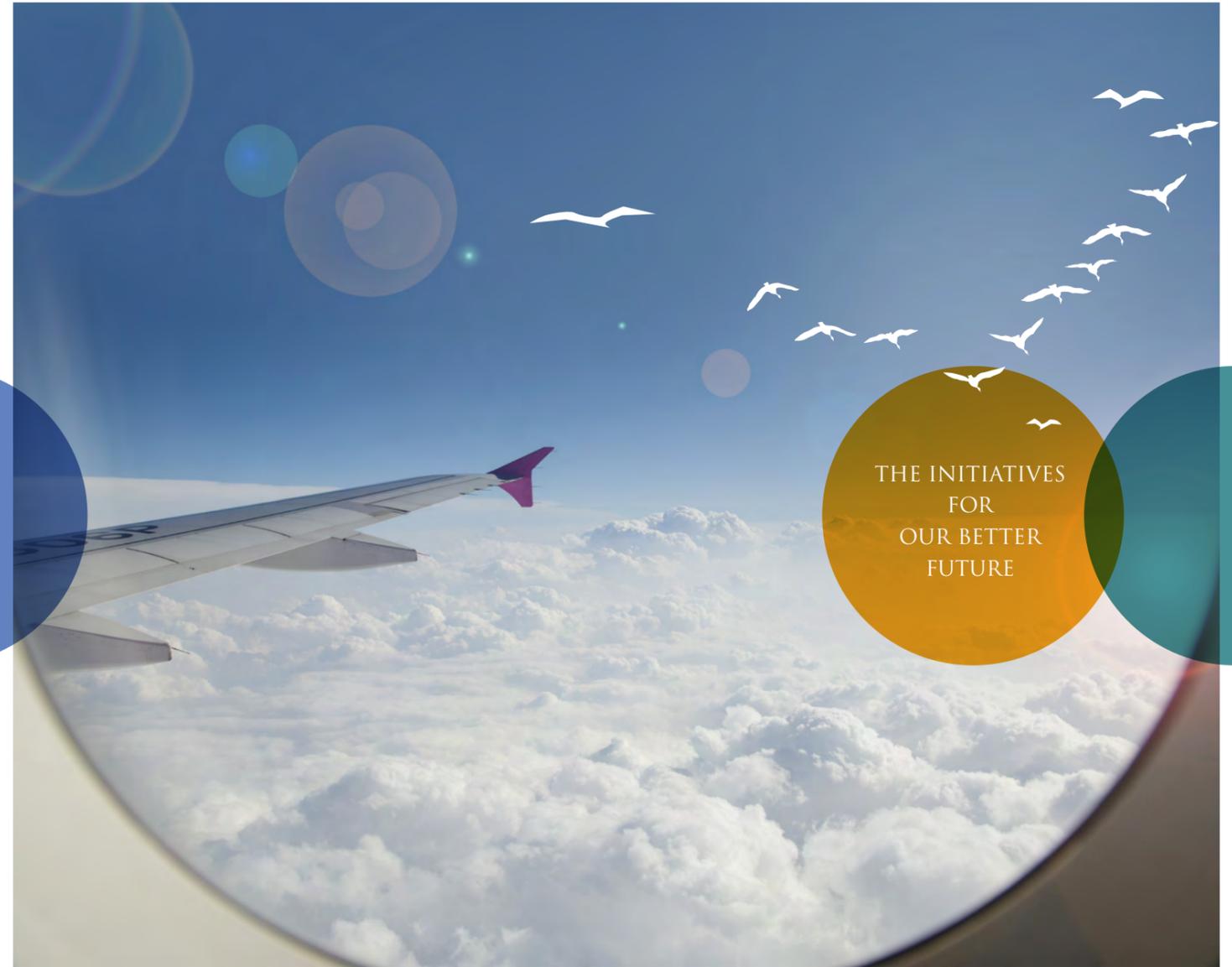


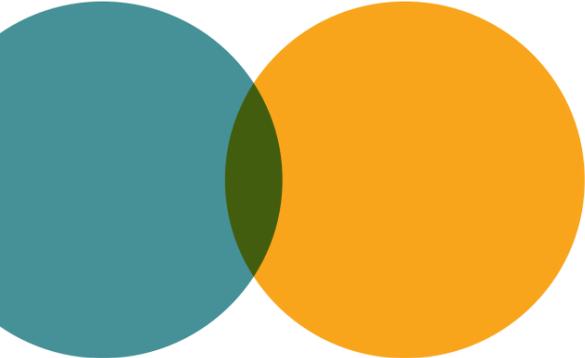
SOCIAL RESPONSIBILITY REPORT 2015



THE INITIATIVES
FOR
OUR BETTER
FUTURE



Incheon airport,
Loved by the World
Airport Corporation,
Trusted by the People





INCHEON INTERNATIONAL AIRPORT CORPORATION SOCIAL RESPONSIBILITY REPORT 2015

The IIAC has published its 8th annual SR Report to disclose its 2014 CSR performance to its stakeholders in a transparent fashion and thereby engage in meaningful communication with them.

ABOUT THIS REPORT

Reporting Standards

This report has been written in accordance with the globally-recognized reporting framework of the GRI (Global Reporting Initiative) G4 Guidelines and the Airport Operators Sector Disclosures - Core Option. 'Core Option' means that this report has been planned and organized around information that is deemed critical to the IIAC and its stakeholders.

Report Period

The contents of this report are based on the company's performance from Jan. 1 to Dec. 31, 2014. However, certain aspects of the company's performance up until March 2015 are included in the report as required by the materiality of the relevant information.

Scope of the Report

This report concerns the corporate social responsibility (CSR) activities of IIAC in all the areas in which it is engaged. To enable stakeholders to see the underlying trends, most of the quantitative performance includes the figures for the three years between 2012 and 2014.

External Assurance

To improve the accuracy and credibility of the contents of this report, IIAC underwent third-party verification by DNV GL, an independent external institution, and has reflected the agency's requests for an upgrade and improvement that need to be made in the report.

Additional Information and Feedback

Further information regarding this report can be viewed on the IIAC website. This report is available in both Korean and English.



COVER STORY
In keeping with the title of this Social Responsibility report - 'The Initiatives for Our Better Future' - circles painted in IIAC's CI colors partially overlap with each other to symbolize the partnership between IIAC and its stakeholders.

Website <http://www.airport.kr>
Address 424-, Gonghang-ro, Jung-gu, Incheon, 400-700, Republic of Korea
POC Sustainability Management Team, IIAC
TEL 82-32-741-2107~8
FAX 82-32-741-2330

CONTENTS

- 04 CEO Message
- 06 2014 Highlight
- 08 2014 in Picture

OUR APPROACH TO CSR

- 12 Company Overview
- 13 Vision & Strategy
- 16 Corporate Governance
- 18 Ethical Management
- 20 Stakeholder Engagement
- 22 SR Stakeholder Committee
- 24 Materiality Assessment

KEY ISSUES

28p — 33p — 37p — 42p — 47p — 52p — 57p

ISSUE 1. Convenient Airport	ISSUE 2. Safe Airport	ISSUE 3. Developing Airport	ISSUE 4. Low-carbon, Eco-friendly Airport	ISSUE 5. Win-Win Growth with Partners	ISSUE 6. Community Involvement & Development	ISSUE 7. Human Resource Management
--------------------------------	--------------------------	--------------------------------	--	--	---	---------------------------------------

APPENDIX

- 63 Performance Indicators
- 68 ISO 26000 Implementation Assessment
- 69 UNGC Advanced Level
- 70 GRI G4 Content Index
- 73 Awards & Organization Membership
- 74 Assurance Statement

CEO MESSAGE

The Initiatives for A Better Future!
IIAC Will Always Stand By You!

IIAC is developing into 'Incheon airport, Loved by the World ·
Airport Corporation, Trusted by the People'



Having enjoyed continuous growth since its opening, IIAC has established itself as the main gateway to Korea and as a hub of international trade, and now handles three quarters of the country's international travelers and a quarter of its cross-border trade. IIAC has been ranked No. 1 in Airport Service Quality (ASQ) by Airports Council International (ACI) for the tenth consecutive year (as of 2015), a first in the industry. IIAC also ranked second and eighth in worldwide cargo volume and passenger transportation, respectively - the company's best performance ever.

To develop into a leader in the global airport industry, IIAC will continue to pursue its dream of leading social responsibility in Korea on the basis of its stakeholders' robust trust combined with its exceptional commitment and enthusiasm. Under its master plan entitled 'Outstanding Target by 2017 - 0 to 5', IIAC has established four strategic directions to achieve its vision of becoming 'Incheon airport, Loved by the World · Airport Corporation, Trusted by the People'

First, we will create a Safe and Convenient Airport.

Airport safety and convenience is both a pledge and a basic responsibility toward our customers, something that must be pursued in earnest. In 2014, the IIAC recorded 2.9 million accident-free flights and zero aviation security incidents, thereby maintaining its defect-free safety and security record. Furthermore, following its introduction of the self-check-in procedure, the IIAC launched the self-bag drop service in 2014, completing its automated arrival and departure processes. With the adoption of one-stop check-in and smart airport operations, IIAC now provides its customers with superior services they can use rapidly and conveniently.

Second, we are enhancing our Hub Network.

To open up the era of 10 million transit passengers and 50 million total passengers, IIAC aims to further expand passenger demand by adopting diverse approaches such as implementing strategic marketing customized for targeted air carriers, opening new air routes, stimulating demand for merchandise, and expanding its LCC services. Through the continuous attraction of new air carriers and the expansion of its aviation network, IIAC is now directly connected to 184 cities in 54 countries via 88 air carriers, enhancing its status as one of the most popular hub airports in Northeast Asia. IIAC handled 45 million international passengers and 2.56 million tons of international cargo in 2014, setting new records in both areas.

Third, we will continue to build New Infrastructure.

Launched with the goal of becoming a hub airport in Northeast Asia, Incheon Airport's 3rd phase construction project is underway and scheduled for completion in 2017. The work is progressing smoothly with the interim progress rate surpassing the planned rate by 111% (end of 2014). IIAC has incorporated the concept of sustainability into its 3rd phase construction project and is building Eco-Green-Smart airport facilities equipped with cutting-edge information and communications technologies, thereby setting the standard for next-generation airports.

Fourth, we aim at becoming a Trusted, Respected Corporation.

Incheon Airport is run on the basis of collaboration between more than 550 entities including its business partners, government agencies, and resident businesses. As such, win-win cooperation with stakeholders is not only an invaluable asset at present but also a future value for IIAC. IIAC will fulfill its corporate social responsibility by taking a keen interest in its stakeholders' opinions and circumstances with the belief that all of the 40,000 people working at IIAC are one big family. IIAC has worked hard to internalize a corporate DNA of integrity by streamlining the systems related to integrity and building up strong culture of integrity among its employees. As a result, it has won the highest ranking (AAA) in the KoBEX-SM (Korean Business Ethics Index - Sustainability Management) for six consecutive years, and has consolidated its position as one of the most ethical companies in Korea.

In addition, IIAC has obtained the ISO 50001 Energy Management certification and the Airport Carbon Accreditation (Level 3) from the ACI (Airports Council International) for the first time in Korea. It is developing IIAC into an energy-independent, low-carbon, eco-friendly airport that minimizes its carbon emissions. IIAC has launched the 'Runway Teacher' education program, one of its representative social contribution programs designed to achieve shared growth with local communities, to help children in Incheon area to prepare for their future with confidence. Meanwhile, to contribute to the development of the country's sports culture, IIAC has also launched a professional badminton team called 'Skymons' whose members inspire the local community with vitality and liveliness in their own right.

Building upon its achievements to date, Incheon Airport has taken on a number of new challenges with passion and sincerity in a bid to develop into a genuinely global hub airport and a top-tier public company that is trusted by the Korean people. IIAC will continue to work hard to enable more Koreans and Korean enterprises to reach any part of the world easily and conveniently, and to make IIAC a springboard of opportunity and promise for global citizens who travel to Northeast Asia and help to shape its future. IIAC will strive to make IIAC the center of air transport across the world as well as a hub of hope for all.

I look forward to your continued interest and support for IIAC.

Thank you.

Park Wan-su
President and CEO of IIAC

2014 HIGHLIGHT

01 No. 1 in World Airport Service Evaluation (ASQ) for 10 Consecutive Years

IIAC ranked first among 267 airports around the world in the Airport Service Quality (ASQ) index for the tenth year in a row. Through its comprehensive introduction of a self-check-in system, among other innovations, IIAC has reduced its departure and arrival processing times to 38 minutes and 23 minutes, respectively.

02 The Largest Air Transportation Record

In 2014, IIAC attracted six new airlines for a total of 22 routes, and handled 44.91 million international passengers and 2.56 million tons of international cargo – thereby ranking 8th and 2nd in the world in terms of international passengers and international cargo, respectively. While the world's top ten airports achieved an average increase of 3.8% in the transportation of international passengers in 2014, IIAC recorded a 10.1% increase, an outstanding outcome in the industry.

03 Introduction of Service Performance Agreement (SPA)

In 2014, IIAC introduced the Service Performance Agreement (SPA) for its business partners at the airport to share the results of its business performance. In 2014, IIAC executed the agreement with 41 business partners and distributed KRW 6 billion to them according to a performance evaluation based on the profit sharing system.

04 Maintenance of the Top-tier Level of Safety and Security

In 2014, IIAC achieved the highest level of safety ever with only 0.35 ground accidents and 0.69 airport certification safety inspections, while operating a total of 2.9 million accident-free flights and running navigational aid and power supply facilities without interruption for 120,000 and 130,000 hours, respectively. IIAC also achieved the highest ranking in the National Disaster Management Evaluation, Korea for the fifth consecutive year; and was selected as the best agency in the Pan-National Disaster Response Safety Drill of Korea.

05 Successful Progress of the 3rd Phase Construction Project to Grow into a Hub Airport

IIAC surpassed the planned progress rate of the 3rd phase construction project by 111% as of the end of 2014. The realization of a hub airport is now on the horizon. In 2014, IIAC increased the share of local contractors by around 350% over the previous year, contributing to the revitalization of the local economy.



(As of Dec. 31, 2014)

06 No. 1 in Duty-Free Sales for Four Straight Years

For the first time ever among the world's airports, IIAC achieved KRW 2 trillion in Duty-Free sales in 2014. Most notably, foreigners' purchases (KRW 1.1 trillion) exceeded Koreans' for the first time. IIAC's Duty-Free sales per capita maintained the top position in 2014 as well. In addition, the sales of domestic products rose by 27% - largely due to the space reserved for domestic products increased during the year.

07 Successful Development of Air City

IIAC revitalized the Air City Project through the launch of a resort complex construction in November 2014. The company attracted investment worth KRW 386.1 billion for the construction of a BMW driving center and the Grand Hyatt Incheon Hotel.

08 Enhancement of Competitiveness in Overseas Projects

Profits from its overseas business engagements in Iraq and the Philippines, among others, rose by 23% to KRW 9.6 billion during the fiscal year 2014. IIAC won new contracts in Paraguay and Dominica, gaining a foothold for the expansion of its business into Latin America.

09 Operation as a Low-Carbon Eco-Friendly Airport

IIAC has earned the world's most renowned Airport Carbon Accreditation and the ISO 50001 Energy Management System Certification for the first time in the domestic airport industry. In addition, it was selected by the Ministry of Trade, Industry and Energy, Korea as an exemplary institution in terms of GHG emission target management by exceeding its GHG emissions reduction target by 3%. IIAC won the Presidential Prize in the National Convention on the Implementation of Low-Carbon Life in 2014, as well as the grand prizes at the Korea Green Management Awards 2014 and the Green Logistics Awards 2014.

10 Recognition for its Sustainability, Integrity and Family-Friendliness

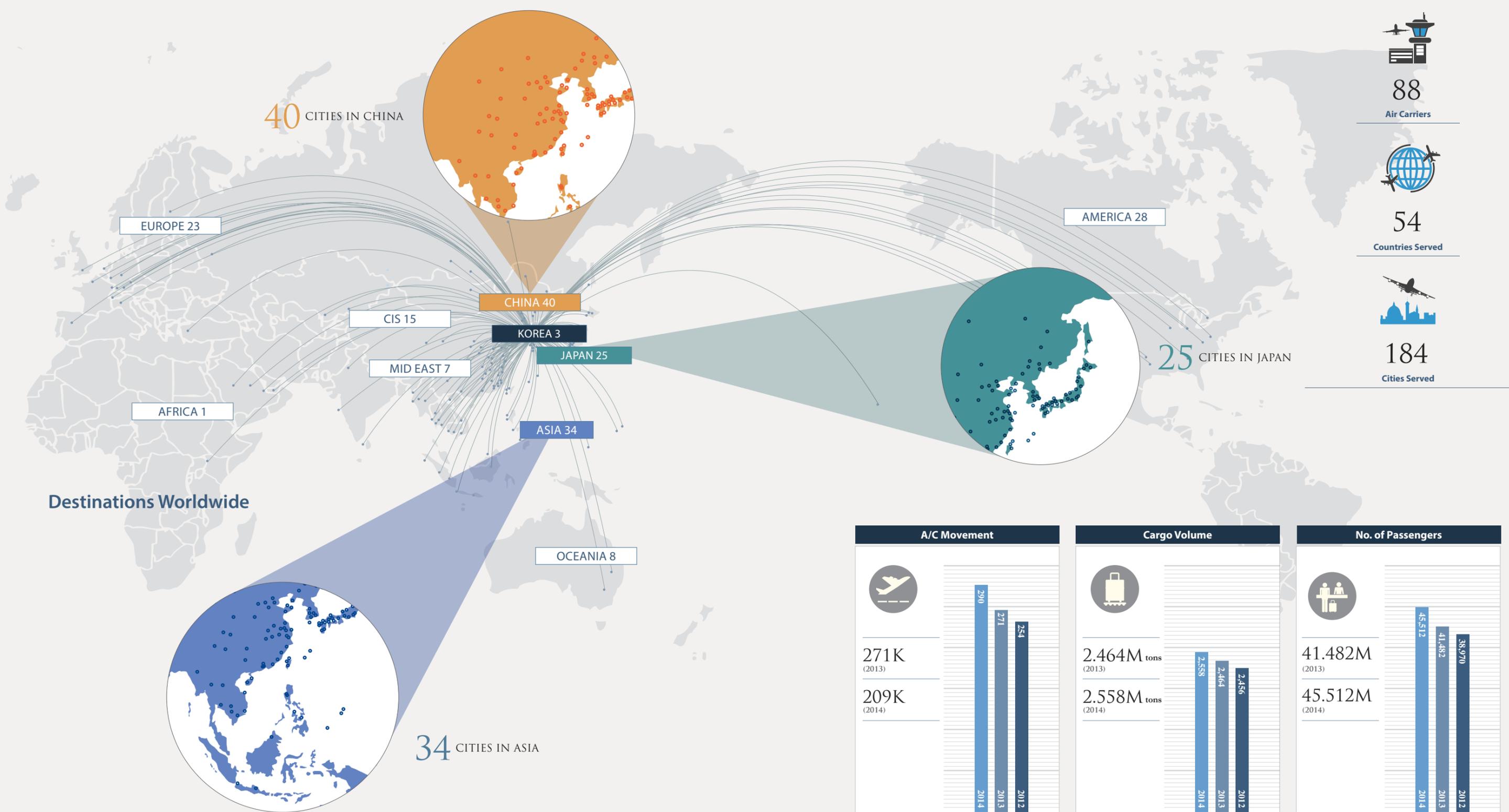
IIAC was selected as the Most Respected Company in Korea for the eighth consecutive year; and as one of the 100 Great Places to Work in Korea by GWP Korea for the fourth straight year in 2014. Its prominence in the area of organizational culture, including working conditions, has been highly recognized externally, while its organizational integrity has made great progress. IIAC was evaluated as 'Very Good' by the Anti-Corruption & Civil Rights Commission of Korea in the agency's evaluation of anti-corruption policies and practices in 2014 for the third year running.

2014 IN PICTURE

IIAC is directly connected to 184 cities in 54 countries around the world via 88 airlines.
The airport operated 2.9 million flights, and carried 2.56 million tons of cargo and 45.51 million passengers, in 2014.

Flight Operations (as of the end of 2014)

Description	2012	2013	2014
Air Carriers	84	88	88
Countries Served	55	58	54
Cities Served	176	182	184



88

Air Carriers



54

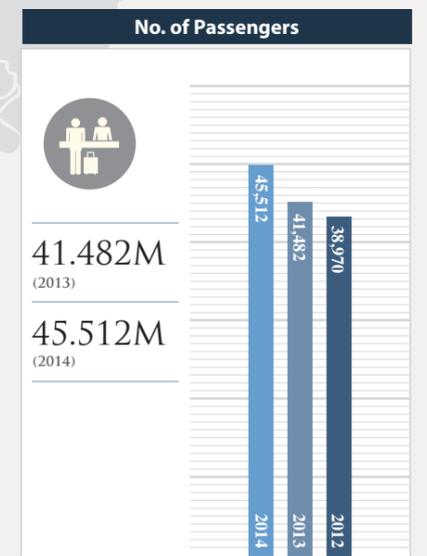
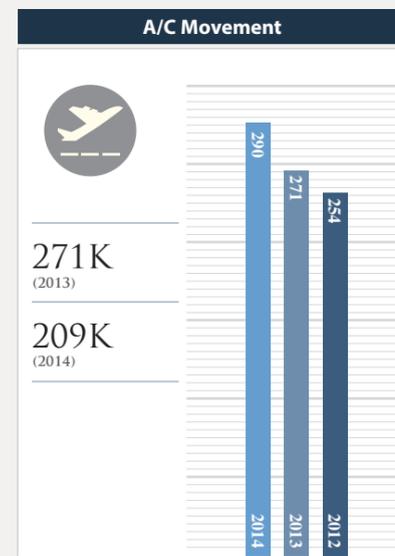
Countries Served



184

Cities Served

Destinations Worldwide



OUR APPROACH TO CSR

Company Overview
Vision & Strategy
Corporate Governance
Ethical Management
Stakeholder Engagement
SR Stakeholder Committee
Materiality Assessment

COME SHARE YOUR DREAMS. JOIN US ON A JOURNEY TO A BETTER TOMORROW

To evolve into a global leader in the airport industry, IIAC will strive to become one of the country's leaders in Corporate Social Responsibility on the basis of its stakeholders' deep trust and its employees' extraordinary passion and competence.



COMPANY OVERVIEW

Under its new vision of "Incheon airport, Loved by the World · Airport Corporation, Trusted by the People," IIAC has set 'Outstanding Target by 2017 - 0 to 5' as its specific 'vision target' and established the following four strategic directions - ensure safety and convenience; strengthen hub network; expand new infrastructure; and gain trust and respect as public corporation – in order to make another great leap forward. IIAC is committed to becoming an international hub that serves the entire world as well as playing the role of a gateway to Korea.

Purpose and Roles of Incorporation

IIAC was incorporated in February 1999 under the IIAC Act. IIAC aims to build, manage, and operate Incheon International Airport efficiently, and is now developing itself into a world-class airport corporation while contributing to the development of the country's air transportation industry and the nation's economic growth. (As of December 2014)

Name of Corporation	Incheon International Airport Corporation (IIAC)
Purpose of Incorporation	Purpose of Incorporation To build and manage/operate Incheon International Airport efficiently and contribute to the development of the country's air transportation industry and the national economy
Address of Head Office	424-47 Gonghang-ro, Jung-gu, Incheon, Republic of Korea
Date of incorporation	Feb. 1, 1999
Form of Institution	Market-based Public Corporation
Grounds for Incorporation	The Incheon International Airport Corporation Act (enacted on 26 January 1999)
Number of Employees	1,103
Organization	5 Divisions, 1 Audit, 29 Groups, 106 Teams
Assets	KRW 8.1246 trillion
Annual Sales	KRW 1.6798 trillion
Debts	KRW 2.1209 trillion

Organization

IIAC consists of 5 Divisions, 1 Audit, 29 Groups, and 106 Teams. It has 6 Executive Directors and 7 Non-executive Directors (excluded from the number of employees), and 1,103 employees in total.

Shareholding Structure

IIAC is a Public Corporation launched with government funds. As such, the government owns 100% of its shares. It receives no subsidies from the government.

Major Business Areas

In line with the corporation's new vision, IIAC is currently committed to four major strategic directions: ensure safety and convenience; strengthen hub network; expand new infrastructure; and gain trust and respect as public corporation. As a representative market-based public enterprise, IIAC aims to strike a balance between public interest and profitability based on the continuous creation of economic values in all of its performances.



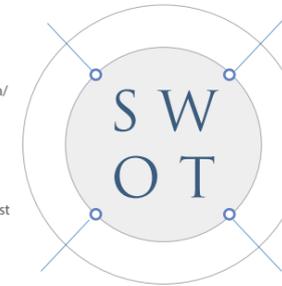
HISTORY

NOV. 12, 1992	Commencement of Site Clearing
SEP. 1, 1994	Launch of the Metropolitan New Airport Construction Corporation
FEB. 1, 1999	Establishment of IIAC
MAR. 29, 2001	Opening of IIAC
JUNE 20, 2008	Completion of the 2nd Phase and Service Commencement
FEB. 24, 2009	Expansion into Overseas Markets
MAY 30, 2012	Achievement of 2 Million Accident-free Flights
SEP. 26, 2013	Groundbreaking for the 3rd Phase (2nd Passenger Terminal) Project
AUG. 14, 2014	Achievement of 400M Passengers (cumulative total)
FEB. 13, 2015	1st Place in the ASQ for the 10th Consecutive Year

VISION & STRATEGY

Internal & External Management Environment

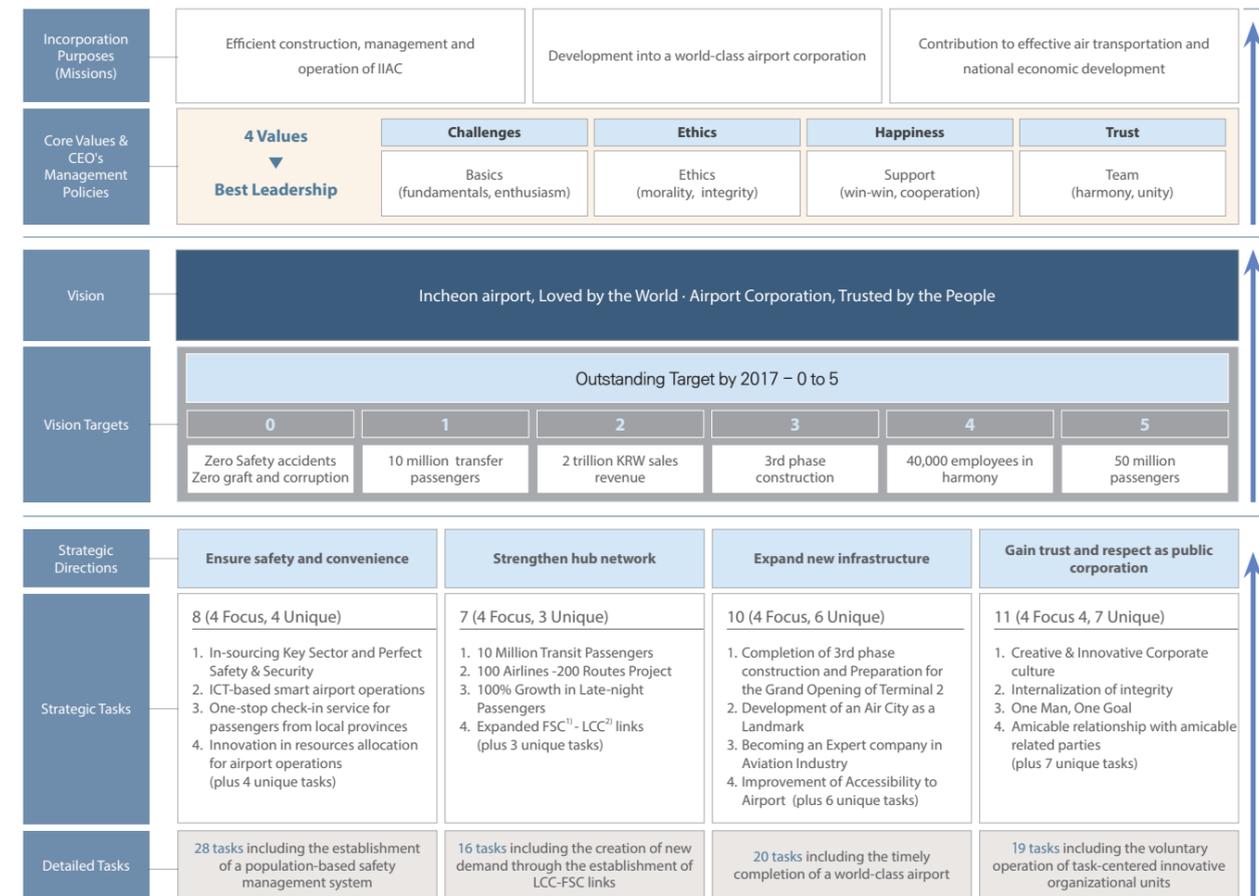
- World's top level service/operational competency
 - Global competitiveness of its commercial facilities
 - Acquisition of sufficient land in surrounding areas
 - Abundant know-how in construction/business management
 - Continuous expansion of tourism markets in Northeast Asia
 - Rapid growth of LCCs in the Northeast Asian market
 - Increased overseas business opportunities due to the growth of emerging economies
 - Market growth for aviation-related industries such as MRO*
- *MRO: Maintenance, Repair and Overhaul



- Lower degree of air service liberalization with China compared to Japan
- Progressive airport facility saturation due to spikes in air transport demand
- Accelerating deterioration of existing facilities after 3rd phase
- Difficulties accumulating its own competency due to high rates of outsourcing
- Greater threats to aviation safety due to rise in international terrorism
- Increased uncertainty regarding international situation and the global economy
- Enhanced competitiveness of rival airports in the region as a result of facility enhancement, etc.
- Expansion of competition for global hub airports

Mid- to Long-term Management Strategies

To realize its vision of "Incheon Airport, Loved by the World · Airport Corporation, Trusted by the People" IIAC has set 'Outstanding Target by 2017 - 0 to 5' as its vision target and established the following four strategic directions: ensure safety and convenience; strengthen hub network; expand new infrastructure; and gain trust and respect as public corporation. On the basis of its core values, 'challenges', 'ethics', 'happiness' and 'trust', IIAC will fulfill its role as a responsible corporate citizen and continue to enhance its stakeholders' trust to emerge as a leading global airport corporation.



