900,511	1,885,630	1,680,173
	(Net income (loss) attributable to owners (A+B))	4,258,277	4,243,396	4,037,939
	Total equity	4,258,277	4,243,396	4,037,939
		1 million KRW		

Summarized Income Statements

Classification	Unit	2018	2019	2020
Revenue (sales)		912,259	970,949	580,350
Net sales		647,030	720,598	716,386
Cost of sales		110,128	121,860	124,937
SG&A		155,101	128,491	-260,973
Operating profit		13,629	16,970	82,436
Other income	1 million KRW	9,045	87,165	9,668
Other expenses		-1,777	-8,584	-946
Other gains (losses)		10,439	5,702	5,557
Financial income		2,913	3,581	6,667
Financial costs		165,434	51,833	-190,261
Profit accounted for using the equity method, etc.		39,553	32,995	-41,602
Net income before corporate tax		125,881	18,838	-148,659

Finance

Summarized Income Statements

Classification	Unit	2018	2019	2020
Other comprehensive income		-6,031	704	-16,424
Total comprehensive income		119,850	19,542	-165,083
Net Income for the period attributable to equity holders of the parent entity	1 million KRW	125,881	18,838	-148,659
Net Income for the period attributable to non-controlling interest		-	-	-
Ratio of net profit to net sales	%	13.8	1.94	-25.62
Equity turnover ratio		21.42	22.88	14.37

Airport Operation

Passenger Traffic

Classification	Unit	2018	2019	2020
Domestic flights		6,347	6,618	5,062
International flights	10 thousand persons	1,879	2,032	236
Total		8,226	8,650	5,298

Cargo Traffic

Classification	Unit	2018	2019	2020
Cargo traffic	1 thousand tons	797	768	398

Research & Development

Classification	Unit	2018	2019	2020
Number of patent applications (accumulative)		229	214	224
Number of international patent applications (accumulative)	Cases	53	58	58

APPENDIX

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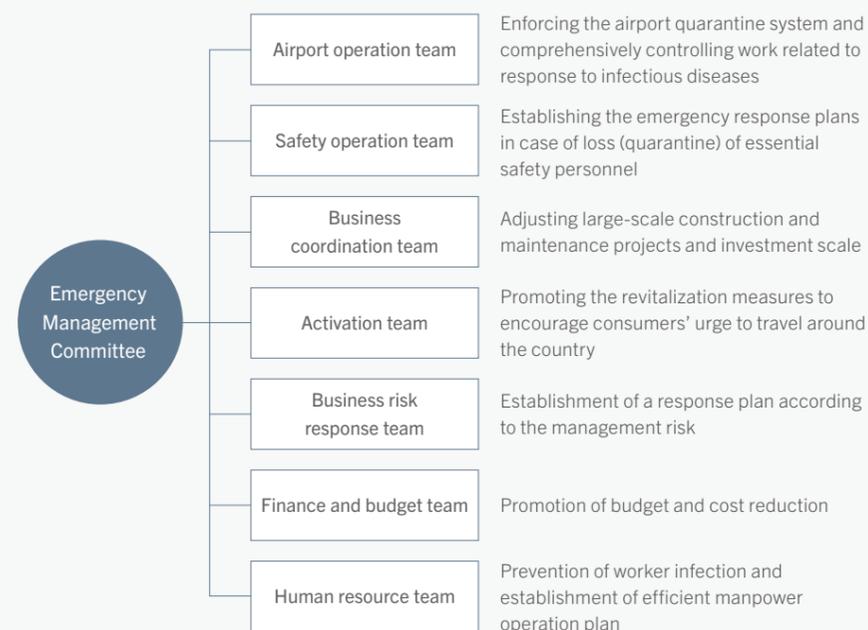
Risk Management

Risk Management System

Through an organization-wide risk management system, KAC is preemptively responding to various risks to minimize the damage to management. We categorize risk into four areas that we are facing - management, disaster, communication, and conflict risk. Risk management is led by the CRO (Chief Risk Officer), who is the executive vice president, the general risk management department, and teams dedicated to responding to each risk category in a rapid manner.

