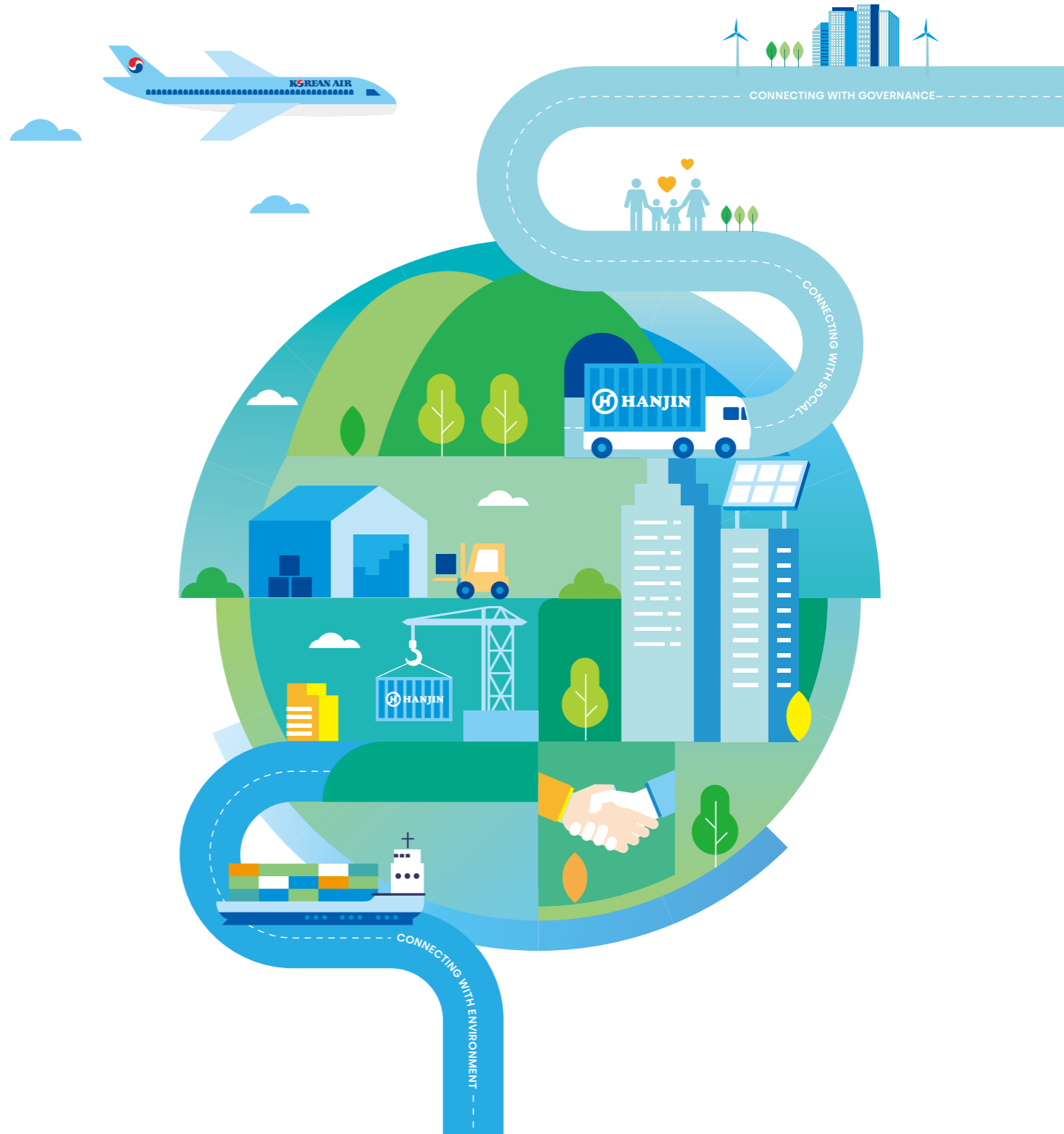
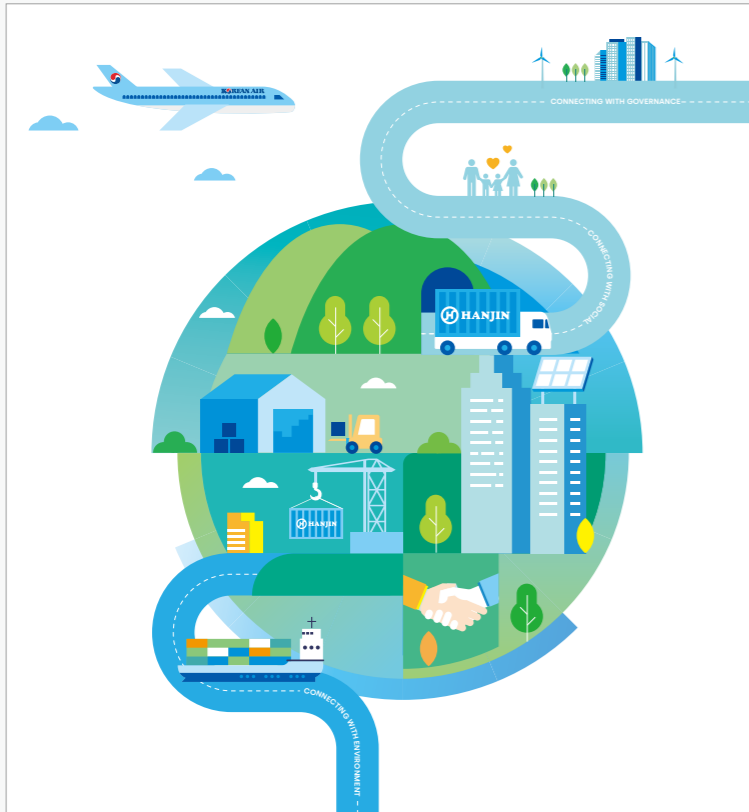


HANJIN KAL ESG REPORT 2023



ABOUT THIS REPORT



Cover Story

The illustration symbolizes HANJIN Group's business on the blue earth and the continuous path represent the value of HANJIN Group's business connecting the world and people and its commitment to ESG management for linking its value and sustainable future.

Report Overview

This report is the first ESG report of HANJIN KAL. This report has comprehensive contents including HANJIN Group's orientation, strategy, activities, and performance for ESG management. HANJIN Group is planning to fulfill economic, environmental, and social responsibility in a balanced manner. HANJIN KAL will do its best to create social value through active communication and collaboration with stakeholders.

Reporting Standards

- GRI (Global Reporting Initiative) Standards
- SASB (Sustainability Accounting Standards Board)
- TCFD (Task Force on Climate-related Financial Disclosures)

Reporting Period

- January 1, 2022 to December 31, 2022
- * As for significant achievements outside the reporting period, we included those in the first half of 2023.
- * For quantitative data, we disclosed the data for the three years from 2020 to 2022 to confirm the progress.

Reporting Scope

- **Financial scope:** Standard of the consolidated financial statement based on Korean International Financial Reporting Standards (K-IFRS)
- **Non-financial scope:** Standard of domestic corporations including HANJIN KAL, KOREAN AIR LINES, HANJIN Logistics Corporation and of overseas corporations in case of some data
- * The scope consists of major listed companies representing aviation and logistics business of HANJIN Group and HANJIN KAL.
- * In case of different scope from the above, we made a footnote on it.

Report Assurance

- **Financial scope:** Samil PricewaterhouseCoopers
- **Non-financial scope:** Korean Foundation for Quality

Report Inquiry

- **Relevant department:** HANJIN KAL management team
- **Tel:** 02-726-6166
- **E-mail:** SELBG@hanjinkal.com

CONNECTING THE WORLD WITH PEOPLE



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


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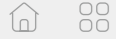
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Interactive User Guide

This report has been published as an interactive PDF, allowing readers to move quickly and easily to pages in the report, and including shortcuts to related web pages.

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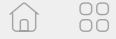
History of HANJIN Group

HANJIN Group started its history with the founding of ' HANJIN Transportation' in November 1945, which carries the meaning of 'advancement of Korean people.' Based on the history of over 70 years, HANJIN Group strives to become a sustainable group to advance with Korea as a global leading airline taking responsibility for Korea's air route and as a world-class integrated logistics group.

Founding of HANJIN Transportation, Beginning of HANJIN Group

Founding Period	Growth Period	Expansion Period	The Second Take-off
<p>1945.11 Founded HANJIN Transportation which is the first company of HANJIN Group</p> <p>1961.01 Founded Air Korea Beginning of charter flight business</p> <p>1961.08 Founded HANJIN Travel Co., Ltd.</p> <p>1968.02 Founded Korea Airport Service which was a specialized company in ground handling</p> <p>1968.09 Took over Inha Educational Foundation</p> <p>1969.03 Took over public-owned KOREAN AIRlines</p>	<p>1979.01 Took over Korea Aerospace University</p> <p>1989.11 Founded HANJIN Information Systems & Telecommunication Co., Ltd. in order to foster Information Systems & Telecommunication industry</p> <p>1992.06 HANJIN started small package delivery service business for the first time in Korea.</p> <p>1993.12 Founded HANJIN Intermodal America (HIA) which is an overseas corporation in the Americas</p> <p>1994.11 KOREAN AIR created a business partnership with Delta Airlines.</p> <p>1995.03 KOREAN AIR accepted its 100th aircraft</p>	<p>2000.06 KOREAN AIR launched 'Sky Team' with world-class major airlines like Delta, Air France and AeroMexico.</p> <p>2001.01 KOREAN AIR got Air Operator's Certificate for air transport business.</p> <p>2001.03 Inha University Hospital opened Incheon International Airport Medical Center.</p> <p>2001.05 Founded KAL Hotel Network</p> <p>2003.11 KOREAN AIR established a strategic alliance with Boeing Company in munitions business.</p> <p>2005.07 KOREAN AIR became the world's number one air cargo carrier.</p> <p>2006.09 HANJIN opened Daejeon General Logistics Center</p> <p>2008.01 Founded JIN AIR</p>	<p>2013.08 HANJIN KAL, a holding company of HANJIN GROUP, was founded</p> <p>2014.09 KAL Hotel Network opened Grand Hyatt Incheon.</p> <p>2015.11 HANJIN took over HANJIN Busan Newport (HJNC)</p> <p>2016.03 HANJIN opened HANJIN Incheon Container Terminal(HJIT)</p> <p>2016.06 Opened IAT, the largest flight engine test facility in the world</p> <p>2017.12 JIN AIR was newly listed on securities market</p> <p>2018.05 Officially launched the joint venture between KOREAN AIR and Delta Air Lines</p> <p>2020.04 KOREAN AIR was ranked the first place in 'Air Cargo Excellence Award.'</p>

New start of HANJIN



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CEO Message



HANJIN KAL defined ESG Vision of HANJIN Group as 'Way connecting with sustainable future.'

Dear respected shareholders, customers, employees, and every stakeholder,

I sincerely appreciate your constant encouragement and support for HANJIN KAL and HANJIN Group until now.

Over the past three years, HANJIN Group has faced unprecedented management crisis caused by COVID-19. During this time, we have reflected on the footsteps taken over half a century and pondered the new future we must create.

In the path ahead, there are threatening crises beyond what we have faced in the past. Various global issues including Climate issues, global warming, infectious diseases, inflation, geopolitical risks, and wars have evolved from corporate concerns to supranational and societal problems. Despite these challenges, HANJIN KAL strives to establish a foundation for sustainable growth and pave the way for mutual prosperity, bridging the past and the future through ESG-centered management as a leading ESG company based on creativity and a spirit of innovation.

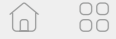
First, HANJIN Group has defined its ESG vision as 'Way connecting with sustainable future' and established specific ESG shared values and strategic directions to achieve its vision. HANJIN Group will be equipped with global-level ESG competitiveness and enhance corporate value and sustainability by continuously pondering and innovating in each business sector under this vision.

The name of "HANJIN" means "advancement of the Korean People". The founding spirit of "contributing to society through transportation" must be the philosophy sharing the same value with ESG management emphasized nowadays. With the publication of this ESG report, HANJIN KAL aims to sincerely communicate with our shareholders and society, continuously striving to move forward with them on the path to a sustainable future as a top-tier comprehensive logistics group representing South Korea.

We are grateful for the continued support and encouragement and look forward to more of the same in the future.

Thank you.

HANJIN KAL Corp.
Chairman & CEO **Won-Tae Cho** *Walt Cho*



OVERVIEW

HANJIN KAL

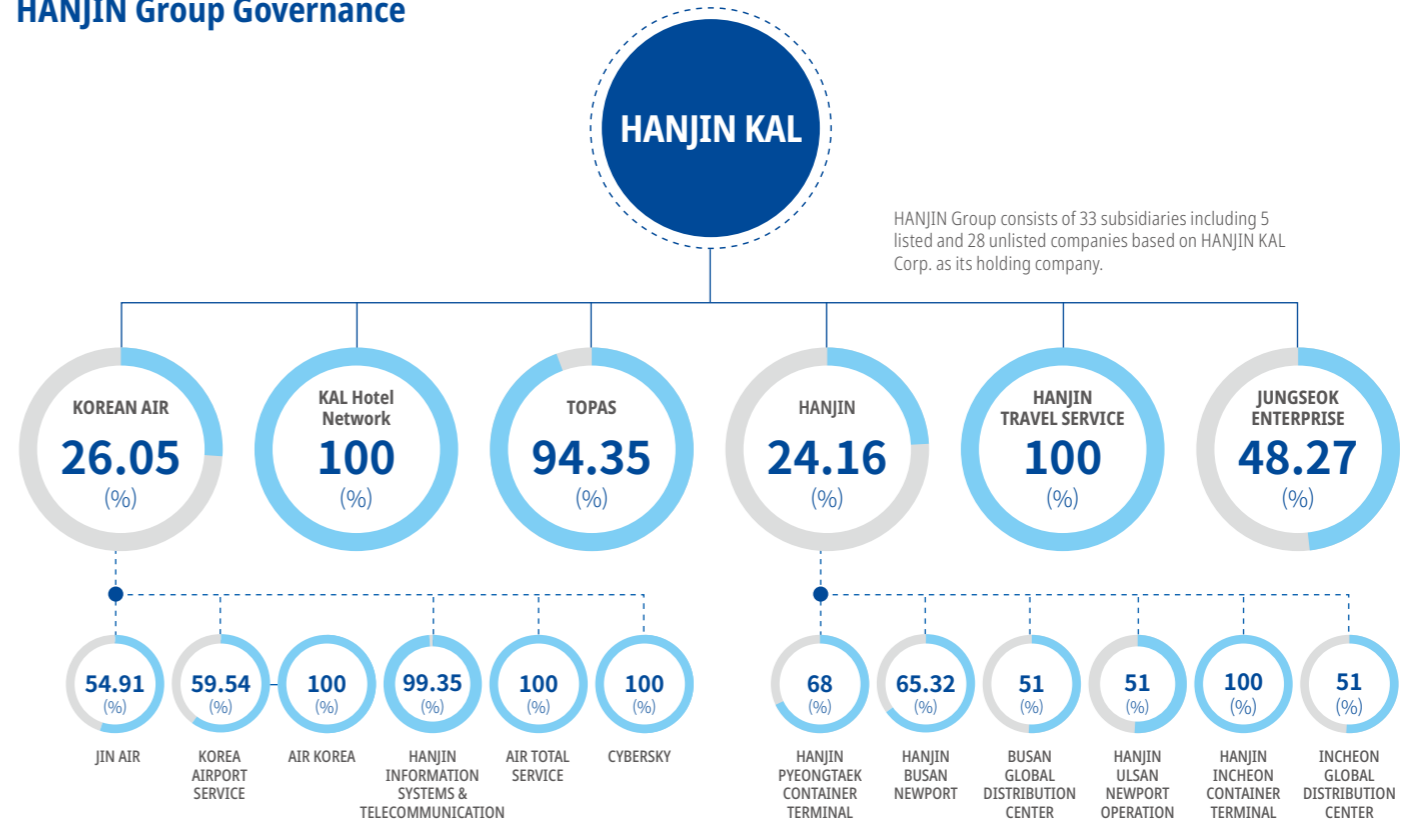
HANJIN Group founded HANJIN KAL in August 2013 and converted itself to a holding company system. HANJIN KAL is constantly striving to achieve the co-prosperity and enhanced competitiveness of HANJIN Group as the holding company of HANJIN Group.

HANJIN KAL will improve the profitability of the entire group, including air transportation, comprehensive logistics, hotels and leisure, and establish a foundation for sustainable growth of the group by securing the diversity of its business structure. We will also guide the direction of ESG management for HANJIN Group to become a global-level group leading ESG management.

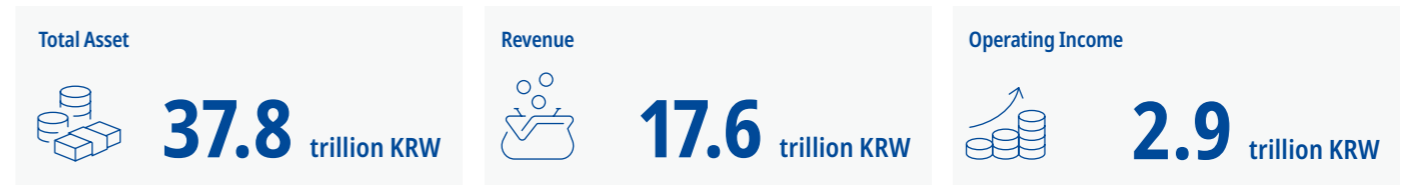
Corporate Overview

Company name	HANJIN KAL Corp.
CEO	Won-Tae Cho, Kyeong-Pyo Ryu
Founding date	August 1, 2013
Address	117 Seosomun-ro, Jung-gu, Seoul
Revenue (by separate standard)	45.8 billion KRW
Asset (by separate standard)	3.3143 Trillion KRW
ESG assessment grade	A (KCGS)

HANJIN Group Governance



Financial performance of HANJIN Group in 2022



(Based on the total amount of separate financial statements reported by domestic affiliates)

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Business Value Chain HANJIN Group

HANJIN Group, as a comprehensive logistics group, has a diverse business network that includes aviation, land transportation, travel, and hotel operations. Through synergy among each business sector, we aim to enhance our competitiveness and provide our customers with a higher level of service.



Aviation

We offer air transportation service for passengers and cargo.

KOREAN AIR LINES / JIN AIR / KOREA AIRPORT SERVICE

Land Transportation

We focus on courier business and provide cargo shipping and logistics service to domestic or foreign regions.

HANJIN / HJNC / HJIT

Hotel / Travel service / Real estate

We provide our customers with comfort and various experience through hotel and travel business.

KAL Hotel Network / HANJIN TRAVEL SERVICE / JUNGSEOK ENTERPRISES

Information service sector / Others

We offer optimal solutions to our customers as their IT partner in the IT field.

HANJIN Information Systems & Telecommunication / TOPAS

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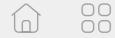
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Major Business Part of HANJIN Group

Aviation Part



KOREAN AIR LINES

Beyond half a century of history, KOREAN AIR is taking off to a century-old company. As a respected leader in the World Airline Community, KOREAN AIR is preparing for a better future. By continuously expanding global network, KOREAN AIR strives to enhance customers' convenience, and the national prestige of Korea around the world.

Asset **28,065.7** billion KRW

Revenue **13,412.7** billion KRW

JIN AIR

JIN AIR, established in January 2008, is a leading domestic Low-Cost Carrier (LCC) that has been expanding its presence in Japan, China, and Southeast Asia. As the only domestic low-cost carrier to introduce large aircraft (B777-200ER), we are pioneering new long-haul markets and solidifying our position as a leading practical airline in Asia.

Asset **771.9** billion KRW

Revenue **593.4** billion KRW

KOREA AIRPORT SERVICE

Since its establishment in 1968, KOREA AIRPORT SERVICE has grown along with the development of the aviation industry in Korea. As a result, it has developed into the leading ground handling service provider in South Korea, based on its world-class Ground Operation Total Solution, which offers aircraft ground handling services at major domestic airports, including Incheon International Airport.

Asset **415.9** billion KRW

Revenue **379.3** billion KRW

AIR KOREA

AIR KOREA, established in May 2008, is a specialized airline passenger transportation and handling service provider. It conducts passenger handling, operations management, and support services for KOREAN AIR passenger transportation at all domestic private airports, including Incheon International Airport and Gimpo International Airport.

Asset **7.4** billion KRW

Revenue **22.8** billion KRW

*Standard of separate financial statements in 2022

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Land Transportation Part

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**HANJIN
Logistics Corporation**

Since its establishment in 1945, HANJIN has grown into a leading comprehensive logistics company that represents South Korea today, with the philosophy of contributing to society through logistics. Furthermore, it continues to explore new driving force for growth in order to leap forward as an Asian leading logistics solution company leading the future logistics market.

Asset **3,024.6** billion KRW

Revenue **2,424.5** billion KRW



**HANJIN
Busan Newport**

HANJIN Busan Newport is the container terminal whose cargo volume has increased annually and it provides integrated logistics services related to stevedoring as a container-dedicated terminal capable of handling more than 3 million TEUs per year.

Asset **214.4** billion KRW

Revenue **177** billion KRW



**HANJIN Incheon
Container Terminal**

HANJIN Incheon Container Terminal has served as a bridge connecting the capital region of South Korea and China and has also played a crucial role as a key overseas export gateway since its opening in 2016.

Asset **244.4** billion KRW

Revenue **62.3** billion KRW

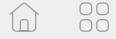


**Seoul Integrated
Freight Terminal**

Seoul Integrated Freight Terminal consists of two basement floors and four above-ground floors with a total floor area of 400,000 square meters. It is the largest domestic distribution and logistics cluster. It was opened in Jangji-dong, Songpa-gu, Seoul in 2015.

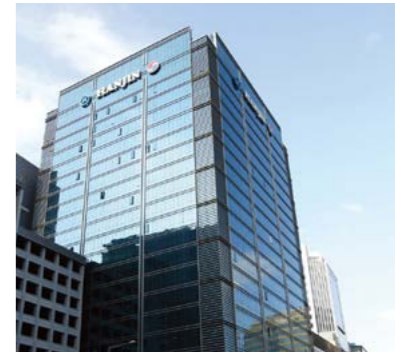
Asset **329.6** billion KRW

Revenue **59** billion KRW



Major Business Part of HANJIN Group

Hotel/Travel/Real Estate Part



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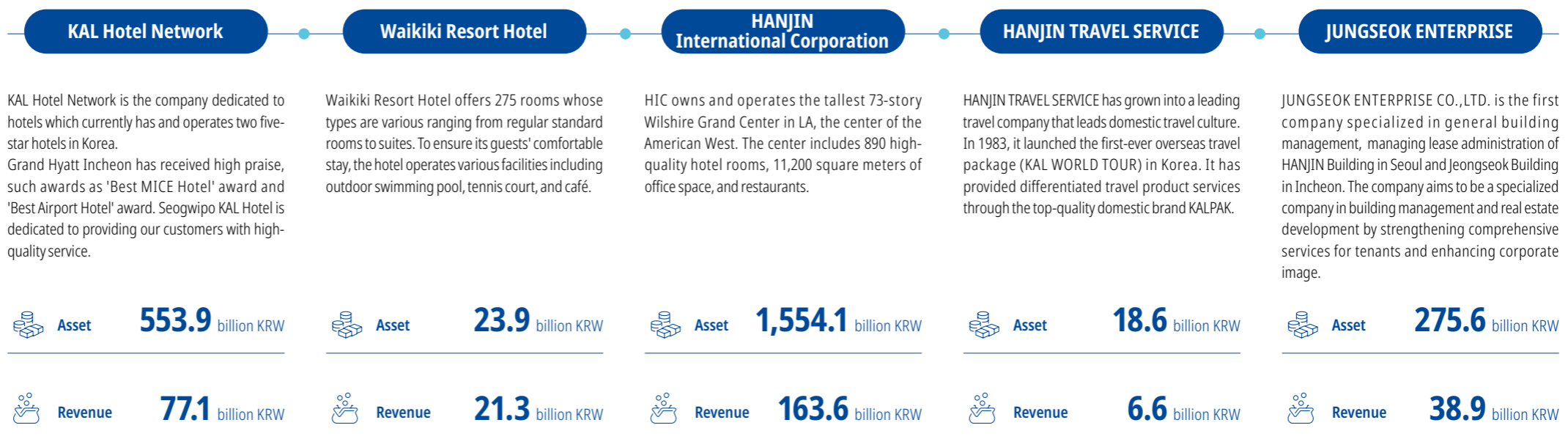
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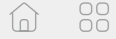
KAL Hotel Network is the company dedicated to hotels which currently has and operates two five-star hotels in Korea. Grand Hyatt Incheon has received high praise, such awards as 'Best MICE Hotel' award and 'Best Airport Hotel' award. Seogwipo KAL Hotel is dedicated to providing our customers with high-quality service.

Waikiki Resort Hotel offers 275 rooms whose types are various ranging from regular standard rooms to suites. To ensure its guests' comfortable stay, the hotel operates various facilities including outdoor swimming pool, tennis court, and café.

HIC owns and operates the tallest 73-story Wilshire Grand Center in LA, the center of the American West. The center includes 890 high-quality hotel rooms, 11,200 square meters of office space, and restaurants.

HANJIN TRAVEL SERVICE has grown into a leading travel company that leads domestic travel culture. In 1983, it launched the first-ever overseas travel package (KAL WORLD TOUR) in Korea. It has provided differentiated travel product services through the top-quality domestic brand KALPAK.

JUNGSEOK ENTERPRISE CO.,LTD. is the first company specialized in general building management, managing lease administration of HANJIN Building in Seoul and Jeongseok Building in Incheon. The company aims to be a specialized company in building management and real estate development by strengthening comprehensive services for tenants and enhancing corporate image.



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Major Business Part of HANJIN Group

Information Service Part



HANJIN Information Systems & Telecommunication

HANJIN Information Systems & Telecommunication is a comprehensive ICT service company that provides customers with optimal total solutions based on accumulated development experience and know-how as a smart IT partner delivering value to customers. Based on the development experience and technology of HANJIN Group affiliates operating a global transportation network, it has successfully achieved digitalization in the comprehensive logistics field and it is expanding its scope to the network outsourcing sector.

Asset 112.3 billion KRW

Revenue 145.6 billion KRW

TOPAS

TOPAS is the leading Global Distribution System (GDS) company in Korea, jointly established by KOREAN AIR and Amadeus. Since it introduced the first airline reservation system in Korea in 1988, TOPAS has been providing airline reservation/issuance systems (TOPAS Sell-Connect), internet reservation systems (e-Travel), travel agency back-office systems (Value Office Pro), travel information and contents to the travel industry.

Asset 16 billion KRW

Revenue 17.5 billion KRW

Cybersky

Cybersky is an e-commerce company established in June 2000 with the aim of providing a new travel shopping culture. Cybersky operates e-SKYSHOP, an internet shopping mall that sells KOREAN AIR's logo products, HANJIN Mall, a comprehensive shopping mall that utilizes HANJIN Group's fast logistics service network, and SKY SHOP Wine Club where various types of wine can be purchased at an affordable price.