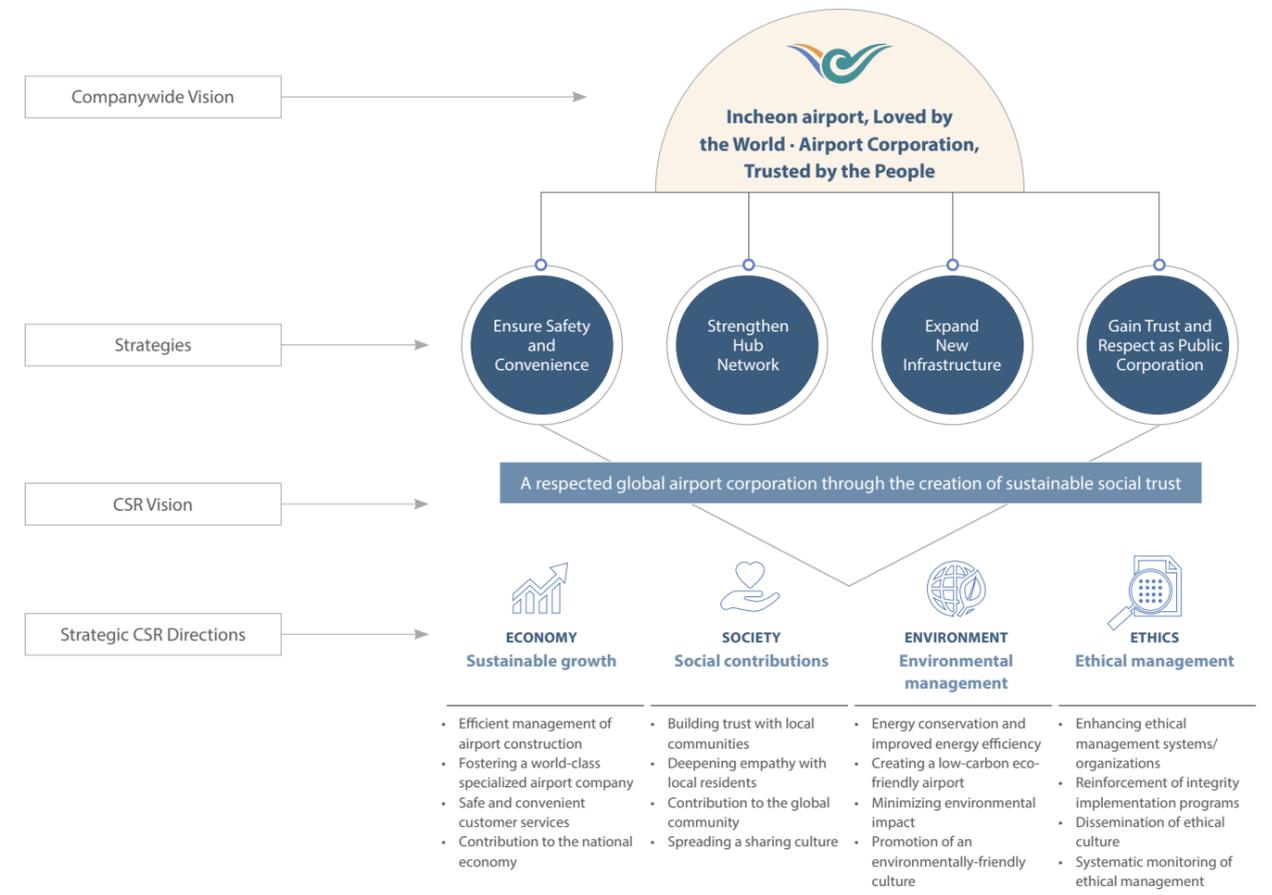
1) FSC : Full Service Carrier 2) LCC : Low Cost Carrier

Companywide Strategies and Detail Targets in Major Business Areas

Strategic Directions	Vision Targets (2017)	New Strategic Tasks	Strategic Tasks KPI	Performance	Departments in Charge
Ensure Safety and Convenience	Forecast Initiatives (4) Zero Safety accidents	1 In-sourcing Key Sector and Perfect Safety & Security	No. of safety & security accidents	0	Planning & Coordination Group and 5 other groups
		2 ICT-based smart airport operations	No. of airlines participating in smart services	40	Passenger Terminal Operations Group and 3 other groups
		3 One-stop check-in for regional passengers on overseas trips	Installation of check-in system at the city airport terminal	Completion of installation	Passenger Terminal Operations Group
		4 Boosting operational efficiency through innovations in resources allocation	Departure/arrival processing times (for 95% of total passengers)	46 minutes/26 minutes and 20 seconds	Aviation Marketing Group and 3 other groups
	Master Initiatives (4)	5 Enhancement of crisis management control features	Evaluation of crisis management system by the Ministry of Public Safety and Security	'A' class	Airport Safety Group
		6 Realization of a low-carbon/eco-friendly airport	GHG emissions	Government's disclosed reduction target	Energy & Environment Group and 1 other group
		7 Boosting efficiency in facility management	Non-stop airport operations	Non-stop operations	Terminal Facilities Group and 4 other groups
		8 Stable outsourcing operations and enhanced win-win cooperation	KoBEX Index	AAA	Administration Group
Strengthen Hub Network	Forecast Initiatives (4) 10 million transfer passengers 50 million passengers	1 Era of 10 million transits	No. of transits (10K passengers)	842 (OT goal: 1,000)	Aviation Marketing Group and 3 other groups
		2 Achievement of the Project 100 (Airlines)-200 (Routes)	Air carriers/routes	100/200	Aviation Marketing Group
		3 100% Growth in Late-night Passengers	No. of late-night passengers (10K passengers)	396 (OT goal: 674)	Aviation Marketing Group and 2 other groups
	Master Initiatives (3)	4 Expansion of FSC-LCC links	LCC transit passengers (1K passengers)	36	Aviation Marketing Group
		5 Increase of international cargo volume by enhancing cargo routes	International cargo volume (10K tons)	280	Airport City Development Group
		6 Improvement of the airport fee and incentive system	Aviation revenue (KRW100M)	7,257	Aviation Marketing Group and 1 other group
		7 Response to the government's airport policies (for metropolitan and southern Korea areas)	No. of international passengers (10K passengers)	5,164	Planning & Coordination Group
Expand New Infrastructure	Forecast Initiatives (4) 2 trillion KRW sales revenue 3rd phase construction	1 Completion of 3rd phase construction and Preparation for the Grand Opening of Terminal 2	3rd phase project progress rate	100%	Construction Division and 3 other groups
		2 Development of an Air City as a Landmark	IBC-II development	Design completion	Airport City Development Group
		3 Becoming an Expert company in Aviation Industry	Expansion of operation scope	Joint operation of hangars	Planning & Coordination Group and 1 other group
		4 Remarkable improvement in ground access to IIAC	Access improvement	MOU execution	Passenger Terminal Operations Group
	Master Initiatives (6)	5 Enhancement of competitiveness of commercial facilities	Commercial profits (KRW 100M)	9,595	Commercial Marketing Group
		6 Revitalization of the airport logistics complex	1st phase occupancy rate / 2nd phase occupancy rate	100% / 50%	Airport City Development Group
		7 Boosting investment in Air City	Investment attraction	2 cases	Airport City Development Group
		8 Preparation of Master Plan 2030	Master plan for 4th phase	MP service contract completion	Construction Management Group
		9 Boosting overseas business competitiveness	Diversification of overseas business engagement	Overseas business profits KRW15 Billion, 4 cases of commissioning/investment/equity accumulation	Overseas Business Group
		10 Boosting airport R&D	Performance in the utilization of R&D results	7	Airport Research Institute
Gain Trust and Respect as Public Corporation	Forecast Initiatives (4) Zero graft and corruption 400 employees in harmony	1 Establishment of a corporate culture focusing on creativity and innovation	GWP Index	77.5	Planning & Coordination Group
		2 Internalization of an integrity	Integrity measurement by Anti-corruption & Civil Rights Commission	Class A (General)	Corporate Audit Group
		3 One Man, One Goal	HR Performance Management Index	Above 4.60	HR Management Group
	Master Initiatives (7)	4 Amicable relationship with amicable related parties	Activities linked to Group a fence	30	Planning & Coordination Group
		5 Establishment of a strategic management system	Evaluation of the degree of sharing vision/strategies	90%	Planning & Coordination Group
		6 Enhancing HR expertise and building a creative work environment	GWP Index	77.5	HR Management Group
		7 Reinforcing HR education and training programs	Education Effectiveness Index	4.45	Incheon Airport Aviation Academy
		8 Upgrading business support system	KoBEX Index	AAA	Administration Group
		9 Boosting strategic CSR activities			
		10 Realization of a risk-free financial ecosystem	Debt ratio	70.1%	Finance Group
		11 Boosting brand values	Media Promotion Effectiveness Index	33.93	Public Relations Group

Companywide Strategies and CSR Management

IIAC strives to internalize CSR in all its management activities and provide its stakeholders with fair and significant values with the aim of developing into an airport corporation that is trusted and respected by global citizens as well as by Koreans. In order to develop itself into 'a trusted and respected corporation,' one of the corporation's strategic directions, IIAC fulfills its corporate social responsibilities in a coherent manner while securing specific executive ability through the establishment of its SR strategies. In order to pursue balanced economic, environmental, and social growth and development while fulfilling its corporate social responsibility, to facilitate the achievement of one of its strategic directions, 'a respected world-class public company through the creation of sustainable social trust,' IIAC has set the following four specific targets - a globally recognized airport company, a respected public company in Korea, an eco-friendly green airport, and an enterprise equipped with a robust ethical culture. Its ultimate goal is to achieve balanced corporate growth and development in economic, environmental and social aspects while fulfilling its CSR as a leader in the area. In addition, the corporation's core values of 'challenges', 'ethics', 'happiness', and 'trust' have become the guiding principles in its pursuit of integrity, harmony, and cooperation with its stakeholders, as well as the fundamental values in its efforts to fulfill its CSR.



CSR Management System

The IIAC runs the SR Committee, which is composed of the company's President and high-ranking executives, as its top-tier CSR decision-making body to address all the matters related to its CSR including policies, directions and major achievements. The committee's resolutions are acted upon by the Working Level SR Committee, which is composed of officials from the Sustainability Management Team, Outsourcing Management Team, Contracts Team, and General Affairs Team, according to the committee's action plans, which are checked by the relevant stakeholders for any loopholes and then distributed by IIAC to all the relevant departments. The company spares no efforts to spread the culture of CSR throughout the entire organization.

CORPORATE GOVERNANCE

IIAC pursues responsible management based on BOD-centered corporate governance and the enhancement of non-executive directors' counterbalancing role. The organization also strives to maintain transparency in its management practices by carrying out continuous checking and monitoring.

BOD Operation Strategies

The BOD has set itself the main operational goal of "reinforcing the BOD's roles and functions to enhance responsible corporate management," and the four strategic tasks of securing independence, enhancing specialization, revitalizing the BOD, and disclosing information. It has also established twelve implementation tasks. The BOD is in charge of decision-making on matters related to the major strategies and policies as well as overall control over and support for compelling management issues of IIAC. For more efficient operations, it has enhanced its performance management, resulting in highly productive BOD meetings. The BOD has three committees, namely, the Planning and Budget Committee, Evaluation Committee and Executive Recommendation Committee, which review matters relegated to them under the corporation's rules and regulations or issues requiring in-depth analysis, and report the results thereof to the BOD. IIAC has clearly defined the different roles of the committees and the BOD in order to prevent conflicts of interest and ensure efficient BOD operations.



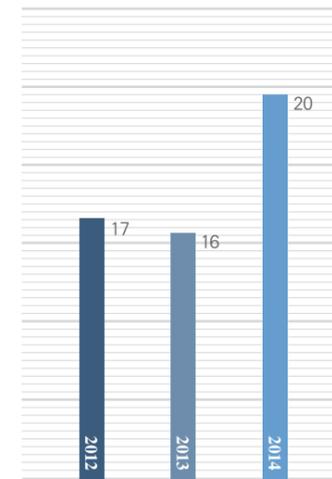
BOD Composition and Roles

As the company's top-tier decision-making body, the Board of Directors (BOD) makes decisions concerning its strategies and policies on major economic, social and environmental issues, and plays a supervisory and counterbalancing role with regard to the company's management activities. The BOD consists of six Executive Directors and seven Non-executive Directors. The Chairperson of the BOD is elected from among the Non-executive Directors to ensure its independence from the management and the CEO. IIAC makes sure that the Board performs its roles of deliberation, resolution, and counterbalancing effectively to reach responsible decisions.

Current BOD Structure

Name	Title	Area of Specialization
Wan-su Park	President & CEO	
Yong-seok Park	Chief Corporate Auditor	
Ho-jin Lee	Executive Vice President of Administration Division	
Sang-kyu Lee	Vice President of Construction Division	
Seong-gak Hong	Vice President of Airport Operations Division	
Young-ung Kim	Vice President of Facilities Division	
Name	Title	Area of Specialization
Jong-goo Yi	Non-executive director	Economy/Law
Yong-hwa Park	Non-executive director	Aviation
Dong-hyun Baek	Non-executive director	Business Management/Marketing
Joon-hee Lee	Non-executive director	International Relations
Dae-ho Um	Non-executive director	Construction
Dong-cheon Shin	Non-executive director	Economy/Management Systems
Jai-yoon Yoo	Non-executive director	Business Management/Accounting

Number of BOD Meetings



Transparency in the Selection of Non-executive Directors and their Expertise

To ensure their expertise and transparency in their selection process, the Executive Recommendation Committee appoints Non-executive Directors through an open selection process and in-depth interviews. IIAC appointed two external members including a female member to the committee, whose chair is elected by members, to boost fairness in the executive recommendation process while promoting gender equality in the process. The seven Non-executive Directors are experts in diverse fields including economy, business management, law, aviation, marketing, management systems, international relations, accounting and construction. As such, they actively engage themselves in the responsible management of the company by providing advice and guidance based on their knowledge and expertise in their respective fields.

Efficient BOD Operations

The BOD runs three sub-committees including the Planning & Budget Committee, Evaluation Committee, and Executive Recommendation Committee to ensure the efficiency of its operations and enhance its management functions. The Board shares its responsibilities with its Sub-Committees in a reasonable way. Thus, the Planning & Budget Committee carries out in-depth reviews of the company's major new business plans and prepares management plans; the Evaluation Committee conducts audits on the company's accounting results and its overall business practices as required for its counterbalancing and deliberation activities; and the Executive Recommendation Committee selects all the company's executives, including the President, with complete independence and transparency as guaranteed by law.

Status of the BOD Committees

Committee Name	Roles	Major Activities
Evaluation Committee	Management consulting/evaluation	Management counterbalancing and deliberation on account settlement
Planning & Budget Committee	Establishment of management plans	In-depth deliberation on major business plans
Executive Recommendation Committee	Appointment of executives	Fair executive appointment

BOD Operational Outcome

Based on the plan to revitalize its operations, the BOD reinforced its review and deliberation functions about major agenda items in 2014. To improve the BOD's operational efficiency, the BOD set clear-cut quantifiable objectives and devised annual schedules. As for major management issues, the BOD received briefings in advance, too, which resulted in an increase in the number of BOD meetings, the number of resolution/reporting cases, and the proportion of Non-executive Directors' speeches in 2014. The BOD enhanced its role of management supervision and counterbalancing, and also helped establish a BOD-centered decision-making structure.

BOD Performance

Classification	Unit	2012	2013	2014
Resolution/Reporting Issues	case	49/36	43/29	45/42
Advance Review Rate	%	100	100	100
Revised Resolution Rate	%	8.2	21	6.7
Attendance Rate	%	96.1	97.9	94.3
Non-executive Directors	%	98.2	97.2	95.7
Attendance Rate				
Non-executive Directors' Speech Proportion	%	91.5	85.1	87.2

Directors' Compensation Policy

The President/CEO of IIAC is evaluated by the Ministry of Strategy and Finance according to the results of the evaluation of IIAC's performance and his personal performance under his Management Performance Agreement with the ministry. His term is either extended or terminated depending on the evaluation results. His incentive is limited to 120% of his base pay during the previous year. IIAC's executive directors are evaluated in terms of their contribution to the realization of the CEO's management principles in addition to the ministry's evaluation of the IIAC management results. Their incentive is limited to 100% of the base salary paid during the previous year.

ETHICAL MANAGEMENT

In its pursuit of sustainable business growth based on ethical management, IIAC has established an ethical management vision that reflects its core values. It is also striving to create a global ethical corporate culture appropriate to its status and reputation as a global airport company by transmitting its ethical culture to its internal and external stakeholders.

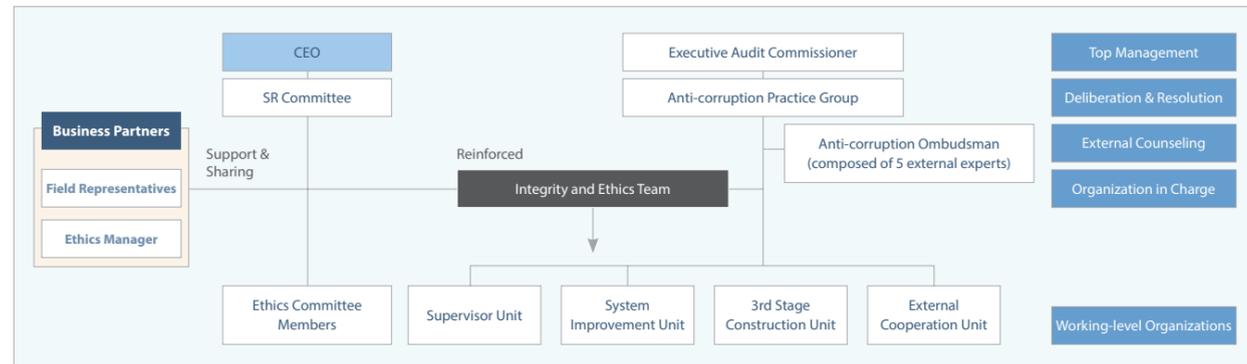
Ethical Management System

Promotion of Ethical Management

IIAC runs its Ethical Management system with the goal of 'Creating a global ethical corporate culture by promoting the pursuit of integrity throughout IIAC.' It has established both an internal organization and a system designed to support its business partners' efforts to reinforce their ethical management infrastructure and to promote the adoption of an ethical management culture. With such an improvement in its capacity to implement ethical management, IIAC is actively engaged in ethical management activities.



Ethical Management Promotion Organization and Business Partner Support System



Prevention of Ethical Risks

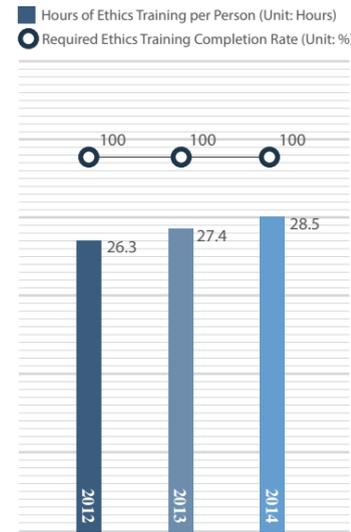
IIAC focuses on preventing ethical risks through various measures including the enhancement of its Code of Ethics. By thoroughly reforming its Code of Conduct, it has clarified the criteria concerning its employees' unlawful acts while reinforcing the reporting standards for job-related crimes and the regulations relating to compensation and penalization in its HR rules, in a bid to establish a clean corporate culture. It has also introduced a punitive damage system to crack down on the use of company vehicles for personal purposes; expanded the scope of information disclosure with regard to expense accounts and sole-source contracts; and enhanced the transparency of its administrative procedures by expanding the scope of disclosure of information in vulnerable areas.

Efforts to Establish an Ethical Culture

Employee Engagement Programs

IIAC has organized various employee engagement programs including an Anti-corruption Content Contest and a quiz contest to help employees understand its ethical culture and implement it in more interesting ways. Notably, the UCC entitled "Your Genuine Integrity," the grand prize winner at the 2014 Anti-corruption Content Contest, won an excellence award at a national UCC contest hosted by the Office for Government Policy Coordination. It was also used in national public service advertising.

Performance in Ethics Training



An Integrity & Ethics Resolution Rally

Results of the Integrity Evaluation by the Anti-corruption & Civil Rights Commission (on a scale of 10 points)

Classification	2012	2013	2014
Overall Integrity	8.96	8.56	8.24
External Integrity	9.09	8.66	8.56
Internal Integrity	8.82	8.89	8.29

Internal/External Evaluation of Ethical Management

Classification			
External	Anti-corruption & Civil Rights Commission		
	2012	2013	2014
	High	High	High
Internal	KoBEX SM		
	2012	2013	2014
	AAA	AAA	AAA
Internal	IIAC officers' Integrity (on a scale of 10 points)		
	2012	2013	2014
	9.88 points	9.92 points	9.81 points
Internal	Ethical Management Index		
	2012	2013	2014
	93.0 points	93.3 points	93.7 points

Three-Dimensional Ethical Educational Programs

In 2014, in accordance with its mid- to long-term ethical education plan, IIAC prepared its own ethical education program and implemented it on a regular basis, with the assistance of many in-house instructors. It extended ethical education for high-ranking officials and those engaged in the 3rd phase construction project, and offered customized education to those working in ethically vulnerable areas. IIAC used both online and offline channels to provide three-dimensional ethics education and thereby raised awareness of ethics among its employees. IIAC requested all its employees to complete online ethics education. To enhance the quality of its ethics education, IIAC offered educational programs reflecting the life cycle of each rank as well as the characteristics of IIAC employees.

Evaluation and Spread of Ethical Management

Monitoring Ethical Management

IIAC has established a monitoring system for its ethical management. The system covers the entire range of ethical management from planning to evaluation to learning. IIAC identifies improvements to be made by evaluating employees' awareness of the Code of Ethics, Integrity Call, Field Integrity Clinic and Integrity Mileage. By taking corrective measures proactively, IIAC reinforces the effectiveness of its ethical management. Based on its CEO's strong commitment to ethical management, IIAC has selected the internalization of an "Integrity DNA" - which includes improvements in its ethical management system - as one of its key companywide strategic tasks. IIAC promotes ethical management strategically. Specifically, IIAC has identified ten priority tasks to act on, including the elimination of perks for management, prohibition of requests for favors, prevention of the abuse of budgets for other purposes, prohibition of the abuse of public property for personal purposes, and rejection of so-called 'ranking'. It has also taken various corrective measures.

System Improvement based on Evaluation Results

IIAC is accelerating its system upgrade according to the results of the integrity evaluation conducted the previous year. To improve the transparency and accountability of its lease contracts, IIAC has simplified its services and standardized its procedures by integrating the Resident Support Centers and launching the relevant portal site. IIAC has also made immediate improvements in areas where it failed to obtain favorable evaluation results in 2014. For instance, it has expanded the mandatory use of the Dignity Guest Book* to prevent contact with stakeholders in advance; prepared standards for the judgment of unlawfulness in superiors' instructions; and regulated the prohibition of discrimination on the grounds of failure to comply with such orders.

*Dignity Guest Book: A self-reporting channel when unavoidable contact has been made with a person with whom there is a conflict of interest.

Internal/External Review

IIAC evaluates its integrity through both its own inspection and external monitoring by the Anti-corruption & Civil Rights Commission, Korea. In 2014, its overall level of integrity dropped in the commission's evaluation due to media reports about corruption charges against former IIAC executives. The number of integrity points accorded to its high-ranking officials also declined. However, the new CEO has declared his strong commitment to ethical management internally and externally, and to that end has organized a task force to crack down on unreasonable business practices. The team came up with ten implementation tasks, all of which have been carried out by IIAC. On account of these aggressive anti-corruption and integrity activities, IIAC's Ethical Management Index rose in 2014 over the previous year, and it won the "high" level from the Anti-corruption & Civil Rights Commission for the third year in a row in the latter's evaluation of its anti-corruption policies.

Sharing Ethical Management with Subsidiaries, Business Partners and Other Agencies

As an agency that has earned considerable recognition for its anti-corruption policies from the Anti-corruption & Civil Rights Commission, IIAC shares the know-how it has accumulated over the years as part of its leadership in the promotion of ethical management in both the public and private sectors of South Korea. Internally, IIAC holds the CEO Integrity Meeting with contractors (business partners/3rd phase contractors), shares information on ethical management, offers incentives on ethical activities, and shares its anti-corruption system with its subsidiaries in an effort to spread its ethical culture, whereas, externally, it shares its exemplary anti-corruption cases with other public agencies through integrity mentoring and one-on-one coaching. It also promotes its ethical management activities in the private sector, fulfilling its role as a trailblazer in the field of integrity-based business performance.

STAKEHOLDER ENGAGEMENT

To promote effective engagement with its stakeholders, IIAC maintains open communication with them, carefully listens to their voices, and responds to their opinions immediately. It has conducted an in-depth analysis of its stakeholders in order to identify the common core values it shares with its stakeholders, and has also built diverse communication channels customized to the characteristics of each of its stakeholder groups so as to engage in more efficient communication with them. IIAC will continue working hard to promote communication and unity with its stakeholders, by always trying to see things from their perspective and to understand their points of view.

VALUE PARTICIPATION

VALUE CREATION

VALUE CONSUMPTION



Presentation of Directions for Business Management / Airport Operations

Stakeholders	People/Media	Government/ National Assembly	Academia	International Aviation Agencies	Local Communities
Stakeholders' Interest*					
Safety & convenience	●	●	●	●	●
Airport growth	●	●	●	●	●
Win-Win & shared growth	●	●	●	●	●
Common Core Values	Harmony between Public and Corporate Interest		Airport competitiveness		Shared growth
Directions for Sharing and Communication	Transparent disclosure, expanded disclosure, permanent/regular discussion channels, enhanced preemptive publicity		Joint research on Aviation (Policies/ Technologies)	Expanded sharing of Airport Operations BP	Corporate community involvement and job creation
Communication Channels	Website, Newsletters, Business Reports, Corporate Orientations, and Public Agency ALIO		Joint Researches, Advisory Committee	Forums, HR exchanges, Annual Reports	Shared-growth Council, Volunteer groups, Local School Specialization Committee
Index	100 Implementation of government policy tasks (%)		1,536 Positive cases of media coverage	Top 10 Most respected companies in Korea	
Department in Charge	Planning & Coordination Group / Public Relations Group		Planning & Coordination Group	Public Relations Group	Administration Group

Value Creation through Efficient/Effective Airport Operations • Value Creation Alone and through Collaboration

Utilization of the Outcome of Value Creation and Payment for the Value

Internal		External					
Employees/ Labor Union	Business Partners/ Contractors	Air Carriers//Ground Handling Agents	Resident Businesses/ Logistics Companies	Resident Government Organizations	Passengers	Overseas Airports In Contractual Relationship	
●	●	●	●	●	●	●	
●	●	●	●	●	●	●	
●	●	●	●	●	●	●	
Corporate Competitiveness	Win-Win/ Shared Growth	Win-Win/Shared Growth in Airport Competitiveness		Win-Win Cooperation	Safety/Convenience	Organizational Competence	
Vision presentation, Mutual Trust Building	Win-Win/ Shared Growth, Profit Sharing	Maximizing ultimate Customer Values	Productivity improvement through Collaboration	Building Trust-based Partnership	A Safe, Fast and Convenient Airport	Building Trust-based Partnerships	
CEO Dialogues, Vision Workshops, VOE, Labor-management Council Meetings, HR Ombudsman	Representative Council Meetings, Working-level Meetings	IIAC Service Improvement Committee			VOC, Customers Committee, SNS	Conferences, Aviation Training, HR exchanges	
Airline Operation Committee	Commercial facility Workshops, Logistics CEO Meetings	Regular Meetings with Heads of Resident Agencies					
87.7 Vision Awareness (%)	76.4 GWP (points)	AAA KoBEX SM	Average IIAC grade in shared growth evaluation		97.2 Customer satisfaction (points)	1 ASQ evaluation	
HR Management Group	Facilities / Construction	Aviation / Terminal	Commercial / Airport Development	Passenger Terminal Operations	Aviation / Airport Development	Overseas Business	

SR STAKEHOLDER COMMITTEE

To fulfill its Corporate Social Responsibility (CSR) and earn the full respect of its stakeholders, IIAC holds the SR Stakeholder Committee meeting each year to share its CSR activities with them and listen to their voices about directions for improvement of its CSR activities. IIAC has held the committee meeting since 2012, enabling it to view its CSR activities in various areas more objectively and enhance mutual trust with its stakeholders.

