

Sustaining Excellence

Korean Air ESG Report 2024

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Reporting Standards GRI Standards 2021, SASB, TCFD
Reporting Period January to December 2023 (including some data and information from the first half of 2024)
Reporting Scope Korean Air's all domestic and international operational units including headquarters in Seoul, Republic of Korea

Reporting Frequency Annually
Third-party Assurance Korea Management Registrar
Disclosure Principles Publicly disclosed on Korean Air's website (koreanair.com)
Contact Korean Air ESG Secretariat (KAL_ESG@koreanair.com)

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

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CEO Message



This year marks a significant milestone as Korean Air celebrates its 55th anniversary since its inaugural flight. Korean Air has steadfastly progressed, traversing the global skies with the founding philosophy of “patriotism through transportation,” thereby honoring our commitment to society and the nation. Now, we are poised to propel ourselves with renewed vigor as a global mega-carrier. Despite encountering numerous crises and challenges over more than half a century, we have navigated through them, thanks to the unwavering support and trust of our stakeholders. My deepest gratitude extends to each and every one of you.

The aviation industry entered a new era of growth last year amidst the recovery of global passenger demand from the pandemic-induced downturn. Korean Air proactively geared up for increased passenger traffic by implementing a recovery plan starting 2022, resulting in improvements across all sectors including safety, profitability, and customer service. In the air cargo market, notwithstanding the swift decline in pandemic-related demand, we strategically generated new revenue streams by attracting steady demand centered around global e-commerce.

As a result of our proactive response to the rapidly changing market environment, Korean Air achieved record-breaking revenue of KRW 14.5751 trillion and operating profit of KRW 1.5869 trillion in 2023, earning the honor of being named “Excellence in Leadership” by Air Transport World (ATW), the most prestigious aviation industry publication.

Respected shareholders, customers, partners, and employees

The 2024 ESG Report of Korean Air highlights various activities and achievements pursued for sustainable growth over the past year. To achieve systematic ESG management, we established management systems in the areas of human rights, environment, and compliance, and publicly disclosed new ESG policies such as human rights policy and supplier codes of conduct. Furthermore, to foster transparent communication with stakeholders, we outlined medium- to long-term goals and achievements based on eight materials issues identified last year.

In line with our core ESG values, Korean Air will continue to fulfill our role and responsibility as a leading airline in ESG by prioritizing the enhancement of long-term corporate value over short-term profitability. Especially amidst the ongoing discussions on global ESG disclosures, considering the trend towards mandatory ESG disclosures in South Korea from 2026 onwards, we plan to further strengthen our ESG management system and prioritize advanced ESG management strategies such as establishing a concrete roadmap for carbon neutrality.

Dear esteemed Korean Air stake holders,

This year, our focus will be on finalizing the acquisition of Asiana Airlines and launching an integrated airline. Despite the uncertain and ever-changing environment, we remain steadfast in our commitment to our values and in our efforts to strengthen our foundation as a sustainable company. Throughout this journey, I pledge consistent communication with all stakeholders. Thank you.

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

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Vision

To be a Respected Leader in the World Airline Community

Mission

Service Excellence



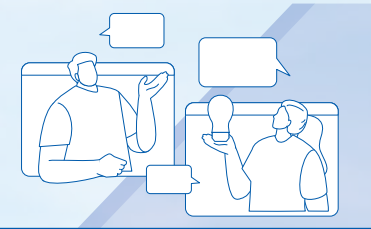
- Enhancing service competitiveness through the development of distinctive services exclusive to Korean Air
- Providing high-quality/differentiated services throughout the entire customer journey
- Offering premium seating options like Kosmo Suites 2.0 and Prestige Suites, and expanding in-flight entertainment services (AVOD/IFE)
- Cultivating a brand image as a global service leader
- Delivering top-tier services and setting global service standards through collaboration with SkyTeam
- Continuing social contribution activities through global CSR projects

Operational Excellence



- Maintaining absolute safety
- Driving continuous profitability through consistent cost-saving efforts
- Expanding the adoption of high-performance aircraft and maximizing operational efficiency
- Strengthening the competitiveness of the global network by actively leveraging SkyTeam resources
- Expanding management infrastructure by deploying a comprehensive company-wide IT system
- Promoting education and training initiatives to foster global talent

Innovative Excellence



- Creating a corporate culture where creativity and “blue-sky” thinking are encouraged and respected
- Establishing a democratic and horizontal workspace
- Attracting talent with the capacity to lead in a competitive global landscape
- Breaking down organizational silos and fostering a culture of change and innovation
- Nurturing the development of new profitable businesses

Management Philosophy



Enhancing Customer Loyalty by Maximizing Customer Satisfaction

- 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



Righteousness Management and Adherence to Standards and Principles

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



Organizational Management Based on Expertise and Autonomy

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



Developing Future Growth Engines through Competitive Human Resources

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



Creation of a Groundbreaking Corporate Culture through Innovation and Change

- Encouraging an aspiring and entrepreneurial mindset
- Promoting an organizational culture that pursues and drives change
- Reorganizing the business structure by focusing on core competencies

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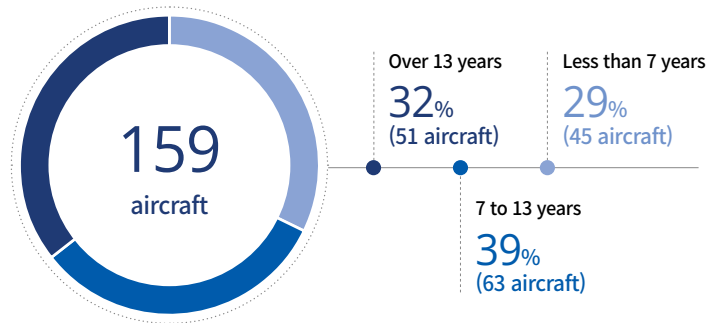
Company Overview



Company Name	Korean Air Lines Co.
Headquarters	260 Haneul-gil, Gangseo-gu, Seoul, Republic of Korea (1370 Gonghang-dong)
Phone Number	+82-2-2656-7114
Website	http://www.koreanair.com
Business Areas	Passenger & Cargo Transportation, Aerospace
Subsidiaries	See the disclosures by "Korean Air" at http://dart.fss.or.kr

Average Fleet Age

Korean Air is committed to ongoing fleet modernization, introducing fuel-efficient and fuel efficient aircraft such as the B787-9/-10, B737-8, A321neo, while gradually retiring older, less fuel-efficient aircraft.



Average Fleet Age (based on registration) **11.7 years** / 159 aircraft
(comprising 136 passenger aircraft and 23 cargo aircraft)

Organizational Status

Key Highlights

Global Network

<p>Established in March 1, 1969</p>	<p>Number of Employees 19,425 <small>(including locally hired employees and excluding executives)</small></p>	<p>Sales KRW 16.1118 trillion <small>(based on consolidated financial statements)</small></p>	<p>Total Assets KRW 30.3918 trillion <small>(based on consolidated financial statements)</small></p>
<p>Air Fleet 159</p>	<p>Destinations 111 cities in 40 countries</p>	<p>Passenger Transportation 19.77 million people</p>	<p>Cargo Transportation 1.47 million tons</p>

Air Fleet

(as of December 31, 2023) (Units: 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 159
Passenger	Number of Aircraft	10	9	-	-	12	37	27	-	22	9	10	136
	Average Fleet Age	11.7	7.7	-	-	5.3	13.1	18.4	-	13.6	0.5	5.5	11.8
Cargo	Number of Aircraft	-	-	4	7	-	-	-	12	-	-	-	23
	Average Fleet Age	-	-	18.3	9.9	-	-	-	8.5	-	-	-	10.7

* Excluding private corporate jets

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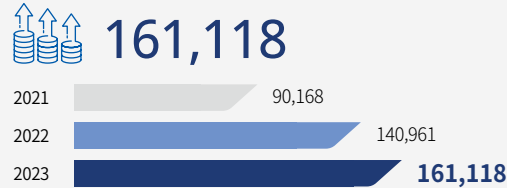
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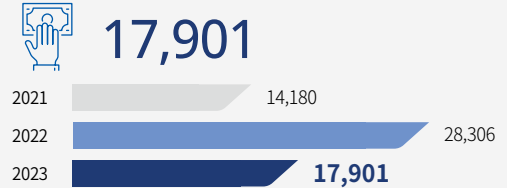
Key Highlights

Global Network

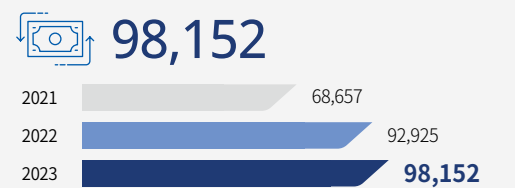
Operating Revenue (Unit: KRW 100 mil)



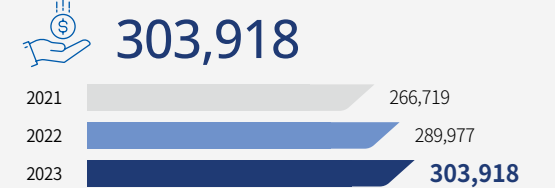
Operating Profit (Unit: KRW 100 mil)



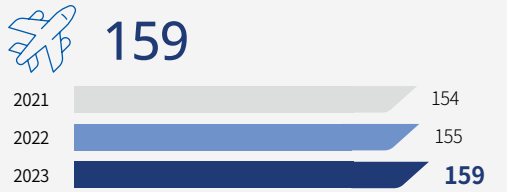
Total Capital (Unit: KRW 100 mil)



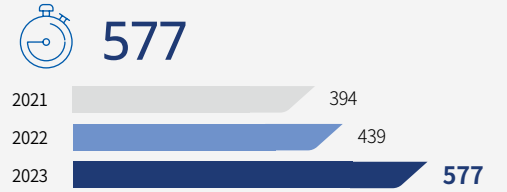
Total Assets (Unit: KRW 100 mil)



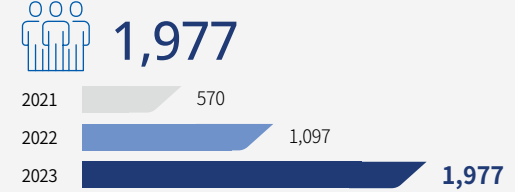
Air Fleet (Unit: EA)



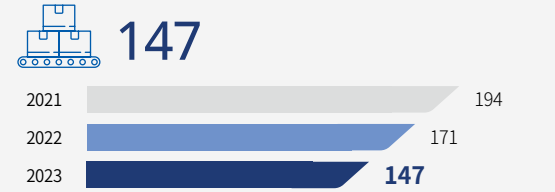
Flight Time (Unit: 1,000 hours)



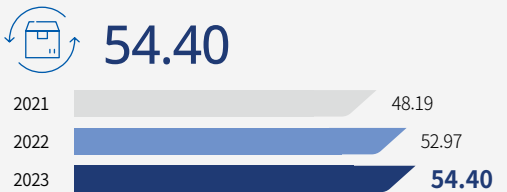
Passenger Transportation (Unit: 10K persons)



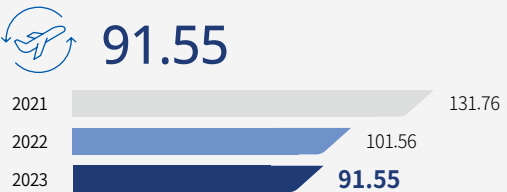
Cargo Transportation (Unit: 10K tons)



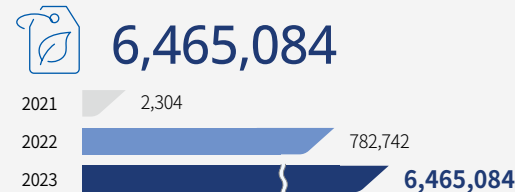
Cargo Aircraft Operating Efficiency Per Paid Load (Unit: kgCO₂/100RTK)



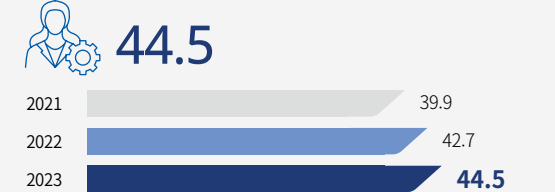
Passenger Aircraft Operating Efficiency Per Paid Traffic (Unit: kgCO₂/100RTK)



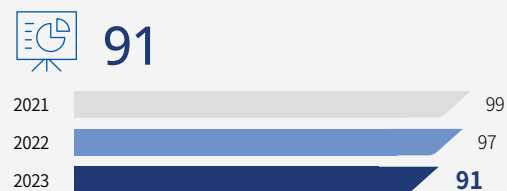
Green Procurement Performance (Unit: KRW million)



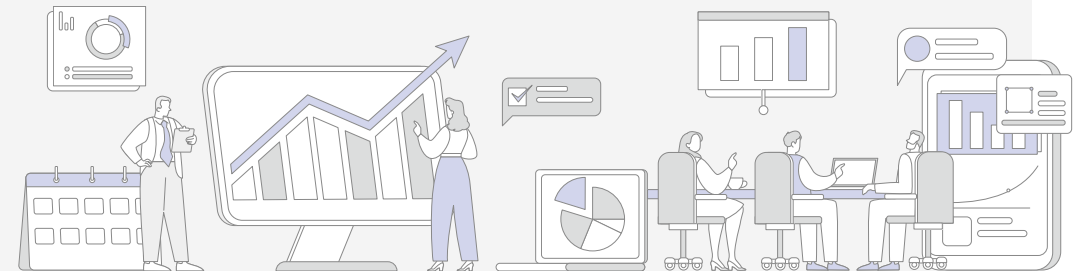
Percentage of Female Managers** (Unit: %)



One-Year Retention Rate after Returning to Work from Parental Leave (Unit: %)



Social Contribution Expenses (Unit: KRW million)



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

** Managerial position criteria: Permanent employees at senior manager level or above (excluding cabin managers, locally recruited managers or above, and flight crew members).

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Routes

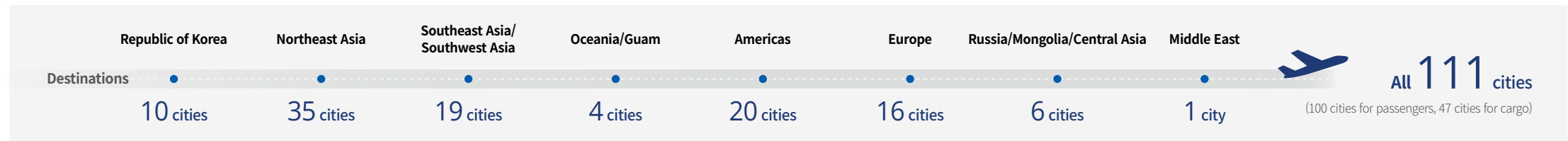
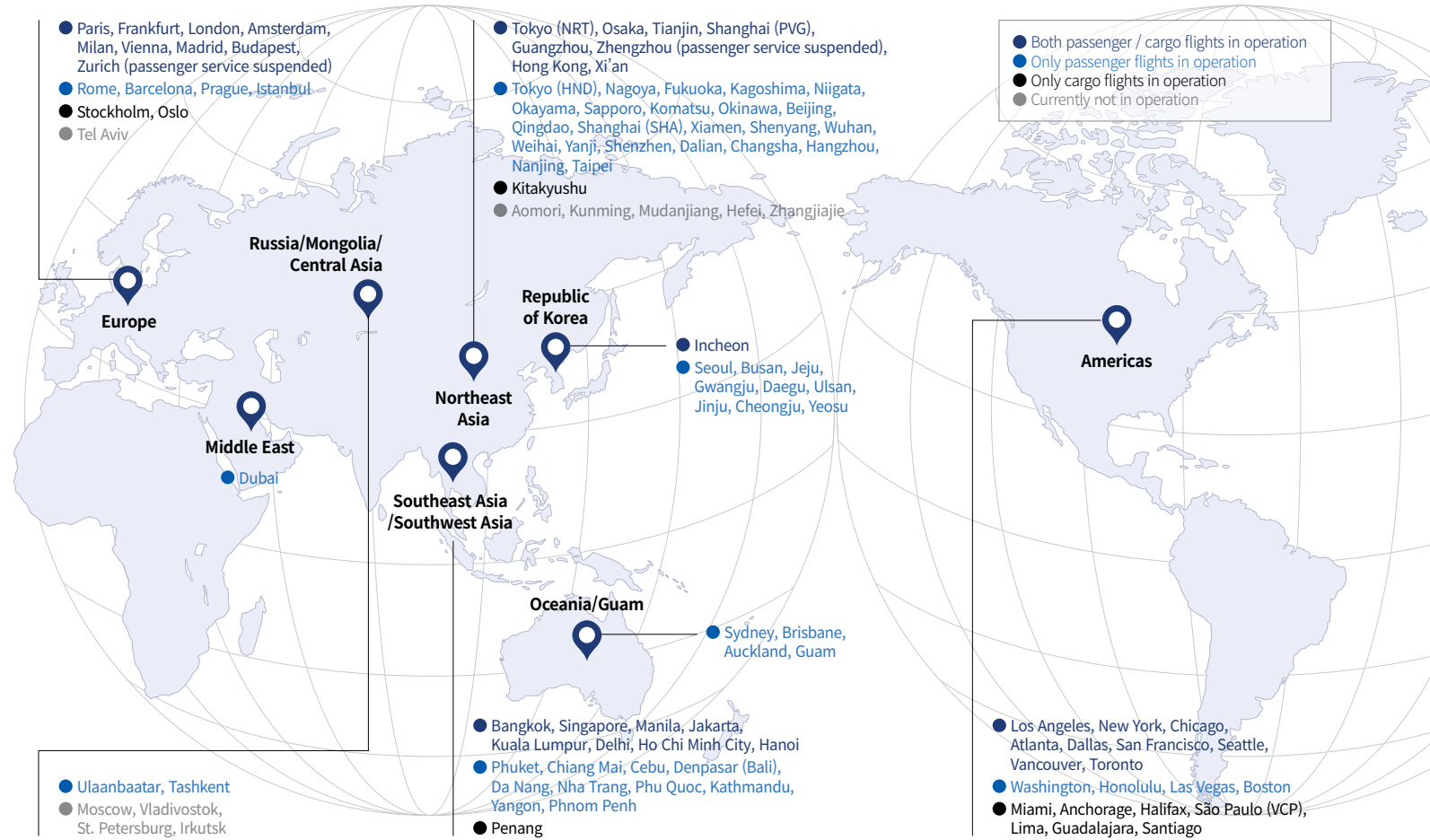
As of December 2023, Korean Air operates passenger and cargo routes to 10 cities within South Korea and 101 cities across 39 other countries worldwide. We aspire to generate synergy with related businesses leveraging our global infrastructure, thus enhancing South Korea's standing.

SKYTEAM

SkyTeam, established in June 2000, is a prominent international airline alliance comprising industry leaders, such as Korean Air, Delta Air Lines, Air France, China Eastern, and KLM. With a vast global network spanning 1,050 cities across 166 countries, SkyTeam operates over 10,700 flights daily, providing passengers with diverse travel options. Passengers also benefit from various advantages, including mileage accrual and redemption among member airlines, as well as access to SkyTeam lounges.

All SkyTeam member airlines recognize their corporate social responsibility and are dedicated to implementing sustainable and eco-friendly corporate policies through collaborative efforts. An annual event titled "The Sustainable Flight Challenge" promotes healthy competition in sustainable aviation practices and facilitates the sharing of best eco-friendly practices, thereby establishing a foundation for environmental stewardship among member airlines.

Furthermore, all SkyTeam members actively participate in the International Air Transport Association's (IATA) ongoing campaign, 25by2025, which aims to enhance female representation in the global aviation industry. Participating airlines commit to increasing the proportion of female employees in underrepresented areas by over 25% compared to the baseline year or reaching a minimum of 25% by 2025. Korean Air, the sole Korean national flagship carrier participating in this campaign since 2021, is committed to nurturing its female workforce and leadership.



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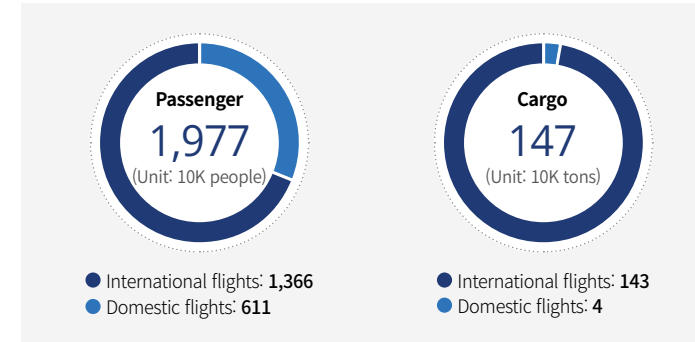
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Air Transportation Business

By the end of 2023, Korean Air owns a fleet of 159 aircraft, serving 10 cities within South Korea and 101 cities across 39 countries on a regular basis, transporting approximately 19.77 million passengers and 1.47 million tons of cargo annually. In 2023, global uncertainty escalated due to prolonged conflicts such as the Russia-Ukraine conflict and geopolitical tensions between Israel and Palestine. Additionally, persistent high inflation and interest rates dampened corporate and consumer confidence, resulting in a sluggish global economy.

Despite these challenges, Korean Air vigilantly monitored market conditions and took proactive measures. In anticipation of a significant post-pandemic recovery in passenger demand, we timely expanded our capacity to boost revenue. Additionally, we actively addressed the stabilization of the air cargo market by exploring new cargo demand and chartering cargo aircraft. Thanks to these efforts, Korean Air achieved its highest-ever revenue in 2023.

Transportation



Revenue

(Unit: KRW 100 million)

* Based on separate financial statements

140,344

129,217

83,867

2021 2022 2023



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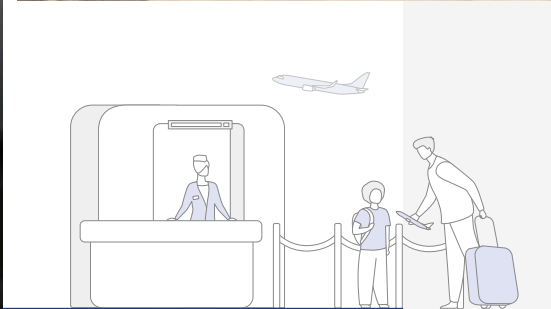
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Passenger Business

In 2023, the aviation industry entered the post-COVID era, experiencing a notable surge in demand surpassing supply, which led to substantial normalization. During the first post-COVID summer peak season, pent-up demand significantly contributed to our passenger performance recovery. Consequently, our revenue passenger kilometers (RPK) grew significantly (+115%) compared to the previous year, while our yield remained robust at +40% compared to 2019, driven by resilient supply chain operations and intensified efforts to attract high-end demand. Starting March 2023, we sequentially resumed flights to major tourist routes in Europe, including Prague, Zurich, Istanbul, and Madrid (summer period). In Japan, we expanded services to key routes, such as Tokyo, Osaka, and Fukuoka, alongside resuming operations to smaller cities during the winter season. In November, we launched a new route to Phu Quoc in Vietnam to broaden our market presence in the country. In 2023, we accelerated fleet modernization by introducing environmentally sustainable and highly efficient aircraft. The A321neo model, equipped with 180-degree flat seats in business class and Wi-Fi services, delivering a distinctively enhanced customer experience.



Cargo Business

In 2023, the air cargo market saw a rapid recovery in belly cargo supply on passenger planes post-pandemic, yet faced declining air cargo demand and a downward trajectory in market freight rates due to sustained global economic deceleration. Factors such as international conflicts, political tensions, and disruptions in passage through the Suez/Panama Canal further exacerbated supply chain disruptions, while oil price and exchange rate volatility intensified the adverse external environment. Despite notable demand weakness during the July-August summer vacation period, market freight rates rebounded in the fourth quarter, driven by increased e-commerce cargo volumes from China and holiday season demand.

To navigate this volatile market environment, we focused on securing stable demand through strengthened partnerships with large global shippers. We expanded contract scales and durations with existing shippers, while diversifying revenue streams by exploring new partnerships. In addition, we proactively pursued revenue-generating activities targeting recurring demands. We closely monitored shipping trends to cater to specialized demands such as fresh commodities like cherries, lobsters, and mangoes, as well as K-pop albums and chartering fashion apparel, engaging in timely sales and route operations to optimize revenue. Furthermore, we devised cargo sales strategies for reinstated routes like Madrid and Prague and for large-scale resumption/expansion plans in the Chinese market, while expanding sales channels with existing customers and developing new cargo demands, including those specific to passenger aircraft.



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Aerospace Business

The civil aircraft manufacturing sector, the primary revenue generator, witnessed a slight decline in growth due to reduced delivery volumes amidst uncertain post-pandemic supply chain recovery. However, with the full recovery of small aircraft demand like the A320 and increasing production for medium and large aircraft like the B787, the business outlook for 2024 is optimistic.

In the military aircraft maintenance, repair, and overhaul (MRO) segment, the U.S. military's transition towards long-term contracts of 10 years or more has resulted in stabilized volumes through recent contracts. However, sales have declined due to fluctuations in some overhaul models in line with the U.S. military's aircraft operation policy. In the Korean military MRO sector, a gradual decline in volumes is anticipated due to the retirement of aging aircraft. Nonetheless, plans are underway to expand sales in the mid- to long-term by diversifying business through overseas MRO expansion and securing performance improvement projects. Unmanned

aerial vehicles (UAVs) spanning small drones to large reconnaissance UAVs are undergoing development and production across various platforms. In 2023, we concluded the development and delivery of small UAVs, with plans to establish systems for performance enhancement and competitive mass production. After a decade of development, we secured a mass production contract for mid-altitude drones and are focusing on capacity-building to ensure timely deliveries while exploring overseas market expansion opportunities.

Furthermore, we have secured core technology development projects such as the "Low Observable UAV Development Project" and "Multipurpose Stealth UAV Development Project." Our aim is to lead Korea's UAV development by acquiring next-generation core technologies, including unmanned and manned composite systems that enable simultaneous missions for UAVs and manned aircraft, cluster control, and autonomous mission execution.