Asset 6.8 billion KRW

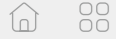
Revenue 9.5 billion KRW

Global Logistics System Korea

Global Logistics System Korea, the world's largest air cargo information network, was established in 1991 by major airlines. Starting as the Korea branch of TRAXON Asia in 1995, it became an independent corporation in 1999 and currently provides air cargo information services to about 100 airlines and 8,000 forwarders. It has grown into a representative air cargo information network connecting Asia including Korea with Europe.

Asset 4 billion KRW

Revenue 3.1 billion KRW



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Nonprofit Corporation Part



정석인하학원

Jungseok-Inha Educational Foundation consists of six educational institutions: Inha University, Inha Technical College, Korea Aerospace University, Inha University High School, Inha University Middle School, and Jeongseok aviation science High School. Together with the HANJIN Group, it strives for nurturing talents and contributing to the development of the local community.



일우재단
ilwoo foundation

Ilwoo Foundation was established by the HANJIN Group in February 1991 with the aim of fostering talented individuals and contributing to the development of the nation through cultural projects. By promoting cultural and artistic activities and providing scholarships, the foundation strives to fulfill corporate social responsibility and support the development of the domestic cultural industry.



정석물류학술재단

JUNGSEOK Logistics Foundation was established in 2004 to inherit and advance management philosophy of Jung-Seok Choong-Hoon Cho, a pioneer who forged his own path in the area of logistics., the Founding Chairman of the HANJIN Group, and his contributions to the improvement of the nation through transportation. Accordingly, the foundation is dedicated to supporting research projects with the belief that it should serve as a stepping stone for many intellectuals to lead the future of logistics, enabling our country to become a global logistics powerhouse.



인하대병원

We opened Inha University Hospital in 1996 as the first university hospital in Incheon, following the noble intention of Choong-Hoon Cho, the founding CEO of the HANJIN Group, to emphasize returning its corporate profits to the society and rewarding the local community. With a commitment to making a hospital that works together with the local community and prioritizes patient safety, we obtained reaccreditation by the Joint Commission International (JCI) in 2013, following its initial certification in 2010. This achievement serves as the proof that it is internationally recognized as one of the safest hospitals.



인하대학교
INHA UNIVERSITY

With the wish of a group of Koreans, who had emigrated to Hawaii 100 years ago, for the modernization of their fatherland and construction of a world-class technology institute in Korea, Inha university started off as Inha Institute of Technology. It has been dedicated to producing talented individuals in the fields of science and technology, serving as a driving force for industrial development. Furthermore, the university has made significant contributions to the local community through research, knowledge dissemination, and social service.



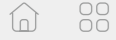
인하공업전문대학
INHA TECHNICAL COLLEGE

Since its establishment in 1958, Inha technical college has been dedicated to educating specialized technical professionals in response to the needs of society, thereby contributing to the development of the nation. With a history spanning over half a century, it is a leading technical college in South Korea renowned for its exceptional quality of education. It currently operates 24 departments in key fields of the modern industrial society.



한국항공대학교
KOREA AEROSPACE UNIVERSITY

As a university specialized in aerospace, Korea Aerospace University has been designated as an educational institution focused on the promising future industries of 'Aviation Engineering' and 'Aviation Service,' aiming to cultivate talent that will lead the global aerospace industry. Becoming a world-leading institution in aerospace education field, Korea Aerospace University is striving to make challenges and innovations on the broad stage of aviation and space.



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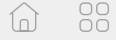


Domestic Network	
● KOREAN AIR	13 cities including Incheon
● JIN AIR	13 cities including Gimpo
■ HANJIN	4 logistic hub cities including Busan
the Americas	
● KOREAN AIR	20 cities including LA and New York in 6 countries
■ HANJIN	Local corporation in Los Angeles, America

Northeast Asia	
● KOREAN AIR	37 cities including Tokyo and Beijing in 3 countries
● JIN AIR	7 cities including Osaka and Taipei in 3 countries
■ HANJIN	Shanghai, Shenzhen, Dalian, and Qingdao in China, Local corporation in Hong Kong
Europe	
● KOREAN AIR	17 cities including Paris and London in 15 countries
■ HANJIN	Local corporation in Prague, the Czech Republic

Southeast/Southwest Asia	
● KOREAN AIR	22 cities including Singapore, Delhi in 12 countries
● JIN AIR	10 cities including Cebu and Da Nang in 5 countries
■ HANJIN	Local corporations at Ho Chi Minh City(Vietnam), Jakarta (Indonesia), Phnom Penh(Cambodia), Yangon(Myanmar)
Russia/ Mongolia /Central Asia	
● KOREAN AIR	6 cities including Moscow in 3 countries
■ HANJIN	Local corporation in Tashkent, Uzbekistan

Oceania/Guam	
● KOREAN AIR	4 cities including Sydney in 2 countries
● JIN AIR	Guam
the Middle East	
● KOREAN AIR	Dubai



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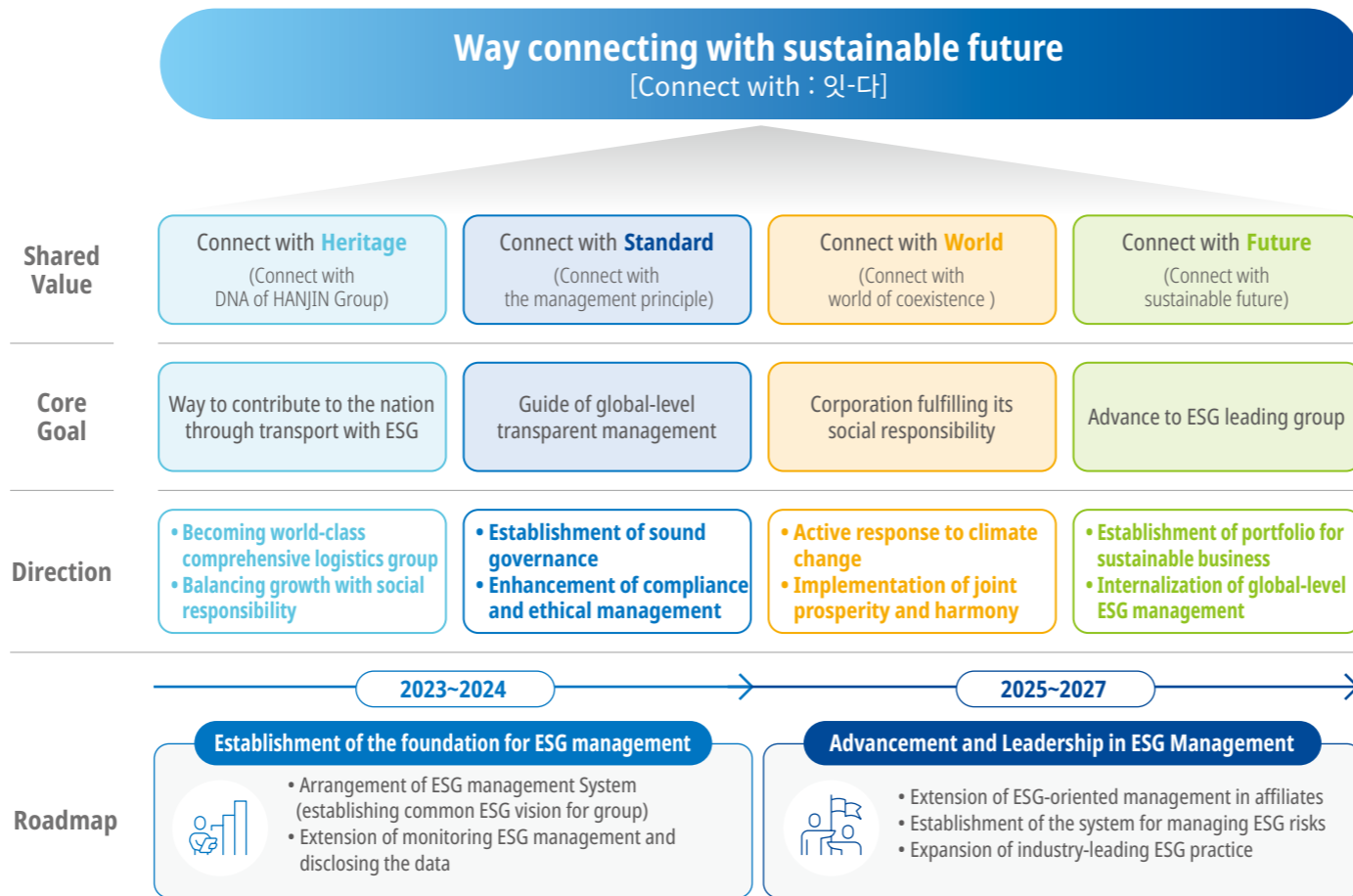
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ESG Management System of HANJIN Group

HANJIN Group will strive to achieve the fundamental goal of generating profits while building the foundation for sustainable growth that enables the growth and happiness of all stakeholders.

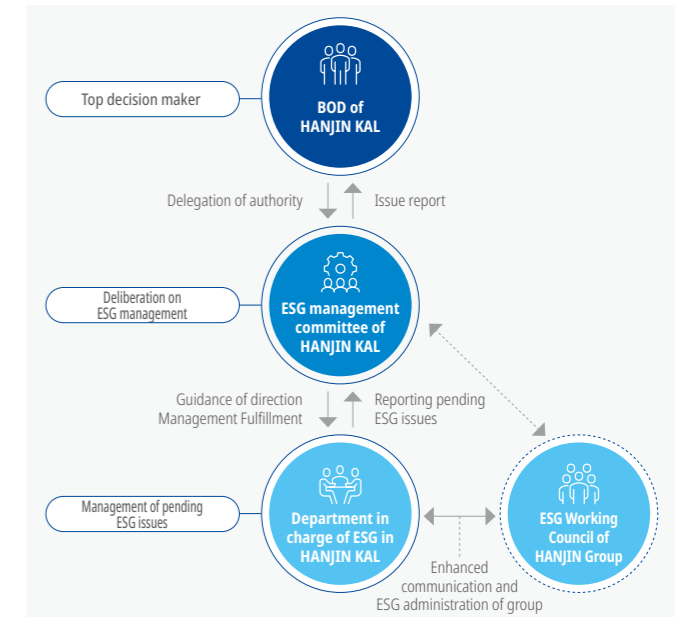
ESG Vision Framework of HANJIN Group



ESG Governance of HANJIN KAL

HANJIN KAL strives to establish systematic ESG governance in order to achieve the group's ESG vision. Firstly, HANJIN KAL Board of Directors has established an ESG Management Committee to ensure that ESG policies and issues are reviewed at the board level by delegating authority for the deliberation of the company's ESG-related management matters to the committee.

The company actively helps the Board of Directors and committees timely identify key issues or concerns regarding ESG and make a decision by providing them with support through the organization dedicated to ESG. Furthermore, the group fosters collective consideration on ESG issues within each company by operating an ESG operational consultation body composed of major listed affiliates.



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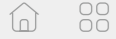
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Performance of ESG management

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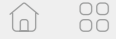
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<p>Environment</p>	<p>Active response to the regulation on climate change</p> <ul style="list-style-type: none"> Establishment of environment management system for responding to climate change Evaluation of the scale of impact and the chance of happening major risks by climate factor through the participation in the consultative group for responding to climate crisis 	<p>Introduction of eco-friendly equipment and facility</p> <ul style="list-style-type: none"> Introduction of eco-friendly aircrafts and purchase of electric cars/ installation of the charging station for electric cars Building solar panel facility using the roof of workplace 	<p>Circulation of eco-friendly resource</p> <ul style="list-style-type: none"> Eco-friendly upcycling by means of old life vests Manufacturing eco-friendly uniforms by recycling PET 	<p>Environment protection activities</p> <ul style="list-style-type: none"> Prevention of transporting flora and fauna in a wild-life reserve, rare beast, primates, and endangered animals by air Business Agreement for Reducing Fine Dust Emitted by Freight Vehicles
<p>Social</p>	<p>Practice of sharing management</p> <ul style="list-style-type: none"> Operation of the platform for co-prosperity and shared value with local community Supporting special planes and helicopters for saving lives Supporting relief supplies and means of transportation for victims 	<p>Enhancement of partners' capability and activation of communication with them</p> <ul style="list-style-type: none"> Various support such as education for enhancing partners' business and ESG capability, meeting, briefing session, and welfare benefit 	<p>Certification of customer satisfaction management</p> <ul style="list-style-type: none"> Earning the certification of 'Consumer-centered management' for the first time in domestic aviation field Reflection of voice of customer and the result of service evaluation 	<p>Enhancement of the balance between work and life</p> <ul style="list-style-type: none"> Operation of various family-friendly systems Telecommuting by means of remote work system
<p>Governance</p>	<p>Transparent and professional governance</p> <ul style="list-style-type: none"> Operation of four committees including ESG management committee, audit committee, Outside director candidate recommendation committee, and compensation committee Composition of every committee with Outside directors Ratio of Outside directors: 73% 	<p>Communication with shareholders</p> <ul style="list-style-type: none"> Disclosure of major shareholder-friendly policy Operation of the department in charge of IR 	<p>Establishment of ethical management</p> <ul style="list-style-type: none"> Official announcement of ethics charter and guideline for code of conduct Enhancement of ethical management by holding the meeting of executives in major affiliates 	<p>Enhancement of compliance management</p> <ul style="list-style-type: none"> Establishment of 'Compliance Management Systems(ISO 37301)' matching the global level Operation of ethical management committee



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Connection with UN SDGs

Sustainable Development Goals (SDGs) present 17 objectives that the global community has agreed to achieve by 2030, focusing on five core areas: human lives, protecting the planet, economic prosperity, peace, and global partnerships. As part of this global effort, HANJIN KAL actively supports the SDGs and recognizes its corporate responsibility towards them. HANJIN KAL continuously analyzes and manages the impact of its business activities on the SDGs, striving to maximize positive impacts and minimize negative ones.

Environment	Social	Governance
<p>Goal 6 Clean water and Sanitation</p> <ul style="list-style-type: none"> Management of water and air pollutants(→ 29P) 	<p>Goal 3 Good health and well-being</p> <ul style="list-style-type: none"> Occupational health and safety management system(→ 48P) Group occupational health and safety meeting(→ 48P) Monitoring and training for occupational health and safety(→ 49P) 	<p>Goal 16 Peace, justice and strong institutions</p> <ul style="list-style-type: none"> Compliance with fair trade(→ 37P) Personal information security(→ 41P) Expertise, independence, and diversity of BOD(→ 53P) Compliance management system(→ 59P) 
<p>Goal 7 Affordable and clean energy</p> <ul style="list-style-type: none"> Expansion of Sustainable Aviation Fuel(→ 24P) Reduction of energy usage and GreenHouse Gas(GHG)(→ 22~26P) 	<p>Goal 4 Quality education</p> <ul style="list-style-type: none"> Development of global talents(→ 45P) 	
<p>Goal 11 Sustainable cities and communities</p> <ul style="list-style-type: none"> Afforestation Project in Mongolia(→ 29P) Creation of KOREAN AIR Green Ecological Park in Kubuqi Desert of China(→ 29P) 	<p>Goal 5 Gender equality</p> <ul style="list-style-type: none"> Gender equality(→ 42P) Maternity protection(→ 42P) 	
<p>Goal 12 Responsible consumption & production</p> <ul style="list-style-type: none"> Recyclable eco-friendly uniform(→ 28P) Upcycling of old life vest in flight(→ 28P) 	<p>Goal 8 Decent work and Economic growth</p> <ul style="list-style-type: none"> Creation of fair and stable job openings(→ 44P) 	
<p>Goal 13 Climate action</p> <ul style="list-style-type: none"> Response to climate change(→ 22-26P) 	<p>Goal 9 Industry, innovation and infrastructure</p> <ul style="list-style-type: none"> Industry-university collaboration in space industry field(→ 35P) Social contribution connected with local community(→ 33P) 	
<p>Goal 15 Life on land</p> <ul style="list-style-type: none"> Plogging campaign(→ 29P) Biodiversity(→ 29P) 	<p>Goal 10 Reduced inequalities</p> <ul style="list-style-type: none"> Human rights management policy(→ 42P) Fair human resources system(→ 44P) 	

Stakeholder engagement and communication

HANJIN Group defines stakeholders who are affected by companies based on the value created through corporate activities. We grouped employees and customers based on value creation and sharing. Besides, we defined shareholders, investors, partners, local communities, and academic/government agencies as a stakeholder group based on financial and non-financial value cooperation. HANJIN Group will continue to manage the business with active communication and satisfaction of stakeholders' expectations in order to increase their value.

	Customer	Shareholder/ investor	Employee	Partner	Local community	Government and related organization
Main concern	<ul style="list-style-type: none"> Safety and punctuality New service Service quality Various lines Provision of accurate information Prompt handling of customer complaint and inquiry 	<ul style="list-style-type: none"> Sales and financial performance Business prospect Risk management Governance Communication with shareholders and Enhancement of shareholders' value (dividend and so on) ESG issue 	<ul style="list-style-type: none"> Welfare benefit Grievance settlement Fair evaluation and compensation Fair personnel policy Education and career development Occupational health and safety of workplace 	<ul style="list-style-type: none"> Shared growth and fair trade Improvement of production efficiency Enhancement of technology, quality, and human capacity Information sharing and communication Promotion of welfare benefit 	<ul style="list-style-type: none"> Communication with local community Management for co-prosperity Social contribution activities Environment protection and relief activities 	<ul style="list-style-type: none"> Aviation safety and security Improvement of aircraft energy efficiency Response to climate change Domestic and offshore aviation policy Establishment of safe business environment Creation of employment Information security
Channel for stakeholders communication	<ul style="list-style-type: none"> Homepage KOREAN AIR Newsroom Newsletter SNS channel Service center Customer's opinion ChatBot Net Promoter Score(NPS) survey 	<ul style="list-style-type: none"> General shareholders' meeting Company presentation, IR meeting Homepage (announced documents) Operation of IR communication channel (Email and phone number for IR only) 	<ul style="list-style-type: none"> Labor-management small group meeting On-the-spot visit to HR management headquarter Intranet (communication square/employee information system) Newsletter KALDaily Newsbytes Internal corruption report system Grievance settlement system 	<ul style="list-style-type: none"> Partner's portal site(intranet) Production and management council Partner workshop and meeting Eco-friendly platform (Green On HANJIN) 	<ul style="list-style-type: none"> Homepage SNS channel 	<ul style="list-style-type: none"> Interview with administration branch and policy gathering Technology council, advisory council on technology Attending the meeting held by international organization Attending the meeting held by associations and economic group
Effort to respond	<ul style="list-style-type: none"> Active customer communication through various channel Settlement of customer complaints and inquiry Service improvement through the analysis of customers' opinion 	<ul style="list-style-type: none"> Creation of stable profit Installation and improvement of committee under BOD Enhancement of communication with shareholders and investors Expansion of corporate information disclosure(homepage) 	<ul style="list-style-type: none"> Communication with employees through Labor-management conference channel Listening to on-site grievance and improvement of working condition Operation of customized education program Operation of career development program 	<ul style="list-style-type: none"> Promotion of shared growth and operation of a task force team for the purpose Full payment in cash for the purchase price Fundraising for co-prosperity and cooperation Support for technology and collaborative localization development Support for interaction between partners Operation of programs supporting welfare benefit 	<ul style="list-style-type: none"> Disaster relief activities Operation of social volunteer group composed of employees Sisterhood relationship and local volunteer work Operation of airlines tour program China Chinese Love & Care Plans (Building dream library, donating PC and so on) Creating a wind forest to prevent Mongolian deforestation Volunteer work in the neighboring region affected by airplane noise Payment for noise charge at an airport neighboring local community 	<ul style="list-style-type: none"> Proactive response to change of aviation security condition such as biometrics Standardization of aircraft fuel reduction technology and dissemination of national airlines Compliance with the system related to environment and sustainability (CORSLIA and GHG emission trading system) Proactive response to domestic and overseas aviation policy

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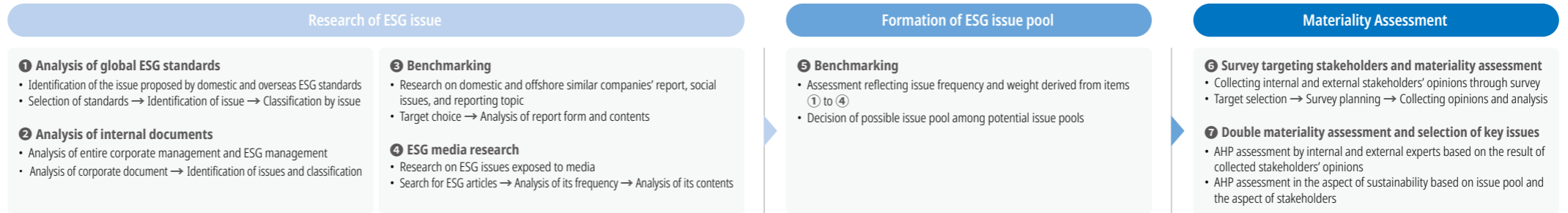
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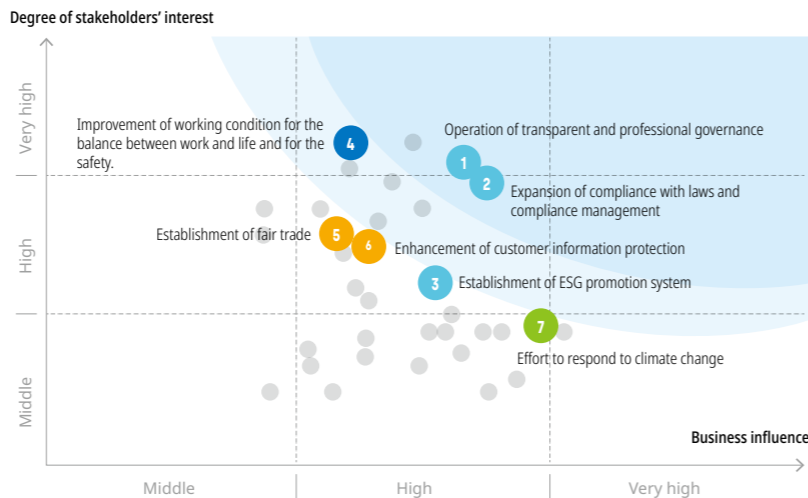
Double materiality assessment

HANJIN KAL conducted dual materiality assessment by applying the concept of double materiality to the principles of materiality outlined in the GRI Standards, a global sustainability reporting guideline, in order to select key ESG reporting issues. Through the principles of materiality, we identified significant issues that can have a major impact on corporate value and considered the environmental, social, and financial impacts of these issues comprehensively using the concept of dual materiality. In addition, when selecting key ESG issues, HANJIN KAL considered its role as the holding company of the HANJIN Group and took into account the overall status of the HANJIN Group's industries and ESG management. After the review by the ESG Management Committee under the Board of Directors, we selected seven key issues.

Materiality Assessment Process



Key issues and their influence evaluation



Category	ESG Core Issues	Financial/Non-financial influence			Stakeholder influence			GRI Topic	Reporting page
		Socioenvironmental	Financial	Employee	General persons/customers	Shareholder/investor	Partners		
Governance	1 Operation of transparent and professional governance	H	H	H	M	M	M	GRI 2 (Governance)	51-54P
	2 Expansion of compliance with laws and compliance management	M	H	H	M	H	M	GRI 205 (Anti-corruption)	55-62P
	3 Establishment of ESG promotion system	M	M	M	M	M	M	GRI 2 (Strategy/policy/practice)	15-17P
Social (employee)	4 Improvement of working condition for the balance between work and life and for the safety	H	M	H	L	L	M	GRI 401, GRI 403 (Employment/Occupational health and safety)	46-49P
Social (General)	5 Establishment of fair trade	M	H	M	M	H	H	GRI 206 (Anti-competitive behavior)	36-37P
	6 Enhancement of customer information protection	H	M	M	H	M	L	GRI 418 (Customer privacy)	41P
Environment	7 Effort to respond to climate change	H	M	M	M	L	L	GRI 305 (Emissions)	22-26P

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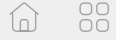
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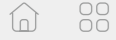
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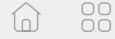
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HANJIN Group recognizes the importance of environmental management. We have established and managed sector-specific goals for global key agendas such as climate change and carbon neutrality systematically. We are committed to ongoing efforts and activities for environmental protection, including eco-friendly management and resource circulation.

- ✓ Response to climate change
- ✓ Eco-friendly management



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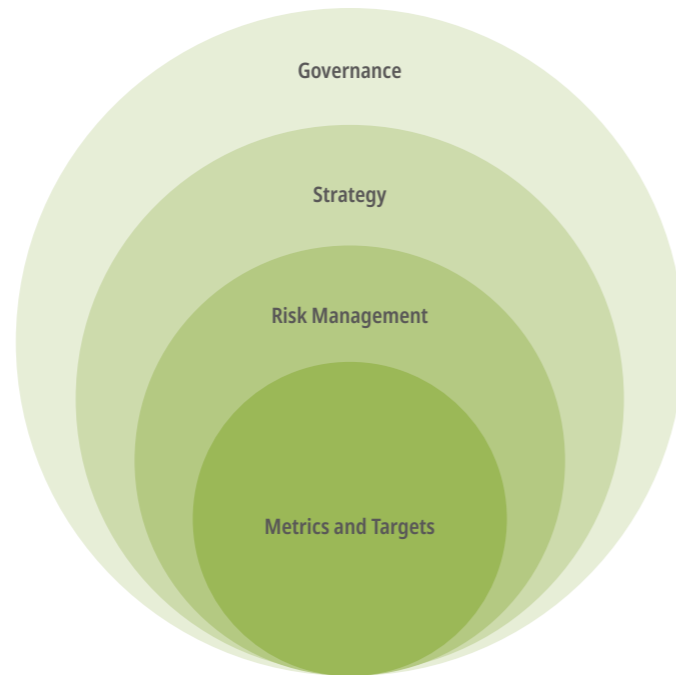
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Initiative to respond to climate change

HANJIN Group aims to enhance insights into climate-related risks and opportunities through the Task Force on Climate-Related Financial Disclosures (TCFD) and pursue the preservation of a sustainable planet by establishing strategies and goals based on TCFD. TCFD, which promotes the disclosure of financial information related to climate change, was introduced by the Financial Stability Board (FSB), an international financial institution, providing recommendations for climate-related information disclosure and calling for active participation of companies and countries in responding to climate change. HANJIN Group plans to strengthen group-wide climate change response through expanded collaboration with stakeholders and actively drive climate change initiatives tailored to the characteristics of each subsidiary's business.

