

2023 Korean Air ESG Report

# Sustaining Excellence



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<b>Reporting standards</b>	GRI Standards 2021 index in accordance, SASB, TCFD
<b>Reporting period</b>	2022. 1~12 (also including some data and information from the first half of 2023)
<b>Reporting scope</b>	Korean Air's business premises at home and abroad, including the headquarters in Seoul, Republic of Korea
<b>Reporting cycle</b>	Annual
<b>Third-party assurance</b>	Korea Management Registrar
<b>Disclosure principles</b>	Publicly disclosed on Korean Air's website (koreanair.com)
<b>Contact</b>	Korean Air ESG Secretariat (KAL_ESG@koreanair.com)

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The 27th Korean Air Travel Photo Contest | Merit Prize | Kim, Jong-hoon | Old tram

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# CEO Message

**I would like to express my sincere gratitude to all of our stakeholders for their generous support and encouragement for the success and growth of Korean Air over the years.**

The driving force behind the growth of Korean Air, which has been marching forward humbly for 54 years based on its founding philosophy of “national contribution through transportation,” is value management centered on people and the environment, which is also consistent with sustainable growth, the goal of our ESG management.

As society and the economy develop, inevitable side effects pose a challenge to our livelihoods. Topics such as global warming, climate change, and environmental pollution that have been at the forefront over the years are no longer challenges to address in the distant future but challenges for our generation to resolve now.

Korean Air aims to become a model company in ESG management by ceaselessly practicing and devoting ourselves to the following initiatives to save and protect the earth, our home.

✈ **We contribute to responding to climate change through an eco-friendly management model.**

Increased carbon and greenhouse gas emissions have become a global crisis that threatens the survival of mankind, with the aviation industry accounting for about 3% of global greenhouse gas emissions. Korean Air will fulfill our responsibilities to reduce greenhouse gas emissions by establishing climate change response governance and continuously introducing eco-friendly aircraft.

✈ **We prioritize the safety of our customers to fulfill our social responsibilities.**

Safety is a core value of corporate management in the aviation industry. We will not compromise on any element that threatens the safety of our customers. Korean Air has recently upgraded its safety management system and strengthened risk management to reinforce safety management further to ensure that customers enjoy comfortable and safe travel.

✈ **We continue to strengthen compliance management to improve corporate governance transparency and reliability.**

Obligations and responsibilities for ethics and compliance are the core driving forces for sustainable growth. Korean Air recently has acquired the certification on compliance management system standard from the International Standardization Organization for the first time among domestic airlines. Going forward, we will continue to improve our compliance management system to improve the management transparency and reliability.

**Dear esteemed shareholders, customers, suppliers, and employees!**

Last year, even though passenger demand has not fully recovered, we recorded the highest operating profit since the company’s founding. Approval of the merger and integration with Asiana Airlines is in its final stage, and we plan to achieve sustainable growth centered on people and the environment by making ESG management a top priority well after the launch of the integrated airline. We are grateful for the continued support and encouragement of our stakeholders and look forward to more of the same in the future.

CEO and Chairman  
Korean Air Lines Co., Ltd.  
**Cho, Won-Tae**




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# Management Philosophy

VISION

To be a Respected Leader in the World Airline Community



MISSION



## Service Excellence

- Strengthening service competitiveness by developing unique services offered only by Korean Air
- Offering high-end/differentiated services across the entire process
- Providing high-end seats such as Kosmo Suites 2.0 and Prestige Suites, and expansion of in-flight entertainment services (AVOD/IFE)
- Promoting brand image as a global service company
- Providing world-class services and establishing global service standards through the alliance with SkyTeam
- Continuing social contribution activities through global CSR projects



## Operational Excellence

- Continuing to ensure absolute safety
- Promoting continuous profitability through constant cost-saving efforts
- Phasing in high-performance fleets and maximizing operational efficiency
- Strengthening the competitiveness of the global network by actively utilizing SkyTeam resources
- Expanding management-infrastructure by establishing a companywide IT system
- Promoting education & training to nurture global talent



## Innovative Excellence

- Creating a corporate culture where creativity and 'blue-sky' thinking are encouraged and respected
- Setting the tone for a democratic and horizontal workspace
- Securing talents that have the capabilities to lead the way against global competition
- Breaking organizational 'silos' and encouraging change and innovation
- Developing new profitable businesses

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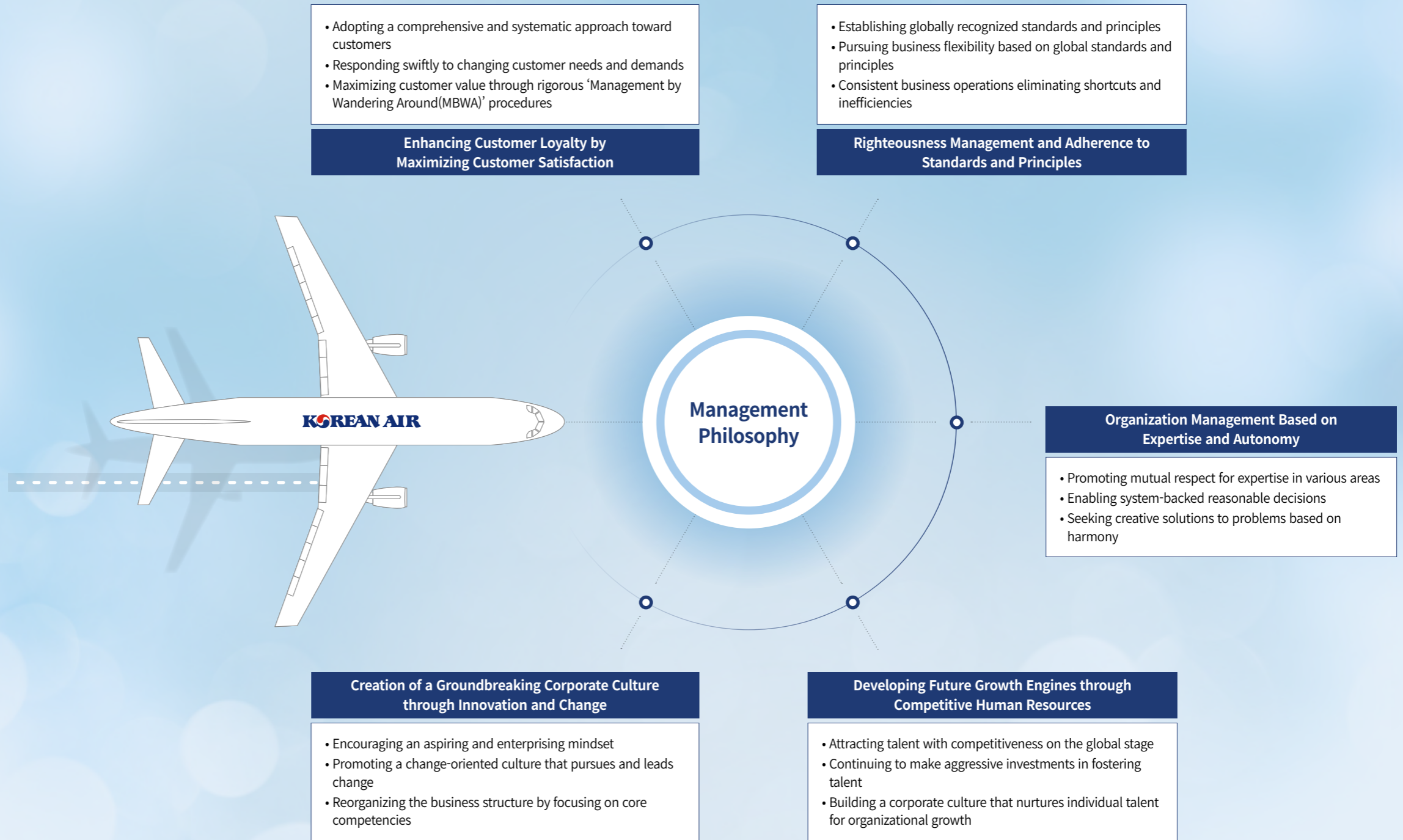
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- Adopting a comprehensive and systematic approach toward customers
- Responding swiftly to changing customer needs and demands
- Maximizing customer value through rigorous 'Management by Wandering Around(MBWA)' procedures

**Enhancing Customer Loyalty by Maximizing Customer Satisfaction**

- Establishing globally recognized standards and principles
- Pursuing business flexibility based on global standards and principles
- Consistent business operations eliminating shortcuts and inefficiencies

**Righteousness Management and Adherence to Standards and Principles**

**Organization Management Based on Expertise and Autonomy**

- Promoting mutual respect for expertise in various areas
- Enabling system-backed reasonable decisions
- Seeking creative solutions to problems based on harmony

**Creation of a Groundbreaking Corporate Culture through Innovation and Change**

- Encouraging an aspiring and enterprising mindset
- Promoting a change-oriented culture that pursues and leads change
- Reorganizing the business structure by focusing on core competencies

**Developing Future Growth Engines through Competitive Human Resources**

- Attracting talent with competitiveness on the global stage
- Continuing to make aggressive investments in fostering talent
- Building a corporate culture that nurtures individual talent for organizational growth

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# Company Overview


## Organizational Status



<b>Company name</b>	<b>Korean Air Lines Co., Ltd.</b>
<b>Headquarters</b>	260 Haneul-gil Gangseo-gu, Seoul, Republic of Korea (Gonghangdong 1370)
<b>Phone number</b>	+82-2-2656-7114
<b>Website</b>	<a href="http://www.koreanair.com">http://www.koreanair.com</a>
<b>Business areas</b>	Passenger & cargo transportation, Aerospace
<b>Subsidiaries</b>	Refer to the disclosures by "Korean Air" at <a href="http://dart.fss.or.kr">http://dart.fss.or.kr</a>

(As of 2022.12.31)

 <p><b>Established in</b> <b>Mar 1<sup>st</sup>, 1969</b></p>	 <p><b>Number of employees</b> <b>19,142</b> <small>(Including locally hired employees and excluding executive directors)</small></p>	 <p><b>Sales</b> <b>KRW 14.0961 trillion</b> <small>(based on consolidated financial statements)</small></p>	 <p><b>Total assets</b> <b>KRW 28.9977 trillion</b> <small>(based on consolidated financial statements)</small></p>
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 <p><b>Air fleet</b> <b>155</b></p>	 <p><b>Destinations</b> <b>120 cities in 43 countries</b></p>	 <p><b>Passenger transportation</b> <b>10.97 million persons</b></p>	 <p><b>Cargo transportation</b> <b>1.71 million tons</b></p>
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**Air fleet**

(As of 2022.12.31) (Unit: ea/year)

	Aircraft model	A380-800	B747-8I	B747-400F	B747-8F	B787-9	B777-300ER/300/200	A330-200/300	B777F	B737-8/800/900/900ER	A321neo	A220-300	Total 155
<b>Passengers</b>	<b>Number of aircraft</b>	10	9	-	-	10	39	30	-	23	1	10	<b>132</b>
	<b>Average fleet age</b>	10.8	6.8	-	-	4.9	12.7	18.1	-	12.8	0.2	4.6	<b>12.1</b>
<b>Cargo</b>	<b>Number of aircraft</b>	-	-	4	7	-	-	-	12	-	-	-	<b>23</b>
	<b>Average fleet age</b>	-	-	17.3	9.0	-	-	-	7.6	-	-	-	<b>9.7</b>

\* Excluding private corporate jets

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**Key Highlights**



\* Operating revenue, operating profit, total capital, and total assets: Based on consolidated financial statements, Social contribution expenses: Based on separate financial statements



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**Global Network**



**DESTINATIONS**



**ROUTES**

As of December 2022, Korean Air operates passenger and cargo routes to 13 domestic destinations and 107 international destinations in 42 countries. We create a synergy effect with relevant businesses with our infrastructure built across the globe and aim to go one step further to enhance Korea's international prestige.



**SKYTEAM**

SkyTeam is a global airline alliance established in June 2000. It currently consists of a variety of airline members around the world including Korean Air, Delta Air Lines, Air France, China Eastern, and KLM. Customers of SkyTeam can enjoy a variety of flight options through SkyTeam's global network of routes which covers 1,062 cities in 170 countries around the world and operates over 10,000 flights on a daily basis. In addition, all members of SkyTeam provide various services for customers, including earning and using mileage, lounge benefits, and other joint services.

SkyTeam members fully recognize the importance of corporate social responsibilities and focus on adopting sustainable, eco-friendly corporate policies through joint cooperation. Especially, members of SkyTeam contribute to achieving gender equality in the global airline industry by participating in the "25by2025" campaign, an initiative led by IATA to change the gender balance within the aviation industry. Airlines taking part in the campaign are committed to increasing the number of women in under-represented areas by at least 25%, or up to a minimum of 25%. Korean Air has participated in the campaign as the only Korean national flagship carrier since 2021 and has strived to bring up female personnel and managers into the upper ranks.

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# Key Business Achievements



## Air Transport Business



For the end of 2022, Korean Air owns 155 aircraft, regularly operating between 13 domestic cities and 107 overseas cities in 42 countries, while transporting 10.97 million passengers and 1.71 million tons of cargo annually. Despite many uncertainties in the external business environment, such as the ongoing Russian-Ukraine War, continued congestion in the global logistics chain, and tightening monetary policies of governments worldwide, we achieved record-high operating profits through strategies to expand the total capacity in the passenger business and maximize profitability in the cargo business.

**Sales**

(Unit: KRW 100 million)



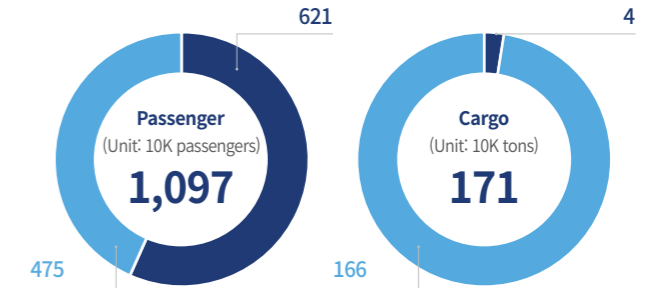
Sales air transport business in 2022

129,217

\* Based on separate financial statements

**Transportation**

● Domestic flights ● International flights



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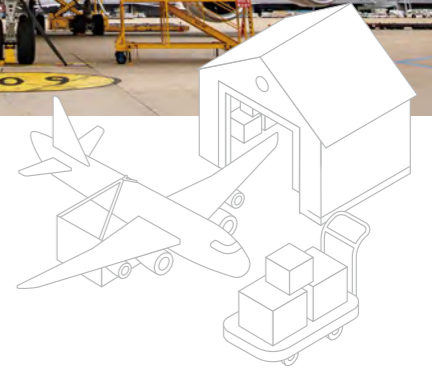
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**Passenger Business**

The uncertain business environment continued in 2022 due to the sporadic resurgence of the COVID-19 pandemic along with high exchange rates, oil prices, and interest rates. In the face of these circumstances, Korean Air has resiliently responded to market changes and consumer demand, resulting in a significant RPK (Revenue Passenger Kilometers) improvement by 266% compared to the previous year.

Regarding route operations, we adjusted capacity on a monthly basis, and monitored the change in COVID-19 confirmed case tallies as well as domestic and overseas immigration regulations in a bid to operate irregular flights throughout the year using unused aircraft for attract demand generated on a one-off basis. In particular, we proactively and resiliently responded to market changes by launching new flights to Budapest, where strong demand has thrived from the robust entry of Korean companies and early return to routes where demand is expected to recover, such as Las Vegas and Milan. As for customer service, Korean Air continues to operate CARE FIRST, a comprehensive program aimed at preventing infectious disease across the entire customer journey by maintaining a close cooperation system for each country's quarantine measures. Moreover, we rolled out the Airbus A321neo aircraft equipped with 180-degree flat seats for business class for short-haul aircraft for the first time among domestic airlines, greatly improving customer satisfaction.



**Cargo Business**

Amid greater uncertainty in the air cargo market in 2022 due to international political and economic conditions, Korean Air made optimal use of available resources, and actively engaged in activities to attract market demand, resulting in about KRW 7.7244 trillion in cargo operating profits.

We bypassed the Russian routes, and changed the route network structure to effectively manage operating costs and to maintain the existing supply level. We continued flexible supply operations by introducing all-cargo converted aircrafts to generate additional supply in response to changes in demand by region, secured stable transportation volume primarily in key demand fields such as semiconductors, batteries, and automotive parts, and focused on increasing profits by actively attracting targeted demands such as quarantine prevention/ vaccines, seasonal fresh goods, and project-based industrial goods. Furthermore, efforts are continuing to improve the quality of customer service, such as renewing IATA CEIV Pharma (Center of Excellence for Independent Validators Pharma) and securing new certifications for battery products.



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**Aerospace Business**



Although the volume of the civil aircraft manufacturing industry declined slightly given the slowdown in the recovery of aviation demand attributed to the prolonged spread of COVID-19, the military aircraft construction and maintenance industry secured stable sales through the U.S. military outsourcing business and the military aircraft performance improvement projects. Korean Air continues to invest in R&D directed at the drone industry, setting a framework for sustainable growth in new business lines such as stealth technology, space launch vehicles, and urban air mobility (UAM) as future growth engines.

**Sales**

(Unit: KRW 100 million)



Sales aerospace business in 2022

4,910

\* Based on separate financial statements



# Key Business Strategies

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## Passenger Business Strategies



Although there are concerns about the economic downturn due to interest rate hikes in major countries and the resulting contraction in travel-driven consumer sentiment, passenger demand is expected to increase in 2023 as freedom of movement between countries expands with the full-scale transition to an endemic-gated system. Korean Air has established the following operating strategies to resiliently respond to existing market uncertainties, such as the ongoing Russian-Ukraine War and the resurgence of COVID-19 from China, and to secure aviation industry leadership in the aftermath of COVID-19.

### Stable Business Recovery

- Responding resiliently and proactively to changes in demand and travel trends in the aftermath of COVID-19 through flexible supply operations;
- Continuing stable supply expansion through improved equipment utilization rates (use of appropriate equipment for demand scale and characteristics)

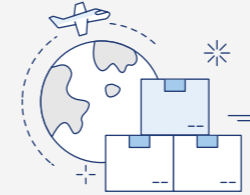
### Profitability-Driven Route Operation and Service Improvement

- Promoting priority flight service for routes that can secure top profitability, expanding passenger volume based on equipment capacity, and reviewing new destinations;
- Improving customer satisfaction and setting the foundation for attracting additional demand by launching new services targeting high-end demand

### Creation of Integrated Synergy by incorporating Asiana Airlines

- Strengthening cooperation between the two companies, such as schedule/interline cooperation and joint operator contracts after incorporating Asiana Airline as a subsidiary;
- Reorganizing business procedures and operational systems, such as consolidation of all operating procedures in preparation for the relaunch as an integrated flagship airline

## Cargo Business Strategies



In the cargo business sector, demand for air cargo continues to weaken due to the global economic downturn, and competition among airlines to attract demand is intensifying due to an increase in the supply of passenger aircraft among strong competition following the relaxation of quarantine regulations in each country. While China's shift to its "With COVID-19" policy is expected to normalize the production of major global companies in China and recover China-based air cargo demand, market volatility is expected to continue due to instability in the international domain and macroeconomic indicators. In response to this challenging business environment, Korean Air will operate the cargo business as follows.

### Expansion of Stable Profit Base in Response to Market Volatility

- Proactively securing base demand by expanding the volume of short- and long-term contracts;
- Closer monitoring of industry trends to preempt key demand drivers such as semiconductors, automotive parts, and mechanical parts;
- Actively attracting project-type demand, such as diagnostic kits and fashion clothes

### Strengthening Global Partnerships

- Expanded influence of global shippers and forwarders within the supply chain in the post-pandemic phase;
- Expanding sales organizations and focusing on marketing capabilities to forge cooperation with shippers and forwarders;
- Actively attracting new demand through stable demand management based on partnerships and diversification of sales strategies for each shipper

### Improvement of Safety and Service Quality

- Achieving safe transportation by reinforcing business procedures in the transportation sector and preemptively identifying risk factors;
- Investing to improve the transportation service quality, such as renovating major domestic and international cargo terminals and rolling out smart terminals;
- Improving customer service quality by expanding IATA certification qualifications for transportation of special cargoes such as batteries and pharmaceuticals

## Aerospace Business Strategies



Although a favorable environment for aerospace is being created, such as solid exports of Korean defense machinery, keener internal and external interest in domestic drone development/ operation, and creation of opportunities from the public sector to the private sector by the transition to 'NewSpace' in the aerospace sector, technological competitiveness has intensified primarily in cutting-edge technologies, and overall conditions in the manufacturing industry have deteriorated during the endemic. In the aerospace business, Korean Air will improve cost competitiveness by efficiently operating existing business lines such as military aircraft maintenance and civil aircraft parts manufacturing, and enhance technological competitiveness for winning new defense business orders by focusing capabilities on drone development and mass production. We are also adopting and implementing a full-scale strategy for future projects for sustainable growth.

### Expansion of Business Execution and Production Capacity

- Increasing production and supply chain of the civil aircraft business;
- Establishing a mass production system for medium-altitude drones;
- Hiring human resources and securing facilities for new projects

### Improvement of Business Efficiency by Eliminating Waste and Improving Corporate Culture

- Integrating repetitive and redundant work by expanding IT utilization;
- Prioritizing safety, health, and security as daily routines and establishing a well-respected culture;
- Reinforcing collaboration by facilitating seamless communication in the organization

### Creation of Basis for Mid- to Long-term Growth

- Flexible organizational culture in response to changes in business structure/ environment;
- Improving the cost structure, such as automation and entry into lower-cost developing countries;
- Expanding the scope of participation in future projects (i.e. space, UAM, etc.)

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The 27th Korean Air Travel Photo Contest | Merit Prize | Kang, Hae-sung | Capturing hope

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# ESG Core Values

Korean Air actively pursues ESG management by implementing environmental management for a sustainable future and fulfilling its social responsibilities in accordance with its founding philosophy of “national contribution through transportation.”

It also strengthens corporate governance system for sustainability management based on its core values.

As a leading ESG-minded airline, we will keep up our relentless efforts to implement ESG management activities as our growth strategy for the sustainable development of the company and society, with a higher priority on delivering long-term corporate added value over short-term profitability.

**Environmental**



Environmental management for a sustainable future



- Leading the climate change response;
- Building the resource circulation system;
- Fulfilling environmental responsibilities

**Social**



Fulfilling corporate social responsibilities in accordance with our founding philosophy of “national contribution through transportation”



- Expanding consumer-centered management;
- Respect for human rights & mutual growth;
- Social contribution to communities

**Governance**



Strengthening corporate governance system for sustainability management



- Ensuring sound, transparent governance;
- Advancing the ESG management system;
- Facilitating open communication with stakeholders



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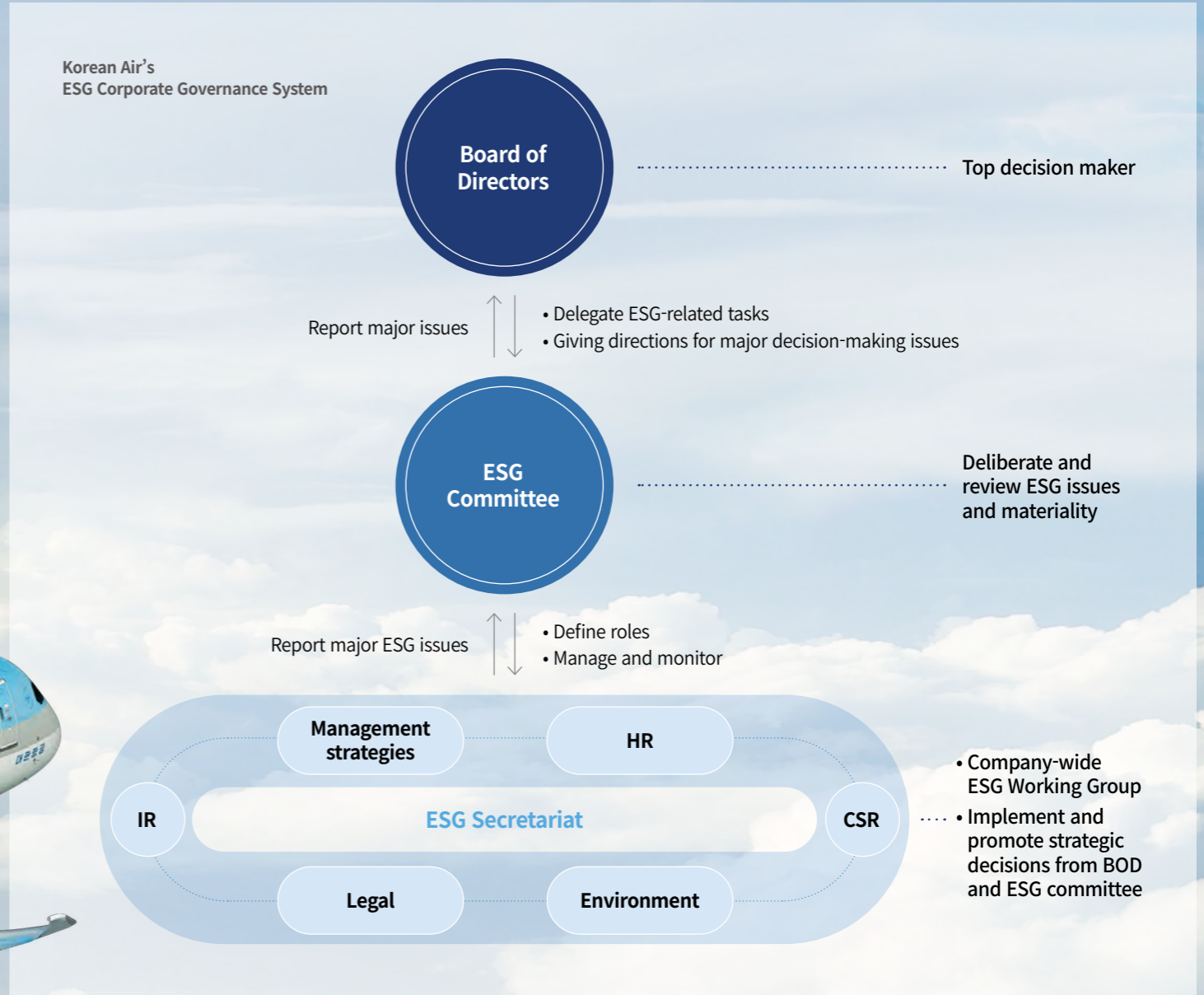
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# ESG Corporate Governance

Korean Air is instituting a systematic and integrated ESG governance system to advance sustainable growth amid rapidly changing internal and external environments. The ESG Committee under the Board of Directors (BOD) discusses in depth major ESG-related issues and ESG materiality criteria, and reports the major issues to the BOD, the top decision-making body.

To disseminate ESG management goals at a company-wide level, we have launched the ESG Secretariat, a working-level group, to systematically facilitate the process of implementing decisions of the BOD and the ESG Committee. Under purview of the Corporate Strategy & Planning Division as a control tower, the ESG Secretariat responds flexibly to ESG issues through close collaboration in different business areas, such as human resources/ labor management, CSR activities, environmental management, legal affairs, and IR.





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# UN SDGs-Related Activities

The UN Sustainable Development Goals (SDGs) are a collection of 17 common goals for peace and prosperity for people, the planet, and promotion of global partnership, all to be achieved by 2030. As a member of the global community, Korean Air supports the SDGs and feels responsible for achieving these goals. The company is striving to identify the potential impact of our business activities on the SDGs in order to further advance positive impacts and reduce negative impacts.

Korean Air's Efforts ([🔗 Reporting Page](#))

**Goal 3 Ensure healthy lives and promote well-being for everyone of all ages**

- Response to In-Flight Emergency Medical Situation ([🔗 P.40](#))
- Infectious Disease Response System of the Korean Air Aeromedical Center ([🔗 P.40](#))
- Company-Wide Occupational Safety and Health Management System ([🔗 P.40-42](#))

**Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

- Talent Development ([🔗 P.52-53](#))

**Goal 5 Achieve gender equality and empower all women and girls**

- HR Policies That Respect Human Rights and Diversity ([🔗 P.36](#))
- Employee Demographic ([🔗 P.50](#))
- Maternity Protection System ([🔗 P.51](#))

**Goal 6 Ensure availability and sustainable management of water and sanitation for all**

- Management of Air/Water Pollutants ([🔗 P.33-34](#))

**Goal 7 Ensure access to sustainable energy for all**

- Sustainable Aviation Fuel ([🔗 P.27](#))

**Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

- Maternity Protection System ([🔗 P.51](#))
- Employee Activities for Physical & Mental Health Improvement ([🔗 P.36-37](#))

**Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

- Introduction of a New Fuel Management System Based on Integrated Data Management ([🔗 P.28](#))
- Developing Eco-Friendly Aviation Technology ([🔗 P.28](#))
- User Management ([🔗 P.34](#))

**Goal 10 Reduce inequality within and among countries**

- Improving Respect for People with Disabilities in the Workplace ([🔗 P.36](#))

**Goal 11 Make cities and human settlements inclusive, safe, resilient and sustainable**

- Afforestation Project in Mongolia ([🔗 P.48](#))
- Sisterhood Ties with Rural Villages ([🔗 P.48](#))
- Creation of Korean Air Green Ecological Park in Kubuqi Desert of China ([🔗 P.48](#))

**Goal 12 Ensure sustainable consumption and production patterns**

- Upcycling Outdated In-flight Life Jackets ([🔗 P.29](#))
- Green Procurement ([🔗 P.32](#))

**Goal 13 Take urgent action to combat climate change and its impacts**

- Response to Climate Change ([🔗 P.26-30](#))

**Goal 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**

- Protecting Biodiversity ([🔗 P.34](#))
- Afforestation Project in Mongolia ([🔗 P.48](#))
- Creation of Korean Air Green Ecological Park in Kubuqi Desert of China ([🔗 P.48](#))

**Goal 17 Strengthen management and revitalize the Global Partnership for Sustainable Development**

- SKYTEAM ([🔗 P.9](#))
- Joining and Supporting the UN Global Compact ([🔗 P.18](#))

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# UN Global Compact

The UN Global Compact is an international agreement launched by the United Nations to call on companies' joint efforts and alignment on ten principles on human rights, labor standards, and anti-corruption efforts. In support of the ten principles, Korean Air joined the UN Global Compact in July 2007. We have been submitting the Communication on Progress (COP) report every year, and will continue to do our best to fulfill our corporate social responsibilities and uphold the ten principles.

	<b>Human Rights</b> <span>1 2</span>
	<a href="#">Reporting Page</a> P. 36~37, 50~55, 61~62
	<b>Labour</b> <span>3 4 5 6</span>
	<a href="#">Reporting Page</a> P. 36~37, 50~55, 61~62
	<b>Environment</b> <span>7 8 9</span>
	<a href="#">Reporting Page</a> P. 25~34
	<b>Anti-Corruption</b> <span>10</span>
	<a href="#">Reporting Page</a> P. 61~62



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# ESG Evaluation Results



## Korean Air Receives “Grade A” in KCGS ESG Evaluation for the Third Consecutive Year

Korean Air obtained an “overall Grade A” in the ESG evaluation conducted by the Korea Institute of Corporate Governance and Sustainability (KCGS), Korea’s largest ESG evaluation and proxy advisor body. Korean Air will continue to carry out management activities, taking into account non-financial factors including ESG to promote corporate value and sustainability.

Year	E (Environmental)	S (Society)	G (Governance)	Overall Grade
2022	A	A	A	A
2021	A	A+	A	A
2020	A	A+	B+	A

## Newly enlisted into DJSI Korea

Korean Air has been enlisted into the Dow Jones Sustainability Index (DJSI) Korea, a global sustainability evaluation index. The DJSI is an index published by the S&P Dow Jones Index, the world’s largest financial information provider, and the S&P Global Switzerland SA, a global sustainability management evaluation agency that evaluates companies’ ESG performance every year. Korean Air was enlisted into DJSI Korea by ascending to the top 30% of the evaluation index among the top 200 domestic companies in float adjusted market capitalization for 2022.



Results of Evaluation for 2022



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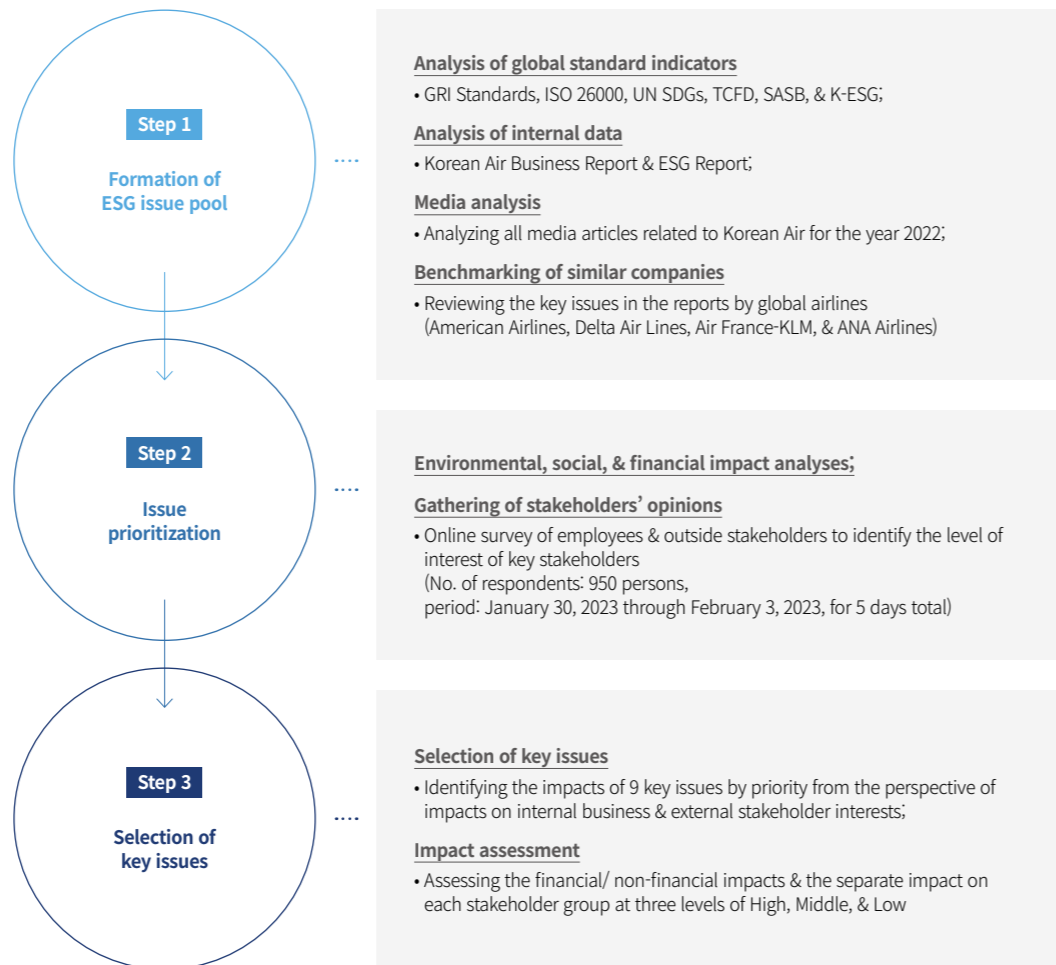
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# Double Materiality Assessment

Korean Air conducted a double materiality assessment by applying the concept of double materiality to the materiality principles of the GRI Standards, which are global sustainability management reporting guidelines, to select key issues for the ESG report. Sustainability issues that significantly impact corporate value were selected through existing materiality assessments, and the top-nine issues were selected as key issues in the report by considering all environmental, social, and financial impacts.