Revenue

(Unit: KRW 100 million)

* Based on separate financial statements

5,407

4,910

3,667

2021 2022 2023

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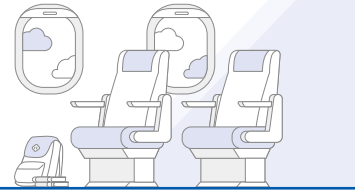
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Key Business Strategies

Passenger Business Strategies



In 2024, it is projected that the impacts of COVID-related supply disruptions and concentrated demand will significantly diminish, while external uncertainties like localized diplomatic tensions will persist. While oil prices have somewhat stabilized compared to 2023, the overall high-cost environment, coupled with accumulated inflation, is expected to continue affecting business operations. Consequently, we will focus our organizational capabilities on enhancing profitability and have developed the following strategies for business operations.

Profit-Oriented Operations

- Enhancing profitability through flexible route operations, including additional supply operations on high-demand routes/periods and utilizing irregular flights
- Diversifying revenue sources through expanded partnerships and ancillary services (such as expanding gift card operations)

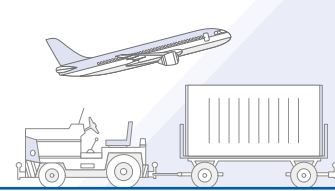
Customer-Centered Service Provision

- Improving services based on customer needs (such as expanding pre-order meal services and enhancing passenger guidance)
- Continuously improving customer satisfaction by expanding Wi-Fi service routes and aircraft types and introducing new high-specification aircraft

Sustained Generation of Future Growth Drivers

- Enhancing operational efficiency and competitiveness by adopting new IT technologies/services and responding to the post-COVID restructuring of the aviation industry
- Continuously monitoring trends related to travel destinations and patterns to drive new market development and capture demand

Cargo Business Strategies



In the cargo business, while market supply continues to increase due to the normalization of passenger flights, air cargo demand remains weak amidst the delayed global economic recovery. Although there are expectations for a slight rebound in demand due to the increase in e-commerce cargo volumes since the end of last year, uncertainties persist due to volatile external conditions such as supply chain instability stemming from international conflicts, restrictions on major canals, as well as fluctuations in oil prices and exchange rates. In response to this business environment, we will operate our cargo business as follows.

Expansion of Stable Demand Base in Response to Demand Uncertainty

- Expanding fixed contract sizes through strengthened cooperation with global shippers and forwarders
- Focusing on attracting project-based and seasonal special demands to diversify revenue streams
- Improving customer satisfaction and increasing market share through customized services tailored to the characteristics of shippers

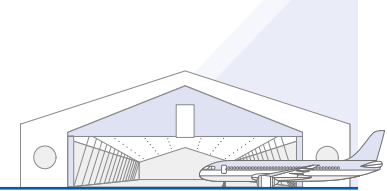
Proactive and Flexible Supply Operations Aligned with Market Conditions

- Maximizing revenue by expanding supply on routes with strong demand, such as e-commerce shipments from China to the Americas
- Expanding networks and service offerings through diversified cooperation with partner airlines
- Maintaining cargo aircraft utilization rates and optimizing supply operations by utilizing passenger aircraft belly space

Ensuring Competitiveness Through Strengthened Safety Management and Service Quality Improvement

- Expanding and operating the ground safety quality assessment system to strengthen transportation safety
- Enhancing operational safety and efficiency through promoting modernization and adoption of automation technology
- Proactively identifying risks and managing quality by using a transportation service evaluation system

Aerospace Business Strategies



Both the defense and civilian sectors are expected to expand favorably externally. Revenue from civil aircraft production is expanding mainly for the B787, while demand for defense and unmanned aircraft is increasing due to international conflicts. To achieve sustainable growth in this environment, we have formulated detailed strategies to expand unmanned aerial vehicle (UAV) platforms, diversify our manned aircraft business, bolster competitiveness in the airframe sector, and streamline operations and management, as follows.

Market Leadership Through Expansion of UAV Platforms

- Ensuring timely development and mass production of contracted large-scale UAV projects
- Establishing supply chains capable of responding promptly to customer demands in the small UAV sector
- Gradually promoting UAV exports

Establishing a Sustainable Growth Model Through Diversification of Manned Aircraft Business

- Securing platforms in the aftermarket through orders for performance improvement projects
- Expanding operations through business expansion in overseas MRO markets and operational efficiency improvements

Ensuring Competitiveness in Airframe Business

- Developing carbon reduction-related technologies, such as new composite materials and lightweighting solutions
- Enhancing price competitiveness through automation and diversification of outsourcing
- Expanding and improving supply chains to accommodate increased business volume

Efficient Operations and Management

- Securing necessary resources timely and maintaining a flexible organizational structure to cope with increased business volume
- Reinforcing quality, safety, and security systems from a back-to-basics perspective
- Expanding capabilities required for business development, including presales and R&D projects

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ESG Core Values

In the realms of environmental, social, and governance, Korean Air upholds three core values that guide our commitment to ESG management: Environmental stewardship for a sustainable future, Fulfilling corporate social responsibilities in line with our founding philosophy of “patriotism through transportation,” and Strengthening corporate governance for sustainable management.

We will prioritize the enhancement of long-term corporate value over short-term profitability, making ESG management our guiding strategy for the sustainable development of both the company and society.

As a leading airline in ESG practices, we are committed to fulfilling our role and responsibilities diligently.



Environmental Management for a Sustainable Future

- Leading the way in mitigating climate change
- Establishing a resource circulation system
- Fulfilling environmental responsibilities



Fulfilling Corporate Social Responsibilities in Accordance with Our Founding Philosophy of “Patriotism through Transportation”

- Expanding consumer-centered management
- Respecting human rights and promoting shared growth
- Contributing to local communities



Strengthening Corporate Governance for Sustainability Management

- Building transparent governance structures
- Advancing the ESG management system
- Facilitating open communication with stakeholders

ESG Governance

Korean Air has established a systematic and integrated ESG governance system to ensure sustainable growth amidst rapidly changing internal and external environments. The ESG Committee, operating under the Board of Directors, conducts thorough discussions on key ESG-related matters and their materiality, providing reports to the Board, the top decision-making body. Recognizing the importance of ESG management goals at the company-wide level, we have established and operated a working group called the “ESG Secretariat” to systematically implement the decisions of the Board and the ESG Committee. The ESG Secretariat, a dedicated organization for sustainable management directly under the Board of Directors; which is above C-level, flexibly addresses ESG issues through close collaboration among various departments such as human resources / labor, CSR, environment, legal affairs, and investor relations, with the Corporate Strategy & Planning Division serving as a control tower.



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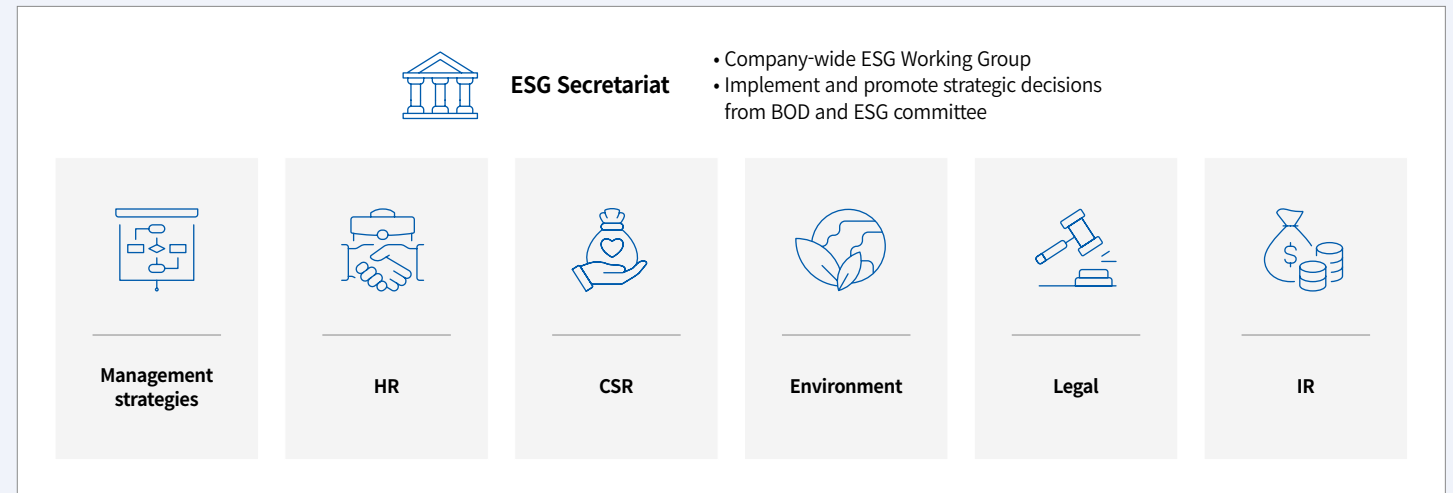
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Korean Air's ESG Governance System



UN SDGs-Related Activities

The UN Sustainable Development Goals (SDGs) comprise 17 common goals for five critical areas of importance to be achieved by 2030: people, planet, prosperity, peace, and partnership. As a member of the global community, Korean Air supports the SDGs and takes responsibility for achieving these goals. We continuously strive to expand positive impacts and reduce negative ones by identifying the potential effects of our business activities on the SDGs.

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

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Goals	Korean Air's Efforts (Reporting Page)
 Goal 3 Ensure healthy lives and promote well-being for everyone of all ages	<ul style="list-style-type: none"> Korean Air's Efforts (P.43)
 Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> Korean Air's Efforts (P.57) Korean Air's Efforts (P.58)
 Goal 5 Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> Korean Air's Efforts (P.37) Korean Air's Efforts (P.54) Korean Air's Efforts (P.55)
 Goal 6 Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> Korean Air's Efforts (P.29)
 Goal 7 Ensure access to sustainable energy for all	<ul style="list-style-type: none"> Korean Air's Efforts (P.32)
 Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> Korean Air's Efforts (P.38) Korean Air's Efforts (P.39) Korean Air's Efforts (P.55)
 Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> Korean Air's Efforts (P.30) Korean Air's Efforts (P.33)

Goals	Korean Air's Efforts (Reporting Page)
 Goal 10 Reduce inequality within and among countries	<ul style="list-style-type: none"> Korean Air's Efforts (P.37)
 Goal 11 Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> Korean Air's Efforts (P.52)
 Goal 12 Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> Korean Air's Efforts (P.28) Korean Air's Efforts (P.34)
 Goal 13 Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Korean Air's Efforts (P.31) Korean Air's Efforts (P.32) Korean Air's Efforts (P.35)
 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	<ul style="list-style-type: none"> Korean Air's Efforts (P.30) Korean Air's Efforts (P.52)
 Goal 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	<ul style="list-style-type: none"> Korean Air's Efforts (P.8) Korean Air's Efforts (P.17)

UN Global Compact



The UN Global Compact is an international agreement launched by the United Nations to urge companies to jointly uphold ten principles on human rights, labor standards, and anti-corruption efforts. In support of these principles, Korean Air joined the UN Global Compact in July 2007. We submit the Communication on Progress (COP) report annually and remain committed to fulfilling our corporate social responsibilities and upholding these principles.

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<p>1</p>  <p>Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Reporting Page: 37-39, 54-59, 65-67</p>	<p>4</p>  <p>The elimination of all forms of forced and compulsory labor;</p> <p>Reporting Page: 37-39, 54-59, 65-67</p>	<p>6</p>  <p>The elimination of discrimination in respect of employment and occupation.</p> <p>Reporting Page: 37-39, 54-59, 65-67</p>	<p>8</p>  <p>Undertake initiatives to promote greater environmental responsibility; and</p> <p>Reporting Page: 25-35</p>					
<p>2</p>  <p>Make sure that they are not complicit in human rights abuses.</p> <p>Reporting Page: 37-39, 54-59, 65-67</p>	<table border="0"> <tr> <td data-bbox="1092 836 1232 974">  <p>Human Rights</p> <p>1 2</p> </td> <td data-bbox="1358 836 1498 974">  <p>Labour</p> <p>3 4 5 6</p> </td> <td data-bbox="1638 836 1778 974">  <p>Environment</p> <p>7 8 9</p> </td> <td data-bbox="1917 836 2058 974">  <p>Anti-Corruption</p> <p>10</p> </td> </tr> </table>			 <p>Human Rights</p> <p>1 2</p>	 <p>Labour</p> <p>3 4 5 6</p>	 <p>Environment</p> <p>7 8 9</p>	 <p>Anti-Corruption</p> <p>10</p>	<p>9</p>  <p>Encourage the development and diffusion of environmentally friendly technologies.</p> <p>Reporting Page: 25-35</p>
 <p>Human Rights</p> <p>1 2</p>	 <p>Labour</p> <p>3 4 5 6</p>	 <p>Environment</p> <p>7 8 9</p>	 <p>Anti-Corruption</p> <p>10</p>					
<p>3</p>  <p>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Reporting Page: 37-39, 54-59, 65-67</p>	<p>5</p>  <p>The effective abolition of child labor; and</p> <p>Reporting Page: 37-39, 54-59, 65-67</p>	<p>7</p>  <p>Businesses should support a precautionary approach to environmental challenges;</p> <p>Reporting Page: 25-35</p>	<p>10</p>  <p>Businesses should work against corruption in all its forms, including extortion and bribery.</p> <p>Reporting Page: 65-67</p>					

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ESG Evaluation Results

Korean Air Receives 'Grade A' in KCGS ESG Evaluation for the 4th Consecutive Year

Korean Air has once again attained an "overall Grade A" for the fourth consecutive year 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 its active pursuit of corporate value and sustainability through management activities that take into account non-financial factors such as environmental, social, and governance aspects.

Category	E (Environment)	S (Social)	G (Governance)	Overall Grade
2020	A	A+	B+	A
2021	A	A+	A	A
2022	A	A	A	A
2023	A	A+	A	A



KCGS ESG Evaluation
Overall Grade **A**

2023 Evaluation Results



Inclusion in DJSI Korea for the 2nd Consecutive Year

Korean Air has secured its place in the Dow Jones Sustainability Indices (DJSI) Korea for the second consecutive year, a global benchmark for sustainability assessment. DJSI, released annually by S&P Dow Jones Indices, the world's leading financial data provider, and S&P Global Switzerland SA, a global sustainability evaluation agency, assesses companies' ESG performance. Korean Air's inclusion in the DJSI Korea for the second straight year underscores its commitment to sustainability, placing it within the top 30% of the evaluated index among South Korea's top 200 companies by float-adjusted market capitalization.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Double Materiality Assessment

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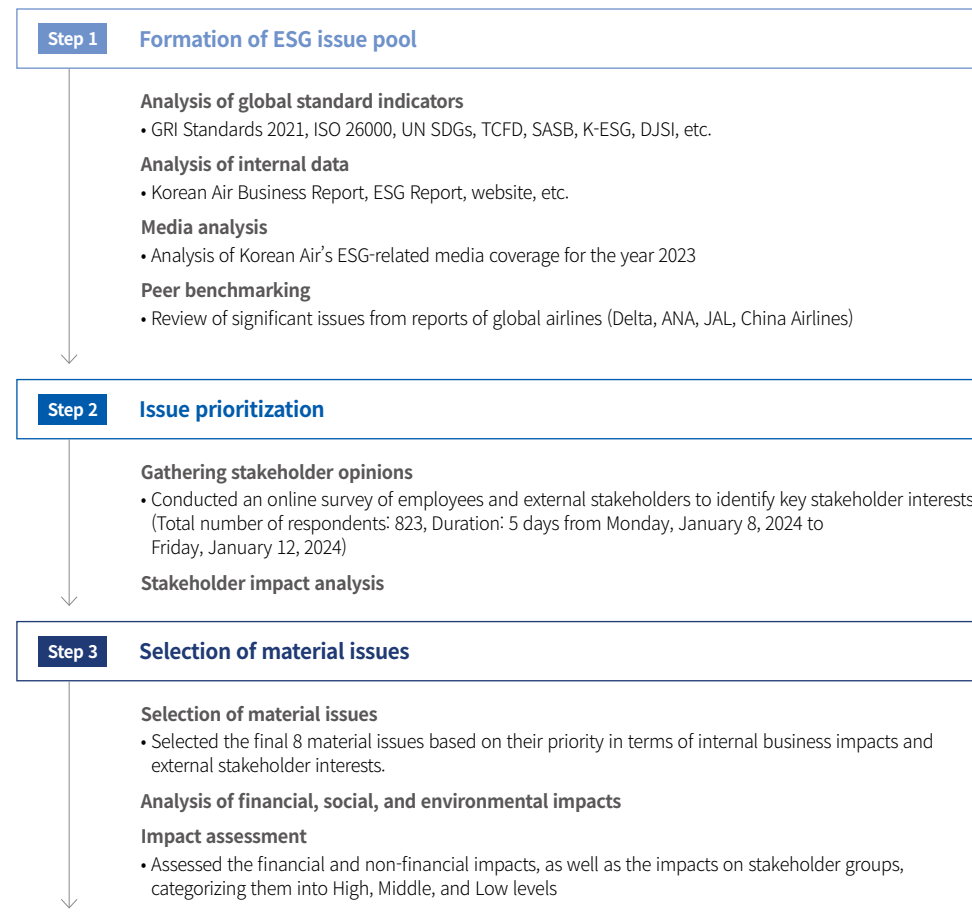
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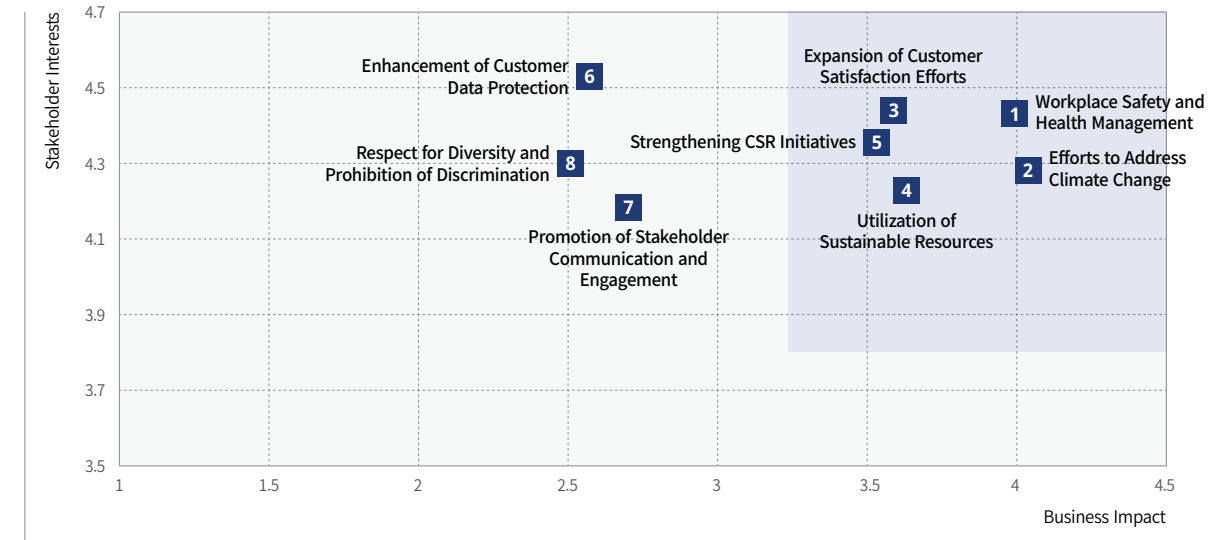
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Korean Air conducts an annual double materiality assessment by integrating the concept of double materiality into the materiality principles outlined in the GRI Standards, which are global guidelines for sustainability management reporting. This assessment aims to identify key issues for the ESG report. The ESG materiality is reviewed at the board level. The assessment process takes into account both the internal impact of sustainability issues on the company and the external impact of the company's operations on factors such as the environment and society. As a result, a total of 8 material issues have been selected for this year's reports.

Double Materiality Assessment Process



Materiality Assessment Results



Issues	Impact Assessment							GRI Index	Reporting Page
	Financial and Non-financial Impacts		Impacts on Stakeholder Groups						
	Financial	Social/Environmental	Employees	General public, customers	Investors	Media	Suppliers		
1 Workplace Safety and Health Management	●	●	●	●	●	●	●	GRI 403, 404	43, 76
2 Efforts to Address Climate Change	●	●	●	●	○	○	○	GRI 305	31-35, 71
3 Expansion of Customer Satisfaction Efforts	○	●	●	●	●	●	●	-	46-49, 77
4 Utilization of Sustainable Resources	●	●	○	●	○	○	●	GRI 302, 303, 304, 306	46-49, 77
5 Strengthening CSR Initiatives	●	●	○	○	○	○	○	GRI 413	51-53, 76
6 Enhancement of Customer Data Protection	●	●	●	●	●	●	●	GRI 404, 418	49, 78
7 Promotion of Stakeholder Communication and Engagement	●	●	○	●	○	●	○	GRI 2	22-23, 61-64
8 Embracing Diversity and Non-Discrimination	●	●	●	○	○	●	●	GRI 405, 406	37-39, 73-74

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Material Issue Management

Material Issues	Reasons for Importance	Cause of Impact			Impact Assessment of External Stakeholders/Areas				Management Approach/Business Strategy	Mid-to-Long Term Goals	Key Activities/Achievements in 2023	Page
		Operations	Product/Services	Supply chain	Environment	Society	Customers	Partners				
 <p>Workplace Safety and Health Management</p>	<ul style="list-style-type: none"> Establishment of a proactive autonomous regulatory safety system aligned with the government's roadmap to mitigate legal risks and enhance corporate value Continued media and labor union scrutiny when occupational safety and health issues arise 	●	●	●	●			<ul style="list-style-type: none"> Pursuing external expert consulting to analyze precedents of the Serious Accidents Punishment Act and respond to amendments to the Occupational Safety and Health Act Identifying high-risk factors for potential industrial accidents and considering focused management Establishing a subcontractor cooperation safety and health management system Conducting regular labor-management joint inspections and occupational safety and health committee meetings 	<ul style="list-style-type: none"> Undertaking a company-wide safety and health management system assessment by an external expert organization once in 2024 Participating in government-sponsored subcontractor cooperation programs (involving two or more companies) in 2024 Conducting quarterly occupational safety and health committee meetings and labor-management joint inspections four times in 2024 	<ul style="list-style-type: none"> Achieving zero critical accidents Receiving no corrective orders or fines from relevant authorities Inaugurating and institutionalizing company-wide Safety Day 	43, 76	
 <p>Efforts to Address Climate Change</p>	<ul style="list-style-type: none"> In 2021, the International Air Transport Association (IATA) approved a resolution to achieve net-zero carbon emissions by 2050 In 2022, members of the International Civil Aviation Organization (ICAO) agreed to a goal of net-zero carbon emissions by 2050 In 2022, the Republic of Korea legislated carbon neutrality by 2050 through the enactment of the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis 	●	●		●	●		<ul style="list-style-type: none"> Obtaining ISO 14001 (Environmental Management System) certification in 1996, establishing and operating an environmental management system across all business areas Identifying and addressing key environmental issues through the ESG Committee within the Board of Directors Promoting carbon reduction through the introduction of new high-efficiency aircraft, sustainable aviation fuel (SAF), and fuel management 	<ul style="list-style-type: none"> Achieving carbon-neutral growth in international aviation by complying with ICAO CORSIA by 2035 	<ul style="list-style-type: none"> Improving passenger aircraft greenhouse gas emissions efficiency by 9.86% compared to the previous year - 2022: 101.56kgCO₂/100RTK - 2023: 91.55kgCO₂/100RTK 	31-35, 71	
 <p>Expansion of Customer Satisfaction Efforts</p>	<ul style="list-style-type: none"> Customer satisfaction is vital for the success and sustainability of a company Enhancing customer satisfaction contributes to the company's sustained growth and competitiveness by fostering brand loyalty and cultivating a positive image 	●	●			●	●	<ul style="list-style-type: none"> Placing customers as the top priority under the management philosophy of "Service Excellence" Actively integrating feedback from Voice of Customer (VOC) into service improvements Engaging in effective communication with customers through social media channels and diverse marketing initiatives 	<ul style="list-style-type: none"> Attainment of Consumer Centered Management (CCM) certification for three consecutive years by 2024 Setting annual KPI targets based on Net Promoter Score (NPS) and VOC in business plans and reflecting them in Korean Air's ESG reports 	<ul style="list-style-type: none"> Ranked 1st in the Korean Standard Service Quality Index (KS-SQI) for 2 successive years Ranked 1st in the Global Customer Satisfaction Index (GCSI) for 19 consecutive years Earned the highest 5-star airline rating from Skytrax for two consecutive years 	46-49, 77	
 <p>Utilization of Sustainable Resource</p>	<ul style="list-style-type: none"> Global trend towards sustainable resource utilization Growing emphasis on considering sustainable resource utilization as a fundamental aspect for companies 	●	●		●	●		<ul style="list-style-type: none"> Procurement of eco-friendly products/services Procurement of green products such as highly efficient aircraft, engines, environmentally certified products, and sustainable aviation fuels 	<ul style="list-style-type: none"> Introduction of a total of 143 new aircraft by 2030 	<ul style="list-style-type: none"> Green procurement expenditure: KRW 6,465,084 million 	46-49, 77	