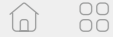
Effort to implement TCFD

TCFD Framework



Effort to implement

		KOREAN AIR	HANJIN
Governance	<ul style="list-style-type: none"> Arrangement of roles and responsibility of BOD and management regarding climate-related risks and chance Regular monitoring on climate-related issues by BOD Planning and implementation of the way to identify climate-related risk and chance and to achieve the plan 	BOD management on climate-related risk and chance	BOD management on climate-related risk and chance and operation of task force team
Management strategy	<ul style="list-style-type: none"> Assessment of potential effect caused by climate change and of the strategy to respond to the effect Analysis of climate-related risk and chance and integration of this analysis into business strategy and goal Expansion of eco-friendly aviation fuel usage and improvement of energy efficiency as a strategy for responding to climate change and enhancing competitiveness 	Establishment of corporate strategy for responding to climate change after considering climate change scenario	Implementation of the effort to reduce carbon emissions from logistics infrastructure like means of transportation and logistics center
Risk management	<ul style="list-style-type: none"> Building the process for monitoring climate-related risks Planning the way to assess climate-related risks and to respond to the risks Monitoring of climate-related risks and consistent management on assessment 	Disclosure of the course integrating such processes as identifying risks related to climate change, assessing, and managing	Regular monitoring on environment-related index and influence of environment
Index and goal	<ul style="list-style-type: none"> Setting climate-related goal, estimating the performance, and managing in each affiliate Disclosure of environmental index including GHG emissions and energy usage Setting GHG reduction goal in consideration of each affiliate's business features such as ratio of using sustainable aviation fuel, eco-friendly vehicle for transportation 	Management of risks related to GHG emissions according to Scope1(direct emission), Scope2(indirect emission), and Scope3(other indirect emission)	Goal to reduce by 37.8% compared to BAU in 2018 until 2030 and plan to convert the existing courier vehicle into 100% eco-friendly vehicle.



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HANJIN Group will proactively analyze the risks associated with climate change in advance to minimize potential impacts on the company and perceive them as opportunities to enhance corporate competitiveness. We will strive to strategically respond to climate change.

Risk and opportunity factors related to climate change

Sort	Key issues	Risk and opportunity factor	Response	
			Aviation	Logistics
 Regulation	Carbon reduction	<ul style="list-style-type: none"> Increase of cost for purchasing emissions due to the enhanced carbon regulation and the increased price of emissions Generating profits due to the sales of emissions 	<ul style="list-style-type: none"> Minimizing the cost for purchasing emissions through active GHG reduction Advancement of financial analysis related to climate change based on the predictions of internal carbon cost 	<ul style="list-style-type: none"> Implementing phased reduction activities by establishing mid- to long-term GHG management goals and establishing an internal management system Minimizing the financial burden by timely trading through emission price monitoring
 Technology	Eco-friendly technology	<ul style="list-style-type: none"> Reduction of short-term profit according to the investment in eco-friendly equipment and facility Securing driving force for new growth by using the existing business capacity 	<ul style="list-style-type: none"> Utilization of driving force for future growth by using the ability to develop and produce aircraft parts and the capability to research aviation technology Introduction of eco-friendly aircraft and expansion of chance to financially support technology development 	<ul style="list-style-type: none"> Reduction of operating cost according to the conversion into electric vehicle Expansion of eco-friendly business like charging electric vehicle
 Energy	Expansion of energy conversion	<ul style="list-style-type: none"> Cost increase due to stricter regulation on eco-friendly energy usage Reduction of GHG emission through eco-friendly energy usage 	<ul style="list-style-type: none"> Reduction of emission cost by securing carbon reduction record through the usage of sustainable aviation gas 	<ul style="list-style-type: none"> Renewable energy production and GHG reduction by establishing solar self-generating facility using logistics infrastructure
 Market	Change of consumer behavior	<ul style="list-style-type: none"> Cost increase according to the expansion of eco-friendly consumption-oriented culture Creation of new markets and customers related to eco-friendly consumption 	<ul style="list-style-type: none"> Expansion of communication channels for responding to eco-friendly consumption demands Introduction of eco-friendly in-flight service items and replacement of plastic packaging for air cargo with eco-friendly materials 	<ul style="list-style-type: none"> Development and sale of eco-friendly products through the Green On HANJIN and Slow Recipe eco-friendly platforms Release of planned products to activate eco-friendly and value-based consumption
 Reputation	Strengthened needs of stakeholders	<ul style="list-style-type: none"> Increase in stakeholder demands for ESG management evaluations *Credit rating assessments and improved ESG investment indicators Enhancement of long-term corporate value through eco-friendly management 	<ul style="list-style-type: none"> Systematic operation of environmental management systems and transparent disclosure of climate change-related information Acquired an A rating for the environmental sector in ESG evaluations from the Korea Corporate Governance Service (KCGS) for three consecutive years 	<ul style="list-style-type: none"> Strengthened environmental information disclosure through the continued publication of ESG reports from 2021 onwards Continued exploration of improvement measures from a stakeholder perspective, such as the analysis and improvement of assessment items by ESG evaluation agencies
 Physical	Natural disasters, and abnormal climate	<ul style="list-style-type: none"> Increased business impact due to increased natural disasters such as typhoons and heavy snow Expansion of corporate competitiveness through enhanced capabilities to respond to natural disasters and abnormal climate 	<ul style="list-style-type: none"> Operation of a professional aviation meteorology group to collect and analyze related abnormal flight data for optimal flight decisions Risk management through the collection and analysis of related operational data 	<ul style="list-style-type: none"> Evaluation of the level of impact and potential risks of climate factors Simulation training in line with disaster safety response guidelines

Response to climate change

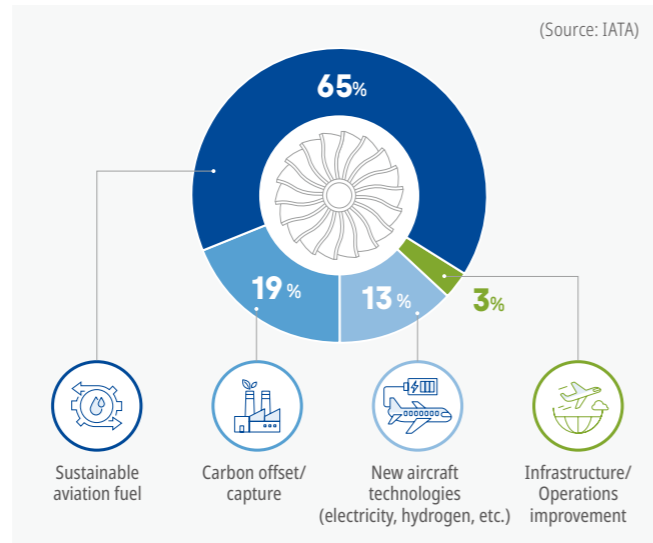
HANJIN Group aims to achieve carbon neutrality in response to climate change. To achieve carbon reduction in each business, we are establishing realistic carbon neutrality goals by considering various factors such as basic technology and the current status of the business and continuing our efforts for continuous improvement and monitoring.

Aviation Sector

At the 41st International Civil Aviation Organization (ICAO) Assembly in October 2022, member states agreed to cooperate in achieving the '2050 Carbon Neutrality' goal set by airlines at the 2021 International Air Transport Association (IATA) Assembly. According to IATA, the cumulative carbon emissions that need to be reduced by 2050 for carbon neutrality in the international aviation industry are estimated to be around 21.2 Gigatons (Gt). This requires active utilization of sustainable aviation fuels, hydrogen, new aircraft technologies, carbon capture and storage, and other means of reduction.

As a leading global airline, KOREAN AIR supports the aviation industry's goals in responding to climate change and is committed to introducing various reduction measures to achieve these goals. Additionally, we collaborate with various stakeholders, including the government, oil companies, and aircraft manufacturers, to actively develop and utilize future mitigation measures.

Percentage by means to meet Net-zero carbon in aviation industry by 2050

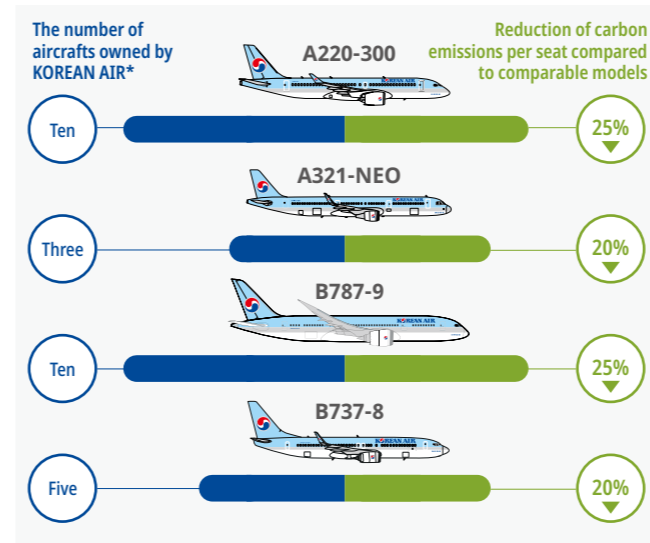


Operation of eco-friendly aircraft

The most effective means for reducing GHG emissions in the aviation sector currently is improvement of fuel efficiency through the introduction of high-efficiency aircraft. KOREAN AIR is actively striving to reduce carbon emissions by proactively introducing new, high-efficiency aircraft.

Starting from December 2022, the high-efficiency aircraft A321-NEO has been newly introduced and operated on domestic routes, and a total of 90 new aircraft are planned to be introduced by 2028. Meanwhile, old aircraft, which have been in service for over 20 years, such as six A330s and six B777-200ERS are being gradually phased out to modernize the aircraft in possession.

Carbon Reduction Effect by Newly introduced Model



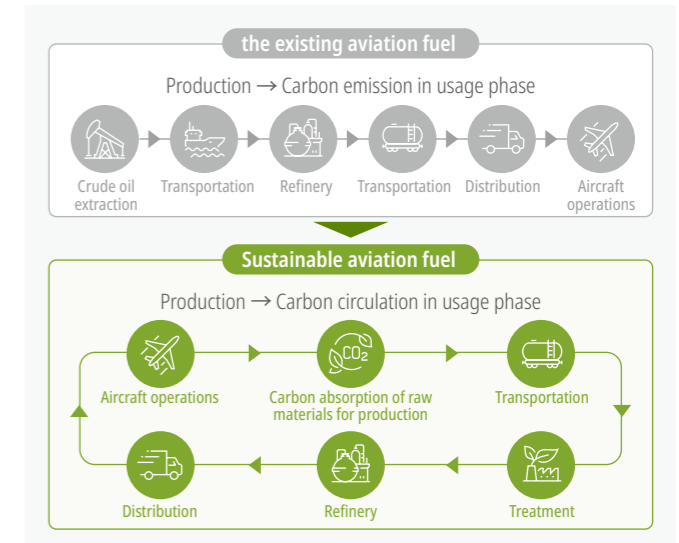
* As of February 28, 2023

Expansion of sustainable aviation fuel

KOREAN AIR is paying attention to Sustainable Aviation Fuel (SAF). This is an alternative fuel made from eco-friendly sources such as used cooking oil, agricultural residues, and waste materials. It can be blended with conventional aviation fuel and has the potential to reduce carbon emissions by up to 80% compared to fossil fuel-based aviation fuel.

To promote the activation of Sustainable Aviation Fuel (SAF), KOREAN AIR has been actively collaborating through the signing of a Memorandum of Understanding (MOU) with Hyundai Oilbank in 2021 for the establishment of sustainable aviation fuel production and usage. KOREAN AIR plans to expand the usage of SAF through active collaboration with various stakeholders including the government, oil companies, and airports.

Principle of reducing carbon by using sustainable aviation fuel



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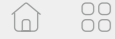
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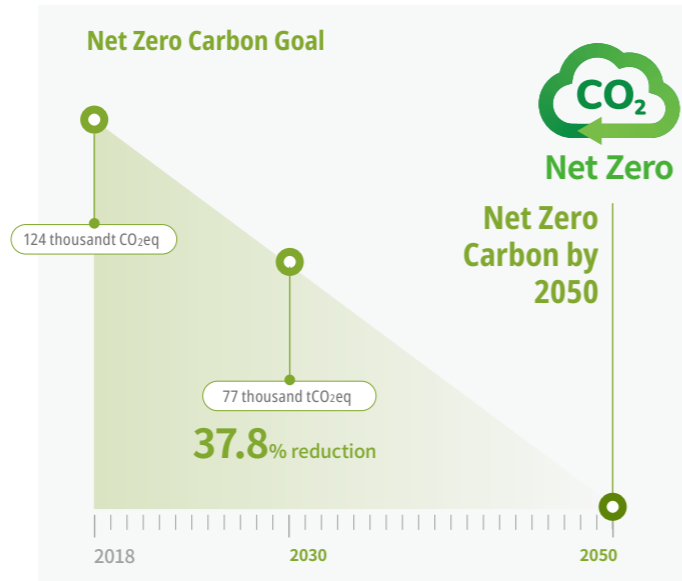
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Response to climate change

Logistics sector

Goal for responding to climate change

HANJIN has established a phased carbon reduction roadmap to actively participate in the international community's efforts to achieve carbon neutrality in response to the climate change crisis. The roadmap aims to reduce carbon emissions by 37.8% until 2030 compared to 2018 levels. To achieve this goal, HANJIN will establish an environmental management system, develop eco-friendly logistics infrastructure, and expand its eco-friendly logistics business. By achieving Net Zero Carbon by 2050, HANJIN aims to become an eco-friendly green logistics company that grows together with society.



Effort to respond to climate change

To achieve Net Zero Carbon by 2050, HANJIN has established medium- to long-term plans and implemented various reduction activities across its business operations. It has reduced GHG emissions by converting Last-mile delivery (LMD) vehicles to electric vehicles and shortening vehicle travel distances through the expansion of parcel handling points. Additionally, HANJIN actively participates in the government's Modal Shift policy by converting freight transportation by cargo trucks to railways transit.

Since 2012, it has been involved in the Green Logistics Conversion Project led by the Ministry of Land, Infrastructure and Transport, and continues its efforts to improve energy efficiency in logistics equipment through the replacement of old vehicles and equipment with new ones, as well as the expansion of high-efficiency LED lighting installation in its facilities.

Means of Net Zero Carbon

- Conversion of courier/business vehicle to eco-friendly one**
 - 100% conversion to electric vehicle
- Improvement of energy efficiency**
 - Expansion of eco-friendly fuel like eco-friendly lubricant
- Replacement of new large trucks and introduction of eco-friendly vehicles**
 - Replacement of old vehicle with new one
 - Beginning to introduce electric/hydrogen vehicle (pilot introduction after 2025)
- Improvement heavy machinery's fuel efficiency**
 - Replacement of old heavy machinery with new one

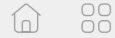
Introduction of eco-friendly vehicle

In the logistics sector, we actively invest in the conversion to electric vehicles and hybrid vehicles to reduce exhaust emissions and improve air quality. We are also building electric vehicle charging stations to promote the widespread adoption of eco-friendly vehicles. Furthermore, we are expanding the use of eco-friendly lightweight cargo containers that can reduce fuel consumption in diesel vehicles, as well as promoting the distribution of eco-friendly engine oil.



Solar power generation

To contribute to the expansion of the production and utilization of renewable energy, we have installed solar power modules at our Wonju Courier Terminal. The power generation facility built in March 2023 is expected to produce an annual 65.7MWh of renewable energy and reduce approximately 30 tons of GHG emissions. We plan to further expand the construction of eco-friendly energy generation facilities by using our nationwide logistics warehouses in the future.



Response to risk from carbon regulation

Aviation sector

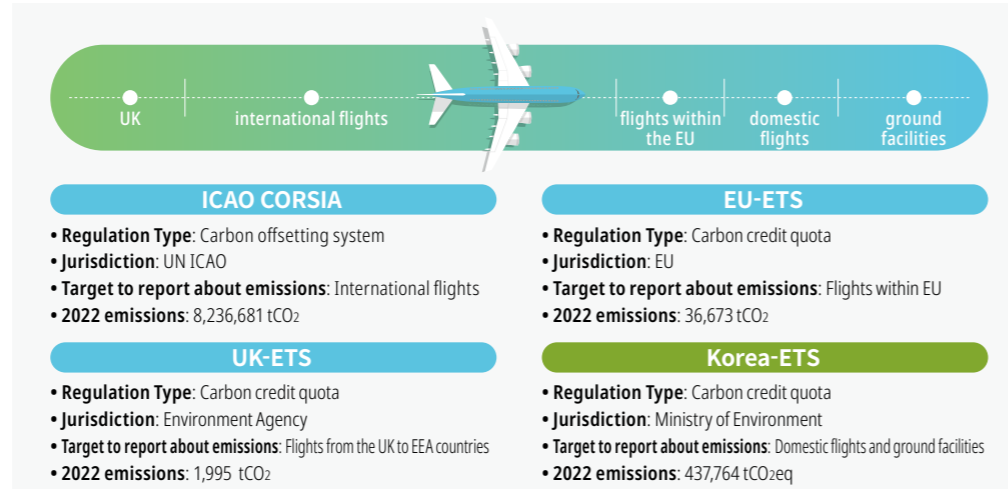
As part of market-based measures for addressing climate change, carbon regulations are being strengthened. This trend emphasizes companies' ability to manage carbon costs. In particular, airlines operating international flights need more systematic management as they are subject to carbon regulations not only domestically but also overseas.

KOREAN AIR operates a monitoring system for all GHG emissions generated by aircraft operations and ground facilities to ensure efficient compliance with carbon regulations. To ensure data credibility, the company undergoes third-party verification annually and discloses the information to external organizations. Additionally, KOREAN AIR manages the risk of carbon credit costs associated with carbon regulations by reflecting carbon emission allowance costs in its internal accounting management.

Countermeasure against carbon regulation affecting us

KOREAN AIR is subject to carbon regulations for various routes including international flights, flights within the EU, domestic flights, and ground facilities. As international flights increase with the recovery from COVID-19, and as carbon regulations are strengthened in each country, carbon offsetting and emission trading schemes are expected to be expanded. To reduce aircraft emissions, which account for over 80% of the regulated emissions, KOREAN AIR actively introduces high-efficiency aircraft and implements various reduction measures such as sustainable aviation fuel.

Carbon regulation KOREAN AIR complies



Logistics sector

The Ministry of Trade, Industry and Energy announced in October 2022 the 'Expansion Plan for Eco-friendly Biofuels to Foster the New Energy Industry in the Net Zero Carbon Era.' As the direction of the plan has been revised to reflect and manage substantial carbon reduction effects, the fuel management system in the logistics sector requires more rigorous management. In particular, the carbon reduction effects at each stage will be evaluated based on the Life Cycle Assessment (LCA) considering the use of raw materials and production methods.

As the importance of data management and analysis through systems is emphasized as the first step for LCA, the HANJIN Group is also making efforts to internalize relevant capabilities. HANJIN manages the energy consumption and greenhouse gas emissions in various sectors such as vehicles, heavy equipment, ships, and stationary combustion through the Greenhouse Gas/Energy Management System (HGEMS). It also conducts verification of quarterly usage, calculates annual projected emissions, and establishes risk response measures

HANJIN's management level of energy usage

Scope	Scope	Management target, Management item
Scope 1	Vehicle	land transit, courier vehicle • Energy usage • Mileage: Management of the place for loading and unloading cargo • Amount of transit : management by transit vehicle (TEU, Ton, Box, and so on)
	Heavy machinery	Bulldozer, forklift truck • Energy usage
	Vessel	Inland navigation vessel • Energy usage • Amount of transportation • Distance of navigation
	Stationary combustion (including the others)	Heating fuel, LNG, and LPG used at buildings • Energy usage
Scope 2	Building	Workplace electricity and steam • Energy usage

※ Verification on the energy usage of scope 1 and 2 when verifying GHG

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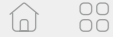
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Internalization of Eco-friendly management

HANJIN Group has set eco-friendly management as a core value of its business operations through comprehensive analysis processes, including environmental impact assessment. In order to expand these eco-friendly initiatives, the company has entered into various business agreements and actively participates in eco-friendly logistics practices. Additionally, it is implementing internalization of eco-friendly management through employee environmental education.

Establishment of environment management system

HANJIN Group is making efforts to minimize the impact of its logistics activities on the environment through the implementation and expansion of eco-friendly logistics strategies. Based on a sense of responsibility for environmental conservation for future generations, the company is establishing an environmental management operating system.

KOREAN AIR is addressing environmental issues, including climate change, as a major management challenge through its ESG Committee within the board of directors. In particular, after the COVID-19 pandemic, it recognizes Green Recovery as a major task and actively promotes the introduction of eco-friendly aircraft, fuel efficiency improvement, and sustainable aviation fuel use to reduce carbon emissions.

HANJIN has established an ESG Committee under the board of directors to promote comprehensive environmental management. It has also set up operational departments dedicated to plan and implement practical measures for environmental management. Each business unit is actively engaged in on-site environmental management activities.

ISO 14001 (Environmental Management System) certification

Since obtaining ISO 14001 (Environmental Management System) certification in 1996, KOREAN AIR has been actively promoting environmental management in all business areas, including transportation, maintenance, and aerospace, in accordance with international standards.

HANJIN has obtained ISO 14001 certification for its logistics facilities and operations to demonstrate its commitment to sustainability and environmental responsibility. It has also been designated as an "Excellent Green Logistics Practice Company" by the Ministry of Land, Infrastructure, and Transport.

Expansion of eco-friendly cooperative business

To minimize the environmental impact of its logistics activities, we signed a business agreement with SK Lubricants to use eco-friendly lubricants for logistics vehicles and reduce carbon emissions. It also signed a business agreement with SK GeoCentric to introduce loading bins utilizing lightweight composite materials. HANJIN plans to participate in eco-friendly logistics practices by reducing energy consumption and harmful substances in logistics vehicles through business agreements that can minimize environmental impact in the future.

Operation of eco-friendly platform

HANJIN operates the eco-friendly platform "Green On HANJIN," which allows small business owners and individual entrepreneurs to purchase eco-friendly packaging materials and office supplies at reasonable prices. Additionally, HANJIN runs "Slow Recipe," a collaboration with sincere companies that produce high-quality products to make it easier for customers to purchase vegan and eco-friendly materials. Through this initiative, HANJIN aims to grow together with these companies.

Environmental education for employees

HANJIN Group places great emphasis on continuously improving the environmental awareness and expertise of its employees through various educational programs. It aims to raise awareness among employees about the multiple benefits of improving vehicle driving habits and management methods, such as fuel cost reduction, GHG emissions reduction, and extending vehicle lifespan. HANJIN Group highlights its efforts to achieve tangible results in GHG reduction through these initiatives.

Environment education for employees



9,570 hours

* Total hours of HANJIN KAL, KOREAN AIR, and HANJIN in 2022



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Practice of eco-friendly resource circulation

HANJIN Group actively practices the principles of the Circular Economy, including efforts to reduce waste and expand waste recycling. It will continue to enhance the group's environmental sustainability and engage in various activities that contribute to the preservation of the Earth's ecosystems.

Waste reduction and resource circulation

HANJIN Group strictly manages the waste it generates according to environmental regulations and company policies, classifying it into either designated waste or general waste from storage to disposal. The waste is entrusted for processing to a professional company.

HANJIN Group strategically promotes the reduction of plastic usage and the increase of waste recycling to alleviate environmental burdens. As an alternative to traditional landfilling or incineration, HANJIN Group actively develops recycling solutions for plastic waste generated during transportation and logistics services.

KOREAN AIR utilizes a sorting process to transform plastic waste generated onboard into solid fuel or pellets for construction materials. Additionally, they produce and sell eco-friendly upcycled cosmetic pouches made from retired life vests used onboard, donating the proceeds to environmental organizations. KOREAN AIR also practices circular economy through unique initiatives such as creating luggage tags from retired aircraft bodies and making water pouches (hot packs) from discarded in-flight blankets to distribute to those in need in the community.

HANJIN has recycled over 320,000 1.5L PET bottles to produce eco-friendly uniforms for its employees, resulting in a reduction of approximately 20 tons of CO2 emissions compared to landfilling or incineration. HANJIN plans continuous efforts to reduce waste, such as using eco-friendly shipping invoices and recycled tires. Additionally, HANJIN have installed water recycling devices in car wash facilities at company-owned gas stations, aiming to reduce water consumption in areas where it is relatively high.

Green procurement

KOREAN AIR aims to practice green procurement by purchasing eco-friendly products and services, adhering to internal green procurement guidelines. To reduce carbon footprint during passengers' journeys, KOREAN AIR has introduced eco-friendly in-flight service items such as paper straws, paper coffee sticks, and Forest Stewardship Council (FSC) certified paper cups. They have also replaced the packaging vinyl used in air cargo with eco-friendly alternatives.

In 2022, KOREAN AIR replaced in-flight service plastic bags with eco-friendly bags made of 50% recycled vinyl. KOREAN AIR also changed the Prestige seat slippers pouches, which were previously made of plastic mixed materials that could not be recycled, to eco-friendly paper materials. KOREAN AIR will continue to actively participate in green procurement as a responsible corporate consumer and promote sustainable consumption culture.

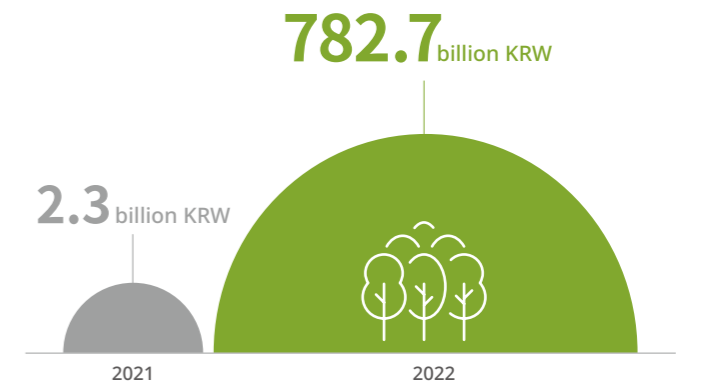
Increase rate of the amount of waste recycling in HANJIN Group in 2022

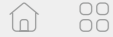


* Standard of total increase rate of HANJIN KAL, KOREAN AIR, and HANJIN



Green procurement record of KOREAN AIR in 2022





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Environment protection

HANJIN Group has established strict management standards for air pollution and the use of hazardous chemicals. HANJIN Group prioritizes minimizing the environmental impact through various initiatives and actively engage in eco-friendly campaign activities with diverse stakeholders.

Management of water and air pollutants

HANJIN Group aims to address specific management issues related to water and air pollution within each of its affiliated companies and ensure compliance with legal standards. HANJIN Group actively promotes measures such as early disposal of aging vehicles and installation of emission reduction devices through business agreements, contributing to the reduction of fine dust emissions across the entire group.

KOREAN AIR establishes rigorous standards for managing water pollution substances generated during aircraft cleaning and maintenance processes, as well as air pollution substances such as dust generated during aircraft takeoff and landing processes and from emission facilities.

HANJIN has signed a "Business Agreement for Fine Dust Reduction in Freight Vehicles" with the Seoul Metropolitan Air Quality Management Office under the Ministry of Environment to reduce the emission of fine dust from freight vehicles during the delivery process. They actively engage in activities related to this agreement. Through this agreement, they are implementing measures to dispose of aging freight vehicles and install emission reduction devices, targeting both HANJIN-owned vehicles and subcontracted freight vehicles. They are actively promoting these efforts to contribute to reducing fine dust emissions.