**Materiality Assessment Process**



**Materiality Assessment Results**

Issues	GRI Standards Topic	Page
Response to climate change	GRI 305	P. 26~30, 66
Sustainable utilization of resources	GRI 302, GRI 303, GRI 304, GRI 306	P. 31~34, 66~67
Management of workplace health & safety	GRI 403, GRI 404	P. 40~42, 71
Protection of customer health & safety	GRI 416	P. 38~40
Enhancement of customer privacy protection	GRI 404, GRI 418	P. 46, 72
Expansion of efforts for customer satisfaction	-	P. 43~46, 72
Expansion of legal compliance & compliance management	GRI 404	P. 61~62, 72~73
ESG risk management	-	P. 19, 63
Improvement of market response & resilience in response to industry changes	GRI 201, GRI 203	P. 10~12

\* GRI Standards: Sustainability reporting standards provided by the GRI (Global Reporting Initiative)

**Impact Assessment of Key Issues**

● High ● Middle ● Low

ESG issue reporting	Financial/non-financial impacts		Impact on stakeholder groups			
	Social/ environmental type	Financial type	Employees	General public/ customers	Shareholders/ investors	Suppliers
Response to climate change	●	●	●	●	●	●
Sustainable utilization of resources	●	●	●	●	●	●
Management of workplace health & safety	●	●	●	●	●	●
Protection of customer health & safety	●	●	●	●	●	●
Enhancement of customer privacy protection	●	●	●	●	●	●
Expansion of efforts for customer satisfaction	●	●	●	●	●	●
Expansion of legal compliance & compliance management	●	●	●	●	●	●
ESG risk management	●	●	●	●	●	●
Improvement of market response & resilience in response to industry changes	●	●	●	●	●	●

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**Management of Material Issues**

Subject	Management environment	Management approach	Performance in 2022	Report page
 <p><b>Response to climate change</b></p>	<p>At the 27th United Nations Framework Convention on Climate Change (COP 27), the Paris Agreement's goal of limiting the global average temperature rise to 1.5°C compared to pre-industrialization levels was reaffirmed. S. Korea is striving to achieve its "2050 Carbon Neutrality" goals and "40% reduction of GHG emissions compared to 2018 by 2030."</p>	<p>Since Korean Air obtained ISO14001 (Environmental Management System) Certification in 1996, the airline has adopted an environmental management system compliant with international standards across all business areas, including transportation, aircraft maintenance, and aerospace. In addition, the ESG committee under the Board of Directors (BOD) has been formed to resolve environmental issues, including climate change.</p>	<p><b>International flight fuel efficiency</b> <b>29.61L/100RTK*</b></p> <p><small>* RTK (revenue ton kilometer): refers to the revenue earned for every 1 ton of passengers &amp; cargo load per 1 kilometer</small></p>	<p>P. 26~30 P. 66</p>
 <p><b>Sustainable utilization of resources</b></p>	<p>Sustainable utilization of resources has become an international trend due to problems such as changes in the global environment &amp; resource depletion. Enterprises must consider the sustainable utilization of resources to protect nature, maintain ecosystems, and achieve economic development for future generations.</p>	<p>Korean Air pursues green purchasing by purchasing eco-friendly products &amp; services. We are making efforts for sustainable utilization of resources in various sectors, such as purchasing high-efficiency aircraft &amp; engines, reducing the weight of installed equipment, purchasing eco-certified products, improving flight efficiency, &amp; upcycling outdated in-flight materials.</p>	<p><b>Green purchase performance</b> <b>KRW 782,742 million</b></p>	<p>P. 31~34 P. 66~67</p>
 <p><b>Management of workplace health &amp; safety</b></p>	<p>As the importance of occupational health &amp; safety has recently increased, corporate responsibilities &amp; obligations for a safe work environment are being emphasized. Companies can continuously grow and develop by providing a healthy work environment and increasing productivity through workplace health &amp; safety management.</p>	<p>Korean Air has established a systematic company-wide occupational health &amp; safety management system, including appointing a CSO and creating an occupational health &amp; safety office. We have created a dedicated health &amp; safety organization in major businesses, operate the Occupational Health &amp; Safety Committee for the labor &amp; management at each division to discuss health &amp; safety issues, and manage the safety of Korean Air &amp; supplier employees.</p>	<p><b>Total time of training on occupational health &amp; safety</b> <b>282,489 hours</b></p> <p><b>Industrial accident rate</b> <b>0.26 %</b></p>	<p>P. 40~42 P. 71</p>
 <p><b>Protection of customer health &amp; safety</b></p>	<p>Since the products or services companies provide directly affect customers, companies must prioritize customer health &amp; safety. Air travel passengers must be guaranteed health &amp; safety throughout the process, from before boarding to after arriving at the destination.</p>	<p>Korean Air maintains a transparent safety management system by operating the Safety Committee under the BOD &amp; other consultative bodies. We recently developed a new cloud-based safety management system to strengthen the company-wide aviation safety system, and resumed the operation of the safety incentive system in January 2023 as part of efforts to protect the health &amp; safety of our customers.</p>	<p><b>The absolute safety flight system</b> <b>22 consecutive years of accident-free operation</b></p> <p><b>No. of administrative dispositions by relevant authorities (Ministry of Land, Infrastructure &amp; Transport) regarding aviation safety regulations</b> <b>ZERO</b></p>	<p>P. 38~40</p>
 <p><b>Enhancement of customer privacy protection</b></p>	<p>Companies must strengthen customer information protection to comply with legal requirements such as the Personal Information Protection Act, while enhancing trust and securing competitive advantage. Attention must be paid to strengthening customer information protection to ensure that personal information leakage does not undermine the safety &amp; trust of customers.</p>	<p>Korean Air has upgraded its personal information protection system. We created the Information Security Office, an organization dedicated to information &amp; privacy protection to respond to stricter tightening of global regulations on personal information and to carry out personal information protection activities that meet global standards, such as acquiring domestic &amp; overseas certification for the information protection management system.</p>	<p><b>No. of reports on leaks of customer personal information</b> <b>ZERO</b></p>	<p>P. 46 P. 72</p>

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Subject	Management environment	Management approach	Performance in 2022	Report page
 <p><b>Expansion of efforts for customer satisfaction</b></p>	<p>Customer satisfaction is an essential factor for the success &amp; survival of a company, while companies must understand their customers' needs and provide products &amp; services that satisfy them. To this end, it is important to continuously communicate with customers and make improvements by actively accepting feedback.</p>	<p>Korean Air always puts customers first under its management philosophy of "Customer Impression and Value Creation." We practice service excellence by actively reflecting the opinions received through the Voice of Customer (VOC) channel and improving services. We also communicate with customers through social media and various marketing activities.</p>	<p><b>2 consecutive awards</b> for CCM (Consumer Centered Management) certification</p> <hr/> <p><b>Ranked 1st</b> in Global Customer Satisfaction Index (GCSI) for 18 consecutive years</p>	<p>P. 43~46 P. 72</p>
 <p><b>Expansion of legal compliance &amp; compliance management</b></p>	<p>Companies can fulfill their social &amp; legal responsibilities, and achieve sustainable development through legal compliance &amp; compliance management. Legal &amp; regulatory requirements have recently increased in the global market, and compliance awareness is emphasized as a basic consciousness for every employee.</p>	<p>Korean Air has appointed the Compliance Officer &amp; compliance coordinators to help all employees comply with domestic &amp; foreign laws &amp; regulations when performing their duties. In addition, we are strengthening the compliance awareness of our executives &amp; employees by conducting compliance education/ training programs and publishing the quarterly Compliance Newsletter.</p>	<p>Monetary loss due to anti-competitive conduct <b>ZERO</b></p> <hr/> <p>Total training time on compliance <b>15,514</b> hours</p>	<p>P. 61~62 P. 72~73</p>
 <p><b>ESG risk management</b></p>	<p>ESG has become a key factor that investors consider when making corporate investment decisions. Companies can fulfill their legal responsibilities, facilitate innovation &amp; competitive advantage, and increase corporate value over the long term by enhancing corporate image through ESG risk management.</p>	<p>Korean Air strives to manage internal &amp; external ESG risks by instituting a systematic ESG governance system. The ESG Committee under the BOD reviews in depth major ESG issues, while the Safety Committee reviews safety issues that are very important in the aviation industry and the Audit Committee reviews financial factors such as exchange rates, oil prices, &amp; interest rates with specialized expertise.</p>	<p>Domestic ESG evaluation <b>KCGS Grade A, SUSTINVEST Grade AA</b></p> <hr/> <p>International ESG evaluation <b>Enlisted into the DJSI Korea Index, ISS GQS Grade 1</b></p>	<p>P. 19 P. 63</p>
 <p><b>Market response to industrial change and improving resilience</b></p>	<p>The aviation industry is undergoing changes, such as changes in demand for overseas travel/air cargo &amp; increased interest in health, safety, &amp; sustainability due to various factors such as the COVID-19 pandemic, international situation, exchange rate, oil price, &amp; interest rates. Businesses can strengthen their competitiveness by resiliently responding to industrial changes and improving resilience.</p>	<p>Korean Air is expanding the number of flight routes to recover the passenger business, and continues to operate CARE FIRST, an integrated quarantine program. We implement operational cost management and flexible supply operation to maximize the profitability of the cargo business, while continuing investment &amp; R&amp;D for the sustainable growth of the aerospace business.</p>	<p>Improvement in passenger transport performance <b>+266%</b> year-on-year</p> <hr/> <p>The record-highest route revenue of the cargo business <b>About KRW 7.724</b> trillion</p>	<p>P. 10~12</p>

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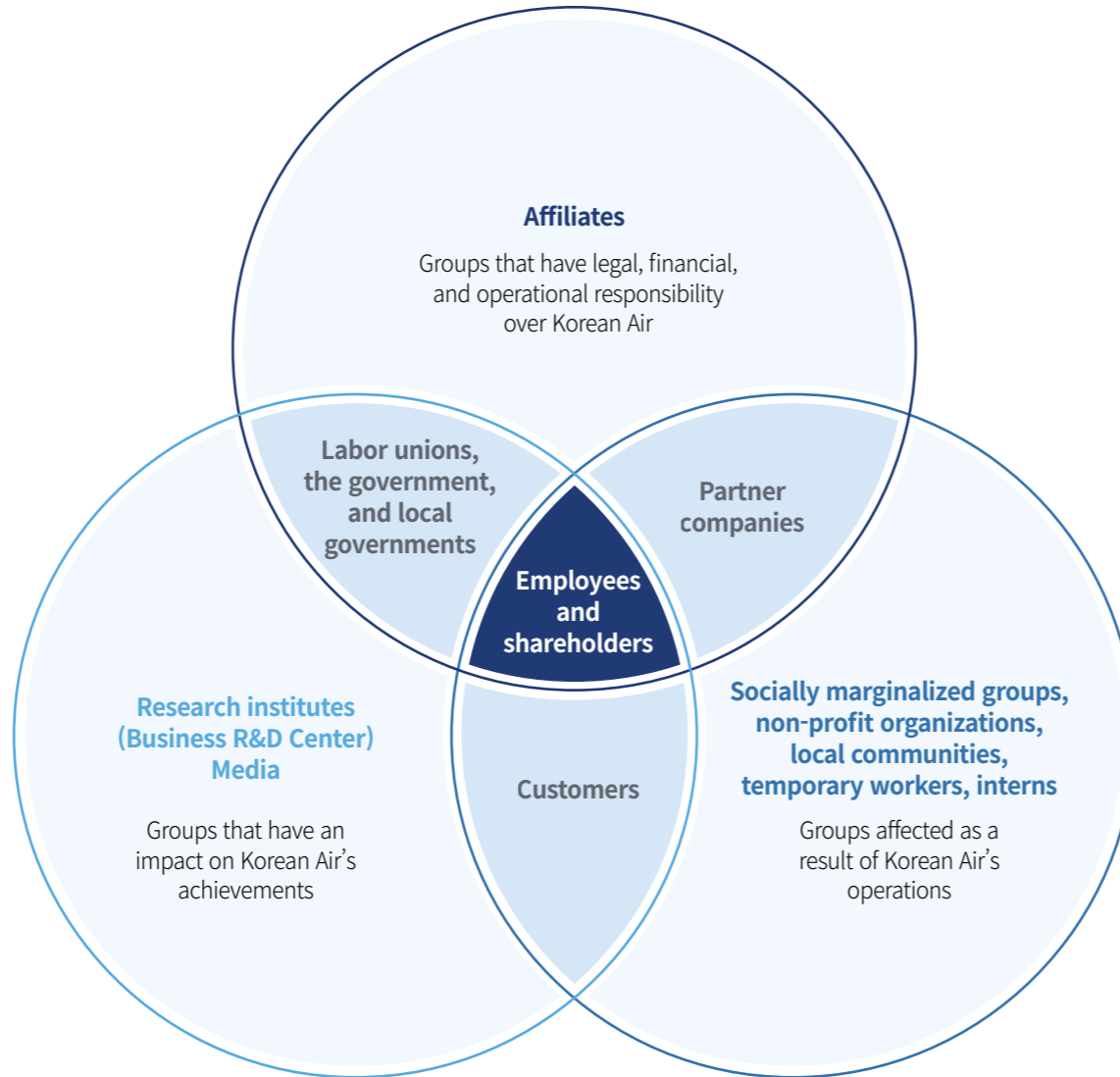
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# Stakeholder Engagement

## Stakeholder Group



**Distribution of economic value to stakeholders in 2022**

(Unit: KRW 100 million)

	<b>Employees</b>	Labor expenses <b>16,762</b>	Welfare expenses <b>4,226</b>
	<b>Shareholders</b>	Dividends <b>2,771</b>	
	<b>Creditors</b>	Interest expenses <b>3,618</b>	
	<b>Tax Authorities</b>	Corporate income taxes <b>8,949</b>	
	<b>Local Communities</b>	Social contribution cost <b>60</b>	
	<b>Suppliers</b>	Rest expenses <b>137</b>	Manufacturing expenses <b>2,232</b>
		Fuel expenses <b>40,075</b>	Airport expenses <b>7,295</b>

※ Based on separate financial statements

**Total 86,125**

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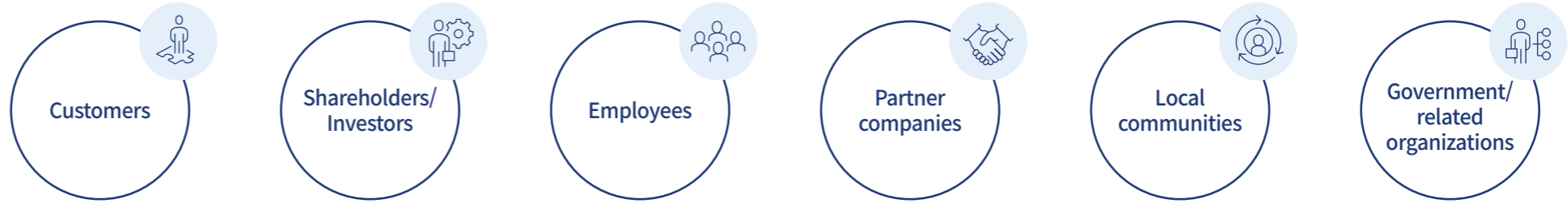
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**Stakeholder Communication**

※ Frequency of Communication: ● Always □ Regularly ○ Weekly ● Monthly ● Semi annually ◆ Annually ▲ Business day



Stakeholder Group	Main interests of shareholders	Stakeholder communication channels	Major activities
Customers	<ul style="list-style-type: none"> <li>• Safety and punctuality</li> <li>• Service quality</li> <li>• Diverse routes</li> <li>• Provision of accurate information</li> <li>• Prompt response to customer complaints/ inquiries</li> </ul>	<ul style="list-style-type: none"> <li>● Website</li> <li>□ Korean Air Newsroom</li> <li>● Newsletter</li> <li>● SNS channels</li> <li>● Service center</li> <li>● Voice of Customer (VOC)</li> <li>● Chatbot</li> <li>● NPS(Net Promoter Score) survey</li> </ul>	<ul style="list-style-type: none"> <li>• Active customer communication through various channels</li> <li>• Resolving customer complaints and inquiries</li> <li>• Promoting service improvement by analyzing customer opinions</li> </ul>
Shareholders/Investors	<ul style="list-style-type: none"> <li>• Sales and financial performance</li> <li>• Business outlook</li> <li>• Risk management</li> <li>• Governance structure</li> <li>• Improvement of shareholder communication and shareholder values (dividends, etc.)</li> <li>• Response to ESG issues</li> </ul>	<ul style="list-style-type: none"> <li>◆ General meetings of shareholders</li> <li>□ Corporate briefings, IR meetings</li> <li>□ Website (disclosures)</li> <li>● Operation of IR communication channels (IR e-mail, phone)</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment and improvement of committees within the BOD</li> <li>• Stronger communication with shareholders/investors</li> <li>• Expanding corporate information disclosure (on website)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Welfare-support program</li> <li>• Handling employee grievances</li> <li>• Fair evaluation and compensation</li> <li>• HR policy without discrimination</li> <li>• Training courses and career development</li> </ul>	<ul style="list-style-type: none"> <li>□ Labor-management council</li> <li>□ On-site visit of Human Resources Division</li> <li>● Intranet (communication/employee information system)</li> <li>○ Newsletter</li> <li>▲ Newsbytes</li> <li>□ Daehan TV</li> <li>● Internal misconduct reporting system</li> <li>● Employee grievance management system</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting employee communication activities through labor-management consultation channels</li> <li>• Listening to on-site grievances and improving workplace environment</li> <li>• Operation of training programs customized for each job level/job type</li> <li>• Career Development Program</li> </ul>
Partner companies	<ul style="list-style-type: none"> <li>• Shared growth and fair trade</li> <li>• Promotion of production efficiency</li> <li>• Enhancement of competencies in technology, quality, and human resources</li> <li>• Share information and communication</li> <li>• Promote welfare</li> </ul>	<ul style="list-style-type: none"> <li>● Portal site for partner companies (Intranet)</li> <li>□ Production Management Council</li> <li>● Workshops and meetings with partner companies</li> </ul>	<ul style="list-style-type: none"> <li>• Operation of a dedicated organization to pursue shared growth</li> <li>• Cash payment in full for purchases</li> <li>• Fundraising for win-win cooperation</li> <li>• Technical support and joint development for localization</li> <li>• Supporting exchanges between partner companies</li> <li>• Welfare support program</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>• Communication with local communities</li> <li>• Social contribution activities</li> <li>• Environmental protection, relief activities</li> </ul>	<ul style="list-style-type: none"> <li>● Website</li> <li>● SNS channels</li> </ul>	<ul style="list-style-type: none"> <li>• Operation of disaster-relief programs</li> <li>• Operation of a community service group composed of employees</li> <li>• Sisterhood and community services</li> <li>• Operation of an airline tour program</li> <li>• Planning Love for China program (building "Dream Library" and donating computers, etc.)</li> <li>• Creating a wind forest to prevent Mongolian deforestation</li> <li>• Servicing nearby areas affected by aircraft noise</li> <li>• Paying airport noise charges near local communities</li> </ul>
Government/related organizations	<ul style="list-style-type: none"> <li>• Aviation safety/aviation security</li> <li>• Improvement of aircraft fuel efficiency</li> <li>• Response to climate change</li> <li>• Domestic and international aviation policies</li> </ul>	<ul style="list-style-type: none"> <li>□ Interviews with administrative departments and policy meetings</li> <li>□ Technical meetings, technical consultation</li> <li>□ Participation in international organization meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Responding preemptively to changes in aviation security environments including adoption of biometrics</li> <li>• Standardization of aircraft fuel reduction technology and propagation of national airline</li> <li>• Introduction and implementation of environment/sustainability systems (CORSA, GHG Emissions Trading Scheme)</li> <li>• Preemptively responding to changes in domestic and international aviation policies</li> </ul>



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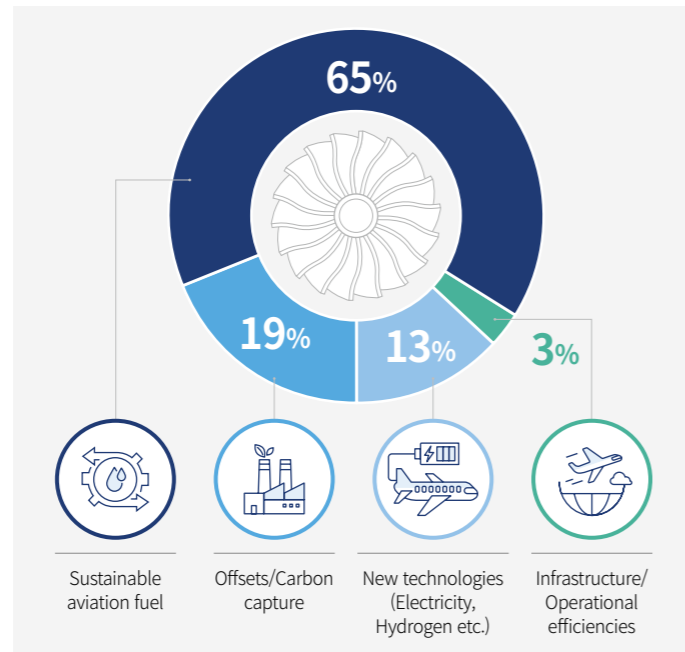
# Response to Climate Change

## Objectives of Response to Climate Change

At the 41st General Assembly of the International Civil Aviation Organization (ICAO) in October 2022, the member countries agreed to actively cooperate to achieve the goal of "Net Zero Carbon Emissions by 2050," as mutually affirmed by participating airlines at the 2021 General Assembly of the International Air Transport Association (IATA). According to IATA, a cumulative total of 21.2 Gt of carbon should be reduced by 2050 to achieve carbon neutrality. Strategies to reduce carbon emissions include using sustainable aviation fuel, developing new aviation technology such as hydrogen, and using carbon capture/storage technologies.

As a global airline leading the industry, Korean Air not only implements diverse strategies to achieve carbon emissions reduction in support of the aviation industry's response to climate change, but also collaborates with various stakeholders including the government, oil companies, and aircraft manufacturers to actively develop and use means to reduce emissions in the future.

Contribution to achieving Net Zero Carbon Emissions by 2050 (Source: IATA)



## Governance on Response to Climate Change

### The role of the Board of Directors on climate change risks and opportunities

Korean Air has formed and operates the ESG Committee composed of four non-executive directors with expertise under the BOD to review the company's ESG policies and strategies, manage and oversee key initiatives, and play the role of the top decision-making, advisory body for other issues that have material impacts on shareholder value. In particular, response to climate change is one of the main tasks emphasized by the ESG committee. Every quarter, the ESG committee reviews climate change issues in depth and recommends the future direction for the company as well as mid- to long-term strategies to combat climate change.

### Greenhouse Gas Emissions and Efficiency

Greenhouse gas emissions over the past three years (Unit: tCO<sub>2</sub>eq)

Scope	2020	2021	2022
<b>Scope 1 (Direct emissions)</b>	<b>7,626,574</b>	<b>7,503,920</b>	<b>8,631,157</b>
Use of jet fuel on international and domestic flights	7,598,830	7,482,666	8,606,511
Use of fuel for ground operations	27,744	21,254	24,646
<b>Scope 2 (Indirect emissions)</b>	<b>48,655</b>	<b>41,398</b>	<b>43,301</b>
Use of external energy sources including electricity, medium temperature and hot water, etc.	48,655	41,398	43,301
<b>Scope 3 (Indirect emissions generated throughout the value chain)<sup>1)</sup></b>	<b>1,623,327</b>	<b>1,700,334</b>	<b>1,975,406</b>
Production and transportation of jet fuel <sup>2)</sup>	1,623,327	1,700,334	1,975,406
<b>Total (Scope 1+2)</b>	<b>7,675,229</b>	<b>7,545,318</b>	<b>8,674,458</b>
<b>Total (Scope 1+2+3)</b>	<b>9,298,556</b>	<b>9,245,652</b>	<b>10,649,864</b>

1) Scope 3 emissions refer to carbon emissions generated externally throughout the company's value chain, and are not directly regulated, unlike Scope 1 and 2 emissions.  
 2) ICAO standard (Jet fuel Well-to-Tank)0.68kgCO<sub>2</sub>/kg is applied to carbon emissions related to the production and transport of jet fuel.

## Assessment and management system of climate change risks & opportunities

The analysis and evaluation on factors associated with Korean Air's climate change risk and opportunity are systematically conducted by the C-Level executives and the environmental management organization. The Environment Team is responsible for analyzing company-wide responses to resolve climate change and comprehensive risk assessment. We have also appointed an executive-level manager and established an organization responsible for environmental management in the transportation, aircraft maintenance, and aerospace business areas.

The dedicated team from each business area analyzes major business performances and risks related to climate change, and submits reports on them to the Management Team. The executive in charge of the Environment Team evaluates major issues, and then submits reports on them to the C-Level executives at least once per year. In addition, major issues identified by the environmental management organizations are reported to the Board of Directors and the ESG committee for review and advice.

### Aircraft greenhouse gas emissions over the past three years

Scope	Unit	2020	2021	2022
Greenhouse gas emissions from international and domestic flights	tCO <sub>2</sub> eq	7,598,830	7,482,666	8,606,511
Volume carried: Available Ton Kilometer <sup>1)</sup>	1 million km	13,879	14,703	15,329
Revenue passenger and cargo: Revenue Ton Kilometer <sup>2)</sup>	1 million km	10,366	11,459	11,663
<b>Greenhouse gas emissions per supply</b>	kgCO <sub>2</sub> /100ATK	<b>54.75</b>	<b>50.89</b>	<b>56.15</b>
<b>Greenhouse gas emissions per revenue passenger and cargo</b>	kgCO <sub>2</sub> /100RTK	<b>73.31</b>	<b>65.29</b>	<b>73.79</b>

1) ATK (Available Ton Kilometers): ATK is a unit of measure which refers to a metric ton of passengers and cargo capacity provided for one kilometer. It is a way of measuring the airline's transportation capacity.  
 2) RTK (Revenue Ton Kilometers): RTK is a unit of measure which refers to the revenue earned for every 1 ton of passengers and cargo load per 1 kilometer. It is a way of measuring the business volume.

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**Efforts to Reduce Greenhouse Gas Emissions**

**Sustainable aviation fuel**

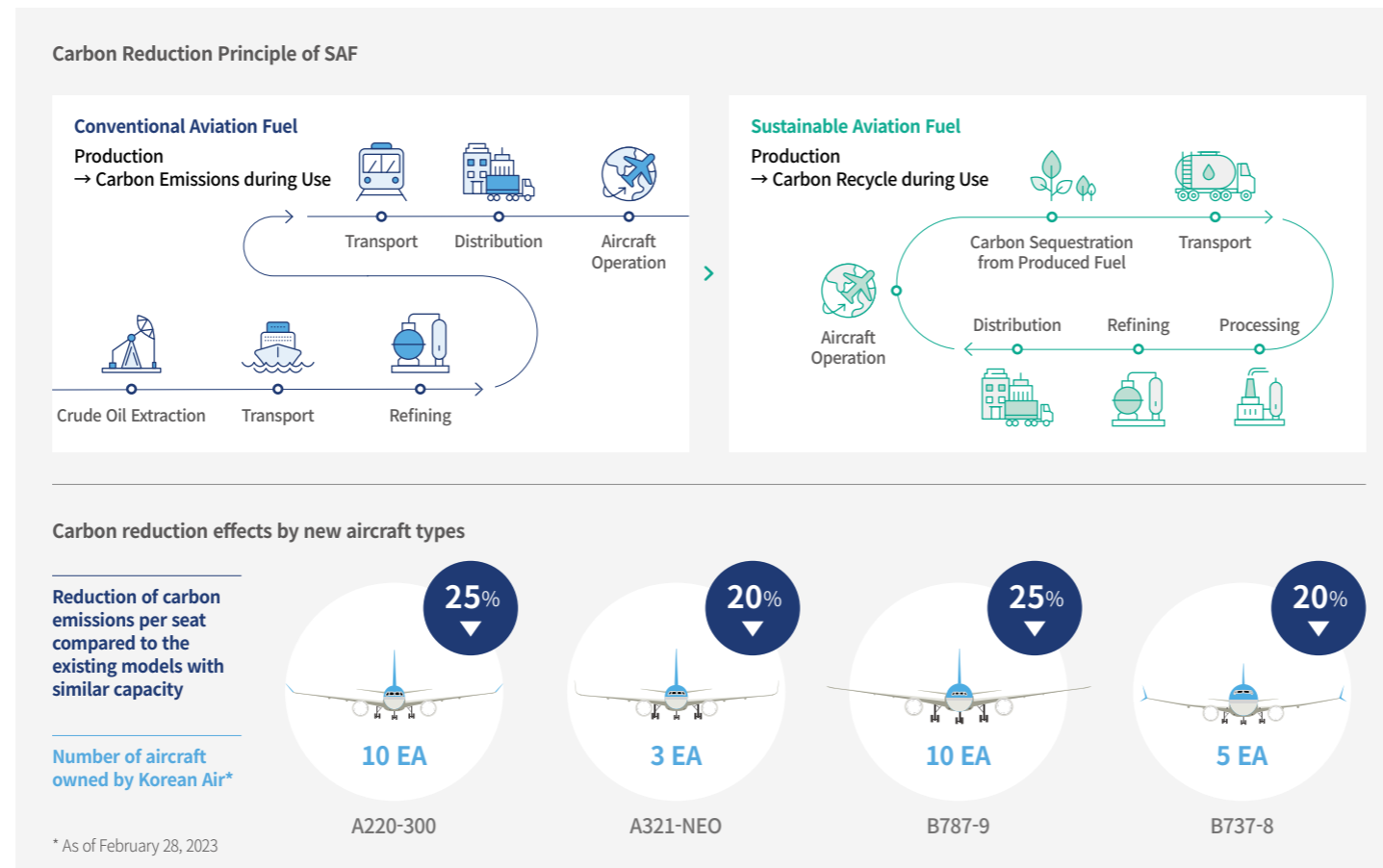
Sustainable Aviation Fuel (SAF) is an alternative fuel made from sustainable raw materials, including used cooking oil, agricultural byproducts, and waste. SAF can be used together with conventional jet fuel and can reduce emissions by up to 80% compared to fossil fuel derived aviation fuel. SAF is one of the main methods the aviation industry can use to reduce carbon emissions, and according to IATA, SAF could contribute around 65% of the reduction in emissions needed by the aviation industry to achieve carbon neutrality by 2050.

Although SAF currently comprises only 0.1% of the overall aviation fuel usage due to shortages in production facilities and supply chain, European countries and the United States have recently begun to implement policies and provide investment support to expand the use of sustainable aviation fuel.

SAF is typically three to five times more expensive than conventional jet fuel with limited production. Therefore, institutional incentives and infrastructure for production and refueling are required, but compared to Europe and the United States, Korea is not yet sufficiently prepared.

To solve this problem and promote sustainable aviation fuel in the domestic aviation industry, Korean Air signed a memorandum of understanding with Hyundai Oilbank, a domestic oil refinery, in June 2021 to set the framework for production and usage of sustainable aviation fuel, and has been actively cooperating in building the foundation for the production and usage of sustainable aviation fuel in S. Korea, market research, and R&D. Moreover, we have participated in the government-sponsored Eco-Friendly Biofuel Promotion Alliance to continue necessary cooperation, such as the sustainable aviation fuel demonstration project, together with various stakeholder groups, such as the government, institutions, and industries.

Meanwhile, Korean Air is actively reviewing the possibility of using SAF for flights departing from airports in international locations, where the supply is stable. We have used SAF on the route between Paris and Incheon since February this year for the first time in Korea. Korean Air is actively working with various stakeholders, including the government, oil refineries, and the airport to establish a foundation for the introduction of SAF in Korea, and will expand the use of SAF by participating in multilateral efforts to introduce SAF both in Korea and abroad.



**Eco-friendly aircraft**

The introduction of high-efficiency aircraft is the most effective way of reducing greenhouse gas emissions and improving fuel efficiency in the aviation sector. Korean Air maintains an average fleet age of 11.8 years, the lowest among domestic Full Service Carriers (FSCs), through the company's strategy to actively introduce new high-efficiency aircraft. The newly introduced A220-300, A321neo, B787-9, and B737-8 aircraft are high-efficiency models that reduce carbon emissions per seat by 20~25% compared to the existing models with similar capacity.

Korean Air rolled out a fleet of A321neo aircrafts, a high-efficiency aircraft, in December 2022, and has deployed it on all domestic routes. We plan to increase the fleet to 30 A321neo aircrafts by 2027 and purchase a total 90 new aircrafts, including 10 B787-9s, 20 B787-10s, and 30 B737-8s, by 2028. Moreover, six A330s and six B777-200ERs, which are an aging aircraft model, will be decommissioned sequentially to modernize the fleet.