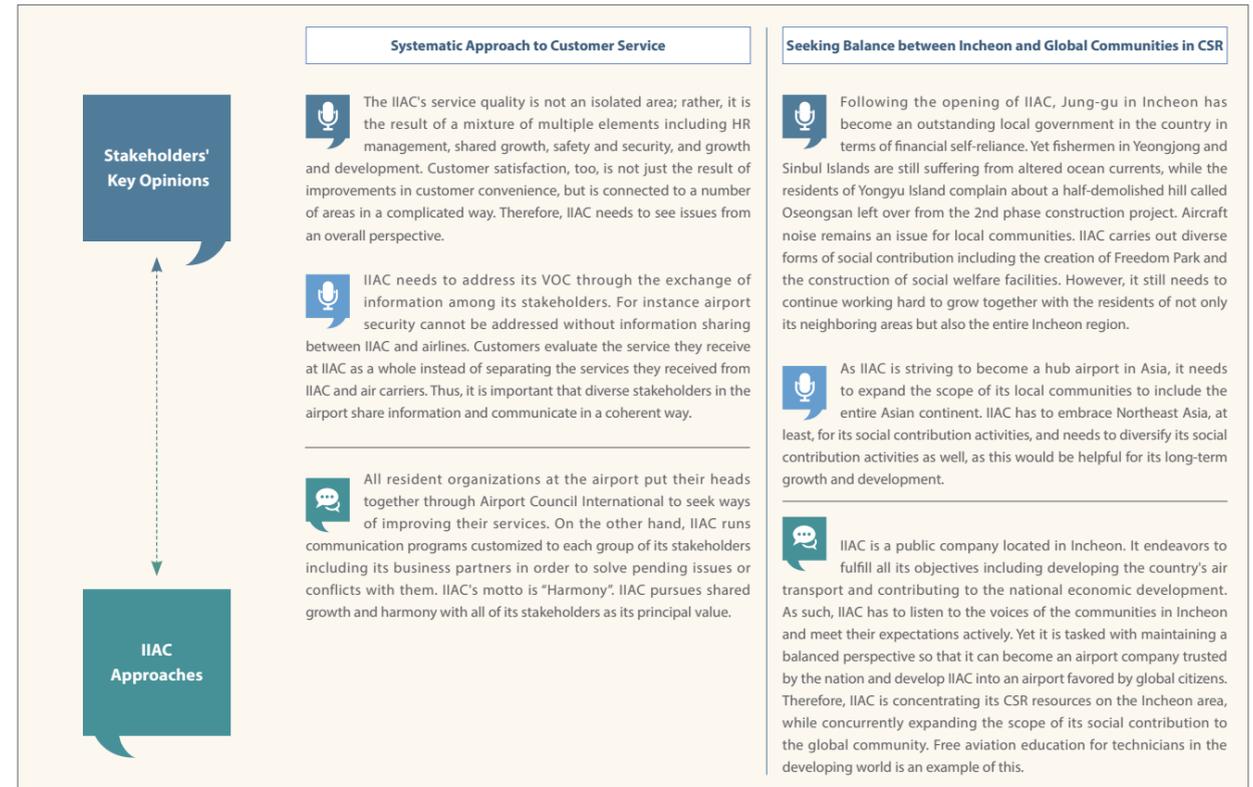
Topic	
Analysis of IIAC's CSR Activities and Proposal for Improvements	
Date	Moderator
June 30, 2015	Han-Kyun Roh, Professor at the College of Business Administration, Kookmin Univ

Composition and Operation

IIAC's SR Stakeholder Committee is composed of external experts in various fields of CSR to ensure its fairness and neutrality. The 2015 committee was composed of seven external experts in seven core CSR issues of IIAC who had maintained contact or cooperative relations with IIAC, and chaired by an additional expert in CSR. IIAC executives participated in the committee meeting as the internal panel, and briefed the experts on the company's CSR policies and the directions it was pursuing.



Members of the SR Stakeholder Committee 2015		
Category	Member	Areas of Expertise
Customer Convenience	⑧ Cheong-ah Lee, Professional Lecturer, The Value Up Consulting	Customer Satisfaction, Airport Convenience, Airport Service Quality
Safety & Security	⑤ Pyeong-won Kim, Head of the Guard unit, SEOUN STS	Airport Safety and Security
Growth & Development	③ Chang-hwan Kim, Manager, Korean Air	Aviation Demand, Airport Infrastructure Construction
Shared Growth	④ Chang-min Kim, General Manager, DiMS	Business partners' CSR and Competitiveness
HR	① Seok-jeong Kim, Managing Director, Inkium	Improvement of HR Training Systems
Local Communities	② Su-gyeong Seon, Team Leader, Jung-gu District Office, Incheon	Community Engagement
Environment	⑥ Yong-suk Jeong, Director of Forest for Life	Energy Efficiency and Conservation, Low-carbon Eco-friendly Airports
Chair	⑦ Han-Kyun Roh, Professor, College of Business Administration, Kookmin Univ	CSR



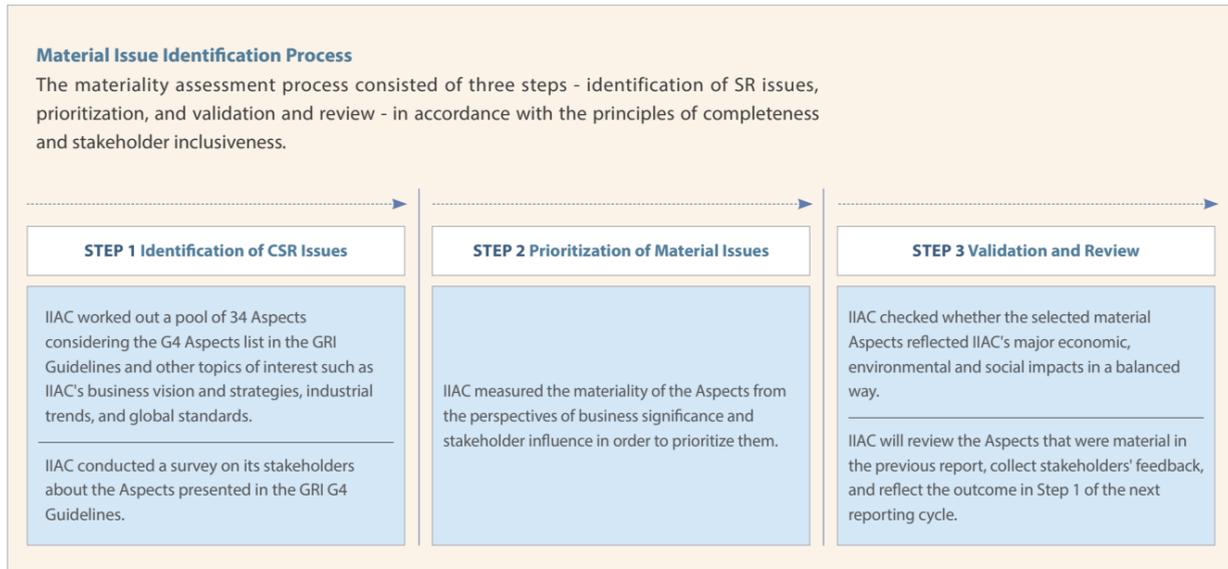
Major Outcomes of the SR Stakeholder Committee 2015

Experts in various fields were brought together at the meeting where they were able to express their opinions freely. As such, the meeting represented an important opportunity for IIAC and its stakeholders to promote cooperation among different fields of IIAC operations and deepen their understanding of the entire IIAC operation. The major opinions expressed at the meeting have already been reflected in the company's CSR activities, while the results have been shared among the stakeholders in the form of an SR report.

Issues Raised at the SR Stakeholder Committee Meeting 2014 and IIAC's Management Activities		
Category	Stakeholder Expectations 2014	IIAC Management Activities
Customer Convenience	Acceleration of the Boarding Process	<ul style="list-style-type: none"> Acceleration of self-service through self-check-in and self-bag-drop. Installation of U-signage and U-boards along passenger pathways. Relocation of airlines check-in counters: KAL to the east, Asiana to the west, and foreign air carriers to the center.
	Alleviation of Airport Congestion	<ul style="list-style-type: none"> Adoption of flexible airport operations to alleviate terminal congestion. Increase of efficiency through the allocation of integrated check-in counters for Korean LLC. Improvements in convenience via the relocation of ticketing counters and the installation of FIDS.
	Expansion of Convenience Facilities	<ul style="list-style-type: none"> Presentation of differentiated cultural and arts contents. Presentation of diverse thematic and promotional events all year around.
Local Communities	Development of Local Communities	<ul style="list-style-type: none"> Expansion of opportunities for local contractors to participate in the 3rd phase construction project. Continuous efforts to create common values through IIAC-Incheon Win-Win Cooperation Council meetings.
	Expansion of Social Contribution in the Incheon Area	<ul style="list-style-type: none"> Launch of IIAC's professional badminton team, 'Skymons', to help promote sports in local communities. Social contribution activities through the 'Runway Teacher' volunteer program designed to help children in Incheon.
	Expansion of Support for Education in the Incheon Area	<ul style="list-style-type: none"> Contribution to the educational development of Incheon through the construction and operation of Incheon Haneul High School. Operation of local talent fostering programs in stages from childcare to tertiary education. Volunteer events including Runway Teacher, Youth Music Camp, and Make-A-Wish with Incheon Airport.
Win-Win Cooperation Environment	Concentration of Differentiated Social Contribution Activities	<ul style="list-style-type: none"> Joint workshops with commercial facilities (semiannual). Service promotion meetings by business area (monthly).
	Expansion of Communication Channels for Business Partners	<ul style="list-style-type: none"> Acceptance and settlement of complaints about environmental issues. Quarterly ecological surveys based on laws regarding environmental impact assessment.
	Expansion of the Scope of Stakeholders in Environmental Issues and Participation of Experts in Ecology	

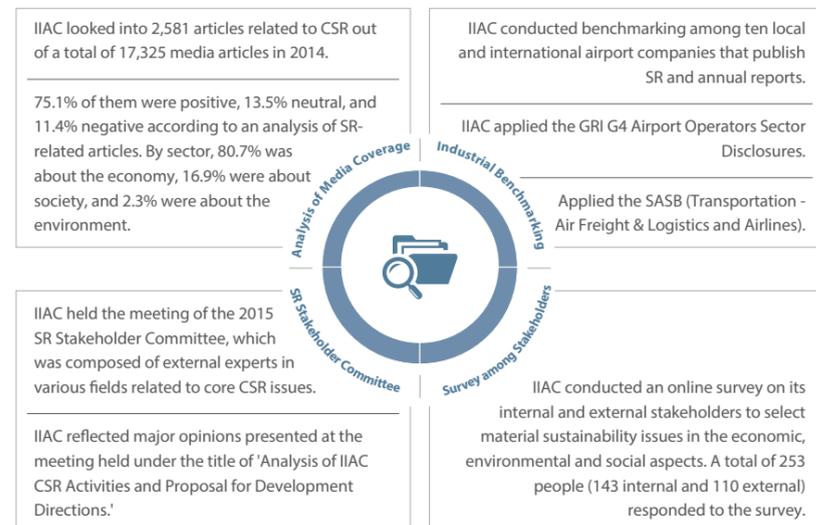
MATERIALITY ASSESSMENT

IIAC conducted a materiality assessment to select the topics to be included in its SR report. The materiality assessment was conducted with the aim of identifying diverse expectations and matters of concern on the part of its internal and external stakeholders, responding to its CSR issues effectively, and reflecting the outcome in its management policies and practices. The assessment was conducted in compliance with the Aspect and Aspect Boundary determination stages recommended under the GRI Guidelines. The criteria were the 'significance of the impact of each Aspect on IIAC business,' and the 'influence of each Aspect on the stakeholders evaluation and decision-making'. Core issues were identified according to the materiality of each Aspect. 'Materiality' served as a major criterion for decisions on reporting the contents.



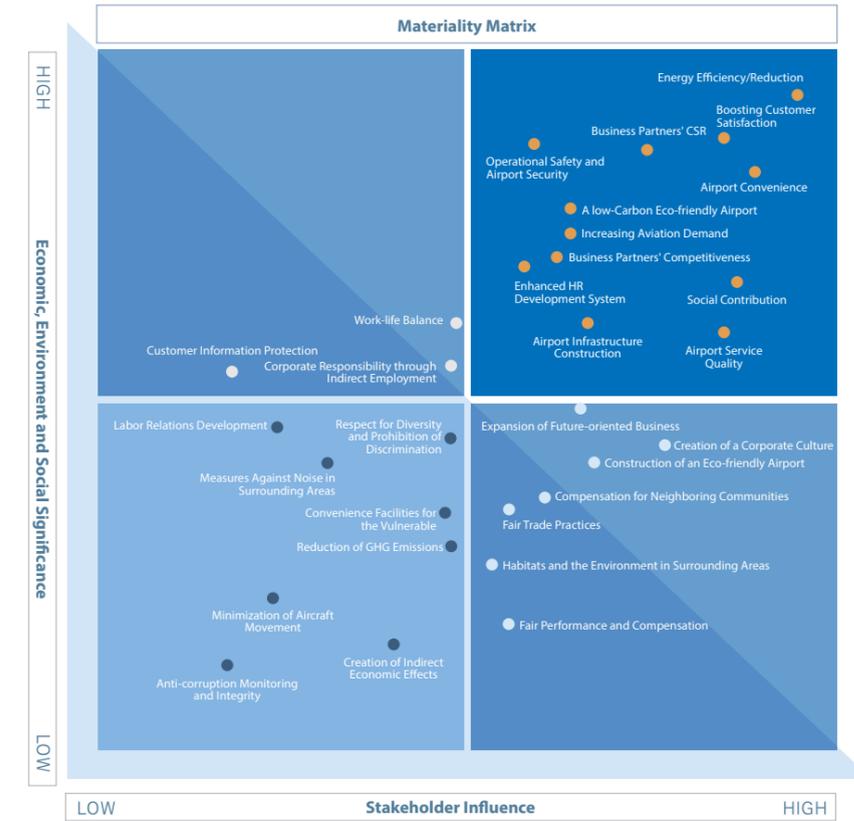
STEP 1 Identification of CSR Issues

IIAC identified various topics related to its material Aspects on the basis of the influence that all of its activities, services and relations have on the stakeholders' evaluation and decision-making. The GRI G4 Airport Operators Sector Disclosures were used in the identification process.



STEP 2 Prioritization of Material Issues

IIAC conducted an online survey of its stakeholders at Incheon Airport to prioritize the material aspects identified in Step 1. Based on the results of the survey, IIAC identified the issues that are most influential in its stakeholder's decision-making from the perspective of influence, and analyzed the organization's mission and strategies, sustainability trends, and business influence, and evaluated them in terms of economic, social and environmental significance in order to prioritize the material aspects and construct a materiality matrix.



STEP 3 Validation and Review

IIAC assessed the list of material Aspects against 'scope', 'aspect boundaries', and 'time' in view of the principles of completeness and stakeholder inclusiveness. The seven key issues are highlighted in the contents of this report to enable stakeholders to refer to them easily. IIAC worked hard to ensure that the report provides a reasonable and balanced representation of its SR performances.

Material Aspects	Reporting Boundary						Key Issues	Details	GRI Aspects
	Customer	Air Carrier	Business Partner	Resident Business	Employee	Local Community			
Boosting Customer Satisfaction	●	●	●	●	●		Convenient airport	Airport operations sophistication, enhanced airport operations efficiency, upgraded airport service	Product service and labeling, Service quality, Provision of services or facilities for persons with special needs
Convenience in Airport Use	●	●	●	●	●		Safe airport	Operational safety, airport safety, airport security, facility safety	Customer health and safety, Business continuation and emergency preparedness
Airport Service Quality	●	●	●	●	●		Developing airport	Increasing passenger and cargo demand, 3rd phase construction project	Market position, indirect economic effects
Operational Safety and Airport Security	●	●	●	●	●		Low-carbon, eco-friendly airport	Upgraded eco-friendly management, energy self-reliance	Energy, Emissions, Water, Noise, Effluent and waste
Increasing Aviation Demand		●		●	●	●	Win-Win growth with partners	Shared growth, fair trade	Anti-corruption, Supplier assessment for labor practices
Airport Infrastructure Construction				●	●		Community involvement and development	Trust building with local communities, bonds of trust with local people, contribution to the global community	Local communities
Energy Efficiency and Conservation			●	●	●		Human resource management	HRD, reasonable labor relations, sound work-life balance, prohibition of discrimination and open employment	Employment, Labor/Management relations, Training and education
Low-carbon, Eco-friendly Airport			●	●	●				
Business Partners' CSR			●	●	●				
Enhancement of Business Partners' Competitiveness			●	●	●				
Social Contribution						●			
Enhancement of HR Development System					●				

KEY ISSUES

ISSUE 1. Convenient airport	ISSUE 2. Safe airport	ISSUE 3. Developing Airport	ISSUE 4. Low-carbon, Eco-friendly Airport	ISSUE 5. Win-Win Growth with Partners	ISSUE 6. Community Involvement & Development	ISSUE 7. Human Resource Management
--------------------------------	--------------------------	--------------------------------	--	--	---	---------------------------------------

BIGGER DREAMS: THE RESULTS OF OUR "INITIATIVES FOR A BETTER FUTURE"

IIAC strives to fulfill ever bigger dreams - helping people and nations around the world to move closer together - through its "air routes of hope." Like continuously moving clouds, IIAC will continue to open new air routes to bring the world closer.



ISSUE 1. ↗

CONVENIENT AIRPORT



Why Is It Important?

The number of passengers has increased by an annual average of 6% at Incheon International Airport, further intensifying congestion at both arrival and departure halls. IIAC has met the challenge of improving the passenger flow situation at the airport by upgrading its existing facilities and introducing the latest ICT-based systems. Thus, IIAC has taken diverse innovative measures such as establishing an automated airport service system and minimizing passengers' travel distance within the airport premises, while significantly improving the level of convenience for its patrons.

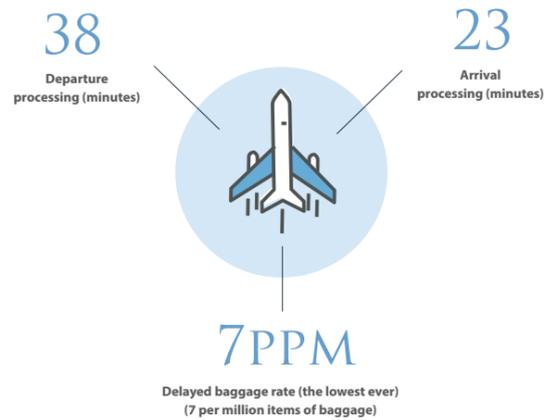
Our Strategy

- To make airport operations sophisticated
- To maximize airport operational efficiency
- To upgrade airport services
- To accomplish a "creative culture-and-arts airport"

2014 Highlight

- No. 1 in ASQ (Airport Service Quality) for ten consecutive years, a first in the world
- Induction into the Global Traveler Hall of Fame, a first in the world
- Recognition in two categories at the Skytrax World Airport Awards

Performance



AIRPORT PERSONNEL MUST SHARE THE CORE SERVICE VALUES

Incheon Airport offers the outstanding physical environment that is essential for customer services. However, to support that environment with matching human services, it is critical to encourage all the employees at the airport to share the core service values and provide quality services to our patrons. Customer satisfaction cannot be expected in a huge airport like IIAC unless its major players, including IIAC itself, its business partners, resident agencies and businesses, all join forces to adopt coherent approaches to various issues related to convenience at IIAC. As service is provided by diverse institutions at the airport, the overall evaluation of IIAC will drop if patrons are dissatisfied with any part of it. Therefore, IIAC needs to further enhance its cooperative system among the major players while making sure that all the workers at the airport are able to fulfill their obligations with pride. Thus, I am sure that IIAC will continue to grow and develop, and continue earning global recognition and honors such as its No. 1 ranking in ASQ for ten consecutive years and the induction into the Global Traveler Hall of Fame.

Cheong-ah Lee, Professional Instructor, The Value Up Consulting



Fast and Convenient Arrival/Departure Processing

Widespread Self Check-in

IIAC launched the self-check-in service in 2007 in a bid to alleviate congestion at check-in counters. It installed Self-Check-in devices and encouraged air carriers to motivate their patrons to use the facilities more widely. IIAC itself actively promoted convenience particularly during peak seasons. As a result, the number of passengers who checked in through the system rose by 26% in 2014 compared with 2013. Ticketing took each individual just two minutes or so, and passengers were clearly happy with the faster boarding procedures.



Self-Check-In Service



Self-Bag-Drop (Self-Baggage Check-in)

Introduction of the Self-Bag-Drop Service

To further reduce passengers' waiting time at check-in counters, IIAC developed a Self-Bag-drop system that enables passengers to complete the baggage check-in procedure by themselves. IIAC developed the self-check-in and self-bag-drop services as part of its smart airport project, which is aimed at simplifying passengers' departure process and maximizing efficiency in airport operations. The self-service innovations implemented at the airport are now spreading very rapidly among world-renowned airports like Amsterdam Schiphol Airport and London Heathrow Airport. With the introduction of the self-bag-drop service, IIAC has completed its automated departure process and reduced passengers' check-in processing time by an average of seven minutes per passenger as compared to an ordinary check-in counter.

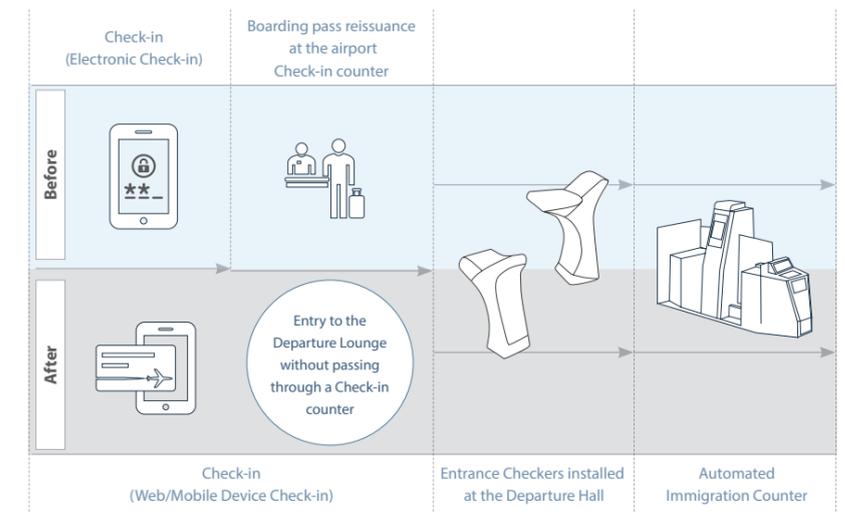
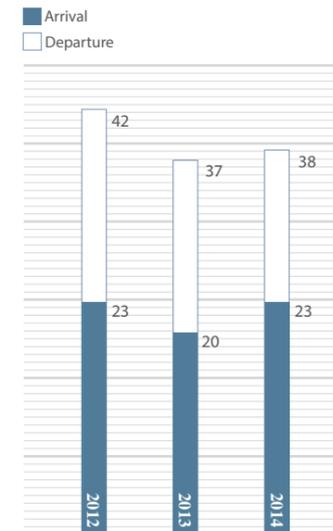
Simplification of the Web/Mobile-based Check-in Procedures

Since IIAC simplified its existing Web/Mobile Check-in procedures in December 2014, passengers can now enter the departure hall without having to go through the usual check-in process. Passengers who have done their online check-in process on their web/mobile devices need to get their passports and boarding passes checked before they go into the departure hall. Boarding a plane by those with forged or altered passports is blocked instantly through real-time information sharing among the relevant institutions including air carriers.

No. 1

ASQ Overall Evaluation (2005-2014)

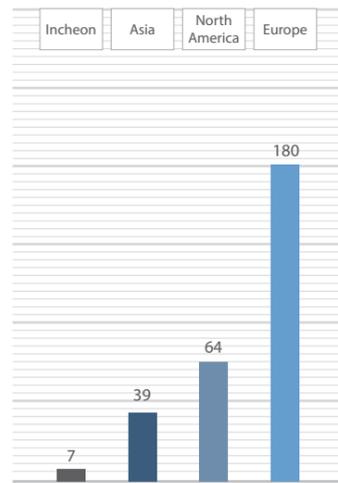
Departure/Arrival Processing Time (Unit: 95%, minutes)



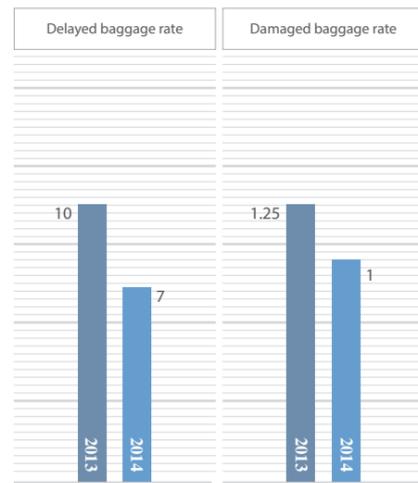
Optimization of Baggage Handling Facilities

The delayed baggage rate at IAC was one in every one hundred thousand items of baggage in 2014, the lowest figure ever recorded in its history. This record is all the more impressive when compared with the global averages: 3.9 for Asia, 6.4 for North America, and 18 for Europe (2014 SITA Baggage Report). IAC conducts more than 35 emergency exercises a year with a variety of obstacle scenarios, and carefully analyzes obstacle trends, too. Transit baggage requires a high level of concentration. As such, IAC runs a 3-stage (green, yellow, red) manpower plan for the task. According to the "Peak-time Forecasting System," a first in the world, IAC rearranges the assignment of manpower instantly. As a result, IAC offers its passengers the fastest baggage handling service available. Meanwhile, as part of its efforts to enhance its crisis management capability, IAC has joined forces with a local SME to develop core equipment and components related to airport operations - including the conveyor pulley used in the baggage handling system. Such efforts have not only stabilized the high quality of its baggage handling process but also contributed to the localization of key devices and components used at the airport.

Comparison of Delayed Baggage Rate (Unit: ppm)



Comparison of Overall Baggage Handling Service (Unit: ppm)



Launch of IAC's Own Check-in System

The imported check-in systems at IAC were run by the Airlines Operations Committee, and often ran the risk of delays in repair services. IAC localized the system and launched it under the name of AirCUS (Airport Common User System) in the first quarter of 2015. As of June 2015, 607 AirCUS systems have been installed at check-in counters and boarding gates, enabling IAC to dramatically enhance the stability of its check-in service. The introduction of the new system has also allowed IAC to charge new air carriers less than before. As such, IAC expects more carriers to start flight service to IAC. AirCUS meets international standards. IAC's development of the system has boosted international recognition of IAC's ability to run IAC in the safest way.

Flexible Airport Operations

In 2014, the number of users of the IAC terminal building jumped by 9.7% over the previous year to 45 million, surpassing the capacity of the facility (44 million). Just as serious a problem is the fact that passenger concentration during peak seasons has continued to intensify. However, IAC has coped with the situation by flexibly assigning its manpower according to a special operations plan. During peak hours, IAC increases the service personnel at the check-in, departure hall, and information desks. More importantly, IAC runs a highly reliable congestion forecast system, which issues the following 3-stage warnings: Caution! Congestion! Serious! This system enables it to take preemptive measures against forecast congestion, thereby rendering the company's congestion control more efficient. By introducing flexible airport operations to alleviate congestion in its terminal building, IAC has achieved its targeted departure processing time (38 minutes and 26 seconds) despite a 13% increase in the number of passengers during super-peak periods compared to the previous year. On August 3, 2014, IAC handled 888 flights and 165,884 passengers – establishing yet another new record in its history.



Shortened Passenger Walking Distance

IAC has improved its facility utilization rate by creating an exclusive space for local low-cost carriers (LCC) at a location that is easily accessed by patrons. Previously, each LCC ran its own check-in counters, which kept changing depending on the on/off seasons or the number of flights in operation. Naturally, passengers were dissatisfied with the situation. In response, IAC created an integrated LCC check-in space at the center of the area where local LCCs were concentrated. The counters were insulated from any changes in individual LCCs. Furthermore, as the location was much closer to the exclusive self-bag-drop area, passengers saved about 41% in their ground travel time and reduced their check-in time by 2.4% compared to 2013. In addition, IAC relocated the ticketing counters in order to improve passengers' ground travel time and enhance convenience. It also installed FIDS (Flight Information Display System) to share key flight information with passengers in a more efficient way. These efforts helped to reduce congestion in key passenger pathways while improving passenger's access to critical information in a dramatic way.

Improvements in Airport Facilities

- Fast Track Launch and Integration of Arrival Immigration: People with disabilities, pregnant women, senior citizens, and the sick or infirm, along with those who have made significant contributions to society account for around 8.4% of the total passenger volume at IAC. Following a prolonged discussion, IAC secured the agreement of the Departure/Arrival Procedure Simplification Committee concerning the introduction of the Fast Track service at IAC. Previously, these groups of passengers had to go through the same procedures as ordinary citizens. Now, thanks to the Fast Track service, they are able to pass through the security screening and immigration service in an exclusive space in the fastest way possible. Through this service, IAC helps the most vulnerable members of society while alleviating congestion in the departure hall and preventing passengers from missing their flights. IAC estimates that Fast Track will bring in KRW 1.23 billion in indirect benefits each year.

- Improved Landscaping and Convenience Facilities: IAC has made diverse efforts to surprise its customers and exceed their expectations about the service they will receive at an airport. In 2014, IAC made improvements to its airport convenience facilities including the smoking rooms and prayer rooms to ensure that passengers' diverse preferences and faiths are accommodated and respected. IAC also presented year-round landscaping at major POCs, and planted a 'flower street' along the access road to the terminal building, thereby creating a unique atmosphere at IAC. Such seemingly minor efforts combined to help IAC win the highest ranking in ASQ for ten straight years.

BEST PRACTICE

World's No. 1 Service Airport: To maintain its No. 1 Service Airport position in the world, Incheon Airport sets itself goals and tasks with the aim of further boosting customer satisfaction every year, and promotes upgrades through companywide endeavors. Each year, IAC comes up with four implementation tasks and 18 action plans based on an in-depth analysis of the customer services offered at IAC. IAC's relevant organizations then reflect them in their respective key annual plans. IAC also plays host to ASQ strategy meetings four times a year to identify any service areas requiring strategic approaches and works on them in a coherent way.