Management of hazardous chemicals

HANJIN Group is committed to creating safe and clean workplaces through thorough management of hazardous chemicals. They manage the information regarding the import, export, and use of chemicals at each workplace and strictly control the use of hazardous chemicals to prevent environmental pollution accidents caused by them.

Furthermore, HANJIN Group is making efforts to minimize environmental impact by notifying the local community of their hazard management plans for potential chemical accidents resulting from hazardous chemicals, in accordance with relevant laws and regulations.

Biodiversity protection

HANJIN Group is also leading the way in protecting biodiversity to meet the demands of global business. In particular, KOREAN AIR is at the forefront of biodiversity protection by including a ban on the air transportation of protected animals, rare animals, primates, and endangered animals in its in-house transportation regulations. In addition, KOREAN AIR is actively involved in biodiversity protection by signing the Buckingham Palace Declaration, which calls for a response to the illegal trade of wildlife and products made from them and protection of endangered species, with 61 airlines through the International Air Transport Association (IATA) in 2016.

Eco-friendly campaign

KOREAN AIR is carrying out the 'GREEN SKYPASS Project' to create domestic eco-friendly forests, with a focus on establishing the 'Omok Park Urban Forest'. Additionally, through the Global Planting Project, they have created the 'KOREAN AIR Forest' in Bayan-Ulgii Province, Mongolia, and the 'KOREAN AIR Ecological Forest' in Kubuqi Desert, Nei Menggu, China.

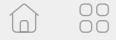
HANJIN is conducting eco-friendly agreements and employee flogging campaigns with its partners as part of the creation of an eco-friendly workplace.



KOREAN AIR held the event for developing SKY PASS forest in Omok park



Green On HANJIN of HANJIN held the camp for resource circulation in collaboration with ITASEOUL



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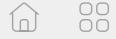
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Connect with Social

HANJIN Group is making efforts for a sustainable partnership with our society. HANJIN Group continuously communicates with local communities, cooperative companies, customers, and employees to create a world that moves forward together. Through various activities, they are actively practicing corporate social responsibility.

- ✓ Activities for social contribution
- ✓ Customer-centered management
- ✓ Happy workplace



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Sharing management

HANJIN Group is actively engaging in various activities to empathize with the difficulties faced by diverse vulnerable groups and participate in solving social issues. HANJIN Group will continue to make sustained and sincere efforts to make our small interest and efforts serve as a catalyst for promoting a culture of sharing and fostering a better corporate culture.

Donating and supporting relief activities

Despite challenging business environments, HANJIN Group is fulfilling its corporate social responsibility by utilizing the characteristics of a global logistics group to provide donations and engage in relief activities. HANJIN Group will continue to fulfill its corporate social responsibility and practice sharing management by providing the necessary donations and various support that neighboring communities require.

Donation to Community Chest

HANJIN Group donated 2 billion KRW to the Community Chest of Korea in December 2022. The Community Chest of Korea is conducting the "Hope 2023 Sharing Campaign," and the donation from HANJIN Group will be used to support people with disabilities, low-income individuals, and social welfare facilities. With this donation, HANJIN Group's total contributions to the Community Chest of Korea since 2001 have reached 51 billion KRW. As a result, it earned a place in the "Hope Sharing Campaign 50 Billion Club" in the Community Chest of Korea.

Total amount of cash donation and of the cost for investment in local community in 2022



13.9 billion KRW

Accumulated donation to the Community Chest of Korea



51 billion KRW

Donation to the fund for emergency disaster and relief activities

HANJIN Group uses its characteristics as a specialized transportation and logistics group to provide transportation resources such as special aircraft or helicopters for search and rescue operations whenever disasters occur, both domestically and internationally. HANJIN group also supports essential relief supplies for refugees and contribute to relief funds to share the burden of suffering.

Donation to the fund for the recovery from the damage caused by the forest fire in Gangneung

In April 2023, HANJIN Group donated 500 million KRW to aid in the recovery from the forest fires that occurred at Gangneung area in Gangwon Province. The donated funds were used through the Community Chest of Korea (Fruit of Love) to support refugees in the affected areas and to restore the lost forest resources.

KOREAN AIR operated charter flights to facilitate the return of compatriots in Wuhan, China

KOREAN AIR operated special charter flights to facilitate the repatriation of Korean compatriots who were stranded in Wuhan, China, the epicenter of the Novel Coronavirus infection. The operation of these charter flights, with the dedication of pilots and cabin crew, deeply moved many citizens. Chairman Cho, Won-Tae of HANJIN Group also joined the flight to highly appreciate and encourage their efforts. With the best aviation transportation system and infrastructure, KOREAN AIR actively participates in the government's overseas emergency relief activities.

KOREAN AIR and UNICEF in business agreement to transport COVID-19 Vaccine

KOREAN AIR has signed Memorandum of Understanding (MOU) with UNICEF for the global transportation of COVID-19 vaccines and medical supplies. As the designated airline for vaccine transportation, KOREAN AIR operates a task force team dedicated COVID-19 Vaccine to ensure the smooth and efficient transportation of vaccines.

KOREAN AIR operated a charter flight for transporting relief goods

KOREAN AIR has provided free transportation for approximately 45 tons of relief supplies, including tents, sleeping bags, and blankets, for Turkish victims damaged by strong earthquake. The relief items, upon arrival in Istanbul, were delivered to the victims through the disaster management agency (AFAD) in Turkey. Based on its world-class cargo transportation expertise and global network, KOREAN AIR supported disaster-stricken areas by providing relief supplies and free transportation, such as the Laos dam collapse in 2018, Peru floods in 2017, Fiji cyclone in 2016, and Nepal earthquake in 2015.



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Activities for social contribution with the employee engagement

KOREAN AIR social volunteer group

Since 2004, KOREAN AIR has allowed 24 in-house volunteer groups to actively engage in volunteer activities. These groups regularly carry out volunteer work at domestic social welfare facilities such as disability welfare centers, youth shelters, and childcare centers, as well as at underprivileged areas in foreign countries.



KOREAN AIR plogging

On September 7, 2022, a plogging event, which means picking up trash while walking, took place around the Gangseo-gu headquarters and Daejeon research center. Around 30 employees from the headquarters and research center participated in this activity, picking up trash while walking.



KOREAN AIR's upcycling in-flight blankets

We conducted a non-face-to-face volunteer activity by creating a DIY kit for making hot pack covers using discarded in-flight blankets that are difficult to reuse. Participants received the kit, completed making the hot pack covers, and submitted them. With the participation of over 200 employees, we donated the completed hot packs to vulnerable groups in Jongno-gu, Seoul.



HANJIN's 'Love Connect' campaign (One click of hope for children)

From July to September 2022, we raised funds by collecting part of the profits from the "HANJIN One Click Service" and personal donations from employees, and donated them to Green Umbrella Children's Foundation.



HANJIN's 'Love briquette Sharing' event

In December 2022, HANJIN celebrated its 77th anniversary by conducting a volunteer activity called "Love briquette Sharing" in collaboration with 'Warm Korean Peninsula Love briquette Sharing Headquarters'. As a result, we donated 7,700 pieces of briquette as part of the charitable effort.



JIN AIR's Volunteer at stray dog shelter

The internal club "I Am Butterfly" regularly organizes various activities such as volunteering at animal shelters for stray dogs and participating in meal service, based on voluntary planning and participation by employees.



JIN AIR's service teaching

Since 2018, we have been practicing employee talent donation through activities such as aviation career mentor lectures and field trips to schools near the airport, in collaboration with the Career Experience Support Center. In 2022, we worked with a total of 980 students, and we plan to continue expanding various social contribution activities to support career planning for more young people in the future.



JIN AIR's career experience event for kids in Busan

In April 2023, JIN AIR invited around 30 children from the Busan region to participate in career experience activities at KidZania, a children's job experience theme park. Since opening the JIN AIR Flight Attendant Training Center at KidZania Busan in 2016, JIN AIR has been inviting local children and conducting career experience activities every year.



JIN AIR's education program for youth independence

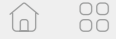
JIN AIR, in collaboration with Paul Basset, conducted a joint youth independent support and educational program at the Catholic Children's Aid Foundation in Dong-gu, Incheon. This program aims to provide opportunities for career development to young people aspiring to employment and facilitate their social integration.



Inha Univ Hospital and its medical consultation for students with disability

From June to December 2022, we conducted regular medical consultation activities for students with two or more severe disabilities a total of 12 times. We continue to practice medical sharing by conducting training education for special education teachers who care for students in special classes.





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Activities for social contribution connected with local community

KOREAN AIR shared hope in time for Chuseok

On September 6, 2022, we conducted Chuseok gift delivery event for over 250 vulnerable households residing in Gangseo-gu. Over 30 employees from the volunteer group personally prepared and packaged Chuseok food packs consisting of rice cakes, yalgwa, and so on. They also participated in delivering the packages to around 100 households directly.



KOREAN AIR and '1 company 1 rural area' event for helping farmers in a rural area

Since we signed a sisterhood agreement with Myeongdong-ri village in Hongcheon-gun, Gangwon-do in 2004, we have been visiting the village twice a year to carry out rural labor support and medical volunteer activities. Although we conducted the activities non-face-to-face, such as purchasing local agricultural products, due to COVID-19, we resumed face-to-face activities from June 2023 as the situation has recently eased.



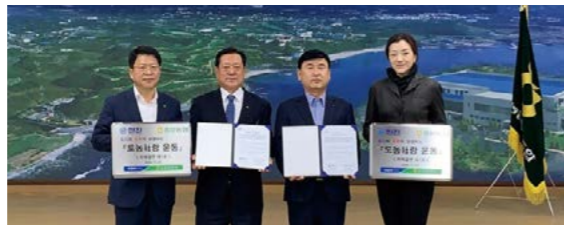
HANJIN and its rural labor support

In June 2022, 60 employees from HANJIN and Nonghyup visited grape farms in Hwaseong-si, Gyeonggi-do to carry out rural labor support volunteer activities. In November, 30 employees participated in supporting garlic and green onion farming in Paju-si, Gyeonggi-do.



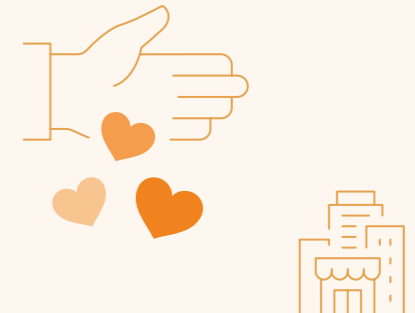
Hanjin and DoNongSaRang Agreement

At the first company of DoNongSaRang Agreement organized by Nonghyup Central Cooperative, on November 22, Jeju Jungmun Nonghyup signed a Memorandum of Understanding (MOU) to collaborate with regional Nonghyup and businesses nationwide. They are working together to create new business opportunities for local economic revitalization through joint marketing of local specialty products, purchasing agricultural products, and supporting rural labor, continuing their efforts for mutual growth in the local community.



Inha University Hospital and its medical volunteer service for the underprivileged area in medical care

In 2022, Inha University Hospital conducted a total of 7 medical volunteer services in Gimpo City, including the areas of Gwijeon 3-ri, Yonggang-ri, Hakun 5-ri, Siam 1-ri, Gageum 3-ri, Saesol School, with low medical accessibility. The hospital also conducted regular medical volunteer services for the residents four times a year on Daechung Island, facilitating visits when necessary.





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Education · medicine · culture business

HANJIN Group aims to contribute to the establishment of a foundation for the continued development of our society and nation, by harnessing the positive influence of public foundations that can be passed down to future generations. Through various educational, medical, and cultural initiatives, we plan to expand investment and support to enrich society and enable the people to enjoy a stable life.

“The most meaningful thing in life is to develop talent.” - quoted from Business is art, the critical biography of Choong-Hoon Cho, the Founding CEO

Jungseok-Inha Educational Foundation

Jungseok-Inha Educational Foundation, is a private school foundation operated by HANJIN Group to develop talent leading Korea in the future.

Education business

Jungseok-Inha Educational Foundation operates six educational institutions: Inha University, Korea Aerospace University, Inha Technical College, Jeongseok aviation science high school, Inha university high school, and Inha university middle school.

To date, the academy has produced approximately 400,000 graduates from middle school to university level. HANJIN Group supports these students by providing scholarships totaling 23 billion won to over 10,000 students, enabling them to pursue their dreams and grow for the future.

Furthermore, The foundation has established aviation and logistics-related departments to develop educational content that reflects the knowledge demand of the industry. It also strives to cultivate global aviation and logistics professionals through continuous exchange programs with prestigious overseas universities.

HANJIN Group scholarship




Medical business

Jungseok-Inha Educational Foundation, in accordance with the vision of the Founding CEO Choong-Hoon Cho, who sought to contribute corporate profits to society, opened Inha University Hospital in 1996, becoming the first university hospital in Incheon and playing a central role in the local healthcare system. It has been contributing to the advancement of healthcare in South Korea.

Inha University Hospital achieved the top ranking nationwide in the patient experience evaluation conducted by the Health Insurance Review and Assessment Service in August 2022. In the same year, it obtained the highest grade in October for three consecutive years in the "2022 Medical Quality Evaluation" organized by the Ministry of Health and Welfare. This demonstrates that it has established and operated an excellent healthcare system.


Social contribution through various medical support

 **Support for medical fee of vulnerable patients**

Inha University Hospital continues to provide support for patients who are unable to receive appropriate medical treatment due to economic difficulties and other reasons by linking various funds. In 2022, it provided 850 patients with approximately 2.3 billion KRW of support.

 **Official Development Assistance(ODA) in medical technology**

Inha University Hospital has contributed to the coexistence and mutual prosperity of the international community by transferring advanced medical technologies to many countries such as Vietnam, China, and Uzbekistan, and strengthening the capacity of medical personnel through programs such as physician training.

 **"One Island, One Doctor" hospital project in collaboration with Incheon City**

Inha University Hospital has been conducting the "One Island, One Doctor" hospital project in collaboration with Incheon City. In April 2023, for two days from April 27th to 28th, a team of 11 medical professionals visited Daechung Island and provided free pain treatment, nutritional therapy, and other medical treatments to over 120 residents.

 **Operation of communication channel for providing medical and health information**

Inha University Hospital has published "Inha Webzine ON" every quarter to provide accurate medical and health information to the general public and patients. Recognized for the excellence of Inha University Hospital's hospital magazine, it won the Print External Communication Award in the Planning category at the 2022 South Korea Communication Awards ceremony.



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Education · medicine · culture business

Ilwoo Foundation

Established in 1991, the Ilwoo Foundation organizes various cultural exhibitions at Ilwoo (一宇) Space, a cultural exhibition space for the public. Ilwoo Space aims to be a space for communication where different generations come together by showcasing exhibitions not only by established artists representing the Korean art scene but also by promising emerging artists with innovative works. Additionally, since 2009, it has established and operated the Ilwoo Photography Award to serve as a solid stepping stone for talented and passionate photographers to become world-renowned artists.

The Ilwoo Foundation supports the development of the nation by providing scholarships for youth heads of households, aimed at helping young people grow up as healthy members of society, as well as scholarships for university students in Mongolia and Cambodia, offering support for living expenses and accommodations. Through these scholarship programs, the foundation aims to foster talented individuals who will lead the country's development and promote friendship and goodwill between South Korea and other nations.

Ilwoo Photography Award (since 2009)



Ilwoo Space exhibition (since 2010)



Jungseok Logistics Foundation

The Jungseok Logistics Foundation has been supporting the academic research of numerous experts in the field of logistics since 2006, with the aim of enabling South Korea to become a global logistics powerhouse, in accordance with its founding principles. Additionally, since 2014, it has organized regular academic presentations and policy forums to expand the research foundation in the logistics field and contribute to the development of national logistics through the sharing of research outcomes from the academic research support program.

Main research topics

Logistics field

- Social Overhead Capital (the third-party logistics, port, and airport) and Supply Chain Management (SCM) in Logistics industry
- Logistics policy, international logistics, reverse logistics, logistics technology and R&D
- Logistics management and economy, interdisciplinary research topic
- Logistics security and other fields related to transportation logistics

Travel/Tour field

- Research which can contribute to the scholastic knowledge of the field related to tourism
- Research related to investigate travel, tour, and leisure phenomenon
- Support for the research on tour management and economy and interdisciplinary research topic

Business for support scholastic research



Industry-University collaboration activities

HANJIN Group has contributed to the development of future industries by establishing collaborations with major domestic universities and pursuing research projects that can contribute to industrial growth. It supports students from various majors, fostering creative and professional talents, while also contributing to the development of universities and local communities.

KOREAN AIR has established Industry-University collaboration with major universities and conducted R&D consistently to develop Urban Air Mobility (UAM) and Aerospace field.

MOU for substantiation of UAM and development of safety technology

Incheon City, Korea Aerospace University, Inha University, Incheon International Airport Corporation

- Collaboration for UAM industry promotion and infrastructure development
- Technology and information exchange for UAM policy development and job creation
- Enhancement of UAM adaptability and joint cooperation for UAM demonstration projects
- Joint R&D collaboration for UAM safety technologies

Joint R&D of operational risk assessment system for constructing UAM certification

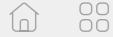
Korea Institute of Aviation Safety Technology

- Promotion of foundation for safe UAM operation, and pursuit of smooth cooperation in national R&D projects
- Continuous efforts and plans for creating a future transportation ecosystem, including the development of safe UAM operation technologies

Cooperation in space projects, including lunar landing craft development

CAMTIC Advanced Mechatronics Technology Institute

- Conceptual design and manufacturing of lunar landing craft structures
- Derivation of required technology and cost analysis through preliminary conceptual design of lunar landing craft structures



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Management for coexistence

HANJIN Group aims to secure the highest service quality and build a sustainable supply chain through the management philosophy of coexistence and harmony. It seeks to strengthen partnerships with cooperative companies and promotes communication and support programs in various aspects to enhance the capabilities and productivity of these companies.

Sustainable supply chain management

HANJIN Group has engaged in various collaborative support and exchange activities to support the establishment of the highest quality and sustainable supply chain, as well as to ensure the management stability of cooperative companies. These activities include discovering collaborative programs, conducting joint development, providing support for process improvement, and assisting in government project acquisition.

Improvement of partner's productivity and development of new technology

KOREAN AIR supports the enhancement of productivity through the organization of Lean Workshops for its partners, aiming to achieve cost reduction and process optimization. These workshops help eliminate production obstacles and improve processes for its partners. Additionally, KOREAN AIR supports the development of standard models using manufacturing robots and transfers advanced technology to cooperative companies, enabling the establishment of production automation through robot integration and promoting improved production capabilities.

Operation of the business for supporting aviation logistics

KOREAN AIR continues to collaborate with external organizations such as the Korea International Trade Association (KITA), Korea Trade-Investment Promotion Agency (KOTRA), and the Small and Medium Business Administration to support small and medium-sized enterprises (SMEs) facing export supply difficulties. It operates dedicated flights for SMEs to key destinations and provides support to export companies affected by logistics disruptions during the COVID period. KOREAN AIR also actively seeks additional collaboration methods between these organizations, the export industry, and the aviation industry to promote mutual growth and support.

Selection of partners and operational management

HANJIN proactively manages supply chain risks and strives to establish a stable supply chain based on the fundamental principles of cooperation company registration (fairness, transparency, openness, and ensuring safety and health). It selects its partners through a fair and transparent process. Starting from 2021, it evaluates the environmental management, social responsibility, ethical management, and safety and health status of partners, encouraging their ESG management practices. If relevant certifications are available, additional points are awarded. In addition, it conducts evaluations for partners and gives them incentives/penalties based on their performance evaluation results when renewing contracts, aiming to discover and nurture excellent partners.

Enhancement of partners' capability and promotion of communication

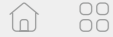
HANJIN Group is actively promoting mutual cooperation and expanding cooperation fields through continuous communication, including various support activities such as education, meetings, briefings, and welfare benefits, to enhance the business and ESG capabilities of its partners.

HANJIN KAL has established guidelines for safety and health management of partners to prevent industrial accidents and improve the level of safety culture, in order to enhance the safety and health of workers. Furthermore, it holds safety and health consultation meetings with partners at least once a quarter, supports activities such as preparing for accidents, conducting risk assessments, and providing safety and health education, and conducts joint inspections at least twice a year. In addition, HANJIN KAL collaborates to establish a safety and health management system for partners by providing guidelines for various aspects of safety and health, including workplace improvement, protective equipment management, confined space management, use and storage of hazardous/dangerous substances, accident investigation and reporting, countermeasure development, emergency evacuation procedures, and health diagnosis.

KOREAN AIR continues its efforts to strengthen capabilities through activities such as on-site training and education for production personnel of partners, support for inspector job training, and global OEM quality education. KOREAN AIR also holds regular communication meetings with partners to discuss mutual exchange and cooperation measures, share business environment and volume changes, conduct quality symposiums, and hold briefings on partners businesses and technologies to provide various support.

HANJIN provides links to workplace safety instructional videos for partners to utilize in their own training. HANJIN also makes continuous efforts to promote ESG (Environmental, Social, and Governance) initiatives within the supply chain, including participation in the 'Environment-friendly Partnership Building Support Program' organized by the Korea Transportation Safety Authority.

Furthermore, HANJIN offers benefits related to condolences to entrusted direct contract drivers and customer service center representatives. Delivery drivers receive supplies such as beverages and cold-weather gear during the winter season. We operate a welfare mall for delivery drivers and cargo drivers, providing them with work-related items, office supplies, and various merchandise from the HANJIN Group at more reasonable prices.



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Compliance with fair trade

HANJIN Group operates fair trade guidelines for each subsidiary to establish a fair trading culture and strictly prohibits employees from receiving undue compensation. We provide continuous education to all employees on fair trade practices, anti-corruption measures, and relevant laws and regulations. Through the Ethics Management Committee, we enhance the group's capabilities in fair trade within the organization.

Operation of a voluntary compliance program for fair trade

KOREAN AIR and HANJIN operate a voluntary compliance program for fair trade, which includes guidelines and action plans regarding fair trade regulations. These companies ensure that all employees comply with fair trade laws and regulations. In particular, These companies have adopted the four principles of co-prosperity for large and small businesses, established by the Fair Trade Commission, and faithfully adhere to them. Based on this, KOREAN AIR and HANJIN annually enter into fair trade agreements with partners, fostering mutual trust and compliance.

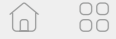


Conducting education related to fair trade

HANJIN Group is enhancing its fair trade capabilities through the Ethics Management Committee of HANJIN KAL. As part of the group's compliance strengthening measures in 2022, HANJIN KAL conducted education on the Fair Trade Commission system and disclosure requirements. By providing education to responsible personnel of each subsidiary on fair trade regulations and disclosure systems, we aim to increase transparency and professionalism in the group's fair trade-related operations. Furthermore, we conduct training for the personnel of each subsidiary in charge of the Fair Trade Commission's data submission and disclosure tasks, managing the group's capabilities in this area. We also participate in policy briefings by the Fair Trade Commission for large business group, monitoring and responding to relevant policies. In this way, HANJIN Group strengthens preventive measures against related risks, and contributes to the spread of a fair trading culture through strict compliance with fair trade laws.

KOREAN AIR carries out legal education on laws such as the Act on the Prohibition of Improper Solicitation and the Fair Trade Act for overseas delegates and new employees. KOREAN AIR also provides regular online training to all employees on compliance with antitrust regulations, the prohibition of improper solicitation and bribery, and the recognition of abusive market dominance and unfair trade practices. Additionally, KOREAN AIR publishes a quarterly Compliance Newsletter to enhance employees' awareness of legal compliance within the company.

HANJIN provides online and offline fair trade compliance training for all employees. As a global logistics company, HANJIN also conducts annual training sessions for bid-related regulations, such as the U.S. Code of Ethics, Fair Trade Act, and U.S. National Contract Law, to ensure proper business operations. Specifically, HANJIN provides guidelines on prohibited actions and penalties for collusion when participating in bids within the bidding department. Our aim is to strictly enforce measures that prevent bid collusion within the industry.



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Customer-centered management

The business value creation of the HANJIN Group begins with customer-centric management. All services provided by the group are carried out from the customer's perspective, starting from the planning stage. HANJIN Group strives to systematically implement various activities to enhance service quality. In order to maximize customer delight and satisfaction, HANJIN Group will continuously make efforts to fulfill our commitment to all customers who have been with us for over 70 years under the name of " HANJIN."

Customer-centered management strategy

Through a customer-centric management philosophy and perspective, HANJIN Group strives to maximize customer satisfaction and enhance enterprise value.

KOREAN AIR is contemplating practical measures to improve customer satisfaction from the customer's perspective by comprehensively and systematically approaching all services provided by KOREAN AIR based on the management philosophy of "Creating Customer Loyalty through Maximizing Customer Satisfaction." Furthermore, KOREAN AIR is making efforts to communicate directly with customers and improve any problems that may arise during the service process through thorough on-site management. KOREAN AIR also makes efforts to promptly respond to changes in customer needs in order to enhance customer satisfaction.

HANJIN practices customer-centric management, where all value creation activities, from planning to development and provision of logistics services, are carried out from a customer-centered perspective. Additionally, HANJIN aims to establish long-term partnerships based on trust with our customers and pursue a "Win-Win" customer innovation strategy, targeting the mutual growth of customers and the company. To achieve this, HANJIN operates an organization dedicated for customer service, led by business unit managers, and establish and manage plans for implementing customer satisfaction management. HANJIN makes efforts to listen to customer opinions and get closer to our customers.

Management system for customer satisfaction

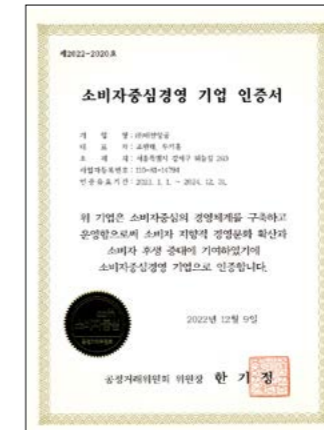
HANJIN Group prioritizes customer-centric management as its core value and strives to respect customer opinions and actively incorporate them into its customer satisfaction management system, which is implemented across key affiliates. As part of this effort, HANJIN Group continuously builds and enhance the customer satisfaction management system, based on activities such as obtaining certifications related to customer satisfaction management. HANJIN Group actively pursues initiatives to improve customer service quality and strengthen customer satisfaction management, aiming to provide our customers with high-quality services and satisfying experiences.

Certification of Consumer Centered Management (CCM)

KOREAN AIR has become the first airline to obtain the 'Consumer Centered Management (CCM)' certification, certified by the Fair Trade Commission and operated by the Korea Consumer Agency. KOREAN AIR's CCM certification is a recognition of its efforts to enhance convenience for airline consumers across all sectors and to sustainably contribute to society through global public interest projects, based on its management philosophy of 'Customer Delight and Value Creation'. KOREAN AIR has established an organization dedicated for building the CCM system and regularly operates a Service Improvement Committee to systematically implement consumer-centered management. It continues to engage in various activities to establish CCM as a core value.