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Improvement of flight efficiency

**Introduction of a new fuel management system based on integrated data management** Korean Air has instituted an AI and machine learning-based fuel management system to reduce GHG emissions from aircraft operations more innovatively and systematically.

With keener attention paid to improving the efficiency of flight operation procedures, which readily and significantly contributes to improving fuel efficiency, we selected the optimized fuel management solution after carefully comparing and reviewing a number of specialized solution programs, and rolled out a new fuel management system following preparations for about a year.

The new fuel management system is expected to provide systematic and integrated fuel management through data analysis at every stage of operation. By focusing on improving the efficiency of flight operation procedures, which significantly contributes to fuel efficiency, we carefully compared and reviewed various specialized solutions and selected an optimized fuel management solution. After a year of preparation, we implemented the new fuel management system.

Developing Eco-Friendly Aviation Technology

Korean Air is equipped with high competitiveness in aviation technology, including aircraft maintenance. Against this backdrop, we are striving to further develop future eco-friendly aviation technology, a major future growth engine.

**Manufacturing of eco-friendly aircraft parts** Korean Air is highly competitive in aeronautical technology R&D, and strives to develop an eco-friendly future aerospace technology, which is a future growth engine. Korean Air participates in developing main structures of civilian aircraft, such as the B787 and A350, with improved fuel efficiency, jointly with aircraft manufacturers Boeing and Airbus, and manufactures parts using lightweight carbon composite materials.

We are also jointly executing the next-generation eco-friendly aircraft development project with Airbus since 2019 to research and develop a wing structure using integrated composite materials and new automation technology, while having completed the prototype development in 2022.

**Development of space launch vehicle technology** With the arrival of the New Space Age, the aerospace industry market is expanding, and various opportunities are created from the public sector to the private sector. Korean Air has chosen the space industry as a major future growth engine, and is hard at work to develop eco-friendly space technologies through technological cooperation with various government agencies and research institutes. We participate in a common bulkhead propellant tank project as part of the Space Pioneer program organized by the Ministry of Science and ICT to study integrated launcher vehicle fuel tanks and oxidizer tanks with greater fuel efficiency. Moreover, we were selected for the Capability Support Project for Small Launch Vehicle Development, and are developing an engine that utilizes methane liquid fuel that is more eco-friendly than kerosene.

**Urban air mobility R&D** Urban air mobility (UAM) has garnered the global spotlight as a next-generation transportation means that solves environmental pollution caused by urban traffic congestion and carbon emissions. Based on its operation/ control experience in the passenger and cargo transport industry and aircraft development and maintenance prowess as a global flagship airline, Korean Air is hard at work on related R&D by

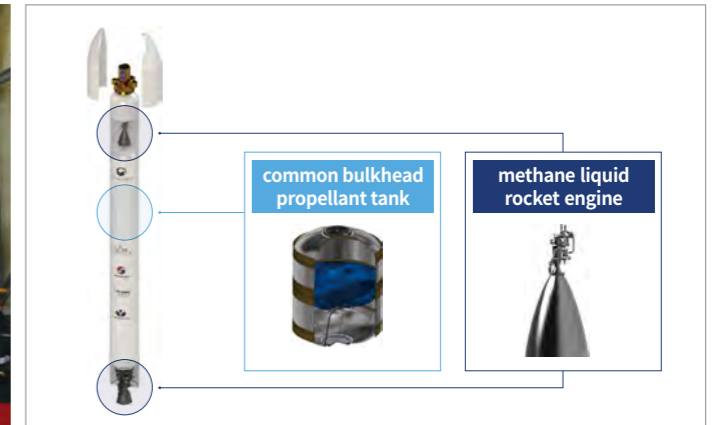
forming various industry-academia-research-government partnerships to build the urban air mobility infrastructure and roll out an operation control system. We have cooperated in various ways to ramp up UAM projects, such as participating in the national project UAM Team Korea from inception, jointly with Incheon International Airport Corporation, Hyundai Motor Company, KT, and Hyundai E&C with the aim of delivering the first UAM operational concept in S. Korea, and have cooperated with domestic and foreign professional institutions to develop safe operation technology. Korean Air has participated in a number of exhibition events, such as the 2022 Drone Show Korea, K-UAM Confex, and the Drone/UAM Expo, to showcase the UAM monitoring and control system and autonomous navigation technology to bring the control experience to the visitors.

Accordingly, Korean Air plans to create a K-UAM ecosystem, develop business models suitable for the domestic environment, and provide integrated services.

Active investments in eco-friendly future aviation technology form a key strategy of Korean Air to secure growth engines in the transition to a decarbonized society.



Prototype development completion of a wing structure using integrated composite materials



Expected development of a small launch vehicle

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Other GHG reduction activities

**Upcycling outdated in-flight life jackets** Korean Air is continuously upcycling using decommissioned aircraft and aging materials, and manufactured upcycling pouches using outdated in-flight life jackets in February 2023. All manufacturing processes were carried out in a factory operated with 100% solar power generation and minimized environmental pollution during the product production stage by using eco-friendly detergents for hygiene use. Various skin care products from 107(ONEOSEVEN), a domestic beauty brand that pursues sustainability, are put into the pouch to create an upcycling pouch optimal for travel, and proceeds from sales were donated to global environmental organizations to highlight the essential meaning of eco-friendly upcycling products.

**Use of eco-friendly cargo vinyl** Koran Air has used vinyl made from a mixture of 50% recycled raw materials using waste vinyl and plastic containers since January 2021 to minimize GHG emissions. Compared to existing cargo packaging products, recycled vinyl has no difference in quality, such as thickness, tension, and strength, and contributes to not only the safe transportation of cargo but also reduced plastic use and carbon emissions. Moreover, some overseas branches also use eco-friendly vinyl for cargo packaging, and we are continuously working to reduce carbon emissions by expanding the scope of application and identifying new related items in collaboration with vinyl manufacturers.

**Use of lightweight containers** Since December 2020, Korean Air has been switching the cargo containers to lightweight containers that are 60 kg lighter than before. By loading and transporting cargo in lightweight containers, the weight of the entire aircraft is decreased, leading to reduced fuel costs and carbon emissions. As of 2022, the proportion of lightweight containers has increased to about 80%, reducing the loading weight by about 18,000 tons and carbon emissions by 13,000 tCO<sub>2</sub> per year compared to conventional containers.

Responding to Carbon Regulations

As market-based carbon regulations tighten, the importance of carbon cost management is increasing. Particularly, airlines operating international flights are subject to overseas carbon regulations and therefore need more systematic management.

To this end, Korean Air is tightly monitoring carbon emissions from aircraft operations and ground operations. Moreover, to enhance data integrity, we are having our data inspected and verified by an independent third party every year, and everything is disclosed to external organizations. We are also managing risks related to carbon credit costs by reflecting them in our internal accounting management system.

ICAO CORSIA

The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the first global carbon regulation implemented in the aviation industry, has been in effect since 2019 and mandates airlines to purchase carbon credits to offset their excess carbon emissions compared to the base year. Currently, there is no offsetting obligation because of a sharp drop in international flights due to the impact of COVID-19. However, Korean Air plans to implement carbon offset measures by purchasing carbon credits ahead of the recovery of global air demand, and has been duly reporting carbon emissions from international flights every year since 2019 to ICAO and the Ministry of Land, Infrastructure and Transport in compliance with CORSIA obligations.

EU-ETS and UK-ETS

Since 2012, Korean Air has been under the influence of the EU-Emissions Trading System (EU-ETS), and accordingly we have been fulfilling our obligation to annually report on and settle carbon emissions for flights within the EU.

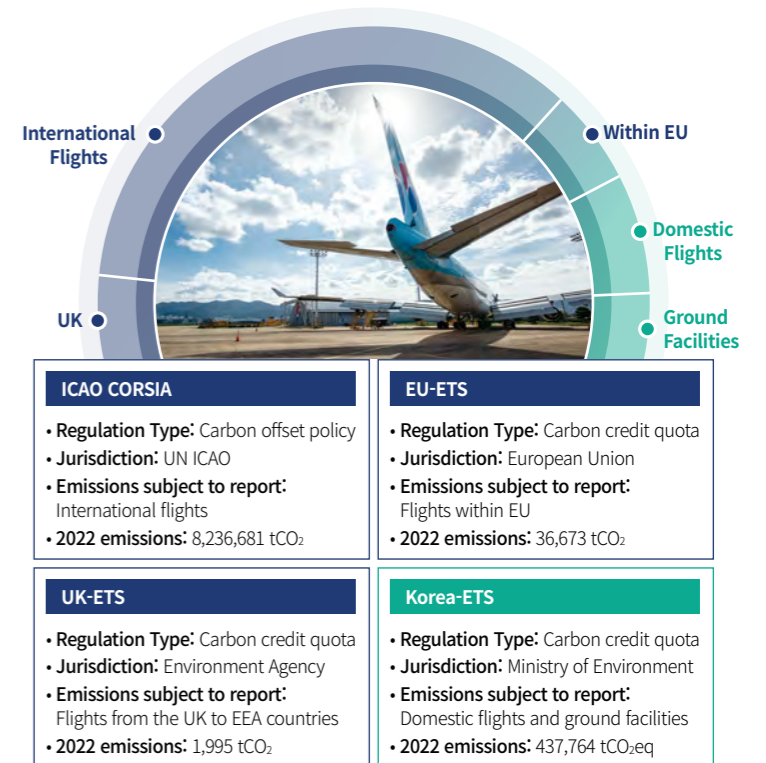
Since 2020, flights operating between Switzerland and the EU countries have also been managed, along with the implementation of the Swiss-ETS in connection with the EU-ETS.

The UK-ETS is applied to the UK's domestic flights, flights from the UK to EEA (European Economic Area) countries, and some of Korean Air's cargo flights from the UK. As the UK-ETS is separately managed from the EU-ETS, Korean Air is doing its due diligence to comply with relevant regulations by reporting on and settling carbon emissions in the UK.

Korea-ETS

The Korea-ETS has been implemented since 2015, and is currently applied to approximately 688 domestic companies as of 2022. Carbon emissions coming from our domestic flights and ground facilities are managed under the Korea-ETS, and are being reported on and settled annually. Particularly, in the third period of the domestic emissions trading scheme, the proportion of priced allocation has been expanded, and as the price of carbon credits is expected to rise, carbon emission management is becoming ever more important. To cut aircraft emissions, which account for more than 80% of the total amount of emissions subject to regulation, Korean Air has actively introduced high-efficiency aircraft such as Airbus A220-300. We are also actively adopting diverse carbon reduction measures, such as renewable fuels that could go carbon-neutral by being offset with carbon credits.

Carbon regulations implemented by Korean Air



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**Risks and Opportunities Related to Climate Change**

The short-term/mid-term/long-term risk and opportunity factors that climate change could cause to the company's air transportation and aerospace business are classified as below.

**Major climate-change issues**

**Transition risks/opportunities**

■ Risk factors ■ Opportunities factors

Division	Details	Estimated impacts and ways to respond	Impact Period
Carbon regulation	<ul style="list-style-type: none"> <li>Tightened carbon regulations and increased price of carbon credits, leading to increased cost of purchasing carbon credits</li> <li>Korean Air is currently applying Korea-ETS, ICAO CORSIA, EU-ETS, etc.</li> <li>* For details, refer to page 29 of the report, Responding to Carbon Regulations</li> </ul>	<ul style="list-style-type: none"> <li>During the settlement of carbon credits in the first stage of Korea-ETS ('15-'17), we purchased about KRW 6 billion worth of carbon credits, and afterwards, due to the introduction of high-efficiency aircraft and energy facilities, we have minimized the purchase of carbon credits.</li> <li>ICAO CORSIA: Due to the Covid-19 pandemic, emissions coming from international flights have been sharply reduced and therefore no costs are incurred. However, as demand picks up, it is expected that costs will be incurred</li> <li>Minimizing the purchasing costs of carbon credits by aggressively cutting carbon emissions</li> </ul>	Short-term, mid-term
Energy transition	<ul style="list-style-type: none"> <li>As climate policies in Europe tighten, some Europe countries are applying ReFuelEU Aviation</li> <li>Widespread use of SAF, a major means to cut carbon emissions</li> </ul>	<ul style="list-style-type: none"> <li>Operation costs will increase if ReFuelEU Aviation is introduced, for the cost of SAF is higher compared to the original jet fuel.</li> <li>Cutting carbon credit costs by achieving carbon emission cuts through SAF</li> </ul>	Short-term, mid-term
Consumer behavior	<ul style="list-style-type: none"> <li>Consumers' preference for green consumption expands, and how companies respond to climate change impacts consumer choice</li> <li>Compared to other transportation methods, aircraft emit more carbon. In some regions including European countries, boycott campaigns such as "Flight Shame" have emerged</li> </ul>	<ul style="list-style-type: none"> <li>Reduced risk due to changes in consumer behavior as air travel demand decreased in the aftermath of COVID-19</li> <li>An expanded communication channel for designing responses to green consumer demands</li> </ul>	Mid-term
Eco-friendly technologies	<ul style="list-style-type: none"> <li>It is difficult for the aerospace industry to go carbon-free. Most of the carbon reduction in the industry is due to the introduction of new green technologies.</li> <li>Green technologies in the aerospace industry, including high-efficiency aircraft, hydrogen/electricity aircraft, and carbon capturing technology, require a long development period and high investment costs.</li> </ul>	<ul style="list-style-type: none"> <li>Utilizing Korean Air's capacities to develop and manufacture parts and conduct research on aviation technology, as a future growth engine.</li> <li>More opportunities to finance the introduction of eco-friendly aircraft and technological development, in accordance with an expansion of domestic green financing policies.</li> </ul>	Long-term
External evaluation	<ul style="list-style-type: none"> <li>More emphasis put on ESG management and impact on ESG evaluation of a company and investor decisions</li> </ul>	<ul style="list-style-type: none"> <li>Systematic environmental management system and transparent disclosure of climate change-related information</li> <li>For three consecutive years, we have acquired an 'A' level in KCGS's ESG assessment.</li> </ul>	Short-term

**Physical risks**

Division	Details	Estimated impacts and ways to respond	Impact Period
Natural disasters such as typhoons	<ul style="list-style-type: none"> <li>An increase in natural disasters such as typhoons and heavy snow impacts on flight operation.</li> </ul>	<ul style="list-style-type: none"> <li>Canceled and delayed flights due to extreme weather have direct impacts on an airline's revenue.</li> <li>Recruiting talents with expertise in aeronautical meteorology to collect and analyze data on unusual flights, thereby making optimal flight decisions</li> </ul>	Short-term, mid-term
Extreme weather such as temperature rise	<ul style="list-style-type: none"> <li>Change in air density due to temperature rise also impacts aircraft operation performance.</li> </ul>	<ul style="list-style-type: none"> <li>Changes in air density due to temperature rise influences weight limits for takeoff, which leads to more operation costs for the company.</li> <li>Managing risks by collecting and analyzing relevant data on operation.</li> </ul>	Long-term

**Impact Period**



**Managing Climate Change Related Risks**

The Environmental Management System (EMS) team, in charge of general headquarters, aircraft maintenance, and aerospace business sectors, regularly detects and identifies climate change-related risks in the entire company. Afterwards, the EMS team and the ESG secretariat jointly conduct a comprehensive analysis and assessment of the identified risks. The EMS team consists of environmental experts, capable of carrying out in-depth assessments, and the ESG secretariat consists of experts in environment, society, finance, and management. These in-house experts are responsible for reviewing ESG risk factors from multiple perspectives, and reporting their reviews to the ESG Committee. Risks that could impact the company's finance and business strategy are discussed within the ESG Committee, which is entirely composed of independent directors under the BOD. The ESG Committee carries out its main role of making decisions and establishing strategies on evaluating and managing climate change-related risks.

**Korean Air's Resilience According to the Climate Change Scenario**

Korean Air is subject to an array of carbon regulations at home and abroad and thus applies diverse carbon-cost forecasting scenarios according to the types of carbon credits and market trends of each carbon mechanism. For instance, when it comes to the Carbon Offsetting and Reduction Scheme for International Aviation System (CORSIA), the International Energy Agency (IEA) standard emission price is used to predict the cost of offset emissions quota for up to 2035. Meanwhile, the cost of carbon credits in the domestic market is determined by trading costs and regulatory trends.

This internal prediction mechanism functions as a basis for decision making and financial management. In the future we plan to apply a 1.5°C climate change scenario and draw out more sophisticated financial analyses.

# Green Management

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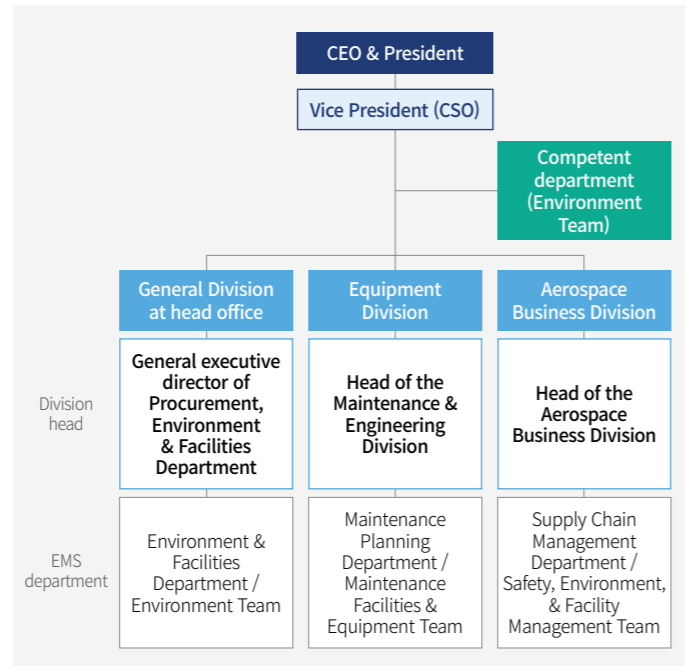
## Environmental Management System

After Korean Air acquired ISO14001 (Environmental Management System) certification in 1996, a new environmental management system fit to international standards was introduced. This system enables the entire company to carry out green management in each business sector.

Korean Air has established and operates a pool of internal environmental auditors composed of experienced and highly credentialed environmental experts to inspect and evaluate the company's implementation of the international standard ISO14001 and the environmental management system. The overall implementation status of the environmental management system is checked through regular and occasional inspections at least once a year, and identified problems are addressed through internal corrective and preventive action process. (ISO 14001 certificate)

ISO 14001 certificate

### Environmental Management Organization



## Setting and Carrying Out Environmental Goals

In the year 2022, Korean Air established and implemented 56 green management goals in its general headquarters, aircraft maintenance, and aerospace business sectors. The 56 goals are composed of 20 quantitative goals (including stabilization of pollutant emissions, greenhouse gas, wastes, and resource saving) and 36 qualitative goals (including emergent response to environmental changes, and law compliance).

## Environmental Impact Assessment & Review

Korean Air conducts environmental impact assessments every three years to identify the environmental impact of business activities and to minimize the impact on local communities. An environmental impact assessment involves surveys of air and water pollutants, waste disposal, soil contamination, and an evaluation of hazardous chemicals used at each business site to maintain a safe and healthy environment through comprehensive management. Moreover, we conduct internal environmental reviews every year to check for the compliance with environmental regulations and related laws at the company-wide level and to take corrective and preventive actions for the sake of continuous improvement.

### Environmental Impact Assessment & Review

Regular schedule		Routine	
<b>Internal environmental inspection</b> Inspection of environmental management system operation for all business sites <hr/> <b>Once a year</b>	<b>External certification review</b> Validation of ISO14001 certification by the internal certification body <hr/> <b>Once a year</b>	<b>Self-inspection of groups &amp; work units within field departments</b> Checking of the normal operation of water/air emission facilities    Checking of the appropriateness of separated waste disposal    Checking of contamination of the surrounding soil when discharging waste oil <hr/> <b>Daily (Patrol)</b>	
<b>Self-inspection of environmental facilities</b> Conducted by the EMS Department for workplaces in the relevant sector <hr/> <b>Once a year</b>	<b>Self-inspection by field departments</b> Inspection of operation status of onsite environmental facilities within each department <hr/> <b>Once a month</b>	<b>Ad hoc</b> <b>Inspection of responses to comply with strengthened environmental laws &amp; regulations</b> When focused management is required according to the regulation <hr/> <b>Without advance notice</b>	<b>Flight operations</b> <b>Aircraft inspection management</b> Defect & function correction/supplementation until shipment (flight) <hr/> <b>As needed</b>

## Environmental Crisis Management

Korean Air has instituted and operates a company-wide emergency response system in preparation for aircraft accidents. Moreover, we ensure that the organization is prepared to effectively respond to actual accidents by setting up aircraft accident scenarios periodically and conducting unannounced random mock drills every year. In the event an environmental crisis, such as oil leaks, occurs due to an aircraft accident, the emergency network is mobilized, with pollution control and investigation measures to be conducted by responding organizations according to the Operating Guidelines of the Environmental Countermeasure Center.

Regarding environmental issues that may occur in the course of business activities, such as aircraft maintenance and manufacturing on the ground, response organizations and operating procedures are established for each business site based on emergency preparedness and response guidelines in the Environmental Management Regulations, while the environmental impact from an accident is minimized by preparing for and tackling to environmental pollution.

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**Strengthening Employees' Environmental Capacities**

Based on the environmental training system at the enterprise level, Korean Air provides diverse sessions on basic training, job-specific training, and on-the-job training. Although the total education/ training time on the environment decreased by about 70% in 2020 compared to 2019 due to the COVID-19 pandemic, it did increase by 136% in 2021 and 127% in 2022 compared to 2020 as a result of concerted efforts to normalize in-house environmental education/ training, such as actively utilizing the contract-free internal online lecture system. In order to boost our employees' recognition of environmental management, we will continuously provide in-house environmental training sessions along with diverse online lectures which will hopefully enable our employees to heighten their expertise on environmental matters.

Environmental Education Performance in 2022

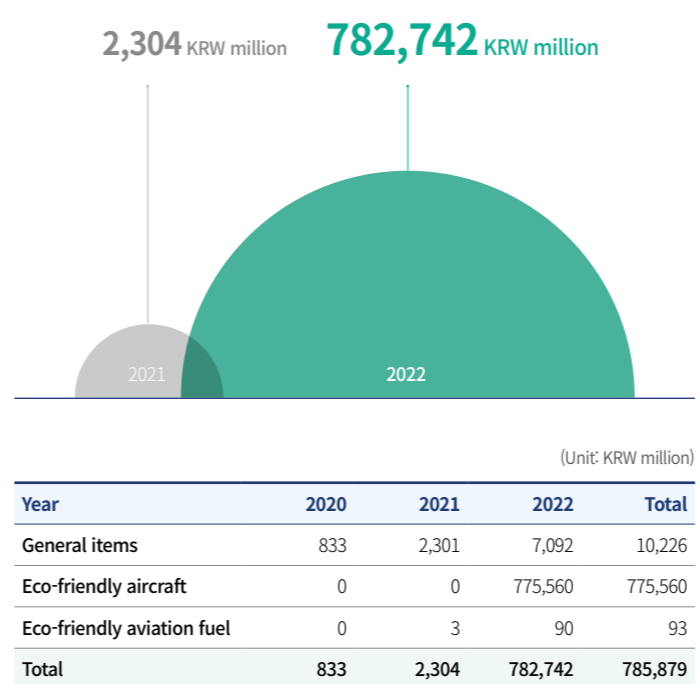


**Green Procurement**

Korean Air promotes green procurement, and accordingly has established inhouse guidelines for green procurement and is complying with this. Purchasing high-efficiency aircraft and engines, reducing the weight of aircraft loads, and purchasing certified eco-friendly goods are just some examples of our efforts in this regard.

In order to reduce our carbon footprints during the flight, paper straws, paper coffee sticks, and FSC(Forest Stewardship Council)-certified paper cups began to be used during in-flight services, and eco-friendly vinyl began to be used for cargo packaging. In 2022, vinyl materials for in-flight service was replaced with eco-friendly vinyl made of 50% recycled vinyl, and slipper pouches of the Prestige Class seats made of non-recyclable plastic mixed materials were changed to eco-friendly paper materials. Korean Air, as a sound corporate customer, will continue to actively take part in green procurement, in order to lead the spread of sustainable consumer culture.

Green Purchase Performance in 2022



\* Application of additional corrections on some data for 2020-2021 in the previous year's report

**Efforts to Cut Energy Spending**

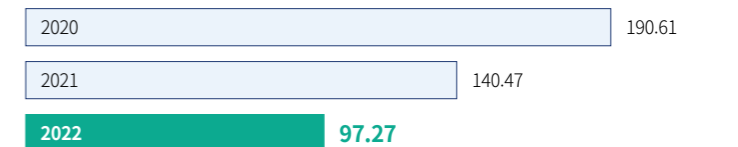
Korean Air is working to minimize energy spending not only during aircraft operation, but also during the operation of maintenance facilities, cargo terminals, etc. When replacing parts, we review and apply high-efficiency products in preference to other products, and adjust operation time more efficiently so as to minimize energy consumption.

In 2021, all boilers using by-product fuel were replaced with high-efficiency LNG boilers, reducing GHG emissions by 30% for the same energy consumption. In 2022, as business volume gradually recovered in the aftermath of COVID-19, energy consumption in the ground operations increased by 8.17% compared to the previous year due to an increase in the number of workers and the utilization rate.

Energy consumption in the domestic ground operations (Unit: GJ)

Energy	2021	2022	Rate of change
Gas/Diesel	34,622	41,272	19%
By-product fuel no.1	5,602	4,712	-16%
Gasoline	6,106	7,099	16%
Jet fuel (engine maintenance)	5,353	5,818	9%
LNG	344,739	401,325	16%
LPG	3,917	3,990	2%
Electricity	851,684	886,744	4%
Steam	14,547	20,125	38%
<b>Total</b>	<b>1,266,571</b>	<b>1,371,085</b>	<b>8%</b>

Energy consumption unit in the ground operations (Unit: GJ/KRW 1 bil)





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Reducing Wastes and Recycling

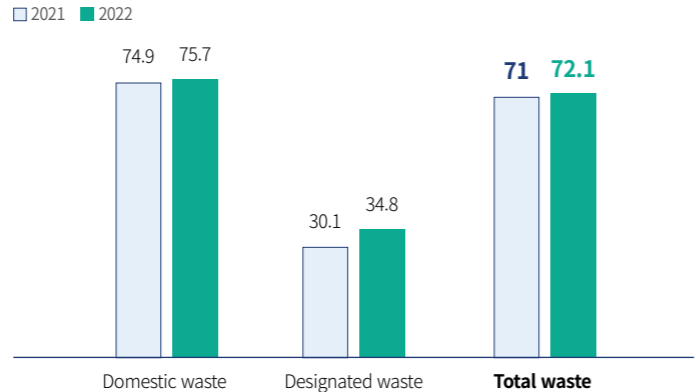
Typically, in the aviation industry, various wastes are generated during aircraft maintenance, operation, and transport services. Our wastes can be generally classified as domestic waste generated from transportation services and designated waste generated from aircraft maintenance and parts manufacturing.

The waste recycling rate in 2022 was 72.1%, up 1.1% from the previous year. The improvement stems from various efforts, such as a campaign for a separate collection of in-flight recyclables (currently in pilot testing on some long-distance routes and gradually expanding) and reducing the use of disposable plastics in-flight services. Furthermore, since March 2022, waste synthetic resins have been recycled into recycled fuel for cement furnaces instead of being incinerated. There are concerted efforts made to minimize the environmental impact through this resource recycling.

Domestic waste and Designate waste



Waste recycling rate



Prevention of Environmental Pollution

Local community risk factors that may arise from Korean Air's business activities include using chemicals and air and water pollutants, aircraft noise, and biodiversity. To mitigate and minimize the impact of these risk factors on local communities, Korean Air has implemented the following efforts.

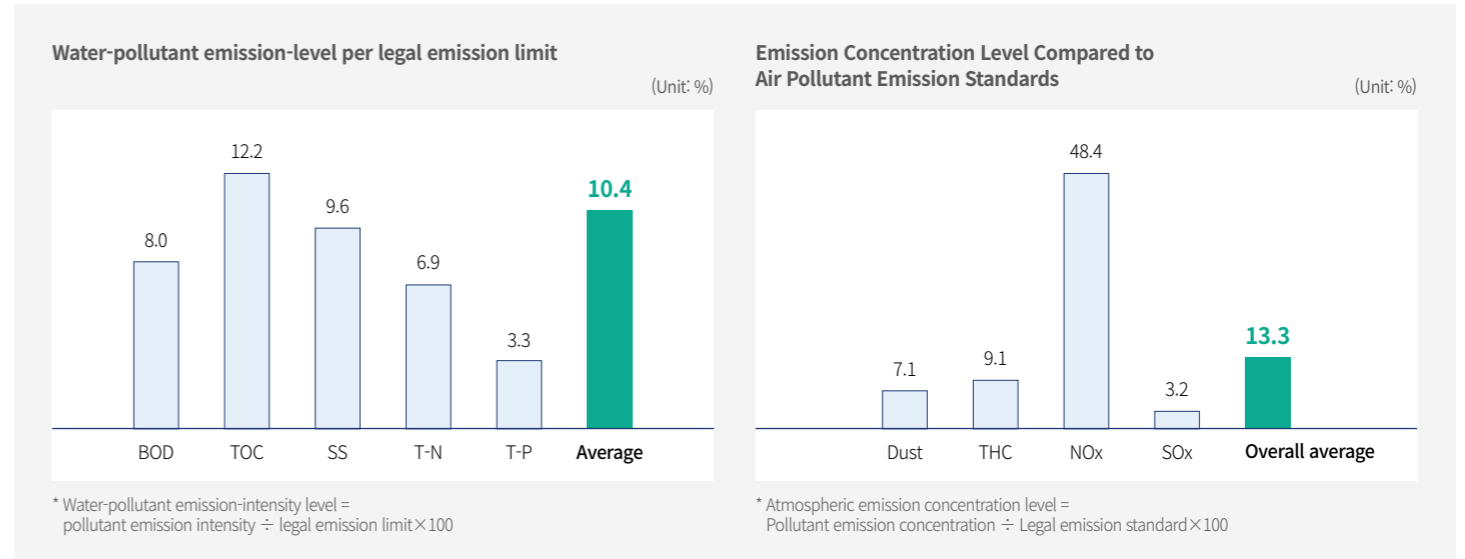
Hazardous Substance Management

Aircraft maintenance requires the use of chemicals specified by the aircraft manufacturer. Korean Air works diligently to mitigate hazardous factors through continuous communication with aircraft manufacturers. We manage not only the material safety data sheet (MSDS) of products, but also chemical substance warehousing and usage information for each business site, while strictly controlling the disposal or misuse of hazardous chemicals through the in-house chemical substance management system and chemical substance management guidelines. We are making relentless efforts to substitute chemical substances with eco-friendly materials by instituting and practicing alternative material review procedures.

Management of Air/Water Pollutants

**Safe Processing of Pollutants** Korean Air is operating a total of six wastewater treatment facilities at five business sites in Seoul-Incheon and Gimhae. In four of the sites, around 150 air pollution prevention facilities have been installed to reduce air and water pollutants. Although the emission-standards for pollutants are gradually tightening, the concentration of water pollutants emitted through the prevention facilities remain steadily at 10.4% of the legally permitted amounts respectively. In this respect, we plan to carry on with our environmental investment and further cut pollutant emissions.

**Reduction of nitrogen oxides (NOx), a major cause of fine dust** Korean Air completed the installation of low-NOx burners for boilers and hot/cold water dispensers at all business sites, except for Jeju, by the end of 2021 to reduce GHG emissions and comply with stricter legal emission standards. We also switched from conventional liquid fuel for facilities to clean fuel (LNG). This move has resulted in a substantiated reduction of pollutant emission concentration by an average of 59% after installing the low NOx burner at five business sites in Seoul and Gyeonggi in 2022.