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

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		Operations	Product/Services	Supply chain	Environment	Society	Customers	Partners				
 <p>Strengthening CSR Initiatives</p>	<ul style="list-style-type: none"> Heightened significance of corporate social responsibility and sustainability Improving corporate value through the cultivation of a responsible corporate image within local communities 	●			●	●			<ul style="list-style-type: none"> Development of systematic social contribution strategies and concrete action plans Promotion of donations and volunteer engagement aimed at supporting both local and international communities where Korean Air operates, as well as underserved populations such as rural areas. Active engagement in global disaster relief efforts leveraging the global transportation network 	<ul style="list-style-type: none"> Hosting over 190 social contribution events by 2026 Attainment of an average of 1 hour of volunteer service per person by 2026 	<ul style="list-style-type: none"> Average of 0.6 hours of volunteer service per person and 142 social contribution events Social contribution expenditure: KRW 15.4 billion 	51-53, 76
 <p>Enhancement of Customer Data Protection</p>	<ul style="list-style-type: none"> Rise in legal and institutional requirements to effectively safeguard the rights of data subjects, including the enactment of laws granting access, portability, and deletion rights to personal data Emphasis on ethical corporate responsibility for data protection amid the proliferation of artificial intelligence and big data technologies 	●	●			●	●		<ul style="list-style-type: none"> Reinforcement of the Information Protection Committee, reassessment and redesign of processes for handling tasks related to personal data protection Increased investment in data protection for the adoption and application of cutting-edge information security technologies 	<ul style="list-style-type: none"> Convening of Information Protection Committee meetings twice or more in 2024, establishment and participation in an airline voluntary regulatory organization for data protection Attainment of domestic and international certifications for data protection (ISMS-P, ISO 27701) by 2026 	<ul style="list-style-type: none"> Obtained domestic and international certifications for data protection (ISMS, ISO 27001) Complied with data protection disclosure requirements Established information protection and privacy committees 	49, 78
 <p>Promotion of Stakeholder Communication and Engagement</p>	<ul style="list-style-type: none"> Building trust with shareholders and stakeholders through transparent communication on business risks (economic, legal, safety, environmental, etc.) and the company's response strategies Strengthening enduring trust relationships with shareholders as the cornerstone for sustained growth 	●	●	●	●	●	●		<ul style="list-style-type: none"> Provision of investor information adhering to global standards to facilitate accurate performance prediction and evaluation of corporate value by investors Establishment of reliable and predictable shareholder return policies 	<ul style="list-style-type: none"> Expansion of English disclosures for foreign investors in 2024 Increasing corporate value through the implementation of shareholder return policies (applying the previously disclosed 3-year shareholder return policy in 2024) 	<ul style="list-style-type: none"> Disclosure of the 3-year shareholder return policy Conducted annual investor relations activities: 19 times, including regular NDRs, participation in securities conferences, and multiple ad hoc meetings 	22-23, 61-64
 <p>Embracing Diversity and Non-Discrimination</p>	<ul style="list-style-type: none"> Strengthened international and governmental focus on human rights management Growing societal interest in human rights issues and increased calls for corporate responsibility 	●		●		●		●	<ul style="list-style-type: none"> Ensuring equal opportunities in all aspects of personnel management, including recruitment, evaluation, and compensation, irrespective of individual traits such as gender, race, and age Fostering a culture of respect for human rights among all employees concerning diversity and non-discrimination Protecting the rights of vulnerable groups and preempting human rights violations through human rights due diligence 	<ul style="list-style-type: none"> Establishment of a dedicated organization to bolster human rights management practices within 3 years and development of human rights due diligence guidelines Conducting human rights due diligence at domestic business sites within 5 years 	<ul style="list-style-type: none"> Hired 427 female employees, constituting 46% of domestic and overseas recruits, and enlisted 17 disabled athletes Formulated a human rights policy, publicly available on the company website 	37-39, 73-74

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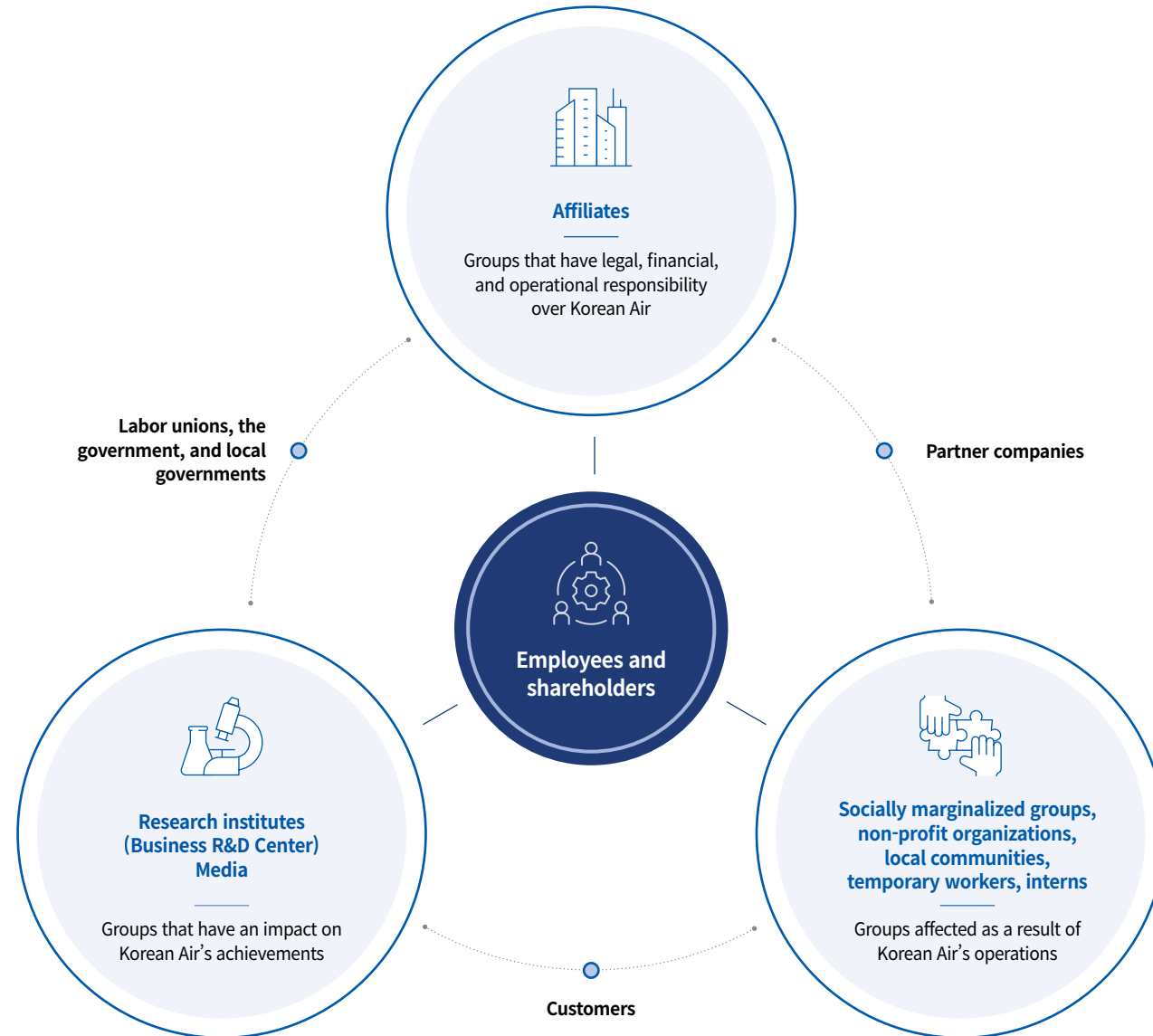
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Stakeholder Engagement

Stakeholder Groups



Distribution of Economic Value to Stakeholders in 2023

(Unit: KRW 100 million)

	Employees	19,296 Labor expenses	6,571 Welfare expenses
	Shareholders	2,771 Dividends	
	Creditors	4,804 Interest expenses	
	Tax authorities	3,862 Corporate income taxes	
	Local communities	154 Social contribution expenses	
	Suppliers	1,450 Rent	44,571 Fuel expenses
		2,576 Manufacturing expenses	11,143 Airport expenses
Total		97,198	

※ Based on separate financial statements

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Stakeholder Communication

※ Frequency of Communication: ● Ongoing □ Ad Hoc ○ Weekly ◐ Monthly ● Biannual ◆ Annual General Meeting ▲ Working Day



Main Shareholder Interests

- | | | | | | |
|--|--|---|---|---|---|
| <ul style="list-style-type: none"> • Safety and punctuality • Service quality • Diverse routes • Provision of accurate information • Prompt response to customer complaints/inquiries | <ul style="list-style-type: none"> • Sales and financial performance • Business outlook • Risk management • Governance structure • Enhancement of shareholder communication and value (dividends, etc.) • ESG issues | <ul style="list-style-type: none"> • Employee welfare programs • Resolution of employee grievances • Fair evaluation and compensation • Non-discriminatory HR policies • Training and career advancement opportunities | <ul style="list-style-type: none"> • Promoting shared growth and fair trade • Improving production efficiency • Strengthening capabilities in technology, quality, and human resources • Facilitating information sharing and communication • Enhancing welfare programs | <ul style="list-style-type: none"> • Communication with local communities • Social contribution activities • Environmental conservation and relief efforts | <ul style="list-style-type: none"> • Aviation safety and security • Enhancement of aircraft fuel efficiency • Addressing climate change • Domestic and international aviation regulations |
|--|--|---|---|---|---|

Stakeholder Communication Channels

- | | | | | | |
|--|---|--|---|--|---|
| <ul style="list-style-type: none"> ● Website □ Korean Air Newsroom ◐ Newsletter ● Social media channels ● Service center ● Chatbot ● Voice of Customer ● Net Promoter Score (NPS) survey | <ul style="list-style-type: none"> ◆ General shareholders' meetings □ Corporate briefings, IR meetings □ Website (disclosures) ● Operation of IR communication channels (IR email, phone) | <ul style="list-style-type: none"> □ Labor-management council □ On-site visit of Human Resources Division ● Intranet (Communication Plaza/employee information system) ○ Newsletter ▲ Newsbytes □ Daehan TV ● Whistleblowing system ● Employee grievance handling system | <ul style="list-style-type: none"> ● Supplier portal site (Intranet) □ Production Management Council ● Workshops and meetings with suppliers | <ul style="list-style-type: none"> ● Website ● Social media channels | <ul style="list-style-type: none"> □ Engagements with administrative departments and policy meetings □ Technical meetings and consultations □ Participation in international organization assemblies |
|--|---|--|---|--|---|

Key Activities

- | | | | | | |
|--|---|---|---|--|---|
| <ul style="list-style-type: none"> • Active customer engagement through various channels • Addressing customer complaints and inquiries • Enhancing services based on customer feedback | <ul style="list-style-type: none"> • Establishment and enhancement of Board committees • Strengthening communication with shareholders/investors • Expanding corporate information disclosure (on website) | <ul style="list-style-type: none"> • Enhancing employee communication through labor-management consultation channels • Listening to on-site grievances and improving the workplace environment • Implementation of tailored training programs for various job levels and types • Operation of career development programs | <ul style="list-style-type: none"> • Operating a dedicated team to foster shared growth • Making full cash payments for purchases • Facilitating fundraising for mutually beneficial cooperation • Providing technical assistance and collaborating on localization efforts • Facilitating exchanges and interactions among suppliers • Implementing welfare support programs | <ul style="list-style-type: none"> • Implementing disaster relief programs • Establishing an employee-led community service group • Facilitating sisterhood and community service activities • Organizing airline tour programs • Habitat's residential environment program in Gangseo-gu • Establishing windbreak forests to combat Mongolian deforestation • Supporting areas affected by aircraft noise in nearby communities • Paying airport noise fees for local communities | <ul style="list-style-type: none"> • Proactive adaptation to shifts in aviation security landscapes, including biometrics integration • Standardization of aircraft fuel efficiency technologies and promotion of national carriers • Implementation of environmental and sustainability frameworks (CORSA, GHG Emissions Trading Scheme) • Proactive responses to alterations in domestic and international aviation regulations |
|--|---|---|---|--|---|

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The 27th Korean Air Travel Photo Contest
General Category Honorable Mention
| Lee Sang-woon | Spring in Palouse



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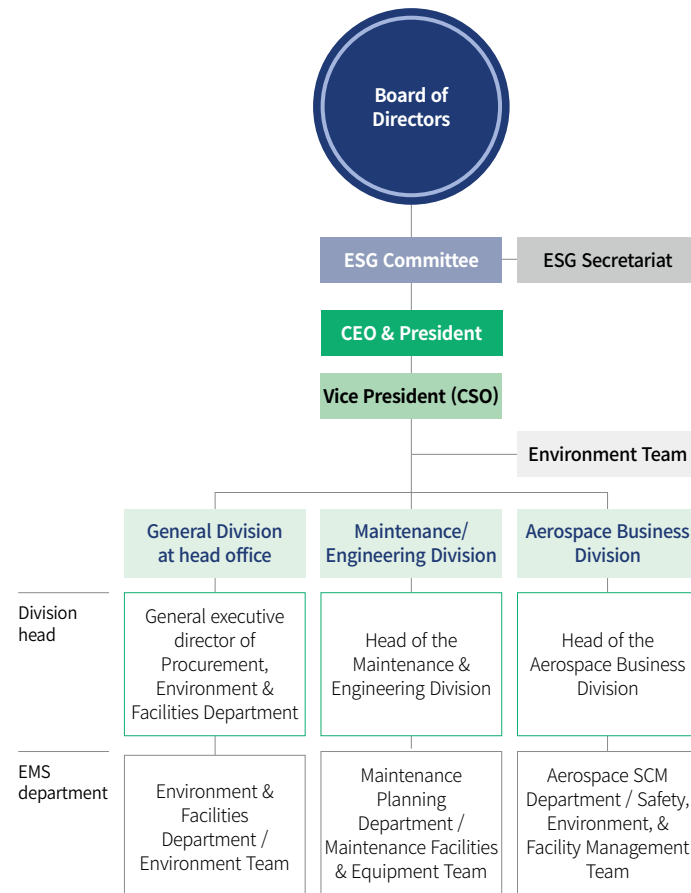
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Environmental Management

Environmental Management Governance

Korean Air has instituted a systematic and professional environmental management governance framework, including the highest decision-making body, to minimize environmental impacts from corporate activities and manage business risks associated with various environmental issues, including climate change.

Environmental Management Governance



Board Participation

The ESG Committee, established within the Board of Directors in 2020, comprises three independent directors with expertise, tasked with reviewing and overseeing the company's major ESG-related strategies and risks. The ESG Committee convenes quarterly to review and supervise the company's key environmental management initiatives, including climate change adaptation strategies. Additionally, issues expected to significantly impact the company's business strategies are discussed at the board level, which plays a pivotal role in comprehensive decision-making on key agenda items.

Management Participation

The Chief Executive Officer (CEO) of Korean Air holds ultimate responsibility and authority for implementing the company's environmental management system and ensuring continuous improvement in environmental performance. The Chief Safety and Operating Officer (CSO) oversees the implementation, performance review, and improvement strategies of the company's major environmental management plans, including climate action, waste, and chemical management. Issues that are expected to significantly influence business strategies are presented to the Board and ESG Committee as agenda items.

Dedicated Organization

The ESG Secretariat, under the ESG Committee, collaborates closely with sector-specific environmental, social, and governance departments to oversee company-wide ESG management and report relevant matters. Key responsibilities of the ESG Secretariat include establishing medium-to-long-term ESG goals and strategies, ESG risk management, identifying and implementing ESG improvement tasks, setting and managing ESG-related KPIs, and engaging in shareholder activities and stakeholder communication related to ESG.

Company-wide Environmental Management Organization

Since obtaining ISO 14001 certification (Environmental Management System) in 1996, Korean Air has operated an environmental management system (EMS) compliant with international standards. Led by the Environmental Management Team, the EMS is divided into general headquarters, aircraft maintenance, and aerospace business sectors according to business characteristics, each with a sectoral responsible person and EMS department. The company has established and operates a pool of internal environmental auditors composed of capable environmental experts to inspect and evaluate the implementation status of the sector-specific environmental management systems. Regular and ad hoc inspections are conducted at least once a year to assess overall implementation, and any identified issues are addressed through a corrective and preventive action process.

Environmental Management Implementation Process

Environmental Management Principles

As a responsible member of the global community, Korean Air has established a "Green Management Policy" to contribute to a sustainable future for our planet and fulfill its social responsibilities as a leading global airline in the aviation industry. Reflecting current issues, the company developed the "Environmental Management Policy" and "Biodiversity Protection and Deforestation Prevention Policy" in 2023.

Environmental Management Policy

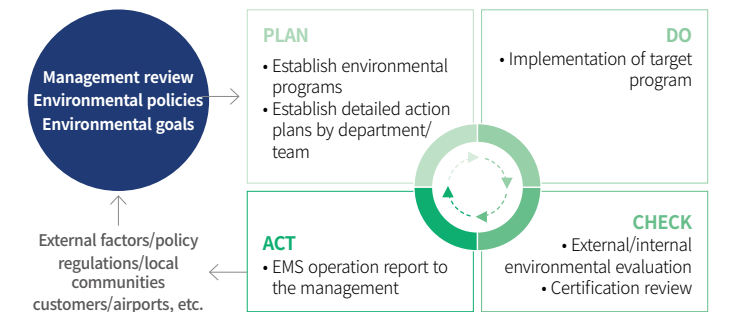
Korean Air aims to continuously enhance environmental performance in line with its environmental management policy and minimize adverse environmental impacts throughout its business operations and the entire value chain. Furthermore, we encourage all subsidiaries, partners, and suppliers to adhere to our environmental policy. Korean Air complies with environmental regulations in each country where we operate ahead of our policies, and in the absence of local laws or regulations, we conduct environmental management according to our policies.

[Click for Environmental Management Policy](#)

Environmental Management Implementation Plans

Korean Air operates an effective PDCA (Plan, Do, Check, and Act) cycle to minimize environmental impacts arising from its business operations. Under this cycle, we establish environmental programs and department-specific objectives based on reviewed environmental policies and objectives by management [Plan], implement these objectives [Do], conduct external/internal environmental evaluations and undergo certification assessments [Check], and ensure systematic implementation and management through management reporting [Act].

Environmental Management Implementation Process



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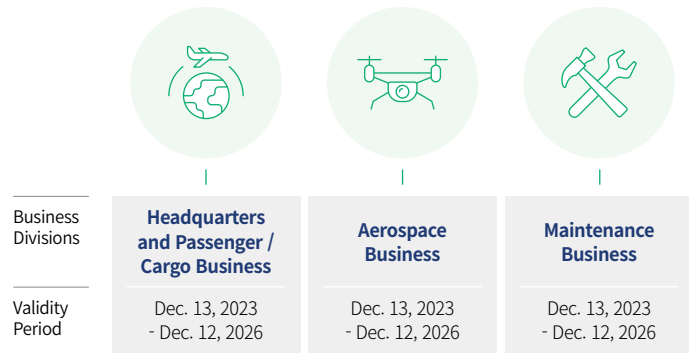
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Establishment of Environmental Management System

Since obtaining ISO 14001 certification in 1996 for all business divisions and sites in South Korea, Korean Air has implemented sector-specific environmental management to minimize environmental impacts by establishing an Environmental Management System (EMS) compliant with international standards. Through the EMS, we identify and evaluate environmental aspects of our activities, products, and services, and implement sector-specific environmental management to mitigate environmental impacts. ISO 14001-certified business sites undergo internal regular audits annually, leading to improvement measures, and renewal audits conducted every three years by an external verification body.

[Click for ISO14001 Certificate](#)

Environmental Management System (ISO14001) Certified Business Divisions



Environmental Incident and Regulatory Response Protocol at Business Sites

Korean Air has established and operates a comprehensive emergency response system to prepare for aircraft accidents. Additionally, we conduct periodic drills by simulating aircraft accidents annually to ensure an effective organizational response to real incidents. In the event of environmental issues such as oil spills resulting from aircraft accidents, we activate our emergency response network and conduct pollution control and investigation activities by each response organization according to the operational guidelines of the Environmental Response Center. For potential environmental issues arising from business operations such as aircraft maintenance and manufacturing conducted on the ground, we have established response teams and operating procedures at each business site based on emergency preparedness and response guidelines outlined in environmental management regulations, thereby minimizing environmental impacts at affected locations due to accidents.

Environmental Performance Management

Management of Environmental Objectives

Korean Air sets and manages quantitative objectives such as stabilizing emissions pollutants, reducing greenhouse gases, waste, and resources, as well as qualitative objectives such as emergency environmental responses and strengthening regulatory compliance through its environmental management system, to minimize environmental impacts from its business activities.

Environmental Performance Evaluation

To inspect and evaluate compliance with ISO 14001 standards and the company's environmental management system, Korean Air operates a pool of internal environmental auditors composed of experienced and competent environmental personnel. The overall implementation status of the environmental management system is assessed at least once a year through regular and ad hoc inspections. Any issues identified during these inspections are addressed through a corrective and preventive action process.

Environmental Investment Plans and Implementation

Korean Air strategically plans and implements investments across various sectors to minimize environmental impact. The introduction of highly efficient new aircraft is crucial for reducing carbon emissions in the aviation industry. Korean Air is dedicated to continually introducing next-generation aircraft with fuel efficiency enhancements of 20-25% compared to current models, aiming to introduce a total of 143 new aircraft by 2030. Furthermore, we actively pursue diverse investment initiatives, including promoting the use of sustainable aviation fuel through strategic partnerships and pilot projects, as well as enhancing energy efficiency by modernizing aging building infrastructure.



Environmental Management Communication

Environmental Education

Built upon a company-wide environmental education framework, Korean Air conducts a range of training programs including fundamental environmental education, environmental job training, and practical environmental workshops. Since 2021, Korean Air has actively utilized its internal online training system to reinforce employee environmental education and awareness. Consequently, there has been a steady increase in the time dedicated to employee environmental training, with a 13.6% rise observed in 2023 compared to the previous year. Korean Air remains committed to continuous environmental education efforts aimed at heightening employees' understanding of environmental management and expanding their expertise through diverse course offerings.

Environmental Training Performance

(Unit: hours)



Stakeholder Engagement

Korean Air conducts annual surveys among various stakeholders to identify significant sustainability issues, including environmental concerns. We also maintain ongoing communication with investors on ESG matters, including environmental issues, through the ESG Secretariat.

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Environmental Risk Management System

Environmental Risk Management Organization and Identification Process

Korean Air operates a systematic risk management process to identify and mitigate environmental risks that may impact its business operations. Environmental risks encompass internal and external environment-related issues or changing conditions affecting the company's environmental management, such as climate change adaptation, chemical management, waste disposal, and pollution control.

Sector-specific Environmental Management System (EMS) departments at Korean Air regularly monitor and assess these environmental issues and stakeholder demands at least once a year. When identifying risks, factors such as probability and impact are considered. Each EMS department identifies and assesses risks based on tailored criteria, leveraging accumulated knowledge and experience.

In 2023, Korean Air established the "Korean Air Biodiversity Protection and Deforestation Prevention Policy" to effectively address biodiversity conservation and forest protection issues, which have been emphasized along with climate change. By broadening our focus on environmental issues, we flexibly adapt our operations to the evolving business environment.

[Click for Biodiversity Protection and Deforestation Prevention Policy](#)

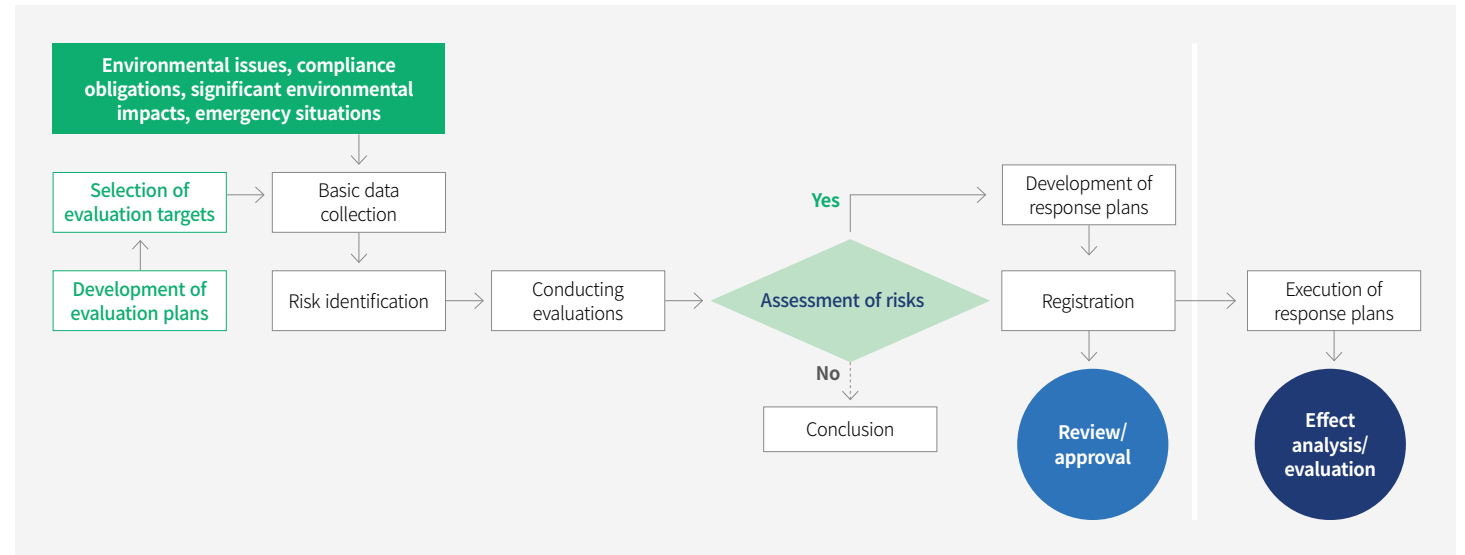
Environmental Risk Management Procedures

To efficiently address risks identified through the environmental risk management process, EMS departments collaborate with relevant operational units to develop risk registers with monitoring and action plans. They regularly monitor, review performance, and manage progress on action plans listed in the risk register. Risks are reassessed after completing action plan implementation to analyze and evaluate the effectiveness of the response, updating the risk register accordingly.

Status of Environmental Risk Management

In 2023, Korean Air identified 279 environmental risks across 23 business sites through the environmental risk management process. Evaluation was conducted for 258 of these risks based on the presence or absence of risks. Scores for each item were combined and categorized into three levels (High/Medium/Low) based on impact and probability. Issues requiring immediate attention are listed in the environmental risk register, with separate action plans developed and managed accordingly.