Quality management system certification

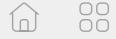
HANJIN has obtained ISO 9001 quality management system certification through ISO 9001:2015 assessment from the Korea Productivity Center Certification Institute in relation to customer satisfaction management. ISO 9001 is an international standard developed by the International Organization for Standardization (ISO) for quality management systems, ensuring that the product and service systems meet international requirements and are continuously managed and maintained. This certification incorporates the latest quality management issues such as risk management, stakeholder expectations, and performance-oriented approaches.



CCM Certification Of KOREAN AIR



ISO 9001 Certification of HANJIN



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Communication with customers

HANJIN Group is actively making efforts to communicate with customers in a two-way manner through various channels and methods. HANJIN Group will continue to strive to communicate with customers constantly and enhance our relationship with them. HANJIN Group will make continuous efforts to further develop and improve our customer relations in the future.

Two-way communication with customers

HANJIN Group is making efforts to reflect customer opinions in its services through organic and friendly two-way communication with customers through various methods such as SNS, applications, and websites.

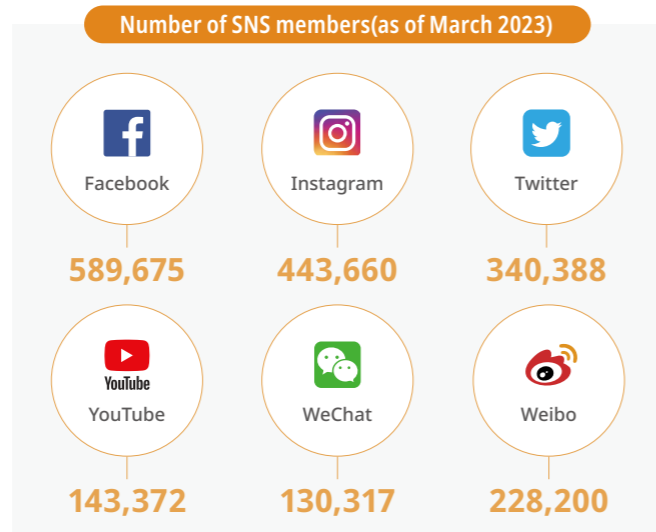
KOREAN AIR is expanding customer touchpoints by providing various contents through domestic and foreign Social Media such as Instagram, Facebook, and YouTube, and conducting customer-participatory events. Especially, we are concentrating on planning and producing MZ generation-targeted contents including various formats of YouTube Shorts and Instagram Story videos in line with rapidly changing online trends.

In addition, KOREAN AIR has introduced the NPS (Net Promoter Score) survey method for the first time among national airlines, allowing real-time feedback from customers to provide services that meet customer demands and enhance customer experience. As a result of reflecting customer feedback, we have shortened the update cycle for in-flight content and enhanced the content significantly.

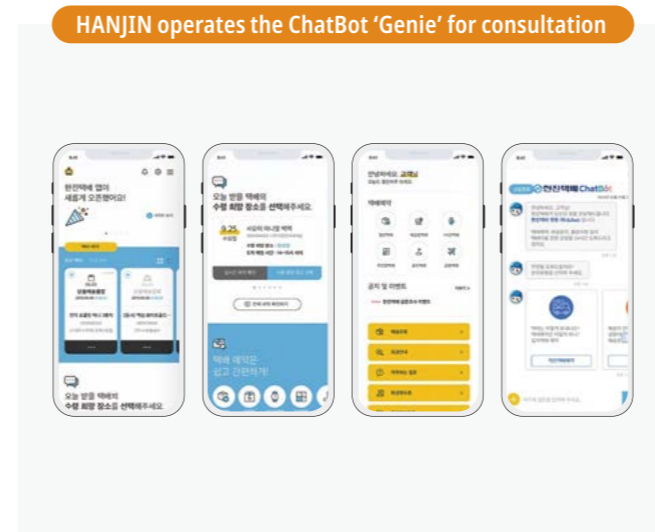
HANJIN has established customer communication channels utilizing innovative technologies such as customer applications, visible ARS (Automated Response System), and ChatBot. By doing so, we operate communication channels that allow customers to receive consultations conveniently and quickly. Through the operation of the ChatBot consultation service called 'Genie,' we provide a 24-hour consultation service, enabling customers to utilize the consultation channels in a more convenient manner.

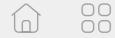
Logitainment activities

HANJIN is the first in the industry to establish Logitainment, a representative cultural icon of the courier and logistics industry, and is actively engaging in its activities. Logitainment is a combination of logistics, referring to the logistics industry, and entertainment, representing fun and entertaining experiences. It aims to enhance customer understanding of logistics services by forming a sense of empathy and to establish a communication channel for continuous interaction through empathy. Following 2022, HANJIN is expanding its Logitainment to various fields such as gaming, film & art, SNS, characters, and metaverse, aiming to make logistics fun and approachable in 2023.



*Total of both domestic and overseas number





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Activities for customer satisfaction

HANJIN Group will continuously strive to provide customers with impressive services and satisfying experiences by listening to their opinions, seeking improvement methods, and making ongoing efforts.

Service improvement through Voice of Customer(VOC)

HANJIN Group has reflected the voice of the field in customer service as a key management policy and utilized VOC and service evaluation as a means to manage customer experience and understand service trends. In the future, HANJIN Group will continue to prioritize customer satisfaction and safety and improve its services to meet changing customer demands.

KOREAN AIR has introduced improved services based on VOC, such as rollout of the standby reservation function channels for award tickets, introduction of a solution to guide immigration restrictions and the lowest price guide for each route using a map, development of a new Korean and Western meal menus, and enhanced wine services.



KOREAN AIR developed new Korean and Western in-flight meal menus


HANJIN listens to the Voice of Customers (VOC) through its website, customer app, and customer center, and handles the corresponding matters at its courier and delivery branches through its internal systems.

Effort to improve customer satisfaction by motivating employees

By implementing the “Service Excellence” system, KOREAN AIR rewards employees who contribute to customer satisfaction with their excellent service skills. Over 580 employees have received prize money and a gold badge as a reward since the system was first introduced in 2005. The rewards are intended for employees to take pride in their contributions to enhancing the service level of KOREAN AIR and to share award-winning cases to set an example for the other employees.

HANJIN conducts delivery service evaluations and utilizes the feedback results to encourage and motivate delivery drivers, CS representatives, and others to improve service. Specifically, we analyze the satisfaction evaluation data to enhance services in such ways as service training and introduction of new services.

Evaluation on the shipping service of HANJIN



Application of the feedback from the shipping evaluation to service improvement

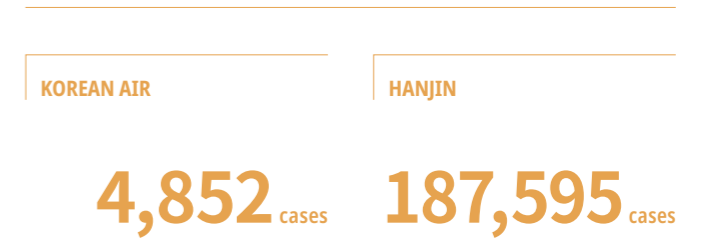
HANJIN Analyzes the evaluation data on service satisfaction and apply the result to service improvement in such ways as service training and introduction of new services.

Service statistics and analysis

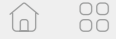
+

Application to service improvement

Number of customer complaints cases and handling rate



* As of 2022



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Information security and privacy protection

HANJIN Group is working to make its employees aware of the importance of privacy protection and to protect the valuable privacy of customers and stakeholders by establishing a systematic information security management system and consistently enhancing management capacity.

Management system for protecting privacy

HANJIN Group has appointed a Privacy Protection Officer at executive-level authority and responsibility for all matters related to handling privacy, Protection Officer with executive-level authority and responsibility to oversee and take responsibility for all matters related to handling privacy, complaints and relieving damage. The appointed officer collaborates with MIS & PI Team responsible for continuously monitoring privacy protection policy, legal regulations, and changes. Monitored results are reflected in internal management plans and privacy handling policies, and notified to related parts and employees dealing with privacy.

Certification of privacy management system

HANJIN Group is continuously enhancing its privacy protection system to safeguard the valuable privacy of customers and employees. Major affiliates such as KOREAN AIR and HANJIN engage in activities such as obtaining Information Security Management System (ISMS) certification in their major systems and facilities. HANJIN Group will continue to enhance and improve its information security system to proactively prevent risks and strengthen its information protection management system.

Information security management

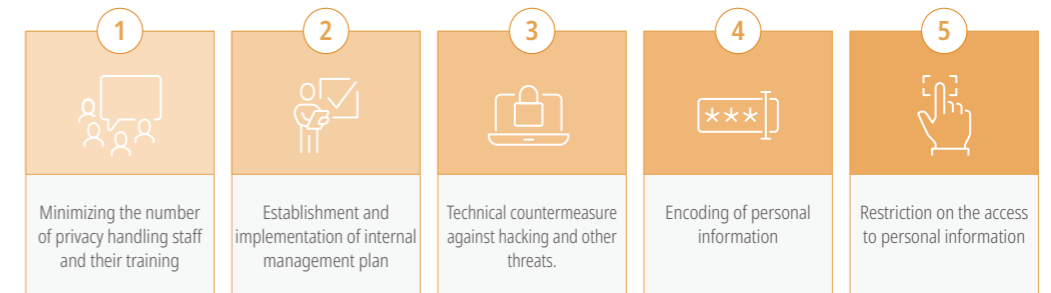
To stipulate compliance guidelines and other necessary matters for employees to manage computer security, HANJIN Group has prepared a security management manual that covers all employees' security, including security access authorization, security management in PC or other devices, security monitoring and activities, information security education, and e-mail security measures.

Education regarding information security and privacy protection

Major affiliates including HANJIN KAL have established education plans regarding electronic information and system security and conducted annual information security education for all employees to raise awareness of the importance of maintaining information security and responding to risks. Additionally, the privacy protection officer develops and implements necessary privacy protection education plans for privacy handling staff.

Information security and privacy protection

HANJIN Group is striving to secure the stability of personal information and strengthen information security by consistently making efforts in the policy or technology for information security and privacy protection according to the characteristics of each affiliate.



The KOREAN AIR Tactical Cybersecurity Center (KE-TCC) is equipped with operational systems that quickly and strongly respond to any data breach incident or cyberattack that threatens the stability of the company's IT information assets through realtime control running round the clock, all-year round. Additionally, KOREAN AIR has preemptively introduced cloud-optimized security solutions and has made consistent efforts such as regular simulated training against malware emails and enhancing equipment security with aircraft software installed.

HANJIN annually assesses the status of handling customers' personal information targeting approximately 900 partners, including courier delivery branches, operating companies, and other entrusted firms. HANJIN also provides privacy protection education to ensure that all members in partners are aware of the importance of protecting customers' personal information. In particular, HANJIN holds a monthly "SAFE DAY" for sharing information security guidelines and examples of privacy leakage with the entire staff, as well as conducting activities to assess the security levels of individual PCs and systems.

Number of employees who completed the education for awareness on information protection in 2022



KOREAN AIR

18,897 persons

HANJIN

1,494 persons



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Management policy for respecting human rights

HANJIN Group has complied with the Labor Standards Act as well as the laws, systems, and ILO regulations in each country where its worldwide workplaces are located. Furthermore, we do not discriminate anyone when it comes to personnel management including employee recruitment, assignment, evaluation, and compensation based on gender, age, race, religion, disability, place of origin, political beliefs, or any other factors. In the future, HANJIN Group will continue to respect the human rights of its employees and strive to create the best working environment where their rights are protected.

Respect for diversity

HANJIN Group prevents any discrimination in case of hiring and promotion. We will strive to foster permissive corporate culture allowing anyone to execute their capability equally without any isolation.

To fulfil its social responsibilities as a national flagship airline, KOREAN AIR collaborated with the Seoul Disability Sports Association in 2022 by recruiting disabled athletes in order to improve social awareness towards individuals with disabilities. KOREAN AIR also provides whole-hearted supports to enable them to focus on training.

HANJIN strives to foster a culture of gender equality based on diversity and expertise. To respect the diversity of our employees, HANJIN creates an equal working environment where no discrimination based on age, gender, or any other factors occurs in all personnel systems and treatment standards, including recruitment, promotion, and compensation.

Culture of gender equality

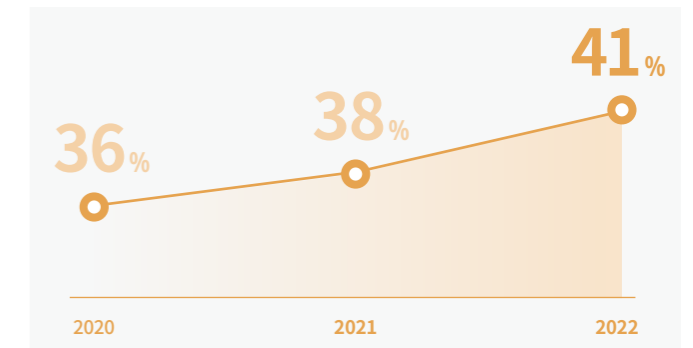
HANJIN Group not only continues to expand the employment of female workforce but also operates and encourages various policies related to maternity protection, such as childbirth or childcare support, to prevent career interruptions for female employees. HANJIN Group strives to enable our employees to pursue a balanced life between home and work. Additionally, HANJIN Group maintains a regular leave of absence system and provide female workers with equal opportunities for education and career development to support them to become future leaders.

KOREAN AIR operates maternity protection policies exceeding legal standards, such as infertility leave for getting treated for infertility and maternity leave available from the point of pregnancy awareness, targeting all female employees.

While the logistics industry tends to have a relatively low proportion of female recruits, HANJIN is gradually expanding the recruitment rate of highly skilled female talents to surpass this limitation and grow up by securing and fostering excellent talents.



Ratio of female managers



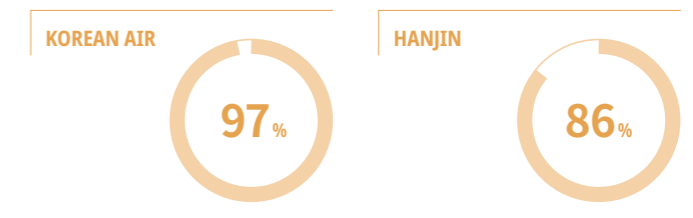
Ratio of female staff in each group in 2022 (HANJIN KAL, KOREAN AIR, HANJIN)



42.3%



Rate of employees who have worked for 12 months after parental leave





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Human rights management

HANJIN Group has practiced management for respecting human rights by putting the management into action such as ensuring employees' basic freedom or right and educating them for raising awareness on human rights.

Employee education for raising their awareness on human rights

HANJIN Group strives to raise employees' awareness on human rights through mandatory education regarding the prohibition of discrimination against people with disabilities and prevention of sexual harassment. We regularly conduct education related to help employees maintain a healthy mind and body.

At the end of the training program, participants are required to sign a pledge to prevent sexual harassment, discrimination, and bullying at workplace. As for employees who are unable to attend the training due to the reason like taking a leave of absence, we provide them with the lectures uploaded to the company's internal online education platform for them to take lesson anytime.

We conduct online education programs targeting all employees to foster ethical consciousness and raise awareness on human rights. By presenting possible scenarios that can occur within the company, we aim to increase employees' understanding and maximize the effectiveness of the training.



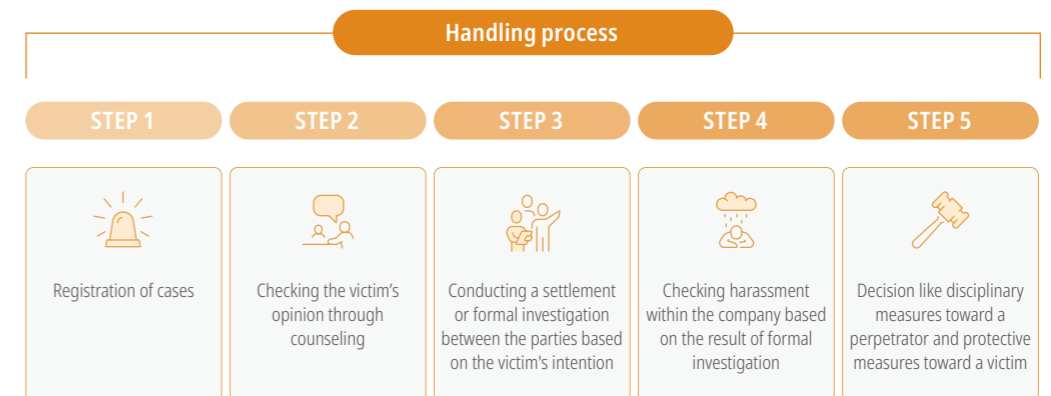
Operation of the channel for respecting employees' human right

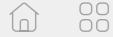
HANJIN Group operates an internal counseling and reporting channel to provide practical solutions to difficulties that employees may encounter during their work. In this process, we pay special attention to ensuring the confidentiality of the reporter or the victim and taking measures to prevent secondary harm. We thoroughly investigate the reported grievances or inquiries, and take necessary actions, right before providing feedback to the callers.

For instance, HANJIN operates an anonymous bulletin board called the 'Communication Board.' This board serves as a platform for employees to express their grievances and propose various improvement ideas that are difficult to share in their daily work. It actually has resulted in positive effects by addressing various grievances. HANJIN Group continues to make efforts to create a bright and respectful workplace where the human rights of all employees are valued.

Process for handling harassment in workplace

HANJIN Group has established and operated the system for promptly responding to the grievance like harassment in workplace. HANJIN Group will consistently improve the system to counsel and report about this problem.





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Fair personnel system

Ideal type of talent

HANJIN Group, which has grown up to world-class comprehensive logistics company, is seeking the talent who will realize our group's vision.
HANJIN Group's ideal type of talent has the features of creativity, execution, and freedom.



Creative talent with creativity and conviction

- Talent with enterprising and original sense to lead the age of globalization
- Talents who make a consistent effort to develop themselves



Talent of execution, sincerity, and practice

- Talent having an indomitable will without frustration
- Talents who respect courtesy, humble themselves, and know how to be considerate



Talents of freedom having strong responsibility and volunteer spirit

- Talents having professionalism to become the top expert based on the autonomous mind and execution
- Talents voluntarily dedicated to the service for organization and society

HR management

Hiring process

HANJIN Group operates a transparent recruitment process based on open and blind recruitment in principle to hire talented people with youth spirit and passion. Through this, we will consistently strive to become a sustainable company by fulfilling social responsibilities and providing stable jobs.

Rational assessment and reward system

HANJIN Group conducts capacity and performance evaluations annually to assess the work capabilities and performance of all employees. It has established and implemented multi-faceted evaluation system. Moreover, through the operation of a performance-based reward system, HANJIN Group strives to motivate employees to maximize their work capabilities.

HANJIN KAL implements a performance evaluation process where the subject of appraisal first creates an individual work performance form, which is then evaluated on a 5-level scale. In this process, multiple evaluators participate to eliminate unfair evaluations.

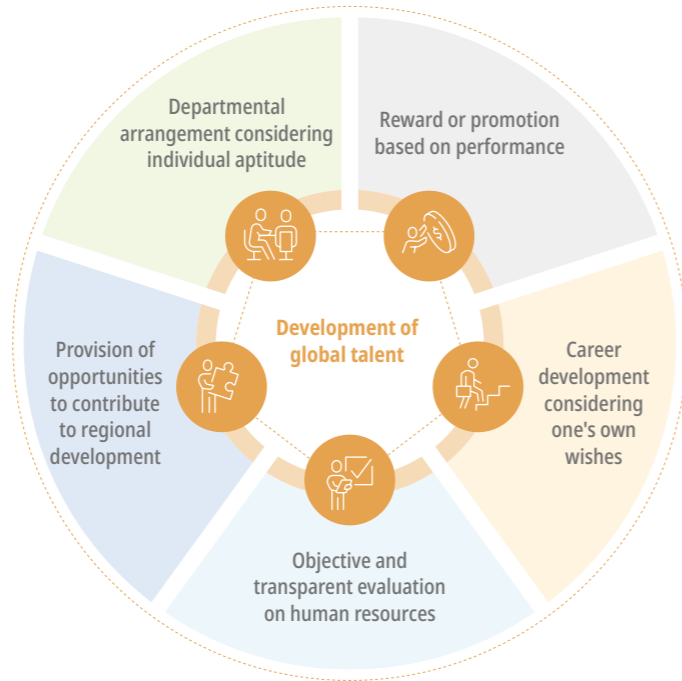
KOREAN AIR conducts evaluations based on the diversity of employees from various job types. As for field departments, we use standardized work performance forms appropriate for each job type. Flight attendants undergo competency assessments related to piloting, emergency procedure performance, and more. Furthermore, we conduct leadership surveys to enhance managerial leadership and strengthen two-way communication.

HANJIN has changed its evaluation system to criterion-referenced test in order to assess the performance and capabilities of employees fairly and objectively. It has also established a regular feedback system and introduced a procedure for raising objections to evaluation results, so as to enhance fairness.

Fostering global talents

Goal for developing talents

HANJIN Group supports all employees to fully demonstrate their capabilities and grow together with the company under the founding philosophy that 'A company is equal to a person.'
Based on the principles of rationality and equality, we provide equal opportunities to all employees, thereby nurturing talents with expertise and creativity.



Talent development system

HANJIN Group systematically conducts educational training for self-development of new hires to management levels, based on the educational philosophy that 'Lifelong education takes place in the workplace.'

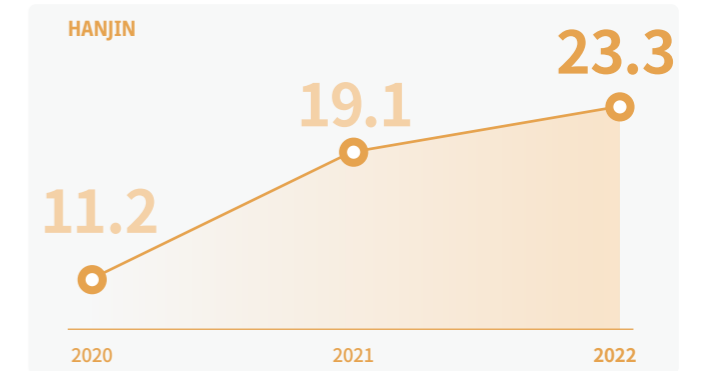
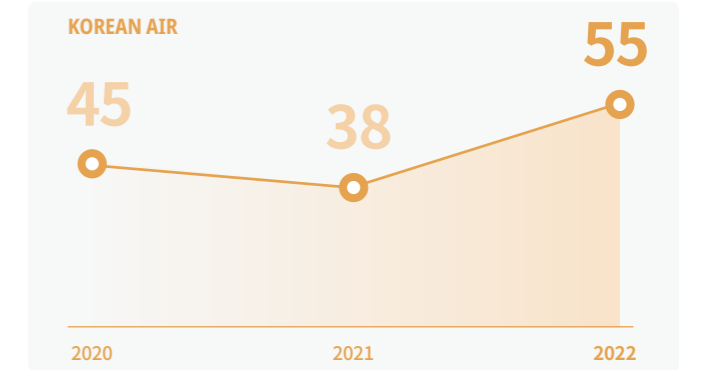
Education system of KOREAN AIR

Under the educational policy of 'Developing Global Talent Based on Expertise,' KOREAN AIR operates an educational system to facilitate organic training based on two competency models: managerial competence and job competence. In order to ensure the effective implementation of such education, it established specialized training organizations for each field, such as operations, cabin crew, and maintenance, in the aviation profession. These organizations are designed to provide specialized training tailored to each specific field.

Talent development program of HANJIN

HANJIN's talent development program consists of three categories: competency development (common/job competencies, leadership competencies, bachelor's/master's degree programs), organizational activation (campaign to create a healthy organizational culture, improvement of work style), and self-directed growth (mandatory courses to be completed by each job level - foreign language/certification/self-development support). We actively support our employees to become global top-tier talents by operating various programs considering their current competencies and needs.

Education hour per one employee



Total education and training fee for employees in 2022



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Staff-centered flexible organization culture

HANJIN Group is making consistent efforts to create a flexible organization culture to respond to rapidly changing environments, based on a transparent communication culture respecting diversity

Enhancing Work and Life balance

Flexible work system

HANJIN Group not only creates a working environment where employees can work joyfully and enthusiastically but also operates various systems to improve their quality of life. To accommodate the need for flexible working hours, we have implemented a flextime system that allows employees to choose their working hours within a certain range. Additionally, we have introduced telecommuting through a remote work system, implemented Refresh leave, and conducted a campaign for regular quitting time, all aimed at establishing a flexible work culture within the workplace. We strive to provide an environment where work is in harmony with living.

Family-friendly system

HANJIN Group operates various family-friendly policies to balance work and family life for its employees. We provide various welfare benefits such as childcare support and educational expenses for children, thereby establishing a family-friendly corporate culture where employees can focus on their work in a stable manner.

KOREAN AIR operates childcare support systems such as childcare allowances and maternity protection facilities, with running family invitation programs to enhance understanding and pride of the company.

HANJIN operates various family-friendly policies such as providing gratitude gifts to employees' parents and children every May, and providing school supplies to their children who are about to enter elementary school. In Recognition of contributions to improving the work-life balance of employees with these efforts, HANJIN has been certified as a family-friendly company by the Ministry of Gender Equality and Family in 2022.

Various welfare benefits system

HANJIN Group operates various welfare programs to support employees' well-being, health, and personal development, including support for retirement life, self-development, leisure activities, and incentive payments. Through these programs, we aim to provide a stable living environment for employees and a working environment where our members can work enthusiastically.

KOREAN AIR strives to reduce the burden on employees by providing support for home accommodation, housing purchase, and lease loans. We also support their happy daily lives through various leisure activity programs, such as support for in-house clubs, airline tickets, and famous domestic resorts.

HANJIN operates a program for living stability loans, providing support for employees in need of funds to utilize in-house loans at low interest rates. In addition, we operate various welfare programs such as support for self-development and for resorts through welfare cards, aiming to improve their quality of life and job satisfaction.

HANJIN Group's welfare benefit system

 Support for staff apartment and housing loans	 Support for medical checkup and medical expenses	 Operation of its credit association	 Support for individual pension	 Support for maintenance fee of vehicle and transportation expenses
 Support for the activity at in-house hobby club	 Support for educational expenses of employee's children	 Regular operation of leisure facilities	 Provision of bottled water	 Support for various family events

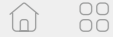
※ The contents above are about the welfare benefit system operated by each affiliate in a selective manner, so you can check the details at each affiliate's website.

Organizational culture formed by joint participation

KOREAN AIR is conducting the company-wide innovation campaign called 'Stronger Together' to foster a dynamic and progressive organizational culture. In 2022, the "SELEP's Tips on Work-Life" series, which was organized on topics that emphasizes real life, such as conversation, collaboration, and managers' roles, with a focus on improving organizational health, was announced on internal company-wide news boards and displays, while employees were encouraged to make self-initiated changes. In addition, the "Find the Best MVP of KOREAN AIR 2022" event, an internal competition inspired by volleyball positions, contributed to establishing a dynamic and healthy corporate culture through the year-round campaign to exchange work prowess and know-how from various occupations and sectors, thereby creating a praiseworthy culture from executives and employees.