Implementation Tasks	Action Plans (18)
Improvement of departure/arrival procedures	Check-in, security screening, immigration (6 plans)
Improvement of environment/convenience facilities	Parking facilities, cleanliness, commercial facilities, convenience facilities (5 plans)
Enhancement of service education	Employees of resident businesses, business partners, airlines (4 plans)
Creative services	Upgraded guide service, culture and arts, transit tours (3 plans)



1st Place in ASQ for ten consecutive years

Enhanced Airport Personnel Service

To standardize the on-site services provided by resident businesses and business partners, IAC has published and distributed the Customer Contact Guidelines and the Telephone Call Response Manual. Specifically, IAC has prepared a customer satisfaction education module designed to enhance service providers' POC management. The company increased the number of Chinese guides by 25% in an effort to increase Chinese travelers' satisfaction with the airport's diverse services. Moreover, IAC has provided training on responses to aircraft accidents and fires to all the relevant personnel at the airport. To improve their ability to respond to emergencies, IAC has publicized the airport emergency telephone call system through diverse channels. In recognition of such efforts, IAC was awarded "A" level in the 2014 survey on customer satisfaction with the services offered by key public companies in Korea, showing a marked increase in customer satisfaction with departure, arrival and transit over the previous year.

AA

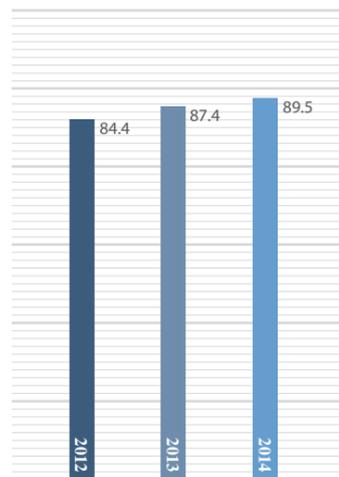
Public Enterprise Customer Satisfaction Survey - the highest level! (2012-2013: absolute evaluation)

A

Public Enterprise Customer Satisfaction Survey (2014: relative evaluation)



Customers' Satisfaction with IIAC's Culture and Arts Facilities (Unit: %)



Enhancement of the ICT Information Service

IIAC has concentrated on improving its current Information Service in terms of its accessibility to patrons and the quality of its contents. It has switched the focus of its overall design from the presentation of general information to user-centered menus and screens, which has led to a significant improvement in the readability, convenience, and accessibility of the service. Furthermore, IIAC has integrated its multiple websites into one in order to offer visitors more sophisticated information on IIAC, and a new smartphone mobile app offers multilingual services.

Protection of Customers' Personal Information

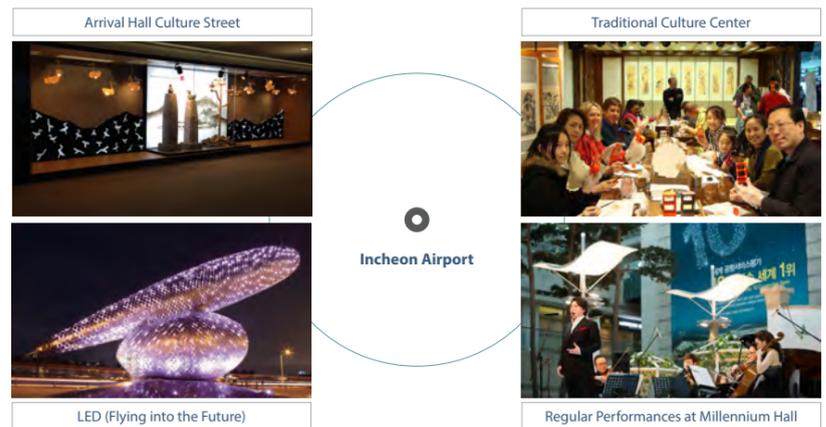
IIAC is a key national IT security facility. To maximize its protection of customers' personal information, IIAC minimizes the collection and custody of the airport patrons' personal information: It has prohibited the collection of customers' resident registration numbers for six types of tasks such as application for entrance passes and payment of facility utilization fees; reduced the period of personal information custody for four types of deals such as electronic bidding and voice of the customer (VOC); and expanded the scope of customers' optional information so that patrons can exercise more discretionary authority in decisions on which information to disclose. On the 5th of each month, IIAC discloses the status of its customers' personal information disposal. So far, it has deleted personal information for a total of 112,000 customers from its database, while the number of customers' resident registration numbers in its possession has dropped from 600,000 to 6,000 at present. Through such efforts to protect its customers' personal information, IIAC has earned its customers' trust.

Exquisite Culture and Arts Contents

IIAC aims to become a "culture airport" that actively incorporates cultural elements into its operations. To that end, it plans and stages diverse forms of cultural performances throughout its entire space, and supports the government's advocacy of cultural renaissance. It also strives to create demand for Korean culture among its transit passengers and foreign visitors to the country during their stay at the airport. IIAC stages cultural performances all year round. In 2014, the number of cultural performances reached 8,500, or a 15% increase over 2013. It has continued to expand the scope of its cultural performances to include diverse genres in addition to traditional Korean music, and now features Western music including popera (pop + opera), as well as playing host to acapella contests and presenting special performances by invited international artists, too. Most notably, IIAC stages the 'Sky Festival,' a large-scale annual outdoor concert that is enjoyed by many people from all around the world.

Expansion of Cultural Facilities

As a major gateway to Korea, IIAC has reserved plenty of its space for diverse forms of cultural performances and events. The 4th floor of the passenger terminal is home to Korean Cultural Street, which features exact replicas of some of the great masterpieces of traditional Korean architecture. In addition, IIAC offers a total of eleven free cultural experience/display facilities including the Traditional Cultural Experience Center, the Korean Cultural Museum, and the Traditional Craft Gallery. Meanwhile, more than 50% of the walls along the airport's arrival pathway support a media wall that projects the country's beauty through a series of dynamic videos, while both sides of the passenger terminal building house modern sculptures symbolizing the daily life of the Korean people. Most notably, Korean Cultural Street displays a variety of traditional Korean cultural assets worthy of careful observation, besides the abovementioned traditional Korean architecture.



ISSUE 2. ↗

SAFE AIRPORT

Why Is It Important?

The risk of accidents is rising in line with the sharp increase in air transportation volume at IIAC. Since the Sewol ferry disaster in 2014, public demand for preventive measures against aviation and airport accidents has kept on rising. IIAC is now faced with the challenge of making continuous efforts to identify and eliminate obstacles and threats to its operations and safety hazards in advance.

Our Strategy

- To implement preemptive measures against ground accidents and other hazards
- To make system improvements in height restriction enforcement around the airport
- To enhance the disaster response system
- To plan climate change responses for airport facilities
- To improve the security screening procedures

2014 Highlight

- No. 1 ranking in the disaster and crisis management evaluation conducted by the Ministry of Public Safety and Security for five consecutive years
- ACI APEX (Airport Excellence - Safety) Award
- The world's highest level in TSA's assessments of compliance with International Aviation Security Standards

Performance



IIAC'S SAFETY & SECURITY BUSINESS PARTNERS ARE ITS VALUABLE ASSETS

Pyeong-un Kim, Head of Security Unit, SEOUN STS



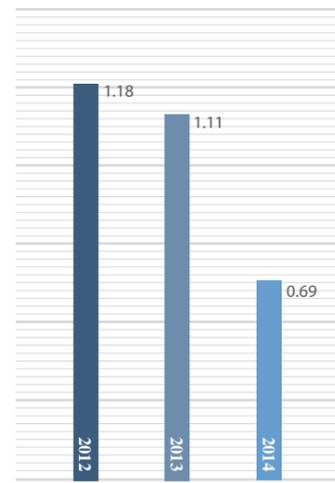
Airport security is directly related to airport safety. IIAC has a large number of security personnel who work in high-risk areas such as security screening, including the personnel of the anti-terror situation room, explosive disposal unit, and fire department, as well as various security units. However, service quality is compromised to some extent as they are all employed by outsourcing companies. As such, IIAC needs to consult with the government to employ them directly or through a subsidiary; and their job security needs to be improved among other things. Nevertheless, they are invaluable human resources for IIAC irrespective of their employment terms. Therefore, IIAC needs to take a leading role in ensuring they receive professional training by external security training institutes, as this will not only help IIAC to grow further but will also further the development of its partner security companies and their employees.



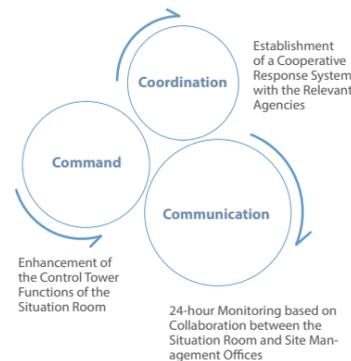


Classification	2012	2013	2014
Aircraft Accidents	0	0	0
Ground Accidents	0.73	0.48	0.35

Non-compliance pointed out in Airport Certification Safety Inspections (Unit: case)



3C-centered Crisis Management System



Pre-emptive Action on Safety Hazards for Ground Accidents

IIAC's flight operations have kept on increasing, bringing with it a greater probability of accidents. Therefore, IIAC has continued to reinforce its safety management. Whenever a safety risk is identified, IIAC shares information about it with all the relevant parties including government agencies, airlines and ground service providers in order to carry out immediate joint safety inspections. IIAC strongly urges all the personnel working at the airport to comply with its safety rules and guidelines. IIAC has optimized the working environment for diverse types of operators at the airport. For instance, it has secured additional work spaces for heavy equipment and made improvements in the allocation of apron areas. It has also upgraded its training programs for a variety of operators at the airport, by fine-tuning the education programs to the trainees' particular needs and making the contents easier to follow. Such efforts on the part of IIAC have led to the successful prevention of ground accidents, with only 0.39 ground accidents registered at IIAC in 2014, the lowest figure ever recorded.

Development of a Digital Airport Map for Cockpits

IIAC has developed an electronic airport map for the first time in the world, laying the foundations for normal aircraft operations even during inclement weather conditions. It has come up with a 3D database that enables the measurement of all the airport's facilities with up to 11cm resolution. Aircraft can now operate at IIAC under any weather conditions including low visibility. IIAC has also developed a map management system that collects information on all the airport facilities in a database, and has completed the digitalization of all its information related to flight operations at the airport. Now aircraft can move at the airport faster and more safely in inclement weather. IIAC has won global recognition for its know-how on the production of state-of-the-art maps according to international standards, a first among global airports.

Systematic Enforcement of Height Restriction Rules

The areas surrounding the airport are continuing to develop rapidly. The 3rd phase construction project is in full swing, and structure height control inevitably poses a greater challenge to IIAC, leading it to develop a system that enables the rapid and accurate identification of flight obstacles. Since 2009, IIAC has developed and upgraded the obstacle measurement system, while in 2014 it succeeded in developing an obstacle monitoring system for its five runways through precise ground surveys and modeling based on aviation/GPS. The sophisticated height restriction system can conduct precise analysis at 100 separate points at a time, and then produce a 3D model based on the applicable height limit in the area. Through such measures, IIAC has secured flight safety while also achieving zero complaints from residents and businesses in the surrounding areas. Improvements in efficiency and precision have led to a reduction of 390 working hours at the relevant departments in 2014.

Enhancement of the Disaster Response System

Since the sinking of the MV Sewol in April 2014, public demand for safety measures has skyrocketed in Korea. Safety hazards have increased at IIAC as the number of its flight operations has continued to rise. Consequently, IIAC has reinforced its disaster and emergency response system, and upgraded its crisis management system into a '3C-centered system' based on the concepts of coordination, command and communication, the purpose of which is to enhance its control tower functions through the construction of an integrated command system. Through such efforts to improve its disaster response system, IIAC has won the highest ranking for five consecutive years in the Ministry of Public Safety and Security's evaluation of the disaster control practices of 92 public agencies around the country.

BEST PRACTICE

Comprehensive Aircraft Accident Response Drill: In September 2014, IIAC conducted a comprehensive aircraft accident response drill at its Simulated Airplane Firefighting Training Center. 40 organizations including the Ministry of Land, Infrastructure and Transport, Incheon City, and Jin Air, more than 100 vehicles, and over 600 people took part in the exercise. The drill covered the entire disaster process - ranging from the rescue of human lives to the identification of casualties - according to a complete standardized scenario. It was the first crisis response drill at IIAC in which all the relevant government agencies participated. Through the exercise, IIAC was able to check the effectiveness of its cooperation with other players at the airport and its potential to respond to real emergency situations. IIAC continues to check its ability to cope with any type of accident within its premises and to reinforce its disaster response system with the goal of completing its initial response to an emergency within 30 minutes.



Aircraft Fire Drill



	Tabletop Exercises
Time (2014)	April - June
Participants	10 agencies including MOLIT
Situations & Purposes	Response to acts of terror in the passenger terminal
Achievements	Understanding of initial procedures Clarification of each agency's responsibilities

	Partial Exercises
Time (2014)	June - July
Participants	8 agencies including MOLIT
Situations & Purposes	Initial response to bomb/explosive-related acts of terrorism in the passenger terminal
Achievements	Steps to secure passenger safety Clarification of procedures for suspending aircraft operations

	Comprehensive Exercises
Time (2014)	July - August
Participants	21 agencies including MOLIT
Situations & Purposes	Bombs/explosives in the terminal, shootings, hostage taking, terror attacks on buses
Achievements	Full understanding of counter-terrorism procedures Inspection of the cooperative system between agencies

	Creation of an Aviation Counter-Terrorism Manual
Time (2014)	April - November
Participants	8 security agencies
Situations & Purposes	Verification of effectiveness of manuals through anti-terrorism exercises
Achievements	Clarification of the command system and the roles of each agency during 'golden time'



Counter-terrorism Exercise

Spread of Safety Culture and Actions

The new CEO advocates safety as the core value which IIAC must promote by all possible means. IIAC has overhauled its strategies as well as its organization to improve its safety practices above all else. The first of IIAC's new corporate visions is to establish 'A Safe and Convenient Airport.' IIAC has enhanced its safety organization - increasing it from two to three teams - so that the team members can promote safety among of the airport's 40,000 members. In 2014, IIAC was awarded the Excellence Prize by KOSHA (Korea Occupational Safety and Health Agency) for its contribution to the reduction of industrial accidents by promoting greater cooperation among all its members. The number of cases of non-compliance with aviation transport safety rules continued to drop for a third consecutive year in 2014.

Training to Enhance Safety Awareness and Actions

Business Partners	Resident Agencies/Businesses	Workers	General Public
Support for Supervisor Training and Hazard Evaluation Education	Establishment of a self-reliant firefighting unit and enhancement of firefighting/safety training	Education on Airport Safety Management System (SMS)	Implementation of Aviation Safety Education (launch of the Aviation Safety Plus Lounge)
Launch of Accident-free Operation Campaigns	Launch of Firefighting & Safety Campaigns	Surveys on satisfaction with Safety Control and Evaluation of Safety Culture	Operation of Help Desk for Information Service and Whistleblowing

Reform of the Anti-terrorism and Threat Response System

The need to respond immediately to emergency situations at public facilities has increased dramatically, while the command system of IIAC has become increasingly complicated in line with the increasing number of its stakeholders. Consequently, IIAC has reinforced its counter-terrorism response system. To enhance its cooperation with the relevant agencies, IIAC has launched joint exercises - including tabletop exercises, partial exercises and comprehensive exercises - with them. It has published an Aviation Terrorism Response Manual to establish a complete aviation security system throughout the entire airport. In 2014, IIAC hosted more than ten comprehensive joint exercises - including anti-terrorism exercises and bomb disposal exercises - with the relevant agencies. It has also equipped itself with a complete system for taking appropriate action in the event of a national emergency. As a result of such efforts, IIAC registered zero cases of non-compliance in 'The Inspection of Compliance with Aviation Terrorism Response Manuals' conducted by the Ministry of Land, Infrastructure and Transport in 2014. Overall, IIAC has greatly enhanced its ability to counter aviation terrorism in the initial stage through major counter-terrorism exercises.

Improvements in Security Screening Procedures

In recognition of its high level of security screening for departing passengers, IIAC passengers heading for the U.S. and Canada became exempt from a secondary security screening in January 2011, while passengers for Australia became exempt from a secondary security screening in February 2014. The United States asked all international flights heading to the country to carry out a secondary security screening for their passengers at boarding gates in addition to the primary screening that is carried out before passengers enter the departure hall. IIAC was exempted from the obligation due to its outstanding aviation security screening system and practices (IIAC received Appropriate/Excellent in all of its 203 security areas in the TSA evaluation 2013). Now, in addition to exemption for its passengers and baggage, IIAC is striving to secure exemption for its transit carry-on baggage, too. It has promoted exemption through various channels including the Korea-U.S. Aviation Security Conference. IIAC expects its transit carry-on baggage bound for the U.S. to be exempt from transit screening starting in December 2015. This achievement was recently chosen by the population as one of 'Top 10 Policies of the Ministry of Land, Infrastructure and Transport (MOLIT) for a Happy Nation.'

A

Evaluation of Disaster Management Level (2012-2014)

Efforts for Uninterrupted Airport Security Operations

Security accounts for around 33% of the total business carried out by IIAC's business partners, with the total number of employees hired in the area now exceeding 2,000 (2,094). Security is one of IIAC's central tasks, and is critical for its airport operations. At the end of 2013, the KPTU (Korean Federation of Public Services and Transportation) went on strike. IIAC needed to enhance its security due to concerns over any loopholes in its security. It divided its security area into three instead of two sections in order to shorten the time required for security personnel to reach emergency sites. At the same time, to further enhance the efficiency of its security system, IIAC introduced a competitive system for its security companies, thereby accelerating the speed of emergency response at IIAC. IIAC has also made sure that different security companies work closely with each other at every stage of an emergency.

Planning for Climate Change Responses at Airport Facilities

To minimize the risk of natural disaster, IIAC has devised a plan to deal with the impact of climate change on its facilities in stages. Since 2013, IIAC has been analyzing the impact of climate change and improving its facilities concurrently. In 2014, IIAC conducted a pilot project to evaluate the risks involved in climate change for the Ministry of Environment. In 2015, IIAC will enhance its external cooperation while accelerating its facility improvements according to its plan, and will make sure that each of its facilities is as safe as humanly possible.



Facilities	Weather	Impact Analysis and Improvements	Continuous Promotion Tasks
Civil Engineering	Heat wave Heavy rain	<ul style="list-style-type: none"> Enhancement of pavement facilities to protect them from temperature changes. Safety inspection of external breakwaters. 	<ul style="list-style-type: none"> Pavement maintenance and repair techniques that will protect pavement from climate change. Comprehensive review of airport drainage structures.
Architecture	Heavy snowfall Earthquake	<ul style="list-style-type: none"> Safety inspection of the passenger terminal to protect it from abnormal weather. Improvement of the current earthquake detection system. 	<ul style="list-style-type: none"> Establishment of a quick response system to heavy snowfall for the passenger terminal. Establishment of a system for monitoring architectural facilities during abnormal weather conditions.
Plant	Cold wave Low-carbon	<ul style="list-style-type: none"> Introduction of an eco-friendly local heating system. Replacement of electric motors with high-efficiency products. 	<ul style="list-style-type: none"> Replacement of dilapidated incinerators and expansion of the facilities. Introduction and installation of an energy management system.
Energy	Eco-friendly Heat wave	<ul style="list-style-type: none"> Preparation of a roadmap for a low-carbon eco-friendly airport. Construction of a demand management system for electric power consumption. 	<ul style="list-style-type: none"> Expansion of renewable energy sources. Eco-friendly accreditation of the second passenger terminal.
Aviation	Lightning Weather change	<ul style="list-style-type: none"> Reinforcement of protection of aviation facilities from lightning Enhancement of supervision of radio waves for glide slope indicators. 	<ul style="list-style-type: none"> Establishment of the next-generation aircraft departure/arrival control system. Development of a low-carbon high-efficiency airfield lighting system.

Enhancement of Countermeasures against Heavy Snowfall

Due to the frequent abnormal weather patterns between November and March, anxiety about flight safety increases during that period. IIAC has worked out a mid- to long-term snow removal plan to cope with the increasing impact of climate change. For the first time in Korea, IIAC has purchased four high-capacity haulage-type snow ploughs; and has increased the use of multi-functional high-speed blowers and eco-friendly deicing agents as a means of coping with the impact of climate change preemptively.

Systematic Diagnosis of Airport Facilities

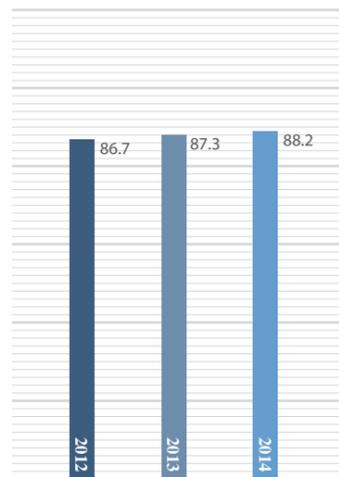
IIAC has established a thorough facility inspection system instead of implementing the customary facility inspection plan. In 2014, IIAC resurfaced all the runways and ramps whose ten-year service life had elapsed, irrespective of their actual condition, in order to enhance the safety of its flight operations. It also repaved its outer ring road and GSE (ground support equipment) roads, and made improvements to a total of 96 facilities throughout the year. IIAC evaluates and manages its facilities quantitatively. In 2014, its facility status index rose by 3.2 points compared to the facility deterioration level.

Improvement of Aviation Facilities

IIAC strives to provide the world's safest aviation services by maintaining its aviation safety facilities in the best operational state possible and promoting the uninterrupted operation of its aviation/power supply facilities. Most notably, it works in close collaboration with the relevant government agencies to secure the stability of its flight control tower operations. To back up its radar operations, IIAC has signed an agreement with the military for the sharing of radar information from military radar facilities in the event of an interruption at IIAC. IIAC has also developed a GPS jamming warning and location tracking system; and has also arranged for Seoul Approach Control and the Air Traffic Center to share information via a mutually connected aircraft flight control system whenever a disturbance occurs at the airport. Based on such efforts, IIAC established Asia's first CAT-III b 75m* operation system and achieved a total of 120,000 hours of uninterrupted operation of its aviation safety facilities.

*CAT-IIIb: The level at which an airport has equipped itself with the appropriate facilities and operational procedures required to land an airplane onto its runway under weather conditions with an RVR (Runway Visual Range) of less than 50-175m.

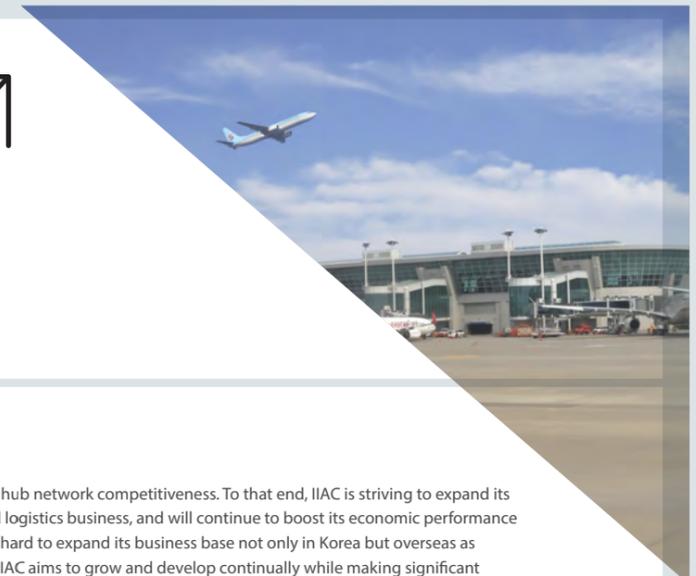
Facility Condition Index (Unit: point)



ISSUE 3.



DEVELOPING AIRPORT



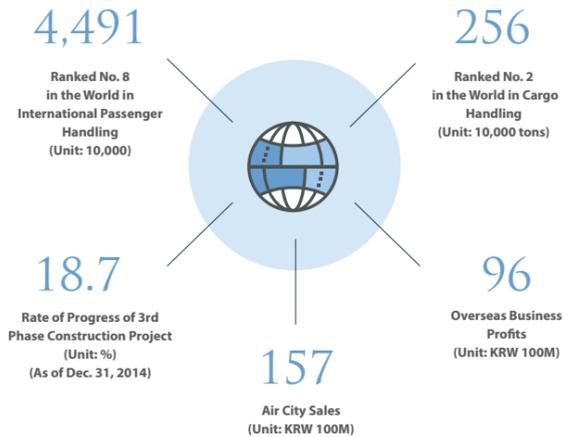
Why Is It Important?

IIAC aims to increase its aviation demand and enhance its hub network competitiveness. To that end, IIAC is striving to expand its current business portfolio largely based on passenger and logistics business, and will continue to boost its economic performance through a variety of new revenue sources. IIAC is working hard to expand its business base not only in Korea but overseas as well. Through a wider window of business opportunities, IIAC aims to grow and develop continually while making significant contributions to enhancing the nation's overall competitiveness on the global stage.

Our Strategy

- Establishment of Mid- to Long-term Aviation Marketing Strategies
- Development of New Growth Engines for the Transport Business
- Successful Completion of the 3rd Phase Construction Project
- Successful Development of Air City
- Construction of the World's Best Commercial Facilities
- Advance into Overseas Airport Consignment Operations

Performance



2014 Highlight

- Largest Number of Passengers
- Growth Momentum for International Cargo Business
- No. 1 in Duty-free Sales for Four Consecutive Years
- Successful Operation of Air City

Chang-wan Kim, Manager, Korean Air



3rd PHASE - THE STARTING POINT FOR IIAC'S GROWTH AND DEVELOPMENT

The years 2015-2017 will be critical to IIAC as the success of the 3rd-phase construction project will be determined during this period. I personally believe that the growth and development of IIAC will begin with its success in the 3rd phase construction project and conclude with its successful CSR performance. Trees do not call out to birds, but rather birds flock to nest in them of their own accord. I hope that IIAC will create an environment that is sufficiently attractive to motivate many global airlines to come and prosper with the successful completion of its 3rd phase construction project. What needs to be done is guarantee slots* for airlines following the construction of world-class runways that are safe for takeoff and landing all year round. Airlines will flock to IIAC of their own volition and IIAC will end up with more passengers and greater revenues. IIAC will then be able to return some of the revenues to society, and will continue to grow and develop while fulfilling its social responsibility at the same time.

* Slot: A specific time period during which a flight is permitted to land or take off.





Increasing Passenger Demand

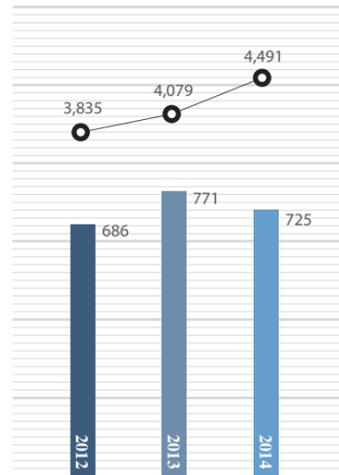
Establishment of Mid- to Long-Term Aviation Marketing Strategies

In line with the liberalization of air transportation and the expansion of LCC business, competition is on the rise among airports. The establishment of a balanced hub network based on proper marketing strategies has become more important than ever. IIAC has analyzed market demand, growth potential, and air routes for each continent, and has selected 40 airlines and 53 air routes as its mid- to long-term targets accordingly. In addition, it has conducted a systematic analysis of global aviation trends, route demand and profitability to generate its mid- to long-term strategies and enhance its aviation marketing and hub network.

	Mega International Airlines	Mid- to Large-Sized Airlines/LCC
Goal	To enhance the regional hub function for long-haul flights ⇒ Enhancement of route competitiveness	To secure a competitive air route network
IIAC Efforts	- Visits to the US Head Offices of DL, UA and AA - Participates in Routes Asia 2014, World Routes 2014 and IATA Slot Conference, and implements marketing activities to hold the forums - CEO marketing efforts	- Participation in Routes Conference, IATA Slot Conference and Asia's biggest LCC conference - Exemption of ferry landing fees to promote LCC growth - Support for joint advertising about the launch of new routes for Hong Kong Express
2014 Results	- Launch of the Delta Incheon-Seattle service (June) and the UA Guam-Incheon service (Oct.) - Enhancement of the network by expanding code sharing between flag/foreign carriers	- Service launch by five LCCs and Myanmar Air - 6.17 million LCC passengers

Current Status of Transit Demand

■ : Transit Passengers (Unit: 10K)
● : International Passengers (Unit: 10K)



Increasing Transit Demand

IIAC is striving to expand its core markets by carrying out transit marketing campaigns tailored to changes in the airport environment. It is concentrating on attracting new air carriers and expanding the current air routes by conducting customized marketing efforts for its major markets and engaging in closer cooperation with the governments and airlines. Most notably, IIAC has made joint efforts with the government to expand its traffic right in the Chinese market. For instance, Spring Airlines launched its Beijing-Incheon service as a result of these efforts, while IIAC expanded its flight service to major Chinese cities in 2014. In addition, IIAC has joined forces with various airlines and travel agencies to develop programs designed to explore new transit routes from China and Southeast Asia and attract more transit passengers from those areas. As a result of joint marketing efforts including air ticket discounts, transit tour packages and transit guide services, the number of transit passengers on the China-Incheon-Palau-Saipan route increased by 94% in 2014 over the previous year.