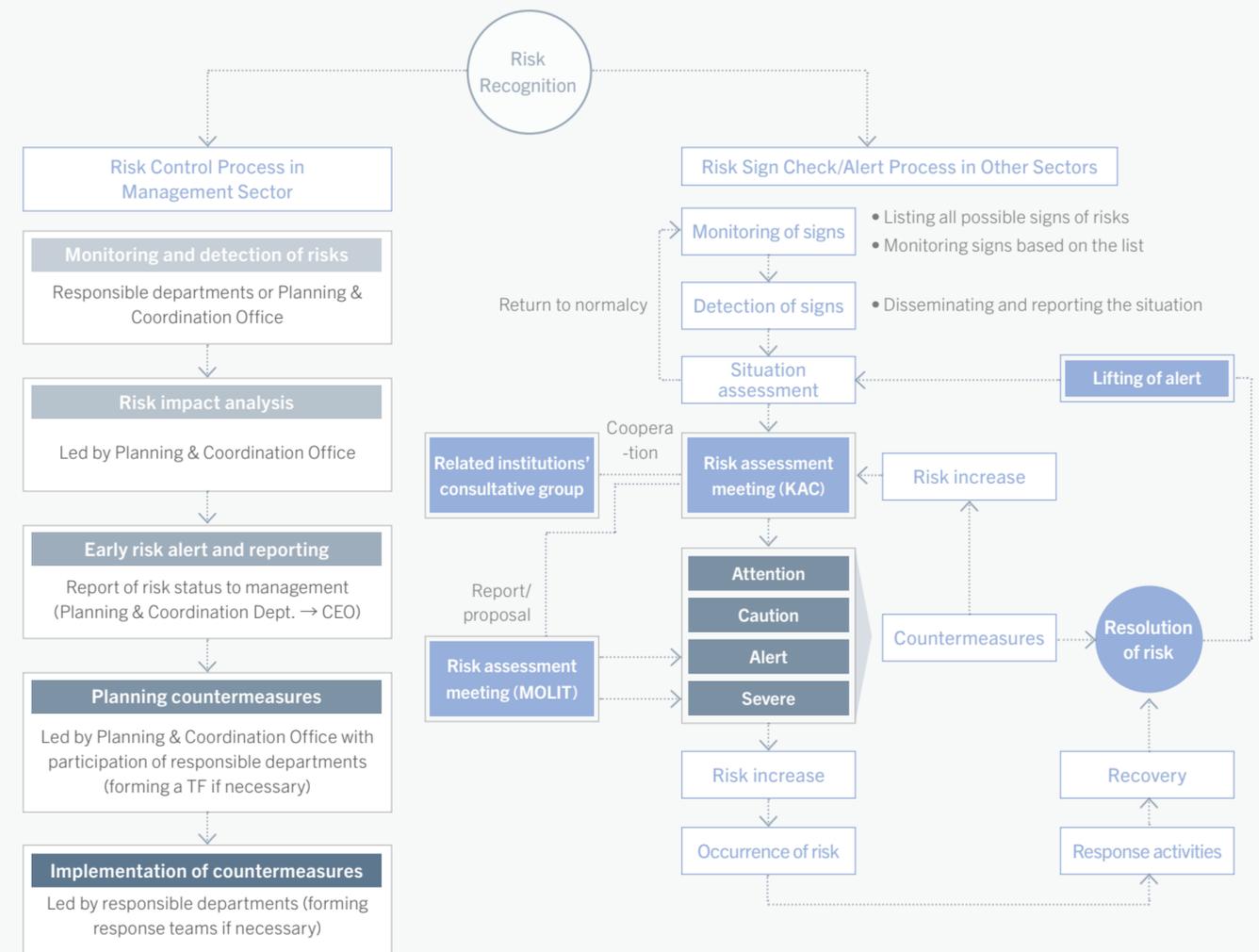
Management Risks	Natural Disaster Risks	Communication Risks	Conflict Risks
Reduced rent due to changes in travel trends and stagnant passenger demand caused by a lack of airport space	Natural disasters (e.g., typhoons, heavy snow, earthquakes), aircraft accidents, and air navigation system failure	Damage to corporate reputation due to incorrect, exaggerated, or negative news reports	Labor-management conflicts, civil complaints about noise, and labor-management conflicts at airlines

We have set the emergency management committee led by the CEO and Enterprise Risk Management (ERM) system in place to overcome the unprecedented crisis due to the spread of the COVID-19 and minimize financial risks. In addition, we are operating the COVID-19 Countermeasures Headquarters for quarantine management to strengthen the COVID management system.