HANJIN conducted various in-house campaigns in 2022 to foster a healthy organizational culture. Moreover, we organized various employee participation events, such as the 'HANJIN Guinness Book Challenge,' to minimize conflicts that may arise between generations, job positions, and departments, and to build empathy among employees.





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Employee-oriented, flexible organization culture

HANJIN Group respects the individual lives of employees and ensures that they can pursue their own ways of life through establishing channels for horizontal communication and operating efficient time management systems. Through these efforts, we create an environment that can enhance the job satisfaction of employees.

Time for in-house communication

KOREAN AIR held its first town hall meeting with Chairman Won-tae Cho and employees in 2022. The town hall meeting, where the CEO directly addressed employees' concerns and communicated face-to-face, gained great interest and support from employees and is expected to develop into KOREAN AIR' representative internal communication program in the future. In addition, from 2022, KOREAN AIR resumed its internal communication program, 'Happy Hour,' which was temporarily suspended during the COVID-19 period. The resumption of 'Happy Hour,' a time for department colleagues to have comfortable and lively conversations on various topics for an hour on the last Friday of every month, was an opportunity for employees, who have not been able to gather in one place due to COVID-19, to come together again and find vitality through communication.

HANJIN has a time for management and employees to communicate directly. Employees, who have applied in advance, and management have a time to have a free conversation through online (Google Meet). In addition, the management has each communication time for men, women, and positions more than once a week to share difficulties and have a time to express their opinions freely. Through this, HANJIN is creating a healthy organizational culture through more horizontal communication by exchanging ideas to promote the company's sustainable development together with management and employees.



Town hall meeting of KOREAN AIR



In-house YouTube channel called 'Daehan TV'

KOREAN AIR launched Daehan TV, the official in-house YouTube channel. KOREAN AIR strives to create a channel for "KOREAN AIR members to be united as one" by highlighting various aspects of employees' activities and their hard work and by spreading the culture and values of the airline through YouTube video content. Since its launch, Daehan TV has received an enthusiastic reception for creating a new channel for internal communication where all KOREAN AIR employees can showcase leadership by solving a wide range of topics in innovative and cordial manners, such as safety, recovery in the aviation industry, ideal organizational culture, coverage of overseas branches, and introduction of various departments.

In-house communication bulletin board

HANJIN Group has established and operated an in-house communication bulletin board online, aiming to build a better organizational culture based on flexible communication and mutual trust.

Moreover, KOREAN AIR has created an in-house suggestion board called 'Ideas#' where anyone can freely propose their ideas for all departments. Through 'Ideas#', we held competitions on topics such as ESG, CCM, and industrial safety to encourage the participation of many employees. In addition, we have utilized such functions as surveys and voting to facilitate easier expression of opinions between employees.

HANJIN has operated a platform called the 'Communication Bulletin Board,' which operates anonymously. The management team also takes a direct interest in managing it, fostering a culture where all employees work together to improve the organizational culture. It contributes to the improvement of welfare benefits systems and the resolution of various grievances.

Labor-management's communication and mutual growth

HANJIN Group has practiced communication and coexistence in Labor-management relationship based on its labor management regulations including labor, wage, and welfare benefit.

HANJIN KAL, KOREAN AIR, and HANJIN hold quarterly meeting of labor-management council to facilitate communication between labor and management. During these meetings, we discuss the enhancement of workers' welfare, improvement of wage systems, productivity enhancement and performance distribution, handling of workers' grievances, and overall improvement of personnel and labor management systems, aiming to promote mutual growth.

Occupational health and safety management

HANJIN KAL strives to ensure safety and health for all by enhancing occupational health and safety management and complying with relevant laws and regulations. To achieve this, we have established occupational health and safety management system that includes occupational health and safety management policy, occupational health and safety management organization, and occupational health and safety management regulations, proactively eliminating hazardous risk factors in the workplace.

Occupational health and safety management system

HANJIN Group's major subsidiaries, KOREAN AIR and HANJIN, have established occupational health and safety management system and take the lead in practicing the management.

Among KOREAN AIR's nationwide facilities, Bucheon Engine Maintenance Facility and Busan Aerospace Business Headquarters, classified as manufacturing, have obtained KOSHA-MS certification from the Korea Occupational Safety and Health Agency. KOSHA-MS is a domestic standard that meets the ISO 45001 international standard, certified by the Korea Occupational Safety and Health Agency, and certifies businesses that operate occupational health and safety management system at a certain level or higher to promote autonomous activities and contribute to disaster prevention.

HANJIN is promoting occupational health and safety management system by investing KRW 50.8 billion in safety budget in 2023 to achieve the vision of occupational health and safety management and improve the safety level of all business sites. Through this, all employees are encouraged to have a strong awareness of safety and make efforts to prevent accidents through prevention-oriented activities. In addition, HANJIN has obtained ISO 45001 certification for its occupational health and safety management system from the Korea Productivity Center Certification Institute. In this way, HANJIN strives to enhance the employees' strong awareness of safety and make efforts to prevent accidents through prevention-oriented activities.

Group committee for occupational health and safety

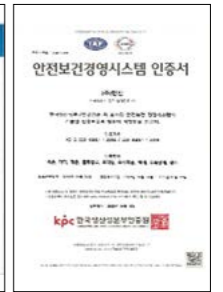
HANJIN KAL has established and operated a group occupational health and safety committee to ensure the group's occupational health and safety management. The occupational health and safety committee, which operates on a quarterly basis, discusses important agenda items, such as the presentation and sharing of occupational health and safety activities in each company, current issues, and matters for discussion. Through the operation of the occupational health and safety committee, HANJIN Group strengthens the overall occupational health and safety management system of the group by sharing various current issues and case studies from each affiliate company.



Health and safety management policy of HANJIN KAL



The certification for occupational health and safety management system of KOREAN AIR and HANJIN



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Occupational health and safety management policy



- CEO's statement of his will for occupational health and safety
- Enhancement of preventive measures against disaster
- Implementation of regular drill according to system for responding to disaster
- Enhancement of in-house communication and operation of safety committee
- Compliance with 2018 international standard

Organization for managing occupational health and safety



- Composition of general management organization in charge of occupational health and safety
- Implementation of management system for occupational health and safety and of the role as a control tower
- Risk assessment and self-monitoring on safety
- Maintenance of legal mandatory education and related license

Stipulation for managing occupational health and safety



- Legislation and management of stipulation and guideline reflecting management system for occupational health and safety
- Compliance with related Act like Article 25 of the Industrial Safety and Health Act
- Establishment of legal mandatory manual required by Serious Disaster Punishment Act



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Activities for occupational health and safety

HANJIN Group has implemented the activity of occupational health and safety to achieve zero hazards, thereby striving to make its working condition safe and refreshing.

Monitoring and training related to occupational health and safety

HANJIN KAL has conducted inspections on occupational health and safety at least once every six months, regularly revised mandatory legal documents, evaluated its partners' capabilities to prevent hazards, and conducted joint inspection on occupational health and safety of affiliates. In addition, it conducted training for responding potential disaster at its Seosomun Building twice in 2022, with fire evacuation drills in the first half and training on cardiopulmonary resuscitation and the use of Automated External Defibrillators (AED) in the second half.

KOREAN AIR conducts the monitoring on whether its every department ensures occupational health and safety twice a year in accordance with the Serious Disaster Punishment Act. It also conducted joint inspections with professional diagnostic institutions to prepare for the Act in the first and second half of 2022. In addition, it has provided systematic first aid training to cabin crews to prepare for various emergency situations during operation, and operated a 24/7 ground-based medical emergency calling system, staffed by skilled doctors, to prepare for cases where professional medical advice is needed on board.

HANJIN has conducted major disaster response training as part of its disaster response training. It also conducted civil-military joint training with the Geumcheon Fire Station, simulating large-scale fire and building collapse disasters, as well as checked the emergency response manual through this training.



HANJIN KAL staff getting the training on how to conduct CPR and use AED



Fire-proof manager explaining how to use fire extinguisher

Internalization of awareness on occupational health and safety

HANJIN KAL encourages active interest in occupational health and safety among all employees and stakeholders. It strives to promote a safety culture by operating a reporting channel for hazardous/risk factors within the workplace.

KOREAN AIR provides all employees with regular Safety Management System (SMS) training. In addition, we provided new SMS personnel and employees scheduled for overseas assignments with separate safety training. Moreover, we have conducted training for staff of partners to enhance aviation safety. Furthermore, we have carried out various activities such as safety culture campaigns, contest for guidelines in this topic, workshops for the personnel in this field, recognition of exemplary employees, and safety management education to establish a culture of safety.

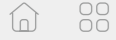
HANJIN is fully committed to fostering a safety culture through weekly on-site safety campaigns, safety slogans/graphics contests, production of safety videos, and online safety education.



KOREAN AIR' activity for making safe culture



HANJIN's safety strategy meeting



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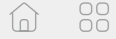
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Connect with Governance

HANJIN Group pursues sustainable profit activities, while striving to establish transparent and sound governance that can lead to the growth and happiness of stakeholders.

- ✓ Sound governance
- ✓ Ethical compliance management



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HANJIN KAL Governance

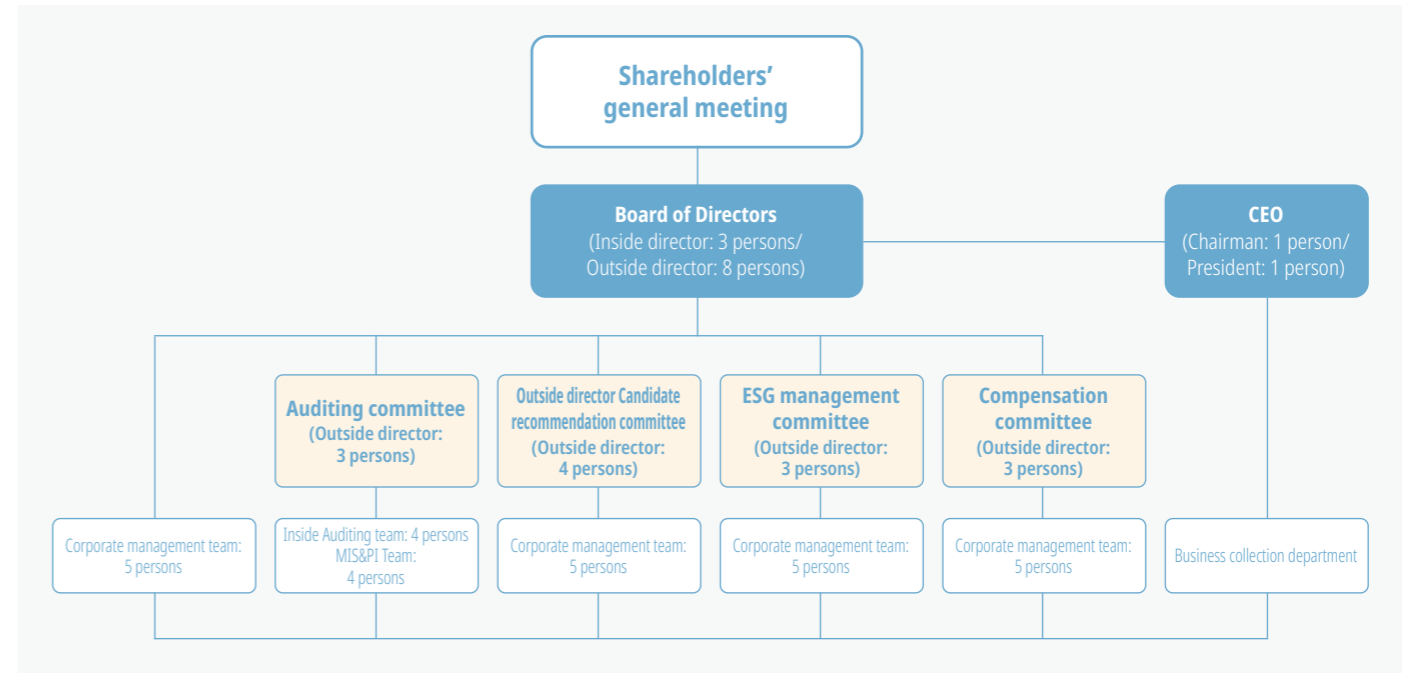
Governance charter

HANJIN KAL has enacted and practiced corporate governance charter at BOD in November 2019 to establish sound and transparent governance.

The preamble of corporate governance charter

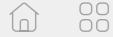
HANJIN KAL Corp. aims at driving sustainable growth as an enterprise, and is at the same time committed to go-ahead, balanced managerial activities so that such an effort could bring about customer satisfaction, growth of corporate members and partners, maximization of shareholder interest, happiness of the society, and the national economic and human progress. With a firm belief that establishing a more healthy, transparent corporate governance structure will be the stepping stone in realizing such management goal and philosophy, the Company enacts this 'HANJIN KAL's Corporate Governance Charter, as follows and has it as the general principle for the Company's management. The Company pursues lasting development of the corporate and shareholder values, ultimately gaining trust and respect from stakeholders by providing assistance to composition and activities of the professional and independent Board of Directors and supervising the management's responsible management through the Board of Directors according to this Charter.

Organization chart of governance



Effort to establish transparent and sound governance





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Shareholder-centric management

Shareholder-centered decision-making system

HANJIN KAL is making efforts to establish a process at the BOD level for managing and reviewing matters related to the protection of shareholder rights, in order to ensure that the interests of all shareholders are considered, not just those of specific shareholders. To this end, we established an ESG Management Committee composed solely of Outside directors to independently and objectively review and report to the BOD on key management issues related to corporate value and shareholder interests, matters related to communication activities targeting shareholders, and internal transactions.

Status of voting right

HANJIN KAL follows the principle of providing one voting right per one share in accordance with the principle of shareholder equality. Additional 1% of dividend based on par value is granted for preferred shares compared to ordinary shares, while having no rights to vote. If dividend have not paid in a certain fiscal year, voting rights of preferred shares are granted in subsequent stockholder's meeting.

HANJIN KAL's status of shares (as of the late of 2022)

Category	the number of shares available to issue	the number of issued shares	voting right
Ordinary share	235,000,000 shares	66,761,796 shares	Yes
Preferred share	15,000,000 shares	536,766 shares	No (In case of no dividend, it has a voting right)
Total	250,000,000 shares	67,298,562 shares	

General shareholders' meeting

HANJIN KAL has been holding regular general shareholders' meetings once a year for the past three years and has not held any special general meetings. To ensure that shareholders have sufficient time to review agenda items, HANJIN KAL has implemented a practice of providing its shareholders with a notice of the general meeting four weeks prior to the meeting date starting from 2022, which includes information such as the date, venue, and agenda. Additionally, HANJIN KAL enhances accessibility of foreign shareholders by uploading materials related to the meeting in English on its website.

HANJIN KAL holds a general shareholders' meeting on a day other than the days, when general shareholders' meetings are crowded, to allow shareholders to attend and express their opinions smoothly. The company also strives to actively communicate with shareholders even after the meeting by transparently disclosing the results of the meeting, the number of voting rights exercised, and the approval rates for each agenda item on its website.

Enhancement of the communication with shareholders

HANJIN KAL strives to provide accurate information in a timely manner to shareholders and stakeholders regarding various aspects of company management. HANJIN KAL provides business reports, quarterly and semi-annual reports, and performance data on DART and the company's website. It also conducts IR meetings targeting institutional investors and others. However, to ensure the fairness of information disclosure, we suspend IR activities until we announce financial results after the end of each quarter.

Furthermore, HANJIN KAL discloses contact information for IR inquiries and provides the contact details of the IR department in case of the contact through the company's main telephone number.

Policy for shareholder returns

HANJIN KAL recognizes the importance of shareholder returns for its value enhancement and has established and practiced a medium- to long-term dividend policy, which is disclosed annually.

For the business year of 2022, the dividend payout ratio was approximately 61% (based on separate financial statements, excluding one-time non-operating gains), with a dividend of KRW 170 per ordinary share and KRW 195 per preferred share.

Furthermore, in September 2022, in order to stabilize the stock price and enhance shareholder value, HANJIN KAL entered into trust contract for acquisition of treasury stock worth KRW 20 billion, and purchased 439,989 ordinary shares by March 2023.

HANJIN KAL will continue to make efforts to enhance shareholders' value and respect the rights of shareholders to receive appropriate levels of shareholder returns.

Medium and long-term dividend policy of HANJIN KAL (From 2020)

Return about 50% of the current net income (excluding one-time non-recurring profits) to shareholders based on separate financial statements

HANJIN KAL's dividend propensity in 2022



61%



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Composition of Board of Directors

Composition of BOD

HANJIN KAL's BOD consists of three Inside directors with extensive industry experience and eight Outside directors with diverse backgrounds in management, economics/finance, law, and fair trade. Outside directors are appointed through a resolution of the General Shareholders Meeting, following recommendations from the Outside director Candidate Recommendation Committee. During this process, shareholders who meet certain criteria can recommend candidates for Outside directors in accordance with the prescribed procedures. The personal information of director candidates, including Outside directors, is disclosed to shareholders through the convening notice of the General Shareholders Meeting.

BOD's independence

HANJIN KAL's BOD appoints an Outside director as the chairperson, separating the roles of the CEO and the BOD chairperson. In addition, the proportion of Outside directors is maintained at a high level of 73%, ensuring BOD with a high level of independence and objectivity. Furthermore, all committees are composed of Outside directors, granting them the authority to conduct prior deliberation on key matters discussed by BOD, thus maximizing the influence of Outside directors on shareholder rights and important management issues.

BOD's expertise and diversity

HANJIN KAL's Board of Directors is composed of directors with expertise in various fields, enabling them to make decisions based on a broad perspective and respond strategically to rapidly changing business environments.

The current BOD consists of experts in corporate management, finance, administration, accounting, finance, fair trade, and legal affairs. In addition, the company strives to appoint Outside directors with diverse qualifications and experiences, including professors, experienced public officials, and professionals, to avoid appointing directors with specific backgrounds and to create a balanced BOD. In 2020, the company appointed its first female Outside director to enhance gender diversity on the BOD.

HANJIN KAL will continue its efforts to strengthen the expertise and diversity of the BOD to achieve advanced management centered around the BOD

Board of Directors

Category	Name	Gender	Expertise	Main career	Date of appointment	Terms
Internal directors	Won-Tae Cho	Male	Business Management	Current Chairman & CEO of HANJIN KAL and KOREAN AIR	2023.03.22.	3 years
	Kyeong-Pyo Ryu	Male	Business Management	Current president & CEO of HANJIN KAL	2022.03.23.	3 years
	Eun-Yong Ha	Male	Business Management	Current vice-president(CFO) of HANJIN KAL and KOREAN AIR	2023.03.22.	3 years
Outside directors	Seok-Dong Kim	Male	Finance/Administration	Former chairman of Financial Services Commission	2023.03.22.	3 years
	In-Ki Joo	Male	Accounting/Finance	Former President of International Federation of Accountants	2022.03.23.	3 years
	Soon-Sik Ju	Male	Fair trade	Former standing member of Fair Trade Commission	2022.03.23.	3 years
	Young-Seog Park	Male	Banking/Finance	Current professor at school of business in Sogang University	2023.03.22.	3 years
	Uni Choi	Female	Law	Current professor at Konkuk University's Graduate School of Law	2023.03.22.	3 years
	Bhang-Gil Choi	Male	Banking/Finance	Former Chairman of the Korea Financial Investment Association's Self-Regulatory Committee	2021.03.26.	3 years
	Jae-Joon Han	Male	Banking/Finance	Current Professor of Global Finance at Inha University	2021.03.26.	3 years
	Hyo-Kwon Kim	Male	Law	Current representative lawyer at the law firm named 'First'	2021.03.26.	3 years



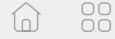
Ratio of Outside directors
in BOD

73%



Composition of Outside
directors in committees under
BOD

100%



Operation of Board of Directors

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Operation and activity of BOD

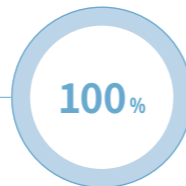
HANJIN KAL's BOD has the power to deliberate on important matters such as financial statements and internal transactions, with its chairman having authority to convene and preside over meetings. Through the organization supporting BOD, Outside directors are provided with sufficient time and information to understand the agenda items and are encouraged to actively participate in board discussions by providing reports on schedule and agenda.

In addition, the Representative and Inside directors, as members of the company's management team and BOD, make sincere efforts to consult and reach unanimous understanding and agreement with Outside directors on matters pursued by the company. Through these efforts, HANJIN KAL aims to establish a high-level decision-making system and a BOD-centric management system, and strives to take a leading role in the governance structure as the holding company of the group.

Major activities of BOD in 2022

Meeting date	Agenda
22.01.28.	6 items including the 2022 business plan
22.02.23.	6 items including the approval of operation for the first quarter stock-secured loans
22.03.24.	2 items including the appointment of the CEO
22.05.13.	3 items including the report on the first quarter financial statements
22.06.13.	Approval of the sale of stakes in Jin Air
22.08.12.	2 items including the report on the 2022 interim financial statements
22.09.21.	Approval of the contract for the repurchase of HANJIN KAL treasury stocks
22.11.04.	6 items including certain accounts in the board regulations

Attendance rate of Outside directors at the BOD in 2022



Operation of committees under BOD

HANJIN KAL's BOD operates four committees under itself to enhance the efficiency and expertise of its operations. These committees include the Audit Committee, the Outside director Candidate Recommendation Committee, the Compensation Committee, and the ESG Management Committee.

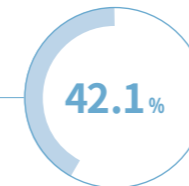
Each committee is composed of Outside directors only to ensure independence, and their roles, authority, expertise areas of Outside directors. Besides, their appointment is comprehensively considered in order to prevent imbalances and excessive concurrent positions of specific Outside directors.

The committees contribute to the BOD's ability to reach rational decisions by conducting in-depth and focused discussions and reviews on significant management matters prior to deliberations at BOD meeting

Status of committees under BOD

Name	Purpose and responsibilities	Composition
Audit Committee	Supervision of the work of the BOD and directors, and audit of the company's accounting	Bhang-Gil Choi (chairperson), Jae-Joon Han, Hyo-Kwon Kim
Outside director Candidate recommendation committee	Verification of Outside director candidates and recommendation of them to general shareholders' meeting	In-ki Joo (chairperson), Young-Seog Park, Uni Choi, Jae-Joon Han
ESG Management Committee	Protection of shareholder rights and internal transactions, and deliberation on ESG-related management matters	Soon-Sik Ju (chairperson), Uni Choi, Hyo-Kwon Kim
Compensation Committee	Review of director's remuneration limits and compensation system	Young-Seog Park (chairperson), Uni Choi, Jae-Joon Han

Rate of advance review on BOD agenda in 2022 (standard of agenda for deliberation)



Operation of ESG management committee

The ESG Management Committee of HANJIN KAL performs the function of reviewing key management activities that can have a significant impact on internal transactions and shareholder rights. In particular, it is empowered with a high level of deliberation authority over ESG-related management matters, thereby performing the function of enhancing ESG performance and increasing shareholder value.

Furthermore, as a supporting body, HANJIN KAL establishes a ESG working council of HANJIN Group to contribute to enhancing the group's ESG management capabilities and formulating a systematic group ESG strategy.

Activities of ESG management committee in 2022

Meeting date	Title of agenda	Participation
22.02.22.	• Agenda for prior review of funding for loan to KAL Hotel Network Co., Ltd. • Report on 2022 Group ESG implementation plan 4/4	4/4
22.05.11.	• Agenda for prior review of funding supplement agreement for loan conversion of KAL Hotel Network Co., Ltd.	3/3
22.06.09.	• Agenda for prior review of Jin Air shares sale	3/3
22.09.20.	• Agenda for prior review of trust agreement for repurchase of HANJIN KAL treasury stocks	3/3
22.11.02.	• Agenda for prior review of renewal of trademark license agreement with KOREAN AIR Co., Ltd. and amendment of trademark usage fee for 2022 • Agenda for prior review of total transaction amount limit with affiliates for 2023 • Agenda for prior review of funding extension (draft) for KAL Hotel Network Co., Ltd.	3/3



Ethical management system

HANJIN Group pursues corporate management that enhances its value and contributes to social and economic development by sharing its corporate philosophy that it will implement transparent and responsible management, by practicing free and fair competition, and by complying with laws, regulations, and corporate ethics.

Guideline to comply with Code of Ethics and ethical standard

HANJIN Group clearly presents its corporate values and goals that the group will pursue the Code of Ethics, which serves as the foundation for ethical business activities. Each affiliate shares a common commitment to transparent and responsible management through the Code of Ethics, which contains the group's common standards. By complying with laws, regulations, and corporate ethics in a free and fair competition, they aim to enhance corporate value and actively contribute to social and economic development. HANJIN Group's guidelines to implement Code of Ethics provide specific operational guidelines for each section of the ethical norms (main text) outlined in the Code of Ethics, enabling all employees to make sound judgments and decisions and to act in a correct manner. These guidelines apply not only to regular employees but also to temporary and contract workers, ensuring all employees within the company to practice ethical management.

HANJIN KAL pursues corporate management that enhances its value and contributes to social and economic development by sharing its corporate philosophy that it will implement transparent and responsible management, by practicing free and fair competition, and by complying with laws, regulations, and corporate ethics.

- We prioritize customer satisfaction as our utmost value.
- We strive to maximize investor's value.
- We respect and strive for the improvement of the quality of life of each employee.
- We pursue mutual development through trust and cooperation with partners.
- We promote fair competition and make efforts to maintain it.
- We actively contribute to the sound development of the country, society, and environmental preservation.
- We empathize with the corporate philosophy and fulfill our obligations and responsibilities for it.

HANJIN KAL's ethical standards

Item	Implementation guideline
Obligation and responsibility for customers	<ul style="list-style-type: none"> • Provision of high-quality service giving customers satisfaction • Respect for customers and protection of their rights
Obligation and responsibility for investors	<ul style="list-style-type: none"> • Securing investors' trust • Protection of investors' rights • Improvement of the investment value
Obligation and responsibility for employees	<ul style="list-style-type: none"> • Respect for individual employees • Provision of future-oriented vision to employees • Improvement of employees' living quality
Obligation and responsibility for partners	<ul style="list-style-type: none"> • Establishment of mutual trust with partners • Establishment of procedures for fair and transparent transaction • Seeking mutual growth
Fair competition with competitors	<ul style="list-style-type: none"> • Fair competition • Improvement of customer satisfaction through competition
Obligation and responsibility for our country and community	<ul style="list-style-type: none"> • Contribution to the development of our country and community • Protection and preservation of environment
Obligation and responsibility of employees for their company	<ul style="list-style-type: none"> • Empathy with corporate philosophy • Basic ethics of employees • Compliance with laws and management policy
Operation of guidelines for implementing Code of Ethics	<ul style="list-style-type: none"> • Operation of education related to ethical management • Obligation to report violation of the Code of Ethics • Submission of pledge to practice ethics

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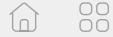
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Ethical management system

Ethical management committee

HANJIN KAL ethics management committee is an independent committee established to oversee the transparent, sound, and ethical operation of HANJIN KAL and its major affiliates. The committee consists of five external members with expertise and experience in legal compliance and ethical management, as well as two internal members.