Environmental Risk Identification and Management Procedures



Environmental Risk Analysis

	Short-term (0-3 years)	Medium to long-term (3+ years)		Short-term (0-3 years)	Medium to long-term (3+ years)
External Issues	Responding to regulations that designate essential chemicals for aircraft maintenance, listed in the candidate substances requiring approval under the Act on Registration and Evaluation of Chemical Substances.	The implementation of the ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) leading to an increase in the purchase of offset credits	Internal Issues	Risk of non-compliance with standards due to improper waste storage during new construction projects, like office remodeling	Compliance with environmental information disclosure standards and timely reporting by the integrated company following the acquisition and merger of Asiana Airlines
Opportunities for Korean Air	The relaxation of domestic regulations on the use of manufacturer-designated chemicals essential for aircraft maintenance enhances competitiveness in the Aerospace Division, increasing project acquisition prospects.	Enhancing competitiveness by reducing costs in purchasing emission credits compared to competitors through proactive measures to reduce greenhouse gas emissions, such as introducing high-efficiency aircraft	Positive Impact on External Parties	Contribution to fostering a circular society through proper waste management practices and increased recycling rates	Enhanced stakeholder communication and cultivation of an advanced ESG management culture facilitated by transparent and appropriate environmental information disclosure
Risks for Korean Air	Potential additional costs in case of delays in the domestic approval process for manufacturer-designated chemicals essential for aircraft maintenance.	Potential increase in the costs of purchasing emission credits due to a sharp rise in prices in the voluntary carbon market, along with the risk of fines for non-compliance with relevant regulations	Negative Impact on External Parties	Potential risks to human health and the environment from exposure to hazardous designated waste	Hindrance to the development of a culture of mutual growth through ESG management between businesses and society if environmental information disclosure is insufficient

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Efforts to Reduce Environmental Impact

Efforts to Reduce Energy Consumption

Beyond aircraft operations, Korean Air is dedicated to reducing energy consumption across our facility operations to include maintenance facilities and cargo terminals. We prioritize the adoption of high-efficiency products during equipment replacements and concurrently implement facility management strategies to mitigate energy wastage by optimizing operational schedules. Periodically, we engage external contractors to conduct energy assessments to identifying usage patterns, uncover loss factors, and review improvements for energy-intensive buildings such as our headquarters and tech centers. Annually, we compile and review compliance status reports on improvement proposals to identify opportunities for enhancing energy efficiency.

In 2023, as part of our environmental improvement efforts at Korean Air's headquarters, all office spaces underwent a transition from fluorescent to LED lighting, resulting in a reduction of approximately 172.3 tCO₂ in greenhouse gas emissions compared to the previous year. We are also in the process of replacing machinery equipment such as air conditioners and pumps with highly efficient models, with plans underway to further promote energy savings through these upgrades. Specifically, we aim to replace boilers (2 units at 6 tons each) with a high-efficiency cascade boiler system (5 units at 2 tons each) to better address various loads compared to the previous system.

Energy Consumption in Ground Operations

(Unit: G.J)

Energy	2021	2022	2023	Change from 2022 to 2023
Gas/Diesel	34,622	41,272	39,248	-4.9%
By-Product Fuel No. 1	5,602	4,712	4,804	2.0%
Gasoline	6,106	7,099	7,261	2.3%
Jet Fuel (Engine Maintenance)	5,353	5,818	5,858	0.7%
LNG	344,739	401,325	364,366	-9.2%
LPG	3,917	3,990	3,211	-19.5%
Electricity	851,684	886,744	938,920	5.9%
Steam	14,547	20,125	18,471	-8.2%
Total	1,266,571	1,371,085	1,382,139	0.8%

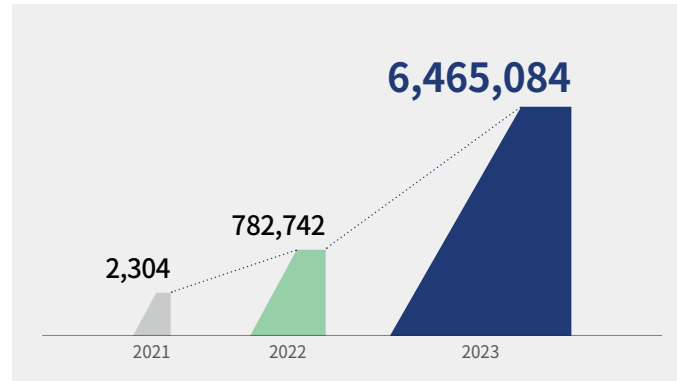
Green Procurement

Korean Air is committed to promoting sustainable procurement practices. To uphold this commitment, we have developed internal guidelines for sustainable procurement and diligently adhere to them. Our efforts include procuring high-efficiency aircraft and engines, lightweighting onboard supplies, and purchasing environmentally certified products. To minimize carbon footprints during passengers' journeys, we have introduced environmentally friendly items to our in-flight services, including paper straws, paper coffee sticks, and FSC (Forest Stewardship Council)-certified paper cups. Additionally, we have replaced plastic packaging for air cargo with eco-friendly alternatives. We are in the process of transitioning plastic bags used for in-flight service to eco-friendly ones made from 50% recycled materials. Furthermore, we have replaced previously non-recyclable plastic mixed materials used for Prestige Class seat slipper pouches with eco-friendly paper materials. In 2023, we invested in the procurement of twenty additional A321Neo aircraft and two 787-9 aircraft to embrace new high-efficiency aircraft models. As a responsible corporate consumer, Korean Air remains committed to actively engaging in green procurement to cultivate a culture of sustainable consumption.

[Click for Green Procurement Guidelines](#)

Green Procurement Performance

(Unit: KRW million)



Classification of General Waste and Designated Waste

Type	General Waste	Designated Waste
Generated from	Paper, metal, plastic, etc.	Waste oil, waste paint, waste solvents, etc.
	Transportation services (passenger and cargo)	Aircraft maintenance and manufacturing

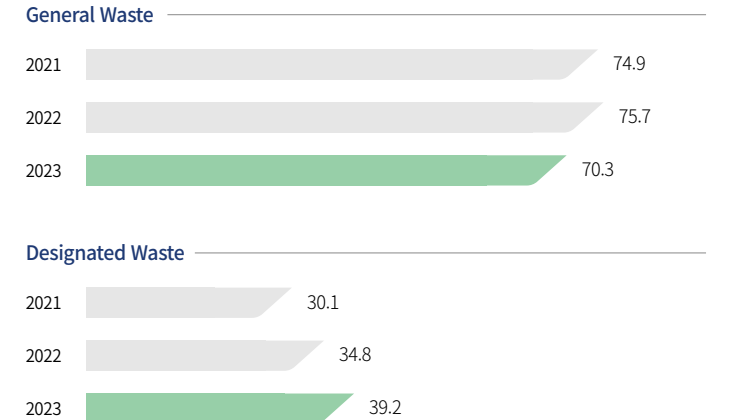
Waste Reduction and Recycling

Due to the nature of the aviation industry, a variety of waste is generated during aircraft maintenance, operation, and transportation services. Waste generated by Korean Air can be broadly categorized into general waste from transportation services and designated waste from aircraft maintenance and manufacturing processes. In 2023, while the waste recycling rate decreased by 3.9 percentage points compared to the previous year, reaching 68.2%, the volume of recycled waste increased by approximately 33% to 8,193 tons. This increase can be attributed to the significant year-on-year rise in waste volume due to increased passenger traffic and the challenge of recycling in-flight food waste contaminated with residues.

Amidst the ongoing increase in waste, Korean Air is actively involved in initiatives to address this issue. We are expanding our in-flight waste separation campaign, starting with pilot operations on select long-haul routes. We are also working to reduce the use of single-use plastics during transportation services and exploring the recycling of plastic waste as an alternative fuel in cement kilns instead of simply incinerating it. In 2023, we conducted practical waste management training for environmental personnel and established and monitored department-specific waste reduction targets to minimize our environmental impact.

Waste Recycling Rate

(Unit: %)



Total Waste



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Environmental Pollution Prevention

Potential risks that Korean Air's business operations may pose to local communities include chemical use, air and water pollution, aircraft noise, and biodiversity impacts. To mitigate these risks, Korean Air has implemented the following measures.

Hazardous Substance Management

During aircraft maintenance, specific chemicals designated by aircraft manufacturers must be used. Korean Air maintains consistent communication with manufacturers to mitigate hazardous factors.

Based on our internal chemical substance management system and guidelines, we meticulously handle Material Safety Data Sheets (MSDS) for products and manage information on chemical substance storage and usage at each business site, while strictly controlling the use of hazardous chemical substances. We continuously strive to replace them with environmentally friendly alternatives by establishing and applying procedures for reviewing alternative substances according to environmental management system standards.

Management of Air/Water Pollutants

Reliably Handle Contaminants | Korean Air operates six wastewater treatment facilities across five business sites in Seoul, Incheon, and Gimhae. At four of these sites, we have installed approximately 150 air pollution prevention facilities to treat water and air pollutants effectively. Despite increasingly stringent emission standards, the concentration of major pollutants discharged through these prevention facilities remains stable, at 9.1% for water and 10% for air, compared to legal limits. We remain committed to reducing pollutant emissions through ongoing investment efforts. Specifically, to address nitrogen oxide (NOx), a major contributor to fine dust, we will continue to maintain and operate low NOx burners* and use clean fuel (LNG).

* High-performance burners that increase combustion efficiency and significantly reduce nitrogen oxide (NOx) emissions.

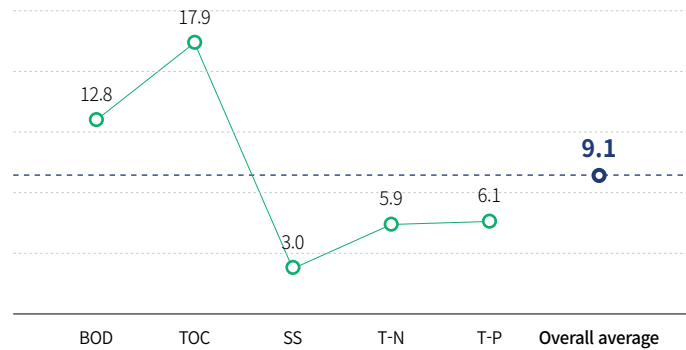
Systematic Water Management | As part of our environmental improvement initiatives, Korean Air has implemented plans to reduce water consumption by preventing unintended usage. This includes the replacement of all restroom faucets with automatic sensor faucets. Furthermore, Korean Air voluntarily installed wastewater treatment facilities in 1997, even before being subject to the Act on Promotion and Support of Water Reuse, demonstrating a commitment to water resource conservation. In 2014, wastewater treatment facilities were also established at the Singal Training Center. Wastewater undergoes treatment processes, such as sedimentation, filtration, and disinfection, enabling its reuse as toilet flushing water. Annually, over 19,000 tons of treated wastewater are produced, surpassing the legal requirement of 10% mandatory reuse by more than 16%.

Treated Wastewater Usage in 2023

Site	Singal Training Center	Headquarters
Treatment Capacity	150m ³ /day	400m ³ /day
Installation Date	September 2014	April 1997
Annual Treated Wastewater Production	672 tons	18,723 tons
Annual Water Consumption	4,212 tons	112,012 tons
Wastewater Reuse Rate	16%	17%

Water pollutant discharge levels compared to legal limits

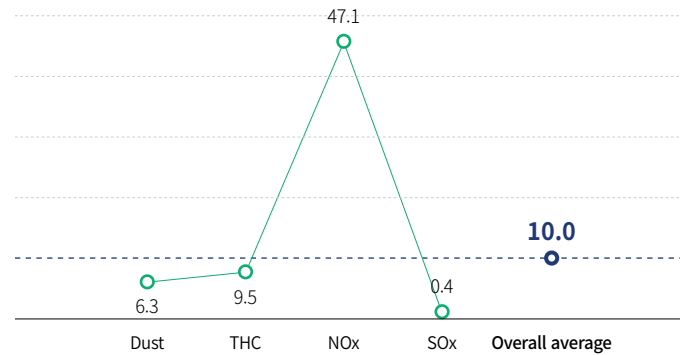
(Unit: %)



* Water pollutant discharge level = Pollutant discharge concentration ÷ Legal discharge limit × 100

Air pollutant discharge levels compared to legal limits

(Unit: %)



* Air emission concentration level = Pollutant emission concentration ÷ Legal emission limit × 100



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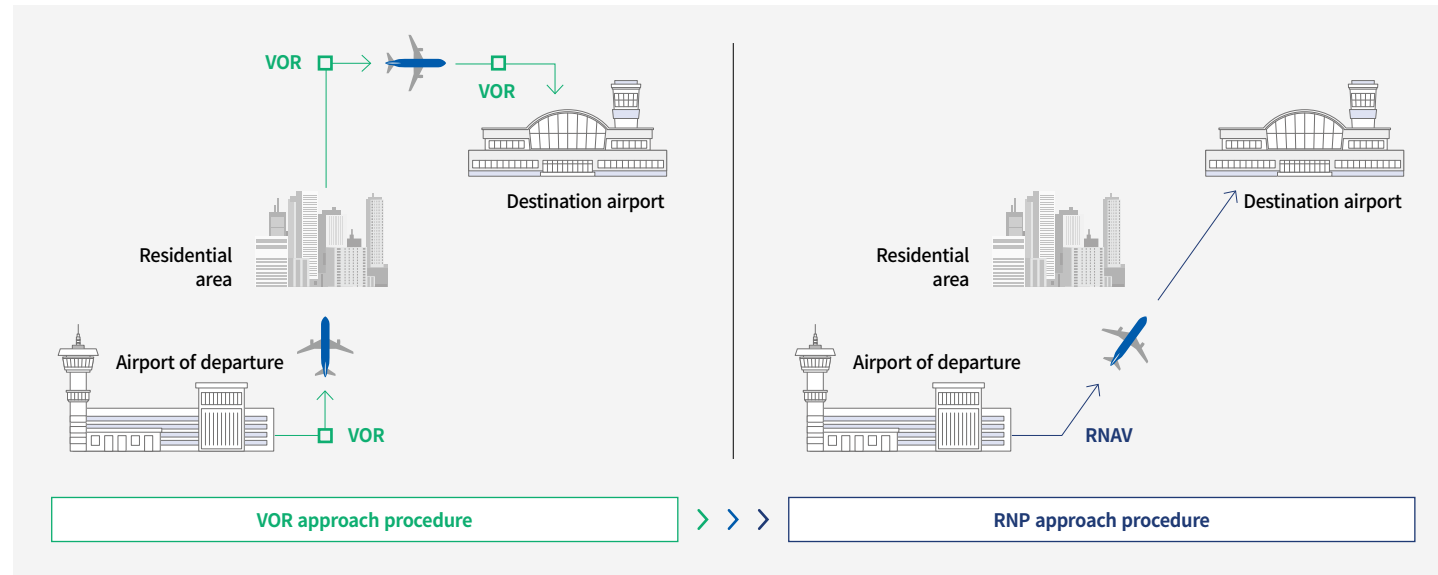
Noise Management

Korean Air has integrated noise reduction procedures into our operational regulations and aircraft-specific operating procedures to mitigate aircraft noise, implementing them during takeoff and landing. Additionally, we comply with noise reduction requirements mandated by airports in each country and adhere to the Noise Abatement Departure Procedure (NADP) and Continuous Descent Approach (CDA) established by the International Civil Aviation Organization (ICAO) based on operational conditions. With advancements in aviation technology, we actively embrace the transition from conventional VHF Omni-directional Range (VOR) navigation to Area Navigation (RNAV) utilizing GPS. Furthermore, we employ the Required Navigation Performance (RNP) approach procedure, which precisely manages flight routes to avoid noise-sensitive areas, thereby reducing aircraft noise impact on communities near airports. Korean Air endeavors to minimize noise damage by outfitting aircraft with advanced satellite navigation devices and wireless equipment. Through continuous introduction and operation of new aircraft models, Korean Air has further reduced noise emissions. The latest aircraft models, including the B787-9, B737-8, A220-300, and A321-NEO, have reduced noise by 50% compared to previous generations. Despite these efforts, for unavoidable noise emissions, Korean Air supports noise mitigation measures for residents near airports by faithfully paying noise charges as required.

Biodiversity Protection

Recognizing the role of air transportation companies in biodiversity conservation, Korean Air actively engages in global initiatives to safeguard biodiversity. To this end, we have incorporated regulations within our internal transportation policies that prohibit the air transport of protected animals and plants, rare species, primates, and endangered species. In 2023, we fortified our biodiversity conservation framework by establishing and publicly disclosing policies aimed at protecting biodiversity and preserving forests. Alongside 61 other airlines, Korean Air endorsed the Buckingham Palace Declaration in 2016 under the auspices of the International Air Transport Association (IATA). This declaration condemns the illicit trade of wildlife and associated products, stressing the imperative to combat the trafficking of endangered species. IATA actively engages in environmental conservation initiatives like the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the Reducing Opportunities for Unlawful Transport of Endangered Species (ROUTES) to advance biodiversity protection efforts.

RNP Approach Procedure for Minimizing Noise Damage



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Climate Change Response

Climate Change Response Strategy

Carbon Neutrality Strategy

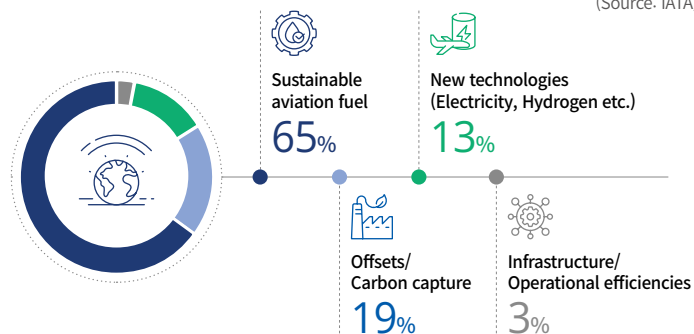
At the 2021 general assembly of the International Air Transport Association (IATA), where Korean Air is a member, a resolution was passed to achieve “net zero carbon emissions by 2050.” Subsequently, in October 2022, at the 41st International Civil Aviation Organization (ICAO) Assembly, member countries, including South Korea, agreed to collaborate in achieving the “net-zero 2050” target set by airlines. As a leading global airline, Korean Air is committed to supporting the aviation industry’s climate change mitigation goals. To achieve this, the company is implementing various reduction measures and actively collaborating with stakeholders such as governments, oil companies, and aircraft manufacturers to develop and utilize future reduction measures.

Key Carbon Reduction Measures

According to IATA, the international aviation industry needs to reduce cumulative carbon emissions by approximately 21.2Gt by 2050 to achieve carbon neutrality. Major reduction measures are expected to include the adoption of sustainable aviation fuel (SAF), new aircraft technologies and materials, improvements in infrastructure/operational efficiency, and the use of carbon offsetting and capture. It is estimated that about 65% of the aviation industry’s cumulative carbon emissions will need to be reduced through SAF, while new technologies such as electric and hydrogen aircraft are expected to contribute to a 13% reduction by 2050, considering the time required for their introduction. Given the significant role of sustainable aviation fuel in emissions reduction, Korean Air is actively promoting its domestic adoption through public-private cooperation.

Contribution to achieving Net Zero Carbon Emissions by 2050

(Source: IATA)



Management of Carbon Emissions in the Supply Chain

Apart from the greenhouse gas (GHG) emissions originating within our organizational boundaries, Korean Air actively identifies and works to reduce GHG emissions stemming from our business operations. We monitor and assess GHG emissions through supplier codes of conduct and environmental management policies to recommend strategies for emission reductions.

Monitoring GHG Emissions

Greenhouse gas emissions resulting from the use of Jet-A1 aviation fuel in aircraft operations account for approximately 99% of Korean Air’s combined Scope 1 and 2 emissions. Scope 3 emissions include GHG emissions from the production and transportation of purchased aviation fuel, emissions associated with the manufacturing of purchased aircraft and engines, and other indirect GHG emissions occurring outside our organizational boundaries, such as those from employee business travel and commuting. Korean Air is ramping up its efforts to manage both upstream and downstream Scope 3 emissions while also overseeing Scope 1 and Scope 2 GHG emissions from our owned, operated, and managed business activities using our internal EMS system.

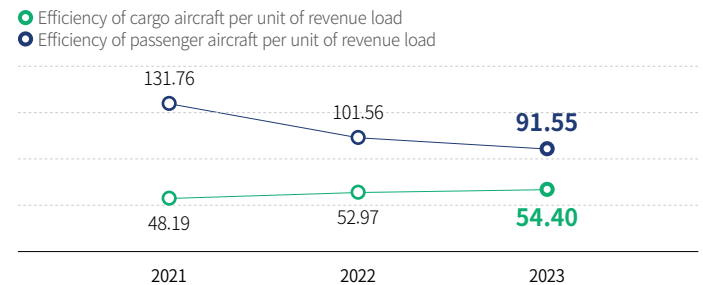
GHG Emissions Status over the Past 3 Years

(Unit: tCO₂eq)

Category	2021	2022	2023
Scope1 (Direct Emissions)	7,503,920	8,631,157	11,852,913
Scope2 (Indirect Emissions)	41,398	43,301	45,727
Scope3 (Other Indirect Emissions)	1,700,334	1,975,406	2,578,277
Total (S1+S2)	7,545,318	8,674,458	11,898,640
Total (S1+S2+S3)	9,245,652	10,649,864	14,476,917

Recent 3-Year Operational Efficiency

(Unit: kgCO₂/100RTK*)



* RTK (Revenue Ton Kilometer): This metric refers to the revenue earned for every 1 ton of passengers and cargo transported per kilometer, serving as an indicator of revenue traffic volume.

Responding to Carbon Regulations

ICAO CORSIA

Since its establishment in 2019, CORSIA, the world’s first global carbon regulation for the aviation sector, mandates airlines to offset any excess carbon emissions from the baseline year by purchasing corresponding carbon credits. Currently, the COVID-19 pandemic has led to a significant reduction in international flights, temporarily exempting airlines from emission offsetting obligations. Nevertheless, with the anticipated resurgence in global aviation demand and the reinforcement of regulations from 2024, Korean Air intends to offset carbon emissions through the acquisition of carbon credits. Korean Air has diligently reported carbon emissions from international flights to ICAO and the Ministry of Land, Infrastructure, and Transport since 2019. In addition, the passage of the International Aviation Carbon Act for CORSIA compliance by the National Assembly in February 2024 has laid the foundation for establishing a compliance framework in Korea.

EU Emissions Trading System (EU ETS)

Since 2012, Korean Air has been subject to the EU ETS, the European emissions trading system, for flights within the EU, fulfilling the obligation to report emissions and settle emissions allowances annually with EU authorities. With the integration of the Swiss ETS with the EU ETS since 2020, emissions from flights to Switzerland are now addressed under a unified approach. However, the UK’s departure from the EU led to the establishment of the UK ETS in 2021, a separate carbon emissions trading system for UK jurisdiction, affecting certain cargo flights operated by Korean Air departing from the UK to the European Economic Area (EEA). In compliance with relevant laws, Korean Air reports emissions and fulfills emission allowance settlement obligations for both the EU ETS and the UK ETS.

Korea Emissions Trading Scheme (K-ETS)

Aligned with Article 17 of the Kyoto Protocol, South Korea’s greenhouse gas emissions trading scheme assigns annual emissions permits to businesses emitting greenhouse gases within the allocated scope. This scheme evaluates actual GHG emissions and facilitates trading of surplus or deficient emissions permits among participating businesses, serving as a national mechanism for greenhouse gas reduction. Korean Air strives to reduce emissions through the introduction of new aircraft and facility improvements, ensuring compliance with government-allocated emission permits.

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Efforts to Reduce Greenhouse Gas

Fuel Efficient Aircraft

Currently, the most effective way to reduce greenhouse gas emissions in the aviation sector is by introducing high-efficiency aircraft. Korean Air maintains an average fleet age of 11.7 years, the lowest among Korean full-service carriers (FSC), through a proactive strategy of introducing new high-efficiency models. The recently acquired A220-300, A321-NEO, B787-9, and B737-8 are highly efficient aircraft that reduce carbon emissions per seat by 20-25% compared to equivalent models. The A220-300 and B787-9 are extensively used on domestic short-haul and international long-haul routes respectively, leading in low-carbon flights. Since December 2022, the A321-NEO has been operating on domestic routes. By 2030, Korean Air plans to introduce 143 new aircraft, including 50 A321-NEO, 10 B787-9, 20 B787-10, 30 B737-8, and 33 A350-900/1000. Additionally, older aircraft, such as six A330 and six B777-200ER, will be gradually phased out to modernize the fleet.

Operating a Fuel Management Organization

Aircraft fuel consumption not only accounts for over 30% of airline operating expenses but also has a significant environmental impact due to the proportional carbon emissions generated. Thus, establishing a balanced fuel loading plan and efficient consumption management are critical elements for the sustainable growth and environmentally friendly operations of airlines. Recognizing the importance of fuel loading and consumption management, Korean Air has been operating a fuel management organization since 2004. Drawing on over 20 years of accumulated experience in organizational/system operations and identifying and implementing various challenges

across different areas, we introduced an advanced fuel management system in April 2023. We also revamped the organic collaborative relationship among relevant departments to overcome the limitations of existing organizations/systems and established a virtuous cycle management system based on the voluntary participation and cooperation of all employees.

Korean Air's efforts to reduce fuel consumption and carbon emissions in practice can be observed across all sectors related to aircraft operations. From the flight preparation stage, accurate predictions of aircraft operational weight are made to minimize deviations in operational weight. Detailed analysis results of factors affecting aircraft safety are utilized to select the safest and most economical optimal alternate airports, thereby minimizing unnecessary additional fuel loading. During actual flight processes, various economic operational procedures are implemented at each operational stage to reduce fuel consumption while ensuring strict compliance with safety operational criteria, which are non-negotiable, thereby achieving environmentally friendly operations based on safe flight. Additionally, we are conducting maintenance tasks to improve aircraft performance, such as engine water wash, and tasks to minimize fuel consumption during ground standby through expanded use of ground power supply devices (GPS/GPU). Through these efforts, Korean Air achieved a reduction of approximately 257,000 tons of carbon emissions in 2023 alone. Korean Air is committed to advancing a range of initiatives under the motto "Efficient Fuel Management with Safety" and continuously uncovering hidden challenges. Furthermore, we will spare no effort in meeting the responsibilities demanded by society by fostering an environmentally conscious culture rooted in seamless collaboration across all sectors.