Risk Management Process

We have adopted preemptive measures in order to control the management risks but manage the other categories of risk through follow-up responses. Regarding management risks, which require sensitive and rapid preemptive recognition, the Planning & Coordination Department has enacted a comprehensive response system. As for other risks, KAC implements urgent response activities aimed at minimizing damage when risks occur.



TCFD (Task Force on Climate-related Financial Disclosures)

Recommendations and Supporting Recommended Disclosures		Page
Governance		
A	Describe the board's oversight of climate-related risks and opportunities.	75
B	Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy		
A	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	75~76
B	Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	
C	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management		
A	Describe the organization's processes for identifying and assessing climate-related risks.	76
B	Describe the organization's processes for managing climate-related risks.	
C	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets		
A	Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	76~78
B	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
C	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

SASB (Sustainability Accounting Standards Board)

SASB Sector: Professional and Commercial Service			
Topic	Code	Unit	KAC Response
Topic: Data Security			
Description of approach to identifying and addressing data security risks	SV-PS 230a.1	N/A	KAC is committed to preemptively eliminating the vulnerabilities of personal information management to prevent damage by personal information leakage. We create a safe environment for personal information by lifting the level of personal information inspection from stage 2 to 3, checking whether each department follows them, and eliminating the vulnerabilities. In addition, by improving the management methods for collection, use, consignment, and destruction of personal information, we prevent personal information leakage in an effective manner. In addition, we establish next-generation firewalls to fully protect information assets. We added applications to precisely detect cyber threats. To apply them across the company, we unified existing old firewalls into one, operating by ourselves instead of entrusting subcontractors. We also strengthen our internal and external monitoring system by blocking malicious URLs coming from outside.
Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS 230a.2	N/A	To reduce the risk of personal information misuse and leakage in advance, KAC has improve the management process in the information process for each stage. By inspecting the consent to collection and use of personal information on a monthly basis, we upgraded 4 of them. By continuously monitoring the forgery prevention technology of access records, we immediately respond to issues related to misuse and abuse cases. After conducting full investigation on entrusted subcontractors, we identified 4 new companies violating the regulations. We also destroy 10,000 cases of personal information after inspecting the PC for each department.
(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	SV-PS 230a.3	Number, Person, Percentage (%)	N/A
Topic: Workforce Diversity & Engagement			
Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	SV-PS 330a.1	%	(1) Female executives: 33.3 (2) Female regular employees: 13.5
(1) Voluntary and (2) involuntary turnover rate for employees	SV-PS 330a.2	%	N/A
Employee engagement as a percentage	SV-PS 330a.3	%	86.2 ¹⁾

1) 2020 internal member vision sharing score, perfect score is 5 points, converted

SASB (Sustainability Accounting Standards Board)

Topic	Code	Unit	KAC Response
Topic: Professional Integrity			
Description of approach to ensuring professional integrity	SV-PS 510a.1	N/A	KAC has established an ethical management goal of “Enhancing the Social Value of Public Institutions by Leading the Ethical management.” We also work hard to internalize ethical practice of employees and practice human rights management. Under the goal, we provide ethical sensitivity education and spread its culture while improving the code of ethics and unfair trade model to enhance internal norms and disclose information. By implementing the observation system of the BDO, we also enhance transparency and fairness. We strengthen the monitoring process for areas vulnerable to corruption and hold a meeting for customized integrity meeting for each generation to internalize the sense of anti-corruption and integrity.
Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS 510a.2	KRW	N/A
Activity Metrics			
Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	SV-PS-000.A	Persons	(1) 2,472.75 (2) 6 (3) 5 (Indefinite contract employees)
Employee hours worked	SV-PS-000.B	Hours	N/A