Authority and role of ethical management committee

Ethical management committee serves as the supporter to help the operation of the following group-wide ethical management.

	<p>Monitoring on ethical management</p> <ul style="list-style-type: none"> Registration of compliance and ethics-related matters requiring collection and review of reports on misconduct and other compliance violations within each affiliate In case of matters requiring corrective action and improvement, we provide them with opinions and recommend taking measures, and publicly disclose relevant information on the HANJIN KAL Ethics Committee website if they don't implement corrective measures.
	<p>Establishment of ethical management policy</p> <ul style="list-style-type: none"> Development and evaluation of group-wide compliance policies and plans Advice and support for the establishment of compliance organizations and policy formulation within each affiliates
	<p>Inspection on ethical management</p> <ul style="list-style-type: none"> Advice and support for checking, managing, evaluating, and guiding the implementation of compliance policies within each affiliate, including auditing on violations Operation of programs for gathering employees' opinions related to compliance investigations within each affiliate

Activities of ethical management committee

The Ethics Management Committee, established in 2021, laid the foundation by developing the committee's operational regulations in its early stages and engaged in activities to improve the system based on external reports.

In 2022, it strived to elevate and establish ethical management as the foundation and corporate culture of the group. The committee analyzed and referred to compliance activities of other companies to establish measures to strengthen ethical management within the group, and based on this, it actively carried out group-wide ethical management activities.

Specifically, it established a regular compliance inspection system for group companies to enhance ethical management. The committee improved the website to promote group compliance activities externally and encourage them to report. Furthermore, it strived to establish a more objective and transparent legal management system within group companies and encourage them to acquire legal management certifications from external organizations. As a result, HANJIN KAL and KOREAN AIR obtained certification for the ISO 37301, an internationally recognized standard for compliance management systems by the International Organization for Standardization (ISO).

In addition, the Committee selected messages necessary for the group at the end of the year and disseminated them to all employees, thereby raising their ethical awareness. The Committee also conducted activities such as reviewing the ESG activities of all group companies and providing feedback to improve the level of overall ESG management in the group. Through these measures to strengthen group compliance activities, the Committee made tangible improvements to the ethical management of HANJIN Group and made efforts to ensure that employees, customers, shareholders, and other stakeholders can perceive these improvements.

Regular meetings of ethical management committee

The committee conducted regular meetings over a total of four quarters as follows: specifically, reporting audit results on matters received by the Ethics Management Committee, establishing a regular compliance inspection system for the group, examining and seeking improvement measures for the governance of the group, including the Board of Directors, as well as checking and exploring improvement measures for the group's ESG activities. The Committee also discussed and deliberated on selecting measures to strengthen the group's compliance activities. In addition, the Ethics Management Committee provided feedback of emphasizing the need for thorough compliance management in relation to recommended improvements to the relevant systems for the matters received, to the Act on Punishment of Major Disasters and aviation safety in order to ensure that HANJIN Group operates its ethical management in a more transparent and fair manner.

Regular meeting of ethical management committee in 2022

Meeting	Main agenda
<p>The seventh (22.03.03.)</p>	<ul style="list-style-type: none"> Report on the result of monitoring/auditing the reported cases received by ethical management committee Assessment of the auditing result and recommendation of the follow-up measures
<p>The eighth (22.06.02.)</p>	<ul style="list-style-type: none"> Report on the plan to prevent reoccurrence and improve system according to the recommendation of the follow-up measures in the seventh meeting National Pension Service's report on the process of changing the goal of investment in HANJIN KAL's share Report on the result of regular general shareholders' meeting and on the status of BOD in HANJIN Group
<p>The ninth (22.09.01.)</p>	<ul style="list-style-type: none"> Deliberation on selection of the plan to enhance the compliance activities of ethical management committee Report on the status of the system monitoring the compliance of HANJIN Group
<p>The tenth (22.12.01.)</p>	<ul style="list-style-type: none"> Report on the result of monitoring HANJIN related to the received reports Report on the status and the result of the plan for enhancing compliance activities



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Ethical management activities and monitoring

Ethics Management Committee's operation of homepage

HANJIN Group has the Ethics Management Committee homepage where HANJIN KAL regularly operates and posts the status of the group's compliance inspection system and committee activities to disclose its ethical management activities.

In addition, to address the restraint that it is not available to directly report any violations on the existing homepage, the group established an 'Online Reporting' system in 2022,, allowing whistleblowers to report directly on the HANJIN KAL and Ethical Management homepage, and provided the instructions in detail on the homepage. Through this, HANJIN Group has simplified the reporting process and brought about the effect of activating the reporting process.

Entire employees' pledge for practicing ethical management

HANJIN Group and its affiliates conduct ethical management education for employees once a year through online platforms, and make efforts to encourage those who have not completed the training by sending reminder emails, ensuring that employees can acquire ethical management knowledge.

Additionally, all employees of HANJIN KAL, KOREAN AIR, and HANJIN pledge to faithfully fulfill the responsibilities and obligations entrusted to them as employees of the company by signing an Ethics Practice Pledge, and to strictly abide by the contents of the pledge in performing their duties. In this way, HANJIN Group will continue to strive to earn trust from customers and stakeholders, and establish a healthy and transparent organizational culture.

Enhancement of the capability of the staff dedicated to compliance

HANJIN Group held the Seminar for enhancing its workforce's compliance to strengthen their capabilities in 2022. Organized by the Ethics Management Committee, the seminar provided and shared an in-depth introduction of group compliance activities, along with lectures and discussions by external legal management experts.

We shared the results of a survey on the compliance inspection systems of each affiliate, and there was a session to introduce the organizational structure, legal control activities, standards and regulations, compliance training status for employees, and the system for registering reports. In addition, there were lectures on domestic and international ESG management trends and practical approaches to ethical management, followed by discussions on the direction of ESG management and ethical management that HANJIN Group should pursue. HANJIN Group will continue to make efforts to continuously enhance the capabilities of compliance professionals within the group.



HANJIN Group seminar for enhancing the role of compliance

Holding the management meeting

HANJIN Group held a meeting among the management of its major affiliates to strengthen ethical management through the proactive expression of the management's commitment. The management meeting was attended by members of the Ethics Management Committee and representatives from seven group companies, where they shared efforts and tangible achievements in ethical management and explored directions for continuous development. In addition, they adopted the resolution for ethical management, reaffirming their commitment to practicing ethical management based on a strong sense of compliance within the management of each affiliate.

The ethical management resolution of HANJIN Group's management includes the following points: 1) The management of each group company pledges to pursue and practice ethical management based on a strong sense of compliance, striving to satisfy stakeholders such as customers and employees and respecting the individual's rights. 2) They prioritize the safety of customers, business partners, and employees, actively practicing ESG management, and 3) They actively cooperate with the Ethics Management Committee and make efforts for the development of group-wide ethical management.

HANJIN Group plans to continue its efforts to prioritize ethics in corporate management and business activities, striving for transparent, fair, and rational business practices.



Management meeting in HANJIN Group



System for reporting internal corruption

HANJIN Group operates a system for reporting internal corruption to establish a risk management system that aims to minimize the occurrence of internal corruption through compliance with ethical standards, prohibit retaliatory actions against whistleblowers, protect whistleblowers, and prevent internal corruption from leading to external exposure, thereby minimizing the company's damages.

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Targets to report	
	1 Violation of laws, ethical standards, and operational guidelines by oneself and other employees
	2 Employee's misconduct (embezzlement, accepting bribes, etc.)
	3 Damage to company assets and personal use of them by employees
	4 Unfair orders or coercion from superiors (unethical or illegal acts)
	5 Retaliation against legitimate whistle blowing (disadvantages in personnel, unfair treatment, threats, etc.)
Procedure for handling reports	
	1 After reviewing whether to conduct an investigation into the reported content, report to the executive in charge.
	2 Conduct an investigation into the reported content according to the instructions of the executive in charge and notify the whistleblower of the results.
	3 Thoroughly protect the identity and reported content of the whistleblower
	4 Thoroughly protect the identity and confidentiality of individuals who provided information and documents during the investigation process.
	5 Keep the reported content, investigation-related materials, and results in confidential documents and do not disclose them to external parties as required by law.

Whistleblowing system of Major affiliates

HANJIN KAL operates an online reporting system called 'Online whistle blowing' on the Ethics Management Committee's website, where reports regarding violations of legal and ethical obligations by HANJIN KAL and its major affiliates are received. Specifically, if we discover any violations of legal regulations or ethical norms, whether they were committed by individuals or by others, anyone can report them directly or through the reporting form attached to e-mail (compliance@HANJINKal.com). We have institutionalized these measures to ensure that whistleblowers are protected strictly according to principles and procedures, and we make recommendations for actions to the group companies based on the investigation results of the reports.

KOREAN AIR operates a channel for reporting internal corruption through its website and internal portal system as a specific measure for ethical management. Through this channel, employees, customers, shareholders, and other stakeholders can report various unfair practices related to violations of laws, corrupt acts, improper acts, or any other unjust behaviors that may occur in transactions with business partners. In addition, individuals who reported

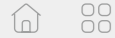
internal corruption are thoroughly protected according to principles and procedures to prevent any retaliatory measures.

HANJIN operates a cyber audit office as a channel for reporting facts that violate corporate ethics, such as corrupt acts, unfair business practices, improper demands, or unfair trading practices done by employees. It is a public system designed to detect hidden corrupt acts, and we handle the received information confidentially. We impose strict investigations and severe penalties on the accused, while HANJIN give special rewards to the whistleblowers.

Furthermore, HANJIN encourages voluntary reporting through the Leniency Program, where employees can self-report instances of corruption or job-related errors. In such cases, partial immunity is possible, aiming to encourage employees to voluntarily report ethical issues that may arise unavoidably.

Hanjin Leniency System

Category	Details
Range of exemption	<ul style="list-style-type: none"> Acts that violate ethical management Cases where someone processed work in violation of company regulations and guidelines (SOP, etc.) The other acts similar to the above that cause damage to the company
Non-compliance with performance guidelines against ethical issues	<ul style="list-style-type: none"> In the case of minor issues, exemption is possible. In the investigation process, if the voluntary reporter actively cooperates and faithfully follows the instructions of management, we can expand the reduction. If it is an intentional or serious mistake, we can minimize the degree of reduction.
Non-compliance with standard business processing procedures and regulations	<ul style="list-style-type: none"> In the case of minor matters and when the damage amount is recovered, exemption is possible If it is intentional or a serious mistake, the reduction range decreases If more than 90% of the damage amount is not recovered, the reduction range decreases.



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Compliance management system

HANJIN Group strives to ensure the trust of various stakeholders by strictly adhering to laws and regulations and conducting business based on transparent and objective criteria, in order to establish a solid foundation for sustainable corporate growth.

Governance for compliance management

HANJIN Group launched the Compliance Committee in July 2018 based on the strong commitment of top management to enhance the Group's compliance management. Afterwards, the Group established the Ethics Management Committee by expanding and reorganizing the existing Compliance Committee in January 2021.

Ethical Management Committee is an independent organization deliberating on compliance consisting of a chairperson and six members in the field of compliance management. It performs the functions of supervising the Group's compliance management, establishing policies related to compliance management, and overseeing the compliance activities of Group companies, thereby leading the Group's compliance management.

In addition, HANJIN Group operates a compliance supporter system which is responsible for the compliance with control standards that employees must follow when performing their duties. The legal supporter and assistance organization are composed of in-house lawyers who make efforts to identify and respond appropriately to legal risks related to employee duties, and check the compliance control standards annually to report the results to the BOD.

Compliance Management Systems

HANJIN KAL and its major affiliates have established a norm compliance management system to practice lawful management efficiently. The 'Norm Compliance Management System (ISO37301)' is an international standard set by the International Organization for Standardization (ISO) to certify whether a company's compliance policy and risk management system are in line with global standards. HANJIN Group will continue to strive to further develop the group's lawful management with all employees and affiliates.

In December 2022, HANJIN KAL obtained an international standardization organization (ISO) certification for the Norm Compliance Management System (ISO37301-Compliance Management Systems) from the Korean Management Certification Institute. As part of the activity reinforcement plan, the HANJIN KAL Ethics Management Committee recommended that the compliance system of group companies be established in accordance with global standards in 2022. Accordingly, HANJIN KAL began the ISO37301 certification process in 2022 and obtained the Norm Compliance Management System certification.

As the first domestic airline in 2023, KOREAN AIR has obtained ISO37301 (Norm Compliance Management System) certification, thereby establishing a lawful management system in line with international standards and operating a comprehensive legal risk identification and management system.

Implementation of compliance education

HANJIN Group annually raises the awareness and capabilities of its employees regarding legal compliance through compliance education. All employees are required to sign a compliance pledge. Moreover, compliance education is conducted for new employees and relevant personnel as well. The main contents include guidance on HANJIN Group's compliance activities, corporate ethics and legal management education, understanding and prevention of bribery and financial misconduct, education on fair trade law and subcontracting law, and creating a bright and healthy workplace (prevention of workplace harassment). In addition to educating internal employees, we are continuously striving to strengthen compliance capabilities by disseminating compliance education and raising awareness on compliance among relevant stakeholders through activities such as training for partners and group meetings throughout the year.

Status of conducting compliance education at HANJIN KAL in 2022

Date	Education content
2022. 01	Guidelines on internal transactions according to the Revised Fair Trade Act
2022. 07	Guidelines on prohibition of using undisclosed information
2022. 08	Guidelines on Capital Market Act, Personal Information Protection Act, Fair Trade Act, and Anti-Corruption Act * Preparation of Compliance Pledge
2022. 09	Guidelines on unfair trading practices according to the Capital Market Act



Award ceremony for the certification on compliance management system in HANJIN KAL



Award ceremony for the certification on compliance management system in KOREAN AIR



Training new hires of HANJIN Group



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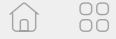
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Status of compliance activities

HANJIN Group has established regular inspection system on a compliance activity through the Ethics Management Committee. The Ethics Management Committee sets compliance inspection items every year and assesses the status of compliance activities through the compliance organizations of each group company, providing recommendations for improvements in areas that require enhancement. Through this regular inspection system, HANJIN Group is continuously enhancing its compliance activities.

Affiliates	Compliance Organization	Compliance Activity	Compliance Education
HANJIN KAL	Legal Affairs Team Internal Auditing Team compliance officer	<ol style="list-style-type: none"> Monitoring whether to abide by Compliance Control Standards and reporting the result to the BOD Regular/special/compliance checks conducted as part of internal control activities across all affiliates Compliance training for employees (regular and ad-hoc training) Operation and handling of whistleblower reporting system Education, checks, and support for all affiliates regarding regulations, systems, and disclosures related to large-scale corporate diagnosis by the Fair Trade Commission Review and provision of opinions on contracts and legal disputes 	<ol style="list-style-type: none"> Education on Code of Ethics/Code of Conduct Implementation Guidelines Guidance on compliance with the Anti-Corruption Act Compliance guidance on the prohibition of using undisclosed information under the Capital Market Act Key provisions of the Major Accidents and Disasters Punishment Act and its enforcement decree Notable points related to the revised Fair Trade Act Training for new employees and experienced employees
KOREAN AIR	Legal department Audit & Inspection Department (compliance team) compliance officer	<ol style="list-style-type: none"> Compliance check on employees' adherence to legal standards Operation of compliance supporter system and personnel in charge of voluntary compliance with fair trade system by department Receipt of employee compliance pledge and antitrust compliance pledge Implementation of employee compliance training (regular and ad-hoc training) Operation of legal support site, Help Desk, and Compliance Newsletter Review of large-scale internal transactions and other matters related to the Fair Trade Act Monitoring and implementation of measures for domestic and international personal information protection regulations, legal notices, and consultation provision Review and provision of opinions on contracts and legal disputes 	<ol style="list-style-type: none"> Understanding the prohibition of bribery and accepting bribes Antitrust compliance Understanding the legal support system Understanding acts of abuse of market dominance and unfair trade practices Creating a bright and healthy workplace (education on prevent workplace harassment/ bullying) Ethical management of our company (in English/Korean) Prevention education on sexual harassment Aviation legal affairs - contracts/antitrust/aviation transportation, etc.
HANJIN	Legal department Audit & Inspection Department compliance officer	<ol style="list-style-type: none"> Investigation and actions regarding reports of unfair trade practices Online education on the Fair Trade Act (Korea, U.S.) and emphasis on compliance notices Receipt of pledges for compliance with fair trade and ethics laws Production of self-compliance handbooks, posting on the website, and distribution within the company Distribution of checklists for fair trade laws by business units and analysis of violation risks by subcontract Emphasis on prohibition of collusion and precautions for bidding departments Ongoing checks and provision of opinions on compliance training and legal issues Review of contracts and legal advice to prevent violations of fair trade laws and regulations, and provide alternatives 	<ol style="list-style-type: none"> Declaration of commitment to fair trade compliance by the CEO Education on the Fair Trade Act and subcontracting law Guidance on key contents and precautions for compliance with the revised Fair Trade Act Compliance with ethical management and education on U.S. Fair Trade Act Special emphasis on compliance with ethical behavior, such as prohibition of solicitation/ instruction of partners New employee and experienced employee training for employment



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Integrated Risk Management System

HANJIN Group actively manages and responds to risks that may arise in its business activities based on internal regulations and team-specific work manuals. In addition, it has established a systematic risk management system at the corporate level to operate an effective response system in case of risk occurrence.

Risk Management Governance

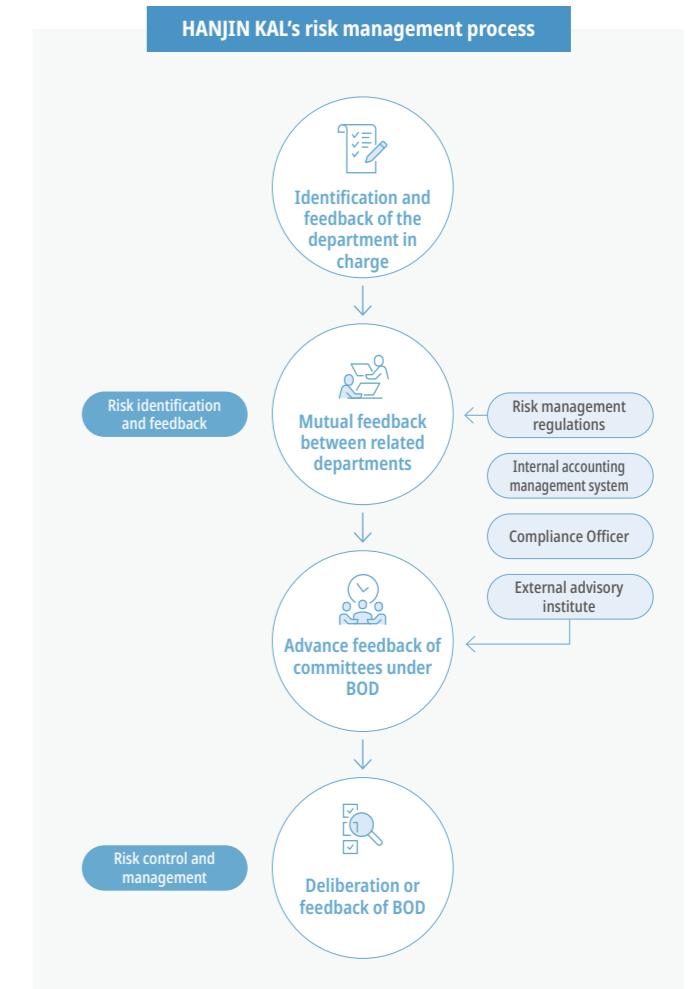
HANJIN Group operates a corporate-level risk management governance that is led by each internal management organization by risk type, integrated management by risk management/monitoring organizations, and the final supervision of the BOD. Each internal management organization identifies specific risks by type, and one committee under the BOD responsible for integrated risk management and monitoring discusses and diagnoses the corporate-level risk response strategy.

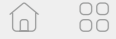
HANJIN KAL operates four committees within the BOD to prevent various risks in its business activities. These committees are systematically and professionally designed to meet the purpose of operation according to the experience and competence of directors for efficient and professional risk management. The Audit Committee reviews matters that may cause financial risks and anticipates and responds to risks that may affect the reliability of the company's financial statements. The ESG Management Committee manages related risks by reviewing overall matters related to a company's ESG-related business activities. The Nomination Committee for Outside Director Candidates minimizes legal risks and governance risks that may arise in relation to the appointment of outside directors, and the Compensation Committee makes efforts to manage risks related to compensation.

Risk Management Process

HANJIN Group has established a risk management process that goes through risk identification/review by the related departments and control/management by the BOD. First, it identifies and reviews each risk that may occur based on relevant laws and team-specific work manuals, and then the department in charge collaborates with the related department to identify/review the risk. Each board committee within the BOD strives to efficiently and systematically control the company's overall business risks through a decision-making process that includes prior review and risk control/management.

HANJIN KAL is making efforts to efficiently and systematically control the company's overall business risks by establishing a risk management process based on HANJIN Group's process.





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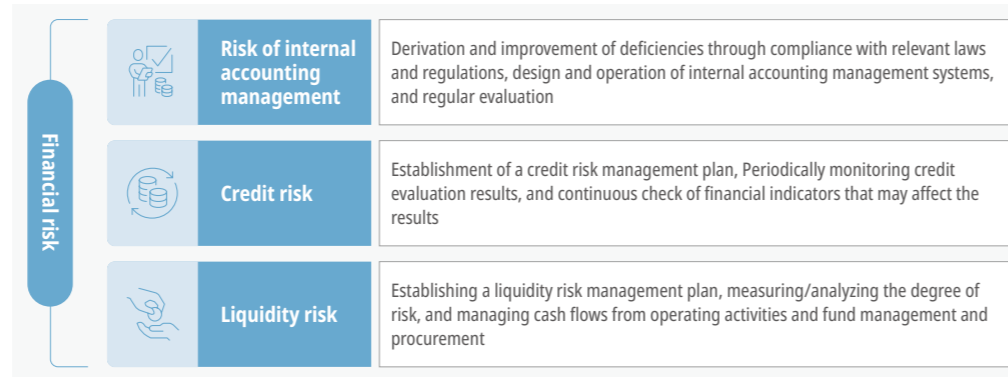
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Risk Management by Risk Type

HANJIN Group classifies and manages financial and non-financial risks based on their importance and likelihood of occurrence in order to respond to crisis situations with detailed and appropriate measures. Specifically, we continuously engage in risk management activities tailored to each type of risk, starting from proactive preventive measures, identifying, measuring, and evaluating the causes and magnitude of risks.

Financial Risks

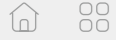
HANJIN Group separates and manages risks related to finance as financial risks. We classify and manage three types of risks: internal accounting control risks, liquidity risks, and credit risks, which are considered important and highly likely to occur. By taking proactive measures against financial risks that could lead to fluctuations in the company's financial position and future market volatility, we strive to enhance financial stability.



Non-financial risks

HANJIN KAL classifies all non-financial risks that may occur in its business activities as non-financial risks. Specifically, we classify and manage ESG risks, legal risks, disclosure risks, safety risks, ethical risks, and security/IT risks based on their importance and type. Non-financial risks can affect various stakeholders of the company and their scope is diverse. Therefore, HANJIN KAL will establish an identification and response system for non-financial risks to perform systematic risk management and improvement.





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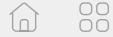
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Economic performance

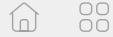
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Sort	Index	Unit	HANJIN KAL		
			2020	2021	2022
Summary statement of financial position	Current assets	Million KRW	1,198,348	405,787	537,969
	Fixed assets	Million KRW	2,290,221	3,348,955	3,377,108
	Total assets	Million KRW	3,488,569	3,754,742	3,915,077
	Current liabilities	Million KRW	888,568	1,307,069	978,767
	fixed liabilities	Million KRW	935,736	623,455	360,253
	Total liabilities	Million KRW	1,824,304	1,930,524	1,339,020
	Capital	Million KRW	166,998	168,189	168,246
	Paid-in capital	Million KRW	1,974,749	2,014,000	2,007,508
	Other components of equity	Million KRW	212,493	213,596	340,898
	Retained earnings	Million KRW	(840,205)	(795,719)	(50,696)
Summary income statement	Non-controlling interest	Million KRW	150,230	224,152	110,101
	Total equity	Million KRW	1,664,265	1,824,218	2,576,057
	Sales	Million KRW	137,442	148,425	200,336
	Cost of Sales	Million KRW	121,485	104,299	123,248
	Gross profit	Million KRW	15,957	44,126	77,088
	Operating Income(loss)	Million KRW	(36,433)	(9,928)	14,487
	Net income before income tax expense	Million KRW	(156,139)	75,569	438,304
	Net income(loss) on continuing operations	Million KRW	(151,133)	97,982	405,889
	Profit(loss) from discontinued operations	Million KRW	(190,400)	(133,678)	253,679
	Net income	Million KRW	(341,533)	(35,696)	659,568
Other comprehensive income	Million KRW	51,750	34,714	192,357	
Total comprehensive income	Million KRW	(289,783)	(982)	851,925	

Distribution of economic performance

*Written by the standard of HANJIN KAL's consolidated financial statements

Sort	Index	Unit	HANJIN KAL		
			2020	2021	2022
National	Corporate tax	Million KRW	129	79	96,615
Shareholders	Dividend	Million KRW	-	-	11,419
Partners	Purchase cost	Million KRW	1,535	1,463	1,499
Employees	labor cost	Million KRW	6,824	7,729	10,919



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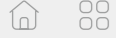
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Environmental Performance

In case of no separate comment on the reporting scope, HANJIN KAL, KOREAN AIR, and HANJIN are the standard.

Sort	Index	Unit	2020	2021	2022	Note	
Energy usage	Amount of energy use	Non-renewable energy	TJ	112,010	110,950	135,542	
		Renewable energy	TJ	-	-	186	KOREAN AIR
		Total	TJ	112,010	110,951	135,728	
	Energy use intensity	Energy use per turnover	TJ/100 million KRW	1.12	0.95	0.79	
		Total	TJ/100 million KRW	1.12	0.95	0.79	
Water resource usage	Used amount of water resource	Non-renewable water	Ton	932,830	706,465	718,786	
		Renewable water	Ton	14,898	12,845	15,092	
		Total	Ton	947,728	719,310	733,878	
GHG emission	Amount of GHG emission	Scope1(Direct emission)	tCO ₂ eq	7,717,239	7,592,686	8,713,432	
		Scope2(Indirect emission)	tCO ₂ eq	66,094	61,492	65,263	
		S1+S2 Total	tCO ₂ eq	7,783,333	7,654,178	8,778,694	
		Scope3	tCO ₂ eq	1,623,327	1,700,334	1,975,406	KOREAN AIR
	GHG emission intensity	GHG emission per sales	tCO ₂ eq/100 million KRW	78.12	65.59	51.20	
		Total	tCO ₂ eq/100 million KRW	78.12	65.59	51.20	
Waste generation and disposal	Amount of waste	General waste	Ton	12,584.0	7,803.6	9,572.6	
		Specific waste	Ton	1,203.0	678.0	982.0	
		Total	Ton	13,787.0	8,481.6	10,554.6	
	Waste disposal	Incineration	Ton	4,915.0	1,890.0	2,381.1	
		Landfill	Ton	50.0	13.6	7.3	
		Recycling	Ton	6,988.0	4,672.7	6,278.7	
Eco-friendly investment	Price of purchasing eco-friendly item	Million KRW	879	2,342	8,306		
	Eco-friendly investment	Million KRW	6,563	4,247	779,995		
Compliance with environment	Violation of environmental law and regulation	Financial sanction	Cases	-	2	-	
		Non-financial sanction	Cases	-	-	-	
		Amount of fine	Million KRW	-	3	-	



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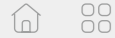
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Social Performance

In case of no separate comment on the reporting scope, HANJIN KAL, KOREAN AIR, and HANJIN are the standard.