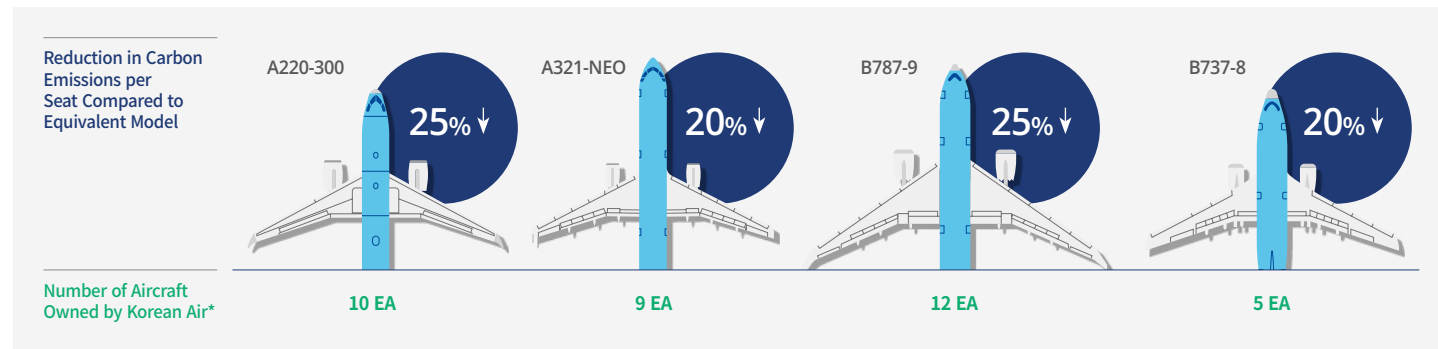
Sustainable Aviation Fuel (SAF)

Sustainable aviation fuel (SAF) is an alternative fuel derived from environmentally friendly sources such as waste cooking oil, agricultural byproducts, and waste, which can be blended with traditional aviation fuel. SAF can reduce carbon emissions by up to 80% compared to fossil fuel-based aviation fuel.

Currently, the use of sustainable aviation fuel accounts for only about 0.1% of global aviation fuel due to the lack of production facilities and supply chains. However, there has been a recent increase in policies and investment support for expanding the use of sustainable aviation fuel, particularly in Europe and the United States. Due to its higher cost, about 3 to 5 times that of conventional aviation fuel, and limited production capacity, sustainable aviation fuel requires institutional incentives and the development of production and refueling infrastructure. Nevertheless, compared to the United States and Europe, South Korea still lacks a sufficient foundation for adoption. To address this issue and promote the adoption of sustainable aviation fuel in the Korean aviation industry, Korean Air entered into a memorandum of understanding (MOU) with Hyundai Oilbank, a Korean oil company, in June 2021 to foster cooperation in establishing a foundation for sustainable aviation fuel production and usage. Under this agreement, the two companies have actively collaborated in establishing domestic production and usage bases, conducting market research, and engaging in research and development. Furthermore, to facilitate the introduction and use of new biofuels in the country, Korean Air has joined the government-led "Eco-friendly Biofuel Promotion Alliance" and successfully completed Korea's first operation with sustainable aviation fuel in 2023. We are also continuously engaging with various stakeholders, including the government, institutions, and industries. Korean Air is actively exploring the utilization of sustainable aviation fuel for flights departing from overseas airports where SAF supply is available. Since January 2022, Korean Air has been operating the regular Paris-Incheon route using sustainable aviation fuel, making it the first national flag carrier to do so.

Carbon Reduction Effects by New Aircraft Model

* As of January 31, 2024



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Development of Green Aviation Technology

Manufacturing of Fuel Efficient Aircraft Components

Leveraging our extensive expertise and technological maturity in aircraft component development and manufacturing, Korean Air actively engages in diverse projects aimed at designing and producing fuel efficient aircraft structures. Collaborating with Boeing and Airbus, we are jointly developing and manufacturing key structures for B787 and A350 aircraft using lightweight carbon composite materials to enhance fuel efficiency. Since 2019, in partnership with Airbus, we have been involved in the development of next-generation fuel efficient aircraft, successfully creating prototype wing structures using integrated composite technology.

R&D of Urban Air Mobility (UAM)

Urban air mobility (UAM) is globally gaining attention as a promising next-generation transportation solution, addressing urban traffic congestion and carbon emissions resulting from urbanization and population concentration. Korean Air is dedicated to unlocking urban airspace by integrating our extensive experience in aircraft operations as a global airline. We collaborate with various industry, academic, research, and government organizations to establish traffic management and operational control systems for urban air mobility. As the sole airline member of the national project, UAM Team Korea, Korean Air has published Korea's first UAM operational concept document and is actively engaged in various tasks related to urban air mobility. This includes technological development to ensure safe UAM operations through collaboration with specialized institutions and participation in government R&D projects. In February 2023, Korean Air, in collaboration with Incheon International

Airport Corporation, signed a memorandum of understanding with the Ministry of Land, Infrastructure and Transport, the Korea Aerospace Research Institute, and the Korea Institute of Aviation Safety Technology for the successful demonstration of integrated UAM operability in the K-UAM Grand Challenge. As a consortium member participating in the K-UAM Grand Challenge, Korean Air will conduct the first demonstration of integrated operability. Furthermore, in October 2023, Korean Air entered into a business agreement with the U.S. company Supernal to collaborate on establishing and commercializing UAM operations. Together, the two companies will work towards establishing the UAM operating ecosystem in Korea. Korean Air is currently contributing as a joint research entity in the development of the UAM surveillance information acquisition system, sponsored by the Ministry of Land, Infrastructure and Transport, and is actively developing operational control and simulation systems essential for UAM operations.

GHG Reduction Efforts in Cargo Sector

Operation of the Cargo SAF Cooperation Program

Since September 2023, Korean Air has been pioneering the Customer Participation SAF Cooperation Program, the first of its kind in Korea's air cargo sector. This initiative offers customers the opportunity to engage in SAF purchases and operates by sharing achievements in reducing carbon emissions through SAF usage. The program plays a pivotal role in broadening carbon emission reduction initiatives and engaging air cargo customers in the global aviation industry's sustainable transformation. We have consistently forged partnerships for SAF cooperation with global forwarding companies and collaborated with governmental bodies and oil refineries to spearhead climate change mitigation efforts through SAF utilization.

Eco-friendly Plastic Utilization in Cargo Packaging

To curb greenhouse gas emissions, Korean Air has been using sustainable packaging made from recycled materials since January 2021, incorporating 50% recycled content such as used plastic wraps and containers. Recycled plastic packaging maintains the same quality standards in terms of thickness, tensile strength, and durability as traditional cargo packaging, thereby ensuring both cargo safety and a reduction in plastic usage and carbon emissions. Moreover, we employ eco-friendly plastic for cargo packaging not only in Korea but also at select overseas locations. We collaborate with plastic packaging manufacturers to expand the scope of application and explore new related items as part of our ongoing efforts to reduce carbon emissions.

Carbon Emission Reduction through Lightweight Container Adoption

Since December 2020, Korean Air has been transitioning to lightweight cargo containers, which are approximately 60kg lighter than conventional ones. The use of lightweight containers for cargo loading and transportation decreases the overall aircraft load, leading to cost savings on fuel and reductions in carbon emissions. As of 2023, the proportion of lightweight containers among the total containers used has expanded to approximately 88%, resulting in an annual reduction in loaded weight of about 30,000 tons and a corresponding carbon emission reduction effect of 22,000 tons (tCO₂).

Mandatory Implementation of Electronic Air Waybill (e-AWB)

In September 2023, Korean Air mandated the use of electronic air waybills (e-AWB) to replace paper waybills required for air cargo transportation. e-AWBs are initially applied to outbound general cargo shipments from Korea to destinations such as North America, Europe, and Japan. Previously, inefficient procedures such as physical air waybill printing, document preparation, and counter visits for submission were necessary. With the e-AWB implementation, paper usage for waybill issuance has been reduced, and redundant business procedures have been streamlined, thereby enhancing operational efficiency.



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Improvement of In-flight Service Items

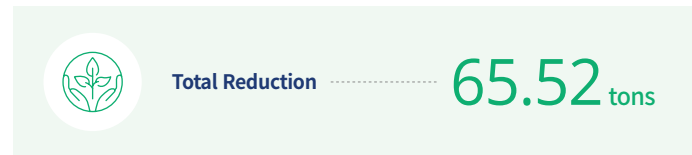
In addition to ensuring customer satisfaction, Korean Air is dedicated to delivering sustainable aviation services that contribute to environmental conservation by minimizing unnecessary resource waste and progressively reducing the usage of disposable items and plastics in in-flight service offerings.

Material Change for Disposable Cutlery

On short-haul routes with limited service durations, disposable plastic cutlery has been replaced with bamboo alternatives, renowned for their high moisture resistance and rigidity. As a sustainable material, Bamboo requires minimal water for growth and has negligible environmental impact post-harvest due to its rapid regrowth. Furthermore, plastic packaging has been substituted with craft paper, resulting in an annual reduction of over 65 tons of plastic usage based on 2019 figures.

▶ **Plastic Reduction (Including tableware and packaging materials)**

Category	Plastic Reduction Weight per Unit (g)	Usage in 2019 (pieces)*	Plastic Reduction (tons)
Set A	4	1,112,635	4.45
Set B	9	1,931,670	17.39
Set C	14	2,031,162	28.44
Kids' sets	21	702,726	14.76
Toddler sets	8	61,000	0.49



* 2019 usage: Plastic reduction is calculated based on 100% business volume, prior to the COVID-19 pandemic.

Material Change for Cocktail Napkins

Cocktail napkins are a common item used in various settings, including dining and beverage services during flights, with significant potential for improvement due to their frequent use. We have transitioned from bleached pulp to unbleached bamboo material for napkins. This transition eliminates the bleaching process for pulp, reducing the unnecessary use of chemical agents and promoting the use of recycled pulp.

Other GHG Reduction Efforts

Upcycling of Old Aircraft Life Jackets

Korean Air continues its upcycling efforts using retired aircraft and aged materials. In February 2023, we repurposed old aircraft life jackets to create upcycled pouches. All manufacturing processes took place in factories powered by 100% solar energy, and environmentally friendly detergents were used during laundering to minimize environmental pollution. Furthermore, Korean Air leads in environmental protection by practicing ESG management through various upcycling projects. These include launching unique name tags and golf ball markers from retired aircraft fuselages and introducing tote bags made from old life jackets. Korean Air plans to continue these activities, promoting the value of upcycling through expanded ESG marketing efforts in the future.



SkyTeam's Sustainable Flight

As a member of the global airline alliance SkyTeam, Korean Air participates in "The Sustainable Flight Challenge" to address the climate crisis in the aviation industry. This event encourages participating airlines to explore, experiment, and share innovations and solutions for greener travel to achieve collective sustainable development. It fosters friendly competition by recognizing airlines for exemplary initiatives. Since its inception in 2022, the challenge has expanded to include participation from airlines beyond SkyTeam members in 2023. Following our participation in the first challenge with flight KE035 (Incheon to Atlanta), Korean Air again joined with flights KE085 (Incheon to New York) and KE086 (New York to Incheon) in the second challenge. We engaged in various activities promoting sustainable flights, including optimizing flight routes for minimal fuel consumption, implementing in-flight waste separation, producing upcycled in-flight slippers, offering eco-friendly bamboo toothbrushes, and serving vegetarian sandwiches. As a result, Korean Air was awarded in the "Greatest CO₂ Reduction - Long-Haul Routes" category. Additionally, the 530 passengers on these flights actively participated in in-flight waste separation, demonstrating strong support for Korean Air's environmental efforts and heightened awareness of climate crisis mitigation. Korean Air remains committed to spearheading diverse initiatives for sustainable flights as part of our ongoing efforts to combat the climate crisis.



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Climate-Related Risks and Opportunities

Korean Air identifies short-term, mid-term, and long-term risks and opportunities resulting from climate change impacts associated with its air transport and aerospace businesses as follows.

Key Climate Change Issues

■ Risk Factors ■ Opportunity Factors

Transition Risks / Opportunities

Category	Details	Expected Impact and Management Measures	Impact Period
Carbon Regulations	<ul style="list-style-type: none"> Strengthened carbon regulations and rising carbon credit prices, resulting in increased costs for purchasing carbon credits Korean Air currently adheres to K-ETS, ICAO CORSIA, EU ETS, and others. <p><small>* For more information, refer to page 35 of the report, "Responding to Carbon Regulations."</small></p>	<ul style="list-style-type: none"> ETS: During the first settlement phase (2015-2017), we procured approximately KRW 6 billion worth of carbon credits. Subsequently, through the adoption of high-efficiency aircraft and energy-efficient facilities, we have minimized our reliance on carbon credit purchases. ICAO CORSIA: With international flight operations returning to pre-COVID-19 levels in 2023, the obligation to offset emissions under CORSIA is expected from 2024 onwards, requiring strategies for carbon credit procurement and regulatory compliance. Minimizing carbon credit procurement costs through active GHG reduction activities. 	Short-term / Mid-term
Energy Transition	<ul style="list-style-type: none"> Heightened climate policies in Europe have led to the implementation of a sustainable aviation fuel (SAF) blending mandate at some European airports. Expanded usage of SAF, a primary method for reducing carbon emissions in the aviation industry. 	<ul style="list-style-type: none"> Potential rise in operational expenses due to mandatory blending regulations for SAF, which is more expensive than conventional jet fuel Decreasing carbon credit expenses by achieving emissions cuts through SAF utilization Building a framework for widespread adoption of SAF in Korea and fostering the stability of medium to long-term SAF supply through active collaboration with relevant ministries and oil companies 	Short-term / Mid-term
Consumer Behavior	<ul style="list-style-type: none"> Amid the growing trend of environmentally conscious consumption, corporate strategies for climate change adaptation influence consumer choices. Aircraft produces higher carbon emissions compared to other modes of transportation, prompting movements like "Flight Shame" in regions such as Europe. 	<ul style="list-style-type: none"> Devising strategies and broadening communication channels to meet the demand for environmentally conscious consumption 	Mid-term
Green Technology	<ul style="list-style-type: none"> Given the aviation industry's challenge in achieving carbon neutrality, carbon reduction primarily relies on the adoption of green technologies. Development of green technologies in aviation, including high-efficiency aircraft, hydrogen/electric aircraft, and carbon capture, entails long development periods and substantial investment costs. 	<ul style="list-style-type: none"> Leveraging Korean Air's expertise in aircraft component development, production, and aviation technology research as catalysts for future growth Increased funding opportunities for the introduction of fuel efficient aircraft and the development of related technologies in line with the expansion of green finance policies in Korea 	Long-term
External Evaluation	<ul style="list-style-type: none"> With an emphasis on ESG management, corporate ESG assessment results influence investor decisions. 	<ul style="list-style-type: none"> Operation of a systematic environmental management system and transparent disclosure of climate change-related information Receiving an A rating in the environmental sector from the Korea Corporate Governance Service (KCGS) ESG assessment for four consecutive years, along with a B rating in the 2023 Carbon Disclosure Program (CDP) 	Short-term

Physical Risks

Category	Details	Expected Impact and Management Measures	Impact Period
Natural Disasters such as Typhoons	<ul style="list-style-type: none"> The rise in natural disasters like typhoons and heavy snowfalls due to climate change impacts flight operations 	<ul style="list-style-type: none"> Weather-induced flight disruptions, cancellations, etc., directly affect airline revenue. Establishing a specialized aviation weather expert group to collect and analyze abnormal flight data for informed flight decisions 	Short-term / Mid-term
Extreme Weather such as Rising Temperatures	<ul style="list-style-type: none"> Changes in air density caused by rising temperatures affect aircraft performance 	<ul style="list-style-type: none"> Rising air temperatures influence factors like takeoff weight restrictions, resulting in increased airline operational costs Managing risks through the collection and analysis of related flight data 	Long-term

Impact Period

Short-Term	Mid-Term	Long-Term
Issues that may immediately impact the company, such as environmental accidents	Issues that may impact the company within several years, such as regulations and media exposure	Issues that may impact the company over the long term, such as energy transition and abnormal climate conditions
Within 3 years	3 to 10 years	10 years and beyond

Climate-Related Risk Management Procedures

The Environmental Management System (EMS) team, overseeing operations at our general headquarters, aircraft maintenance, and aerospace business divisions, regularly detects and identifies risks associated with climate change. Subsequently, the EMS team collaborates with the ESG Secretariat to conduct a comprehensive analysis and assessment of these identified risks. While the EMS team, comprising environmental experts, conducts in-depth evaluations, the ESG Secretariat, consisting of in-house experts in environment, society, finance, and management, reviews ESG risk factors from diverse perspectives and reports the findings to the ESG Committee. Risks that may impact the company's finances and business strategies are discussed within the ESG Committee, which is made up entirely of independent directors under the Board of Directors. The ESG Committee assumes the responsibility for decision-making and strategy formulation concerning the assessment and management of climate-related risks.

Resilience to Climate Change Scenarios

Korean Air adheres to various carbon regulations both domestically and internationally, applying different scenarios for predicting carbon costs based on the types of carbon credits used and trading market trends in each regulation. For the International Civil Aviation Organization's Carbon Offset and Reduction Scheme for International Aviation (ICAO CORSIA), Korean Air estimates the costs of offsetting emission allowances until 2035 by using emission permit prices based on International Energy Agency (IEA) standards. The procurement costs of allocated emission allowances under K-ETS, EU ETS, and UK ETS are projected based on trading prices and regulatory trends in each emission allowance market.

For medium to long-term forecasts such as the demand, price, and usage of SAF, a major carbon reduction method in the aviation industry, Korean Air relies on global aviation demand and SAF commercialization scenarios presented by the International Civil Aviation Organization (ICAO) under the United Nations. Korean Air utilizes these internal predictions of carbon costs for internal decision-making and financial management related to climate change.

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The 27th Korean Air Travel Photo Contest
General Category Honorable Mention
Park Tae-wan | Walk in the Pine Forest



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Human Rights Management

Human Resource Policies Respecting Human Rights and Diversity

Korean Air upholds its social responsibility across all business activities and pursues human rights management that prioritizes human dignity and value. Adhering to internationally recognized human rights norms such as the Universal Declaration of Human Rights (UDHR), International Covenant on Economic, Social and Cultural Rights (ICESCR), International Covenant on Civil and Political Rights (ICCPR), United Nations Guiding Principles on Business and Human Rights (UNGPs), UN Global Compact, International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises, Korean Air strictly prohibits forced labor, child labor, and wage exploitation. We respect workers' rights to rest and leisure and comply with regulations regarding working hours and overtime. We provide equal opportunities for all employees and applicants in every aspect of personnel management, including recruitment, assignment, evaluation, and compensation, and vehemently oppose all forms of discrimination, harassment, sexual harassment, inappropriate behavior, or retaliation based on gender (including

▾ **Human Rights Risk Analysis**

	Short-term (0-3 years)	Medium to long-term (3+ years)
External Issues	Promotion of job/performance-based wage system reform as part of the Ministry of Employment and Labor's labor reform initiative	Decline in the labor force
Opportunities for Korean Air	Boosting employee motivation by transitioning to a job/performance-based compensation system	Enhanced operational efficiency through the adoption of new technologies and process automation
Risks for Korean Air	Challenges in reaching consensus among diverse employees/stakeholders and potential conflicts between different job roles/generations	Long-term sustainability of business operations potentially threatened by a shortage of young workers resulting from the decline in the labor force

pregnancy), age, nationality, region, race, ethnicity, skin color, religion, sexual orientation, disability, educational background, union membership, or any other personal characteristics. Furthermore, we actively champion diversity policies and have been supporting athletes with disabilities through the Disabled Athletes Team since 2022, enabling them to focus on their training. Korean Air will persist in conducting business practices that embody the principles of human rights, diversity, and inclusivity. We are committed to fostering a safe and healthy working environment for our employees, as reflected in our human rights policy established in 2023.

[Click for Human Rights Policy](#)

Human Rights Risk Management

Korean Air regularly assesses and examines the substantive and potential impacts on key areas of human rights resulting from our business activities. Our efforts include the following:
 We conduct human rights impact assessments for major domestic and overseas business sites, as well as new business locations resulting from mergers and acquisitions. If human rights-related risks are identified, we conduct human rights due diligence to analyze the situation and develop improvement measures. We extend our human rights due diligence procedures to suppliers, leveraging our internal management processes and systems. Korean Air actively supports its subsidiaries and suppliers in managing human rights risks by ensuring they not only implement post-incident measures but also proactively address potential human rights impacts.

	Short-term (0-3 years)	Medium to long-term (3+ years)
Internal Issues	Integration of Asiana Airlines	Aging workforce
Positive Impact on External Parties	Increased profitability and customer service improvements through enhanced global competitiveness and increased investment	Improved proficiency contributes to enhanced safety maintenance and flight operations
Negative Impact on External Parties	Increased exposure to human rights-related risks due to the expanded scope of supply chain responsibility	None

Operation of Dedicated Channels for Upholding Employee Rights

Korean Air designates specialized personnel for sexual harassment and bullying counseling to assist in resolving any challenges employees may face during their work. To tackle incidents of workplace sexual harassment and bullying, Korean Air operates an internal counseling and reporting channel (sh_report@koreanair.com) dedicated exclusively to addressing these issues. Throughout all procedures, priority is given to protecting the victim, ensuring the confidentiality of reporters or affected employees, and implementing measures to prevent any further harm. Additionally, Korean Air operates a separate HR counseling channel (selipinfo@koreanair.com) to address employees' HR-related grievances and personal inquiries. Upon receiving such grievances or inquiries, necessary actions are taken after verifying the facts, and the outcomes are communicated to the complainant. Korean Air remains steadfast in its commitment to fostering a bright and transparent workplace where the rights of all employees are upheld.

Employee Rights Training

Creating a Bright and Transparent Work Environment

Korean Air is committed to fostering healthy relationships among employees and adhering to relevant regulations. To prevent incidents of sexual harassment, discrimination, and workplace bullying, and to promote a correct understanding of these issues, we conduct annual training sessions titled "Creating a Bright and Transparent Work Environment." For employees unable to attend due to circumstances such as leave, the training materials are uploaded to the company's internal online HR system for convenient access at any time.

Increasing Awareness of Employees with Disabilities in the Workplace

As part of our human rights education, Korean Air conducts annual training sessions titled "Increasing Awareness of Employees with Disabilities in the Workplace" for all employees. The content, developed by in-house trainers who have completed training courses provided by the Korea Employment Agency for Persons with Disabilities, is made available on the company's internal online training platform for employees to access at their convenience.

▾ **Employee Rights Training Performance in 2023**

Category	Completed Participants (Rate)	Total Training Hours
Creating a Bright and Transparent Work Environment*	17,933 employees (100% completion)	17,933 hours
Increasing Awareness of Employees with Disabilities in the Workplace	17,692 employees (100% completion)	17,692 hours

* Based on domestic standards (Overseas training was conducted individually according to local laws and regulations)

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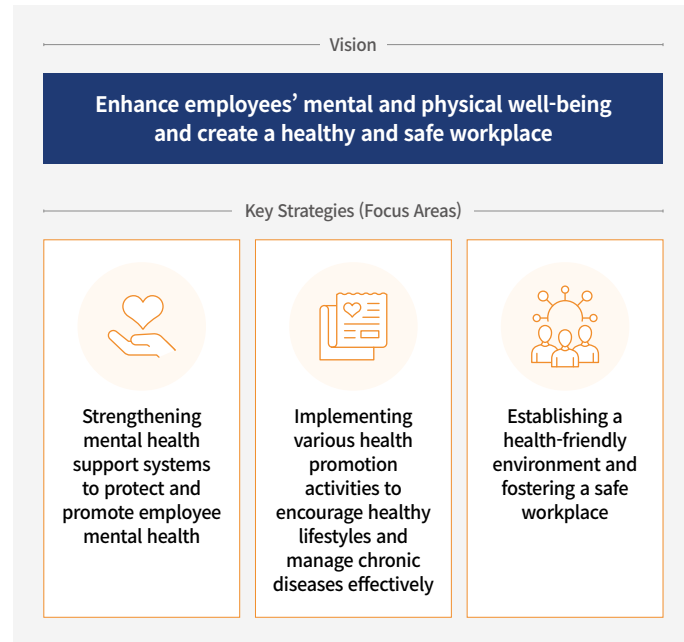
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Enhancing Employee Mental and Physical Health

In accordance with relevant laws such as the Occupational Safety and Health Act, the Serious Accidents Punishment Act, and the Aviation Safety Act, Korean Air prioritizes preventing occupational accidents and serious incidents among employees, while also engaging in various health initiatives aimed at disease prevention, health promotion, and safeguarding the right to health.

Since the onset of the COVID-19 pandemic, there has been a growing need for employee mental health management alongside increased corporate management responsibilities. Furthermore, with the return to normal operations, there has been a rise in work-related illnesses, coupled with relaxed national standards for recognizing occupational accidents leading to an uptick in work-related injury approvals. Given the rapid aging of the population in Korea, addressing individuals' declining health behaviors and indicators is also crucial. In response to these contemporary demands and environmental factors, Korean Air is implementing a range of health promotion activities.

Vision and Key Strategies for Health Promotion Activities in 2024



Strengthening Support for Employee Mental Health Protection and Promotion

Korean Air conducts mental health check-ups for all employees, empowering them to self-assess and manage their mental well-being. Individualized health information is provided alongside personal mental health check-up reports. For those identified as high-risk, specialized counseling by mental health professionals is available to proactively address psychological challenges.

Especially for flight crew members, Korean Air has established and operates an advanced mental health support system to ensure aviation safety. During annual physical examinations, we not only offer mental health counseling for flight crew members, addressing issues such as depression, anxiety, and insomnia, but also assess various aspects including problematic behaviors like alcohol and substance use. If necessary, we refer them to specialists for counseling. Led by in-house psychologists, we provide education on sleep hygiene and fatigue prevention methods to new flight crew members starting their duties, enabling them to adapt to jet lag and irregular sleep schedules. For experienced flight crew members, we educate them on stressors related to physical and psychological changes in midlife and explore self-management strategies for safe flight operations.

In addition, various participatory mental health programs are available for departments identified with high stress levels based on mental health check-up results. We plan to expand the Trauma Psychological Support Program, operational since 2018 for flight crew members who have experienced stress-inducing incidents during flights, to include all employees. This expansion aims to protect mental health and facilitate early recovery from various impactful incidents that employees may experience in the workplace. Moreover, at the in-house counseling clinic, Hue Clinic, two clinical psychologists provide psychological counseling, ensuring timely stress management while maintaining strict confidentiality.

Various Health Promotion Activities for Healthy Lifestyles and Chronic Disease Management

Physical Activities Enhancement Programs

The Aeromedical Center provides continuous motivational and personalized coaching to assist employees in setting and achieving personal step goals. In addition, biennial physical strength assessments and customized exercise plans are offered to prevent musculoskeletal disorders among cabin crew members, promoting regular physical activity.