\* Water-pollutant emission-intensity level = pollutant emission intensity ÷ legal emission limit × 100

\* Atmospheric emission concentration level = Pollutant emission concentration ÷ Legal emission standard × 100

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**Comparison of NOx Emission Concentration before & after Low NOx Installation by Business Site** (Unit: ppm)

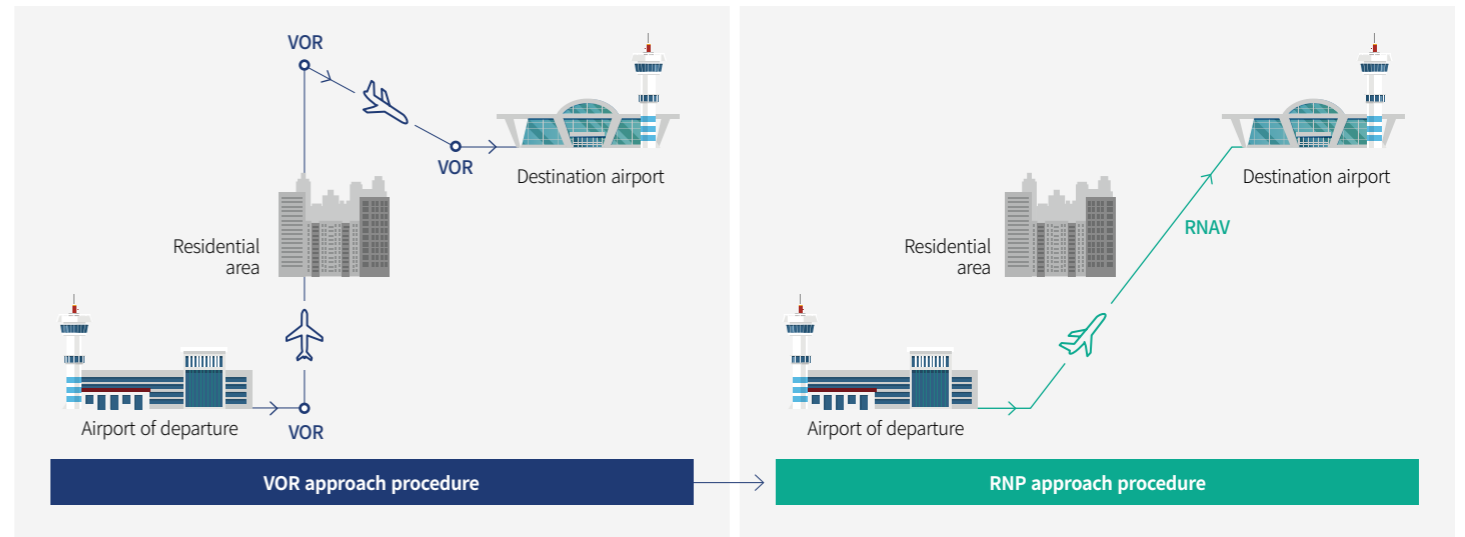
Business site	Facility	Before installation	After installation	Reduction rate
The Flight Crew Training Center	Boiler #1	46.76	24.20	48%
	Boiler #2	53.25	25.80	52%
	Hot/cold water dispenser #1	71.34	26.90	62%
	Hot/cold water dispenser #2	72.40	31.60	56%
Korean Air's Gimpo head office building	Boiler #1	66.42	17.70	73%
	Boiler #2	54.80	34.50	37%
	Boiler #3	62.52	28.10	55%
	Boiler #4	66.15	32.50	51%
Computer center	Hot/cold water dispenser #1	51.94	14.80	72%
	Hot/cold water dispenser #3	53.04	15.20	71%
	Hot/cold water dispenser #4	54.99	17.90	67%
	Boiler #1	81.92	36.60	55%
Deungchon-dong office building	Boiler #2	74.39	30.60	59%
	Hot/cold water dispenser #1	63.63	25.20	60%
	Hot/cold water dispenser #2	63.24	22.70	64%
	Boiler #1	68.78	23.80	65%
Bucheon Engine Maintenance Plant	Boiler #2	58.24	24.60	58%
	Hot/cold water dispenser #1	63.35	23.10	64%
	Hot/cold water dispenser #2	57.72	26.40	54%
	<b>Average</b>		<b>62.39</b>	<b>25.38</b>

**User management**

In order to alleviate noise damage, Korean Air has added noise-reduction procedures to the company's operating regulations and flight procedures of each aircraft model. These regulations and procedures are applied during takeoff and landing. We also comply with the noise-reduction procedures each country requires, as well as the Noise Abatement Departure Procedure (NADP) and the Continuous Descent Approach (CDA) of ICAO. Along with the development of aviation technology, we are actively supporting the shift from the original ground navigation facility (VOR, VHF Omni-directional Range)-based method to the regional navigation facility (RNAV, Area Navigation)-based method, which uses the GPS. Moving further on, the Required Navigation Performance (RNP) approach procedure is also being applied. This is a method that ensures circumventing noise-sensitive areas by precisely managing flight routes. To this end, Korean Air has installed advanced satellite navigation devices and wireless facilities in its aircraft, which help minimize noise damage.

Korean Air has also introduced and operated new air fleets in order to minimize noise damage. The newly introduced fleets B787-9, B737-8, A220-300, and A321neo have all acquired the lowest noise level domestically, and

**RNP Approach Procedure for Minimizing Noise Damage**



release 50% less noise compared to the original fleets. Despite these efforts, however, there could be some inevitable noise emissions, to which end Korean Air is fulfilling its role of mitigating the burden of residents living in the area, by paying noise charges.

**Protecting Biodiversity**

Korean Air recognizes its role as an air-transportation company to protect biodiversity, and is actively participating in global biodiversity-protection efforts. Accordingly, we have established an internal regulation that bans the air transportation of protected animals and plants, rare animals, primates, and endangered animals. The International Air Transport Association (IATA), which consists of a total of 61 airlines, including Korean Air, signed the Buckingham Palace Declaration in 2016. This declaration slashes the illegal trade of wildlife and wildlife products and states the urgency to combat the trafficking of endangered animals. IATA is also actively pursuing biodiversity efforts through partnerships with environment protection initiatives such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and Reducing Opportunities for Unlawful Transport of Endangered Species (ROUTES).

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The 27th Korean Air Travel Photo Contest | Merit Prize | Jeong, Kyu-jin | The communion

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# Human Rights Management

## HR Policies That Respect Human Rights and Diversity

Korean Air's human resources policy is guided by and aligned with the value of respect for human rights. All forms of forced labor, child labor and wage exploitation are strictly prohibited as prescribed by the International Labor Organization (ILO) regulations. We aim to minimize overtime work hours, and specifically manage the related status and payment of overtime rates when inevitable overtime work occurs. Moreover, we prohibit discriminatory practices based on gender (including pregnancy), age, nationality, region, race/ ethnicity, religion, disability, and academic background in all aspects of human resource management, such as employee recruitment, placement, evaluation, and remuneration, and continue various efforts for prevention.

In addition, we continue to implement human resource policies to pursue workplace diversity. In April 2022, Korean Air recruited athletes with disabilities in cooperation with the Seoul Sports Association for People with Disabilities to fulfill our social responsibility as a national flagship airline and raise social awareness of those with disabilities, providing our whole-hearted support to enable them to focus on training.

Korean Air will continue to demonstrate leadership in management activities that internalize the values of human rights, diversity, and tolerance, respect the freedom and human rights of workers in all areas where it operates, while also creating a work environment to provide optimal conditions for all employees to work safely and receive fair treatment.

## Operating Channels Dedicated to Respecting Human Rights of Employees

Korean Air appoints a dedicated officer to provide counseling for sexual harassment/bullying incidents to help employees resolve difficulties endured at work with practical efficacy, and provides dedicated internal counseling and reporting channels (sh\_report@koreanair.com), while measures are taken to ensure the confidentiality of reporters or victims so as to prevent secondary damage. Moreover, we also operate an in-house channel (selipinfo@koreanair.com) dedicated to handling employees' HR-related difficulties or individual inquiries. After investigating the cases reported, we take adequate measures to handle them, and the results are then notified to the grievance reporter. Korean Air continues its relentless efforts to create a supportive and healthy atmosphere in which all employees' rights are fully respected.

## Human Rights Education for Employees

### Education on Preventing Sexual Harassment/Bullying in Workplaces

Korean Air works to maintain sound colleague relationships with all employees, and complies with relevant laws and regulations. We conduct the "Creating a Bright and Clean Workplace" training course every year to prevent sexual harassment, discrimination, and bullying in the workplace in advance, and employees are required to sign an oath to conduct themselves with integrity against sexual harassment, discrimination and bullying in the workplace at the end of the training course. For employees unable to complete the course during the period due to reasons such as a leave of absence, the relevant lectures are uploaded on our online training site for them to access the training materials anytime, anywhere.

### Improving respect for people with disabilities in the workplace

For training on improving awareness of people with disabilities in the workplace Korean Air annually conducts "Improving awareness of people with disabilities in the workplace" training. An in-house instructor who has completed the instructor training course at the Korea Employment Agency for Persons with Disabilities (KEAD) makes and uploads the course to the in-house online training website.

#### Human rights training status



## Employee Activities for Physical & Mental Health Improvement

For the physical health and well-being of our employees, Korean Air analyzes key health issues every year, and carries out health promotion activities geared to the characteristics of each job category. We monitor the health requirements of all employees subject to health care checks, and carry out various health promotion activities considering work demands such as shift work and jet lag, led by professional medical staff at the Korean Air Aeromedical Center.

In 2023, the Aviation Safety Act was partially amended. A system for air carriers to formulate and execute health promotion activity plans for their flight crew members was set up. The importance of health promotion activities is at the forefront with the emphasis of the Occupational Health & Safety Act and the Serious Accidents Punishment Act on workers' health and safety. In keeping with this trend, Korean Air is executing various health promotion projects specialized for airlines.

### Aeromedical Center's Specialized Health Promotion Project in 2023

Category	Details
Ongoing projects	<ul style="list-style-type: none"> <li>Operating a contact-free walking program for all employees;</li> <li>Assessing the risk of developing cardiovascular &amp; cerebrovascular diseases for all employees and managing risk groups;</li> <li>Operating a trauma psychological support program and publishing the "Maumbodum" newsletter;</li> <li>Medical management according to regular harmful factor investigation for work that taxes the musculoskeletal system;</li> <li>Response to COVID-19 management &amp; influenza vaccination of employees;</li> <li>Cancer prevention &amp; lifestyle improvement management;</li> <li>Health management &amp; medical support for overseas employees</li> </ul>
New projects	<ul style="list-style-type: none"> <li>Establishing and operating fatigue &amp; sleep health advocacy programs for night-shift employees;</li> <li>Establishing and operating a medical support program for employees returning to work after cancer treatment</li> </ul>
Expanded projects	<ul style="list-style-type: none"> <li>Intensive management of cerebrovascular disease of night-shift employees;</li> <li>Expanding participatory mental health advocacy programs, and operating psychological counseling centers at night regularly;</li> <li>Installing CPR equipment in workplaces, and expanding CPR training;</li> <li>Reinforcing alcohol/drug monitoring management for airline workers &amp; cabin crew</li> </ul>

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**Employee Physical Health Management**

**Radiation health checkups of flight crews** The partial amendment of the Act on Protective Action Guidelines against Radiation in the Natural Environment mandated radiation health examinations for flight crew members boarding international flights from June 2023. Korean Air preemptively initiated radiation health examinations in January 2023 to protect the health of flight crew members from cosmic radiation, and make every effort to detect major health problems due to radiation early by complying with inspection items recommended by relevant laws.

Moreover, we provide accurate information through on/offline education/training to relieve anxiety about radiation exposure, and make every effort to prevent and manage health problems due to radiation by strictly managing individual exposures.

**Medical support program for employees returning to work after cancer treatment** Cancer incidence is increasing with the development of medical technology and population aging. According to national cancer incidence statistics, the survival rate after a cancer diagnosis has increased by about 17% over the past five years and continues to increase. Therefore, the importance of early cancer detection through cancer screening and continuous health care after treatment is emphasized.

In keeping with this trend, Korean Air has instituted and operates a medical support program to help employees return to work after cancer treatment to support their physical and psychological adjustment to work and normalize their work capabilities, based on the characteristics of each job category.

**Employee Mental Health Management**

**Employee mental health advocacy program** Korean Air conducts annual mental health check-ups for employees to evaluate and manage job stress factors and their stress responses. In 2023, we expanded the examination subject from applicants to all employees to deliver more active mental health treatment.

The Hue Clinic, an in-house psychological counseling center, employs two full-time clinical psychologists who provide psychological counseling for employees to manage stress timely under strict confidentiality. We also operate various participatory programs to reduce psychological resistance to mental health problems, while making it easier for employees to approach

them, and actively support flight crew members who have experienced stressful events during flights to handle flight work in a healthy mental state through consultations for trauma management. Furthermore, since the mental health of flight crew members is closely related to flight safety, we operate evaluation programs for the early detection of risk factors and various psychological support programs for stress management, while also providing a wide range of evaluations and consultations on various areas of mental health (i.e. flight crew members' moods), lifestyles (i.e. alcohol consumption), and cognitive function.

**Sleep health advocacy program for night-shift worker** Night-shift work causes sleep disorders due to an imbalance between the sleep cycle and circadian rhythm, with sleep deprivation increasing the risk of safety accidents and vulnerability to various physical and mental diseases such as brain and cardiovascular diseases and depression. Given that sleep disorders can be a major risk factor for aviation industry safety, preventive management is thus essentially critical.

Korean Air plans to institute and operate a sleep health advocacy program to evaluate and manage sleep disorders for not only flight crew members but also night-shift employees. Moreover, as sleep health management is gaining more importance, we plan to strengthen regular training sessions to protect sleep health by utilizing the in-house online training program and group education/ training.

**Sleep apnea evaluation & fatigue prevention training for flight crew members** Korean Air operates an individual-tailored sleep health advocacy program for flight crew members who have difficulty managing fatigue due to irregular work schedules. Risk factors for sleep apnea are evaluated during the annual aviation physical check-ups of flight crew members. Doctors and nurses in the aviation field conduct individual-tailored management training for each risk factor, and we support polysomnography tests in cooperation with outside specialized medical institutions when necessary. Moreover, we make every effort to reduce risk factors of aviation safety by providing training on "Protecting Sleep Health for Flight Crews" to enable flight crew members to check individual sleep conditions, practice healthy sleep patterns, and send health information introducing proper sleep strategies.

**Win-Win Labor-Management Relations**

**Labor Union Membership Status**

Korean Air guarantees basic rights such as the right to organize, collective bargaining, and collective action for workers as prescribed in the Constitution and related laws and regulations. As of the end of December 2022, there were 15,124 employees eligible for trade union membership, of which 13,492, or 89%, are members.

**Number of union members**

Category	Member	Non-member	Total	Membership percentage
<b>General</b>				
Korean Air Labor Union	11,254	1,225	12,479	90%
The Korean Public Service and Transport Workers' Union (KPTU)*	-			
<b>Flight operation</b>				
Korean Air Pilot Union	2,238	407	2,645	85%

\* As the KPTU does not disclose its membership status, the figure only includes what could be ascertained.

**Operation status of labor-management council**

In 2022, at least one labor-management council meeting was held every quarter in order to enhance mutual understanding and cooperative relationships between labor and management. Through the meetings, we discussed ways to promote the welfare of union members and facilitate sound development of the company by collecting and reviewing opinions from relevant departments.

# Safety Management

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## Korean Air's Safety Policy

Korean Air's safety policy is an internal and external statement to meet domestic and international SMS (Safety Management System) requirements and fully compliant with the ICAO SMS framework. The policy embodies the company's commitment to prioritize safety as the highest corporate value and the philosophy and policy direction of senior management regarding safety. The safety policy is reviewed at least once a year to check if it adequately embodies the changed requirements and operating environment, with any revisions to be approved by the CEO. The safety policy revised in August 2022 emphasizes the importance of change management by adding the phrase "To respond resiliently and proactively to changes in internal and external conditions and uphold safety and security at the highest level even in a global crisis" in response to changing environments.

**Safety Policy**

Korean Air will play a leading role in the world airline community through our excellence in Operations, Service and Innovation. This role must be founded on an uncompromising commitment to safety, security and quality. Korean Air will provide a safe and healthy workplace, promptly respond to internal and external changes to ensure that our safety and security activities are achieving the highest level of performance while constantly improving safety and security programs and processes even in a global crisis situation.


**Korean Air is committed to:**


- Provide necessary human and financial resources to manage safety risks and security threats
- Provide all employees with safety and security information and adequate training
- Provide a voluntary safety reporting system and promote a positive safety culture
- Embrace a non-punitive reporting environment and will not initiate disciplinary measures against any employee in response to genuinely inadvertent actions
- Hold fully accountable any employee who knowingly disregards established safety/security regulations policies and procedures or who otherwise engages in willful misconduct
- Perform proactive hazard identification and risk management processes
- Continually improve safety and security performance through regular monitoring and measurement
- Check the effectiveness of safety management system through safety data and safety information collection, management and analysis

**All employees are committed to:**

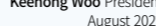
- Maintain awareness of the safety and security issues and complying with the applicable laws and regulations
- Be responsible for the highest level of safety and security performance
- Report hazards, safety and security issues through reporting systems

Together these shared commitments, responsibilities and accountabilities will advance and solidify our safety culture. The result will be improved processes that ensure all our safety, security and quality activities uphold the highest performance levels and meet national and international standards.





**Keehong Woo** President  
August 2022

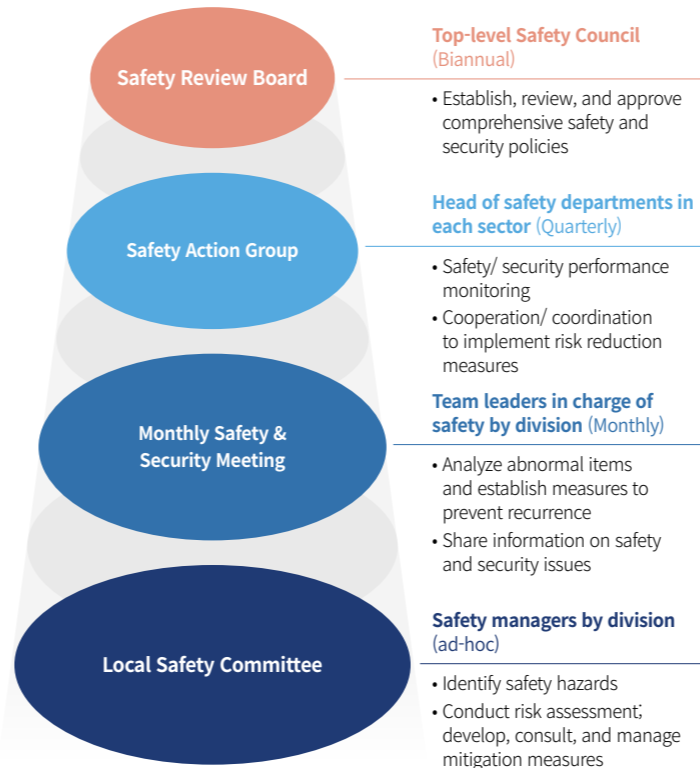


## Reinforcement of the Safety Council

Korean Air maintains an objective and transparent safety management system by continuously monitoring safety activities and managing safety issues through the Safety Committee under the BOD and other consultative bodies.

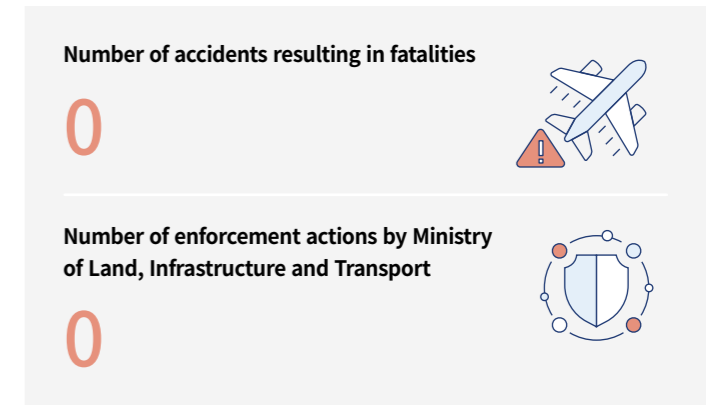
In particular, this year Korean Air newly established the Safe Operation Manager Meeting, which is chaired by the head of the Aviation Safety and Security Office and attended by the heads of safety departments in each sector, and increased the Central Safety Committee meetings, the company's highest-level meeting on safety, from two to four times a year as part of its plan to strengthen the safety management system and further expand safety communication between sectors.

### Safety Committee



## Safety Flight Management for Ensuring Zero-Fatality

In 2022, Korean Air again achieved a record high zero-fatality, accident-free operation for 22 years by adding annual zero-fatality, accident-free flights, capitalizing on seamless data-based safety flight management.



## Introduction of Wireless QAR (Quick Access Recorder)

The analysis and utilization of big data (flight data) are an important part of aviation safety, and Korean Air has invested approximately KRW 6 billion over four years to install wireless QAR not only on newly purchased aircraft but also others in the fleet in operation to increase the flight data acquisition rate.

The system has upgraded the aircraft flight data transmission from mechanics' manual download to a wireless transmission method, preventing the loss of safety data and contributing to aviation safety by more thoroughly extracting safety risk factors.

## Implementation of RPA (Robotic Process Automation)

Korean Air actively utilizes flight data to strengthen its preemptive safety management system. We have developed a flight data conversion program and RPA solution to increase data conversion work efficiency by strengthening predictive maintenance and aircraft fuel efficiency management, with further plans to enhance the system to the core safety management measure by using it for safety event analysis as well.

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**Efforts to Strengthen Safety Management**

**Assuring Safety and Security and Improving Operational Efficiency**

Korean Air has established a standardized security system by producing and distributing Aviation Safety Guidelines, and implemented a preventive operational system by identifying aviation safety and security vulnerabilities in advance. Also, with digital transformation accelerating due to the pandemic, we are seeking and implementing a more streamlined identification process using biometric technology and enabling the bypassing of in-transit baggage screening with related organizations, among preemptive steps for the changing environment. These measures to bolster safety management contribute to continuously maintaining the highest level of aviation security as a preemptive response to increase passenger convenience, improve operational efficiency, and ensure aviation safety and security.

**Development of a New Safety Management System and Reinforcement of Aviation Safety Risk Management**

Korea Air completed the development of a new cloud-based safety management system that was completed to upgrade the company-wide aviation safety and security system in September 2022, and is operating it on the integrated safety management platform that integrates critical safety management functions, such as safety report generation, quality inspection, and safety performance indicator management. We have established a more systematic and efficient foundation for aviation safety data acquisition and analysis compared to the existing system, and are further bolstering the company-wide safety management system to ensure safety operations using the effective safety management database.

All divisions identify potential risk factors affecting aircraft operations, analyze them according to risk management procedures, and implement optimal measures to mitigate risk to the “lowest as feasible” level. The new system processes risk factors identified through various safety reports by converting them into data according to company-wide standard risk management procedures, with the results of measures to be thoroughly managed using a risk ledger.

\* An “as low as reasonably practicable” level It refers to reducing the risk to a minimum level that is practically applicable.

**Resuming Safety Performance Incentive Program**

The safety performance incentive program began in January 1996 to continuously improve the excellence of safety and security through all employees' keen interest and self-driven participation. Operating 12 consecutive months as one phase, if the target of the previous phase is achieved or fails, a new phase is implemented from the first day of the following month. Before it was temporarily suspended in April 2020 due to the pandemic, total 31 of the safety performance incentive programs were operated, resulting in nine targets achieved with safety performance incentives paid to all employees. The safety performance incentive program has resumed operation on January 1, 2023, and the newly published program links the core safety performance indicators, including the National Aviation Safety Indicators by the Ministry of Land, Infrastructure and Transport, to the number of flights operated in evaluating Korean Air's safety level more objectively.

**Safety Education for Employees and Suppliers**

Given the uncompromising priority placed on safety for airlines, Korean Air regularly provides training on safety management system (SMS) for all employees. In 2022, regular training on the safety management system, such as safety risk management with case studies, safety management IT system and hazard reporting system, was provided to all employees, and separate safety training was provided to new SMS officers and those who are appointed to overseas positions. Also, we have strived to improve our aviation safety by holding training sessions on the Korean Air safety management system, hazard reporting system, and SMS excellence incentive system for the employees of third-party suppliers.

**Ramp Safety Manager (RSM) System Operation**

In 1994, Korean Air rolled out the industry's first RSM system at Incheon International and Gimpo Airports, and formed a dedicated team tasked with ground safety management and supervision activities. Ten RSMs use three patrol vehicles and equipment to check compliance with ground safety regulations at aircraft operation sites round the clock, all-year round at Incheon International and Gimpo Airports. They significantly contribute to reducing the incidence rate of aircraft accidents on the ground through preventative safety activities that assess safety risk factors inherent to the airport and undertake preventative-mitigation measures.

**Station Safety Excellence Program**

Starting this year, Korean Air plans to implement a new Station Safety Excellence program that encourages self-initiated preventative ground safety activities at all overseas airport branches, and selects and recognizes outperforming branches that take the lead in preventing safety incidents. It will contribute significantly to forming a robust safety culture and ramping up preventative safety activities at a time of a glaring need for higher importance on ground safety from the increased number of flights following the rebound from COVID-19.

**Alcohol Measurement and Drug Testing for Aviation Workers and Cabin Crews**

Korean Air conducts constant breathalyzer tests and random drug tests for flight and cabin crews before going on duty as stipulated in the Aviation Safety Act. We installed breathalyzers at the head office and major airports to measure the alcohol consumption of all pilots and cabin and ground crews ready to go on duty. Also, we conduct random drug tests for around 5% of the personnel.

The alcohol measurement, which was suspended in 2020 due to concerns of COVID-19 spread, is scheduled to resume in March 2023, with thorough preparations well underway. In addition, we conduct continuous training and an awareness campaign on healthy drinking and drug use education and campaigns in a concerted effort to instill that intake of alcohol and illicit drugs by any on-duty pilot or cabin crew is absolutely prohibited with severe consequences.

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**Safety Certification Program**

**IOSA (IATA Operational Safety Audit) Certification**

- An international safety audit program developed by IATA for commercial airlines
- Certification issued after the IATA certified institution's inspection on a total of 8 sections (organization/operation/control/maintenance and repair/cabin/ground handling/cargo/security) and 922 inspection items
- Acquired the certification in 2005 and has since retained its qualification through IATA's biennial inspection visits



**Airlift Transportation Certification**

- The U.S. Pentagon's safety certification program that classifies civilian airlines that can be used for business trips of U.S. nationals, including employees and soldiers
- Inspection on a total of 354 items on safety operations, including operation/maintenance and repair/cabin
- Korean Air has maintained its qualification status since 2001 through the Pentagon's biennial inspection visits.



**Response to In-Flight Emergency Medical Situation**

Korean Air conducts systematic first-aid training for pilots and cabin crews in preparation for various medical emergencies that may occur in flight, and operates a non-stop emergency medical call system on the ground, consisting of experienced doctors in case of the need for professional medical advice on board.

The number of patient passengers, including seriously ill passengers, has increased steadily in phase with the rebound in passengers, reaching the same level as pre-COVID-19 in 2022. Therefore, in preparation for emergency medical situations expected to get more varied and increase in 2023, we will strengthen training for cabin crews and ground personnel based on actual cases of patient passengers, and improve emergency response capabilities and patient passenger selection/ support capabilities before boarding. Also, we will continuously monitor the occurrence of critical in-flight patient passengers to review the areas for in-flight medical equipment improvements for passenger safety and to identify improvements for the best emergency medical response system, such as supplemental first-aid reflecting the latest medical knowledge.

**Infectious Disease Response System of the Korean Air Aeromedical Center**

Reviewing the past pandemics of SARS in 2002, H1N1 influenza in 2009, MERS in 2015, and COVID-19 in 2019 show that the pandemic outbreak cycle has been shortened, and their impact has gradually increased. Accordingly, the importance of vigilantly controlling infectious diseases and responding rapidly to the outbreak of new infectious diseases is increasing as well.

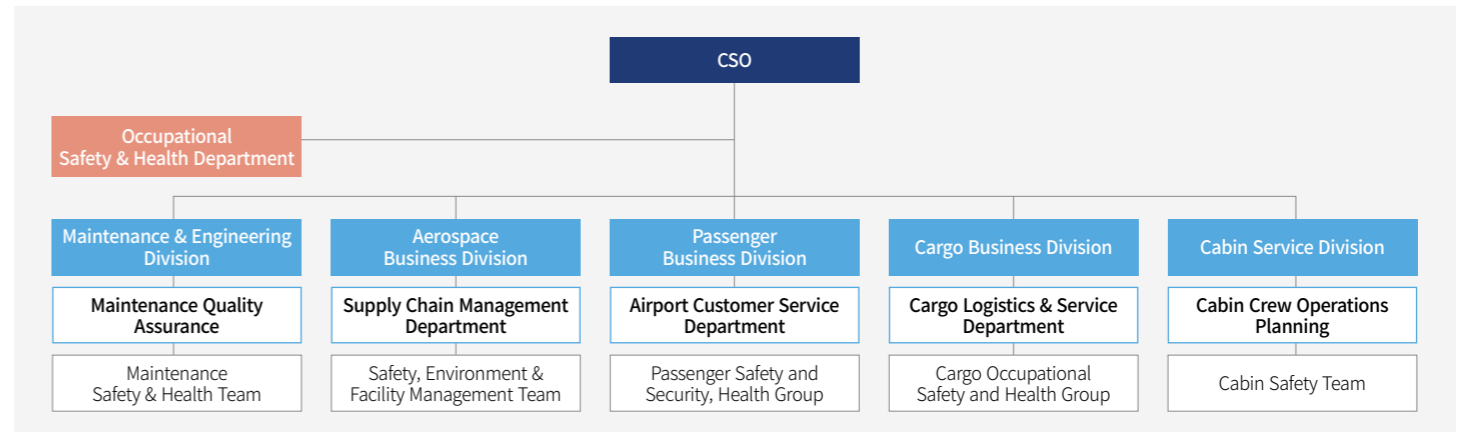
During the COVID-19 epidemic, Korean Air implemented sectoral responses centered on the COVID-19 Emergency Response Committee, and promoted a stable progression to daily-life recovery by operating a Recovery Promotion Council based on the easing trend with COVID-19.

After declaring the international public health emergency due to COVID-19 in January 2020, the WHO announced a partial lifting on May 5, 2023, and the Korean government followed suit by lowering its COVID-19 infectious disease crisis level from "serious" to "warning" on June 1 accordingly. Korean Air's Aeromedical Center also supports its employees' recovery to normal life by implementing quarantine protocols that are tailored to their everyday activities, in accordance with the newly adjusted government guidelines for quarantine, and by continuing infectious disease control activities at all times. In the future, we will continue to constantly monitor infectious disease situations announced by preeminent agencies, such as the Korea Disease Control and Prevention Agency, WHO, and CDC. We will also continue to proactively respond to infectious diseases, such as preventing and managing respiratory infectious diseases by providing influenza vaccinations to all employees, installing and operating medical equipment to prevent infectious

diseases in aircraft, responding to infectious disease situations in real time, using the full-scale epidemic prevention management systems and constantly managing prevention that actively utilizes the Infectious Disease Manual and internal protocols.

**Company-Wide Occupational Safety and Health Management System**

Korean Air has established a company-wide occupational safety and health management system to systematically manage safety by appointing a new CSO(Chief Safety & Operating Officer) and creating the Occupational Safety and Health Office dedicated to safety and health to keep pace with changing government policies. In particular, we established safety and health organizations for major businesses, such as maintenance, aerospace, passenger and cargo transport, and cabin services, to upgrade the safety and health management systems for each organization centered on the director of the business division. We manage the safety of Korean Air employees and those of its suppliers by appointing the head of the division with competent authority such as personnel, budgeting, and work activities within the division as the director of occupational safety and health, and operate the Occupational Safety and Health Committee to deliberate and decide on safety and health matters and important issues at each division.





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**Main Activities and Plans for Occupational Safety and Health**

Korean Air inspects the fulfillment of the obligation to secure safety and health company-wide under the Serious Accident Punishment Act twice a year, conducts risk assessments, work environment measurements, and surveys on musculoskeletal hazard factor to tackle various risk factors, and carries out various activities such as campaigns to create a robust safety culture, public competition for occupational safety and health rules, workshops for safety and health officials, and awards for outperforming employees. In the future, we plan to implement risk assessments reflecting a "Roadmap to reduce major disasters" announced by the Ministry of Employment and Labor, operate regular consultative bodies for safety and health-related discussions and communications between safety and health organizations company-wide, proactively respond to changes in the internal and external environment, and pursue activities to promote safety awareness continuously. Also, we installed additional blood-pressure monitors and automatic external defibrillators (AED) to prevent cerebrocardiovascular diseases, conducted first-aid training such as CPR, and plan to continue efforts to enhance employees' health management.



Occupational safety and health workshop



Public CPR training

**Occupational Safety and Health Education**

Korean Air conducts regular training/education sessions on occupational safety and health quarterly. Understanding the laws and regulations of the Occupational Safety and Health Act, the Serious Accidents Punishment Act, and Korean Air's safety and health measures were conducted in the first quarter of 2022. Sessions on awareness of industrial and work-related accidents and ways to prevent musculoskeletal disorders were conducted in the second quarter, while sessions on the definition and preventive measures of occupational accidents such as electric shocks and falls and explanation of health examinations were conducted in the third quarter. Then, the importance of work environment management and protective gear and proper diet nutrition were conducted in the fourth quarter.

**Occupational safety and health education performance**

	Ratio of eligible persons completed	Total session hours
Occupational safety and health (Regular job-related training in 1st quarter)	11,123 persons (100% completed)	56,925 hours
Occupational safety and health (Regular job-related training in 2nd quarter)	11,974 persons (100% completed)	64,701 hours
Occupational safety and health (Regular job-related training in 3rd quarter)	14,500 persons (100% completed)	79,479 hours
Occupational safety and health (Regular job-related training in 4th quarter)	14,817 persons (100% completed)	81,384 hours

**Risk Assessment**

Korean Air regularly conducts risk assessments for processes in all business sectors, including its head office, every year (566 processes in 2022). In 2022, the 1st Risk Assessment Best Practice Contest was held to encourage the active participation of employees in the field and implement the rollout of a risk assessment system. The Commercial Business Department's Forming 2 Group, which improved the external exposure and lubricant loss of large heat treatment equipment chains, and the International Cabin Crew Operations Team 1 of the Cabin Crew Operations Department, which reduced the packaging weight of in-flight blankets and improved the loading method, were awarded the Grand Prize for demonstrating best practices to reduce potential risks. The contest selected and awarded six departments for demonstrating best practices, and also evaluated and awarded suppliers to encourage partnerships.



1st Presentation Contest for Best Practices in Risk Assessment

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**Safe Recovery Campaign**

In preparation for post-COVID-19 normalization, Korean Air has carried out the Safe Recovery campaign to advocate the importance of “recovery with safety”. The campaign was held at 26 major sites for Korean Air employees and its third-party suppliers, and provided stickers highlighting Korean Air’s Ten Health and Safety Rules selected through an open employee contest. Korean Air aims to encourage a healthy and safe day for all its employees and those of its suppliers, and will continue to implement campaigns to create a self-initiated safety culture.



Safe Recovery Campaign

**Safety and Health Management Rule**

Korean Air prioritizes the safety of all its employees and those of partners/suppliers in corporate management with a deep awareness of protection. Accordingly, safety and health management regulations are posted on occupational safety and health bulletin boards to inform the employees. In 2022, safety and health management regulations were revised to reflect the enactment and amendment of safety and health-related laws and regulations and organizational reorganization in phase with bolstering the company-wide safety and health organizational system. Also, we adopted and announced safety and health management policies that apply to employees and all stakeholders who may pose a safety and health risk. We also instituted and operated a system, with the Safety Committee under the BOD tasked to review and deliberate on critical issues related to occupational safety and health, and propose the issues requiring approval by the BOD.