Sort	Index	Unit	2020	2021	2022	Note	
Safety management	Accident rate	%	0.09%	0.09%	0.24%		
	No. of accident cases	No. of injury	Cases	19	17	49	
		No. of mortality	Cases	0	2	1	
	Lost Time Incident Frequency Rate (LTIFR)	Accident cases per one million hour	0.49	0.74	2.08		
	Safety education time	Hour	132,567	229,686	313,470		
	No. of safety education participants	Persons	35,590	41,053	53,958		
	Time for safety education per personnel	Hour/Person	3.72	5.59	5.81		
Mutual growth	No. of total partners, company	Companies	2,135	1,901	1,885	KOREAN AIR, HANJIN	
	No. of major partners, company	Companies	276	240	307	KOREAN AIR, HANJIN	
	Amount of purchase in total partners	100 million KRW	1,252	1,527	2,040	HANJIN	
	Amount of purchase in major partners	100 million KRW	1,029	1,315	1,585	HANJIN	
Social contribution	Cash donation	million KRW	10,466	2,958	6,862		
	Investment in local community	million KRW	7,582	3,275	7,002		
	No. of participants in talent donation	Persons	230	77	810	KOREAN AIR, HANJIN	
Customer satisfaction	No. of cases to receive customers' opinions	Cases	244,509	276,888	192,447	KOREAN AIR, HANJIN	
	No. of cases to handle customers' opinions	Cases	244,509	276,887	192,445	KOREAN AIR, HANJIN	
	Rate of handling customers' opinions	%	100.0%	100.0%	100.0%	KOREAN AIR, HANJIN	
Information protection	Personnel subject to privacy protection education	Persons	21,220	20,499	20,429		
	Personnel completing privacy protection education	Persons	21,220	20,499	20,429		
Ethics and compliance	Ethics/compliance education time	Hour	15,601	19,372	32,688		
	No. of participants	Persons	19,450	28,391	39,917		
Fair competition	Total amount of fine	10 thousand KRW	864,900	8,000	67,900		
	No. of non-monetary sanction case	Cases	4	3	7		
	No. of lawsuits	Cases	3	2	-		
Violation of law	No. of violation of law and regulation	Cases	5	9	1		
	Cost of punishment or fine	10 thousand KRW	29,864	271,247	38,736		



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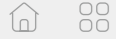
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Employee Status

In case of no separate comment on the reporting scope, HANJIN KAL, KOREAN AIR, and HANJIN are the standard.

Sort	Index	Unit	2020	2021	2022	Note			
Status of membership	General status (executives and regular staff only)	male	Persons	12,451	12,132	11,923			
		female	Persons	9,095	8,793	8,758			
		total	Persons	21,546	20,925	20,681			
	By position	Male managers	Persons	3,200	3,294	3,328			
		Female managers	Persons	1,803	2,057	2,349			
		total	Persons	5,003	5,351	5,677			
		Rate of female managers	%	36.0%	38.4%	41.4%			
Creation of employment	Status of creation of employment and change	New recruit, persons	Persons	319	374	589			
		No. of turnover(voluntary and urged turnover)	Persons	973	734	810	In case of HANJIN, we included the number of voluntary turnover only		
		Turnover rate	%	4.5%	3.5%	3.9%			
		Total cost of welfare benefit	Million KRW	280,548	373,303	447,839			
Welfare benefit	Average cost of welfare benefit per personnel		10 thousand KRW	1,302	1,784	2,165			
		No. of using parental leave, persons	Persons	514	477	541			
		Status of using parental leave and returning to work after parental leave	No. of returning to work after parental leave, persons	Persons	532	531	535		
			Rate of employees who have worked for at least 12 months after parental leave	%	89.8%	98.8%	97.1%		
		Education and training	Total education status (including mandatory education)	Total education/training hours	Hour	796,579	766,647	1,068,505	
				Education/training hour per personnel	Hour	37	37	52	
Total No. of participants in education (Excluding dually registered participants)	Persons			23,264	21,529	21,238			
Rate of employees attending education	%			108.0%	102.9%	102.7%			
Total education/training cost for employees	Million KRW			4,011	22,949	28,457			
Education cost per personnel	Million KRW			0	2	2			
Time for human rights education	Education time			Hour	20,185	18,930	18,752		
Social communication	Education for improving the awareness of disability	No. of participants	Persons	20,185	18,930	18,752			
		Education time	Hour	19,601	18,870	18,469			
		No. of participants	Persons	19,601	18,870	18,469			
		No. of employees who are entitled to sign up for Labor Union	Persons	17,567	16,984	16,434	KOREAN AIR, HANJIN		
		No. of Labor Union members	Persons	14,276	14,416	14,187	KOREAN AIR, HANJIN		
Sign-up rate of Labor Union	%	81.3%	84.9%	86.3%	KOREAN AIR, HANJIN				



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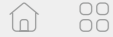
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Governance

Written by the standard of HANJIN KAL

Sort	Index	Unit	2020	2021	2022	Note
BOD Performance	Meetings held	Regular	Count	4	4	4
		Temporary	Count	6	2	4
	Discussed agenda	Cases	33	24	19	
	Reported agenda	Cases	13	12	8	
	Rate of female directors	%	9.1	7.1	7.7	
	Average attendance rate	%	95.4	98.8	97.5	
BOD status	Inside directors	Persons	3	3	3	
	Outside directors	Persons	5	8	7	
	Audit committee	Persons	3	3	3	
Average remuneration per executive ¹⁾	Inside director	10 thousand KRW	58,400	69,500	111,600	
	Outside directors and non-executive directors	10 thousand KRW	5,700	7,000	7,000	
	Audit committee	10 thousand KRW	7,900	7,000	7,700	

1) Written based on business report for each business year



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GRI Index

HANJIN KAL has published '2023 HANJIN KAL ESG REPORT,' including the data in accordance with the reference in GRI Standard 2021 regarding its ESG management and performance in 2022.

Universal Standards(General Disclosures)

Topic	Disclosure	Page	
GRI 2 : Governance	2-1 Organization details	06P	
	2-2 Entities included in the organization's sustainability reporting	02P	
	2-3 Reporting period, frequency and contact point	02P	
	2-5 External assurance	02P, 73~74P	
	2-6 Activities, value chain and other business relationships	07 ~13P	
	2-7 Employees	67~68P	
	2-9 Governance structure and composition	51~54P	
	2-10 Nomination and selection of the highest governance body	53P	
	2-11 Chair of the highest governance body	53P	
	2-12 Role of the highest governance body in overseeing the management of impacts	15P, 54P	
	2-13 Delegation of responsibility for managing impacts	15P, 19P, 54P	
	2-14 Role of the highest governance body in sustainability reporting	15P, 19P, 54P	
	2-15 Conflicts of interest	53P	
	2-16 Communication of critical concerns	15P, 54P	
	2-17 Collective knowledge of the highest governance body	54P	
	GRI 2 : Strategy, policies and practices	2-22 Statement on sustainable development strategy	05P
		2-23 Policy commitments	15~16P
2-24 Embedding policy commitments		15P	
2-25 Processes to remediate negative impacts		61~ 62P	
2-26 Mechanisms for seeking advice and raising concerns		18P, 43P, 58P	
2-27 Compliance with laws and regulations		59P, 66P	
2-28 Membership associations		75P	

Topic	Disclosure	Page
GRI 2 : Stakeholder engagement	2-29 Approach to stakeholder engagement	18P
	3-1 Process to determine material topics	19P
GRI 3 : Disclosures on material topics	3-2 List of material topics	19P
	3-3 Management of material topics	20~62P

Topic-specific Standards

Topic	Disclosure	Page
GRI 201 : Economic Performance	201-1 Direct economic value generated and distributed	6P, 64P
	201-2 Financial implications and other risks and opportunities due to climate change	23P
GRI 203 : Indirect Economic Impacts	203-1 Infrastructure investments and services supported	31~33P, 66P
	203-2 Significant indirect economic impacts	31~35P
GRI 205 : Anti-corruption	205-1 Operations assessed for risks related to corruption	55~62P
	205-2 Communication and training about anti-corruption policies and procedures	59P, 66P
GRI 206 : Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	66P
	302-1 Energy consumption within the organization	65P
GRI 302 : Energy	302-3 Energy intensity	65P
	302-4 Reduction of energy consumption	24~25P
	303-1 Interactions with water as a shared resource	29P
GRI 303 : Water and Effluents	303-2 Management of water discharge-related impacts	29P
	303-5 Water consumption	65P



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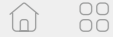
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Topic	Disclosure	Page
GRI 304 : Biodiversity	304-2 Significant impacts of activities, products, and services on biodiversity	29P
	305-1 Direct (Scope 1) GHG emissions	65P
GRI 305 : Emissions	305-2 Energy indirect (Scope 2) GHG emissions	65P
	305-3 Other indirect (Scope 3) GHG emissions	65P
	305-4 GHG emissions intensity	65P
	305-5 Reduction of GHG emissions	24~25P
	306-1 Waste generation and significant waste-related impacts	28P
GRI 306 : Waste	306-2 Management of significant waste-related impacts	28P
	306-3 Waste generated	65P
	306-4 Waste diverted from disposal	65P
	306-5 Waste directed to disposal	65P
GRI 308 : Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	36P
	308-2 Negative environmental impacts in the supply chain and actions taken	36P
GRI 401 : Employment	401-1 New employee hires and employee turnover	67P
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	46P
	401-3 Parental leave	67P
GRI 403 : Occupational Health and Safety	403-1 Occupational health and safety management system	48P
	403-2 Hazard identification, risk assessment, and incident investigation	61~62P
	403-3 Occupational health services	46P, 49P
	403-4 Worker participation, consultation, and communication on occupational health and safety	48~49P
	403-5 Worker training on occupational health and safety	49P
	403-6 Promotion of worker health	46P, 49P
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	49P
GRI 403 : Occupational Health and Safety	403-8 Workers covered by an occupational health and safety management system	49P
	403-9 Work-related injuries	66P
	403-10 Work-related ill health	66P

Topic	Disclosure	Page
GRI 404 : Training and Education	404-1 Average hours of training per year per employee	45P, 67P
	404-2 Programs for upgrading employee skills and transition assistance programs	45P
	404-3 Percentage of employees receiving regular performance and career development reviews	44P
GRI 405 : Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	68P
GRI 406 : Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination
GRI 413 : Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	31~35P
GRI 414 : Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	36P
	414-2 Negative social impacts in the supply chain and actions taken	36P
GRI 416 : Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance
	417-1 Requirements for product and service information and labeling	39P
GRI 417 : Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance
	417-3 Incidents of non-compliance concerning marketing communications	No incidents of non-compliance



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The SASB (Sustainability Accounting Standards Board), the organization responsible for developing sustainability accounting standards in the United States, has established disclosure standards for industry-specific sustainability information, enabling companies to report non-financial factors in conjunction with financial performance. It recommends voluntary adoption of these standards by companies. HANJIN Group manages and discloses relevant information based on the SASB Index to manage and provide industry-specific sustainability information

KOREAN AIR

Sort	Index	Unit	Code	2022
Greenhouse Gas Emissions	Total direct emissions(Scope 1)	Quantitative	TR-AL-110a.1	KOREAN AIR ESG report 66 page
	Long-term and short-term strategy or direct emission(Scope 1) plan for managing emissions Goal for reducing emission and analysis on the goal	Qualitative	TR-AL-110a.2	KOREAN AIR ESG report 26 to 30 page
	(1) Total fuel usage	Quantitative	TR-AL-110a.3	2,500,492 tons
	(2) Alternative fuel usage, Quantitative	Quantitative	TR-AL-110a.3	0%
	(3) Sustainable fuel usage	Quantitative	TR-AL-110a.3	0%
Labor Practices	Ratio of the worker subject to collective agreement	Quantitative	TR-AL-310a.1	KOREAN AIR ESG report 70P
	(1) No. of work interruption	Quantitative	TR-AL-310a.2	Zero case
	(2) No. of paid leaves	Quantitative	TR-AL-310a.2	Zero day
Competitive Behavior	Monetary loss due to competitive behavior	Quantitative	TR-AL-520a.1	KOREAN AIR ESG report 72P
	Establishment and performance of safety management system	Qualitative	TR-AL-540a.1	KOREAN AIR ESG report 38~42P
Accident & Safety Management	No. of aviation accidents	Quantitative	TR-AL-540a.2	KOREAN AIR ESG report 71P
	No. of administrative dispositions with aviation safety regulation by the Ministry of Land, Infrastructure and Transport	Quantitative	TR-AL-540a.3	KOREAN AIR ESG report 71P
Activity Metrics	Available seat kilometers(ASK)	Quantitative	TR-AL-000.A	42,374 million km
	Passenger transportation rate	Quantitative	TR-AL-000.B	74.6%
	Revenue passenger kilometers(RPK)	Quantitative	TR-AL-000.C	31,621 million km
	Revenue ton kilometers(RTK)	Quantitative	TR-AL-000.D	11,663 million km
	No. of flight	Quantitative	TR-AL-000.E	97,804 times
	Average age of aircraft	Quantitative	TR-AL-000.F	11.8 years old



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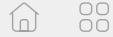
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Category	Index	Unit	Code	2022
Greenhouse Gas Emissions	Direct emissions of greenhouse gas in domestic workplace (Scope 1)	Quantitative	TR-AF-110a.1	ESG report of HANJIN 70P
	Scope 1 Discussion on reduction targets, performance analysis, and management plans or long-term strategies in relation to emission reduction goals	Qualitative	TR-AF-110a.2	ESG report of HANJIN, 24, 34P
Air Quality	Emission of the following pollutants to atmosphere: (1) NOx(excluding N2O), (2) SOx, and (3) Fine dust(PM10)	Quantitative	TR-AF-120a.1	Not reported
Labor Practices	Proportion of drivers classified into independent suppliers	Quantitative	TR-AF-310a.1	Not reported
	Gross monetary loss caused by legal proceedings related to Labor Law	Quantitative	TR-AF-310a.2	No penalty caused by non-compliance with Labor Law (Handicapped employment levy was about 280 million KRW in 2020, about 280 million KRW in 2021, and about 320 million KRW in 2022)
Employee Health & Safety	(1) Rate of employees' industrial accidents and mortality	Quantitative	TR-AF-320a.1	ESG report of HANJIN 71P
	(2) Rate of partners' employees' industrial accidents and mortality	Quantitative	TR-AF-320a.1	Not reported
Supply Chain Management	The return-to-origin rate with a baseline percentile exceeding the intervention threshold of FMCSA	Quantitative	TR-AF-430a.1	Not reported
	Gross greenhouse gas(GHG) footprint emitted from overall means of transport	Quantitative	TR-AF-430a.2	Not reported
Accident & Safety Management	Realization of safety management system and explanation of the result	Quantitative	TR-AF-540a.1	ESG report of HANJIN 27-31P
	Case of aviation accidents	Quantitative	TR-AF-540a.2	Not reported
	Case of road accidents	Quantitative	TR-AF-540a.3	Not reported
	Safety measurement system : (1) Rate of unsafe driving, (2) Rate of complying with service time, (3) Drivers' health, (4) Restricted materials/alcohol, (5) Rate of vehicle maintenance, (6) Rate of complying with rules to handle harmful materials	Quantitative	TR-AF-540a.4	Not reported



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Third-party assurance statement

Dear Stakeholders of HANJIN KAL,

Korean Foundation for Quality (further 'KFQ') has been requested by HANJIN KAL to conduct an independent verification on the 2023 ESG Report for HANJIN KAL (further 'the Report'). KFQ has responsibility to provide an independent verification opinion against the criteria and scope of verification as specified below. HANJIN KAL has sole responsibility for the preparation of the Report.

Verification Criteria and Scope

- **Verification Criteria** : AA1000AS(v3) and AA1000AP (2018)
- **Verification Type** : Type 1 [Verification of compliance of 4 reporting principles]
- **Verification Level** : Moderate [Verification based on limited evidence collected]
- **Verification boundary** : Reporting boundary as stated in the report (Includes HANJIN KAL, Korean Air, HANJIN's domestic operations and some overseas operations.). The performance and reporting practices of subsidiaries, related companies and business partners are not included in this verification, and also third parties beyond the scope of this verification specified in the report are not included.
- **Verification Scope** : Compliance with the 4 reporting principles (Inclusivity, Materiality, Responsiveness, Impact) according to AA1000AP and the GRI Standards 2021 reporting requirements

※ GRI Standards (2021) Reporting Principles

- Universal Standards : Compliance of reporting requirement of the Report prepared with reference to the GRI Standards (2021)

Requirements	Compliance
Disclosure of GRI Index	○
Applying GRI standards	○
Notify GRI	○

- Specific Topic Standards

Requirements	GRI Standards/Topic Disclosure
Report disclosures from the GRI Topic Standards for each material topic	<ul style="list-style-type: none"> • GRI 205: Anti-Corruption • GRI 206: Anti-Competitive Behavior • GRI 305: Emissions • GRI 401: Employment • GRI 403: Occupational Health and Safety • GRI 418: Customer Privacy

Methodology

In order to assess the reliability of disclosures about the sustainability performance in the Report by applying the standards, we reviewed sustainability-related processes, systems, internal control procedures, and available data. The documentation the assessment team reviewed during the verification includes:

- Non-financial information e.g., data provided by HANJIN KAL, disclosed Business Reports, and information obtained from media and/or the internet; and
- Financial information i.e., Data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the homepage were used, but these contents are not included in the scope of verification.

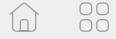
The assessment was performed by document verification and onsite interview. The validity of the materiality assessment procedure in the report, the material issue selection considering stakeholders, the data collecting and management, and report preparation and contents in the Report were assessed through person in charge. but external stakeholder interviews were not conducted. Afterwards, it was confirmed that some errors, inappropriate information, and misstatement found in the above steps were appropriately revised before publishing the Report.

Competency and independence

The assessment team was consisted in accordance with KFQ's internal regulations. KFQ has no conflict of interest to the HANJIN KAL business which could threaten the impartiality of verification, other than providing third-party verification services. Also, raw data of the greenhouse gas emissions data reported in this report were not included in the scope of this verification.

Limitations

The completeness and responsiveness of sustainability performance represented in the Report have inherent limitations due to its nature and the methodology used to determine, calculate and estimate its performance. In accordance with the terms of the contract, we assessed the information and evidence provided by the company. We did not perform any further assessment procedures on raw data.



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Third-party assurance statement

Findings and Conclusions

As a result of the verification, the Report was prepared in accordance with the requirements for 'report reference to GRI standard 2021' and the assessment team found reasonable objectives to guarantee the AA1000AP (2018) and AA1000AS (V3) Type 1 assurance level. We also found no significant errors or inadequacies in the Report regarding compliance with reporting principles.

Inclusivity

HANJIN KAL defined the six stakeholder groups (Customer, Shareholders and Investors, Employee, Supplier, Local community, Government and Industry) and heard their opinions through the communication channels considering the characteristics of each group for effective communication. The assessment team could not find any major stakeholders that were omitted during this process, and it was confirmed that HANJIN KAL is making efforts to reflect the collected opinions of stakeholders in its management strategy.

Materiality

HANJIN KAL formed a pool of issues through surveys of material issues in the peer industry, analysis of global ESG standard and analysis of material issues etc. It conducted a double-materiality assessment through media analysis, peer industry analysis, and stakeholder surveys, and selected the seven material issues. In the process, it reviewed the positive and negative impacts that companies can have on society and the environment, thereby enhancing the necessity of selecting material issues. The assessment team confirmed that the identified material issues were highlighted in the Report, and that the material issues identified in the materiality assessment process were reported in the Report without omission.

Responsiveness

HANJIN KAL consistently engages with stakeholders to respond to their feedback and main interests. Nothing came to our attention to suggest that its responses and performance are inappropriately described in the Report.

Impact

HANJIN KAL identifies and monitors the impact of material issues related to stakeholders throughout its management activities, and reported the contents within the scope possible. Nothing came to our attention to suggest that it does not properly assess and report impacts relating to material issues.

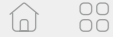
Recommendation for improvement

- ▶ This is the first ESG report of HANJIN KAL and while the scope of reporting non-financial information is limited to major subsidiaries, we hope that HANJIN KAL will expand the scope of reporting in the future to provide stakeholders with a broader view ESG management performance.
- ▶ We look forward to seeing HANJIN KAL will report additional disclosures from the GRI Topic Standards beyond information related to selected material issues in response to stakeholders' needs and expectations.



October, 2023
Seoul, Korea
Ji Young Song, CEO
Korean Foundation for Quality (KFQ)

Ji Young Song



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Membership and Awards

Status of Memberships

KOREAN AIR

Industry

IATA(International Air Transport Association)
SkyTeam
Korea Civil Aviation Association
Aviation Management Society of Korea
Korea Aeronautical Engineers' Association
The Korean Society for Aeronautical and Space Sciences
The Korean Society for Composite Materials
Korea Institute of Military Science and Technology
The Society for Aerospace System Engineering
The Korean Society of Propulsion Engineers
The Korean Association of Defense Industry Studies
Korea remotely piloted aircraft safety association
Korea UVS Association
Korea Defense Industry Association
Korea Aerospace Industries Association
Korea Industrial Technology Association
Daedeok Innopolis Integrated Defense Council
Korea Aerospace Technology Research Association
Defense Security Council
Korea Fire Safety Institute
Korea Carbon And Nano Industry Association
Korea Industrial Safety Association
Korea Association of Standards & Testing Organizations
Korea Society of Air & Space Law and Policy
Gangseo Business Environment Practice Group
Council for Voluntary Reduction of Greenhouse Gas in the Aviation Sector

Economy/General Society

Korea Business Council for Sustainable Development
Federation of Korean Industries
Korea Economic Research Institute
Korea Enterprises Federation
Korea Chamber of Commerce and Industry
Korea Industry Associations' Council
Korea-U.S. Economic Council
Korea-Japan Economic Association
Korea Listed Companies Association
The Korea Stock Exchange
Korea Tariff Logistics Association
Korea Trade Association
The American Chamber of Commerce in Korea (AMCHAM Korea)
UN Global Compact
Asia Society Korea Center
Korea AEO Association
Korea Management Association
Mongoliaia-Korea Business Forum
Korea National Defense Transportation Association

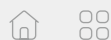
HANJIN

Industry

Korea Integrated Logistics Association
Korea Harbor Logistics Association
Korea Tariff Logistics Association
Korea Shipowners' Association
Korea International Freight Forwarders Association
Korea AEO Promotion Association
Korea Trade Association
Korea Shipping Union
Korea Shipping Association

Economy/General Society

Federation of Korean Industries
Korea Enterprises Federation
Korea Listed Company Council
Korea Chamber of Commerce and Industry
Korea Economic Research Institute
Korea Management Association



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Main awards

Category	Content	Host Organization	Date
KOREAN AIR	1st Place at Airlines Sector in Korean Service Quality Index (KS-SQI)	Korean Standards Association	2022.11
	2022 Social Contribution Corporate Awards, Environmental/Disaster Relief Category (5 times)	The Korea Economic Daily	2022.07
	Airline Excellence Awards Cargo Airline of the Year and Long Haul Airline Asia/Pacific	AirlineRatings	2022.07
	1st Place at Airlines Passenger Transport Service Sector in Global Customer Satisfaction Index (GCSI) (18 consecutive years)	Global Management Association	2022.06
	2022 Cargo Operator of the Year	ATW (Air Transport World)	2022.06
	PAX Readership Awards 2022 Best In-flight Duty Free Program	PAX International	2022.06
	2022 Passenger Choice Award Best Food & Beverage in Eastern Asia and Best Cabin Service	Airline Passenger Experience Association (APEX)	2022.06
	Cellars in the Sky Award 2021 Gold Medal (First Class Champagne and First Class Dessert Wine)	Business Traveler	2022.02
	Official Airline Ratings : Five Star Global Airlines	Airline Passenger Experience Association (APEX)	2021.12
	2021 Best Airline for International First Class and Best Business-Class Seat Design	Global Traveler	2021.12
	2021 Airline of the Year	ATW (Air Transport World)	2021.10
	Airbus 220 Best Operational Excellence 2021	Airbus	2021.10
	COVID-19 Airline Safety Rating : Five Star Airline	Skytrax	2021.05
	24th Grand Prize in Logistics and Large Enterprise Division	Korea Logistics Society/Korea Chamber of Commerce & Industry	2021.05
	World Airline Star Rating : Five Star Airline	Skytrax	2020.12
	Official Airline Ratings : Five Star Global Airlines	Airline Passenger Experience Association (APEX)	2020.12
	27th 'Presidential Award' in Corporate Innovation	Ministry of Trade, Industry and Energy/Korea Chamber of Commerce & Industry	2020.12
	Travellers' Choice Awards: Top10 Airlines World	TripAdvisor	2020.07
	Air Cargo Excellence Award 'Diamond Award'	Air Cargo World	2020.04
	HANJIN	Greening the Company (1st place in GHG reduction among the top 100 domestic companies)	E-Consumer
Recognized company for local community contribution		Ministry of Health and Welfare, Korea National Council on Social Welfare	2022.12
CSV Process, Greatest Process Award, Porter Prize for Excellence in CSV Awards		Institute for Industrial Policy Studies, Channel A, Dong-A Daily News	2022.12
Living Safety category, Award by the Minister of Ministry of Public Administration and Security for social contribution campaign titled Addition of Happiness		Journalists Association of Korea, Korea Enterprises Federation	2022.02
CSV Project, Greatest Partnership Award, Porter Prize for Excellence in CSV Awards		Institute for Industrial Policy Studies, Channel A, Dong-A Daily News	2021.12
Letter of appreciation by the Commissioner of the National Police Agency (in recognition of contributions in finding long-term missing children through the Hope-Tape Campaign)		The National Police Agency	2021.01
Grand Prize in the print/outdoor advertising category at the Korea Advertising Awards 2020 (Hope-Tape Campaign)		Korea Federation of Advertising Associations	2020.11
Merit Award, Communication Design at the Design for Asia Awards (Haman watermelon CSV activity)		Hong Kong Design Centre (HKDC)	2020.11