GRI Index

Topic Specific Standards-Economic Performance(GRI 100)			
Indicator	Contents		Page
Organizational profile	GRI 102-1	Name of the organization	12
	GRI 102-2	Activities, brands, products, and services	14~15
	GRI 102-3	Location of headquarters	12
	GRI 102-4	Location of operations	13, 46
	GRI 102-5	Ownership and legal form	12
	GRI 102-6	Markets served	16
	GRI 102-7	Scale of the organization	79
	GRI 102-8	Information on employees and other workers	16
	GRI 102-10	Significant changes to the organization and its supply chain	96~97
	GRI 102-11	Precautionary Principle or approach	104~105
	GRI 102-12	External initiatives	108
	GRI 102-13	Membership of associations	8~11
	Strategy	GRI 102-14	Statement from senior decision-maker
Ethics and integrity	GRI 102-16	Values, principles, standards, and norms of behavior	84
	GRI 102-17	Mechanisms for advice and concerns about ethics	89~91
Governance	GRI 102-18	Governance structure	75
	GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	24~25
	GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	91
	GRI 102-22	Composition of the highest governance body and its committees	89
	GRI 102-23	Chair of the highest governance body	90
	GRI 102-25	Conflicts of interest	90
	GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	75
	GRI 102-29	Identifying and managing economic, environmental, and social impacts	90
	GRI 102-31	Review of economic, environmental, and social topics	24~25
	GRI 102-33	Communicating critical concerns	
GRI 102-34	Nature and total number of critical concerns		

GRI Index

Topic Specific Standards-Economic Performance(GRI 100)

Indicator	Contents	Page
Stakeholder engagement	GRI 102-40 List of stakeholder groups	20~21
	GRI 102-41 Collective bargaining agreements	82
	GRI 102-42 Identifying and selecting stakeholders	20~21
	GRI 102-43 Approach to stakeholder engagement	
	GRI 102-44 Key topics and concerns raised	
Reporting practice	GRI 102-46 Defining report content and topic Boundaries	24~25
	GRI 102-47 List of material topics	ABOUT THIS REPORT
	GRI 102-49 Changes in reporting	
	GRI 102-50 Reporting period	
	GRI 102-51 Date of most recent report	
	GRI 102-52 Reporting cycle	
	GRI 102-53 Contact point for questions regarding the report	
	GRI 102-54 Claims of reporting in accordance with the GRI Standards	
	GRI 102-55 GRI Index	
GRI 102-56 External assurance	106~107	

Topic Specific Standards-Economic Performance(GRI 200)

Indicator	Contents	Page
Economic Performance	GRI 201-1 Direct economic value generated and distributed	93
	GRI 201-2 Financial implications and other risks and opportunities due to climate change	75
Indirect Economic Impacts	GRI 203-1 Infrastructure investments and services supported	26~73
Anti-corruption	GRI 205-1 Operations assessed for risks related to corruption	92
	GRI 205-2 Communication and training about anti-corruption policies and procedures	
	GRI 205-3 Confirmed incidents of corruption and actions taken	
Anti-competitive Behavior	GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	

Topic Specific Standards-Environmental Performance(GRI 300)

Indicator	Contents	Page
Energy	GRI 302-1 Energy consumption within the organization	77
Water and Effluent	GRI 303-5 Water consumption	
	GRI 305-1 Direct (Scope 1) GHG emissions	
Emissions	GRI 305-2 Energy indirect (Scope 2) GHG emissions	
	GRI 305-4 GHG emissions intensity	
	GRI 305-5 Reduction of GHG emissions	
Waste	GRI 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	78
	GRI 306-3 Waste generated	
	GRI 306-5 Waste directed to disposal	
Environmental Compliance	GRI 307-1 Non-compliance with environmental laws and regulations	

Topic Specific Standards-Social Performance(GRI 400)

Indicator	Contents	Page
Employment	GRI 401-1 New employee hires and employee turnover	79
	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	81
	GRI 401-3 Parental leave	80
Occupational Health and Safety	GRI 403-1 Occupational health and safety management system	32, 85
	GRI 403-2 Hazard identification, risk assessment, and incident investigation	
	GRI 403-3 Occupational health services	
	GRI 403-5 Worker training on occupational health and safety	
Training and Education	GRI 403-6 Promotion of worker health	81
	GRI 404-1 Average hours of training per year per employee	
Diversity and Equal Opportunity	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	69, 81
	GRI 405-1 Diversity of governance bodies and employees	79, 89~90
Freedom of Association and Collective Bargaining	GRI 412-1 Operations that have been subject to human rights reviews or impact assessments	83~84
	GRI 412-2 Employee training on human rights policies or procedures	
Local Communities	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	64, 86~87
Customer Privacy	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	29~33
Socioeconomic Compliance	GRI 419-1 Non-compliance with laws and regulations in the social and economic area	92

Sustainability Initiative

UN Global Compact (UNGC)

The UN Global Compact (UNGC) is a voluntary strategic policy initiative, providing practical engagement measures through aligning their operations and strategies with ten universally accepted principles in the four areas of human rights, labor, environment, and anti-corruption. Since we joined the UNGC in October 2007, we have been reporting the progress we have made. To encourage the fulfillment of corporate social responsibility and promote communication with stakeholders, this Report contains the performances as required according to the UNGC Advanced Level.