Tailored Sleep Programs for Healthy Sleep and Fatigue Management

For employees on night shifts or rotating schedules, we employ a systematic approach to analyze the work environment and conduct basic surveys on individual sleep patterns to identify underlying causes of sleep issues and develop systematic management plans. Organizational-level preventive education is conducted to identify high-risk groups for sleep problems, providing physical and psychological health support and interventions. Flight and cabin crew members receive training on healthy sleep strategies and fatigue prevention methods, with flight crew members undergoing evaluations for sleep apnea.

Alcohol and Drug Testing to Ensure Aviation Safety

In compliance with the Aviation Safety Act, daily alcohol testing is conducted for all aviation personnel and cabin crew members prior to duty to ensure safe flight operations. Any employees found under the influence of alcohol are promptly removed from duty and provided with support for managing alcohol habits through medical examination and psychological counseling. Education and campaigns promoting alcohol abstinence are conducted for aviation personnel and cabin crew members to raise awareness of associated risks. Additionally, random drug testing is conducted to prevent drug misuse and emphasize proper medication use among aviation personnel and cabin crew members.

Strengthening Management of Chronic Diseases such as Cancer, and Cardiovascular Diseases

To address the rising incidence of cancer among younger age groups, screening for major cancers (stomach, colon, and lung) is extended to younger employees, while encouraging participation in national cancer screenings to minimize health impacts from early detection. Furthermore, to prevent cerebrovascular and cardiovascular diseases like cerebral hemorrhage and myocardial infarction, annual risk assessments are conducted for all employees, with active prevention and management measures implemented for high-risk and highest-risk groups. Flight crew members receive personalized education and health information tailored to their risk factors. Additionally, employees diagnosed with metabolic syndrome based on the previous year's examination results undergo nutritional evaluations to promote healthy dietary habits. Nutritional improvement programs, including personalized coaching by nutritionists, are also available for interested employees to foster healthier eating habits.

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**Creating a Health-Friendly Environment and a Safe Workplace
Strengthening Proactive Prevention and Management of Occupational Diseases**

In response to the increasing incidence of occupational diseases in Korea, particularly noise-induced hearing loss and high mortality rates from cardiovascular diseases, we are enhancing proactive prevention and management strategies. To prevent noise-induced hearing loss, we operate a hearing loss prevention program for employees working in noisy environments. This includes conducting comprehensive hearing tests across the full range of sounds and providing individualized follow-up care based on the results, along with preventive education on noise-induced hearing loss. Additionally, to prevent cardiovascular diseases among night shift workers, we focus on managing predisposing conditions such as hypertension, diabetes, and hyperlipidemia. We evaluate the working environment and the level of medical support in each department to create a healthy environment for disease management. Personalized counseling is provided based on evaluations of health management levels and treatment compliance of employees undergoing treatment, ensuring comprehensive care and support.

Building a Health-Friendly Environment

Korean Air offers personalized counseling and assistance from medical professionals, including doctors, specialized oncology nurses, clinical psychologists, exercise physiologists, and nutritionists, to aid employees returning to work after cancer treatment. This support aims to facilitate their reintegration into the workplace and restore their work capacities. Additionally, departmental health assessment reports are generated based on examination results, comparing and analyzing key indicators with company-wide and national averages to propose tailored health promotion strategies. For international employees at risk of inadequate medical coverage, the company provides comprehensive medical support, including extensive check-up services.

Strengthening On-Site Emergency Response Capabilities and Ensuring Workplace Safety

To ensure swift emergency responses within the critical time, Korean Air has equipped all workplaces with automated external defibrillators (AEDs) for immediate use during work-related emergencies, creating a safe work environment. Starting in 2023, the Aeromedical Center, accredited as a KBLS (Korean Basic Life Support) Site by the Korean Association of Cardiopulmonary Resuscitation (KACPR), has expanded CPR training, which was previously scaled down during the COVID-19 pandemic, to provide regular training on CPR and AED usage for all employees. This initiative aims to enhance employees' proficiency in responding to emergencies both in their daily routines and workplace settings. In addition, to mitigate the risk of cerebrovascular and cardiovascular diseases among employees, automatic blood pressure monitors are installed and operated in workplaces.

Mutually Beneficial Labor-Management Relations

Labor Union Membership Status

Korean Air upholds the constitutional and legal rights of workers, including the freedoms of association, collective bargaining, and collective action. As of December 2023, out of 14,530 employees eligible for union membership, 86%, or 12,503 employees, are registered members.

Labor-Management Council Performance

In 2023, labor and management held labor-management council meetings at least once every quarter to enhance mutual understanding and collaboration. These meetings involve reviewing agenda items, gathering input from relevant departments, and deliberating on their acceptance to seek ways to improve the welfare of union members and promote the sustainable growth of the company.

Current Membership Status

Category	Members	Non-Members	Total	Membership Percentage
General				
Korean Air Labor Union	10,221	1,550	11,771	87%
The Korean Public Service and Transport Workers' Union (KPTU)*	-	-	-	-
Flight Operations				
Korean Air Pilot Union	2,282	477	2,759	83%

* Due to the unavailability of KPTU membership data, only countable personnel are included in this report.



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Safety Management

Aviation Safety Management Governance

Korean Air has established a comprehensive safety management system and operates the Corporate Aviation Safety Strategy Department directly under the CEO's purview to ensure effective and organized safety management. The ultimate responsibility and authority for implementing and upholding the safety management system (SMS) and complying with AOC* regulations rest with the CEO. The Chief Safety Officer, who is head of the Corporate Aviation Safety Strategy Department, reports directly to the CEO. Appointed based on extensive safety management experience and relevant educational background, this executive plays a central role in implementing and maintaining the safety management system.

* AOC (Air Operator Certificate): Certification issued to an aircraft operator, validating its capability to commence operations through comprehensive assessments of personnel, equipment, facilities, and operational management support.

Korean Air Safety Policy

The safety policy serves as both an internal and external declaration, embodying the company's commitment to prioritizing safety and reflecting the philosophy and policy direction of top management. Aligned with the International Civil Aviation Organization (ICAO) Safety Management System

(SMS) framework, Korean Air reviews its safety policy at least annually to ensure its responsiveness to evolving requirements and operational environments. Any necessary revisions are subject to CEO approval. In line with Korean Air's steadfast commitment to safety as the foremost priority and the promotion of a fair culture, the company revised its safety policy in November 2023. The safety policy encompasses various implementation measures, including fostering of a fair culture to achieve safety objectives, performance monitoring, and the implementation of mitigation measures. It also includes proactive hazard identification and risk management to prevent potential risks, alongside the responsibilities and obligations of all employees for safety.

[Click for Safety Policy](#)

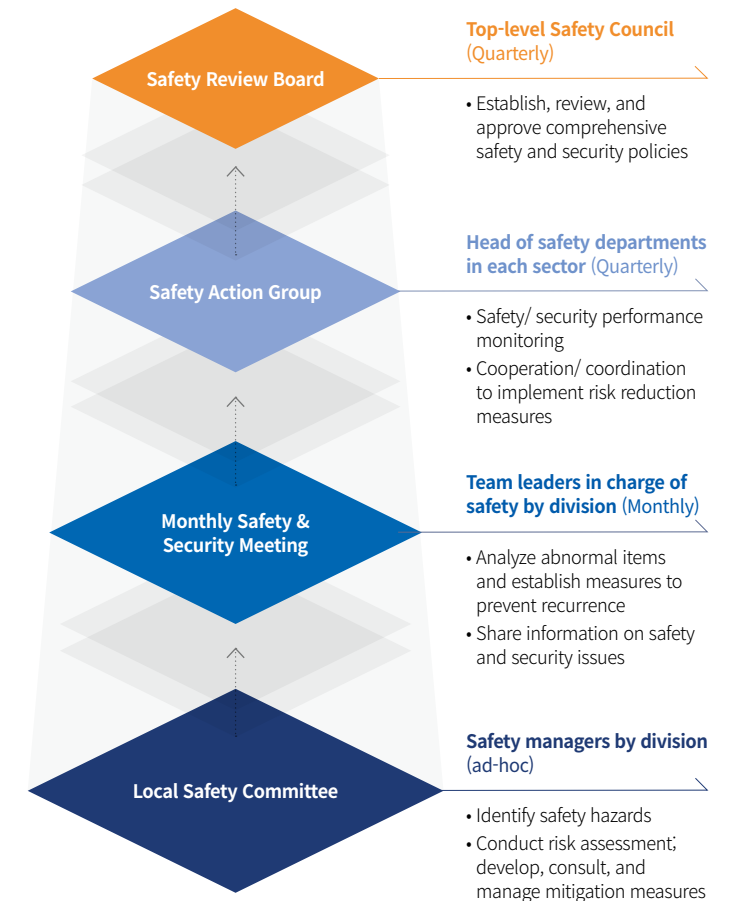
Safety Goal System

The safety goal system is established annually, encompassing safety objectives, performance indicators, performance goals, and alert thresholds, with consideration given to safety risks, environmental analyses, and safety requirements from internal and external entities, including regulatory bodies and equipment manufacturers. Periodic reviews of the safety goal system are conducted by safety councils, with final approval from the CEO. The Corporate Aviation Safety Strategy Department develops and executes safety management plans, incorporating detailed implementation strategies to achieve safety objectives. Safety performance monitoring includes assessing monthly goal achievements, analyzing occurrence trends, and tracking cumulative achievements and occurrences since January of the current year to evaluate the safety goal system's effectiveness and analyze safety trends.

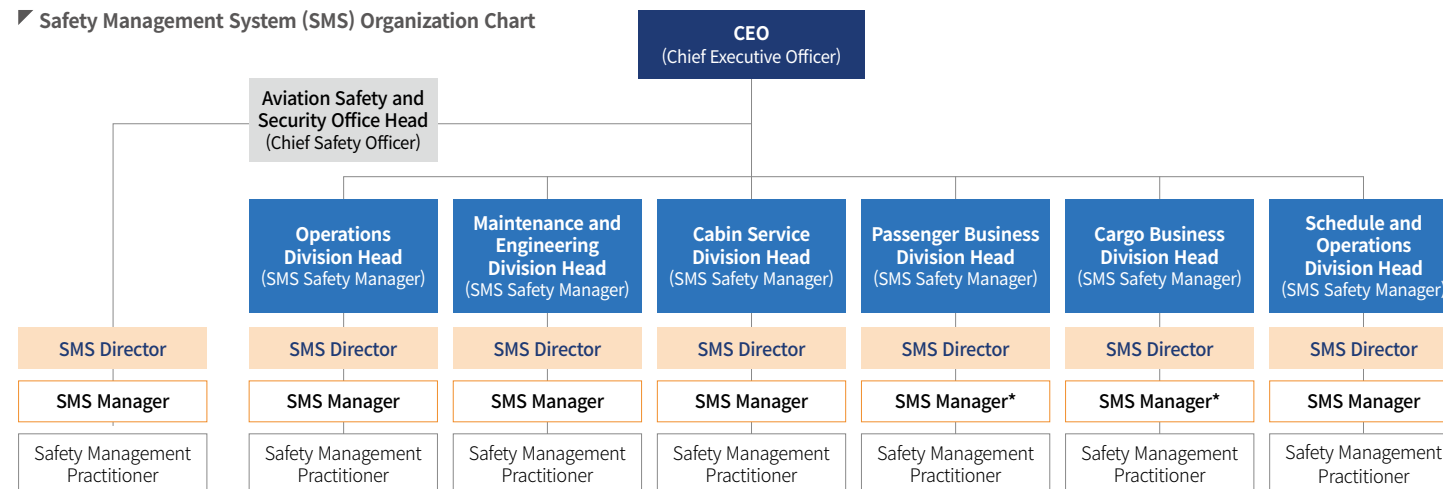
Operation of Safety Councils

In order to maintain an objective and transparent safety management system, Korean Air operates several safety councils. In 2023, a newly established Safety Action Group, led by the head of Aviation Safety and Security and comprising safety officers from six operational divisions, met quarterly. Additionally, the Safety Review Board, the company's foremost safety council, convened quarterly to enhance the safety management system and foster interdepartmental safety communication. Furthermore, the Safety Committee within the Board of Directors, operational since 2018, ensures consistent monitoring of safety activities and manages safety issues to uphold the highest standards of safety operations.

Safety Committee



Safety Management System (SMS) Organization Chart



* Airport Station Manager (Branch Manager): Fall under the SMS Manager category

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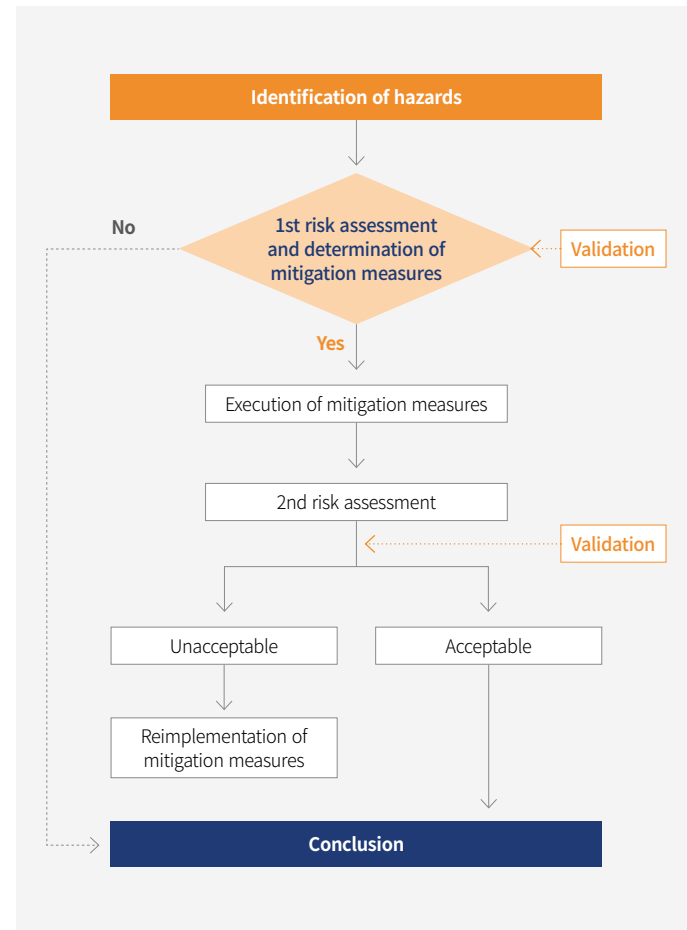
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Aviation Safety Risk Management System

Aviation Safety Risk Assessment

The Corporate Aviation Safety Strategy Department, along with all operational divisions, conducts risk assessments for factors that may impact safe operations, following the company's risk management procedures. Using the risk assessment matrix, we evaluate the probability and severity of potential occurrences and determine the level of risk mitigation measures after conducting safety risk assessments for the probability and severity of potential outcomes.

Risk Management Procedures



Risk Assessment Matrix

Risk assessments involve evaluating risk levels and determining acceptability based on the analysis of probability and severity. The assessment matrix is used to determine the risk level.

Risk Matrix

Category	Severity				
	A Very Severe	B Risk	C Significant	D Minor	E Very Minor
5 Very high	5A (25)	5B (23)	5C (20)	5D (16)	5E (11)
4 High	4A (24)	4B (21)	4C (17)	4D (12)	4E (7)
3 Moderate	3A (22)	3B (18)	3C (13)	3D (8)	3E (4)
2 Low	2A (19)	2B (14)	2C (9)	2D (5)	2E (2)
1 Very low	1A (15)	1B (10)	1C (6)	1D (3)	1E (1)

Risk Mitigation

Risk mitigation involves implementing measures to control and prevent factors identified as necessitating risk reduction during the risk assessment phase, with the aim of minimizing risks to the lowest level possible. Depending on the levels outlined in the risk assessment table below, decisions are made regarding risk elimination, risk avoidance, risk acceptance, and risk mitigation.

Risk Assessment Table

Risk Level	Mitigation Criteria	Reporting To
Low (1-7)	Risks are acceptable without implementing risk mitigation measures. • The implementation of risk mitigation measures is still considered.	Head of Aviation Safety and Security Office, operational division heads
Moderate (8-14)	Risks are acceptable with the implementation of mitigation measures. • After review, risks may still be acceptable without mitigation measures.	operational division heads
High (15-19)	Risks are acceptable with prompt implementation of mitigation measures.	Chief Executive Officer
Very High (20-25)	Risks are acceptable with prioritized mitigation measures. • Operations are suspended if mitigation measures cannot be implemented.	Chief Executive Officer

Sustaining Accident-Free Operations through Safety Management

In 2023, Korean Air achieved 23 consecutive years of accident-free operations, attributed to its ongoing implementation of data-driven safety management practices, resulting in zero fatalities.



Adoption of Wireless QAR (Quick Access Recorder)

As safety management increasingly relies on flight data for accident prevention and data-driven decision-making, Korean Air has outfitted both new and existing operational aircraft with Wireless QAR. This initiative aims to enhance the acquisition rate and rapid analysis of flight data. By the end of 2023, over 50% of our fleet has been equipped, with plans to further increase installation rates in 2024. The adoption of Wireless QAR addresses the issue of potential hazards being overlooked due to data loss, a challenge associated with the previous manual download method. Additionally, it reduces maintenance personnel's man-hours required for PCMCIA card replacement, thereby improving maintenance quality. Furthermore, swift acquisition and analysis of flight data in case of events contribute to ensuring safe operations and advancing aviation safety.

Establishment of Robotic Process Automation (RPA) System

Korean Air incorporates robotic technology into tasks that require significant manpower and involve repetitive actions to enhance operational efficiency. Recognizing the growing importance of flight data in aviation safety, predictive maintenance, and fuel management, Korean Air is establishing an RPA system to streamline the provision of flight data in this landscape.

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Efforts to Strengthen Safety Management

Establishing Aviation Security System and Enhancing Operational Efficiency

With the onset of the endemic period and the recovery of passenger demand, we are implementing proactive security measures to address increasing threats. To enhance our corporate security policy and strengthen our security management capabilities, we have integrated our internal security organization, improving security expertise and facilitating rapid decision-making and systematic responses to various security issues. By redefining the aviation security operational framework, we ensure on-site security quality and have streamlined cooperation channels with domestic and international investigative and intelligence agencies, establishing a specialized response system for security threats and emergencies. To bolster our company-wide response capabilities to threats, including aircraft bombing threats, we have expanded simulation training for such scenarios with domestic and international airport and call center staff. To enhance practical response capabilities against unlawful interference on board, we have expanded training using simulated dangerous items and conducted electronic stun gun deployment training for cabin crew, thereby enhancing the professionalism of in-flight security personnel. Meanwhile, mandatory security interviews for passengers traveling to the U.S. have been replaced with the Behavior Detection Program (BDP) to enhance security and operational efficiency. The new procedure, approved by the U.S. Transportation Security Administration (TSA) in May 2024, is expected to simplify the process and improve passenger convenience. Korean Air is actively developing operational systems capable of effectively addressing diversified aviation security threats, thereby concurrently enhancing security and operational efficiency, and contributing to the continual maintenance of the highest level of aviation security.

New Safety Management IT System Development and Strengthened Aviation Safety Risk Management

Korean Air operates critical safety management functions, such as safety report generation, quality inspection, and safety performance and indicator management, through a centralized integrated safety management platform powered by a cloud-based IT system. Adhering to company-wide standard risk management procedures, all divisions identify, analyze, and evaluate potential safety risk factors that may impact aircraft operations, and develop and execute measures to mitigate risks to as low as reasonably practicable (ALARP) levels. In 2023, we standardized the safety data classification system for integrated safety data management based on event types and potential consequences, and broadened the scope of safety data collection to include

12 items. We enhanced the systematic safety management function by reinforcing the selection and monitoring of top risks at both company and division levels through the implementation of the SMS Dashboard, a comprehensive risk analysis tool.

Operation of Safety Incentive Program

Initiated in January 1996, the Safety Incentive Program aims to continuously enhance safety and security excellence by fostering voluntary employee engagement. Operating in consecutive 12-month cycles, each new cycle begins if the previous cycle's goals are achieved or missed. In 2023, the 32nd Safety Incentive Program ran from January to December, with safety incentives awarded to employees upon goal attainment.

Safety Education and Training for Employees and External Suppliers

Regular Safety Management System (SMS) online education is provided for all employees, alongside specialized safety training for new employees and employees stationed overseas. In 2023, we conducted tailored "Safety Management System (SMS) Training by Division" sessions and distributed Korean Air SMS educational materials to external suppliers to raise safety management awareness. To enhance the practical skills of our dedicated SMS team, we planned SMS in-company training through an external professional agency for 2024. This included an SMS Executive Session for safety executives in March 2024 and an SMS Advanced Training Session for safety managers in April 2024.

Station Safety Excellence Program

Implemented since 2023, the Station Safety Excellence Program promotes voluntary prevention efforts for ground safety at overseas airport stations. Recognizing and rewarding exemplary stations for their proactive accident prevention initiatives, this program has significantly enhanced accident prevention activities and fostered a positive safety culture throughout the organization.

Operation of IATA Fuel Quality Pool (IFQP)

IFQP is an IATA program designed to oversee aviation fuel quality and safety operations at all aircraft-serving airports. Since joining in 2007, Korean Air has actively conducted inspection activities and complied with various international fuel safety inspection standards, such as the IATA Operational Safety Audit (IOSA) and the U.S. Department of Defense (DoD) safety inspection, to ensure systematic and standardized aviation fuel quality and safety.

Third-Party Verification and Safety Certification Program for Safety Management System (SMS)

The Ministry of Land, Infrastructure and Transport conducts annual assessments of aviation safety management maturity for airlines based in Korea. In 2023, Korean Air successfully passed with outstanding results. This evaluation confirmed that our safety reporting system operation, risk management procedures, safety performance and goal management, and safety management system (SMS) training meet both domestic and international requirements. Additionally, Korean Air's aviation SMS received recognition for its excellence in safety assessments conducted by the IATA Operational Safety Audit (IOSA) and the U.S. Department of Defense. Korean Air remains committed to continuously developing its aviation safety management system.

IATA Operational Safety Audit (IOSA)-Certified Airline

Korean Air was registered as an IOSA-certified airline in January 2005, meeting the safety standards of the 922 international safety criteria for the IATA Operational Safety Audit (IOSA) program. Since then, we have maintained our safety certification through renewal audits every two years. During the 10th renewal audit conducted in October 2023, Korean Air met all safety standards without any deficiencies, extending the registration validity period until January 21, 2026.



IOSA Certificate

U.S. Department of Defense Airlift Transportation Program Certified Airline

The U.S. Department of Defense (DoD) operates the Airlift Transportation Program, a safety certification program that classifies commercial airlines available for official business travel by U.S. personnel and soldiers. Every two years, the DoD conducts due diligence visits to airlines. Since 2001, Korean Air has been meeting the safety standards of the DoD under this program, and full compliance during the audit in July 2023 demonstrates Korean Air as a safe airline certified by the U.S. Department of Defense.



U.S. Department of Defense Airlift Transportation Program Certificate

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Response to In-Flight Medical Emergencies

The International Air Transport Association (IATA) projected a record-breaking 4.7 billion passengers to be transported by global airlines in 2024, surpassing the pre-COVID-19 annual air passenger count of 4.5 billion in 2019. With the surge in air travel, there has been a corresponding increase in sick passengers, and the aging demographic of travelers has led to a rise in seriously ill passengers. Korean Air has implemented the following support systems to address various in-flight medical emergencies.

Category	Details
Onboard Medical Equipment	<ul style="list-style-type: none"> Korean Air equips its aircraft with automated external defibrillators (AEDs), emergency medical kits, and first aid kits, in compliance with regulations set forth by ICAO, IATA, and the Korean Aviation Safety Act. Additional medical equipment and pharmaceuticals are stocked onboard to prepare for frequent emergency incidents.
Cabin Crew Training	<ul style="list-style-type: none"> Annual training sessions on case-specific emergency treatment and usage of in-flight medical equipment are conducted for all cabin crew members to prepare them for various emergency medical scenarios, including CPR.
Emergency Medical Call System	<ul style="list-style-type: none"> 24/7 medical consultation services are available in the event of medical emergencies.

Furthermore, we aim to enhance our response to potential in-flight medical emergencies by incorporating recent trends in passenger incidents and industry developments. We plan to strengthen our preparedness for the safe transport of passengers with anxiety disorders such as panic attacks by creating educational videos on effective in-flight management of panic attacks. We will also explore the implementation of a remote medical system to prevent in-flight medical emergency landings in severe cases. Additionally, considering the global rise in climate-related air turbulence, we will improve our in-flight emergency medical supplies to prepare for injuries resulting from turbulence. Through these measures, we will continually enhance our support system for in-flight medical emergencies.