Safety and Health Management Policy

Click for [the Safety and Health Management Policy](#)

**Safety and Health Management System**

Korean Air’s Engine Maintenance Center in Bucheon and the Aerospace Business Division in Busan, which are classified as manufacturing industries among domestic business sites, have earned KOSHA-MS certification from the Korea Occupational Safety and Health Agency (KOSHA), and operate a safety and health management system. KOSHA-MS is an autonomous safety and health system certified by KOSHA as a domestic group standard that conforms to the ISO 45001 Certification international standard, and is awarded to business enterprises whose safety and health management system and activities exceed a certain level so as to implement autonomous activities and contribute to disaster prevention.



Safety and Health Management System Certificate

**Quality Management System**

Korean Air has acquired the KS Q 9100 and KDS 0050-9000 Certifications to meet the requirements of the global aviation market and secure the foundation for a global competitive system.

**Aerospace quality management system (KS Q 9100)** The Korean industrial standard is enacted by the Korea Aerospace Quality Group (KAQG) through a review by the Korea Industrial Standards Commission pursuant to the applicable provisions of the Industrial Standardization Act. The standard includes the ISO 9001:2015 Certification for quality management system requirements, and additionally stipulates requirements for the aviation, space and defense industries. Under this mutually recognized standard, the AS9100 Certification is also applied for international aerospace quality management systems.

Korean Air obtained the KS Q 9100 Certification in 2019 (expiring on August 1, 2024), and all departments of the Aerospace Business Division are tasked with the design, development, and manufacturing of aircraft parts, unmanned aerial vehicles (UAVs), launch vehicles and the maintenance, design, and development for modification and performance enhancement of aircraft components and airframes.

**Defense quality management system (KDS 0050-9000)** This certification standard is established by the Defense Agency for Technology and Quality to enable the defense industry to develop an effective military supplies production system, improve quality assurance capabilities, and provide a guarantee on the reliability of military supplies.

The standard includes the ISO 9001:2015 and AS9100 Certifications for quality management system requirements, and additionally stipulates requirements for the defense industry.

Korean Air acquired the KDS 0050-9000 Certification in 1999 (expiring on December 27, 2023), while all departments of the Aerospace Business Division are carrying out the design, development, and manufacturing of unmanned aerial vehicles, aircraft components, and auxiliary equipment.



KS Q 9100 Certificate

KDS 0050-9000 Certificate

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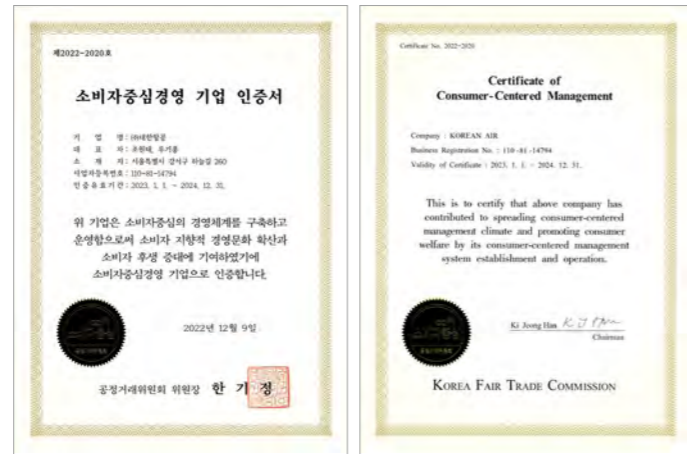
# Consumer Centered Management

## Active Establishment of a Consumer Centered Management (CCM) System

Korean Air acquired the Consumer Centered Management (CCM) certification in December 2020 for the first time among airlines and successfully acquired the recertification in December 2022. The CCM certification is a national statutory certification based on the Consumer Basic Act, and it is awarded to companies that perform customer centered business activities and continue to make improvements. Korean Air acquired the CCM certification in recognition of its continued efforts to improve consumer convenience across all business sectors based on the management philosophy of "Service Excellence," and implementation of social contribution activities through global public service projects.

After acquisition of the CCM certification, Korean Air has set up a dedicated team for establishment of the CCM system and has implemented a variety of activities, including operation of a Service Improvement Committee to practice consumer-centered management and introduction of NPS (Net Promoter Score) to realize consumer-centered service improvement by listening to the different voices of consumers.

Korean Air will continue to carry out active consumer-centered management activities and build a CCM-based culture to bring more convenience to air travel consumers and improve consumer welfare.



## Operation of Voice of Customer (VOC)

In accordance with our management approach, we improve our services by reflecting opinions received from customers, and utilize "Voice of Customer" as a means to manage customer contact points and understand service trends. As such, Korean Air will continue to prioritize customer satisfaction and safety, and achieve innovation of services in accordance with changes in customer demand.

### Service Improvement Examples by Reflecting VOC Opinions

**Rollout of the standby reservation function channels for award tickets** In the past, standby reservations for award tickets were available with a call to the service center. However, if a call was not connected promptly, customers failed to make timely reservations for award tickets. In June 2022, the system was upgraded to enable customers to make reservations on standby for award tickets through our website, in addition to the service center, thereby improving customer convenience and eliminating hassles.

**Introduction of a solution to guide immigration restrictions** As immigration regulations and restrictions worldwide are being changed and added in real time due to the spread of COVID-19, the load of information stipulations by each country is massive, making it difficult for customers to determine the travel information they need correctly. In March 2022, Korean Air introduced a new solution to search each country's immigration information through an interactive map on the Immigration Regulations menu on its website according to traveler conditions (including departure dates, destinations, nationalities, and vaccination status). Customers can check the country they want to travel to by clicking on the location-based world map to benefit from an intuitive and quick information search.

**Introduction of the lowest price guide for each route using a map** With travel restrictions easing further after COVID-19, Korean Air has created a new map-shaped information page on its website in June 2022 to empower customers to check the latest schedules of the regions possible to visit and the lowest fares for those routes at once. The improved user-friendliness includes checking a route's lowest price within six months using the map without entering the point of departure, destination, and date.

**Listing of meal menu for Economy Class on the website** Starting in December 2022, in-flight meal menus, which are provided as a search service for higher class seating on our website, have been expanded to economy class seats. You can check the details by entering the departure/ destination or flight number in the In-Flight > In-Flight Services > In-Flight Meals Menu. Customers can check an in-flight meal menu in advance for all classes of seating, helping to resolve questions about the types of meals while improving satisfaction.

**Development of a new Korean and Western meal menus** In the Korean food category, new in-flight menus such as Korean dining consisting of rice/soup/main dish/side dish, Korean spicy pork with leaf wraps, braised mackerel, Bibim-myeon noodles and dumplings, acorn jelly and rice soup, and fried rice with kimchi were added to the existing menu of Bibimbap and rice bowl. We improved the beef quality in the Western food category, developed detox health juices to match the wellness trend, and enhanced the salad health food menu. In addition, in keeping with the growing trend of the vegetarian population, we offer a Korean vegan menu that captures the natural taste and refinement of the ingredients using various seasonal ingredients. Vegan food is gaining traction as a nature-friendly menu superior to other diets from a carbon emissions perspective.



**Enhanced wine service** Korean Air selected 52 new wines in collaboration with our wine consultant Marc Almert, the youngest award winner of the World's Best Sommelier Contest in October 2022. In addition to wines produced with Europe's leading grape varieties, such as Cabernet Sauvignon, Chardonnay, and Pinot Noir, wines produced from various varieties, such as Malbec, Tempranillo, and Grüner Veltliner, will showcase a variety of experiences for customers. Eco-friendly wines (i.e. biodynamic, organic, and vegan) with minimal carbon emissions account for about 50% of the new wine list, making it possible to present wines that emphasize taste, environment, and health to our customers.

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**Service Excellence System**

By implementing the “Service Excellence” system, Korean Air rewards employees who contribute to customer satisfaction with their excellent service skills, thereby encouraging employees to provide customers with superior services. 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.

**Awards in the Customer Service Category**

**Ranked 9th in Skytrax’s 2022 World’s Best Airlines**

Skytrax, a global airline quality assessment consulting agency based in the UK, announces the top-tier airline rankings by comprehensively evaluating factors such as customer satisfaction with in-flight meals, entertainment, seat comfort, staff services, and prices for airlines worldwide every year. Korean Air achieved a significant rise in Skytrax’s ‘2022 World’s Best Airlines’ ranking list, rising 13 spots from 22nd the previous year to 9th.

Korean Air also received the highest 5-star rating in Skytrax’s COVID-19 Airline Safety Rating in 2021. In 2020, the airline was also selected as a 5-star airline, the highest rating in Skytrax’s World Airline Star Rating in recognition of the world’s best air service quality.



**ATW’s Cargo Operator of the Year 2022 Award and Airline Ratings’ Cargo Airline of the Year Award**

Korean Air was selected as the Cargo Operator of the Year Award 2022 by Air Transport World (ATW), the global aviation publication in June 2022. It is the second year in a row that ATW recognized Korean Air, following its Airline of the Year Award in 2021.

In addition, Korean Air was ranked 4th in the categories of Cargo Airline of the Year, Excellence in Long Haul Travel-Asia, and World’s Best Airlines for 2022 in the Airline Excellence Awards 2022 organized by Airline Ratings, the Australian aviation and travel publication in July 2022,

The awards won by Korean Air are attributed to its change of thinking, such as converting passenger aircraft to cargo planes and outstanding performance based on cargo transportation prowess and services accumulated over decades, despite the worst pandemic crisis in the history of the global airline industry. Also, even when air routes worldwide were shut down, and demand for air passengers plummeted, our multi-faceted concerted efforts to ensure comfortable and safe customer travel, including quarantine, safety, and service, garnered high praise and recognition.

In addition, it serves as world-class recognition of Korean Air’s humanitarian efforts, such as transporting emergency medical supplies and quarantine supplies, including diagnostic kits, personal protective equipment, and vaccines, to the world and the self-initiated participation of management and employees in charter flights to transport Korean citizens, by the global aviation industry since the beginning of the COVID-19 outbreak.

Korean Air plans to continue sparing no effort to position itself as a world-leading international airline with the advent of post-COVID-19 normalcy.

**Selected No. 1 in Global Customer Satisfaction Index (GCSI) for 18 Consecutive Years**

Korean Air won top honors in the air passenger transport service category at the 2022 Global Customer Satisfaction Index (GCSI) Awards Ceremony hosted by the Global Management Association (GMA). GCSI selects the best companies in each category annually by evaluating customers’ quality satisfaction, global capabilities, and customer loyalty. Korean Air has been ranked 1st place in this category for 18 consecutive years.

In the aftermath of COVID-19 easing, Korean Air has offered a variety of upgraded services compared to pre-COVID-19 levels, such as introducing a new seasonal Korean in-flight meal menu and an assortment of desserts and beverages. In addition, we were the first airline in the world to introduce an e-doc system to digitize customer documents completely. We also simplified the customer lounge entrance process by rolling out an automated lounge system, and ceaseless efforts to improve customer convenience through IT investment and innovation, such as luggage loading guidance and chatbot services. In addition, we are actively engaged in ESG management by introducing sustainable aviation fuel in the domestic industry and continuously replacing our fleet with more-efficient aircraft for lower carbon footprint on the environment. In recognition of these efforts, we have maintained our top position in air passenger transportation service for a long time since 2005.

**Gold Medal at the Cellars in the Sky Awards 2021, a global airline wine competition**

Korean Air won the gold medal in both the first class sparkling and first class fortified wine categories, in Business Traveller’s Cellars in the Sky Awards 2021, the world’s most prestigious airline wine competition. The wines that won the top honors were Perrier Jouet Belle Epoque 2012 and Chateau Rieussec 2013.

“Cellars in the Sky” is a competition first held in 1985 by Business Traveller, the world-renowned travel magazine. Every year, airlines with a reputation for wine service compete for various wines served in first and business classes, and the awards are announced after strict examination by wine experts.

Korean Air collaborated with Marc Almert, the 2019 World’s Best Sommelier champion of the International Sommelier Association, and selected 50 new in-flight wines, considering the in-flight environment and compatibility with in-flight meals. Korea Air introduced it in March 2023 and plans to service it on all of its routes by the end of the year. In the future, customers using Korean Air are expected to experience even more unique and complete in-flight services.



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**2021 Seoul Public-Private Cooperation Award for Contributing to Revitalizing Tourism in Seoul**

Korean Air received the 2021 Seoul Public-Private Cooperation Award from Seoul Metropolitan City. It is attributed to Korean Air's contribution to enhancing Seoul's tourism image by introducing tourist videos of Seoul to the world through its aircraft's audio video on demand (AVOD).

In March 2021, Korean Air collaborated with the Seoul Tourism Organization to screen 14 programs on VisitSeoul TV, the YouTube channel for tourism in Seoul, through in-flight AVOD on international flights. It was selected as a praiseworthy case of increasing interest in Seoul tourism among foreign nationals using Korean Air and enhancing the image of the capital Seoul.

Also, Korean Air signed a business agreement with the Korea Tourism Organization to attract foreign travelers and advance the national tourism industry by screening Korean tourism promotional videos on AVOD and promoting Korean tourism content in SKYPASS member newsletters, official social media platforms, and in-flight magazine 'Morning Calm'. As Korea's national flagship airline, we will continue actively contributing to expanding tourists visiting S. Korea and revitalizing Korea's travel industry.

**The Highest Rating in the Air Traffic Service Evaluation for 3 Consecutive Years**

Korean Air received the highest rating across all evaluation categories in the 2021 Air Traffic Service Evaluation organized by the Ministry of Land, Infrastructure and Transport for three consecutive years. The Air Transport



Service Evaluation surveys the punctuality, safety, and consumer protection and satisfaction of airlines annually to protect air passengers, and is the most authoritative aviation service evaluation in S. Korea conducted by the Ministry of Land, Infrastructure and Transport pursuant to the Aviation Business Act.

Korean Air was selected as the best airline in the user satisfaction category in recognition of its full-scale customer service quality improvements, such as comprehensive flight quarantine protocol management during the recent pandemic, and will continue concerted efforts to protect air passengers and improve convenience even when the rebound in air travel is in full swing in the future.

**Items and results of the 2021 air traffic service evaluation**



**Performance of Customer-Centered Management through NPS**

**Enhancing Customer Experience Management with Customer Feedback Data (NPS)**

Korean Air was the first national flagship airline to introduce the Net Promoter Score (NPS) customer survey technique in January 2021. Stemming from the fundamental question, "Would you recommend Korean Air to your acquaintances?", the survey aims to enhance customer experience by checking customer feedback in real time and providing services that meet customer needs. The daily survey measures customer satisfaction with all aspects of Korean Air's service, and identifies repeated customer pain points to identify service improvement measures. Also, given the prevalent expectations of endemic status in 2022, Korean Air quickly switched from

the existing Care First quarantine-centered approach to customer-oriented services called Customer First. In 2022, reflecting customer feedback, we provided new Korean food menus such as Korean spicy pork with leaf wraps, acorn jelly and rice soup, and Bibim-myeon noodles, shortened the in-flight content update cycle, and significantly enhanced the content. Korean Air plans to manage NPS as the key performance indicator (KPI) based on customer evaluation for service quality, create a customer-centric organizational culture, and strengthen customer experience management.

**Goals to Protect Consumer Rights and Interests**

Korean Air's Ethics Charter, posted on its website, states our commitment to win-win prosperity by sharing transparent and responsible management as the key corporate philosophy, respecting the open competition market order, promoting social contribution values through corporate compliance activities, and contributing to society with volunteerism.

The statement "Regard customer satisfaction and safety as our highest priority" in the Ethics Charter means providing high-quality services to satisfy customers, instituting a safety management system that customers can trust, respecting customers, and protecting customers' rights. Accordingly, we provide convenient and fair air transportation services to customers, respect customers' rights, treat all customers fairly, and provide only truthful information to customers. Korean Air spares no effort to protect customer information from leakage, or being used for unauthorized purposes without the customer's prior approval.

In particular, as a company engaged in the air transportation business, Korean Air prioritizes customer safety above all else, as well as consumer satisfaction and safety without compromise by instituting and operating a safe flight system, so that customers can choose Korean Air without fear of safety and travel the safest from the point of departure to the destination. To this end, we have established a company-wide preventative safety management system, and operate the safety reporting system open to all employees.

In addition, we also operate an internal corruption whistleblower system to strictly comply with the Ethics Charter, eradicate any violations of employees' laws, regulations, and ethical standards and strictly protect persons reporting internal corruption pursuant to principles and procedures.

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**Social Media-Based Communication**

Korean Air conducts systematic and openly cordial communication activities with customers through domestic and international social media platforms such as Instagram, Facebook, and YouTube. We are producing content to enhance the corporate image, such as showcasing Korean Air's destinations and transportation services, while also expanding customer contact points through various customer participatory-gearred events. In step with fast-changing online trends, we are intensively planning and producing content targeting the MZ generation capitalizing on YouTube Shorts and Instagram Story videos in various formats. In addition, we are preparing to enhance seamless communication with customers by expanding existing regionally specialized social media channels, which were limited to Japan and China, to the Americas, Europe, and Southeast Asia.

(Domestic and overseas)



**Expanded Mileage Usage**

Korean Air is expanding mileage use opportunities, allowing customers to use mileage quickly and conveniently. To make it easier to use award tickets, we expand the supply of award seats and operate bonus-mileage discount promotions. We also provide the Cash and Miles service, which allows customers to pay up to 20% of the fare with mileage, increasing opportunities to use a small amount of mileage. The rollout of partnerships with Naver and E-Mart in 2021 and early 2022 has allowed customers to use miles to receive Naver Plus memberships and E-Mart discounts. Beginning in February 2023, customers can purchase books and records at the Kyobo Book Center. In addition, customers can stay at hotels worldwide by converting Marriott Bonvoy points, while KAL Store offers opportunities for customers to purchase brand goods and offers seasonal exhibitions (SKYPASS deals) for purchasing goods at KAL Store with mileage. Going forward, we plan to actively expand the use of mileage in various sectors to increase opportunities for customers to use their accumulated mileage.

**Operation of the Integrated Cyber Security Strategy Center and Protection of Information Assets**

As the first international airline to complete the transition of its entire IT system to the cloud, Korean Air safely protects our information assets and customers' precious personal information by implementing a convenient, accurate, and fail-safe IT security environment. 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 real-time control running round the clock, all-year round. In addition, we have preemptively introduced cloud-optimized security solutions based on the latest IT security trends, and continue policy and technical efforts to protect our information assets, such as regular simulated training against malware emails and enhancing equipment security with aircraft software installed.

**Systematic Customer Information Management that Conforms to Global Privacy Protection Standards**

Korean Air continues to upgrade its privacy protection system to protect customers' precious personal information. In particular, we have established the Information Protection & Security Department, an organization dedicated to information and privacy protection, and laid the foundation to respond systematically and professionally to tightening regulations on personal information worldwide. By duly implementing personal information protection measures required by international privacy protection laws and regulations such as European GDPR, Chinese PIPL, and US ADPPA, we are developing personal information protection activities that meet global standards, such as acquiring domestic and international certifications for information protection management (ISO 27001<sup>1)</sup>, ISMS<sup>2)</sup>, and PCI-DSS<sup>3)</sup>). In addition, we strictly manage customer information to protect it from damage, leaks, or misuse by evaluating the security of all departments that handle personal information every year and instating personal information protection training for all employees.

- 1) ISO 27001: The international standard established by the International Organization for Standardization (ISO) for information protection management systems;
- 2) ISMS (Information Security Management System): Domestic information protection management system certification;
- 3) PCI-DSS (Payment Card Industry Data Security Standards): International standard for credit card data security



ISO 27001 Certificate

ISMS Certificate

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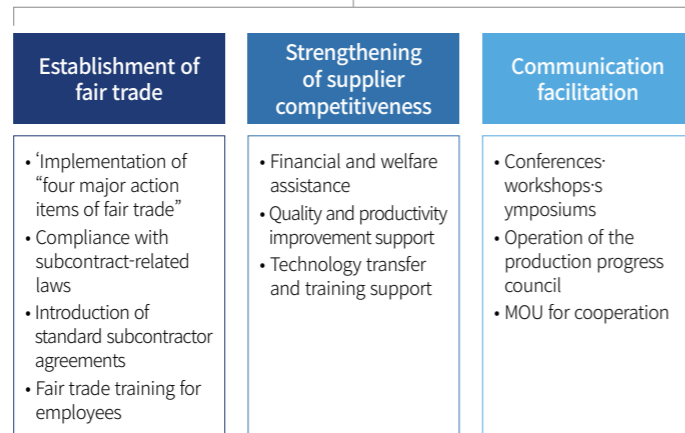
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# Shared Growth Management

## Win-Win Growth Policy

### Promoting the Fair Trade Competition and Win-Win Growth

Korean Air has implemented a sound win-win growth system with its suppliers, while also adopting and implementing in earnest the four practices for win-win growth established by the Fair Trade Commission to confirm a fair and transparent transaction order. We pay transaction bills in cash in time to ensure the stable liquidity for our suppliers, and support those in business difficulties due to decreased global aviation production volume by paying transaction bills in advance and adjusting unit prices to help them regain business stability.



## Establishment of Fair Trade

Korean Air has established and has been following in good faith the "Four Major Principles for Shared Growth" principle for implementation of the Fair Trade Guidelines for large and small businesses issued by the Fair Trade Commission. We comply with the Fair Transaction Agreements signed with supplier companies every year based on mutual trust.

### Four major principles for shared growth

- Action items for conclusion of fair agreement**  
 Setting reasonable unit prices; prohibiting unfair decision-making related to payment, etc.
- Action items for fair selection(registration) of partners**  
 Ensuring fairness and transparency in the partner selection process; providing equal bidding opportunities
- Action items for the establishment and operation of an internal deliberation committee for subcontract transactions**  
 Holding a monthly deliberation committee meeting and compliance with relevant guidelines
- Action items for the issuance and preservation of written documents**  
 Reflecting items related to issuance of written contracts to the company policy; using the standard subcontracts, etc.

## Sustainable Supply Chain Management

As of 2022, Korean Air's Aerospace Business Division received various parts for aircraft production through a global supply chain of 455 suppliers in 18 countries. In supporting the creation of the highest-quality and sustainable supply chain and securing the management stability of our suppliers, we carry out activities, such as identifying various cooperation programs for win-win growth, implementing joint development, supporting process improvement, and supporting the attraction of government projects, while also providing other win-win support and exchange programs.

## Improving Suppliers' Productivity and Developing New Technologies

Korean Air is also expanding various support activities for overall production, such as technology and quality support, improvement activities, and equipment facility improvement support to strengthen our suppliers' competitiveness in business. We seek productivity improvement by mitigating production setbacks and improving processes for supplies through lean workshops to reduce costs and optimize production processes. We also provide support for applying production automation and improving production capacity with robots by transferring new technologies for standard model development tasks endowed with manufacturing robots to our suppliers. Support for manufacturing robot automation implementation projects for our suppliers presents an opportunity for them to grow to the next level by resolving the difficulties of increasing costs, hiring professional manpower, strengthening competitiveness in business, and securing technical prowess.

## Strengthening Supplier Competencies and Promoting Communication

To elevate the capabilities of our suppliers, Korean Air is continuing win-win growth activities by conducting onsite training for composite tool development and production personnel, on-the-job training support for inspectors, and global OEM quality training. We also hold regular communication meetings with our suppliers to discuss mutual exchange and partnership plans, share business environment and volume changes, and hold quality symposiums and briefing sessions on suppliers' businesses and technologies to pursue partnerships and collaborations by ramping up open and robust communication. We will continue to make efforts for continuous win-win growth and partnerships based on mutual trust and interests.

## Air Logistics Support Business

Korean Air operates an air logistics support project in collaboration with external organizations such as the Korea International Trade Association, KOTRA, and the Korea SMEs and Startups Agency to support export supply shortages for SMEs. We supported export companies that endured logistics difficulties during COVID-19 by operating exclusive supplies for SMEs on flights to major destinations such as Los Angeles in the U.S., Frankfurt in Germany, Hanoi in Vietnam, Tokyo in Japan, and Hong Kong in China. We also seek to explore additional cooperative measures for the win-win growth of the export and aviation industries.





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**New Social Contribution Activities in 2022**

**Social contribution activities with employee participation** Korean Air created various new social contribution activities with employee participation in 2022, given that participation in volunteer activities declined due to social distancing during the pandemic. It is notable that many employees actively participated even in new programs, such as the in-flight blanket upcycling activity, where beneficiaries receive DIY kits and make finished products, the Chuseok gift delivery event, where volunteers packaged and delivered Chuseok gifts contact-free to the vulnerable groups in Gangseo-gu, and the plogging and walking activity that combines environmental protection with walking on the street near the head office. In addition, cabin crew members donated their talents during a field trip for the underprivileged youth in Gangseo-gu. Korean Air's employees answered questions from participants, and provided career-related mentoring during a meeting with aviation experts as part of the field trip.

**In-flight blanket upcycling activities** Korean Air has carried out upcycling programs, such as making name tags from retired aircraft materials, since 2021. Given that volunteer activities were reduced due to social distancing measures during the pandemic, we decided to incorporate employee participatory volunteer activities. The item subject to upcycling currently is a disposable blanket that is difficult to reuse, so we made a DIY kit for hot water bottle covers using it. This program was conducted contact-free in which kits were distributed, while finished products were submitted to reduce the risk of COVID-19 infection and minimize the burden on employees who wanted to participate in volunteer activities. The hot water bottles, completed with the participation of about 200 employees, were donated to Jongno-gu, Seoul, and used to provide warmth to the underprivileged in winter.

**Chuseok gift delivery event for the vulnerable in Gangseo-gu** Korean Air delivered Chuseok gifts for local vulnerable groups by cooperating with Gangseo-gu Office and Gangseo Food Bank on September 6, 2022, as part of our activities to ramp up social contributions in the region. Employees participating in the Korean Air Community Corps, a company volunteer organization, personally produced and packaged Chuseok food packages consisting of half-moon-shaped rice cakes, honey cookies, deep-fried sweet rice cakes, and sweet rice punch, and then delivered them to more than 250 vulnerable households selected by Gangseo-gu, with employees participating in the delivery to more than 100 households. We will continue to fulfill our social responsibilities by ramping up community-based social contribution activities.

**Volunteer plogging program** On September 7, 2022, Korean Air held the volunteer plogging program, a plogging (plocka upp (meaning "pick up" in Swedish) + walking event, an environmental cleanup movement to pick up garbage while walking). A total of 30 employees participated in the environmental protection event held at the head office in Gangseo-gu and the Daejeon Research Institute to pick up garbage while walking around. We plan to continue running programs promoting employees' health and conducting social contribution activities at the same time.

**Efforts to Contribute to the Local Economy**

**Revitalizing the local economy through participation in exhibitions**

As Korea's leading aerospace corporation, Korean Air contributes to the local economy by participating in various aerospace exhibitions to fulfill its social responsibility for the local community. In 2022, we participated in Drone Show Korea, Korea's largest drone exhibition held every year at BEXCO in Busan Metropolitan City, and DX Korea, Korea's defense industry exhibition specializing in land weapons held every other year at KINTEX in Goyang City, Gyeonggi Province, while also contributing to revitalizing the local region's economy through the MICE industry.

**Industry-academia alliances in the space industry** Korean Air is developing technologies in urban air mobility and aerospace by establishing industry-university alliances with major universities.

**Business agreement for UAM (Urban air mobility) demonstration & safety technology development**  
(Incheon City, Air Force, Inha University, & Incheon International Airport Corporation)

- Partnership in advancing UAM industry and building an industrial base;
- Exchange of technology & information for UAM policy development & job creation;
- Partnership for UAM acceptance improvement & UAM demonstration projects;
- Joint R&D initiatives, such as UAM safety technology

**Joint R&D for flight risk assessment to adopt a UAM certification system**  
(Korea Institute of Aviation Safety Technology)

- Building of foundation for the safe operation of UAM, promotion of partnerships in smooth execution of national R&D projects;
- Plan for continuous efforts to create an ecosystem for future transportation, including development of UAM operation safety technology

**Partnership in space business, including lunar lander development**  
(CAMTIC Advanced Mechatronics Technology Institute for Commercialization)

- Conceptual design & manufacturing of lunar lander structural systems;
- Conceptualization of required technology & cost analysis through the pre-conceptual design of the lunar lander model

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# Talent Management

## Employee Demographic

As of the end of December 2022, Korean Air has a total of 19,142 employees, including overseas employees. The percentage of female employees, which is an important indicator of diversity, has remained at 45% for the past three years. The average length of service (based on full-time employees working in Korea) is 17.4 years. Korean Air offers the highest level of wage and welfare benefits in the airline industry in Korea, and ensures consistency of starting salary regardless of gender and job type.

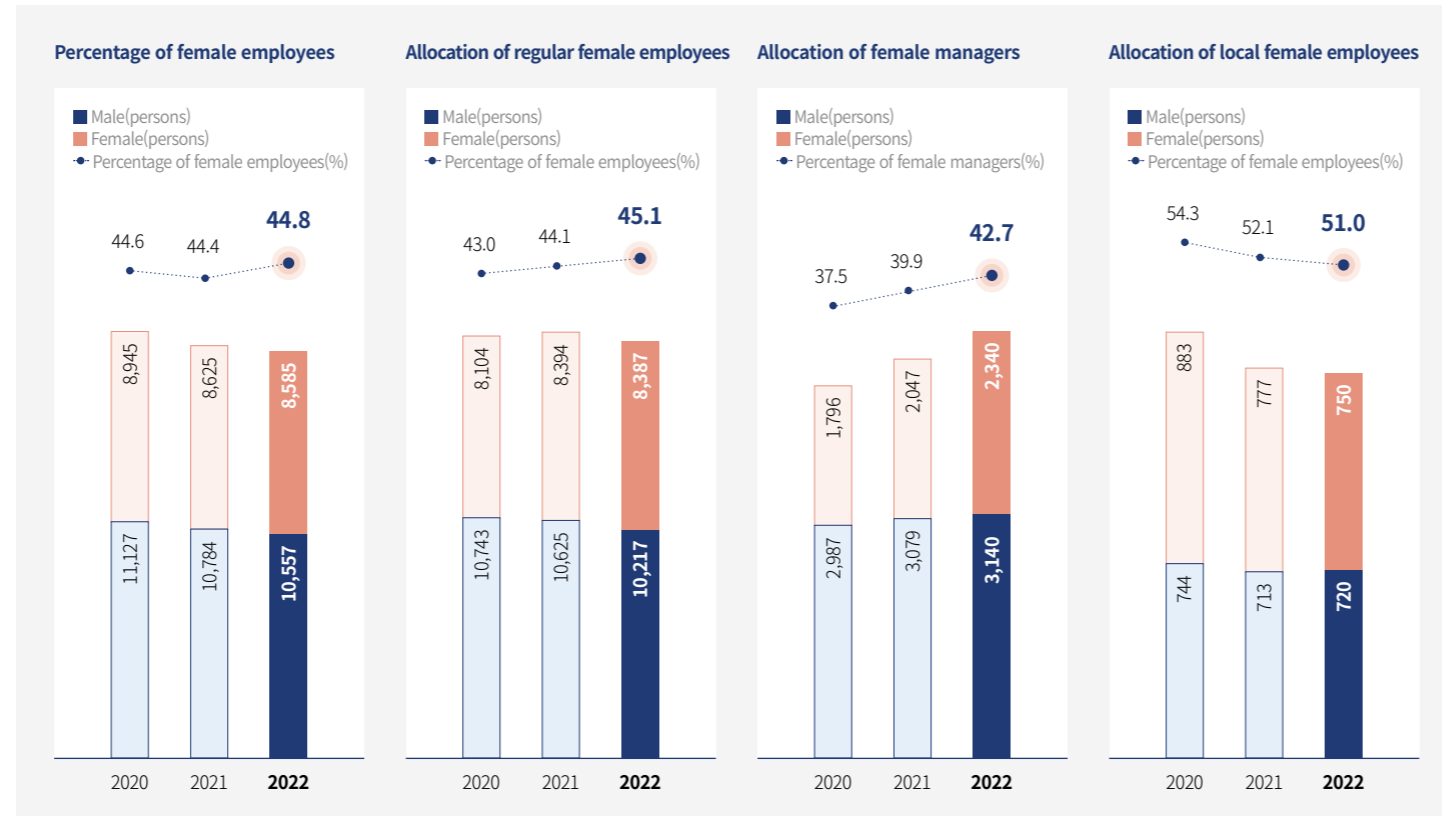
### Employee demographic

(As of the December 31, 2022, excluding executive directors) (Unit: persons)

Category	Employment type		Job position/Level	
	Full-time	Temporary	Manager level	Non-manager level
Male	10,217	340	3,140	7,077
Female	8,387	198	2,340	6,047
<b>Total</b>	<b>18,604</b>	<b>538</b>	<b>5,480</b>	<b>13,124</b>

\* Classification by rank: regular employee basis/managerial rank: Full-time employee at deputy general manager or higher level (excluding cabin crews, local overseas manager or higher level, employees, managers, and pilot crews)

### Female Employees status



\* Female managers are based on full-time employees.

## Recruitment of Excellent Local Talents Overseas

Korean Air is actively promoting localization by preemptively securing world-class local talent and developing them into managers to elevate competitiveness in the global market. Based on the principle of talent selection based on ability without discrimination on the grounds of nationality, race, gender, culture, and religion, we strive to develop local managers by operating various systems and training programs to bolster the competency of eligible employees.