Increasing Cargo Demand

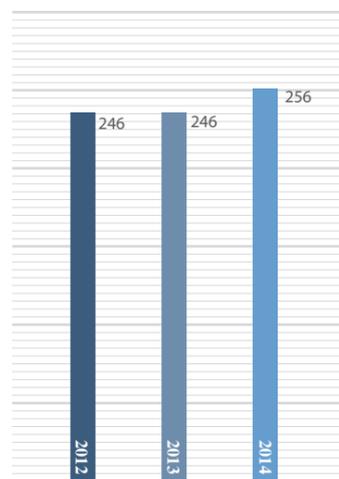
Development of New Growth Engine Transport Business

Export cargoes consisting of electrical and electronic products and machinery have been decreasing at IIAC, whereas imports of agricultural and fishery goods from North America and Europe have been increasing considerably in line with the rapid economic growth of Asian countries. IIAC has analyzed the global trends of air cargoes and developed an air transport model whereby American and European agricultural and fishery goods are exported to China, Japan and other Asian countries like Thailand through Incheon Airport. IIAC has also collaborated with domestic airlines and aT (Korea Agro-Fisheries Trade Corp.) to expand the exports of agricultural and fishery products to those areas by air. Meanwhile, domestic airlines offered lower transportation fees; aT took charge of exporter marketing; and IIAC boosted its marketing efforts in the target areas. As a result, exports of agricultural and fishery goods rose from 63,000 tons in 2013 to 81,000 tons in 2014.

Attraction of Target Routes

IIAC analyzed trade items and volumes along with the status of investments in global production bases for each continent. It has selected target areas from which it will strive to increase cargo volumes, and has conducted intensive marketing campaigns customized for each of those areas. IIAC's target areas include Xian/Zhengzhou (Samsung/Apple production base) and Wuxi (production base for a large number of Korean and Japanese manufacturing companies) in China; Hanoi in Vietnam (increasing investments by global manufacturing companies); and Baku in Azerbaijan and Leipzig in Germany (emerging hubs for air cargo). IIAC has joined hands with airlines to develop new air routes. As a result, IIAC developed nine new air routes including Xian, Zhengzhou, Yantai (China) and Baku (Azerbaijan), and expanded two of its air routes in 2014. Air cargo from the new and expanded routes during the last year amounted to 25,000 tons, and there were 1,600 flights along the new routes in 2014.

International Cargo (Unit: 10K tons)



3rd Phase Construction Project of Incheon Airport

The economy of Northeast Asia is expected to account for 26.6% of the global economy by 2020 in terms of GDP, while the growth potential of Asia is anticipated to continue growing. In keeping with the economic growth of Northeast Asia, aviation demand has continued to grow in the area. The major facilities of IIAC including the passenger terminal and airport aprons are predicted to reach a saturation point sometime in 2017 or early 2018. To cope with the increasing demand for aviation services and enhance its competitiveness as a hub airport in the region, IIAC is expanding its infrastructure. It is now building the second passenger terminal and airport aprons under the 3rd phase construction project (2009-2017) with a total budget of KRW 4.93 trillion. Following the completion of the 3rd phase project in 2017, Incheon Airport will be able to handle 50 million international passengers per year, thereby joining the ranks of the world's mega airports.

Overview of the 3rd Phase Construction project

2nd Passenger Terminal	T2 Front Facilities	Passenger/Cargo Aprons	Roads and Railroads
The best terminal in terms of passenger convenience and operational efficiency	The 2nd transportation center houses a rail station, parking facilities and bus stops at the front and curbsides and in basements.	A plan for aprons reflecting future aviation demand and aircraft mix	Road: Four interchanges for vehicles heading to the 2nd passenger terminal Railroad: Incheon Airport Railroad will extend service to the 2nd passenger terminal so that everyone can reach IIAC within 2.5 hours from anywhere in Korea
Floor area: 384,000m2 Height: 2B +5F Annual capacity: 18M passengers	Floor area: 139,000m2 Size: 2B +4F Parking capacity: 2,721 cars	Size: 37 berthing facilities and 9 remote service spots (passenger apron); 21 spots (cargo apron)	Improved connectivity between public transport modes
Realization of uniquely exquisite T2 interior* and creation of differentiated space	Public transport (rail and bus) service under one roof	Introduction of MARS** enabling large and small planes to park side by side	

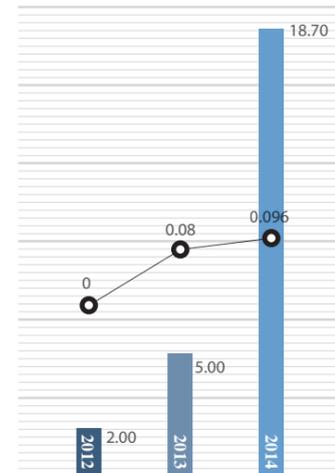
* Interior based on the harmony of Culture (realization of traditional Korean culture), Technology (integration of the latest information technology) and Ecology (creation of eco-friendly spaces).
** MARS (Multiple Aircraft Ramping System): A ramping system enabling two small planes (C class) to park in the ramping space for one large plane (F class).



T2 Construction Site

Status of the 3rd Phase Construction Project

■ : Progress Rate (Unit: %)
● : Accident Rate (Unit: %)



A Bird's Eye View of the 3rd Phase Construction Project

Direct and Indirect Economic Impact

Incheon Airport is expected to boost its global competitiveness and develop into a global hub airport through the 3rd phase construction project. During the construction period, it is expected to create a total of 93,000 jobs, and generate a production inducement effect worth KRW 12.3 trillion and value added worth KRW 4.8 trillion; while, during the operation stage, it will create another 90,000 jobs, and generate a production inducement effect worth KRW 30 trillion and added value of KRW 8 trillion in the first ten years. In the process, IIAC will join the nation's efforts to build a creative economy.

Concepts of the 3rd Phase Construction Project

1 Harmony with Nature
 Creation of an airport within a green park
 Creation of an eco-friendly landscape including tall pine trees, a fountain and seasonal flower gardens along the T2 access road (1.8km).
 Creation of a tidal flat park (equivalent to 84 soccer fields)
 Creation of an ecology and conservation experience space (1,260,000m²).

2 Low-Carbon Emissions
 Energy cost reduction: RW 4.54 billion/year (29,000tCO₂/year)
 Energy conservation (insulation & natural lighting): KRW 3.94 billion/year (26,488tCO₂/year)
 New and renewable energy (solar and geothermal power): KRW 600 million/year (2,819tCO₂/year)

3 Cutting-edge Smart Technologies
 Saving 9 minutes per person in departure procedures (43 → 34 minutes)
 Introduction of Self-Service Zone (Self-Check-in + Self-Bag-drop)
 * Self-Service Zone: Passengers carry out the check-in procedures by themselves.
 * Introduction of the Search Information Sharing System

Airport

Green-Eco-Smart Airport

To actively address the pressing issues of energy conservation and GHG emissions, IIAC maximizes the use of high-efficiency materials, natural light and renewable energy sources in all the facilities of the 3rd phase construction project. In addition, it will create a smart airport capable of delivering quick and convenient services to airport patrons in the smartest way by incorporating cutting-edge information and communication technologies into airport operations. IIAC is striving to set a new standard for future-oriented airports through the 3rd phase project. The specific goals for the 3rd phase construction project are to create 1) a Green Airport where architecture and nature coexist in harmony; 2) an Eco Airport that generates low carbon emissions while promoting a high degree of energy conservation; and 3) a Smart Airport equipped with sophisticated information and communications technologies to ensure the smartest operations. IIAC will prove the compatibility of state-of-the-art technologies and eco-friendliness through the project.

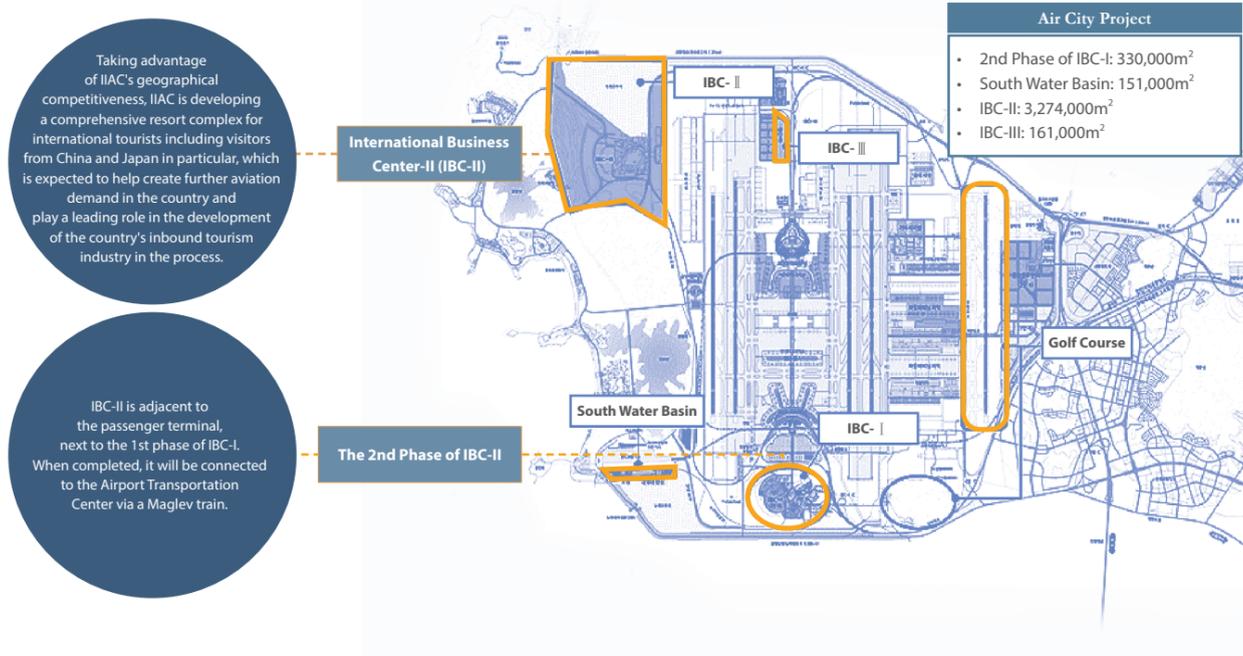
Successful Development of Air City Promotion of Air City

Incheon Airport is gradually becoming a huge industry in its own right as it creates high value added in a range of fields including logistics, culture, tourism and commerce. IIAC is promoting the development of Air City with the aim of emerging as a representative tourism and business hub in Northeast Asia. So far, IIAC has developed the 1st phase of International Business Center 1 (IBC-1) and a golf course (the 5th runway area) that is now in operation. Currently, IIAC is promoting investments in the 2nd stage of IBC-1, IBC-II, and the south water basin (Water Park). IIAC is striving to develop the surrounding area not only to enhance the diverse support features for its airport operations including accommodation but also to create new aviation demand and contribute to the economic growth of the local community.

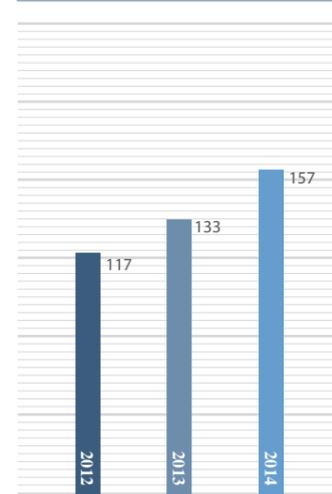
Launch of a Comprehensive Resort Development Project

Launched in November 2014, the 2nd phase of the IBC-I (International Business Center-I) project is aimed at creating a comprehensive Korean-style resort consisting of an 814-room hotel (two buildings), the country's largest casino (about four times the size of the Paradise Walker Hill Casino), Hallyu Plaza (a plaza and various commercial facilities), and jjimjilbang (Korean-style public bathhouses). In preparation for the opening of the second passenger terminal building, the project will supply accommodation facilities equipped with the latest convention facilities, among others, while the surrounding area will support the successful operation of the new terminal, which is expected to receive around 4 million visitors a year. In 2014, IIAC created 3,500 new jobs for the complex resort project, which is expected to generate KRW 6.4 billion in annual revenues upon completion.

Air City Development Plan

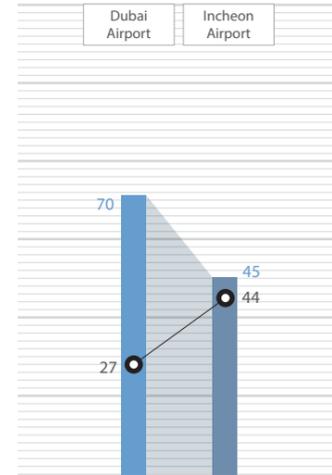


Annual Sales in Air City (Unit: KRW 100M)



Total International Passengers and Duty-free Sales per Person

■ : Total International Passengers (Unit: 1M)
 ● : Duty-free Sales per Person (Unit: US\$)



Boosting Investments in Air City

IIAC has striven to develop tourist-friendly facilities in keeping with the increasing numbers of tourists and transit passengers from China and to attract foreign investments in its comprehensive resort complex project. IIAC has convinced the Ministry of Trade, Industry and Energy and the Incheon Free Economic Zone Authority to grant an exception to the Incheon Free Economic Zone and allow the zone to maintain its exceptional status. In cooperation with KOTRA (Korea Trade-Investment Promotion Agency), IIAC has held investment briefing sessions for Australian and Chinese investors (including those in Hong Kong) as well as five companies that have expressed an interest in investing in the resort project. It continues to work hard to attract more foreign investments as well as investments by local companies in the relevant industries. IIAC has succeeded in securing local companies and foreign investors to participate in the project. The operation of the second passenger building will start in 2018, thus necessitating additional accommodation and support facilities. IIAC is now promoting the development of the IBC-III project. According to its master plan for IBC-III, IIAC began the design of the basic infrastructure for the project in July 2014, and obtained all the necessary permits from the relevant government agencies in June 2015.

Building the World's Best Commercial Facilities Focused Marketing Efforts for Targets

IIAC has refocused its mid- to long-term marketing strategies for its commercial facilities by placing greater emphasis on the increasing number of Chinese visitors. It has also launched diverse marketing promotions customized for airport facilities. In 2014, IIAC created a shopping environment customized for Chinese shoppers, including the introduction of elements of the Korean Wave (Hallyu), while purchases by Chinese visitors increased by 27% over the previous year. IIAC also introduced a guided shopping tour program based on a one-on-one translation service. IIAC featured special promotional events during the Golden Week of China.

Creation of a New Smart Shopping Environment

In keeping with the popularity of the Korean Wave (Hallyu), IIAC helps foreign visitors to experience traditional Korean cuisine and heritage. Furthermore, it offers them smart shopping experiences including mobile app searches and the issuance of discount coupons through QR codes. It has transformed a previously crowded commercial space into a new commercial model equipped with customer convenience facilities, stylish shops, premium business lounges, and pop-up stores serving food and beverages; and has expanded and upgraded the children's play facilities in the area, as well as developing media contents for the facilities. Through such efforts, IIAC has boosted customers' convenience and increased its revenues.

Overseas Business Expansion

Efforts to Diversify Its Overseas Business

To secure new growth engines, IIAC is promoting the strategic expansion of its overseas business including overseas airport consignment operations and equity investments in overseas airports beyond the level of short-term consulting-centered overseas business. To accumulate know-how about the operation of overseas airports, IIAC has provided a consulting service including operational support in target markets like the Philippines, Indonesia and Iraq. In 2014, IIAC won a contract for a consulting service in the field of passport control automation in the Dominican Republic, securing a foothold in the Latin American market. The contract was also the first of the company's commitment outside Asia. Based on its know-how about overseas business as well as its core competencies, IIAC plans to participate in overseas airport consignment operations more extensively and to continue generating profits starting in 2017. In the long term, it will shift its focus to large-scale investments such as the acquisition of overseas airports and the development of new airports to further diversify its revenue structure.

Status of Overseas Business Profit

Project Name	2012	2013	2014
Operational Support for Erbil International Airport, Iraq	KRW 7.4B	KRW 2.7B	KRW 500M
Project Management for the Construction of Duhok International Airport	-	KRW 1.6B	KRW 2.8B
Consulting for the Finishing Stage of Manila International Airport	-	KRW 500M	KRW 2.3B
Establishment of a Master plan for the National Airport in the Philippines	-	-	KRW 1.6B
IIAC Office in Indonesia (Surabaya, Jakarta)	KRW 1.1B	KRW 1.4B	KRW 1.3B
Other	KRW 800M	KRW 1.6B	KRW 1.1B
Total	KRW 9.3B	KRW 7.8B	KRW 9.6B

ISSUE 4.

LOW-CARBON, ECO-FRIENDLY AIRPORT

Why Is It Important?

The impact of climate change and energy issues on companies' business environment continues to grow. The environment is emerging as a key business management issue around the world. Under the circumstances, companies can secure differentiated competitiveness if they cope with the issue of climate change preemptively and set eco-friendly policies including energy conservation and take appropriate action.

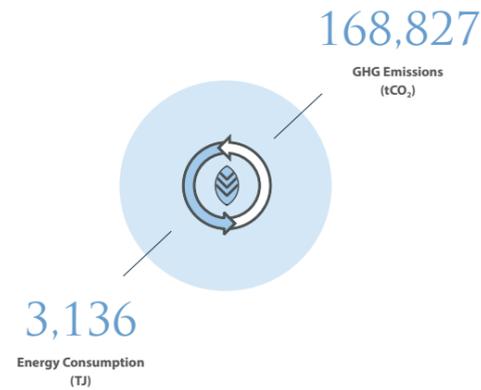
Our Strategy

- To enhance Eco-friendly Management
- To improve Energy Efficiency
- To expand Low-carbon Operations
- To enhance Environmental Resource Management

2014 Highlight

ACI Airport Carbon Accreditation Level 3	1
ISO 50001 Certification	2
Meeting its GHG Target by 103%	3
Winner of the Grand Prize at the Republic of Korea Green Management Awards	4

Performance



Yong-suk Jeong,
Director,
Forest for Life



PURSUIT OF A LOW-CARBON GREEN AIRPORT THROUGH CUSTOMER ENGAGEMENT

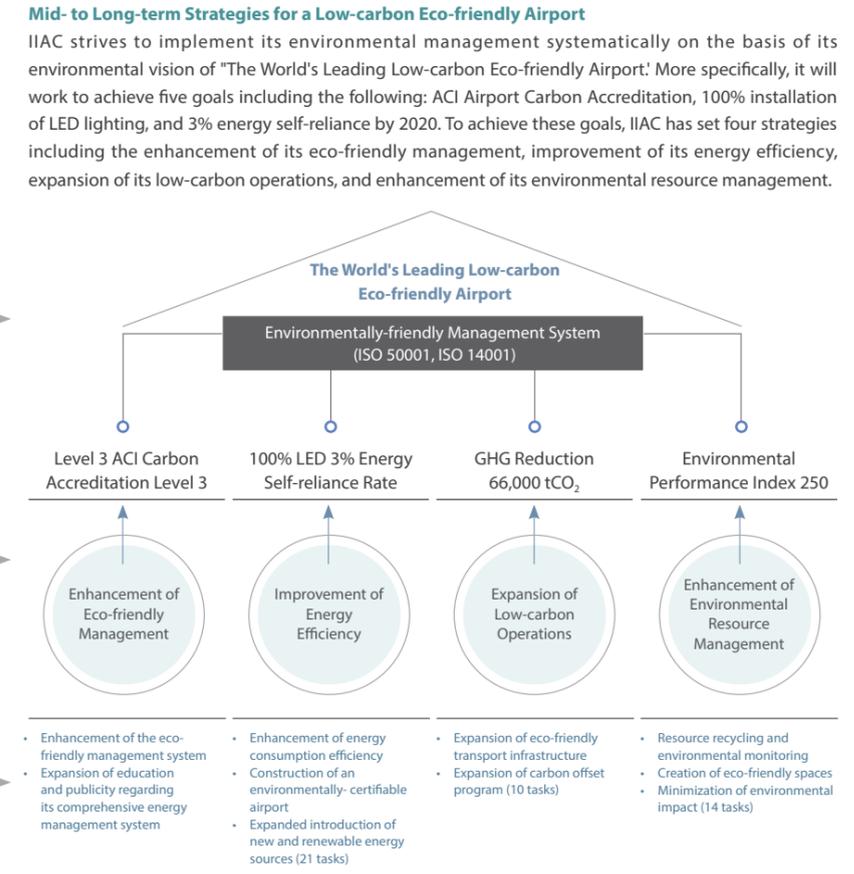
In cooperation with Forest for Life and the Jung-gu district of Incheon City, IIAC is creating the World Peace Forest in Air City (scheduled for completion in 2016) over an area of 471,910m². Based on continuous communication with local communities and joint efforts to create a forest, the World Peace Forest Project deserves recognition that since it is a very special and outstanding example of community engagement. To become an environmental leader in the airport industry, IIAC needs to expand its low-carbon eco-friendly management practices to the level of the customer and actively encourage its customers to practice eco-friendliness in their daily lives. IIAC also needs to continue to reflect its eco-friendliness in the design of all of its airport facilities, and to strongly motivate airport patrons to practice sustainable consumption in their use of the airport facilities. In this way, IIAC could become the leading model of a culturally advanced airport. If it succeeds, foreign travelers will recognize the prominence of Incheon Airport and love visiting it.



Vision

Goals and Strategies

Implementation Tasks



Accreditation of the Energy Management System

To reduce its energy consumption and GHG emissions, IIAC adopted ISO 50001 (Energy Management System), an international standard for energy management, and received the accreditation in June 2014. IIAC runs the GHG Reduction and Energy Conservation Committee to fulfill its obligations under the relevant ministry's 'Regulations on the Promotion of Reasonable Energy Consumption by Public Institutions,' and the Energy Management Subcommittee, which is composed of working level officials, under the aforementioned committee. The committee and subcommittee hold meetings quarterly, gather information on each department's energy consumption and conservation efforts, monitor the progress of each department's efforts to meet its target for GHG emissions and energy conservation, analyze IIAC's total energy consumption by energy source, and discuss how to boost energy conservation in the future.

BEST PRACTICE

Achievement of ACI Airport Carbon Accreditation - Level 3: In recognition of its response to climate change and its GHG emission reductions, IIAC was awarded 'level 3' in the Airport Carbon Accreditation evaluation conducted by ACI (Airports Council International) in March 2014. IIAC was awarded ACI Level 3, which is the highest level that can be achieved by a mid-to-large-size airport, for only the third time in Asia following Chek Lap Kok in Hong Kong and New Delhi Indira Gandhi International Airport in India, and received the certificate in May 2014 from the chair of the ACI Asia-Pacific/World Annual General Assembly. IIAC will strive to maintain the certification by carefully monitoring the GHG emissions from all of its operations.



IIAC receiving the ACI Airport Carbon Certificate

Disclosure of Environmental Information

IIAC issues its annual Green Report on its environmental performances so as to disclose its environmental information to its internal and external stakeholders and secure transparency in its environmental management. It won the AGG (Airports Going Green) Award of the USA from the AAEE (American Association of Airport Executives) and Chicago O'Hare International Airport in 2014 for its green growth strategies and efforts to promote eco-friendly management.



Comprehensive Management of Energy and GHG

To effectively cope with the expansion of the carbon emissions trading scheme and increasing requests for action to be taken on the energy crisis and climate change, IIAC is pushing strongly for an energy self-reliant low-carbon eco-friendly airport that maximizes the use of new and renewable energy sources and minimizes its carbon emissions. To manage its energy consumption systematically, IIAC has devised a 'Comprehensive Energy Management Plan' that presents specific means of reducing energy consumption and offers policy directions for reasonable energy consumption and management. In a bid to realize its goal of becoming an eco-friendly airport that emits the lowest possible volume of carbon into the atmosphere, IIAC has adopted a wide variety of measures including the following: efforts to reduce carbon emissions based on voluntary agreements with resident businesses and agencies to reduce energy consumption and GHG emissions; the expansion of LED lighting and increased use of new and renewable energies including solar and geothermal energy; the operation of low-carbon green aprons through the operation of hydrogen fuel cell buses and the minimization of aircraft ground movements; the establishment of eco-friendly transport facilities for EVs, bicycles and Maglev trains; and the comprehensive management of carbon emissions generated by aircraft, ground handling agents' vehicles, and aircraft passenger buses and trains.

Response to the Carbon Emissions Trading System

To help the country implement the carbon emissions trading system successfully, IIAC prepared a plan for energy conservation in February 2015, and is now taking action to actively respond to the trading system, including a careful analysis of its GHG emissions by source. As a result of such efforts, IIAC's GHG emissions remained at their 2010 level throughout 2014 despite increases in the numbers of passengers and flights between 2010 and 2014.

GHG Emissions



Classification	2012	2013	2014
Passengers (Unit: 100K)	389	414	455
Flights (Unit: 1,000 flights)	254	271	290
Government Emission Target (Unit: 1,000tCO ₂)	190	179	174
IIAC's Actual Emission (Unit: 1,000 tCO ₂)	168	167	169



Natural Lighting in the Passenger Terminal

Expansion of High-efficiency LED Lighting

As part of the government's campaign to promote the use of LED lighting in public facilities, IIAC has replaced the lamps in the passenger terminal, Transportation Center, and subsidiary buildings with LED lighting. As of the end of 2014, IIAC had exceeded the government target (50%) by 5%. It plans to complete the replacement of conventional lighting with LED lighting by 2020.

Collaboration with Resident Businesses and Business Partners for Energy Conservation

GHG emissions generated by resident agencies and businesses have continued to rise on a consistent basis. IIAC tries to control the increase through collaboration with all the relevant parties. IIAC has published its energy management guidelines, and has made it mandatory to maximize the use of high-efficiency devices and materials as well as LED lights at all facilities. It has signed a partnership agreement with its twenty resident organizations for energy conservation and the regular monitoring of its progress. IIAC tracks the electricity consumption of each of the outsourcing companies involved in the operation and maintenance of its facilities and systems, and jointly identifies obstacles to their efforts to conserve energy and takes appropriate actions. Such endeavors led to an energy saving equivalent to KRW 430 million in 2014.



A Solar Park

Minimization of Aircraft Movements

As part of its efforts to minimize fuel consumption and GHG emissions at the airport, IIAC has designed its apron area to be as close to the runway as possible. Most notably, IIAC expanded the main apron to accommodate twelve flights in January 2014 so as to reduce fuel consumption and minimize aircraft on-tarmac time and aircraft ground running. IIAC reduced GHG emissions by 134,541 tCO₂ and jet fuel consumption by 30,476ℓ, which is equivalent to about KRW 44 million, in 2014.

Expansion of the Use of New and Renewable Energy

IIAC is expanding its use of new and renewable energy sources in a bid to meet its target of energy self-reliance of three percent by 2020. Currently, it runs solar parks, hybrid solar-geothermal power plants and wind farms in the Incheon Airport Free trade Zone, Incheon Airport Aviation Academy, Wastewater Reclamation System, and airport access roads. IIAC is taking a proactive approach to the expansion of its solar power plants as a means of increasing its proportion of renewable energy. In 2014, IIAC worked out a plan to install solar power stations at the North Sea Dyke, Long-term Parking Lot, Cargo Terminal and Privately Financed Facilities, laying the foundations for promotion of the solar power business in the area. IIAC generated about 129MWh of solar power - which is equivalent to a 60.55tCO₂ reduction of GHG emissions - in the first half of 2014. In addition, IIAC uses geothermal energy to reduce its dependence on fossil fuels for heating and cooling, in particular. IIAC has also installed its geothermal system in the Aviation Training Center, Winter Equipment Facility and Incheon Airport Aviation Academy. In the first half of 2014, the system generated about 4,750MWh of energy, reducing GHG emissions from Incheon Airport by 2,256tCO₂.

Renewable Energy Production (including the 3rd phase)



Operation of the ESS (Energy Storage System)

IIAC stores its electrical power in 2-MW Energy Storage Systems (ESS) for use during peak hours. IIAC has carried out its ESS program since January 2015 to prepare for a national power crisis and achieve energy independence. The stored power will be used largely during the summer and winter peak periods. The program is expected to reduce IIAC's electricity bills by KRW 106 million per year.

Fuel Cell Bus Demonstration Project

To support the government's eco-friendly vehicle policy and meet the trend in the local automotive industry, IIAC has joined forces with the government to conduct a hydrogen fuel cell demonstration project. Since 2012, IIAC has used two fuel cell buses - manufactured by Hyundai Motor Company and run on hydrogen fuel supplied by Korea Gas Corporation - as its airport shuttle buses. In 2014, the buses exceeded their demonstration operation goals for the year by registering an operation rate of 90%, a travel distance of 46,112km, and hydrogen charging amounting to 3,646kg. In executing this demonstration project, IIAC has contributed to the country's technical development in the field, as well as to boosting IIAC's image as a 'green airport', given that IIAC was actually using buses that run on alternative energy (hydrogen) and emit no greenhouse gases during their operation at all.



Water Quality Control

IIAC runs its own wastewater reclamation system to reduce its water consumption and promote water recycling. The system treats wastewater from sand at its subsidiary facilities and recycles the reclaimed water back to the airport so that it can be used for diverse purposes. Through such systematic water recycling, IIAC minimizes its discharge of polluted materials. It also operates a water quality measuring system around the sea dike sluice located at the south retarding basin for 24/7 monitoring of water quality. The system produces precise data on the total volume of wastewater, recycled water, and discharge. As a result of this systematic control, IIAC received the 'Good' grade in all categories in the water quality tests carried out by the local government. The 'Good' grade entitles IIAC to exemption from the government's environmental impact assessment.

Air Quality Control

To identify the impact of airport operations on air quality in the surrounding areas, IIAC runs three air quality monitoring stations in these areas. In 2014, emissions of SO₂, CO, NO₂, O₃ and PM-10 from the areas were monitored. The results showed that, except for PM-10, the air quality in the areas met the standard of the Ministry of Environment. IIAC has also run three particle measuring stations around the 3rd phase construction site since 2014 in order to minimize the impact on the surrounding environment - particularly dust particles emanating from the construction site of the 2nd passenger terminal, the construction of which began in 2013. When the volume of particles exceeds IIAC's threshold level, it issues a dust particle warning so that immediate action can be taken to reduce the production of particles at source.