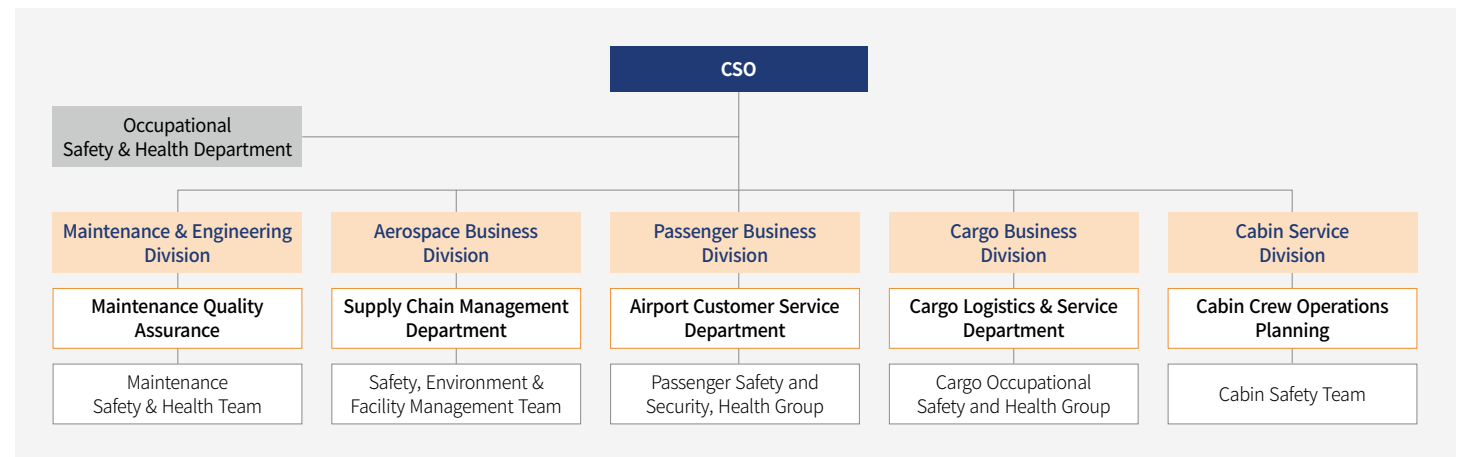
Infection Control Measures at the Aeromedical Center

Following the World Health Organization (WHO)'s declaration of the end of the COVID-19 Public Health Emergency of International Concern (PHEIC) in May 2023, the national infectious disease crisis level for COVID-19 in Korea was downgraded from "serious" to "caution" in June 2023, after three years and four months. From May of 2024, it was further reduced as the level downgraded once again to level 2, marking a gradual return to normalcy. Accordingly, Korean Air eased internal infection control measures in line with government guidelines and supported employees in resuming their daily routines through personal hygiene practices. With infectious disease outbreaks posing a continuous threat and the pandemic cycle shortening, along with their increasing impact, the importance of swift responses to new infectious diseases has grown. Therefore, Korean Air has restructured its response system in preparation for the next pandemic. Firstly, we transitioned to a continuous infection control system, monitoring infectious disease situations through major relevant agencies such as the Korea Disease Control and Prevention Agency (KDCA), WHO, and the U.S. Centers for Disease Control and Prevention (CDC), and providing employees with guidelines on major preventive measures in the event of new infectious disease outbreaks. We also conducted comprehensive inspections by offloading all protective gear, including full-body protective suits, goggles, and masks, which were stocked onboard to prepare for suspected COVID-19 cases during the pandemic

period. Furthermore, Korean Air implements respiratory infectious disease prevention management through annual seasonal influenza vaccinations for all employees. Additionally, in 2023, all employees received online education on "Understanding and Preventing Infectious Diseases." Korean Air will maintain a real-time response and continuous infection control system for infectious disease situations and proactively respond to infectious diseases based on our experience with the COVID-19 pandemic.

Occupational Safety and Health Management System

In line with government directives on occupational safety and health, Korean Air has appointed a Chief Safety & Operating Officer (CSO) to oversee the company's occupational safety and health management. Operating under the CSO, the Occupational Safety and Health Office ensures systematic and organizational management of safety and health protocols. Within key business sectors such as passengers, cargo, cabin, aerospace, and maintenance, we have appointed division heads with authority over personnel, budgets, and tasks as safety and health officers. This safety and health management organizational structure revolves around division heads, with safety managers and health managers handling pertinent responsibilities. Additionally, on-site supervisors are designated to oversee workers, while a safety and health responsibility director is tasked with managing the safety and health of supplier employees.



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Main Occupational Safety and Health Activities

Korean Air conducts biannual safety and health assurance inspections in compliance with the Serious Accidents Punishment Act to establish safe and healthy workplaces. Through risk assessments, workplace environment measurements, and surveys of harmful factors affecting the musculoskeletal system, we identify hazardous risk factors and actively engage in improvement activities, such as introducing musculoskeletal support devices and smart safety and health technologies. Additionally, we regularly conduct safety and health stakeholder workshops and recognize exemplary employees in occupational safety and health. Korean Air remains committed to achieving “zero serious accidents” by communicating with employees and cultivating a culture of voluntary safety behavior through field-centered activities. We intend to evaluate our safety and health management system through an external professional organization and maintain operations of the Occupational Safety and Health Committee, facilitating discussions between labor and management on safety and health matters.

Raising Safety Awareness among Employees of Korean Air and Suppliers

To enhance safety awareness among our employees and suppliers, Korean Air has organized various participatory safety culture activities. In commemoration of the inaugural Safety Day, we conducted the “Safety Together” campaign, reflecting Korean Air’s collective dedication to safety. Additionally, we launched the year-round “Safe Daily Life with Family” campaign to instill a culture of safety beyond the workplace and into everyday life. We held a “Safety Family Photo Contest” and a “KALMAN Exercise Video Contest” to promote natural safety habits among participants while reflecting on the significance of safety with their families. These safety culture activities were widely shared throughout the organization via videos featured in the Occupational Safety and Health (OSH) Newsletter and in-house promotional channels, fostering increased employee interest in safety and health matters. Furthermore, to raise awareness of heat-related illnesses

among outdoor workers, we organized a declaration ceremony for the adoption of the top three heatstroke prevention guidelines and implemented a “Heat-Related Illness Prevention Campaign,” distributing thermoregulatory functional products to 3,000 Korean Air and supplier employees.

Occupational Safety and Health Training

Korean Air conducts occupational safety and health training to enhance employees’ awareness of safety and health. Throughout the quarterly regular training sessions for employees in 2023, we covered various topics including the Occupational Safety and Health Act, industrial accident compensation insurance, risk assessment, cardiopulmonary resuscitation techniques, defibrillator usage, job stress prevention and management, occupational accident status and cases, proper dietary regimes, infectious disease prevention, workplace environment management, types and usage of safety and health protective equipment, and methods for preventing musculoskeletal disorders. We further developed the skills of safety and health personnel through specialized training courses, such as those aimed at nurturing experts in serious accident prevention and accident investigation, conducted by external educational institutions. In addition,

Occupational Safety and Health Training Performance

Category	Number of Participants (Completion Rate)	Total Training Hours
Occupational Safety and Health (Q1 Regular Employee Training)	15,496 (100%)	85,398 hours
Occupational Safety and Health (Q2 Regular Employee Training)	16,500 (100%)	91,335 hours
Occupational Safety and Health (Q3 Regular Employee Training)	17,029 (100%)	94,260 hours
Occupational Safety and Health (Q4 Regular Employee Training)	17,081 (100%)	95,586 hours

we produced and disseminated videos aimed at preventing safety accidents involving hazardous and dangerous machinery and equipment to enhance safety awareness among both our employees and supplier employees.

Risk Assessment

Korean Air is instituting a “self-regulatory prevention system” through risk assessment in alignment with the government’s evolving safety and health paradigm. To identify and address harmful and risky factors, we have established a dedicated risk assessment team, conducted training sessions, and identified approximately 13,000 significant and minor harmful elements through on-site inspections and employee feedback. Beginning with high-risk factors, we are implementing measures to reduce them to acceptable levels. Moreover, we are striving to facilitate easy dissemination of risk assessment information to relevant employees, employing methods such as QR codes. In 2023, we reinforced our prevention system by engaging in risk assessment consulting with an external professional organization. Additionally, we organized the 2nd Risk Assessment Best Practice Presentation Contest to award exemplary departments and disseminate best practices among employees, with evaluations conducted by the CSO and safety and health managers.



Risk Assessment Best Practice Presentation Contest



Safety and Health Stakeholder Workshop



Exemplary Employees in Occupational Safety and Health



Safety Day



Heat-Related Illness Prevention Campaign

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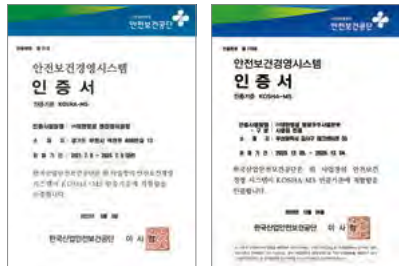
Safety and Health Management Regulations

Korean Air sets forth regulations concerning safety and health activities for all employees and supplier personnel. These regulations are regularly updated to align with changes in safety and health laws and regulations. In 2023, in accordance with the government's shift to the serious accident reduction roadmap system, we revised our risk assessment manual to incorporate amendments to the Ministry of Employment and Labor's ordinance. Furthermore, as part of our commitment to continuous safety and health management, we have established a Occupational Safety and Health Policy, which is applied to all stakeholders susceptible to safety and health risks. We make these regulations and policies readily accessible on the Occupational Safety and Health Bulletin Board and website, fostering awareness and adherence among all employees and stakeholders, thereby ensuring the safety and health of everyone at Korean Air.

[Click for Occupational Safety and Health Policy](#)

Safety and Health Management System

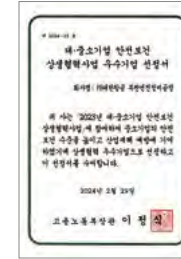
Among our domestic business sites, the Engine Maintenance Center in Bucheon and the Aerospace Business Division in Busan, both classified as manufacturing facilities, have obtained KOSHA-MS certification and operate safety and health management systems. KOSHA-MS, established by the Korea Occupational Safety and Health Agency (KOSHA), is a national standard for safety and health management systems that aligns with ISO 45001, the international benchmark for safety and health certification. This certification signifies our voluntary commitment to systematically advance accident prevention measures through the P-S-D-C-A cycle: declaring safety and health policies, planning and establishing action plans (Plan), providing necessary resources (Support), implementing and executing (Do), checking progress (Check), and reviewing results to take corrective action (Action). Korean Air initially obtained a three-year certification period with the KOSHA-MS accreditation and has consistently maintained and managed certification standards through annual post-certification audits and triennial renewal assessments.



Safety and Health Management System Certificates

Safety and Health Programs for Suppliers

Korean Air has implemented a range of programs aimed at increasing safety and health awareness in collaboration with its suppliers. The Engine Maintenance Center in Bucheon and the Aerospace Business Division in Busan actively participate in mutually beneficial cooperation programs. In 2023, concerted efforts were made to align with the government's roadmap for reducing serious accidents. This included laying the groundwork for obtaining certification for supplier risk assessment and fostering risk awareness through objective evaluations conducted by external experts. Notably, the Bucheon Engine Maintenance Center was recognized as an exemplary company for its cooperation for safety and health in 2023. Moreover, we conducted safety training sessions covering internal safety regulations, industrial accident case studies, and risk assessment methods for outsourced construction companies. This was done to enhance their capacity to prevent industrial accidents, especially among smaller-scale contractors.



Quality Management System

Korean Air has acquired certifications for KS Q 9100 and KDS 0050-9000, ensuring compliance with the quality management system standards of the global aviation market and reinforcing the foundation of the global competitive system.

Aerospace Quality Management System (KS Q 9100)

This standard, established by the Korea Aerospace Quality Group (KAQG) following deliberations by the Industrial Standards Council in accordance with the Industrial Standardization Act, is a Korean industry benchmark. It encompasses ISO 9001:2015 quality management system requirements and additionally defines specifications for the aerospace and defense sectors. This standard is mutually recognized with AS9100, an internationally recognized standard for aerospace Quality Management Systems. Korean Air obtained KS Q 9100 certification in 2019 (valid until August 1, 2024) to undertake activities such as the design, development, and manufacturing of aircraft parts, unmanned aerial vehicles, and launch vehicles, as well as maintenance, design, and development for the modification and performance enhancement of aircraft components and aircraft across all departments of the Aerospace Business Division.

Defense Quality Management System (KDS 0050-9000)

Certified by the Defense Agency for Technology and Quality, this standard empowers defense companies to establish effective defense product production systems, enhancing quality assurance capabilities and ensuring the reliability of defense products. In addition to incorporating ISO 9001:2015 and AS9100 quality management system requirements, it defines specific criteria tailored to the unique characteristics of defense products. Korean Air obtained KDS 0050-9000 certification in 1999 (valid until December 27, 2026) to engage in businesses such as the design, development, and manufacturing of unmanned aerial vehicles and aircraft parts across all departments of the Aerospace Business Division. We are committed to continuously ensuring customer satisfaction by expanding the certification's scope when acquiring and executing new projects.



KS Q 9100 Certificate



KDS 0050-9000 Certificate

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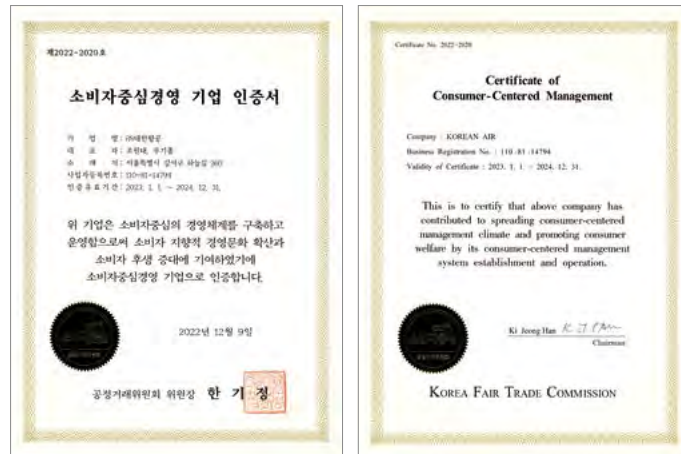
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Customer-Centered Management

Active Implementation of Consumer-Centered Management (CCM) System

Korean Air obtained the Consumer-Centered Management (CCM) certification evaluated by the Korea Consumer Agency and certified by the Fair Trade Commission in December 2020, becoming the first airline to attain this distinction, and successfully renewed it in December 2022. The CCM certification, mandated by the Framework Act on Consumers, evaluates a company's commitment to structuring and continually improving all its operations from a consumer-centered perspective. Korean Air earned the CCM certification in acknowledgment of its ongoing endeavors to enhance customer convenience across all business divisions, guided by the management philosophy of "Service Excellence," and its engagement in global social welfare initiatives.

Following the acquisition of the CCM certification, Korean Air has established a dedicated team to build the CCM framework, regularly operates a service improvement committee for systematic implementation of customer-centric management, and engaged in various initiatives, including the introduction of Net Promoter Score (NPS) to achieve service enhancements based on diverse and detailed consumer feedback. Korean Air remains committed to actively promoting consumer-centered management practices to enhance air travel convenience and consumer welfare.



Voice of Customer (VOC) Operations

Korean Air has made it a key management policy to incorporate customer feedback into its services and utilizes the Voice of Customer (VOC) to manage customer experiences and monitor service trends. With customer satisfaction and safety as our top priorities, Korean Air is committed to continuously innovating our services to meet the evolving demands of our customers.

Service Improvements Based on VOC Feedback

Introduction of In-Flight Internet Service

Starting from June 2023, Korean Air introduced in-flight Wi-Fi service on international routes, with plans to gradually expand this service to more aircraft types and routes. Customers can choose between "Internet" and "Messaging" plans. The Internet plan allows for web browsing, email access, video streaming (up to 480p), and music streaming, while the Messaging plan enables the use of chat apps such as KakaoTalk, LINE, and WhatsApp for text messaging. By offering in-flight internet service, Korean Air aims to broaden the customer experience in the sky.

Launch of Prestige Class In-Flight Meal Pre-Order Service

Starting in January 2023, Korean Air introduced a pre-order service for in-flight meals for Prestige Class customers on select international routes departing from Korea. Customers have the option to select their desired in-flight meals in advance via the website or mobile app, free of charge, from 60 days before the flight departure up to 24 hours before departure. Additionally, exclusive menu options are available for pre-order, with two to three additional selections offered for each meal serving time. This personalized pre-order system not only increases customer satisfaction but also contributes to environmental sustainability by reducing food waste.



Enhancement of Upper-Class Tea Service

Starting from June 2023, Korean Air upgraded the upper-class tea service on international routes by introducing the premium French brand, Dammann Frères. The tea menu was expanded to include a variety of black and herbal teas, totaling seven options. Particularly on First Class routes, the seven types of tea are served using teapots from the renowned British royal brand Wedgwood, offering a more distinguished premium service.

Development of Korean Vegan Menu

In response to the growing trend of vegetarianism and global interest in vegan cuisine, Korean Air has developed a Korean vegan menu. Inspired by traditional temple cuisine, this menu features a range of plant-based and seasonal ingredients to capture authentic flavors and simplicity. Menu items include burdock barley rice, mushroom nuggets, tangpyeongchae (mung bean jelly salad), plum tofu salad, and in upper classes, grilled soy sauce-marinated Chinese yam and ginkgo nut porridge. This menu has been available on all Korean departure international routes since March 2023.



Service Excellence Program

Our Service Excellence program recognizes and rewards employees who demonstrate exceptional service capabilities, contributing to overall customer satisfaction. It not only motivates our employees but also encourages the delivery of more fulfilling services to our valued customers. Since its inception in 2005, we have honored over 600 employees through this program. Recipients receive monetary rewards and gold badges, instilling a sense of pride as exemplary service representatives of Korean Air. Furthermore, we internally share these success stories to inspire all our employees.

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Award-winning Customer Service

Named Skytrax's 5-Star Airline for 2 Consecutive Years

Skytrax, a London-based aviation consulting and evaluation firm, annually assesses the overall service quality of global airlines, ranging from airport services such as check-in and lounges to in-flight services like meals, amenities, and cabin services, using professional judges as "mystery shoppers." They assign ratings from 1-Star to 5-Star, representing the highest service standards worldwide. Korean Air has consistently received high evaluations across all aspects of airline services, including upgrades in in-flight meals, wine, and audio/video on demand (AVOD) services, continuous fleet modernization through the introduction of next-generation aircraft, and improvements in customer services. As a result, Korean Air was named a 5-Star Airline by Skytrax Airline Ratings in 2020 (with assessments not conducted in 2021 and 2022 due to COVID-19) and maintained this highest rating in 2023.



Topping the Korean Standard-Service Quality Index (KS-SQI) for 2 Consecutive Years, the Global Customer Satisfaction Index (GCSI) for 19 Consecutive Years, and the National Customer Satisfaction Index (NCSI)

Korean Air maintained its leading position for two consecutive years in the airline (international routes) category of the H2 2023 Korean Standard-Service Quality Index (KS-SQI) survey conducted by the Korean Standards Association. Now in its 24th year, The KS-SQI is a comprehensive index jointly developed by the Korean Standards Association and the Seoul National University Institute of Management Research in 2000, evaluating customer satisfaction with the quality of products or services from Korean service companies. Korean Air received high ratings for its differentiated services catering to the growing demand for overseas travel post-COVID-19, particularly excelling in accuracy, professionalism, sincerity, friendliness, proactivity, convenience, and appearance, among eight dimensions, in comparison to competitors.



Moreover, Korean Air clinched the top spot in the airline passenger transport services category at the 2023 GCSI Awards hosted by the Global Management Association (GMA). GCSI evaluates customer satisfaction, global capabilities, and loyalty and selects the top companies annually. Korean Air has consistently held this position for 19 years, in recognition of its efforts in improving customer services through exceptional services and the introduction of next-generation fuel efficient aircraft. Furthermore, Korean Air led the National Customer Satisfaction Index (NCSI) survey conducted by the Korea Productivity Center in the full-service carriers (FSC) category. This survey assessed customers who had flown with the same FSC at least twice in the past six months, evaluating two national flag carriers and four foreign airlines. Korean Air received top marks for spearheading the resumption of flights on various routes, such as the new Incheon-Budapest route post-COVID-19, providing customers with more choices. Additionally, Korean Air's initiatives to enhance the customer experience, such as becoming the first Korean airline to introduce the A321NEO model with fully flat bed seats in the business class of small aircraft, garnered positive feedback.

Earning APEX's 5-Star Airline Status for 7 Consecutive Years

APEX, a non-profit aviation organization headquartered in New York, has been running an airline rating program since 2018, based on passenger feedback gathered through the Tript application. Feedback on seat comfort, cabin service, in-flight food and beverage, entertainment, Wi-Fi, and more is gathered from over 1 million flights operated by more than 600 airlines worldwide. These ratings undergo validation by professional auditing organizations. Korean Air has consistently been honored as a 5-star airline for seven consecutive years since the inception of the evaluation in 2018. This distinction is bestowed upon only a select group of carriers such as Air New Zealand, Cathay Pacific Airways, and Etihad Airways. Korean Air has garnered praise from customers for its distinctive services, including the Kosmo Suite 2.0 seats offering a comfortable in-flight experience, an extensive selection of in-flight entertainment content, meals prepared with seasonal ingredients, and premium wines.

Recipient of the Cargo Airline of the Year and Best Airline in North Asia Awards by AirlineRatings

Korean Air was honored with the Cargo Airline of the Year and Best Airline in North Asia awards at the 2023 Airline Excellence Awards organized by AirlineRatings, an Australian media outlet specializing in aviation and travel. Additionally, the company secured the fourth position in the World's Best Airlines for 2023 category. The Airline Excellence Awards evaluate safety and service comprehensively for over 440 airlines worldwide, recognizing outstanding achievements annually. Korean Air also received the Cargo Airline of the Year and the Excellence in Long Haul Travel - Asia awards in 2022. Geoffrey Thomas, the Editor-in-Chief of AirlineRatings, emphasized, "Korean Air's consistent success in receiving prestigious awards for consecutive years underscores its essential contribution to addressing the global cargo capacity shortage during the pandemic, along with its exceptional performance in improving passenger services." This acknowledgment from the global aviation industry highlights Korean Air's innovative approach in repurposing passenger aircraft into dedicated cargo planes to facilitate the transportation of goods amidst the maritime congestion caused by the COVID-19 pandemic.

Achieving the Triple Crown from Prominent U.S. Media Outlets, USA Today and Global Traveler

Korean Air claimed the top spot in the premium class, secured the second spot in in-flight cuisine, and attained the sixth place in cabin crew at the 2023 10 Best Readers' Awards hosted by USA Today, a leading daily newspaper in the United States. USA Today annually announces the top 10 rankings across various segments, including airlines, airports, accommodations, travel, and travel equipment, through online voting by its readers. Furthermore, Korean Air received first place recognition in three categories - Best Airline Cuisine, Best Airline for Business Class Seat Design, and Best Frequent-Flyer Award Redemption - at the 2023 Global Traveler Tested Awards organized by Global Traveler, a renowned travel magazine with 500,000 subscribers. Global Traveler conducts surveys among online and offline subscribers to determine the rankings for airlines in each category annually. The magazine is highly respected for its credibility, as it involves consumers who have firsthand experience with the services being evaluated.

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Consumer Rights Protection Policy

At Korean Air, safety and customer satisfaction are at the forefront of our values. We are dedicated to safeguarding consumer rights by establishing a dependable safety management system that instills trust in consumers and by delivering top-notch services that meet their satisfaction.

We have implemented a Safety Operation System to ensure that passengers can travel with peace of mind, knowing they are in the safest hands possible. Additionally, we have established an open safety reporting system accessible to all employees, allowing for the proactive establishment of preventive safety measures. Moreover, we have instituted a consumer-centered management system aimed at providing meticulous and distinctive services at every customer touchpoint, from the moment they choose Korean Air until the completion of their journey. As a leading and trusted airline, Korean Air is committed to upholding the following seven principles and goals to protect consumer rights.

[Click for Consumer Rights Protection Policy](#)



Customer-Centered Management Performance through NPS
Enhancing Customer Service through Net Promoter Score (NPS)

In 2021, Korean Air introduced the Net Promoter Score (NPS) survey, a metric for gauging customer experience. Now in its third year of implementation,

Korean Air has adopted an AI-powered NPS platform to efficiently manage increasing customer feedback as passenger demand rebounds from the pandemic. Through this platform, we identify and address customer concerns at each service touchpoint, striving for continuous improvement across the organization. For example, we have introduced a Bibimbap corner in Incheon Airport lounges and diversified food menus, enhanced customer guidance through KakaoTalk and the Korean Air app, and expanded beverage services on short-haul routes to Japan and China. Furthermore, to meet customer demands for enhanced in-flight entertainment, we utilize domestic and international ratings data to select in-flight movies and shows aligned with customer preferences and have begun providing original language subtitles for in-flight movies, similar to those available on streaming platforms. Korean Air set an NPS target of 58.0 for 2023 and adopted it as one of the executive performance evaluation indicators, underscoring the importance of customer service alongside operational and financial performance and absolute safety. Despite starting at 53.0 in the first quarter of 2023, Korean Air made consistent efforts throughout the year to achieve the NPS target, resulting in an annual NPS of 58.3, successfully meeting the goal. Korean Air remains committed to listening to customer feedback and maintaining a collaborative system for service improvement.

Sustainable Marketing and Advertising Policy

As part of our ESG policy, Korean Air has established a Sustainable Marketing and Advertising Policy to foster a wholesome advertising and marketing environment. Through this policy, we pledge to uphold ethical values by conducting marketing and advertising activities that cater to consumer needs while ensuring fairness.

[Click for Sustainable Marketing and Advertising Policy](#)

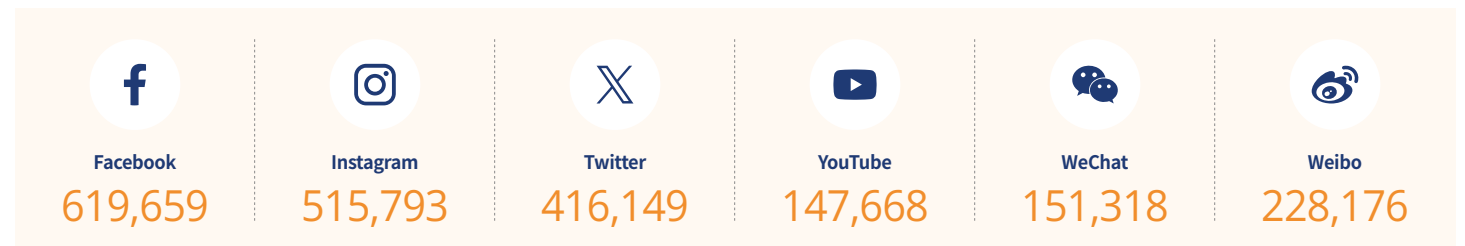
Social Media Communication

Korean Air pursues genuine and friendly interaction with customers across diverse social media platforms, both domestically and internationally, including Instagram, Facebook, and YouTube. On global channels aimed at an international audience, we curate content focused on enhancing our corporate image by introducing Korean Air destinations and transportation services. In addition to Korea, we are engaging in more personalized communication across overseas channels, including Japan and China, by delivering region-specific content. Additionally, to resonate with the global Gen Z demographic, we swiftly adapt to emerging online trends by launching new channels such as Tik Tok and Xiaohongshu, and strive to develop diverse and innovative content.