Criterion	Principle	Page
1	COP describes mainstreaming into corporate functions and business units.	12
2	COP describes value chain implementation.	104
3	COP describes robust commitments, strategies, or policies in the area of human rights.	83~84
4	COP describes effective management systems to integrate the human rights principles	83~84
5	COP describes effective monitoring and evaluation mechanisms of human rights integration.	83~84
6	COP describes robust commitments, strategies, or policies in the area of labor	79~83
7	COP describes effective management systems to integrate labor principles	79~83
8	COP describes effective monitoring and evaluation mechanisms for labor principal integration	79~83
9	COP describes robust commitments, strategies, or policies in the area of environmental stewardship	75~76
10	COP describes effective management systems to integrate environmental principles	75~76
11	COP describes effective monitoring and evaluation mechanisms for environmental stewardship.	75~76
12	COP describes robust commitments, strategies, or policies in the area of anti-corruption.	91~92
13	COP describes effective management systems for integrating anti-corruption principle.	91~92
14	COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.	91~92
15	COP describes core business contributions to UN goals and issues.	105
16	COP describes strategic social investments and philanthropy.	64, 86~87
17	COP describes advocacy and public policy engagement.	26~73
18	COP describes partnerships and collective action.	26~73
19	COP describes CEO commitment and leadership.	8~11
20	COP describes Board adoption and oversight.	89~91
21	COP describes stakeholder engagement.	20~23



UN Sustainable Development Goals (UN SDGs)

In September 2015, UN member states joined the UN Sustainable Development Goals (UN SDGs) to solve challenging issues of the international community to solve poverty and achieve the sustainable development. KAC supports the tasks presented by the UN and engages in various activities to reach the global standard.

		
	Public health and well-being	<ul style="list-style-type: none"> • Work and life balance • Non-monetary benefits • Employee healthcare • Diverse labor-management consultation • Response to COVID-19
	Quality education	<ul style="list-style-type: none"> • Porty Night Play Project • Career program • Domestic and overseas aviation talent development • HR development by job • Know-how to operate airports
	Gender equality and women's rights	<ul style="list-style-type: none"> • Development of female talent • Increase in the number of female members • Expansion of childcare leave
	Clean water and hygiene	<ul style="list-style-type: none"> • Water quality and emission control • Use of water saving device
	Sustainable energy	<ul style="list-style-type: none"> • Renewable energy • Transition to EV • Increase in EV charging stations • Replacement of LED indoor lights
	Quality jobs	<ul style="list-style-type: none"> • Operation of KACoon, our Youth startup incubation center • Organization, communication, and system for transition workers • Support for SMEs • Continuous creation and management of jobs in the private sector • Provision of airport jobs for low-income class and the unemployed
	Social infrastructure Sustainable industrialization	<ul style="list-style-type: none"> • Improvements to airport infrastructure • Development of airport areas • Construction of new airports/overseas airports • Localization and exportation of air navigation systems
	Anti-discrimination	<ul style="list-style-type: none"> • Introduction and operation of the fair trade compliance program • Fair recruitment and HR practices • Consideration for the socially disadvantaged
	Sustainable cities and residences	<ul style="list-style-type: none"> • KAC Sky Route Green Companion • KAC Sky Dream Playground • UAM Vertiport contest • Support for noise reduction areas
	Sustainable consumption	<ul style="list-style-type: none"> • Operation of expansion of "Value Happiness" • Promotion of regional airports (air tourism)
	Response to climate change	<ul style="list-style-type: none"> • Climate change adaptation action plan • Low-carbon infrastructure • Green airports, environmental protection campaign • Promotion of the carbon credit system
	Global partnerships	<ul style="list-style-type: none"> • Support and participation in UNGC • Spread of know-how of airport operations

Third Party Verification Statement

To readers of 2021 KAC Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by Korea Airports Corporation (KAC) to conduct an independent assurance of its 2021 KAC Sustainability Report (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of KAC. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with KAC and issue an assurance statement.