* PM-10: The air quality was found to exceed the environmental standard slightly. Yellow dust produced in China, among other factors, appears to be the main cause. Continuous monitoring is required.

Indoor Air Quality Control

To provide airport patrons and resident employees with a pleasant indoor work environment, IIAC controls indoor air quality by applying standards that are stricter than those of the Ministry of Environment of Korea. To track indoor air quality, IIAC runs indoor air quality monitoring systems at three locations inside the passenger terminal building, and shares the information with its HVAC facilities, thereby controlling indoor air quality more effectively. On top of that, IIAC has the indoor air quality rechecked by a professional external agency every quarter to obtain a more objective outcome. In 2014, IIAC measured the quantity of nine control items including PM-10 at thirty-two locations including the passenger terminal, concourse, and Transportation Center. The results showed that all the control items were below the thresholds presented by the Ministry of Environment. The quarterly inspection results are fully disclosed to the stakeholders on the IIAC website.

* 32 locations: 16 in the passenger terminal, 4 in the concourse, 4 in the shuttle trains, and 6 in the Transportation Center.

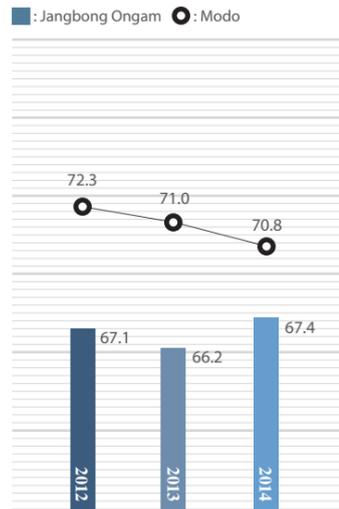
Aircraft Noise Control

IIAC implements low noise operation procedures to minimize the impact of aircraft noise on the surrounding areas. For the residents of Bukdo-myeon who are affected by aircraft noise, IIAC installs soundproof walls and air conditioning facilities in their homes free of charge, and also provides sports and recreational facilities. It also holds Aircraft Noise Countermeasure Committee meetings on a regular basis to gather the opinions of residents, local governments and experts with the purpose of actively communicating with the stakeholders and finding solutions to compelling issues; and does its best to resolve noise problems to the satisfaction of all the parties concerned. To measure the impact of noise emitted by airport operations more accurately, IIAC runs eighteen real-time noise measuring stations in and around the airport. The results are fully disclosed on the IIAC website and the National Noise Information System. In addition, the analysis results are shared with airlines serving IIAC so as to encourage them to minimize their noise production. The results of the aircraft noise analysis conducted in 2014 showed that the number of flights in IIAC increased by 6.9% over the previous year, yet the level of aircraft noise in 2014 remained at a similar level to that of 2013.

Waste Control

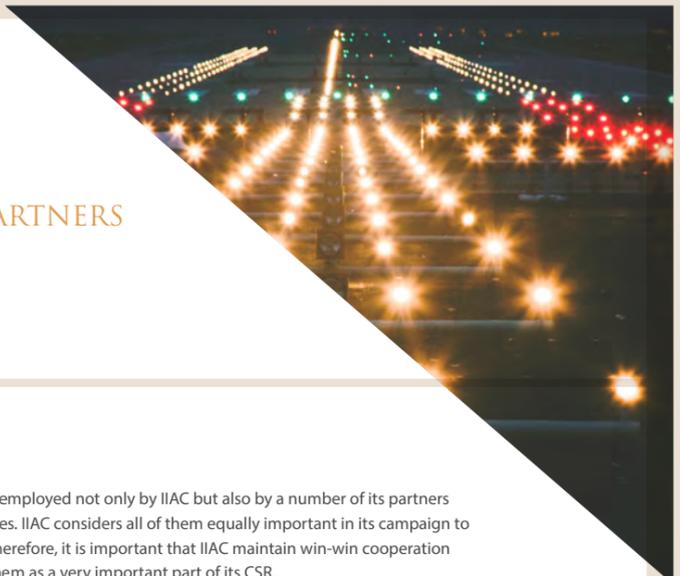
To ensure comprehensive waste control, IIAC operates the Waste Classification & Treatment Facilities. It tracks the quantities of waste produced and treated through its careful waste management - ranging from waste input to waste treatment and/or output. IIAC maximizes the recycling of its waste according to its procedures for the classification and handling of waste pursuant to the characteristics of different types of waste. Waste that can be incinerated internally is done so in its own resource recovery facility (incinerator), while waste heat generated by incineration is recovered and sold or is used to run the IIAC incineration facilities. In 2014, about 42,000 tons of waste generated in the course of airport facility operations and maintenance/repair work was treated at Incheon Airport. The figure is about 197% of the record achieved the previous year. This rise can largely be attributed to the increase in construction waste produced by road and building repair work in the airport area.

Aircraft Noise Measurement Results (Unit: WECPNL)



ISSUE 5. ↗

WIN-WIN GROWTH WITH PARTNERS



Why Is It Important?

Incheon Airport is run by more than 40,000 people who are employed not only by IIAC but also by a number of its partners including forty-one service providers and eighty-eight airlines. IIAC considers all of them equally important in its campaign to offer its customers the most creative airport services ever. Therefore, it is important that IIAC maintain win-win cooperation with its partners and strive to achieve shared growth with them as a very important part of its CSR.

Our Strategy

- To Promote a Win-Win Shared Growth Culture
- To Enhance Institutional Support for the Expansion of SMEs' Participation
- To Support the Enhancement of SMEs' Competitiveness
- To Prevent Unfair Business Transactions and improve Practices and Systems

Performance

0.8
Business Partners' Employee Turnover

6
SPA 2014 (KRW billion)



91.56

Business Partners' Satisfaction with IIAC's Win-Win Program (percentage)

2014 Highlight

- 1 Introduction of the SPA (Service Performance Agreement)
- 2 Guarantee of SMEs' Participation in Four Types of Duty-free Business
- 3 Expansion of Local Contractors' Participation in the 3rd Phase

MORE COMMUNICATION AND TRAINING OPPORTUNITIES FOR BUSINESS PARTNERS

Chang-min Kim, general manager, DiMS



I have worked for Incheon Airport as a member of its business partner DiMS ever since the opening of the airport. Now I am the company's GM for Data Management at the airport. I communicate with IIAC through a variety of channels including the meetings of the Airport Business Partner Council and the Division/Team Council. However, I wish I could have more contact and opportunities for communication with IIAC's working level employees for more efficient cooperation with IIAC. IIAC has business partners in a wide range of areas such as machinery and systems, cleaning, and many other kinds of services. Therefore, the employees of the partner companies are qualified to participate in IIAC's diverse talent donation campaigns. I would like to propose that IIAC join forces with its partner companies for such social contribution programs, through which IIAC partner companies can fulfill their CSR while enhancing their cooperation with IIAC and other partner companies at the working level. I am glad that IIAC adopted the SAP last year and that the program is progressing as planned. I personally think that the time has come for IIAC to increase its support for its business partners' efforts to enhance their employees' education and training. I also believe that it would be the best way to reinforce the competitiveness of Incheon Airport as a whole.



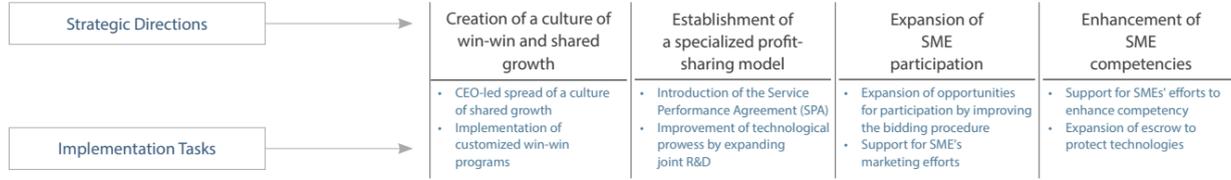


WIN-WIN AND SHARED GROWTH

Shared Growth Strategies

In line with the companywide strategy, IIAC has chosen the 'Growth of Incheon Airport through Communication with Its Business Partners' as its goal for shared growth. As its four strategic directions, it has selected the fostering of a culture of win-win and shared growth, the establishment of a specialized performance sharing model, the expansion of SME participation, and the enhancement of SME competencies. It has also worked out eight implementation tasks to carry out the strategies.

Shared Growth Goal: Growth of Incheon Airport through Communication with Business Partners



Creation of a Win-Win Shared Growth Culture

IIAC is striving to create a culture of shared growth through internal and external collaboration. Based on the CEO's strong commitment, IIAC reflects employees' efforts to promote shared growth in their performance evaluation. As part of its efforts to spread the culture of shared growth across the board, it publicizes its commitment to shared growth widely. In 2014, IIAC increased its budget for SME support to KRW 87.8 billion. It conducted a survey on 120 SMEs' satisfaction with IIAC's business transactions with them, and has worked hard to reflect their feedback in its business practices while raising their satisfaction with IIAC's services.

The Results of the Evaluation of Public Agencies' Shared Growth Performance

2012	2013	2014
Good	Good	Average

Customized Win-Win Cooperation Program

To improve the job security and working conditions of its business partners' employees, IIAC has introduced customized win-win cooperation programs and enhanced its fulfillment of its social responsibility as an indirect employer through the following measures: It has increased the basic pay for its business partners' employees; improved the welfare of the companies' irregular workers by systematically barring the businesses' intermediary exploitation; enhanced their job security by making their employment buyout mandatory; and improved their welfare by implementing a win-win program that includes financial support for their family events. For the first time among Korean public companies, IIAC has begun to subsidize its employees' general physical examinations and influenza shots. It also runs the Health and Counseling Center to promote their health on a daily basis. Through such efforts, IIAC scored 91.6 points in its 2014 survey of its business partners' satisfaction with IIAC's win-win cooperation programs, maintaining its score above the 90 point mark for the last four consecutive years. Meanwhile, its business partners' employee turnover rates continue to drop.

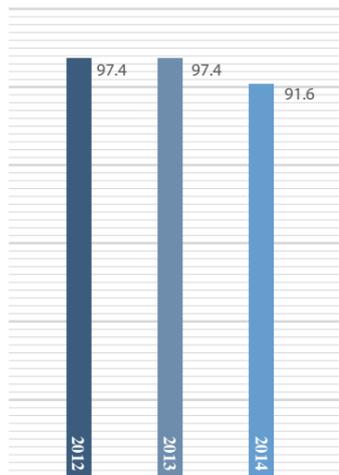
Communication Channels with Business Partners

Classification	Targets	Frequency	Host
Meeting with Business Partners' CEOs	Business Partners' CEOs	Whenever necessary	Administration Group (Outsourcing Management Team)
Meeting with Business Partners' General Managers	Business Partners' General Managers	Whenever necessary	
Meeting with 1st Tier Business Partners' Middle Managers	Business Partners' Middle Managers	Quarterly	
Meeting with 2nd Tier Business Partners' General Managers	2nd Tier Business Partners' General Managers	Quarterly	
Meeting with Business Partners' Representative Employees	Business Partners' Representative Employees	Biannually (January & June)	Heads of Relevant Groups or Divisions

Budget for Win-Win Cooperation Programs (Unit: KRW 1M)

2014 Win-Win Programs	Budget
Gifts for Traditional Korean Holidays	500
Domestic Travel for Long-term Employees	80
Support for 'Communication-and-Sympathy' Events	480
Overseas Travel for Outstanding Employees	184
Support for Employee Summer Camps	264
Support Influenza Shots	90
Financial Support for Weddings and Funerals	84
Support for Joint Childcare	774
Operation of Communication Channels for Business Partners	12
Total	2,468

Business Partners' Satisfaction with IIAC's Win-Win Programs (Unit: percentile)



Meeting with Business Partners' CEOs 2014

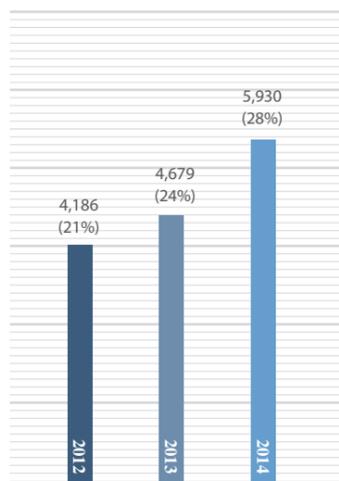
SLA Records (Unit: points, KRW 1 million)

Classification	2012	2013	2014
SLA Evaluation Points	93.88	93.98	93.99
Incentive Payment	455	531	769
Amount			

Purchases from SMEs (Unit: KRW 100 million)

Classification of SMEs	2012	2013	2014
Female-led Companies	509	578	396
Social Enterprises	2.9	5.2	15
R&D Businesses	27.5	36.3	80.5

Duty-free Sales of Domestic Products (Unit: KRW 100 million, %)



Commercial Launch of a Locally Developed System

BEST PRACTICE

Introduction of the SPA: IIAC introduced the SPA (Service Performance Agreement) for the first time among Korean public companies in 2014 and built an SPA model customized for Incheon Airport. In 2007 it introduced the SLA (Service Level Agreement) for the first time among local public companies to share results of the airport's overall service quality level with its business partners. In March 2014, IIAC introduced the SPA to expand the sharing of its management performance results with its business partners. IIAC's operating profits are shared between IIAC and its partners within a mutually agreed limit according to the evaluation results. In 2014, IIAC issued profit sharing certificates to 41 business partners that signed the SPA and pledged to make voluntary innovations in their business performance. According to their performance evaluation, IIAC shared KRW 6 billion or 0.7% of its annual profits for 2013 with its business partners.

Enhancement of SME's Technological Competitiveness

IIAC strives to offer SMEs diverse opportunities for growth by expanding its joint R&D with SMEs and supporting their efforts to enhance their technological competitiveness. IIAC has identified six R&D tasks to promote by holding a public contest in which its employees, academics, and the employees of its business partners participated. It is running a one-stop system to support SMEs' efforts for commercialization and marketing. IIAC has completed 16 tasks through joint R&D efforts with its business partners to localize core airport operations technologies, and shares the technological results with them. For instance, IIAC has applied ground heat energy, aircraft ground power supply (AC-GPS), and aircraft ground heating and cooling systems to IIAC. With the application of such new technologies, IIAC has saved KRW 61.2 billion in Korean currency.

Expansion of SMEs' Participation in Airport Duty-free Shops

IIAC does its very best to help SMEs to grow by creating a platform where they can eventually prosper on their own. IIAC has allocated four types of duty-free business rights to SMEs, and has increased their presence in Incheon Airport duty-free business by expanding its duty-free store space reserved for local products and traditional Korean handicrafts. In addition, IIAC has held purchase meetings between purchase managers and officials of SMEs so as to increase IIAC's purchases from SMEs. IIAC has also provided SMEs with opportunities to advance into its overseas business together with it.

Expansion of SMEs' Participation

To expand business opportunities for SMEs, IIAC has changed its regulations on bidding and contract execution and actively supported their advance into new markets by creating an environment conducive to SMEs' self-reliance. To increase the purchases of SMEs' goods for the 3rd phase construction project that is currently in progress, IIAC has modified its bidding rules largely to lower the barriers for SMEs. It has mandated the purchase of SME goods by subcontractors for the 3rd phase project, and has also revised its bidding rules so that SMEs have priority in bids for small-scale contracts. In addition, IIAC has made it compulsory to fully disclose subcontract information. It requires its prime contractors to use standard subcontract forms at all times to protect SMEs from signing unfair subcontracts. Aided by such efforts, IIAC recorded a 28% increase - equivalent to KRW 373.3 billion - in the volume of its purchases from SMEs in 2014 compared with 2013. The number of SMEs participating in the 3rd phase construction project has also increased. In 2014, IIAC was recognized by the Minister of Trade, Industry and Energy for its contribution to expanding the market for local NEPs (New Excellent Product). Furthermore, IIAC has established a system whereby IIAC can purchase SMEs' construction materials directly, ensuring that both IIAC and SMEs win in the transactions. In 2014, IIAC purchased KRW 431.2 billion worth of construction materials directly from SMEs through the direct purchase plan, which encourages IIAC to purchase from SMEs, except for items that SMEs would have difficulty supplying. As a result, IIAC increased SMEs' profits while reducing its own project management risks and improving the quality of the 3rd phase construction.

Creation of a Business Environment Conducive to SMEs' Self-Reliance

IIAC strives to help SMEs to grow by creating a business environment conducive to their eventual self-reliance in business management. It has allocated four types of airport duty-free business exclusively to SMEs, and has expanded the store space for local products and traditional Korean handicraft, thereby helping them to increase their presence in IIAC's Incheon Airport duty-free business, too. IIAC has also increased the opportunities for SMEs to get in touch with IIAC purchase department officials by increasing the number of its purchase meetings with SMEs. IIAC has also offered SMEs opportunities to take part in its overseas projects.



Competency Enhancement of Service-centered SMEs

To step up the competency of its business partners' human resources, IIAC has analyzed their productivity and offered them HR consulting as required.

Enhancement of the Competency of Service-centered SMEs

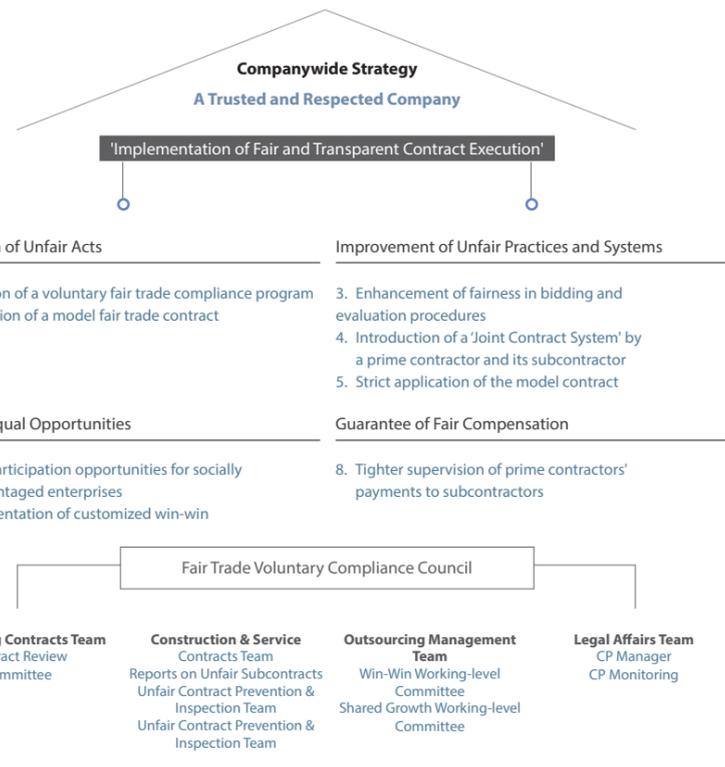
Productivity Improvement	Cultivation of Aviation HR	Sustainable Management Support
Support for SME productivity diagnosis (PMS) (18 companies)	Top-tier airport benchmarking (200 people)	Support for education on integrity and business ethics (4 occasions)
Consulting in 7 areas including leadership	Support for competency enhancement in security, safety, and CS	Exchange of opinions on compelling labor issues

Expansion of Local Contractors' Participation

Due to sluggish market conditions, local construction companies asked IIAC to increase opportunities for their participation in the 3rd phase project. In response, IIAC expanded their participation by extending the scope of the construction work for which they are eligible and modified the bid evaluation criteria. In 2014, the proportion of contracts that IIAC signed with local contractors based in Incheon rose by 356% over the previous year. The increase in contract amounts for local contractors during the year amounted to KRW 127.0 billion. Furthermore, IIAC revised its bid evaluation rules in such a way that contractors that fail to participate in IIAC bids will be disadvantaged in future bids, thereby helping the bid participation rate of local contractors to increase by 28%.

Fair Trade Implementation Strategies and Systems

To promote fair trade with SMEs, IIAC has set the 'Implementation of Fair and Transparent Contract Execution' as a companywide task. It has designated the prevention of unfair acts, improvement of unfair practices and systems, fair and equal opportunities, and guarantee of fair compensation as its four implementation tasks. To promote the implementation of the tasks effectively, IIAC formed the Fair Trade Voluntary Compliance Council composed of members from the Purchasing Contracts Team, Construction & Service Contracts Team, Outsourcing Management Team, and Legal Affairs Team. IIAC has also overhauled its Fair Trade Implementation and Public Purchase Monitoring System in order to monitor whether the company's fair trade implementation strategies are being implemented properly.



Voluntary Fair Trade Compliance Program

IIAC runs its Fair Trade Voluntary Compliance Program for the purposes of complying with Fair Trade rules and preventing unfair trade practices. It has formulated a model contract to ensure that IIAC does not abuse its superior position in the execution of contracts with its contractors. IIAC has checked all of its 165 contracts worth more than KRW 1 billion each to determine whether there is any hint of unfairness in them, and has taken all the necessary corrective action. IIAC has made it mandatory for its officials to review contracts carefully in terms of compliance with its Fair Trade obligations prior to contract execution. Through such efforts, IIAC was awarded the BBB grade - the highest among local public companies - in the government's evaluation of Public Companies' Voluntary Compliance with Fair Trade rules in 2014, despite the fact that IIAC only began to implement the system in 2014.

Purchasing System Improvement Committee

To make immediate improvements in any of its unfair practices and systems, IIAC has actively sought opinions internally and externally. It runs the Purchasing System Improvement Committee, which is composed of four internal officials working in the areas of law, procurement, and auditing, and two external experts.

Improvement of Bidding Standards

IIAC has enacted its own bidding standards to maximize fairness and transparency in its bidding procedures. It has lowered the minimum amount of a negotiated contract from KRW 10 million to KRW 5 million. Bidders for projects estimated to be worth more than KRW 5 million are requested to disclose the details of their quotations to create a fairer competition environment among bidders. Bidders were also requested to submit various certificates of accreditation to prove their qualifications. IIAC has reduced the number of documents. It has also rationalized its scoring policy concerning the certificates of accreditation, and reduced the onus on bidders to acquire diverse certificates of accreditation. To raise the objectivity of its evaluation process, IIAC has drafted a new rule in which the number of external experts on its evaluation panel must be proportionate to the project size. It has also regulated local contractors' mandatory participation in its bids depending on the project size.

Joint Main Contract System

IIAC has introduced a 'Joint Main Contract System' whereby the contractual status of SME specialist contractors is upgraded to that of a deputy contractor, appropriate unit prices are guaranteed for them, and the horizontal cooperative relationship between prime contractors and subcontractors is enhanced. For instance, in the contract for the construction of four buildings including the 2nd passenger terminal, IIAC arranged for a mechanical subcontractor to sign its contract with the same legal status as a prime contractor. This measure has contributed to alleviating specialist subcontractors' burden with regard to the fulfillment of their contractual obligations. Also, IIAC has prepared a model contract for each engineering branch, and has introduced an electronic bidding system, too. The terms and conditions for all bids are disclosed online. IIAC has stepped up its recommendation of the use of a standard subcontract form to prevent unfair business practices between prime contractors and subcontractors and to establish a fair order in subcontracting transactions.

Provision of Equal Opportunities

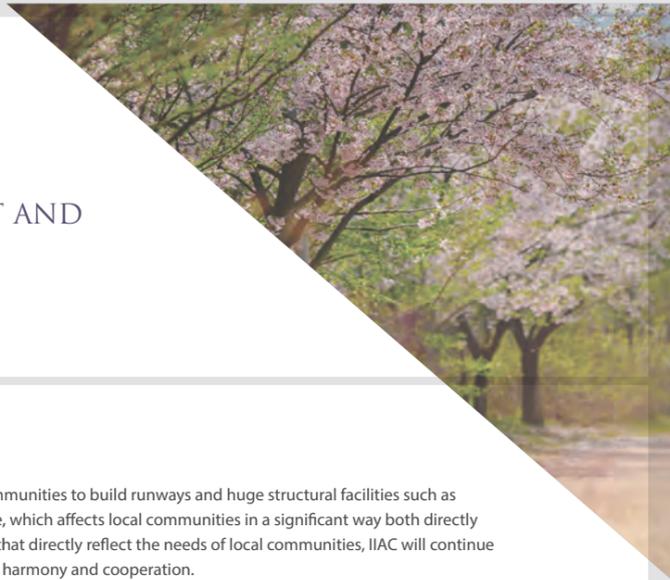
Subcontracts have increased due to the 3rd phase construction project. Issues have been raised about a shortage of information channels for the details of the subcontracts. IIAC now discloses all the information on new contracts, payment status, and design changes in the prime contracts on a monthly basis. It has built a separate online bulletin board that is reserved exclusively for information on negotiated contracts. The board discloses all key information on negotiated contracts including project names and construction periods. IIAC has also extended the term of validity of SMEs' construction experience or product delivery records to prevent SMEs from being disqualified from bids on the grounds that they lack experience. In this way, more SMEs are able to participate in IIAC bids. IIAC has also modified its rules on duty-free bids, allocating four types of duty-free business rights to SMEs and thereby enabling more of them to advance into IIAC duty-free business.

Guarantee of Fair Compensation

IIAC runs a monitoring system to ensure that prime contractors make payments to their subcontractors on time, thus ensuring that subcontractors are paid for their services in a timely fashion at Incheon Airport. For the 3rd phase construction project, IIAC has made it obligatory for prime contractors to use its subcontractor payment system. It conducts real-time monitoring to check that all due payments are made to subcontractors immediately following IIAC's payment of its prime contractors. IIAC offers training on the use of the system to employees of the relevant IIAC divisions as well as its prime contractors and their subcontractors.

ISSUE 6.

COMMUNITY INVOLVEMENT AND DEVELOPMENT



Why Is It Important?

Airports generally buy up huge tracts of land from local communities to build runways and huge structural facilities such as passenger terminals. They continually produce aircraft noise, which affects local communities in a significant way both directly and indirectly. By carrying out social contribution activities that directly reflect the needs of local communities, IIAC will continue to develop its relationship with them based on coexistence, harmony and cooperation.

Our Strategy

- To Implement Social Contribution based on Companywide Strategies
- To Build Trust with Local Communities
- To Increase Empathy with the Public
- To Conduct Global Social Contribution Initiatives

2014 Highlight

- Expansion of School Specialization and Scholarship Programs
- Matching Donation for Children with Rare Diseases according to Passenger Increases
- Publication of 'Runway Teacher' Educational Materials and Expanded Volunteer Services
- Support for Revitalization of Unpopular Local Sports

Performance



Su-gyeong Seon,
Team Leader,
Jung-gu District Office, Incheon



IDENTIFY QUANTITATIVE AND QUALITATIVE SOCIAL CONTRIBUTION NEEDS

The district of Jung-gu, Incheon can boast about being one of the districts with the highest levels of financial self-sufficiency in Korea ever since the opening of Incheon International Airport. IIAC carries out diverse social contribution activities including the operation of the Sky Culture Center, the establishment of social enterprises, and the donation of talent through its Runway Teacher program. Yet there are people who still harbor resentment towards IIAC, including fishermen who are affected by the altered sea currents in the area and residents in neighboring areas who are struggling with aircraft noise on a daily basis. IIAC will need to conduct regular surveys of residents in the neighboring areas just as it does to measure its patrons' satisfaction with its airport services. IIAC will have to identify the residents' needs accurately and take corrective actions immediately. IIAC must determine the exact levels of quantitative and qualitative demand for its social contribution. Only then can it come up with the most appropriate social contribution programs, based on consultation with experts. If IIAC focuses on implementing carefully crafted social contribution programs in a persistent manner, it will achieve positive results in its social contribution.

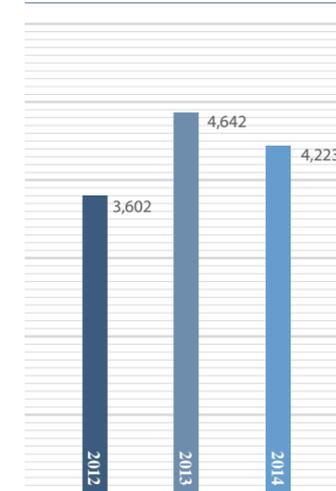


Social Contribution Strategies

After considering the company's new management strategies and its stakeholders' input, IIAC has set 'A Global Airport Company Respected by Koreans for its Fulfillment of CSR' as its vision. IIAC selected 'Building trust with local communities,' 'Promoting empathy with the public,' 'Implementing global social contribution,' and 'Promoting a culture of sharing' as its main strategic goals, leading to the achievement of its vision. IIAC focuses its resources on strategic social contribution activities customized for its unique business characteristics and environment.



Social Contribution Donations
(Unit: KRW 1 million)



Social Contribution System

IIAC promotes social contribution from a strategic perspective, and links its core competencies to its diverse social contribution programs. It aims to continue expanding the horizon of its social contribution from local communities to the country as a whole and on to the wider world. The Sustainability Management Team (under the Administration Group) is responsible for systematically promoting social contribution at IIAC. The team encourages not only the airport's employees but also the members of its business partners and those of resident businesses at the airport to participate in social contribution. The officials of the IIAC Labor Union cooperate with the company to engage in joint labor-management sharing activities. Specifically, management focuses on volunteer services, sponsoring disadvantaged children, and helping children with rare diseases, while union officials concentrate on joint volunteer services with management and donation of motor vehicles for people with disabilities. In the process, labor and management enhance their mutual respect and enjoy more harmonious relations. IIAC encourages airport patrons to make diverse forms of donations - including cash donations, talent donations or communication services through social media.