### No. of employees in S. Korea and overseas

(Unit: persons)

Gender	By recruited region	
	Korea	Overseas
Male	9,837	720
Female	7,835	750
<b>Total</b>	<b>17,672</b>	<b>1,470</b>

### Employees working at overseas business sites

#### Local employees at overseas business sites

1,685 persons



#### Percentage of local employees

87%



#### Percentage of local employees at manager level

16%



※ As of December 31, 2022 (excluding executive directors)

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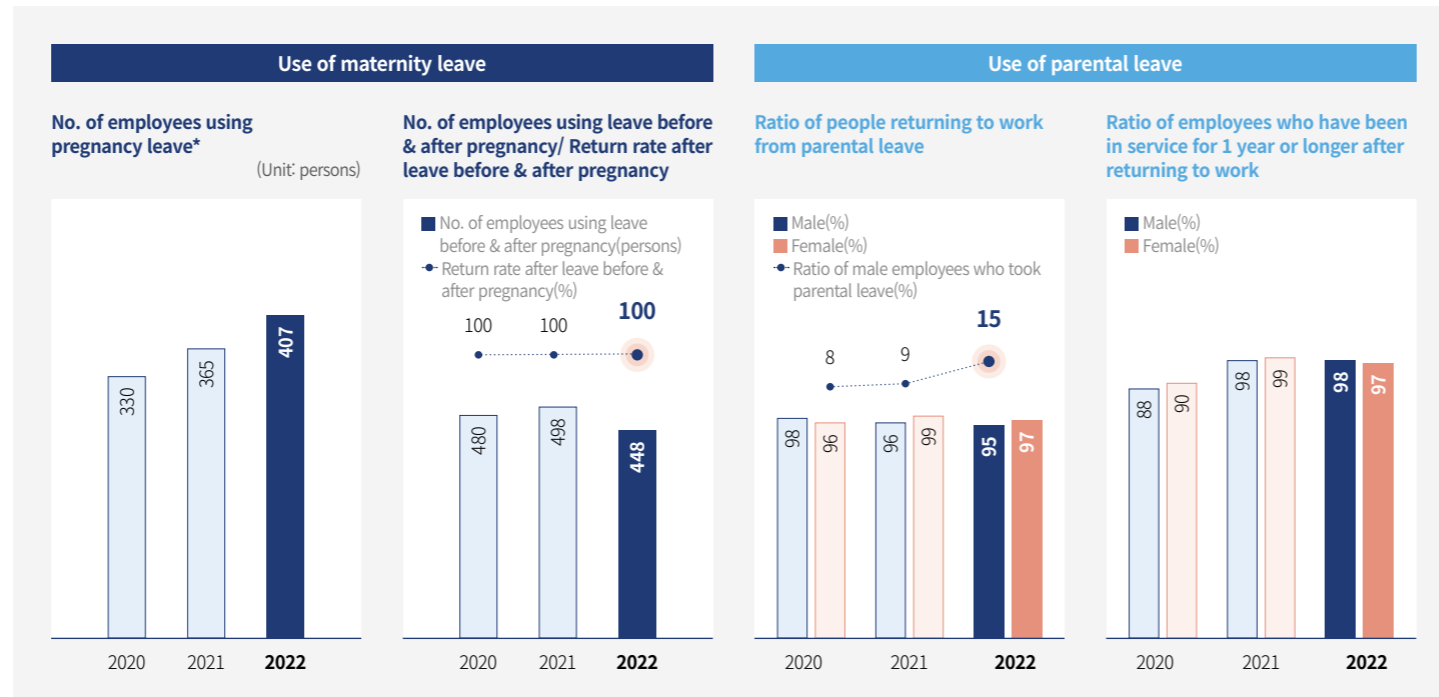
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**Maternity Protection System**

Korean Air is committed to providing equal opportunities for all of its employees. We continue to expand the employment of female employees, while operating and encouraging various systems related to maternity protection, such as pregnancy and child-rearing, to prevent career disruptions for female employees and help them lead a balanced life at home and work. In addition to the legally provided system of maternity leave, spousal paternity leave, permission for prenatal screening during work hours, prohibition of overtime work, parental leave, shortened work hours during pregnancy/childcare, and family care/break/shortened work, we operate a prolonged leave system that allows for up to a three-year leave for reasons such as child care for school-aged children for all female employees. We also operate a maternity protection system that exceeds legal standards, such as maternity leave for infertility treatment for all female employees and pregnancy leave for female flight crew members from the point of being aware of the pregnancy.

In addition, we have created a separate lounge, allowing employees returning to work after taking a leave of absence or a shortened position to search for necessary work materials and take online courses in order to prepare for return to work, while avoiding difficulties to be endured when returning to work. Also, we provide unique uniforms separately for the convenience of pregnant employees of the airport ground crew, and operate a separate breastfeeding space called "Mother-Child Love Room" equipped with sterilizers, washing facilities, and lotions in the Korean Air Aeromedical Center for employees returning from pregnancy. Also, we are making concerted efforts to provide a flexible work culture for all employees, such as staggered commuting, which allows flexible selection of work hours in case of a need to adjust work hours for reasons like childcare, as well as implementation of telecommuting systems using a remote work system.

**Maternity Protection System Performance**



\* Pregnancy leave is limited to flight crews performing flight duties.

**Fair Evaluation and Performance Remuneration System**

**Multi-Faceted Evaluation System**

Since employees in various occupations work in various fields, Korean Air implements a multi-faceted evaluation system to ensure fair evaluations based on diversity. Within a multi-faceted evaluation system, all employees are evaluated on their performance for the organization during the year based on fair criteria that match the characteristics of each division, department, and job attribute. Field departments performing structured tasks are evaluated using standardized work performance tables for each job type. In the case of pilots, piloting skills for the operating area and aircraft type and the ability to perform emergency procedures in abnormal situations are carried out instead of performance evaluations, considering job characteristics. Also, we conduct a supervisory leadership survey, which is used to verify managers' qualifications as leaders throughout job evaluation and personnel management, to enhance managers' leadership abilities and two-way communication between managers and employees. These evaluation results are reflected in the promotion, salary, and differential promotion examinations according to job type and rank. The evaluation not only informs the results but also provides feedback to each employee, helping employees improve their performance and discover and develop their competencies and strengths.

**Fair Remuneration System**

No matter the gender, origin, or employment type, Korean Air operates a non-discriminatory and transparent remuneration system for all employees to receive fair evaluations and compensation based on individual performance and competency. Achievements are paid fairly based on the evaluation of individual work performance. The same payment conditions are applied to both regular and non-regular employees to pay out management performance/ safety incentives, etc. All benefits, such as zonal employee discount tickets, which is Korean Air's signature benefit, family support, medical support, and condominium use, are provided equally.

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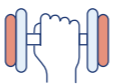
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**Operation of the Job Market System**

Korean Air implements a personnel policy that respects the choices of employees, allowing them to develop their careers of their own accord to enhance job satisfaction and work engagement. We have been implementing a system called "Job Market" since 2022. Each employee prepares and registers a self-development plan, including the department concerned and competencies in the system. The system selects suitable personnel by matching the employee's discretion with the department's requirements. Also, we are promoting an internal competition system, where employees can voluntarily apply for a desired job and pursue self-development. It enables assigning personnel at the right place at the right time to incorporate the discretion of employees and the department's needs at the same time.







**Creation of Sponsored Health Promotion Facilities and Improvement of Work Environment**

Korean Air has created health promotion spaces in Seoul, Daejeon, and Busan to improve the health of its employees. Also, we are continuing to expand employee rest and welfare spaces.

<b>Creation of health-promoting spaces</b>	<ul style="list-style-type: none"> <li>• Creation of KOC health stairs &amp; rooftop trail</li> <li>• Busan Tech Center futsal field;</li> <li>• Environment improvement of dulle-gil (walkabout) trail at the Daejeon Research Center</li> </ul> 
<b>Working environment improvement</b>	<ul style="list-style-type: none"> <li>• Coffee Lounge on the 1st &amp; 7th floors of KOC</li> <li>• Improvement of onsite rest areas</li> </ul> 

**Welfare System**

Korean Air offers the highest level of salary and welfare among companies in the airline industry to improve employees' quality of life. We offer a variety of welfare programs, including discount flight tickets for employees and families to

Category	Details
 <b>Health support</b>	<ul style="list-style-type: none"> <li>• Subscription to the national health insurance scheme</li> <li>• Self-insurance support (allowances for sickness/accidents/death of employees and/or their spouses)</li> <li>• Support for flu vaccination</li> <li>• Medical bill subsidies for overseas flight attendants and employees on business trips</li> <li>• Operation of in-house clinics and a counseling center (with resident aviation specialists, nurses, and psychological counselors)</li> </ul>
 <b>Leisure support</b>	<ul style="list-style-type: none"> <li>• From 25 to 35 discount flight tickets annually (tickets separately provided for marriage/filial piety/long service)</li> <li>• Partner condominiums (resorts) in Korea</li> <li>• Discounts for prestigious hotels in Korea and abroad</li> <li>• Support for in-house club activities</li> </ul>
 <b>Daily living support</b>	<ul style="list-style-type: none"> <li>• Company-housing provision (1,079 units)</li> <li>• Housing and Jeonse loans</li> <li>• Tuition support for children                             <ul style="list-style-type: none"> <li>- Support for childcare expenses and tuition subsidies for domestic and overseas high school/university/special school for the disabled</li> <li>- Tuition and language course subsidies for children of expatriates</li> </ul> </li> <li>• Tuition support for employees attending a designated university/graduate school to earn a degree in a job-related field</li> <li>• Bottled water for all employees every month</li> <li>• Congratulatory and condolence support (emergency leave, expenditure for congratulations and condolences, wreath, and funeral supplies)</li> <li>• Support for anniversaries (birthdays of employees, children entering elementary school, etc.)</li> </ul>
 <b>Retirement support</b>	<ul style="list-style-type: none"> <li>• Subscription to the national pension plan</li> <li>• Monthly subsidies for all employees' personal pension plans (KRW 50,000)</li> <li>• Operation of Korea's largest corporate credit union and subsidization of contribution to the corporate credit union upon retirement</li> </ul>
 <b>Incentives</b>	<ul style="list-style-type: none"> <li>• Performance-based incentives</li> <li>• Safety performance incentives</li> </ul>
 <b>Childcare support</b>	<ul style="list-style-type: none"> <li>• Support for childcare expenses &amp; childcare allowances;</li> <li>• Operation of Mother-Child Love Room (Maternity protection facility)</li> </ul>

cultivate global leadership skills and provide quality rest time, housing, tuition fees, leisure support, medical expenses, and financial security for retirement.

**Talent Development**

“People are at the heart of corporate management, and professional growth of people starts from adequate education.”

The people are the highest-level value and resource of Korean Air, so we develop and operate a variety of training curricula to nurture global talents based on this belief. In addition, we move forward to improve education productivity by revitalizing online education, strengthening global service competitiveness through standardization of service education, and building a knowledge-centered learning organization to internalize a dynamic corporate culture.

**Korean Air's training system**

Under the education policy of “fostering global talents based on expertise,” Korean Air operates a training system that provides systematic training by job position/job type based on two competency models: management competency; and job competency.

The Human Resources Development Center is responsible for efficient operation of training, by establishing and executing education policies and a company-wide common training course. We also put in place professional training organizations specializing in each field, including flight operations/cabin/maintenance.

**Education Strategies and Plans for 2023**

During the pandemic, Korean Air promoted online education using IT platforms, such as Google Meet, to substitute convened training and operated online/offline training by flexibly responding to external environmental factors such as government quarantine protocols. With the advent of post-COVID-19 in 2023, we plan to implement training/education to enhance employee capabilities and improve the organizational structure. To redefine the employee mindset, we provide leadership role education/training that emphasizes the manager's responsibilities and managerial mindset, based on objectivity for managers and focus on contribution to the organization for efficient work and professional attitude that diverts from existing work practices for employees. In addition, it is expected that the effectiveness of training/ education can be maximized through learner-driven initiatives and the use of the latest information technology.

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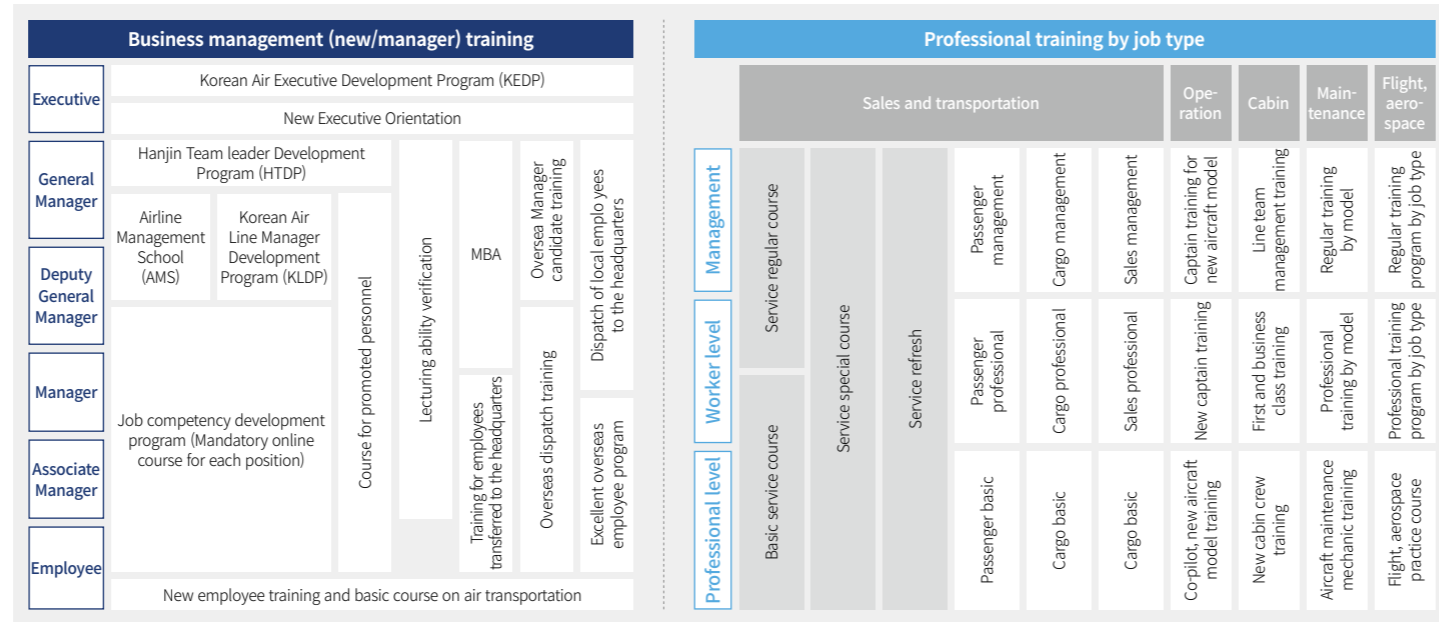
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**Korean Air's training system**



**Lifelong learning and retiree assistance program**

Korean Air operates Jungseok College, Korea's first in-house tech school, and supports lifelong learning of employees by providing full scholarships to all students. Jungseok College was founded in 2000 to nurture talents who will play a pivotal role in the aviation and logistics industries based on the combination of rich hands-on experience and academic theories. Since the school opened in 2000, a total of 1,505 degrees have been awarded a total of 22 times, including 1,064 bachelor's degrees and 441 associate degrees. Jungseok College is becoming a platform for nurturing future-oriented intellectuals by providing employees opportunities to be creative and pursue self-development, and allowing employees to engage in lifelong learning. Furthermore, Korean Air provides scholarships to employees continuing studies in the Graduate School of Aviation and Management of Korea Aerospace University and the MBA program for logistics at Inha University. We provide 10% of the tuition fee as scholarship to encourage employees' continuous self-development and to nurture talents in the aviation and logistics field. Through these efforts, we promote employees' motivation to learn and desire for lifelong learning.

Korean Air is currently operating a post-retirement program to support employees reaching retirement age. The program includes courses on post-retirement time management, life/career design, individual financial situation, and asset management.

**Training performance for prospective retirees (2022)** (Unit: persons, hours)

Course	Target employees	Employees that took the course	Hours	Total hours
INTRO (life design)	313	177	0.5	88.5
Post-retirement time management (life design)	313	131	1.5	196.5
Useful first-aid procedures (life design)	313	115	1	115
Physical therapy for a healthy life (life design)	313	104	1	104
Understanding leadership (life design)	313	95	1	95
Communication in an organization (life design)	313	93	1.5	139.5
Successful relationships (life design)	313	102	1.5	153

**Training overseas local hires**

We have developed and are operating an overseas local employee training system in order to cultivate global talents who can contribute to establishing the foundation for overseas localization. Representative courses include our "Excellence Employee Program," which is designed to enhance understanding of our business and Korean culture, "Company Orientation" for new foreign flight attendants and cabin crew, and the "English Instructor Training Course" to nurture local instructors. In addition, under instruction of the branch manager, new hires of the European/Southeast Asia regions are required to take the New Employee Orientation course either online or offline. The course helps prepare the new hires as new members of Korean Air. We have added real-time remote classes by business area/region to meet the growing demand for training regarding passenger/cargo basic/maintenance following COVID-19 induced changes in the number of employees working at overseas business sites. Through close interaction and communication between the Service Academy of the headquarters' Human Resources Development Center and overseas branches, Korean Air provides timely services to promote the quality of local employees' services. In the final phase of the COVID-19 pandemic, We are expanding our real-time remote training courses for overseas employees. We are also providing more service education opportunities by regularly producing and distributing self-learning content and online training courses to enable repetitive learning and easier access to education for employees abroad.

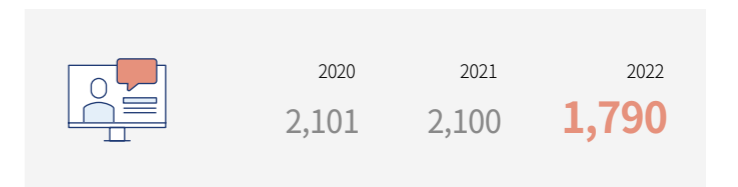
**Scholarship Support for Graduate School**

(Unit: persons)



**Holding Online Education Contents**

(Unit: EA)



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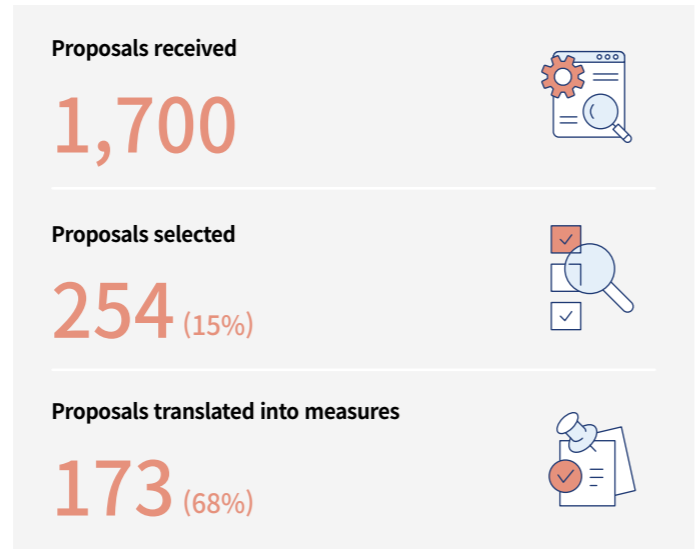
Organizational Culture Based on Trust and Communication

Operation of a proposal board

In January 2021, Korean Air introduced "Idea#," an in-house online bulletin board, where employees can freely share their ideas and create a productive work environment. Idea# is a company-wide platform that consolidates all of the suggestion systems that were implemented separately for the headquarters and each business division. Employees are able to share opinions without limitation on topics, regardless of their team and organization, and all employees are free to give constructive feedback and share their own thoughts. Relevant teams would thoroughly review the opinions posted, and any opinions that are selected receive awards. Every day, 575 employees visit the bulletin board on average and share their opinions on their colleagues' ideas. In-house contests are held for certain themes and topics that require collective intelligence.

Korean Air holds contests through an internal proposal board for specific topics requiring collective intelligence. We have attracted the participation of many employees through contests on topics such as ESG, CCM, and industrial safety and developed a questionnaire and voting participation

Idea# activities in 2022



function for employees to express their opinions more effectively in addition to the competition.

Idea# is quickly becoming a representative channel for in-house communication and contributing to improved productivity by encouraging employee participation.

Stronger Together

Korean Air is conducting a company-wide innovation campaign first launched in 2020, titled "Stronger Together," to create a dynamic and forward-looking organizational culture. The campaign's objective is to prepare for the post-COVID-19 normalcy, and elevate the airline's competitiveness by improving the organizational structure and ways of doing business and communication.

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, we conducted the "Find the Best MVP of Korean Air 2022" event, an internal competition in five categories, including the Work MVP, Caring MVP, Company Life MVP, Best Mentor, and Guru of Safety, with volleyball positions of right, left, libero, setter, and center as the motif. It has 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.

In addition, we have established a business standard terminology system to manage aviation prowess systematically. It strengthens communication between employees, and further supports our expertise in aviation through work standardization.

Korean Air respects diversity among its members, and plans to continue carrying out the Stronger Together campaign to create a flexible organizational culture that can respond to rapidly changing environments, based on a transparent communication culture.

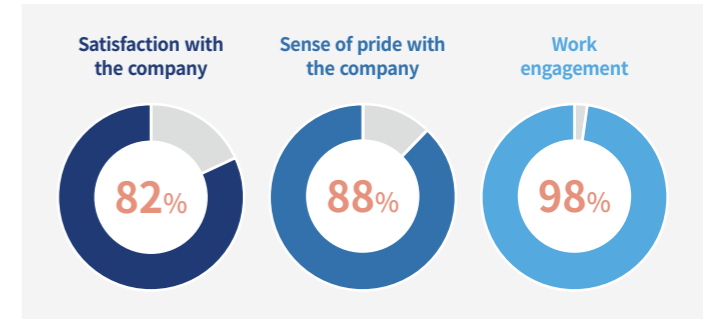
Survey on Employee Satisfaction and Organizational Health

Korean Air surveyed all employees in December 2022 to identify improvement opportunities by measuring employee satisfaction and organizational health. A total of 7,338 people, or 38.5% of employees company-wide, participated as respondents. The survey measured satisfaction with organizational culture-related items such as overall satisfaction, the degree of experience in improving the corporate culture, and supervisory leadership and communication methods, with the summary of results for each organization being shared in announcements to all employees.

The result of the survey showed satisfaction with the company stood at 82%, with a sense of pride at 88%, indicating that most employees were proud to be Korean Air members in their work. To the question, "I am working in dynamic ways to execute my work well," which measures employee engagement, 98% of all employees answered positively. It was an increase from 86% given in the 2020 survey results.

Based on the survey results, we plan to conduct an in-depth analysis of differences according to the length of service and sector and to consult on the organizational culture in each sector. In addition, we plan to expand the survey of employees to be conducted every year, so that they can better respond to rapidly changing organizational requirements and gain insights to improve the corporate culture by listening to the voices of employees.

Results of the company-wide employee survey in 2022



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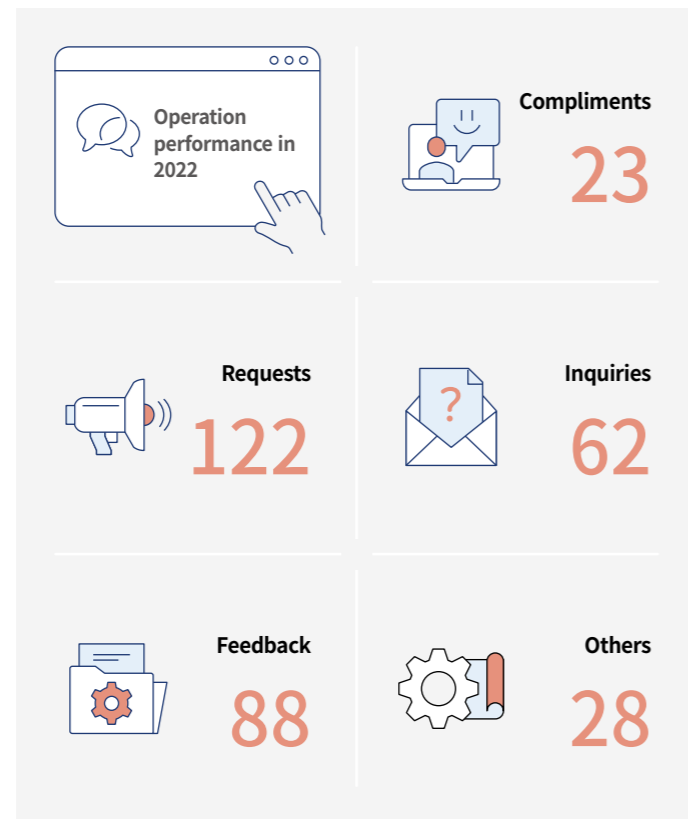
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**Communication Plaza(Forum)**

Korean Air has operated the “Communication Plaza(Forum)” bulletin board on the website for its employees since March 2015 to create a better organizational culture based on flexible communication and mutual trust. The communication plaza(forum) is the internal online bulletin board that employees use as a constructive platform for communication to anonymously submit questions and share complimentary and encouraging messages with each other. By strictly protecting anonymity, employees can freely share ideas without a limitation to topics.

Departments in charge swiftly respond to inquiries and requests submitted by employees, and take relevant measures, which leads to active internal communication and substantial improvements to the organizational culture.



**“Daehan TV,” an In-house Broadcasting YouTube channel**

In June 2021, 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.

**Internal Communication of Employees**

**Internal communication with the CEO and holding town hall meetings**

On November 18, 2022, Korean Air held the 1st Town Hall Meeting with CEO Cho Won-Tae and employees. The Town Hall meeting was conducted by the CEO directly answering questions received through a company-wide survey.

The CEO sincerely and casually shared his thoughts with employees on various topics such as overcoming the COVID-19 pandemic, acquisition and integration of Asiana Airlines, management strategy and vision, employee welfare and work environment improvement, human resource affairs, and the organizational culture.

The 1st Town Hall Meeting, where the CEO personally took part in face-to-face communication as to issues that piqued employees’ keen interest, garnering attention and an enthusiastic reception from employees, and we intend to continue to develop it into Korean Air’s leading internal communication program.

**Resumption of “Happy Hour,” a time for internal communication**

Happy Hour, an internal communication program temporarily suspended during the pandemic, was resumed in June 2022.

The resumption of Happy Hour during afternoon work hours to engage in comfortable and informal conversations on various topics with colleagues in the department for an hour every Friday on a monthly basis, brings together employees who have not been able to gather due to COVID-19 in order to communicate and boost morale with sources of inspiration.

President Woo Ki-hong also continues to communicate actively by visiting various departments within the company during Happy Hour each month to encourage the employees, listen to concerns, and relay individual requests.



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The 27th Korean Air Travel Photo Contest | Merit Prize | Kim, Woo-seok | Manhattan seen from Long Island



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# Sound Governance

## Board of Directors

As of May 2023, Korean Air's Board of Directors consists of three executive directors with rich industry experience and eight independent directors with diverse backgrounds in finance/economics, law, academia, and governance. Independent director candidates are nominated by the Independent Director Recommendation Committee and are appointed by a resolution of the general shareholders' meeting. In this procedure, shareholders with certain qualifications can nominate independent director candidates in accordance with prescribed procedures. Profiles of independent directors and candidates are disclosed on the DART website prior to the general meeting of shareholders.

### Independence of the BOD

As prescribed in Article 38 of the Articles of Incorporation, the Chairman of the Board of Directors is appointed from among the directors through a resolution of the Board of Directors, separating the positions of the CEO and the Chairman of the Board of Directors. It is to further strengthen the role of the Board of Directors in monitoring management, thereby increasing the board's independence and management transparency and protecting the rights and interests of shareholders.

The ratio of independent directors on the Board of Directors was 73% (8 out of 11), and the independence and objectivity of the Board of Directors

were strengthened by organizing all four committees (namely, Independent Director Recommendation Committee, Audit Committee, ESG Committee, and Compensation Committee), except for the Safety Committee in the interest of better safety and security management.

Also, our directors meet the qualifications required by relevant laws and regulations, such as Article 382 (Appointment of Directors, Relationship with Company and Independent Directors) and Article 542-8 (Appointment of Independent Directors) of the Commercial Act, and are appointed by fair and independent procedures.

### Adoption of Best Practices for Corporate Governance

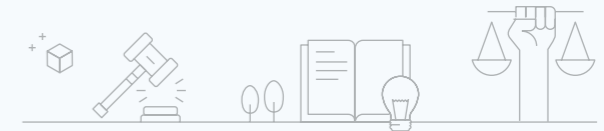
(As of May 2023)

Best Practice Recommendations	Adopted	Remarks
Separation of the CEO and the Chairman of the BOD	○	Appointment of independent director as chairman (Jeong Kap-Young)
Introduction of the Corporate Governance Charter	○	Disclosure on website
Introduction of Corporate and Employee Code of Ethics	○	Disclosure on website
Introduction of cumulative voting	×	Not applicable pursuant to the Articles of Association
Composition of the BOD (more than half as independent directors)	○	Includes 73% independent directors (eight out of eleven)
Regular BOD meetings	○	At least once a quarter
Provision of information on directors prior to the meeting	○	Distribute presentation materials and bill of agenda, Pre-conference held for major agenda items
Disclosure of BOD activities in detail, attendance rate, and voting results of major agenda items	○	Disclosure of business reports including on the website
Enactment of Board Operational Regulations	○	Disclosure on website
Establishment of Operational Regulations of committees	○	Disclosure on website
Establishment of committees within the BOD	○	Operation of five committees (Audit Committee, Compensation Committee, Safety Committee, ESG Committee, and the Independent Director Recommendation Committee)
Subscription to director's liability insurance at the company's expense	○	Subscription to Directors and Officers Insurance
Audit committee (all independent directors)	○	Six independent directors
Independence of independent directors	○	Operation of Independent Director Recommendation Committee, composed of all independent directors
Validation of accuracy of business reports, etc.	○	Validation of the CEO and executives in charge
Provision of comparisons to Code of Best Practices for Corporate Governance	○	Disclosure on website
BOD level review/oversight of non-financial (ESG) risks	○	Operation of the ESG Committee within the BOD

### Disqualification criteria of independent directors

#### Article 382 of the Commercial Act

- Directors, executive directors and employees who are engaged in the regular business of the relevant company, or directors, auditors, executive directors and employees who have engaged in the regular business of the relevant company within the latest two years
- The principal, his/her spouse, lineal ascendants, and lineal descendants, in cases where the largest shareholder is a natural person
- Directors, auditors, executive directors and employees of the corporation, in cases where the largest shareholder is a corporation
- The spouses, lineal ascendants, and lineal descendants of directors, auditors and executive directors
- The directors, auditors, executive directors and employees of a parent company or its subsidiary company
- Directors, auditors, executive directors and employees of a corporation which has a significant interest in the relevant company, such as business relations with the company
- Directors, auditors, executive directors and employees of another company for which directors, executive directors and employees of the company concerned serve as directors and executive directors



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**Review of requirements for independence of independent directors**

Independence requirement	Jeong Kap-Young	Rim Che-Min	Kim Dong-Jae	Jang Yong-Sung	Lee Jae-Min	Kim Se-Jin	Park Nam-Gyoo	Park Hyon-Joo
1. The director must not have been employed by the company in an executive capacity within the last year	○	○	○	○	○	○	○	○
2. The director must not accept or have a "Family Member who accepts any payments from the company or any parent or subsidiary of the company in excess of \$60,000 during the current fiscal year"	○	○	○	○	○	○	○	○
3. The director must not be a "Family Member of an individual who is [...] employed by the company or by any parent or subsidiary of the company as an executive officer."	○	○	○	○	○	○	○	○
4. The director must not be an adviser or consultant to the company or a member of the company's senior management.	○	○	○	○	○	○	○	○
5. The director must not be affiliated with a significant customer or supplier of the company.	○	○	○	○	○	○	○	○
6. The director must have no personal services contract(s) with the company or a member of the company's senior management.	○	○	○	○	○	○	○	○
7. The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.	○	○	○	○	○	○	○	○
8. The director must not have been a partner or employee of the company's external auditor during the past year	○	○	○	○	○	○	○	○
9. The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent	○	○	○	○	○	○	○	○

\* Requirements are applied based on the independence of independent directors of S&P Global

**Board of Directors**

(As of May 2023)

Category	Name	Gender	Position	Date of appointment	Terms	Remarks
Executive directors	Cho Won-Tae	Male	Chairman & CEO	Mar 26 <sup>th</sup> , 2021	3 years	-
	Woo Kee-Hong	Male	President	Mar 22 <sup>nd</sup> , 2023	3 years	-
	Yoo Jong-seok	Male	Chief Safety & Operating Officer (CSO)	Mar 22 <sup>nd</sup> , 2023	3 years	-
Independent directors	Jeong Kap-Young	Male	Chairperson of the Korean Committee for UNICEF	Mar 22 <sup>nd</sup> , 2023	3 years	BOD Chairman
	Rim Che-Min	Male	Advisor at Lee & Ko Law Firm	Mar 26 <sup>th</sup> , 2021	3 years	-
	Kim Dong-Jae	Male	Professor at the Graduate School of International Studies at Yonsei University	Mar 26 <sup>th</sup> , 2021	3 years	-
	Jang Yong-Sung	Male	Collaboration Professor at Hanyang University Business School	Mar 26 <sup>th</sup> , 2021	3 years	-
	Lee Jae-Min	Male	Professor at Seoul National University School of Law	Mar 26 <sup>th</sup> , 2021	3 years	-
	Kim Se-Jin	Male	CEO of Korea Fund Ratings Co.	Apr 27 <sup>th</sup> , 2021	3 years	-
	Park Nam-Gyoo	Male	Professor at Seoul National University Business School	Mar 22 <sup>nd</sup> , 2023	3 years	-
Park Hyon-Joo	Female	Country Executive for Korea at BNY Mellon	Mar 22 <sup>nd</sup> , 2023	3 years	-	

**BOD's Expertise and Diversity**

Korean Air focuses on expertise and diversity in the Board of Directors to drive balanced decisions based on a broader perspective. The Independent Director Recommendation Committee, which is made up of independent directors, nominates candidates with expertise and good-standing social reputation that can contribute to achieving the company's overall direction and objective considering qualifications, degree of role performance, expertise, independence, diversity, and shareholder opinions. A resolution of the general meeting of shareholders appoints the independent directors. The airline's Board of Directors currently consist of highly professional and prestigious professionals from various fields, including management, finance, corporate governance, and law. In addition, the BOD achieved gender diversity by appointing the first female independent director in 2020, and has reflected various values in the Corporate Governance Structure Charter in 2021 to ensure that directors are not subject to discrimination on the grounds of gender, age, region, ethnicity, religion, and disability. Korean Air will continue reinforcing the expertise and diversity within the Board of Directors to accomplish advanced management led by the BOD.