Scope and Standards

KAC described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team. Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process. We also confirmed that the report was prepared in accordance with the TCFD recommendations and SASB.

- | | |
|--|--|
| <ul style="list-style-type: none"> ■ GRI Sustainability Reporting Standards ■ Universal standards ■ Topic specific standards <ul style="list-style-type: none"> - Management approach - GRI 305: Emissions - GRI 403: Occupational Health and Safety - GRI 412: Human Rights Assessment - GRI 413: Local Communities - GRI 418: Customer Privacy | <ul style="list-style-type: none"> ■ SASB Sustainability Disclosure Topics & Accounting Metrics ■ TCFD recommendations |
|--|--|

As for the reporting boundary, the engagement excludes the data and information of KAC's partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- | | |
|---|--|
| <ul style="list-style-type: none"> ■ reviewed the overall Report; ■ reviewed materiality assessment methodology and the assessment report; ■ evaluated sustainability strategies, performance data management system, and processes; | <ul style="list-style-type: none"> ■ interviewed people in charge of preparing the Report; ■ reviewed the reliability of the Report's performance data and conducted data sampling; ■ assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases. |
|---|--|

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by KAC to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with KAC on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity	KAC has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.
Materiality	KAC has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.
Responsiveness	KAC prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of KAC's actions.
Impact	KAC identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021-2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with KAC and did not provide any services to KAC that could compromise the independence of our work.

Oct. 2021 Seoul, Korea

Awards & Memberships

Awards

Awards	Granted by
2020 Disaster Management Evaluation Presidential Commendation Award (3 years in a row)	Ministry of the Interior and Safety
2020 Patriots and Veterans Month Award	Ministry of Patriots and Veterans Affairs
2020 ATRS ranked first in Asia by size of airport operation efficiency evaluation (Gimhae Intl. Airport, Jeju Intl. Airport)	Air Transport Research Society
2020 Korea Consumer Awards, Best Social Value Realization Award (2 years in a row)	Korea Consumer Association
Winning the Minister of Employment and Labor Award at the Social Value Creation Contest for Public Institutions	Ministry of Employment and Labor
Winning the Minister of Trade, Industry and Energy Award for Sustainable Management Merit	Ministry of the Trade, Industry and Energy
Evaluation of Greenhouse Gas and Energy Reduction Performance in the Public Sector Awarded by the Minister of Environment	Ministry of Environment
Korea Green Climate Award Encouragement Award	National Assembly Forum on Climate Change
The Energy Saving Silver Award at the Green Apple Awards	The Green Organization
The UK International CSR Excellence Awards Silver Award	The Green Organization
Winning the Entrepreneurship Promotion Agency Award at the Entrepreneurship Social Value Competition	Korea Institute of Startup and Entrepreneurship Development
2020 Green City Seoul Mayor Award	Seoul Metropolitan Government
Korea Educational Donation Awards	Ministry of Education
Winning the 2020 Minister of Disaster Management and Evaluation based on the core of the country award	Ministry of Land, Infrastructure and Transport
Awarded for Best Practices in Active Administration	Ministry of Personnel Management, Office for Government Policy Coordination, Ministry of the Interior and Safety
Seoul Social Contribution Awards	Seoul Metropolitan Government

Memberships

Memberships			
ACI (Airports Council International)	UN Global Compact	The Institute of Internal Auditors	Korea Civil Aviation Association
ATRS (Air Transport Research Society)	Korea Occupational Safety and Health Agency	Korea Industrial Technology Association	The Korea Navigation Institute
EAAA (East Asian Airport Alliance)	BEST Forum: Business Ethics and Sustainability management for Top performance	Korea Fire Safety Conference	Navigation Safety Technology Association
ICAO Certification Aviation Security Training Center	Aviation Management Society of Korea	Korea Engineering & Consulting Association	International Contractors Association of Korea
ICAO TRAINAIR PLUS RTCE	Korean Network on Anti-Corruption and Transparency	Korea Society of Air and Space Law and Policy	

Publishing History





FLY HIGH KOREA

2021 Korea Airports Corporation Sustainability Report

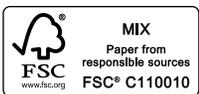
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