Expansion of Social Contributions by Employees and Customers

Stakeholders	Social Contributions	Achievements
Employees	Volunteer services, sponsoring underprivileged children, support for children with rare diseases	Spread of a sharing culture companywide
IIAC Labor Union	Voluntary services / support for the underprivileged	Robust labor-management relations
The Public (Customers)	Passenger matching donations / customer talent donations / SNS communication donations	Increased empathy with the public



IIAC has been involved in social contribution activities tailored to local communities since the very beginning of the airport's construction, and has engaged in communication with local residents through diverse channels. In 2014, based on frequent communication with local people, IIAC expanded its social contribution for neighboring communities into a few key areas including education, environment, and welfare. It met the residents' demands for social contribution as part of its efforts to return its corporate profits to the local communities. However, as one of the country's key public companies and a global hub airport, IIAC has also worked hard to expand the scope of its social contribution. As a result, IIAC contributed to improving the quality of life for the residents of its surrounding areas while enhancing its prestige as a successful airport company by achieving stable business performance results.

Contributions to Education

IIAC runs a local HR development program that covers education of the young - from children to college students - in Incheon. For the first time among all Korean public companies, IIAC has joined forces with its business partners to run a childcare facility called the Airport Dream Tree Daycare Center. Since 2007, it has run specialization programs for elementary and middle school students living in the areas around the airport. In 2014, IIAC provided education programs to a total of seventeen schools including five in central Incheon. In addition, IIAC joined hands with the Green Umbrella Children's Foundation to provide standardized specialty/aptitude programs to young students in the area as after-school programs. IIAC continues to support the Haneul ('Sky') High School that it established for adolescents in local communities with the goals of contributing to the development of local communities, improving the living conditions of the airport workers' families, and creating an educational environment that meets the expectations of the local communities. Most notably, IIAC has continued to expand the Incheon Airport Scholarship by providing KRW 1.3 trillion to a total of forty-seven outstanding talented persons from the communities - including outstanding graduates from various schools, extraordinary students from disadvantaged families, and students with great potential in the field of aviation. Such educational support has not only helped the education of creative talent and raised the quality of education in the communities but has also enhanced communication among residents on a topic of common interest to them, namely education, and offered students in the communities diverse educational opportunities.



Planting Seedlings

Social Contribution Programs

Education
Cultivating Young Talents
<ul style="list-style-type: none"> • Operation of customized talent cultivation programs for all ages from children to college students • Operation of a daycare center at work for IIAC and its business partners
<ul style="list-style-type: none"> • Local school specialization • Incheon Airport Scholarship • Construction of and support for Incheon Haneul High School
Environment
Building an Urban Forest
<ul style="list-style-type: none"> • A space for interaction among residents + pro-mo-tion of a forest culture + a space for ecological education
<ul style="list-style-type: none"> • World Peace Forest
Welfare
Improving Local Communities' Welfare Environment
<ul style="list-style-type: none"> • Creation of a community friendly to all including children and the elderly
<ul style="list-style-type: none"> • Construction of and support for the Sky Culture Center • Support for community events

Contributions to the Environment

In association with Forest for Life, IIAC runs its 'World Peace Forest' program under the concept of 'creating a forest in an urban village.' IIAC is creating the World Peace Forest in Incheon Airport New Town over an area of 471,910m2 with a total budget of KRW 2.2 billion. The project is scheduled for completion by 2017. The forest will provide residents with eco-friendly relaxation spaces while contributing to the creation of a low-carbon eco-friendly airport for IIAC, as it will serve as a buffer zone between the airport and residential areas in the immediate vicinity. Meanwhile, in 2014, IIAC expanded its World Peace Forest programs to include tree planting and forest festivals in spring and autumn. IIAC also implemented education programs designed to cultivate 'forest-friendly' people. The programs met with an enthusiastic reception from residents of the local communities and helped bring them closer together. IIAC will continue to support residents' efforts to enrich the forest in a bid to promote communication among residents and create harmony between man and nature in an urban environment.

Contributions to Welfare

IIAC is committed to improving the social welfare environment in its neighboring communities. To that end, it extends its social welfare assistance to as many people in the communities as possible, including children and the elderly. Residents in Yeongjong and Yongyu lacked cultural facilities. IIAC built the Sky Culture Center in Airport New Town, which is equipped with a grand auditorium capable of accommodating diverse performances, in addition to a variety of sports and cultural facilities such as an indoor basket court, swimming pool, and book cafe. Residents engage in the diverse cultural and athletic programs that the Center offers, as well as using the facility as a space of mutual interaction among other things. IIAC also supports a host of events initiated by the residents of Yeongjong, Yongyu, Unseo and Bukdo to promote harmony among residents and promote the development of the communities.

Make a Wish Trees
bbb Promotion



IIAC is striving to enhance its social contribution in ways that will enable it to increase its empathy with the public - and particularly through the specialized services it provides as a globally leading airport. It has continued to motivate its patrons to increase their participation in IIAC social contribution programs, and has striven to build up bonds of empathy with them. IIAC also attempts to encourage them to continue to engage in social contributions on their own.

Customer Participation in Social Contribution

Make-A-Wish with Incheon Airport

IIAC launched the 'Make-A-Wish with Incheon Airport' program to help children with rare diseases in 2014. Airport patrons participate in the program, while IIAC, in association with Make a Wish Foundation Korea, provides matching funds (KRW 50,000 for 10,000 passengers: KRW 220 million in 2014) and campaigns for airport patrons' participation in the program. The campaign is also significant in the sense IIAC worked hard to correct public misconceptions about children with rare diseases. IIAC expects the children to overcome their diseases, recover their laughter, and move on and realize their dreams.

Improvements in 'bbb' Interpretation Services

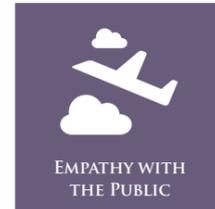
To create an airport free of language barriers, IIAC has made various improvements to its bbb (Before Barbel Brigade) interpretation service package. With the participation of volunteers who are fluent in various foreign languages, bbb Korea offers a free interpretation service via mobile phone. IIAC signed an agreement with bbb Korea in 2009 to provide the foundation with financial assistance. IIAC publicizes the free interpretation service to its airport patrons in a variety of ways, such as the bbb-day campaign, which is launched during peak seasons of the year. Most notably, IIAC has organized its own bbb Service Corps composed of 300 volunteer interpreters. IIAC is doing its best to eliminate any linguistic or cultural barriers that its patrons, domestic and international, might feel within the premises. In 2014, IIAC launched a Hotline bbb service that is linked to its interpreters who are ready to offer the free interpretation service right away. The hotline service is available via a smartphone app.

Culture and Arts Support for Multicultural/Underprivileged Families

IIAC supports multicultural or underprivileged families with culture and arts activities. IIAC established Montant, a social enterprise specializing in culture and arts, which runs the 'Youth Music Camp' on a regular basis. Through play and music, the music camp motivates participants to respect their individual differences, as well as presenting opportunities for young people to discover their creative talent in the arts, among other areas. The camp is widely recognized as a valuable opportunity for many in the country to learn to respect the ethnic, cultural and environmental differences of people's countries of origin. In 2014, IIAC expanded the camp into a national event and doubled the number of annual camps from one to two. IIAC also holds a variety of public contests such as the National Literary Contest for People with Disabilities, Aviation Literary Awards Contest, and Social Contribution Program Contest. It has expanded the artistic and cultural activities in which airport patrons and the underprivileged can participate.

Promotion of Social Sports

Incheon Airport supports a variety of athletic activities by both professionals and amateurs, and even supports less popular sports when necessary. It seeks to broaden the base for social sports. Since 2008, when it launched the Sky Festival Youth Club Football League, IIAC has held the annual Youth Football Championship in a bid to help develop the country's youth football. In association with the Korea Football Federation, IIAC sponsors the Korea National League - Incheon Airport. IIAC is a continuous supporter of Incheon United FC, a professional football team run by the citizens of Incheon. In 2014, IIAC launched a professional badminton team called 'Skymons,' whose members participate in talent donation by teaching badminton to young students in the Incheon area and honing the skills of local university badminton teams by playing in frequent friendly matches with them.



56

Child Patient Beneficiaries of the Make-a-Wish Program (Unit: person)

60,031,192

2014 Total Amount collected in the Donation Box at the Passenger Terminal (Unit: KRW)



GLOBAL SOCIAL CONTRIBUTION



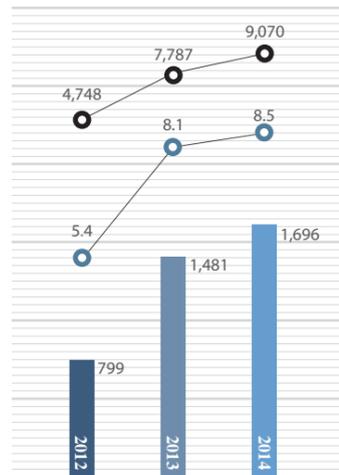
Volunteer Service in Indonesia



PROMOTION OF THE CULTURE OF SHARING

Employees' Volunteer Activities

- : Employee Volunteer Activities (Unit: person)
- : Employee Volunteer Activities (Unit: hour)
- : Activities per Person (Unit: hour)



As a global airport corporation, IIAC seeks to contribute to international communities. It participates in overseas volunteer services, makes donations to international relief efforts, and engages in diverse global social contribution based on its core competencies. IIAC will continue to expand its global social contribution activities as befits its status as a leading airport in the global community.

Free Education for Aviation Personnel

Since 2008, IIAC has provided free education to aviation personnel from the developing world, training a total of 119 people in 2014 under its world-class aviation training systems. Having accumulated a wealth of know-how as a global airport company, it offers free training and consulting services to aviation professionals currently working in developing countries. IIAC also trains experts to enhance their proficiency, and contributes to the development of the world aviation industry in the process, too.

Overseas Services

To assist with the development of the global community, IIAC participates in overseas volunteer services and makes charitable donations to disaster relief efforts; has signed an agreement with Copion, an international aid agency, for international relief activities; and has launched the Incheon Airport Overseas Volunteer Corps. IIAC has so far donated KRW 150 million to Copion's Global Social Contribution Fund. IIAC launched the Incheon Airport Overseas Volunteer Service Corp in 2014, drawing its 56 members from the Incheon Airport Facility Volunteer Service Corps, which was composed of employees of IIAC and its business partners, and the Incheon Airport College Student Volunteer Service Corps, which was composed of college students from across the country. Following a month of education and preparation, the volunteers were dispatched to Indonesia and the Philippines where IIAC was engaged in consulting business. The volunteers worked hard to improve the conditions of local orphanages and elementary schools, offered educational services, and labored for the communities, too. The program provided the volunteer college students with excellent opportunities to take part in overseas volunteer services and experience different cultures firsthand.

Volunteer Service Operation System

IIAC takes the lead in promoting the culture of sharing through social contribution activities based on collaboration between labor and management. The IIAC Voluntary Corps is headed by the CEO and the union chairman. Each department of IIAC has a coordinator, who is assisted by IIAC to run the system largely by him or herself as early as possible. The volunteer services of the organization include not only monetary assistance but also volunteering on the ground. The services include Neighbor Love, Culture Love, and Environment Love as well as disaster relief. The volunteer service corps is subdivided into four groups: Companywide Organization, Headquarters Units, New Employee Unit, and Tech Service Unit.

Promotion of the Culture of Sharing

IIAC has run the 'Runway Teacher' program since 2013 for the purpose of helping children in the neighboring communities to benefit from employees' knowledge and talents. In association with ChildFundKorea, the Runway Teacher program supports nine childcare centers in need of more manpower and financial resources. IIAC has also delivered basic necessities to social welfare facilities in the Incheon area on a regular basis. The labor and management of IIAC joined hands to buy a vehicle customized for the transportation of people with disabilities and donated it to a local community, enabling disadvantaged people living in the area to move around much more easily. As a result of such efforts, IIAC has so far won plenty of external recognition, including the highest grade in the category of CSR and the "Most Respected Public Company in Korea"; No. 1 in the category of SOC for eight years in a row; No. 1 in the Sustainability Index for five consecutive years; and the Grand Prize at the Next Society CSR Summit 2014 hosted by Next Society Foundation in the category of market-based public company.



Runway Teacher
IIAC Volunteers serving at the Haesong Nursing Home

ISSUE 7. ↗

HUMAN RESOURCES MANAGEMENT

Why Is It Important?

To overcome an increasingly competitive management environment, companies concentrate on hiring outstanding people and training them into highly qualified human resources. In the meantime, companies meet the increasing demand of employees for a better work-life balance and a higher quality of life.

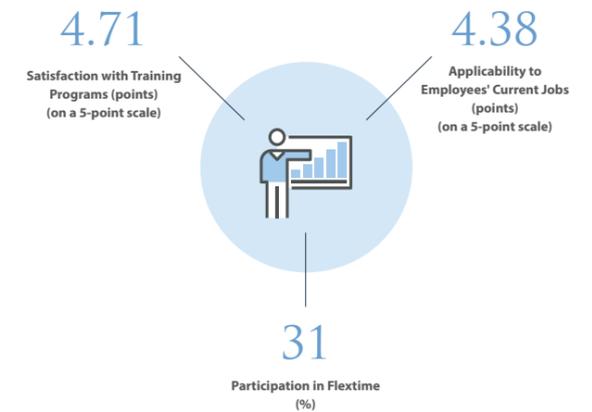
Our Strategy

- To enhance the quality of its training systems through domestic and international HRD accreditation
- To build public-friendly labor relations
- To improve employees' work-life balance
- To employ people from diverse backgrounds through open-door employment policies

2014 Highlight

- 1 The Best Company to Work For in Korea for six straight years
- 2 A Great Workplace in Korea (GWP) four years in a row
- 3 Accreditation of an Excellent Family-friendly Company by the Ministry of Gender Equality & Family
- 4 Recognition as an Excellent HRD Institution in the Public Sector

Performance



Seok-jeong Kim,
Managing Director,
Inkium



ENHANCE COMPETENCY OF ALL 40,000 PEOPLE AT IIAC

Inkium trains IIAC's personnel especially in the area of leadership. IIAC's HR management level is outstanding. It has been confirmed through the company's accreditation as the Best-HRD institution by the Ministry of Education and the Ministry of Security and Public Administration in 2014. However, IIAC wants to enhance the HR competency of the entire airport. In order to achieve this, it must work to raise the competitiveness of all the personnel at the airport - 40,000 people. To enhance its HR competency at points of contact throughout the airport, IIAC needs to expand the scope of its HR training system and include its business partners and resident businesses in the system stage by stage.





IIAC aims to continuously develop and improve the competency of its employees. In line with the launch of the company's new management strategies, it has upgraded its mid- to long-term HRD master plan. The new HRD mission is 'Cultivation of Value-creating Human Resources equipped with International Competitiveness'. The new strategic directions are: organizational revitalization based on changes and innovations; enhancement of job expertise; establishment of its position as a specialized global Aviation Training Institute; enhancement of HRD infrastructure.



Establishment of the new ideal type of IIAC employee

The new ideal type of IIAC employee: Value-creating Person

Active, Innovative, Respectful

The Desired IIAC Employee

Based on a companywide consensus, IIAC has presented its new ideal type of IIAC employee who will be essential in the company's efforts to accomplish its new management goals under its new corporate vision and HRD strategies. The new desired IIAC employee is someone armed with three virtues - ACTIVE that challenges one to run through a huge runway at full force for a takeoff; INNOVATIVE that continues to drive one to run for a new world with boundless curiosity and dreams; RESPECTFUL that motivates one to treasure the company and its customers as a proud official of a Public Company. IIAC applies these concepts to its hiring and training decisions.

Cultivation of Professional Core Human Resources

IIAC has worked out a HR cultivation plan based on competency-centered career management. IIAC supports its employees' competency improvement through diverse educational programs. It runs eight job proficiency courses in its core business including CM (Construction Management) and PM (Project Management). IIAC has provided customized training for its personnel to be assigned to overseas posts. It currently has 200 professional level employees. In 2014, IIAC increased its in-house faculty by 33% over the previous year to 100. It reformed its in-house instructor management system in terms of hiring, operation and compensation. Instructors are now able to increase their expertise while fulfilling their instructional missions. In addition, IIAC hires its core personnel through job competency and multifaceted evaluations. It then further enhances their competency and job experiences before deploying them to strategic posts to take full advantage of their strengths.

Enhancement of Online Training Courses

IIAC analyzed its existing online courses in 2014. Through in-depth analysis and reviews, IIAC made improvements in its foreign language, general management and job qualification courses. IIAC expanded its online programs including foreign language and culture courses. To step up the efficiency of its in-house training programs, it changed the proportion of online and offline training to 10% versus 90% respectively. In 2014, the number of employees who enrolled for in-house training programs jumped by 242% over 2013. The programs received positive evaluation results in employees' satisfaction, applicability to current jobs, and efficiency for self-development.



BEST PRACTICE

Designated as Top-4 Global Aviation Educational Institution: IIAC was designated as an RTCE (Regional Training Centre of Excellence) by ICAO (International Civil Aviation Organization) in 2014. That recognition reaffirmed the status of IIAC as one of the top-4 aviation educational institutions in the world, leading the global standardization of aviation education. The other three world-class institutions are: Singapore Aviation Academy(SAA); Joint Aviation Authorities Training Organization(JAA TO) in the Netherlands; Gulf Center for Aviation Studies (GCAS) in the UAE. Incheon Airport Aviation Academy is now working hard to contribute to the establishment of global standards for the future of the aviation industry as an educational facility comparable to any other in the world. As such, IIAC has exported the ICAO-certified training course to Dublin Airport. Indeed, IIAC's aviation HRD system has been recognized domestically and internationally.



Enhancement of the Status of HRD Education System

IIAC carried out careful competency analysis for those involved in its HRD tasks. In line with the enhanced status, authority and competency of its HRD functions, IIAC took corresponding measures. IIAC re-launched Incheon Airport Aviation Academy as an independent unit with stronger authority for budget planning and allocation. IIAC has linked the mandatory grade-point system, companywide KPI, as well as its overall performance in education and training to HR management. To further enhance the effectiveness of its training programs, IIAC has also overhauled its 4-step training evaluation system.

Efforts to Cultivate Female HR

IIAC has prepared a female HR utilization plan in order to meet the government's policies. It strives to cultivate female HR in line with these policies. It offers reemployment opportunities to female workers whose employment has been discontinued. As a result, IIAC has prepared a plan to expand the proportion of female managers to 5.3% by 2017 and has carried out Global Leader Overseas Training Program for Class-1 female Managers. In addition, it provided 55 female Managers with training on leadership, career management, and communication in 2014.

Status of the Labor Union

The labor union of Incheon Airport was registered in 1995 under the umbrella of the Federation of Korean Public Industry Trade Unions. IIAC employees of class-3 or below are eligible to join the union. Out of 884 eligible employees, 881 (97%) have joined the union, whose leadership consists of 3 full-time union leaders including the chairman and five regular union officials. IIAC therefore complies with domestic and international labor laws. It consults with the labor union about matters that involve significant changes in IIAC business or organization before proceeding with them.

Strategies for Advanced Labor Relations

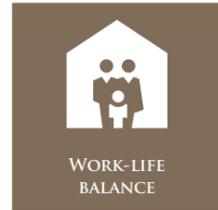
In 2014, IIAC revised its strategy to achieve advanced labor relations through agreement between management and labor. This was designed to cope with changes in its internal and external business management environment including the government's push for the normalization of public institutions. Based on the input of a specialist group composed of internal and external experts, IIAC set 'building public-friendly labor relations' as its goal and chose the following as its four major strategic tasks: advanced labor relations; reasonable labor relations; active labor-management communication; reasonable labor-management negotiations.

Labor Relations Strategy System

Performance Goal	Building Public-friendly Labor Relations			
	Advanced Labor Relations	Reasonable Labor Relations	Active Labor-management Communication	Advanced Labor Relations
Strategic tasks				
Implementation Tasks	<ul style="list-style-type: none"> Preparation of new strategies for advanced labor relations Implementation and spreading the strategies for advanced labor relations 	<ul style="list-style-type: none"> Establishment of reasonable labor relations Creation of management results through labor-management cooperation 	<ul style="list-style-type: none"> Enhancement of labor-management communication channels Diversification of companywide communication channels Activation of labor-management council meetings Enhancement of IIAC's competence to manage labor relations 	<ul style="list-style-type: none"> Establishment of strategies to promote labor negotiations Identification and improvement of clauses related to infringements upon management's rights to personnel matters Conclusion of CBOs at a reasonable level

Active Labor-Management Communication

To stimulate continuous communication between labor and management, IIAC has taken a multifaceted approach to labor-management communication. It has built official channels like Labor-Management Council meetings and labor-management representative meetings. IIAC has also constructed bottom-up, interactive and online communication channels. In relation to the government's push for the normalization of public institutions, IIAC holds labor-management council meetings twice a week and enhances hotline (SNS) communication between management and the union to minimize conflicts arising from normalization efforts. IIAC opened an online communication channel 'One-on-One Dialogue with the CEO,' a bottom-up communication channel. It holds workshops for its female workers, new recruits, as well as new employees who have served less than a year in an effort to increase face-to-face communication opportunities with female and junior staff members.



Minimization of Side Effects of the Reform of Lax Management

IIAC strives to prevent conflicts through consensus between management and labor and create a happy workplace. In 2014, in accordance with the government's policy, IIAC had to cut down on its welfare benefits for employees. As a result, employees' welfare satisfaction rate dropped below the level of 2013. However, IIAC built a consensus with the union on the necessity of belt-tightening measures. It continues to improve working conditions in 2014. As a result, IIAC was chosen as the 'Best Company to Work for in Korea' for six years running (by KMAC) and as the 'Great Place to Work for in Korea' for four straight years (by GWP Korea). IIAC was accredited by the Ministry of Gender Equality and Family as a family-friendly company.

Improvement in the Culture of Customary Long Working Hours

IIAC expands its family-friendly management so that its employees can achieve a better Work-life balance and improve their quality of life. To break the country's customary long working hour culture, IIAC analyzed its internal and external circumstances, worked out improvement directions, and strongly urged employees to leave work on time. It introduced the family-friendly management index and began to implement 'Refresh' vacations. IIAC is run on an advanced shift schedule (4-3 ten hour rotating shift schedule) as a result of its efforts to rationalize its employees' work schedule. In addition to the introduction of new systems, IIAC does its very best to improve its employees' work environment through management's keen interest in the matter as expressed at various meetings. The company is also recognized for its excellent cases of improvement made at individual or departmental levels as well as the sharing of the cases across the company.

Systematic Improvements in Work-life Balance and the Quality of Life

IIAC continues to upgrade its personnel policies related to Work-life balance and improvements in the quality of life. In line with the government's 'Work-Life Balance' campaign, IIAC has introduced 'Smart Conferences' and 'Refresh Vacations', helping the company improve its work efficiency. IIAC has also presented its criteria about the Korean style company dinner and excessive overtime work. It also provides childcare support. Additionally, through an employee assistance program (EAP), IIAC strived to solve employees' diverse issues ranging from family relations to finances to health and self-development.

The Work-life Balance Campaign

Family-friendly System	Implementation of Detailed Policies & Systems
Improvement of work efficiency	Introduction of smart conferences and 'refresh' vacations for long-term employees
Desirable company dinner and overtime culture	Dinner-119 campaign (1 kind of liquor, 1 round of drinks, 9 o'clock deadline), Family Day (every Thursday) when all employees must leave work on time
Support for childcare	Change-over Plan (maternity leave connected to childcare leave), operation of a childcare center at work
Solutions to personal issues	Introduction of EAP (for assistance in matters related family relations, finances, health, self-development, etc.)

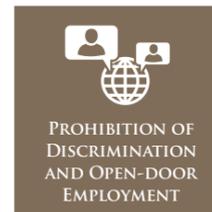
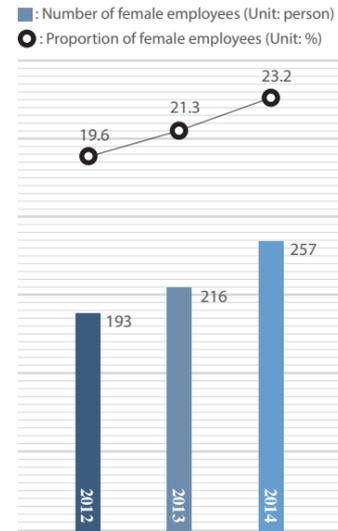
Expanded Introduction of Flexitime

The demand for flexitime at IIAC is on the rise: The number of employees with infants and babies has increased. The majority of employees commute a long distance. Therefore employees need extra time to study or for healthcare. IIAC has introduced diverse types of flexitime to support employees' work-life balance. Recently, through careful analysis of situations, IIAC has further improved the practicality of flexitime for IIAC employees. IIAC has expanded the eligibility for flexitime. Now all employees, male or female, can choose flexitime for childcare or self-development purposes. They can also choose from four types of flexitime: Part-time; Flexible workweek; Flexible daily work hours; Smart work. IIAC has held orientation sessions for all its employees including management to fully understand the system. IIAC offers extra points to its flexitime workers in their performance evaluation to encourage more employees to consider taking advantage of the system. So far, IIAC has identified 28 flexitime tasks. Currently, 31% of its employees are flexitime workers.

Improved Flexitime Participation

Category	2013 Performance (persons)	2014 Performance (persons)	Remarks (changes)
Part-time	20	15	△5
Flexible workweek	36	253	+217
Flexible daily work hours	-	103	+103
Concentrated work type (fewer than 5 days a week)	-	1	+1
Flexible work type (Work from home)	4	-	△4

Female Employees



Development of Female Leadership

IIAC is realizing gender equality at work through gradual improvement in the ratio of female managers. At the end of 2014, the percentage was 4.2% (17 women). IIAC plans to increase the proportion to 5.3% (22 women) by 2020 according to its plans and runs a female leadership improvement program. Every June and September, IIAC provides its 55 female workers with leadership training on various female issues and discussion training on core female issues. It also arranges them to be trained in external professional institutes on such issues as leadership, career management, communication improvement and conflict management. To train its female employees into becoming global female leaders, IIAC has dispatched a class-1 female manager to a prestigious overseas educational institute and appointed a female employee to Head of IIAC Office in Indonesia.

Manpower Plan for Female Managers and Female Employees with Career Breaks (Unit: person, %)

Classification	2014	2015	2016	2017
Female managers	17 (4.2%)	20 (4.9%)	21 (5.1%)	22 (5.3%)
Female employees with Career Breaks	5 (4.6%)	2 (5.3%)	2 (5.6%)	2 (5.6%)

* The percentage points in parentheses are the proportion of female managers/employees in the total number of IIAC managers and the total number of female employees respectively.

Fair Personnel Regulations

IIAC respects diversity and human rights. It pursues employment free of discrimination on the grounds of gender, age or religion. It complies with labor laws including the Labor Standards Act. It opposes child labor and unlawful employment of aliens. IIAC guarantees fair evaluation and equal opportunities to all of its employees according to its rules on employment and personnel management. It applies the same wages and welfare benefits to all employees of the same rank irrespective of its employees' gender.

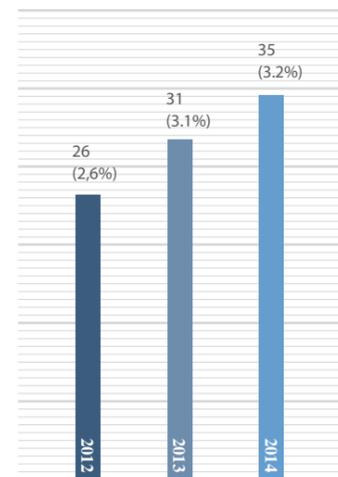
Open-door Employment and Advanced Verification of Recruits' Qualifications

IIAC has developed tools and processes required for the application of open-door employment. Now it tries to verify applicants' competency instead of screening out applicants on the basis of their academic backgrounds or credentials on paper. To that end, IIAC has simplified its resume screening process including the reduction of evaluating credentials on paper. IIAC has increased the number of candidates eligible for written tests - from 30 to 40 times as many as IIAC will eventually hire. IIAC has also put more emphasis on situational interviews and 'character interviews'. IIAC now even has team members participate in interviews as part of interviewer teams for more practical observation of candidates' qualifications in the area the company would like to hire the candidates for.

Expansion of Socially Equitable Employment

IIAC fulfills its CSR as a Public Company. It continues to expand the employment of the underprivileged. It reflects the government's socially equitable employment target in its recruitment plan. For the first time in its history, IIAC has launched 'employment-type' internship (61 persons), with 10 of them hired as full-time employees. For the first time among public companies, it has introduced a 'Return to Work Program' for women with a career interrupted due to childbirth or childcare. It has hired five women so far under the program. To accommodate the underprivileged, IIAC has given the disabled and those from multicultural backgrounds special chances for job application. IIAC gives extra points to low income or war veteran families (currently 3% for disabled people and 6% for war veteran families). To improve compensation for high school graduates, IIAC has worked out a plan that is particularly focused on their promotion and career management.