**Korean Air Independent Director Recommendation Committee Regulations 1.3 Authority**

As a committee within the Board of Directors, the Independent Director Candidate Recommendation Committee recommends independent director candidates considering their qualifications, degree of role performance, expertise, independence, diversity, and shareholder opinions before appointing independent directors at the general shareholders' meeting.

[Click for the full text](#)



**Article 5 of Chapter 2 of Korean Air's Corporate Governance Charter (Composition of the Board of Directors and Election of Directors)**

Directors shall not be discriminated against by factors such as gender, age, region, race, religion, education, or disability, and should contribute to enhancing the Company's value and shareholder interests

[Click for the full text](#)



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**BOD Achievements**

Throughout the year 2022, Korean Air held a total of nine board meetings, including seven regular meetings and two extraordinary meetings, to vote on a total of 44 agenda items. The BOD holds regular meetings at least quarterly to discuss major topics in-depth and conducts thorough reviews, and convenes extraordinary meetings whenever necessary. The annual BOD meeting schedule is notified in advance to ensure a higher attendance rate. In 2022, the average attendance rate was 96% for all directors and 96% for independent directors, and the average number of attendances was 11.6.

Executives from various business divisions, including passenger, cargo, finance, and technology, attend the BOD meetings to enhance the directors' understanding of the agenda items, and executives in charge of each item assist in explaining the relevant issues to the board and answer questions. In addition, major agendas stipulate that a preliminary meeting can be held to improve comprehension of the agenda, and the meetings on the main agenda are held before the Board of Directors meeting is convened according to the Board of Directors regulations.

**Major activities of the BOD in 2022**

Date	Agenda	Attendance of independent directors
2022. 1. 27	Seven cases, including approval of financial statements & business report for 2021 (60th period)	9/9
2022. 2. 22	Three cases, including the holding of the 60th General Meeting of shareholders	9/9
2022. 3. 23	Seven cases, including the composition of committees within the Board of Directors (draft)	8/9
2022. 5. 4	Five cases, including the 2022 Q1 accounting settlement (draft)	9/9
2022. 6. 13	Four cases, including approval for the purchase of shares in Jin Air (draft)	9/9
2022. 8. 4	Five cases, including the 2022 H1 accounting settlement (draft)	9/9
2022. 8. 25	One case of new investment in new space business (draft)	7/9
2022. 11. 3	Three cases, including the 2022 Q3 accounting settlement (draft)	9/9
2022. 12. 1	Nine cases, including the 2023 business plan (draft) and others	9/9

Furthermore, Korean Air has organized and begun to operate the "Board Secretariat" for professional and efficient operation of the BOD and to support independent directors. The Board Secretariat also provides educational opportunities for newly appointed independent directors, including Company Orientation, a chance to visit major business sites to enhance their understanding of the business, and provision of briefing materials when major management issues arise.

**Committees within the BOD**

Korean Air has established and is operating five committees: namely, the Audit Committee; Independent Director Recommendation Committee; ESG Committee; Safety Committee; and Compensation Committee - within the BOD, to ensure efficient operation of the BOD and to comply with relevant laws and regulations. Four out of five committees, with exception of the Safety Committee that requires an in-house safety specialist, are composed solely of independent directors.

**Committee information**

Committee Name	Composition	Directors	Purpose and responsibilities of the committee
<b>Independent Director Recommendation Committee</b>	All Independent directors	Jeong Kap-Young(Chairman), Rim Che-Min, Kim Dong-Jae, Park Nam-Gyoo, Kim Se-Jin	Nominating independent directors pursuant to relevant laws and regulations, including the company's Articles of Association and the BOD's regulations.
<b>Audit Committee</b>	All Independent directors	Kim Se-Jin(Chairman), Rim Che-Min, Kim Dong-Jae, Park Hyon-Joo, Jang Yong-Sung, Lee Jae-Min	Auditing the books and business operations while dealing with matters commissioned by the BOD in accordance with the governing laws, including the Articles of Association and the BOD's regulations
<b>ESG Committee</b>	All Independent directors	Kim Dong-Jae (Chairman), Park Nam-Gyoo, Jang Yong-Sung, Lee Jae-Min	Review and control over ESG related activities; preliminary review of major management matters that have a significant impact on shareholder value; deliberation/decision on internal transactions prescribed by relevant laws and Fair Trade Act
<b>Safety Committee</b>	Executive (2) Independent (2)	Yoo Jong-seok (Chairman), Woo Kee-Hong Rim Che-Min, Lee Jae-Min	Monitoring and making proposals on safety performance and management, and making decisions on the agendas and items commissioned by the BOD
<b>Compensation Committee</b>	All Independent directors	Park Nam-Gyoo (Chairman), Kim Dong-Jae, Park Hyon-Joo	Obtaining objectivity and transparency in the decision making process for directors' compensation, and determining matters related to directors' compensation and delegation of the BOD

(As of May 2023)

**ESG Committee Achievements**

Korean Air's ESG Committee met three times in 2022 and submitted and deliberated on a total of 6 agenda items. The ESG Committee, composed of all independent directors, is held on a quarterly basis to actively reflect non-financial factors of the company, including the Environment, Society, and Governance into management tasks and activities. Activities performed by the Committee include deliberation of internal transactions in accordance with relevant laws and regulations including the Fair Trade Act, review and overall management of the company's ESG tasks, and preliminary review of major management issues that have a significant impact on shareholder value.

**Main Activities of the ESG Committee in 2022**

Date	Agenda	Attendance of independent directors
2022. 4. 1	• Report on 2022 Q2 internal transactions (products/services) • Report on ESG trends in the aviation industry	4/4
2022. 6. 9	• Deliberation on the purchase of shares in Jin Air (draft) • Report on 2022 Q3 internal transaction (product/service) report	4/4
2022. 9. 14	• Report on 2022 Q4 internal transactions (products/services) • Report on the publication of the 2022 ESG report	4/4

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# Protection of Shareholders' Rights

To maximize shareholder value while protecting shareholders' rights according to the standards prescribed in the Commercial Act and related laws, Korean Air stipulates related matters in its regulations, such as the Articles of Incorporation and Corporate Governance Charter.

## General Meeting of Shareholders

Since the 2022 general shareholders' meeting, Korean Air has issued a meeting notice four weeks before the general shareholders' meeting, which is before the minimum standard of two weeks under the Commercial Act, and provides relevant information, such as the date, time, location, and proposals timely for shareholders to have sufficient time to deliberate on the agenda. Also, although handwritten and electronic ballots are not available, proxy voting is recommended to help shareholders easily exercise their voting rights. The general shareholders' meeting is not to coincide with the holding of general shareholders' meetings, to give the opportunity for shareholders to participate fully and actively express opinions. Accordingly, the ratio of pros and cons for each agenda and the details of the number of shares attended are disclosed in detail on the website, and we are continuously considering ways to allow more shareholders to participate in general shareholders' meetings and exercise their voting rights.

## Stock and Shareholder Status

The total number of Korean Air shares authorized for issuance is 700,000,000 shares (nominal value per share: 5,000 won), and as of the end of 2022, the total number of shares outstanding was 368,220,661 shares of common stock and 1,110,794 shares of preferred stock. With the exception of treasury stocks, common stocks have one voting right per share, and preferred stocks are granted voting rights depending on whether or not the previous year's dividend was paid according to the Articles of Incorporation.

The largest shareholder of Korean Air is Hanjin Kal Co., Ltd., which owns 99,533,362 shares (share ratio: 26.95%) as of December 31, 2022.

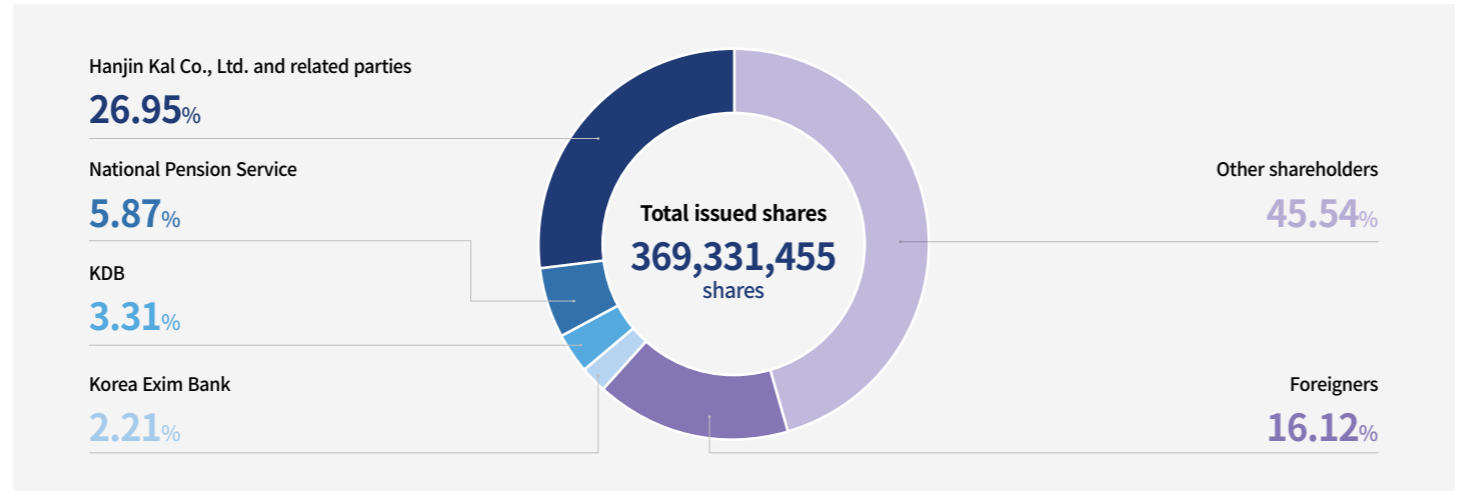
Type & Number of Shares Issued (As of December 31, 2022)

Category	Total No. of issued stocks	No. of shares without voting rights*	No. of shares with voting rights**
Common Stocks	368,220,661	45	368,220,616
Preferred Stocks	1,110,794	2	1,110,792

\* Treasury stock  
 \*\* Including the number of stocks subject to restricted exercise rights of public service corporations

## Shareholder Composition

(As of December 31, 2022)



## Strengthening Communication with Shareholders

### Disclosure Activities

Korean Air strives to provide accurate and timely information to shareholders, the market, and stakeholders on overall company management matters. Firstly, we have established and managed disclosure information management regulations for our disclosure information to be disclosed accurately, fairly, and promptly according to relevant laws and regulations. In particular, when the Board of Directors decides on the company's central management matters or when issues that may significantly impact investment decisions occur, they are immediately disclosed to the market. In addition, two disclosure officers and one disclosure director with specialized knowledge of disclosure work are appointed from the department in charge of disclosure. The disclosure officers and the disclosure director are registered with the Korea Exchange according to Article 88 of the Securities Market Disclosure Regulations.

### Shareholder Return Policy

The basic principle of Korean Air's shareholder return policy is to increase corporate value through long-term growth and to provide stable dividends based on business performance. The size of the dividend is determined by comprehensively considering business performance, financial status, and aircraft investment to lay the foundation for sustainable growth. In that regard, on February 20, 2023, we disclosed a mid- to long-term dividend policy to enhance shareholder value. The policy includes returning to shareholders up to 30% of net profits (excluding unrealized gains and losses and extraordinary non-current profits and losses) based on separate financial statements for the next three years (FY2023-FY2025). In addition, Korean Air will spare no effort to enhance shareholder value by continuously expanding its dividend payout ratio through efficient management and profitability-oriented business operations.

### Strengthening Communication with Shareholders and Investors

Korean Air strives to enhance seamless communication with various stakeholders, including domestic and foreign shareholders and investors. We post quarterly IR data on our website and duly fulfill our obligation to disclose the company's main business conditions, including business performance, pursuant to the regulations of the Financial Supervisory Committee and Korea Exchange. We also actively communicate with investors and stock markets by frequently conducting interviews, conference calls, and onsite visits for domestic and foreign securities company analysts and individual investors.

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# Ethical and Compliance Management

## Ethical Management Activities

Defining “corporate ethics” as the foremost value for corporate management and business activities, Korean Air is at the forefront of practicing ethical management based on transparency, fairness, and reasonableness.

The Charter of Ethics, the basis of corporate ethical activities, clearly defines the corporate values and objectives that the company pursues. The Charter of Ethics states transparent and responsible management as the corporate philosophy, and reflects the company’s desire and will to promote public values through corporate compliance activities and respect for the free competitive market in pursuit of mutual prosperity. Moreover, the company operates a specific and substantive corporate ethics program, including <Guidelines on the Implementation of Code of Ethics>, <Guidelines on Dealing with Ethical Issues>, and the <Whistleblowing System> to practice the rules of ethics stated in the <Charter of Ethics>.

### Korean Air Charter of Ethics

**Korean Air Charter of Ethics**

Korean Air regards transparency and responsibility as vital management values. We respect free market principles and abide by relevant rules and regulations in our business practices. With these principles, we strive to promote prosperity for the company and society as a whole.

As a result, Korean Air institutes a Charter of Ethics, which we vow to put into practice at all times.

- Regard customer satisfaction and safety as our highest priority.
- Exert best efforts to increase investment value for our investors.
- Respect all employees and make an effort to enhance their quality of life.
- Promote joint development with our business partners based on mutual trust.
- Respect the principles of free competition and that we are the front-runner in the development of the airline transport industry.
- Contribute strongly to the development of society and to the preservation of the environment.
- Acknowledge the corporate principles set forth by the company and uphold all of our obligations and responsibilities

## Whistleblowing system

Korean Air operates a channel<sup>1)</sup> for reporting internal corruption within the internal portal system and the company website, as one of its measures to achieve ethical management. Through the channel, stakeholders including employees, customers, and shareholders can report misconduct within the company with regard to violation of regulations, corruption, fraudulent activities, and other irregularities that often arise in supplier transactions. In addition, employees reporting such incidents are protected from any disadvantage in accordance with the relevant principles and procedures.

1) E-mail: jebo@koreanair.com or whistleblower@koreanair.com

## Business ethics programs

In-house guidelines and regulations on ethical management	Details
+ Charter of Ethics	Management philosophy and guiding principles in all business activities
+ Guidelines on the implementation of Code of Ethics	Detailed business conduct guidelines for implementing the Charter of Ethics
+ Guidelines on Dealing with Ethical Issues	Guidelines for employees to make correct decisions and act on the basis of sound judgment
+ Whistleblowing System	System to deter the occurrence of illegal misconduct within the organization and prevent retaliation against employees reporting such activities

## Compliance Activities

### Compliance management

Korean Air has compliance officers and compliance officers in more than 30 domestic and international departments to support all employees in comprehending and complying with domestic and international laws and regulations in carrying out their work.

It prevents legal risks by posting and operating the legal risk assessment with pertinent laws, regulations, and precautions for each department and a typified list of major legal risk activities for employees to refer to in their work as necessary and to directly inquire with the person in charge if it is difficult to determine from the above assessment documents and lists alone. To adhere to the regulations of the Fair Trade Act, the compliance officer conducts a legal review of affiliate transactions worth KRW 1 billion or more per year, and prepares a review report quarterly.

In April 2023, Korean Air acquired the first ISO 37301 (compliance management system) Certification among domestic airlines, establishing a compliance management system that meets international standards and operating an enterprise legal risk identification and management system.

ISO 37301  
(Compliance Management System) Certificate



### Compliance Response

Korean Air ensures that employees are informed about new laws and regulations through an internal system. It involves instituting new protocols or enhancing existing ones to ensure that the system is operating effectively. In addition, to ensure adherence to laws and regulations, compliance control standards and enforcement regulations involve regular checks to assess employees’ compliance and identify areas for improvement.

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**Ethical and Compliance Management Training**

Through a variety of systematic ethical management/compliance training programs, Korean Air helps employees acquire, practice, and comply with principles and codes related to ethical management and compliance.

In particular, employees at home and abroad are actively participating in the practice of ethics and compliance management by completing the "Our Ethical Management" online training course about the importance of ethical management activities and corporate philosophy every other year and the Compliance Support System, which instills an understanding of the importance of compliance management and Korean Air's compliance support system, every year.

In addition, Korean Air strives to promote employees' awareness of compliance by conducting regular training for all employees with the aim of prohibiting improper solicitation and bribery, abuse of market dominance and unfair trade practices, and compliance with anti-monopoly regulations and strengthening employees' compliance management responsibilities by publishing the Compliance Newsletter every quarter.

**Ethical and compliance management training for employees**

(Unit: persons(participation rate))

Courses	2020	2021	2022	Remarks
<b>Our Ethical Management</b>	17,408 (95%)	-	16,644 (100%)	• Biennial operating course
<b>Compliance with Antitrust Laws</b>	1,055 (81%)	886 (79%)	1,016 (92%)	
<b>Understanding the Improper Solicitation and Graft Act</b>	-	-	10,538 (89%)	• Biennial operating course • It was scheduled to be implemented in 2021 but postponed to 2022 due to COVID-19 lockdowns. • The 2022 ESG Report corrected the erroneous training performance in the 2021 report.
<b>Understanding the Abuse of Market Dominance and Unfair Trading Practices</b>	-	13,779 (76%)	-	• Biennial operating course
<b>Understanding the Compliance System</b>	-	12,714 (71%)	10,416 (70%)	• At the time of biennial operation, it was scheduled to be implemented in 2020 but was postponed to 2021 due to COVID-19 lockdowns. • Underway as an annual operating process from 2022



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## Non-Financial risks

### Strategic and operational risks

A high-level consultative body composed of heads of business divisions is convened to review and discuss economic, environmental, and social trends from a company-wide perspective, as a means to maximize corporate value. In addition, internal audits are conducted to evaluate the risk-level of each business division and review the efficient use of resources.

### Regulatory risks

Korean Air established a monitoring system to ensure compliance with relevant laws and regulations, and actively responds to regulatory risks by using various resources including the legal department and legal advisors. Moreover, the Compliance Program is implemented to prevent the possibility of unfair transactions.

### Accident-related risks

The Corporate Aviation Safety & Security Department was established to oversee all matters related to safety and security, including preventing aircraft accidents and hijacking, and minimizing losses. Regulations, manuals, and guidelines on emergency and accident responses are published and the emergency-response system is inspected, while company-wide drills and training are conducted at least once per year to enhance the airline's ability to respond to unexpected aircraft accidents.

### Environmental risks

The company makes a lot of efforts to minimize environmental risks, including a company-wide initiative to prevent environmental risks, establishment of rules on environmental accident/crisis responses, and drills on potential oil and chemical leakages caused as a result of emergency response drills. To hedge against ground pollution emergencies, Korean Air conducts emergency response drills for each department as a means to prevent risks associated with environmental accidents. Furthermore, the adoption of high-efficiency aircraft and the development of short-cut routes are some of the actions taken by Korean Air to minimize the negative impacts of climate change on the environment.

## Financial Risks

### Financial risk management team

Korean Air established and operates a separate team to manage financial risks under the Finance Planning Team of the Corporate Finance Division. The team performs systematic risk management activities including monitoring risk factors in the market to minimize financial risks.

### Exchange rate fluctuation risks

Korean Air engages in foreign currency transactions, resulting in an exposure to exchange rate fluctuations and impact. High foreign currency borrowings can significantly impact a company's profit, loss, and cash flow by being exposed to exchange rate fluctuations. While the exposure is primarily to the US dollar, other currencies such as the Japanese yen, Euro, and Chinese yuan are also involved. We have implemented a strategy of reducing our exposure to dollar borrowings to mitigate risks associated with fluctuations in exchange rates by diversifying borrowed currencies such as the won and yen to balance or hedge our income and expenses in each currency. Additionally, the risk of exchange rate fluctuations is continuously managed through the use of currency derivatives contracts in accordance with our internal policies. We regularly evaluate the potential impact of exchange rate fluctuations, and manage derivative contracts in accordance with approved limits.

### Interest rate fluctuation risks

Korean Air is currently borrowing loans with both fixed and variable interest rates, which exposes the company to potential interest rate fluctuations. To properly manage this risk, we prioritized loan borrowing with fixed rates through low-interest surplus currencies like the won and yen. We also utilize interest rate derivative contracts pursuant to internal policies to better manage these fluctuations. Regular assessments of the risks associated with interest rate fluctuations are conducted, and any derivative contracts are managed within pre-approved limits.

### Oil price risks

The prices of petroleum products, particularly aviation fuel, are subject to significant fluctuations due to various factors such as crude oil production, demand forecasts in oil-producing countries, crude oil inventory levels, and speculative demand in the commodity market. These factors affect the operating performance and cash flow of Korean Air's Air Transport Division, the primary business division. To address the risk of oil price fluctuations, Korean Air is implementing new fuel-efficient aircraft and managing oil price options contracts, among other measures, pursuant to the company's internal policies. We regularly assess the risk of oil price fluctuations to be managed using oil price derivatives contracts within previously approved limits.

### Tax risks

In all its business operations, Korean Air's priority is to comply with tax laws and regulations and to faithfully report and pay taxes. To that end, Korean Air collaborates with the internal tax organization and experts from inside and outside the company to conduct preliminary assessment of and follow up on tax risks that may occur in the process of major goods/services transactions, contract modifications, and initiation of new business projects. In addition, the airline contributed to the creation of tax revenue by paying various direct and indirect taxes through sales activities, investment, and employment.

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The 27th Korean Air Travel Photo Contest | Silver Prize | Kim, Dae-ill | A brisk walk



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# Key ESG Indicators

## Economy

### Finance Status

(Based on consolidated financial statements)

Item	Unit	2020	2021	2022
Current assets	KRW million	4,002,519	6,640,997	8,090,937
Fixed assets	KRW million	21,187,542	20,030,906	20,906,764
Total assets	KRW million	25,190,061	26,671,903	28,997,701
Current liabilities	KRW million	7,987,775	8,444,927	8,475,184
Fixed liabilities	KRW million	13,890,562	11,361,287	11,230,057
Total liabilities	KRW million	21,878,337	19,806,214	19,705,241
Capital	KRW million	876,603	1,744,658	1,846,657
Paid-in capital	KRW million	2,196,734	4,248,400	4,145,583
Other components of equity	KRW million	655,667	650,768	948,267
Retained earnings (loss)	KRW million	(522,503)	110,077	2,053,684
Non-controlling interest	KRW million	105,223	111,786	298,269
Total stockholders' equity	KRW million	3,311,724	6,865,689	9,292,460
Total Liabilities and Equity	KRW million	25,190,061	26,671,903	28,997,701

### Business Performance

(Based on consolidated financial statements)

Item	Unit	2020	2021	2022
Sales	KRW million	7,610,531	9,016,825	14,096,095
Cost of sales	KRW million	6,850,104	6,912,047	10,245,441
Gross profit margin	KRW million	760,427	2,104,778	3,850,654
SG&A expenses	KRW million	653,103	686,809	1,020,067
Operating profit	KRW million	107,324	1,417,969	2,830,587

Item	Unit	2020	2021	2022
Extraordinary profit and loss	KRW million	(1,043,021)	(574,855)	(268,452)
Net income (loss) before income tax expense	KRW million	(935,697)	843,114	2,562,135
Corporate tax expense (revenue)	KRW million	(112,240)	264,332	832,632
Continuing operating profit (loss)	KRW million	(823,457)	578,782	1,729,503
Discontinued operating profit	KRW million	593,438	-	-
Net income (loss)	KRW million	(230,019)	578,782	1,729,503
Other comprehensive income	KRW million	97,979	72,227	556,145
Total comprehensive income	KRW million	(132,040)	651,009	2,285,648

### Economical Value Stakeholders Distribution

(Based on separate financial statements)

Item	Unit	2020	2021	2022	
Government	Corporate tax	KRW million	96,844	147,340	894,944
Shareholders	Dividend	KRW million	-	-	277,054
Community	Social contribution cost	KRW million	8,475	3,070	6,026
	Rent	KRW million	11,518	1,603	13,670
Supplier	Fuel oil cost	KRW million	1,247,376	1,799,996	4,007,540
	Manufacturing cost	KRW million	349,194	160,159	223,205
	Airport related expenses	KRW million	650,049	660,503	729,459
Employees	Labor cost	KRW million	1,388,181	1,342,974	1,676,240
	Welfare expenses	KRW million	259,300	350,330	422,579
Creditor	Interest Cost	KRW million	477,727	363,685	361,751

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**Energy usage**

Item	Unit	2020	2021	2022	
Energy consumption	Non-renewable energy	MWh	30,657,996.7	30,351,968.7	37,197,805.6
	Renewable energy	MWh	0	0	51,771.7
	Total	MWh	30,657,996.7	30,351,968.7	37,249,577.3
By energy source	Electricity	TJ	987.0	851.7	886.7
	Fuel <sup>1)</sup>	TJ	109,364.7	108,400.8	133,005.3
	Steam	TJ	17.1	14.5	20.1
Energy consumption intensity	Energy consumption/sales	MWh/KRW million	4.028	3.366	2.639

1) Values reflecting the correction of errors in the calculation of aviation fuel energy use in the previous year's report

**Raw material usage**

Item	Unit	2020	2021	2022	
Raw material usage	Non-renewable raw materials	Ton	Not applicable	Not applicable	Not applicable
	Recycled raw materials (Scrap, etc.)	Ton	Not applicable	Not applicable	Not applicable

**Water use**

Item	Unit	2020	2021	2022	
Water usage	Non-renewable water	Ton	784,409	558,014	559,143
	Recycled water	Ton	14,898	12,845	15,092
	Total	Ton	799,307	570,859	574,235
By water supply source	Water supplied by a third party (Water service, industrial water, etc.)	Ton	625,988	509,055	505,307
	Underground water	Ton	158,421	48,959	53,836
	Sea water	Ton	0	0	0
	Surface water	Ton	0	0	0

**GHG emissions**

Item	Unit	2020	2021	2022	
GHG emissions	Scope 1 (Direct emissions)	tCO <sub>2</sub> eq	7,626,574	7,503,920	8,631,157
	Scope 2 (Indirect emissions)	tCO <sub>2</sub> eq	48,655	41,398	43,301
	S1 + S2 Total	tCO <sub>2</sub> eq	7,675,229	7,545,318	8,674,458
	Scope 3 <sup>1)</sup>	tCO <sub>2</sub> eq	1,623,327	1,700,334	1,975,406
	S1+S2+S3 Total	tCO <sub>2</sub> eq	9,298,556	9,245,652	10,649,864
GHG emissions intensity	Greenhouse gas emissions/sales	tCO <sub>2</sub> eq/KRW mill.	1.009	0.837	0.614

1) As it was not possible to calculate the GHG emissions generated during aircraft manufacturing by the manufacturer in 2022, they were estimated by applying 0.68kgCO<sub>2</sub>eq/kg as the GHG emissions generated from aviation fuel production and transportation.

**Air pollutants**

Item	Unit	2020	2021	2022
NOx emissions (Nitrogen oxides)	Ton	40,574.0	42,323.0	48,519.6
SOx emissions (Sulfur oxides)	Ton	1.4	0	0.3
PM emissions (Fine dust)	Ton	4.8	2.3	5.4
Others (THC)	Ton	11.9	13.3	11.5

**Water pollutants**

Item	Unit	2020	2021	2022
TOC	kg	-	524	288
BOD	kg	10,918	481	171
SS	kg	3,208	261	239
T-N	kg	1,306	236	223
T-P	kg	318	7	8

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**Other pollutants**

Item	Unit	2020	2021	2022
VOC emissions	Ton	Not applicable	Not applicable	Not applicable

**Hazardous chemicals**

Item	Unit	2020	2021	2022
Hazardous chemical usage	Ton	137.7	159.2	187.2

**Waste generation and treatment**

Item	Unit	2020	2021	2022	
Waste generation	General waste	Ton	10,911	5,978	7,781
	Designated waste	Ton	1,042	569	763
	Total	Ton	11,953	6,547	8,544
Waste treatment	Incineration	Ton	4,915	1,890	2,381
	Landfill	Ton	50	11	7
	Recycling	Ton	6,988	4,646	6,156

**Green investment<sup>1)</sup>**

Item	Unit	2020	2021	2022
Purchase amount of eco-friendly products <sup>2)</sup>	KRW million	833	2,304	7,182
Green investment amount <sup>3)</sup>	KRW million	0	0	775,560

1) Application of further corrections of some data for 2020 – 2021 in the previous year's report  
 2) Purchase history of general items and eco-friendly aviation fuel  
 3) Eco-friendly aircraft purchase details

**Eco-friendly products/services**

Item	Unit	2020	2021	2022
Sales from eco-friendly business	KRW million	Not applicable	Not applicable	Not applicable

**Environmental education performance**

Item	Unit	2020	2021	2022
Total education time	Hours	4,118	9,738	9,368
Education time per employee	Hours	0.2	0.5	0.5

**Environmental compliance**

Item	Unit	2020	2021	2022	
Violations of environmental laws and regulations	Monetary penalty	Cases	0	0	0
	Non-monetary penalty	Cases	0	0	0
	Amount of fine	KRW	0	0	0

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**Employee Status**

Item	Unit	2020	2021	2022	
<b>Total</b>	People	20,072	19,409	19,142	
<b>By gender</b>	Male	11,127	10,784	10,557	
	Female	8,945	8,625	8,585	
	Total	20,072	19,409	19,142	
	Rate of female employees	%	44.56	44.44	44.85
<b>By employment type</b>	Regular full-time	Male	10,743	10,625	10,217
		Female	8,104	8,394	8,387
		Total	18,847	19,019	18,604
	Rate of regular female employees	%	43.00	44.13	45.08
	Contract employees <sup>1)</sup>	Male	384	159	340
Female		841	231	198	
Total		1,225	390	538	
<b>By age</b>	Younger than 30 years	2,983	2,206	1,673	
	30 - 39 years old	6,602	6,458	6,341	
	40 - 49 years old	5,701	5,752	5,847	
	50s or older	4,786	4,993	5,281	
<b>By nationality</b>	Republic of Korea	%	92	93	93
	United States of America	%	1	1	1
	Japan	%	1	1	1
	China	%	2	2	2
	Others	%	4	3	3
<b>By recruited region</b>	Korea	People	18,445	17,919	17,672
	Overseas	People	1,627	1,490	1,470

Item	Unit	2020	2021	2022	
<b>By position (Based on full-time employees)<sup>2)</sup></b>	Managerial rank	Male	2,987	3,079	3,140
		Female	1,796	2,047	2,340
		Total	4,783	5,126	5,480
	Ratio of female managers	People	37.5	39.9	42.7
	Non-managerial rank	Male	7,756	7,546	7,077
		Female	6,308	6,347	6,047
Total		14,064	13,893	13,124	
<b>Information on local recruitment</b>	Number of employees at overseas business sites	People	1,836	1,691	1,685
	Percentage of locals	People	89	88	87
	Percentage of local managers	People	15	16	16
	Percentage of local female employees	People	54	52	51
<b>Non-affiliated workers</b>	Contract workers	Male	1,565	1,399	1,592
		Female	950	909	1,250
	Dispatched worker	Male	49	46	50
		Female	17	17	22

1) The number of non-regular employees in 2021 compared to 2020 decreased mostly due to the expiration of contracts for re-employment and conversion to regular employees.

2) Criteria for the managerial position: Full-time employee at deputy manager or higher level (excluding cabin crew officers, local overseas manager or higher level, employees, managers, and flight attendants)

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**New Hires and Turnover**

Item	Unit	2020	2021	2022		
New hires	By gender	Male	People	117	137	229
		Female	People	90	40	121
	By age	Younger than 30 years	People	92	73	131
		30 - 39 years old	People	104	89	185
		40 - 49 years old	People	7	12	27
		50s or older	People	4	3	7
By recruited region	Korea	People	155	126	179	
	Overseas	People	52	51	171	
Turnover status <sup>1)</sup>	By gender	Male	People	781	487	513
		Female	People	466	343	339
	By age	Younger than 30 years	People	307	201	109
		30 - 39 years old	People	238	170	252
		40 - 49 years old	People	121	62	146
		50s or older	People	581	397	345
By recruited region	Korea	People	888	592	657	
	Overseas	People	359	238	195	
Turnover rate <sup>2)</sup>	Number of employees at the end of the year		People	18,445	17,919	17,672
	Total turnover		People	888	592	657
	Total turnover rate		%	5	3	4
	Voluntary turnover		People	382	174	396
	Voluntary turnover rate		%	2	1	2

1) Including voluntary turnover and advised turnover  
 2) The turnover rate is calculated based on domestic employees. The change in the turnover rate calculation standard according to the ESG Report Guidelines by the Ministry of Trade, Industry, and Energy is applied from the 2023 report (turnover rate = turnovers in the current year ÷ number of employees at the end of the year).

**Maternity protection system**

Item	Unit	2020	2021	2022		
Performance of leave before and after childbirth	Number of people using maternity leave <sup>1)</sup>		People	330	365	407
	Number of employees using leave before and after childbirth		People	480	498	448
	Return rate after leave before and after childbirth		%	100	100	100
Parental leave performance	Number of employees using parental leave	Male	People	42	40	77
		Female	People	463	427	450
	Number of employees eligible to return from parental leave	Male	People	66	45	56
		Female	People	479	486	484
	Number of employees returning from parental leave	Male	People	65	43	53
		Female	People	459	479	469
	Rate of people returning to work from parental leave	Male	%	98	96	95
		Female	%	96	99	97
	Number of employees who have been in service for one year or longer after returning to work	Male	People	38	64	42
		Female	People	507	455	466
Rate of employees who have been in service for one year or longer after returning to work <sup>2)</sup>	Male	%	88	98	98	
	Female	%	90	99	97	

1) Maternity leave is limited to flight attendants performing flight duties.  
 2) Rate of employees who have been in service for one year or longer after returning to work = Number of employees who worked for 1 year after returning to work in the current year / Number of employees who returned to work in the previous year

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**Employee education**

Item	Unit	2020	2021	2022	
Total education hours <sup>1)</sup>	Hours	779,692	737,724	1,032,490	
Total number of trainees (excluding duplicates) <sup>1)</sup>	People	21,741	19,988	19,645	
Education time per person	Total	Hours	45	38	55
Education time per person (by gender)	Male	Hours	57	44	61
	Female	Hours	45	31	53
Education time per person (by position)	Executive level	Hours	10	19	37
	Manager or higher	Hours	37	36	51
	Assistant manager or lower	Hours	35	38	55
Total education cost	Total	KRW million	3,803	22,661	27,977
Education cost per person	Total	KRW 1,000	189	1,163	1,441
Education cost per person (by gender)	Male	KRW 1,000	1,425	1,335	1,596
	Female	KRW 1,000	573	948	1,384
Education cost per person (by position)	Executive level	KRW 1,000	50	586	1,014
	Manager or higher	KRW 1,000	181	1,119	1,380
	Assistant manager or lower	KRW 1,000	168	1,153	1,488

1) Including executives and people who retired or took a leave in the current year

**Welfare expenses**

Item	Unit	2020	2021	2022
Total welfare expenses	KRW million	259,300	350,330	422,579
Average welfare benefits per employee	KRW 10 thousand	1,292	1,805	2,208

**Labor practices**

Item	Unit	2020	2021	2022
Percentage of workers covered by collective agreement	%	87.3	91.5	90.9
Number of work interruptions	Cases	0	0	0
Number of idle days due to work interruptions	Days	0	0	0

**Pension and investment status**

Item	Unit	2020	2021	2022
Total	KRW 100 million	695.7	683.0	669.3
National Pension Service	KRW 100 million	460.0	443.1	425.6
Individual pension	KRW 100 million	103.3	106.1	104.1
Investment by the credit union	KRW 100 million	132.4	133.8	139.6

**Social dialog**

Item	Unit	2020	2021	2022	
General	Number of employees subject to enrollment in the labor union	People	13,815	13,159	12,479
	Number of employees enrolled in the labor union	%	11,855	11,888	11,254
	Rate of union membership	%	85.81	90.34	90.18
Flight division	Number of employees subject to enrollment in the labor union	People	2,522	2,543	2,645
	Number of employees enrolled in the labor union	People	2,048	2,153	2,238
	Rate of union membership	%	81.21	84.66	84.61
Labor-management council meetings	Times	4	4	4	
Number of grievances received	Cases	6	3	7	
Number of grievances received and processed	Cases	6	3	7	
Average turnaround time	Days	10	10	10	

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**Safety management**

Item	Unit	2020	2021	2022
Industrial accident rate <sup>1)</sup>	%	0.10	0.09	0.26
Number of industrial accidents <sup>2)</sup>	Cases	19	16	46
Lost Time Injury Frequency Rate (LTIFR) <sup>3)</sup>	Number of accidents per 1,000,000 hours	0.49	0.42	1.24
Number of aviation accidents	Cases	0	0	2
Number of administrative dispositions by the authority concerned with aviation safety regulations (Ministry of Land, Infrastructure, and Transport)	Cases	0	0	0

1) Industrial accident rate = (Number of casualties ÷ No. of workers) × 100  
 2) • Sum of the number of injured and number of deaths due to occupational accidents or diseases  
 • Number of injured people: 43 in occupational accidents, 2 in occupational diseases, Number of deaths: 1 in occupational disease (1 case of breast cancer)  
 3) Labor loss accident rate = (Number of work loss accidents ÷ Total working hours for the current fiscal year) × 1,000,000

**Social contribution**

Item	Unit	2020	2021	2022	
By type of social contribution	Cash donation	KRW million	8,226	2,938	5,922
	In-kind donation	KRW million	249	132	104
By social contribution area	Investment in communities	KRW million	5,342	2,435	5,342
	Commercialization	KRW million	503	561	253
Volunteer activities <sup>1)</sup>	Number of volunteer services <sup>2)</sup>	Times	83	85	118
	Number of volunteers <sup>3)</sup>	People	200	0	664
	Volunteering hours per person	Hours	0.1	0.0	0.2
By donation/ contribution type	Associations and tax-exempt organizations	KRW million	1,392	377	162
	Lobbying and interest groups	KRW million	0	0	0
	Political contributions	KRW million	0	0	0
	Others	KRW million	7,083	2,693	5,864

1) From February 2020 to 2021, face-to-face volunteer activities were not carried out due to restrictions on external activities. Volunteer hours per person changed in 2020 due to change of data of the volunteer hours per person to an actual aggregate rather than an estimate.  
 2) Standards for face-to-face volunteer activities  
 3) Standards for face-to-face and non-face-to-face volunteer activities

**Human rights education performance**

Item	Unit	2020	2021	2022	
Creating a bright and pleasant workplace	Number of employees who completed the education (Completion rate)	People (%)	18,710 (100)	17,415 (100)	17,204 (100)
	Total education hours	Hours	18,710	17,415	17,204
Improving respect for people with disabilities in the workplace	Number of employees who completed the education (Completion rate)	People (%)	18,132 (100)	17,357 (100)	16,919 (100)
	Total education hours	Hours	18,132	17,357	16,919

**Occupational safety and health education performance**

Item	Unit	2020	2021	2022	
Occupational safety and health (Regular job-related training in 1st quarter)	Number of employees who completed the education (Completion rate)	People (%)	15,269 (100)	9,596 (100)	11,123 (100)
	Total education time	Hours	45,807	49,806	56,925
Occupational safety and health (Regular job-related training in 2nd quarter)	Number of employees who completed the education (Completion rate)	People (%)	5,713 (100)	9,600 (100)	11,974 (100)
	Total education time	Hours	17,139	50,490	64,701
Occupational safety and health (Regular job-related training in 3rd quarter)	Number of employees who completed the education (Completion rate)	People (%)	6,073 (100)	10,014 (100)	14,500 (100)
	Total education time	Hours	18,219	48,399	79,479
Occupational safety and health (Regular job-related training in 4th quarter)	Number of employees who completed the education (Completion rate)	People (%)	7,058 (100)	10,329 (100)	14,817 (100)
	Total education time	Hours	21,174	50,334	81,384

1) Since the integrated safety and health education will be operated from 2022, data for 2020-2022 will be created by integrating the existing regular health education performance with occupational safety and health education performance.

**Mutual growth**

Item	Unit	2020	2021	2022	
Number of suppliers	Companies	2,025	1,778	1,685	
Number of major suppliers <sup>1)</sup>	Companies	239	207	263	
Number of suppliers that signed the Agreement for Fair Trade	Companies	26	30	33	
Number of companies that have submitted a written pledge to comply with the Code of Ethics <sup>2)</sup>	Companies	520	17	179	
Supporting suppliers	Cases	507	737	3,250	
Amount of support for suppliers	Direct and indirect financial support	KRW million	2,392	2,475	3,561

1) Based on the domestic and overseas annual transaction volume of KRW 1 billion or more  
 2) Only domestic companies are in the process, and one-time suppliers and simple payment transaction companies are excluded.

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**Customer satisfaction**

Item	Unit	2020	2021	2022
Number of reported customer satisfaction cases <sup>1)</sup>	Cases	4,112	1,902	5,569
Number of customer complaints received <sup>2)</sup>	Cases	8,284	1,767	4,852
Customer complaint processing rate	%	100.00	99.94	99.96
Others (opinions, etc.)	Cases	47,666	10,608	30,065

1) 12,824 cases in 2018, 15,619 cases in 2019  
 2) In 2020, the number of complaints about flight schedule changes due to COVID-19 increased (6,493 cases in 2018, 6,242 cases in 2019).

**Information protection**

Item	Unit	2020	2021	2022
Number of employees who completed the education (Completion rate) on awareness of information protection and privacy infringement prevention	People (%)	19,745 (100)	18,986 (100)	18,897 (100)
Number of people who completed the education on awareness of information protection and privacy infringement prevention (Domestic)	People	17,707	17,258	17,490
Number of people who completed the education on awareness of information protection and privacy infringement prevention (Overseas)	People	2,038	1,728	1,407
Number of reported breaches of customer personal information	Cases	0	0	0

**Employee engagement**

Item	Unit	2020	2021	2022
Total	%	86	-	98
By position <sup>1)</sup>	Managerial rank	%	-	99
	Non-managerial rank	%	-	98

1) In the 2020 survey, the managerial or higher position status was not collected.

**Ethical and compliance management training for employees**

Item	Unit	2020	2021	2022	
Our Ethical Management <sup>1)</sup>	Number of employees who completed the education (Completion rate)	People (%)	17,408 (95)	-	16,644 (100)
	Total education time	Hours	11,605	-	11,096
Compliance with Antitrust Laws	Number of employees who completed the education (Completion rate)	People (%)	1,055 (81)	886 (79)	1,016 (92)
	Total education time	Hours	1,583	1,329	1,524
Understanding the Improper Solicitation and Graft Act <sup>2)</sup>	Number of employees who completed the education (Completion rate)	People (%)	-	-	10,538 (89)
	Total education time	Hours	-	-	8,782
Understanding the Abuse of Market Dominance and Unfair Trading Practices <sup>3)</sup>	Number of employees who completed the education (Completion rate)	People (%)	-	13,779 (76)	-
	Total education time	Hours	-	6,890	-
Understanding the Compliance System <sup>4)</sup>	Number of employees who completed the education (Completion rate)	People (%)	-	12,714 (71)	10,416 (70)
	Total education time	Hours	-	6,357	5,208

1) Biennial operating course  
 2) • Biennial operating course  
 • It was scheduled to be implemented in 2021 but postponed to 2022 due to COVID-19 lockdowns.  
 • The 2022 ESG Report corrected the erroneous training performance in the 2021 report.  
 3) Biennial operating course  
 4) • At the time of biennial operation, it was scheduled to be implemented in 2020 but was postponed to 2021 due to COVID-19 lockdowns.  
 • Underway as an annual operating process from 2022

**Number and amount of law violations and amounts regarding anti-competitive behavior, monopoly, and other unfair trade practices**

Item	Unit	2020	2021	2022
Total amount of fine	KRW 10,000	0	0	0
Number of non-monetary sanctions	Cases	0	0	0
Number of lawsuits filed	Cases	0	0	0

**Status of other noncompliance with laws in social and economic areas**

Item	Unit	2020	2021	2022
Number of legal and regulatory violations	Cases	4	3	-
Penalty or fine amount	KRW 10,000	1,600	2,000	-



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**BOD performance**

Item	Unit	2020	2021	2022	
Meetings held	Regular	Count	7	7	7
	Extraordinary	Count	5	2	2
Agenda	Cases	40	31	31	
Reports	Cases	13	18	13	
Percentage of female directors	%	11	8	8	
Attendance rate of executive directors	%	86	96	96	
Attendance rate of independent directors	%	99	100	96	

**BOD status**

Item	Unit	2020	2021	2022
Independent directors	People	3	3	3
Outside directors (including Audit Committee members)	People	6	9	9
Audit Committee members	People	3	6	6

\* Prepared after the appointment of directors at the general shareholders' meeting

**Average remuneration per executive**

Item	Unit	2020	2021	2022
Executive directors	KRW million	818	819	1,096
Independent directors (excluding Audit Committee members)	KRW million	49	84	84
Audit Committee members	KRW million	54	73	85

\* The average amount of remuneration per person is the total amount of remuneration divided by the number of people as of the end of the business year.

**Whistleblowing System**

Item	Unit	2020	2021	2022	
Number of reported cases	Number of received cases	Cases	15	32	23
	Number of ethical violations	Cases	5	8	6
Number of violations	Number of cases of sexual harassment/bullying at work	Cases	2	7	2
	Number of violations related to unfair competition	Cases	0	0	0
Details of personnel measures	Light punishment	Cases	0	4	4
	Severe punishment	Cases	4	15	9
	Dismissal/Advised resignation	Cases	2	4	1

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Classification	GRI Standards 2021	Publication	Page number(s)
<b>GRI 2 : Governance</b>	2-1	Organizational detail	○ P. 7
	2-2	Entities included in the organization's sustainability reporting	○ P. 2
	2-3	Reporting period, frequency, and contact point	○ P. 2
	2-4	Restatements of information	○ P. 66-73
	2-5	External assurance	○ P. 78-80
	2-6	Activities, value chain and other business relationships	○ P. 9-13
	2-7	Employees	○ P. 68
	2-8	Workers who are not employees	○ P. 68
	2-9	Governance structure and composition	○ P. 57-58
	2-10	Nomination and selection of the highest governance body	○ P. 58
	2-11	Chair of the highest governance body	○ P. 58
	2-12	Role of the highest governance body in overseeing the management of impacts	○ P. 59
	2-13	Delegation of responsibility for managing impacts	○ P. 16
	2-14	Role of the highest governance body in sustainability reporting	○ P. 59
<b>GRI 2 : Strategy, policies and practices</b>	2-15	Conflicts of interest	○ P. 57-58
	2-16	Communication of critical concerns	○ P. 59
	2-17	Collective knowledge of the highest governance body	○ P. 58
	2-18	Evaluation of the performance of the highest governance body	- -
	2-19	Remuneration policies	- -
	2-20	Process to determine remuneration	- -
	2-21	Annual total compensation ratio	- -
	2-22	Statement on sustainable development strategy	- -
	2-23	Policy commitments	○ P. 15-16
	2-24	Embedding policy commitments	○ P. 20-22
<b>GRI 2 : Stakeholder engagement</b>	2-25	Process to remediate negative impacts	○ P. 36
	2-26	Mechanisms for seeking advice and raising concerns	○ P. 36
	2-27	Compliance with laws and regulations	○ P. 61-62
	2-28	Membership associations	○ P. 81
	2-29	Approach to stakeholder engagement	○ P. 23-24
<b>GRI 3 : Material Topics</b>	2-30	Collective bargaining agreements	○ P. 70
	3-1	Process to determine material topics	○ P. 20
	3-2	List of material topics	○ P. 20
	3-3	Management of material topics	○ P. 21-22

Classification	GRI Standards 2021	Publication	Page number(s)
<b>GRI 201 : Economic Performance</b>	201-1	Direct economic value generated and distributed (EVG&D)	○ P. 65
	201-2	Financial implications and other risks and opportunities due to climate change	○ P. 30
	201-3	Defined benefit plan obligations and other retirement plans	- -
	201-4	Financial assistance received from government	- -
<b>GRI 202 : Market Presence</b>	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	- -
	202-2	Proportion of senior management hired from the local community	- -
<b>GRI 203 : Economic Impacts</b>	203-1	Infrastructure investments and services supported	○ P. 71
	203-2	Significant indirect economic impacts	○ P. 47-49
<b>GRI 204 : Procurement Practices</b>	204-1	Proportion of spending on local suppliers	- -
<b>GRI 205 : Anti-corruption</b>	205-1	Operations assessed for risks related to corruption	- -
	205-2	Communication and training about anti-corruption policies and procedures	○ P. 61-62
	205-3	Confirmed incidents of corruption and actions taken	○ P. 73
<b>GRI 206 : Anti-Competitive Behavior</b>	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	○ P. 72
<b>GRI 207 : Tax</b>	207-1	Approach to tax	○ P. 63
	207-2	Tax governance, control, and risk management	- -
	207-3	Stakeholder engagement and management of concerns related to tax	- -
	207-4	Country-by-country reporting	- -
<b>GRI 301 : Materials</b>	301-1	Materials used by weight or volume	○ P. 66
	301-2	Recycled input materials used	○ P. 66
	301-3	Reclaimed products and their packaging materials	- -
<b>GRI 302 : Energy</b>	302-1	Energy consumption within the organization	○ P. 32
	302-2	Energy consumption outside of the organization	○ P. 66
	302-3	Energy intensity	○ P. 66
	302-4	Reduction of energy consumption	○ P. 32
	302-5	Reductions in energy requirements of products and services	○ P. 27
<b>GRI 303 : Water and Effluents</b>	303-1	Interactions with water as a shared resource	- -
	303-2	Management of water discharge-related impacts	○ P. 33
	303-3	Water withdrawal	○ P. 66
	303-4	Water discharge	- -
	303-5	Water consumption	○ P. 66

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Classification	GRI Standards 2021	Publication	Page number(s)
<b>GRI 304 : Biodiversity</b>	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected area	-
	304-2	Significant impacts of activities, products, and services on biodiversity	○ P. 34
	304-3	Habitats protected or restored	○ P. 34
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
<b>GRI 305 : Emissions</b>	305-1	Direct (Scope 1) GHG emissions	○ P. 66
	305-2	Energy indirect (Scope 2) GHG emissions	○ P. 66
	305-3	Other indirect (Scope 3) GHG emissions	○ P. 66
	305-4	GHG emissions intensity	○ P. 66
	305-5	Reduction of GHG emissions	○ P. 27~29
	305-6	Emissions of ozone-depleting substances (ODS)	-
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	○ P. 66
<b>GRI 306 : Waste</b>	306-1	Waste generation and significant waste-related impacts	○ P. 33
	306-2	Management of significant waste-related impacts	○ P. 33
	306-3	Waste generated	○ P. 67
	306-4	Waste diverted from disposal	○ P. 67
	306-5	Waste directed to disposal	○ P. 67
<b>GRI 308 : Supplier Environmental Assessment</b>	308-1	New suppliers that were screened using environmental criteria	-
	308-2	Negative environmental impacts in the supply chain and actions taken	-
<b>GRI 401 : Employment</b>	401-1	New employee hires and employee turnover	○ P. 69
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	○ P. 52
	401-3	Parental leave	○ P. 51
<b>GRI 402 : Labor/Management Relations</b>	402-1	Minimum notice periods regarding operational changes	○ 50 days for layoff, 30 days for dismissal
<b>GRI 403 : Occupational Health and Safety</b>	403-1	Occupational health and safety management system	○ P. 36~37
	403-2	Hazard identification, risk assessment, and incident investigation	○ P. 41, 63
	403-3	Occupational health services	○ P. 36~37
	403-4	Worker participation, consultation, and communication on occupational health and safety	○ P. 36~37
	403-5	Worker training on occupational health and safety	○ P. 36~37
	403-6	Promotion of worker health	○ P. 36~37
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	○ P. 36~37

Classification	GRI Standards 2021	Publication	Page number(s)
<b>GRI 403 : Occupational Health and Safety</b>	403-8	Workers covered by an occupational health and safety management system	○ P. 36~37
	403-9	Work-related injuries	○ P. 71
	403-10	Work-related ill health	○ P. 71
<b>GRI 404 : Training and Education</b>	404-1	Average hours of training per year per employee	○ P. 70
	404-2	Programs for upgrading employee skills and transition assistance program	○ P. 52~53
	404-3	Percentage of employees receiving regular performance and career development reviews	○ P. 52
<b>GRI 405 : Diversity and Equal Opportunity</b>	405-1	Diversity of governance bodies and employees	○ P. 50, 58
	405-2	Ratio of basic salary and remuneration of women to men	-
<b>GRI 406 : Non-Discrimination</b>	406-1	Incidents of discrimination and corrective actions taken	○ P. 72
<b>GRI 407 : Freedom of Association and Collective Bargaining</b>	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
<b>GRI 408 : Child Labor</b>	408-1	Operations and suppliers at significant risk for incidents of child labor	-
<b>GRI 409 : Forced or Compulsory Labor</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
<b>GRI 410 : Security Practices</b>	410-1	Security personnel trained in human rights policies or procedures	○ P. 39
<b>GRI 411 : Rights of Indigenous Peoples</b>	411-1	Incidents of violations involving rights of indigenous peoples	-
<b>GRI 413 : Local Communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs	○ P. 48
	413-2	Operations with significant actual and potential negative impacts on local communities	○ P. 33~34, 41~42
<b>GRI 414 : Supplier Social Assessment</b>	414-1	New suppliers that were screened using social criteria	○ P. 71
	414-2	Negative social impacts in the supply chain and actions taken	-
<b>GRI 415 : Public Policy</b>	415-1	Political contributions	○ P. 71
<b>GRI 416 : Customer Health and Safety</b>	416-1	Assessment of the health and safety impacts of product and service categories	○ P. 41~42
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-
<b>GRI 417 : Marketing and Labeling</b>	417-1	Requirements for product and service information and labeling	-
	417-2	Incidents of non-compliance concerning product and service information and labeling	○ No cases of violation
	417-3	Incidents of non-compliance concerning marketing communications	○ No cases of violation
<b>GRI 418 : Customer privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	○ P. 72

# SASB Index

SASB (Sustainability Accounting Standards Board) refers to an organization that established industry-specific standards for reporting non-financial factors of the company in connection with financial performance. Korean Air discloses key sustainability information relevant to the aviation industry based on the SASB Index.

Category		Code	2022
Activity Metrics	Available seat kilometers (ASK)	TR-AL-000.A	42,374 million km
	Passenger load factor	TR-AL-000.B	74.6%
	Revenue passenger kilometers (RPK)	TR-AL-000.C	31,621 million km
	Revenue ton kilometers (RTK)	TR-AL-000.D	11,663 million km
	Number of departures	TR-AL-000.E	97,804
	Average age of fleet	TR-AL-000.F	11.8 years
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-AL-110a.1	8,631,157 tonCO <sub>2</sub> eq
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-AL-110a.2	Response to Climate Change (P. 26-30)
	(1) Total fuel consumed	TR-AL-110a.3	2,500,492 tons
	(2) Percentage alternative fuel	TR-AL-110a.3	0%
Labor Practices	(3) Percentage sustainable fuel	TR-AL-110a.3	0%
	Percentage of active employees covered under collective bargaining agreements	TR-AL-310a.1	90.9%
	(1) Number of work stoppages	TR-AL-310a.2	0
Competitive Behaviors	(2) total days idle	TR-AL-310a.2	0
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TR-AL-520a.1	N/A
Accident Safety Management	Description of implementation and outcomes of a Safety Management System	TR-AL-540a.1	Safety Management (P. 38-42)
	Number of aviation accidents	TR-AL-540a.2	2
	Number of governmental enforcement actions of aviation safety regulations (Ministry of Land, Infrastructure and Transport)	TR-AL-540a.3	0

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# TCFD Index

TCFD (Task Force on Climate-Related Financial Disclosures) is an organization established by the Financial Stability Board (FSB) as per requested by G20, recognizing the importance of disclosing information related to climate change. Understanding the impact of climate change on businesses and to help stakeholders make informed decisions, Korean Air discloses relevant information in accordance with the TCFD's recommendation

TDFD recommendations		Page
<b>Governance</b>	a. BOD audits on risks and opportunities associated with climate change	Governance on Response to Climate Change (P. 26)
	b. Management evaluation and management of risks and opportunities associated with climate change	
<b>Strategy</b>	a. Short-term, mid-term, and long-term risks and opportunities associated with climate change	Risks and Opportunities Related to Climate Change (P. 30)
	b. Impact of risks and opportunities associated with climate change on the business, strategy, and financial planning of a company	
	c. Explanation on the resilience of a company's climate change strategies, taking into consideration the "below 2°C" scenario	
<b>Risk Management</b>	a. Procedure for identification and evaluation of risks pertaining to climate change	Risks and Opportunities Related to Climate Change (P. 30)
	b. Procedure for managing risks pertaining to climate change	
	c. Procedure for incorporating processes for identification, evaluation, and management of climate change risks into the company's overall risk management system	
<b>Indicators &amp; Goals</b>	a. Indicators used to evaluate risks and opportunities related to climate change in accordance with the company's management strategies and risk management procedures	Objectives of Response to Climate Change (P. 26) Greenhouse gas emissions (P. 26, 66)
	b. Risks associated with Scope1, Scope2, and Scope3 greenhouse gas emissions	
	c. Explanation on the goals used to manage risks and opportunities related to climate change and achievements	

※ Aside from TCFD, Korean Air also provides and discloses detailed information on responses to climate change through the Carbon Disclosure Project (CDP) platform.

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# Third-Party Assurance Statement

To readers of 2023 Korean Air ESG Report

**Introduction**

Korea Management Registrar (KMR) was commissioned by Korean Air to conduct an independent assurance of its 2023 ESG Report (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of Korean Air. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with Korean Air and issue an assurance statement.

**Scope and Standards**

Korean Air described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process

- **GRI Sustainability Reporting Standards**
- **Universal standards**
- **Topic specific standards**
  - GRI 201: Economic Performance
  - GRI 203: Indirect Economic Impacts
  - GRI 302: Energy
  - GRI 303: Water and Effluents
  - GRI 304: Biodiversity
  - GRI 305: Emissions
  - GRI 306: Waste
  - GRI 403: Occupational Health and Safety
  - GRI 404: Training and Education
  - GRI 416: Customer Health and Safety
  - GRI 418: Customer Privacy

As for the reporting boundary, the engagement excludes the data and information of Korean Air’ partners, suppliers and any third parties.

**KMR’s Approach**

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

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report’s performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

**Limitations and Recommendations**

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

**Conclusion and Opinion**

Based on the document reviews and interviews, we had several discussions with Korean Air on the revision of the Report. We reviewed the Report’s final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards 2021. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

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**Governance**

- Sound Governance
- Protection of Shareholders' Rights
- Ethical and Compliance Management
- Risk Management

**Other Information**

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- ▶ **Third-Party Assurance Statement**
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**Inclusivity**

Korean Air has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

**Materiality**

Korean Air has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

**Responsiveness**

Korean Air prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of Korean Air actions.

**Impact**

Korean Air identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

**Reliability of Specific Sustainability Performance Information**

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

**Competence and Independence**

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

April 2023 Seoul, Korea

CEO *E. J. Hwang*



SRV1000  
Sustainability Committee Assurance



AA1000  
Licensed Report  
000-129/V3-6M277

**Company Overview**

- CEO Message
- Management Philosophy
- Company Overview
- Key Business Achievements
- Key Business Strategies

**ESG Fundamentals**

- ESG Core Values
- ESG Corporate Governance
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- UN Global Compact
- ESG Evaluation Results
- Double Materiality Assessment
- Stakeholder Engagement

**Environmental**

- Response to Climate Change
- Green Management

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# Greenhouse Gas Emissions Assurance Statement

**Greenhouse Gas Emissions Assurance Statement (GHG)**



**Introduction**

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by KOREAN AIR to verify the KOREAN AIR's Greenhouse Gas Inventory Report for the calendar year 2022 ("the report") based upon a reasonable level of assurance. KOREAN AIR is responsible for the preparation of the GHG emissions and Energy consumption data on the basis set out within the guidelines on the operation of GHG emission trading scheme ("ETS") (Notification No. 2022-279 of Ministry of Environment). Our responsibility in performing this work is to the management of KOREAN AIR only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

**Scope of Assurance**

The GHG emissions data covered by our examination comprise Direct emissions (Scope 1 emissions) and Energy indirect emissions (Scope 2 emissions) from KOREAN AIR's boundary of the report ;

- Organizational boundary for reporting : Domestic business sites of KOREAN AIR (incl. aeroplane)

**Verification Approach**

The verification has been conducted by DNV on February to March 2023 and performed in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No. 2022-279, Korean Ministry of Environment) and the verification guideline for GHG ETS (Notification No. 2021-112, Korean Ministry of Environment). We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a reasonable verification opinion concerning the completeness of the emission inventory as well as the reported emission figures in ton CO<sub>2</sub> equivalent. As part of the verification process;

- We have reviewed and verified the GHG emissions and energy consumption report for the calendar year 2022
- We have reviewed and verified the process to generate, aggregate and report the emissions and energy data

**Conclusions**

As a result of the work described above, in our opinion nothing has come to our attention that would cause us to believe that the GHG emissions and energy consumption set out in KOREAN AIR's report are not fairly stated. The GHG emissions and energy consumption of KOREAN AIR's for the year 2022 were confirmed as below;

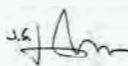
**Greenhouse Gas Emissions of KOREAN AIR's Domestic business site for Yr 2022** (Unit: ton CO<sub>2</sub> equivalent)

KOREAN AIR	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
Domestic (in KOREA)	394,476.597	43,301.797	437,778

※ Total emissions is the sum of direct and indirect emissions.

No.: PRJN-427742-2023-AST-KOR

April 2023 Seoul, Korea  
Country Manager, DNV Business Assurance Korea Ltd **Jang-Sub Lee**



**Greenhouse Gas Emissions Assurance Statement (GHG)**



**Introduction**

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by KOREAN AIR to verify the KOREAN AIR's Emission Report in accordance with ICAO CORSIA<sup>1)</sup> for the calendar year 2022 ("the report") based upon a reasonable level of assurance. KOREAN AIR is responsible for the preparation of the GHG emissions data on the basis set out within the documents on 'SARPs- Annex 16, Volume IV (CORSIA)', 'Environmental Technical Manual-Volume IV' and 'Emissions Monitoring Plan' approved by the state. Our responsibility in performing this work is to the management of KOREAN AIR only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

**Scope of Assurance**

The GHG emissions data covered by our examination comprise the CO<sub>2</sub> emissions from international flight<sup>2)</sup> defined in ICAO CORSIA ;

- Reporting Period : 2022-01-01 ~ 2022-12-31
- Boundary for reporting : CO<sub>2</sub> emission from aeroplane operated for the international flight of KOREAN AIR

**Verification Approach**

The verification has been conducted by DNV on April 2023 and performed in accordance with the verification principles of ISO 14064-3:2006 and tasks outlined in the reporting documents as per the ICAO CORSIA. We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a reasonable verification opinion with 2% materiality threshold.

As part of the verification process, we have reviewed and verified as follows ;

- CORSIA Emission Report for the calendar year 2022
- KOREAN AIR's Database to generate, aggregate and report the emissions data (KAMS, ETS-OMS)

**Conclusions**

As a result of the work described above, in our opinion nothing has come to our attention that would cause us to believe that the GHG emissions set out in KOREAN AIR's report are not fairly stated. The GHG emissions of KOREAN AIRs for the year 2022 were confirmed as below;

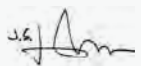
- 1) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)
- 2) international flight is defined as in Annex 16, Volume IV, Part II, Chapter 1, 1.1.2, and Chapter 2, 2.1.

**Greenhouse Gas Emissions by the international flights for Yr 2022** (Unit: ton CO<sub>2</sub>)

KOREAN AIR (International flight)	No. of aerodrome pairs	Total emissions
	420	8,236,681

No.: PRJN-427742-2023-AST-KOR-CORSIA

April 2023 Seoul, Korea  
Country Manager, DNV Business Assurance Korea Ltd **Jang-Sub Lee**



This Assurance Statement is valid as of the date of the issuance 14 April 2023. Please note that this Assurance statement would be revised if any material discrepancy which may impact on the Greenhouse Gas Emissions of KOREAN AIR is subsequently brought to our attention. In the event of ambiguity or contradiction in this statement between English version and Korean version, Korean shall be given precedent.



# Key Awards and Memberships

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➤ Key Awards and Memberships

### Major awards (Last 3 years)

Description	Awarding entity	Award date
Greening the Company (No. 1 in greenhouse gas reduction among 100 domestic companies)	E Consumer	2020.01.29
Air Cargo Excellence Award "Diamond Award"	Air Cargo World	2020.04.07
Travellers' Choice Awards: Top10 Airlines World	TripAdvisor	2020.07.28
The 27th Corporate Innovation Awards "President's Award"	Ministry of Trade, Industry and Energy/ Korea Chamber of Commerce and Industry	2020.12.08
Official Airline Ratings : Five Star Global Airlines	Airline Passenger Experience Association (APEX)	2020.12.09
World Airline Star Rating : Five Star Airline	Skytrax	2020.12.10
The 24th Logistics Grand Prize in the large-scale business sector	Korea Logistics Society/ Korea Chamber of Commerce and Industry	2021.05.21
COVID-19 Airline Safety Rating : Five Star Airline	Skytrax	2021.05.27
Airbus 220 Best Operational Excellence 2021	Airbus	2021.10.04
2021 Airline of the Year	ATW (Air Transport World)	2021.10.05
2021 Best Airline for International First Class and Best Business-Class Seat Design	Global Traveler	2021.12.01
Official Airline Ratings : Five Star Global Airlines	Airline Passenger Experience Association (APEX)	2021.12.03
Cellars in the Sky Award 2021 Gold Medal (First Class Champagne and First Class Dessert Wine)	Business Traveler	2022.02.24
2022 Passenger Choice Award Best Food & Beverage in Eastern Asia and Best Cabin Service	Airline Passenger Experience Association (APEX)	2022.06.08
PAX Readership Awards 2022 Best In-flight Duty Free Program	PAX International	2022.06.14
2022 Cargo Operator of the Year	ATW (Air Transport World)	2022.06.21
Ranked 1st place in the Global Customer Satisfaction Index (GCSI) in the air passenger transport service sector (18 consecutive years)	Global Management Association	2022.06.23

Description	Awarding entity	Award date
Airline Excellence Awards Cargo Airline of the Year and Long Haul Airline Asia/Pacific	Airline Ratings	2022.07.13
2022 Social Contribution Enterprise Award Environment/ Disaster Relief category (5 times)	Korea Economic Daily	2022.07.21
No. 1 in the Korean Service Quality Index (KS-SQI) in the airline category	Korean Standards Association	2022.11.08

### Memberships

Category	Associations / Organizations
<b>Aviation</b>	IATA(International Air Transport Association), SkyTeam, KCA(Korea Civil Association), Aviation Management Society of Korea, Korea Aeronautical Engineers' Association, Korean Society for Aeronautical and Space Sciences, Korean Society for Composite Materials, Korea Institute of Military Science and Technology, Society for Aerospace System Engineering, Korean Society for Propulsion Engineers, Korea 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 Defense Industries Committee, Korea Aerospace Technology Research Association, Korean Defense Industry Council on Security, Korea Fire Safety Association, Korea Carbon and Nano Industry Association, Korea Industrial Safety Association, Korea Association of Standards and Testing Organizations, Korea Society of Air & Space Law and Policy
<b>Economy</b>	Korea Business Council for Sustainable Development, Federation of Korean Industries, Korea Economic Research Institute, Korea Employers Federation, Korea Chamber of Commerce and Industry, Federation of Economic Organizations, Korea-U.S. Economic Council, Korea-Japan Economic Association, Korea Listed Companies Association, Korea Exchange, Korea Customs Logistics Association, Korea International Trade Association, American Chamber of Commerce in Korea
<b>Environment</b>	Gangseo Business Group for Environmental Practices, Voluntary Agreement of the Aviation Industry on Greenhouse Gas Reductions
<b>Society</b>	UN Global Compact, Asia Society Korea Center, Korea AEO Association, Korea Management Association, Korea-Mongolia Forum, Korea Defense Transportation Association