Employment Status of the Disabled (Unit: person)



APPENDIX

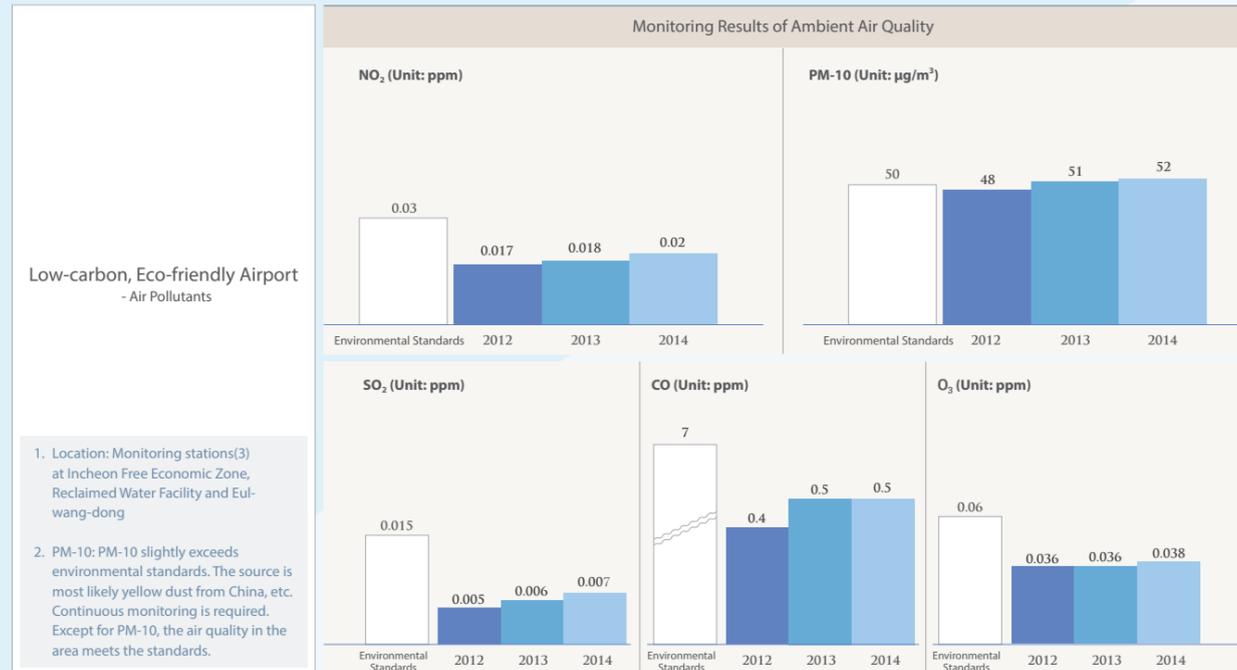
63P.	68P.	69P.	70P.	73P.	74P.
Performance Indicators	ISO 26000 Implementation Assessment	UNGC Advanced Level	GRI G4 Content Index	Awards & Organization Membership	Assurance Statement

Financial Indicators

Classification		2012	2013	2014
Summary of Consolidated Balance Sheet (Unit: KRW 1M)				
*Incheon International Airport Corporation (IIAC) and its subsidiary (Incheon Airport Energy Co., Ltd.)				
Current Assets		375,923	235,127	234,555
Non-current Assets		7,574,921	7,594,138	7,978,709
Total Assets		7,950,844	7,829,265	8,213,264
Current Liabilities		696,161	725,458	1,419,039
Non-current Liabilities		2,082,509	1,581,728	789,876
Total Liabilities		2,778,670	2,307,186	2,208,915
Equity		3,617,845	3,617,845	3,617,845
Other		1,555,415	1,905,300	2,387,609
Equity Attributable to Owners of the Parent		5,173,260	5,523,145	6,005,454
Non-controlling Interests		(1,086)	(1,066)	(1,105)
Total Equity		5,172,174	5,522,079	6,004,349
Classification		2012	2013	2014
Summary of Income Statement (Unit: KRW 1M)				
*Incheon International Airport Corporation (IIAC) and its subsidiary (Incheon Airport Energy Co., Ltd.)				
Revenues (Sales)		1,668,341	1,686,088	1,754,590
Cost of Sales		758,655	749,584	758,254
Operating Expenses		100,441	115,841	106,289
Operating Profit		809,245	820,663	890,047
Other Operating Income		140	1,839	2,168
Other Operating Expenses		21,647	13,486	19,880
Other Profit		12,290	(34,806)	4,038
Finance Income		20,195	10,450	9,756
Finance Costs		128,248	78,861	57,223
Share of Profit in Associates and Joint Ventures		1,683	0	0
Profit Before Income Tax		693,658	705,799	828,906
Income Tax Expense		167,964	233,676	210,414
Profit for the Year		525,694	472,123	618,492
Other Comprehensive Income		986	2,624	1,290
Total Comprehensive Income for the Year, Net Tax		526,680	474,747	619,782
Classification		2012	2013	2014
Status of Revenues and Expenses (Unit: KRW 1M)				
Revenues	Revenues from Rendering of Service	1,531,694	1,600,643	1,662,628
	Incidental Revenues	70,260	15,745	22,587
	Borrowings	617,035	90,000	1,174
	Other	100,732	10,948	15,457
	Total Revenues	2,319,721	1,717,336	1,701,846
Expenses	Labor Costs	78,771	76,889	75,359
	Operation and Maintenance Costs	450,202	467,421	479,028
	Expenses for Rendering of Service	367,374	232,646	627,312
	Repayment of Borrowings	906,309	544,592	162,046
	Other	517,065	395,788	358,101
	Total Expenses	2,319,721	1,717,336	1,701,846
Classification		2012	2013	2014
Corporate Tax Payment (Unit: KRW 1M)				
Tax Base		735,322	804,214	888,604
Corporate Tax Amount		161,351	176,507	195,073
Deductible		210	528	767

CSR Indicators

		2012	2013	2014
Safe Airport	Aircraft Accidents	0	0	0
	Ground Accidents	0.73	0.48	0.35
	Noncompliance Cases pointed out during Airport Accreditation Inspection	1.18	1.11	0.69
	Noncompliance Cases pointed out during Safety Inspection	1.57	1.11	1.03
	Noncompliance Cases pointed out during External Security Inspection	2.36	1.11	0.35
	Disaster Management Rating	A	A	A
	Facility Status Index	86.7	87.3	88.2
Convenient Airport	ASQ Overall Rating	1	1	1
	Departure/Arrival Processing Time (95%)	42/23	37/20	38/23
	Departure/Arrival Processing Time (average minutes)	19/12	19/10	17/11
	Delayed Baggage (per million)	9	10	7
	Customer Satisfaction with Public Company Service (rating)	AA	AA	A
	Cultural Performances at IIAC (number)	7,600	7,400	8,500
	Customer Satisfaction with Cultural Facilities (%)	84.4	87.4	89.5
Developing Airport	International Passengers (Unit: 10K)	3,835	4,079	4,491
	International Cargo (Unit: 10,000 tons)	246	246	256
	Transit Passengers (Unit: 10K)	686	771	725
	3rd Phase Progress Rate (%)	2.00	5.00	18.70
	3rd Phase Construction Project Accident Rate (%)	0.00	0.08	0.096
	Air City Sales (Unit: KRW 100m)	117	133	157
	Overseas Business Revenues (Unit: KRW 100m)	93	78	96



CSR Indicators



CSR Indicators

Low-carbon Eco-friendly Airport - Water	Water Consumption by Facility (Unit: 1,000 tons)		Water Basic unit by Year (Unit: ton/KRW 1M)		
Low-carbon Eco-friendly Airport - Electrical Energy Consumption	Electrical energy consumption by user (unit: MWh)		Electrical energy basic unit by year (Unit: MWh/m²)		
Low-carbon Eco-friendly Airport - Handling of environment VOCs			2012	2013	2014
	Number of environment VOCs (case)		30	15	8
Low-carbon eco-Friendly Airport - GHG Emissions			2012	2013	2014
	Scope 1		18,141	19,823	20,964
	Scope 2		149,662	147,594	147,863
	Total		167,803	167,417	168,827
Win-Win Growth with Partners - Cooperation			2012	2013	2014
	Purchases from SMEs (KRW 100M)	Women-led enterprises	509	578	396
		Social enterprises	2.9	5.2	15
		R&D	27.5	36.3	80.5
	Business partners' satisfaction with IIAC's win-win programs (points)		97.4	97.4	91.56
	Business partners' employee turnover (%)		1.09	0.93	0.8
	Evaluation of public agency performance in shared growth		GOOD	GOOD	AVERAGE
	Sales of local products in duty-free shops (%)		4,186 (21%)	4,679 (24%)	5,930 (28%)
SLA evaluation results (points)		93.88	93.98	93.99	
Incentive amounts paid (KRW 1M)		455	531	769	

CSR Indicators

Community Involvement & Development			2012	2013	2014
	CSR donations (KRW 1M)		3,602	4,642	4,223
	Free aviation education for developing countries	Courses (number)	11	7	7
		Trainees (person)	216	118	119
	Outcome of employees' sharing activities	Countries (number)	57	48	44
Cumulative volunteer person		799	1,481	1,696	
	Total volunteer hours	4,748	7,787	9,070	
Human Resource Management - manpower status			2012	2013	2014
	Table of organization (person)		984	1,091	1,133
	Present organization (person)		963	1,015	1,107
	Retirement (person)		1	2	2
	Early retirement (person)		1	3	2
	Unlimited contract employees (person)		25	3	2
	(Direct employment) current irregular employees (person)		8	14	40
	(Indirect employment) outsourcing (person)		5,990	6,128	6,288
	Minority Employment	Females (%)	193(19.6%)	216(21.3%)	257(23.2%)
		Female team leaders or above (%)	7(5%)	6(4.8%)	6(4.4%)
		People with disabilities (%)	26(2.6%)	31(3.1%)	35(3.2%)
	Average age		38.8	39	38.3
	Job security	Average employment years	11	11.5	11.3
Human Resource Management - employment status			2012	2013	2014
	Full-time new employees	Females	28	25	38
		People with disabilities	2	5	4
	Local HR (people from outside the Seoul Metropolitan area)	High school graduates	21	22	31
		Vocational school graduates	14	15	10
		Engineering majors	14	15	10
		Total	40	42	64
	Irregular workers	Interns	72	77	61
Contract workers		1	5	34	
Human Resource Management - outcome of employee training			2012	2013	2014
	Employees' satisfaction with IIAC training (points on a 5-point scale)		4.64	4.7	4.71
	Applicability to current jobs (points on a 5-point scale)		4.26	4.33	4.38
Human Resource Management - employee training budget			2012	2013	2014
	Average training budget per person (KRW 10,000)		266	289	237

ISO 26000 Implementation Assessment

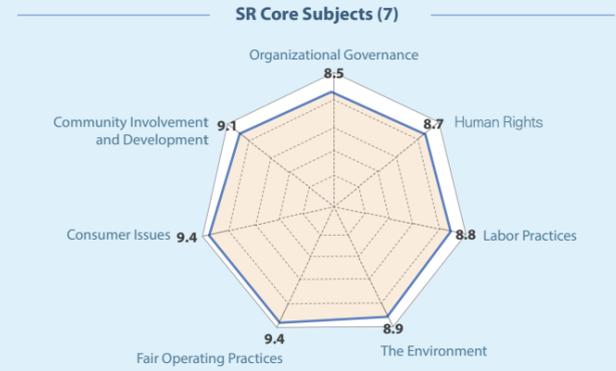
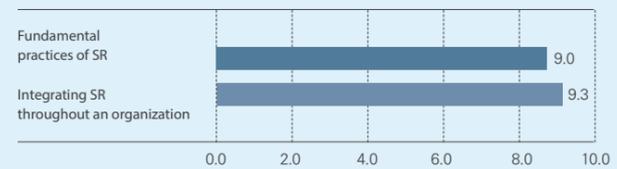
[Assessment Overview]

IIAC fulfills its social responsibility in all of its business operations in accordance with ISO 26000, and international standard on social responsibility. IIAC carries out the diagnosis of its ISO 26000 compliance each year to check its performance in social responsibility and continue to make improvements in the area. In 2015, IIAC evaluated its performance in the seven core subjects of ISO 26000 with the diagnosis check list developed by Korea Productivity Center. It plans to reflect the outcome in its future plan for social responsibility.

[Assessment Results]

IIAC evaluated its compliance with ISO 26000 in terms of process and core subjects. Process composed of two areas marked 9.1 points and 7 core subjects were given 9.0 points. To obtain implications for future improvement, IIAC divided the evaluation results into positive outcome and things to be worked on for improvements.

Social Responsibility Process (2 major areas)



+ Activities that are currently implemented and positively evaluated - Activities that are yet to be implemented or need improvement in the future

Classification	ISO 26000	IIAC CSR Assessment
Process	Two Fundamental practices of social responsibility	+ Awareness of the economic, environmental and social impact of airport operations - Introduction of a grievance settlement channel for stakeholders within the airport
	Integrating social responsibility throughout an organization	+ Establishment of 'a trusted and respected company' as the companywide strategic direction + Establishment of SR implementation as a KPI and monitoring
Core subjects	Organizational Governance	+ Operation of SR organization equipped with manpower - Integrated control of core SR subjects by the SR Committee
	Human Rights	+ Operation of customized win-win programs to improve working conditions of its business partners + Equal opportunities and fair compensation for small- to medium business partners - Implementation of business partner inspections and human rights impact evaluation
	Labour Practices	+ HRD accreditation at home and abroad + Equitable employment and female manpower cultivation + Expansion of flextime and improvements in the system - Expanded training on core values and specialization for its business partners' employees
	The Environment	+ ACI carbon accreditation - level 3 + Steady GHG emission reduction despite passenger increase - Active protection of natural habitats in the airport area
	Fair Operating Practices	+ Linking employee engagement type ethical programs to ethical performance evaluation + Introduction of fair transaction voluntary compliance program and operation of a council
	Consumer Issues	+ No. 1 in ASQ for 10 years in a row, a first in the world + 2.9 million accident-free flights - Education of airport patrons on sustainable consumption and launch of campaigns to raise awareness
	Community involvement and development	+ Support for and investment in local communities in the areas of education, environment, welfare and culture and sports + Free aviation training for developing countries and overseas voluntary services + Development and operation of SR programs reflecting the characteristics of the airport

UNGC Advanced Level



IIAC joined UNGC (UN Global Compact) in March 2007. It has reported its implementation results of the ten principles of the UNGC each year in such areas as human rights, labor, environment and anti-corruption. To encourage companies to implement their social responsibility and promote communication with their stakeholders, the UNGC has presented three differentiation levels for COP (Communication on Progress). This report contains IIAC's implementation in 21 criteria for GC Advanced Level. The fact that IIAC belongs to the category of UNGC Advanced Level means that IIAC has adopted the sustainability governance and management practices based on 'Blueprint for Corporate Sustainability Leadership' and 'UN Global Compact Management Model' regarding corporate sustainability performance and disclosures.

No.	Summary of Criteria	GRI	Reporting Contents
1	Describes mainstreaming into corporate functions and business units	G4-4, 6, 8	Overview of IIAC
2	Describes value chain implementation	G4-12	Vision, strategies, shared growth and win-win cooperation
3	Describes robust commitments, strategies or policies in the area of human rights	G4-56, SO2	Ethical management
4	Describes effective management systems to integrate the human rights principles		
5	Describes effective monitoring and evaluation mechanisms of human rights integration		
6	Describes robust commitments, strategies or policies in the area of labour	G4 LA1~3, 9~11	HR cultivation
7	Describes effective management systems to integrate the labour principles		
8	Describes effective monitoring and evaluation mechanisms of labour principles		
9	Describes robust commitments, strategies or policies in the area of environmental stewardship	G4-EN8, 10, 15~16, AO4~5, 7	Low-carbon eco-friendly airport
10	Describes effective management systems to integrate the environmental principles		
11	Describes effective monitoring and evaluation mechanisms for environmental stewardship		
12	Describes robust commitments, strategies or policies in the area of anti-corruption	G4-56, G4-SO2, AO8	Ethical management
13	Describes effective management systems to integrate the anti-corruption principle		
14	Describes effective monitoring and evaluation mechanisms for the integration of anti-corruption		
15	Describes core business contributions to UN goals and issues	G4-EC1~2, G4-EN8, 10, AO1~5, 7~9	Vision, strategies, safe airport, low-carbon eco-friendly airport
16	Describes strategic social investments and philanthropy	G4-EC7	Community engagement and development
17	Describes advocacy and public policy engagement	G4-15~16	Overview of IIAC
18	Describes partnerships and collective action	G4-12	Shared growth and win-win cooperation
19	Describes CEO commitment and leadership	G4-1	CEO message
20	Describes CEO commitment and leadership	G4-34	Governance
21	Describes stakeholder engagement	G4-24~27	Stakeholder engagement, SR Stakeholder Committee

GRI G4 Content Index - Core

General Standard Disclosure

Index	Description	Page	External Assurance
Strategy and Analysis			
G4-1	Statement from the most senior decision-maker of the organization	4-5	
Organizational Profile			
G4-3	Name of the organization	12	✓
G4-4	Primary brands, products, and services	12	✓
G4-5	Location of the organization's headquarters	12-13	✓
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	12	✓
G4-7	Nature of ownership and legal form	12-13	✓
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	12	✓
G4-9	The scale of the organization	12	✓
G4-10	Status of employment type, contract, and region	67	✓
G4-11	Percentage of total employees covered by collective bargaining agreements	59	✓
G4-12	Organization's supply chain	20-21, 47	✓
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	12	✓
G4-14	Precautionary approach or principle is addressed by the organization	33	✓
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	77	✓
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization	77	✓
Identified Material Aspects and Boundaries			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents	12	✓
G4-18	Process for defining the report content and the Aspect Boundaries	24-25	✓
G4-19	Material Aspects identified in the process for defining report content	24-25	✓
G4-20	Aspect Boundary within the organization	25	✓
G4-21	Aspect Boundary outside the organization	25	✓
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	2	✓
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	25	✓
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged by the organization	20-21, 22, 25	✓
G4-25	Basis for identification and selection of stakeholders with whom to engage	20-21, 22, 25	✓
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	20-23	✓
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting Report the stakeholder groups that raised each of the key topics and concerns	20-21, 23	✓
Report Profile			
G4-28	Reporting period for information provided	2	✓
G4-29	Date of most recent previous report	2	✓
G4-30	Reporting cycle	2	✓
G4-31	Provide the contact point for questions regarding the report or its contents	2	✓
G4-32	GRI G4 index	70-72	✓
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report	74-75	✓
Governance			
G4-34	Governance structure of the organization, including committees of the highest governance body Identify any committees responsible for decision-making on economic, environmental and social impacts	16-17	✓
Ethics and Integrity			
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	18-19	✓

Specific Standard Disclosures

Index	Description	Page	External Assurance
CATEGORY : ECONOMIC			
Market Presence			
	Generic DMA	37	✓
AO1	Total number of passengers annually	8-9	✓
AO2	Total annual number of aircraft movements	8-9	✓
AO3	Total amount of cargo tonnage	8-9	✓
Indirect Economic Impacts			
	Generic DMA & Aspect-specific DMA	13-14	✓
G4-EC7	Development and impact of infrastructure investment and service supported	39-40	✓
G4-EC8	Significant indirect economic impacts	5	✓
CATEGORY : ENVIRONMENTAL			
Energy			
	Generic DMA & Aspect-specific DMA	42	✓
G4-EN3	Energy consumption within the organization	66	✓
G4-EN4	Energy consumption outside of the organization	66	✓
Water			
	Generic DMA	42	✓
G4-EN8	Total water withdrawal by source	46, 66	✓
G4-EN10	Percentage and total volume of water recycled and reused	66	✓
AO4	Quality of storm water by applicable regulatory standards	66	✓
Emissions			
	Generic DMA & Aspect-specific DMA	42	✓
G4-EN15	Direct greenhouse gas emissions (Scope 1)	44, 66	✓
G4-EN16	Energy indirect greenhouse emissions (Scope2)	44, 66	✓
G4-EN19	Reduction of greenhouse gas emissions	44, 66	✓
G4-EN21	NOx, SOx, and other significant air emissions	46, 64	✓
AO5	Ambient air quality levels according to pollutant concentrations	46, 64	✓
Effluents and Waste			
	Generic DMA	42	✓
G4-EN23	Total weight of waste by type and disposal method	46, 65	✓
Noise			
	Generic DMA	42	✓
AO7	Number and percentage change of people residing in areas affected by noise	46	✓

Specific Standard Disclosures

Index	Description	Page	External Assurance
CATEGORY : SOCIAL			
LABOR PRACTICES AND DECENT WORK			
Employment			
	Generic DMA & Aspect-specific DMA	57	✓
G4-LA1	Total number and rates of new employee hires and employee turnover	67	✓
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	60	✓
Training and Education			
	Generic DMA	57	✓
G4-LA9	Average hours of training per year per employee	67	✓
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	58-59	✓
Labor/Management Relations			
	Generic DMA	57	✓
G4-LA4	Minimum notice periods regarding operational change, including whether these are specified in collective agreements	59	✓
Supplier Assessment for Labor Practices			
	Generic DMA & Aspect-specific DMA	47	✓
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and action taken	48	✓
SOCIETY			
Local Communities			
	Generic DMA & Aspect-specific DMA	52	✓
G4-SO2	Operations with significant actual and potential negative impacts on local communities	23,52	✓
AO8	Number of persons physically or economically displaced by the airport operator on its behalf by governmental for other entity, and compensation provided	23, 52, 54, 56	✓
Anti-Corruption			
	Generic DMA & Aspect-specific DMA	47	✓
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	50-51	✓
G4-SO4	Communication and training on anti-corruption policies and procedures	19	✓
PRODUCT RESPONSIBILITY			
Customer Health and Safety			
	Generic DMA & Aspect-specific DMA	33	✓
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	34-36	✓
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle	33, 64	✓
Business Continuation and Emergency Preparedness			
	Sector Specific Guidance for DMA	33	✓
	Report policies/programs on business continuity in the event of an emergency	34-36	✓
Product and Service Labeling			
	Generic DMA & Aspect-specific DMA	28	✓
PR5	Results of surveys measuring customer satisfaction	28, 31	✓
Service Quality			
	Sector Specific Guidance for DMA	28	✓
	Procedure/process for quality control of service. Include the mechanism for how the airport establishes service level expectations for the airport customers	31	✓
Provision of Services or Facilities for Persons with Special Needs			
	Sector Specific Guidance for DMA	28	✓
	Programs/procedures for facilities for the use of persons with special needs	31	✓

Awards and Organization Membership

Awards

Classification	Date	Awards	Organization	
Operations/services	2014.03.12	The Best Air Cargo Airport Award	AIR CARGO WORLD	
	2014.03.27	The world's Best Transit Airport Award 2014	SKYTRAX	
	2014.03.31	Plaque of appreciation	Head of Goseong County	
	2014.04.11	Plaque of appreciation	Governor of Gangwon Province	
	2014.04.29	Excellence Award at Comprehensive Aviation Safety Evaluation	Minister of Land, Infrastructure and Transport	
	2014.05.26	APEX plaque of appreciation at SCI Safety Symposium	ACI	
	2014.05.27	The best award at ASQ 2013 - medium to large airport	ACI	
	2014.05.27	Top honor in ASQ 2013 - Asia-Pacific	ACI	
	2014.06.12	Excellent Airport Food and Beverage Award	The Moodie Report and The Foodie Report	
	2014.08.21	The Best Digital Management Innovation Award	The National Assembly S&T Innovation Forum	
	2014.09.26	The world's Best Duty-Free Shop Award	Business Traveller Magazine Asia Pacific	
	2014.12.01	The world's Best Airport Award at TTG Travel Awards 2014	TTG Asia Media (TRAVEL TRADE GAZETTE)	
	Air Facility	2014.03.03	2012/13 Vision Platinum Awards	League of American Communications Professionals (LACP)
		2014.03.19	ACI airport carbon accreditation	ACI, Airport Carbon Accreditation
2014.06.13		Certification of energy management system ISO 50001	Korea Energy Management Corporation	
2014.06.30		Republic of Korea Green Management Grand Prize - Climate Change Response Area - the Minister of Trade, Industry and Energy Award	The Ministry of Trade, Industry and Energy; and the Ministry of Environment	
2014.11.04		The USA Airport Going Green Awards - Energy Management Award	Chicago Department of Aviation (CDA)	
2014.12.05		Presidential award as a Republic of Korea eco-friendliness contributor	The Ministry of Environment	
Management Practices		2014.02.17	The most respected company in Korea 2014	Korea Management Association Consulting (KMAC)
		2014.09.03	Bronze medal at the national productivity championship contest	Korea Productivity Center
		2014.10.07	Republic of Korea Sustainability Contest 2013 - No. 1 in Public Company Sustainability Index - KRCA sustainability reporting award in the category of public company	Korean Standards Association
		2014.10.07	Excellent sustainability reporting agency in the category of public company	Korean Standards Association
2014.10.23	Grand prize in the category of sustainability reporting	Korea Management Association /KMA Registrations & Assessments Inc.		
2014.10.29	Frontier Awards - Duty-free Shop of the Year 2014 (2 years in a row)	Frontier Magazine, the U.K.		
2014.11.09	Best-HRD Award	The Ministry of Education, the Ministry of Public Safety & Security		
2014.11.12	The world's best duty-free shop award	Business Traveller Asia-Pacific		
2014.11.19	Top-100 best company to work for (4 years in a row)	GWP Korea		
2014.11.19	Grand prize at CSR Awards in the category of public company	Next Society Foundation		

Status of Organization Membership

1995	Korea Environmental Preservation Association	2005	IPS Ethical Management CEO Club Meerae Forum	2009	BBB Korea
2001	Korea Civil Aviation Development Association Airports Council International (ACI)	2006	Korea Navigation Institute IPS Ethical Management SM Forum Korea Management Association (KMA)	2011	Limeglobe Innovation Forum Great Place to Work (GWP) Institute Korea CSO (Chief Sustainability Officer) Association
2002	ISO 9000/14000 Incheon Chamber of Commerce & Industry	2007	The International Air Cargo Association (TIACA) Business Institute for Sustainable Development UNGC, UNGC Korea	2013	iSMF Korea
2003	Korea Productivity Center	2008	The Korea Association for Public Administration Incheon Business Forum	2014	Incheon Voluntary Environment Alliance
2004	The Federation of Korean Industries				

Assurance Statement

Introduction

DNV GL Business Assurance Korea Ltd. (hereinafter "DNV GL") is commissioned to carry out the assurance engagement of Social Responsibility Report 2015 (hereinafter "the Report") of Incheon International Airport Corporation("IIAC"). This engagement focused on the information provided in the Report and the underlying management and reporting processes. IIAC is responsible for the collection, analysis, aggregation and presentation of all information within the Report. DNV GL's responsibility in performing the work follows terms of reference and scope of work agreed. The assurance engagement is based on the assumption that the data and information provided to us is complete, sufficient and authentic. IIAC's stakeholders are the intended recipients of the assurance statement.

Scope of Assurance

This Assurance Engagement covered data and information presented only in the Report. The scope of DNV GL's Assurance Engagement includes the review and assessment of followings:

- Evaluation of the reporting principles for defining the report content and the quality in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 4.0
- Evaluation of adherence to Accountability principles provided in AA1000 Accountability Principles Standard (APS)2008 with a moderate level of assurance and Type 1
- Check of GRI 4.0 Disclosure level against GRI 4.0 Disclosure option

Limitation

The engagement excludes the sustainability management, performance and reporting practices of IIAC's suppliers, contractors and any third-parties mentioned in the Report. DNV GL did not interview external stakeholders as part of this Assurance Engagement. Any financial information from IIAC's annual report and company reporting on operations in 2014 or other sources are not included in the scope of the Assurance. Economic performances based on the financial data were cross-checked with internal documents and the audited financial statements. The aggregation and calculation process for building economic performances is reviewed and tested by the verification team. The baseline data for Environmental and Social performance are not verified, while the aggregated data are used for the verification. The qualitative statements addressed in the GRI Content Index are not verified but the audit team has just confirmed that the indicator is reported in the GRI Content Index DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Verification Methodology

The Assurance Engagement was planned and carried out in accordance with the DNV GL Verification Protocol for Sustainability Reporting (VeriSustain™ V.4.1) and AA1000AS(2008). As part of the verification, we challenged the sustainability-related statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. In accordance with the VeriSustain, the Report was evaluated with regard to the following criteria: DNV GL has examined and reviewed documents, data and other information made available by IIAC. We performed sample-based audits of;

- The process for determining the materiality of the contents to be included in the Report.
- The process for generating, gathering and managing the quantitative and qualitative data in the Report.
- The accuracy of data
- Visit to Headquarter in Korea

Conclusion

In DNV GL's opinion, and based on the scope of this Assurance Engagement, the report provides a reliable and fair representation of IIAC's sustainability strategy, policy, practices and performance in 2014. The report is prepared "In accordance with Core option" of GRI G4.0. Standard disclosure items assured are indicated in the verification report submitted to IIAC. Further opinions with accountability principles are made below;

Inclusivity

IIAC has engaged with a wide range of stakeholders which are Korean people/mass media, government/national assembly, employees/labour union, business partners/construction companies, airlines/ground support companies, shop owners/logistics companies, government agencies, passengers, international airports. The report includes a process to derive expectations and interests of internal and external stakeholders. Main issues were clearly represented in the report.

Materiality

IIAC has formed a sustainability issue pool by analyzing international standards, benchmarking and media coverage for its sustainability and reviewing the material issues reported by peer groups. The material issues are determined by combining the issues which are important for stakeholder and the issues which are relevant for IIAC in terms of sustainability. The output of the process clearly brings out material issues.

Responsiveness:

IIAC monitors and reports performances of material issues drawn by the materiality assessment process in the report. The report includes financial (economical) and non-financial (social and environmental) performances. IIAC states its vision and business strategies with the performances in the report.

Statement of Competence and Independence

DNV GL is a leading provider of sustainability services, including the verification of sustainability reports. Our environmental and social assurance specialists operate in over 100 countries. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV GL maintains complete impartiality toward stakeholders interviewed during the verification process.



July 2015
Seoul, Republic of Korea

In-Kyoon Ahn
Country Representative
DNV GL Business Assurance Korea Ltd.

Note: Assurance engagement was conducted based on the Report written in Korean. In the event of ambiguity or contradiction in the Report between English version and Korean version, Korean one shall be given precedent.

Previous Publication of IIAC Social Responsibility Report



Social Responsibility Report 2015

Publisher Incheon International Airport Corporation
Sustainability Management Team

Design IM creative



424-47 Gonghang-gil, Jung-gu, Incheon, 400-700,
Republic of Korea Sustainability Management Team, IIAC
Tel 82-32-741-2107~8 Fax 82-32-741-2330

www.airport.kr



This report was printed on environment-friendly paper using soy ink.



Report unethical behavior to
www.airport.kr (integrity hotline)
Customer Service 82-32-741-2145