Expanding Mileage Redemption Options

Korean Air is broadening the options for redeeming mileage to offer customers greater ease and convenience in using their accrued mileage. In our efforts to streamline the use of bonus airline tickets, we have increased the availability of mileage seats and introduced the Cash and Miles service, enabling customers to cover up to 30% of their airfare using mileage. Additionally, our Bonus Hot Picks service provides discounted mileage deductions for bonus airline tickets, enhancing the benefits of mileage usage. Expanding our network of partnerships, we now facilitate mileage redemption in customers' daily lives, such as Naver Plus Membership, discounts at Emart, Kyobo Bookstore vouchers, and in-flight duty-free vouchers, all of which have been warmly received. Furthermore, we regularly introduce an array of products available for purchase using mileage, including unique KAL Store brand merchandise releases and seasonal promotions (SkyPass Deals) each year. Moving forward, Korean Air will actively expand mileage redemption opportunities across various sectors, ensuring customers can utilize their mileage more conveniently.

Number of Social Media Subscribers as of January 2024 (Combined Domestic and International)



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Enhancing Management of Customer Personal Data Protection

Korean Air consistently reviews relevant laws to bolster the transparent processing of customer data and systematically manage them in accordance with global personal data protection standards. The updates are reflected in our Information Security Policy and Privacy Policy, aimed at enhancing employee awareness and involvement. We appoint experts in line with the criteria outlined in the Personal Information Protection Act for the role of chief privacy officer and establish and operate an information protection and personal data protection committee to ensure that reviews focusing on personal data protection are conducted throughout all customer data processing tasks. Moreover, to assess our data protection practices objectively, we regularly acquire ISMS¹⁾, ISO 27001²⁾, PCI-DSS³⁾ certifications to uphold a level of personal data protection that meets global standards. We fulfill data protection disclosure requirements and are recognized as an exemplary company for investing in data protection, thereby increasing customer trust in our data protection measures. Additionally, through initiatives such as surveys on personally identifiable information and regular security audits of suppliers, we scrutinize various aspects of our personal data protection efforts to address any shortcomings. Furthermore, we conduct annual data protection training sessions to rigorously manage customer information and prevent any potential breaches or leaks.

- 1) Information Security Management System (ISMS): Korea's information security management system certification
- 2) ISO 27001: An international standard for information security management systems established by the International Organization for Standardization (ISO).
- 3) Payment Card Industry Data Security Standards (PCI-DSS): International standards for credit card data security.

[Click for Information Security Policy](#) [Click for Privacy Policy](#)



ISO 27001 Certificate



ISMS Certificate

Strengthening Information Security Management

Implementing a Zero-Trust Security System and Safeguarding IT Assets

As the first global airline to migrate its entire IT infrastructure to the cloud, Korean Air has established a user-friendly yet precise and rigorous IT security framework. This framework ensures the secure protection of Korean Air's information assets and the invaluable personal data of our customers. To mitigate the risk of account takeover, a prevalent security concern, we have proactively introduced a passwordless authentication method based on biometric authentication for employee accounts, thereby fortifying our security posture from a zero-trust standpoint. Furthermore, our continuous monitoring encompasses the dark web, serving to prevent any potential breaches of customer and employee privacy in advance.

Administrative Measures

- Regularly revising information security regulations and disseminating updates to all employees
 - Mandatory completion of information security training for all employees, including top management
 - Conducting security audits targeting suppliers to secure the reliability and security of customer data processing
 - Undertaking biannual disaster recovery drills to enhance crisis response capabilities in simulated scenarios
 - Encouraging employee engagement in cybersecurity threats and vulnerabilities through the ACS Excellence¹⁾ reward program
- 1) ACS Excellence: Aviation Cybersecurity Excellence

Technical Measures

- Continuous 24/7 specialized security monitoring to thwart cyber threats and intrusion attempts
- Prompt identification and dissemination of critical security vulnerabilities domestically and internationally and recommended actions across the organization
- Ensuring the secure transmission of customer data through communication layers and database encryption
- Segmentation of networks for individuals handling personal information
- Simulated hacking exercises by security professionals from consulting firms to assess vulnerabilities against evolving hacking techniques
- Regular simulated training sessions for handling malicious emails

Operation of the Cybersecurity Center (KE TCC)

KE TCC¹⁾ operates round-the-clock, 365 days a year, delivering swift and robust responses to any data breach incidents or cyber-attacks jeopardizing the stability of the company's IT infrastructure. In the event of detecting suspicious cyber threat-related incidents, employees promptly report them to the Cybersecurity Center, triggering immediate mitigation measures. We have embraced and deployed security solutions optimized for the cloud in alignment with the latest IT security trends. Furthermore, we conduct simulated hacking exercises on key company sites in accordance with the "evaluation methods for analysis and evaluation of vulnerabilities of critical information and communications infrastructure" published by the Ministry of Science and ICT. These initiatives underscore our commitment to fortifying the reliability and security of Korean Air's IT environment.

1) KE TCC: Korean Air The Cybersecurity Center



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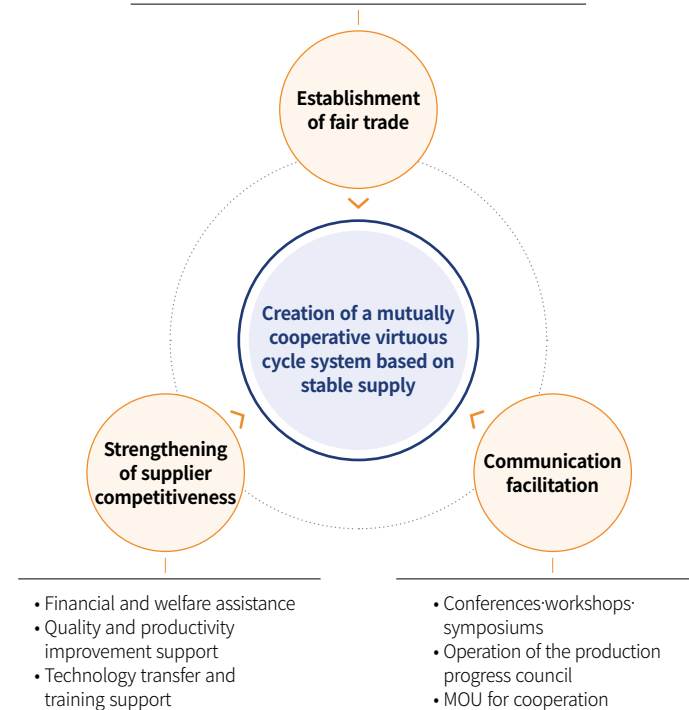
Shared Growth Management

Mutual Growth Policy

Promoting Fair Trade Practices and Mutual Growth

Korean Air has implemented a robust framework for mutual growth through collaborative partnerships with suppliers, steadfastly following the four key principles outlined by the Fair Trade Commission. This initiative aims to bolster the competitiveness and sustainable development of our suppliers while fostering a fair and transparent trading environment. To facilitate our suppliers' financial stability, we ensure timely cash settlements for all transactions and extend support measures such as advance payments, price adjustments, and the deployment of technical, quality, and production personnel to aid financially distressed suppliers in achieving operational stability.

- Implementation of "four major action items of fair trade"
- Compliance with subcontract-related laws
- Introduction of standard subcontractor agreements
- Fair trade training for employees



Establishing a Fair Trading

Korean Air remains committed to upholding the four principles of mutual growth outlined by the Fair Trade Commission, fostering a fair and transparent trading environment with our suppliers. Guided by these principles, Korean Air annually engages in fair trade agreements with suppliers based on mutual trust and cooperation.

Management of Sustainable Supply Chains

Korean Air's Aerospace Business Division sources a variety of aircraft components essential for aircraft manufacturing from a global supply chain comprising 471 suppliers across 20 countries as of 2023. To ensure top-notch quality and establish a sustainable supply chain while ensuring supplier stability, we engage in a range of collaborative initiatives. Our collaborative support and exchange activities include identifying mutually beneficial cooperation programs, executing joint development projects, supporting process enhancements, aiding in securing government projects, and providing job training.

Improvement of Supplier Productivity and Development of New Technologies

Korean Air is broadening its scope of production support initiatives for suppliers to bolster competitiveness and enhance production efficiency. This includes providing technical and quality support, engaging in process improvement activities, offering assistance for equipment and facility upgrades, collaborating on government projects, and deploying personnel. Through Lean Workshops, aimed at cost reduction and process optimization, we actively promote productivity enhancements by addressing production bottlenecks and streamlining processes. Furthermore, we facilitate automation and productivity enhancements by disseminating new technology standards utilizing manufacturing robots to suppliers. This support for manufacturing robot automation offers opportunities

Four Principles of Mutual Growth

<p>1</p> <p>Action items for conclusion of fair agreement</p> <p>Setting reasonable unit prices; prohibiting unfair decision making related to payment, etc.</p>	<p>2</p> <p>Action items for fair selection(registration) of partners</p> <p>Ensuring fairness and transparency in the partner selection process; providing equal bidding opportunities</p>	<p>3</p> <p>Action items for the establishment and operation of an internal deliberation committee for subcontract transactions</p> <p>Holding a monthly deliberation committee meeting and compliance with relevant guidelines</p>	<p>4</p> <p>Action items for the issuance and preservation of written documents</p> <p>Reflecting items related to issuance of written contracts to the company policy; using the standard subcontracts, etc.</p>
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for cost reduction, addressing staffing challenges, enhancing external competitiveness, and securing technological capabilities, thereby fostering further growth.

Capacity Building for Suppliers and Effective Communication

Korean Air has contributed to enhancing cost-effectiveness and boosting production capacity among suppliers by providing maintenance support for their manufacturing facilities. In addition, we engage in ongoing collaborative initiatives, including conducting training sessions for production staff and inspection personnel, as well as actively participating in domestic and international technology seminars. We regularly organize communication forums with suppliers to facilitate mutual exchange and cooperation. To enhance communication further, we share updates on changes in the business environment and production volume, host quality symposiums, and provide briefings on new technology developments. These efforts aim to cultivate a mutually beneficial partnership and broaden the scope of cooperation. With a foundation rooted in trust and collaboration, Korean Air remains dedicated to fostering sustainable cooperation and shared growth.

Training Programs for Suppliers

Korean Air's Aerospace Business Division is dedicated to fostering mutual growth with external suppliers and internal subcontractors by providing comprehensive job and qualification training equivalent to that provided internally. Our education and training efforts cover essential areas required for aircraft component production and military aircraft maintenance. For external suppliers, we conduct training programs such as supplier inspector training and risk assessment courses. For internal subcontractors, we provide tailored job-specific training services aligned with their specific roles and qualifications. Through these endeavors, we aim to uphold the quality standards of manufacturing parts and maintenance operations, ensuring customer satisfaction. Simultaneously, suppliers have the opportunity for mutual growth by leveraging our top-notch facilities and accessing technology and information that may otherwise be unavailable to them. In 2023, we delivered education services encompassing 515 courses to 685 individuals.

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Establishment of Supplier Code of Conduct

Korean Air has established and overseen a Supplier Code of Conduct to ensure a secure work environment, uphold human rights, and promote environmentally sustainable and ethical business practices among our suppliers. This code has been circulated to around 1,300 suppliers in Korea and abroad and is publicly available on our website to foster awareness and adherence. By adhering to the prescribed guidelines covering labor and human rights, safety and health, environment, ethics, and management systems, we endeavor to create mutual growth opportunities across our entire supply chain.

[Click for Supplier Code of Conduct](#)

Other Activities

Financial Aid for Suppliers

Korean Air ensures prompt 100% cash payments to our suppliers. In 2023, we allocated approximately KRW 1.9 billion for various forms of support, including lending jigs and fixtures at no cost, and approximately KRW 1.1 billion worth of assistance such as calibration assistance, employee shuttle services, and funding for external medical treatments and influenza vaccinations.

Supplier Complaint Resolution Process

Through a dedicated communication channel (partner.koreanair.com), we operate an "Unfair Trade and Complaint Reporting Center" to address grievances from suppliers. The outcomes of these resolutions are regularly shared on the website's bulletin board. (No complaints were received in the first and second halves of 2023).

Regular Evaluation and Monitoring of Supply Chain Sustainability Risks

In Korea, sustainability risks within our supply chain are evaluated and monitored biennially through a credit rating agency, while overseas assessments are conducted annually through standard AEO assessments.

Programs to Support Suppliers' Social Responsibility

We offer technical assistance and training to our suppliers, including the dissemination of new technologies through standard model robots. This aims to facilitate automation and improve efficiency through robot adoption. Additionally, we provide suppliers with the same level of job-specific and functional training that we offer internally, such as supplier inspector courses and risk assessment training.

Social Contribution

Korean Air embraces a culture of community compassion and sharing, driven by the vision of "Wings of Hope, Flight of Change," which finds its roots in the philosophy of the founding chairman of the Hanjin Group, Chairman Cho Choong-hoon. He firmly believed that "corporate profits should be returned to the society that enables them." Leveraging our extensive global transportation network, a cornerstone of our operations, we actively participate in social contribution initiatives, including delivering relief supplies to disaster-stricken areas and arranging special flights for isolated Korean expatriates. Additionally, we lead initiatives for local communities and the global environment, such as supporting education for future generations and engaging in tree-planting volunteer projects abroad. Through continuous sharing and collaboration, Korean Air aims to open doors of hope and opportunity for future generations, while cultivating a proactive and sustainable corporate culture that resonates with the demands of the global era.

[Click for Social Contribution Policy](#)

Volunteer Hours per Person

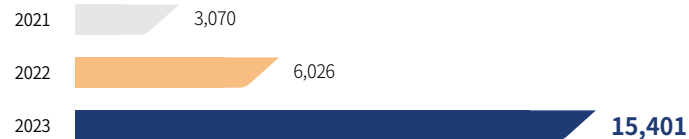
(Unit: hours)



* In 2021, in-person volunteer activities were suspended due to limitations on outdoor gatherings. Beginning in 2022, a mix of in-person and remote volunteer activities has been implemented.

Social Contribution Expenses

(Unit: KRW million)



Introducing 2023 Social Impact Activities

Donation to Community Chest of Korea

Korean Air actively participates in volunteerism with its employees and supports local communities through partnerships with specialized non-profit organizations. Each year, Korean Air, through its parent company, the Hanjin Group, donates to the Community Chest of Korea, benefiting people with disabilities, low-income families, and social welfare facilities.

The Hanjin Group's cumulative donation to the Community Chest of Korea since 2001 has reached KRW 53 billion, earning recognition in the "50 Billion Club" of the Community Chest of Korea.

Rice Donation

Since 2004, Korean Air has donated 300 packs of 10kg rice annually during major holidays (Seollal and Chuseok) to vulnerable groups such as seniors living alone, youth heads of households, and people with disabilities. This initiative aims to promote sharing and support local farmers' income generation. For two decades, this initiative has been Korean Air's flagship social contribution effort, contributing to the local economy through the distribution of Gyeongbokgung Rice from Gangseo-gu, Seoul. As of 2024, cumulative rice donations amount to 98 tons.

Upcycling Initiatives

Since 2020, Korean Air's upcycling project has repurposed retired aircraft materials to create various innovative products, contributing to resource recycling and environmental protection. In 2023, the project expanded to produce medicine pouches from retired uniforms and safety helmets from used in-flight blankets, which were then donated to local communities. Korean Air plans to continue these creative and sustainable upcycling projects to contribute to environmental protection and local community development.

Home Building Project with Habitat For Humanity

Since 2001, Korean Air has partnered with Habitat for Humanity Korea to participate in home-building events, constructing and donating houses to neighbors experiencing housing difficulties. In 2023, Korean Air also participated in Habitat for Humanity's residential environment project, improving the living conditions of low-income households within the community and supporting stable housing and healthy living for children and families.

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Contributing to Local Economies

Providing Free Cargo Charter Flights for Turkey Earthquake Relief Supplies

On March 20, 2023, Korean Air operated a B777F cargo aircraft from Incheon to Istanbul, delivering relief supplies to the earthquake-stricken areas of Turkey at no cost. The cargo, including tents, sleeping bags, and blankets weighing approximately 45 tons, was distributed to earthquake victims through the Disaster and Emergency Management Authority (AFAD) of Turkey. This humanitarian effort was made possible through close collaboration with the Ministry of Land, Infrastructure and Transport and the Korea International Cooperation Agency (KOICA). Leveraging its world-class expertise in air cargo transportation and extensive global network, Korean Air has previously provided relief support and free transportation of aid to disaster sites, such as the Laos dam collapse in 2018, Peru floods in 2017, Fiji cyclone in 2016, and Nepal earthquake in 2015. Korean Air remains committed to playing a leading role in global emergency relief efforts and actively participating in future humanitarian initiatives.

Promoting Local Economic Growth through Exhibition Participation

As a comprehensive aerospace company, Korean Air actively engages in diverse aerospace exhibitions to showcase South Korea's aerospace technology and fulfill its social responsibility to local communities. In 2023, Korean Air significantly contributed to the local economy's revitalization by participating in key aerospace exhibitions, notably Drone Show Korea, the largest annual drone exhibition hosted at BEXCO in Busan, and Seoul ADEX (Seoul International Aerospace & Defence Exhibition) held at Seoul Airport in Seongnam. Through its involvement in these events, Korean Air contributed to stimulating the local economy, particularly within the MICE (Meetings, Incentives, Conferences, and Exhibitions) industry.

Academic-Industrial Collaboration in the Future Technology Industry

Korean Air collaborates with leading universities in the fields of robotics automation and aerospace development to drive technological advancements.

Collaboration on the Development of AI-Based Aircraft Robotics Inspection and Maintenance Technology (KAIST, Korea Institute of Aviation Safety Technology)

- Strengthening sustainable management capabilities in line with advanced aerospace MRO (Maintenance, Repair, and Operations) adoption trends
- Utilizing the technology directly through optimized system development or proposing OEM maintenance drone solutions
- Proactively addressing future national operational systems through participation in institutionalized research under the project

Future Space Education Centers (Pusan National University, Inha University, INNOSPACE)

- Development of avionics for launch vehicles and attainment of fundamental research achievements in air launch vehicle operation technology
- Contributing to the advancement and application of fundamental and applied technology for space launch vehicles and space transportation, while nurturing talent in the field



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Talent Management

Employee Overview

As of December 2023, Korean Air's workforce, including local employees abroad, totals 19,425. Female employees represent 45% of the total, a consistent figure maintained over the past three years. The average tenure for employees (based on permanent employees in Korea) is 18.1 years. Korean Air offers industry-leading salaries and benefits, with equal treatment across all positions regardless of gender.

Employment of Local Talent Overseas

The total number of personnel locally employed at Korean Air's overseas branches and serving as expatriates is 1,776. Recruitment is based on merit without discrimination based on nationality, race, gender, culture, or religion. We actively pursue localization efforts, aiming to recruit and develop capable local talent as managers to enhance global competitiveness. To achieve this, we are implementing various systems and educational programs for our overseas local employees to nurture them into effective local managers.

Employee Status in Korea and Abroad (Unit: persons)

Category	Male	Female	Total
By Location of Employment	Korea	7,937	17,929
	Overseas	729	1,496

Status of Employees at Overseas Locations

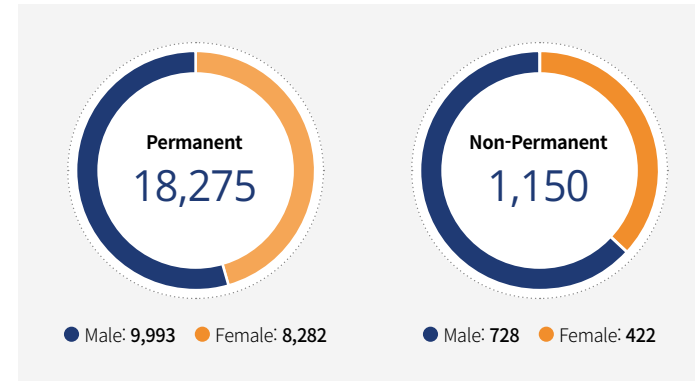


※ As of December 31, 2023, excluding executives.

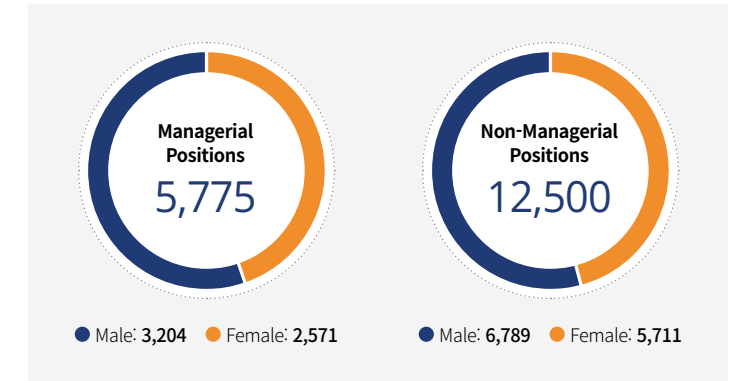
Employee Overview

(As of December 31, 2023, excluding executives) (Unit: persons)

Employment Type



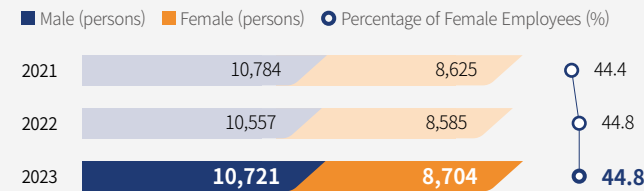
Job Position



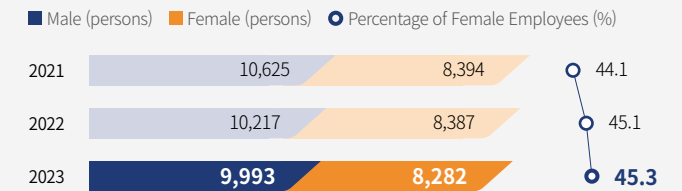
* Position Classification: Based on permanent employees; Managerial Positions: Permanent employees at senior manager level or above (excluding cabin managers, locally recruited managers or above, and flight crew members).

Status of Female Employees

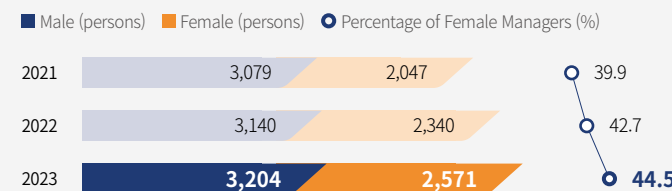
Percentage of Female Employees



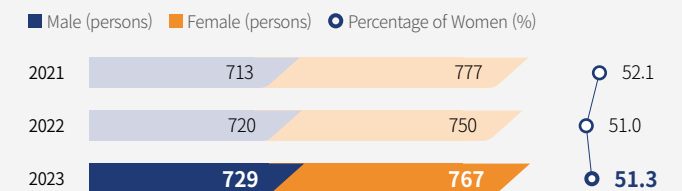
Percentage of Permanent Female Employees



Percentage of Female Managers



Percentage of Locally Recruited Female Employees



* Female managers are based on permanent employees.

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Employee Welfare Program

Korean Air is committed to enhancing the quality of life for its employees by providing industry-leading salaries and benefits. Our comprehensive welfare package includes discounted air tickets for employees and their immediate family members for promoting well-being and fostering global leadership, company housing, assistance with children's education expenses, opportunities for leisure activities, medical coverage, and retirement benefits.

Category	Details
 Health Support	<ul style="list-style-type: none"> Enrollment in health insurance Assistance with private insurance (for employees and spouses in cases of illness, accidents, or death) Medical expense coverage for overseas crew and business travelers Support for influenza vaccinations Operation of an in-house medical clinic and psychological counseling center (Staffed by aviation physicians, nurses, counselors, and other professionals)
 Leisure Support	<ul style="list-style-type: none"> Annual provision of 25-35 flight tickets (additional support for weddings, filial duties, and long-term service) Access to major condominiums (resorts) in Korea Discounts at renowned hotels in Korea and abroad Support for in-house club activities Support for attending sports events Operation of a summer resort in Busan Opening of an in-house swimming pool for employees' families during the summer
 Incentives	<ul style="list-style-type: none"> Performance-based bonuses Safety promotion incentives
 Life Support	<ul style="list-style-type: none"> Introduction of a flexible benefits plan Provision of company housing (1,079 units) Support for home purchase and mortgage loans Support for children's educational expenses <ul style="list-style-type: none"> Childcare expenses, tuition fees for domestic and international schools, universities, and special education institutions for the disabled Costs for language studies for expatriates' children Employee education assistance for designated universities and graduate schools to facilitate career advancement Monthly provision of bottled water for all employees Support for congratulatory and condolence events (petition leave, congratulatory gifts, floral arrangements, funeral goods, etc.) Assistance for special occasions (employee birthdays and children's elementary school admissions)
 Retirement Support	<ul style="list-style-type: none"> Enrollment in the National Pension Service Monthly contribution of KRW 50,000 towards individual pension plans for all employees Operation of the largest workplace credit union in Korea, with disbursement of credit union investment funds upon retirement
 Childcare Support	<ul style="list-style-type: none"> Financial assistance for childcare fees and childcare allowances Operation of Moa Love Room (maternity facility)

Enhanced In-house Health Promotion Facilities and Workplace Environment

Korean Air is dedicated to enhancing employee health through the establishment of health promotion spaces in Seoul, Daejeon, and Busan, with ongoing efforts to expand rest and welfare areas.

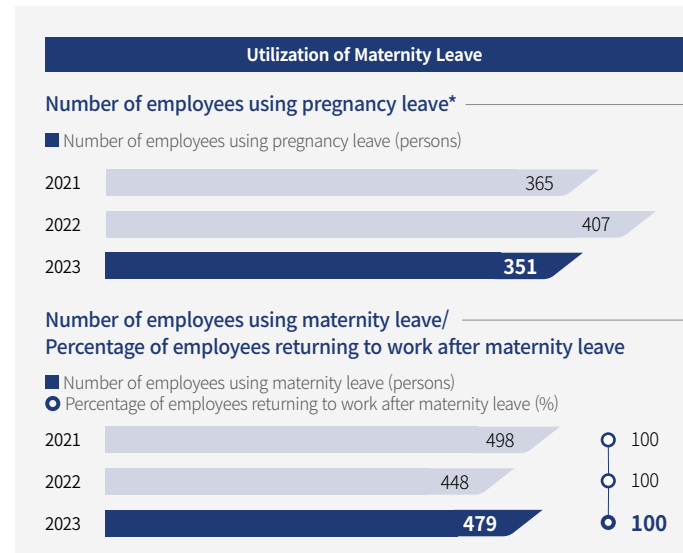
Category	Details
 Health Promotion Facilities	<ul style="list-style-type: none"> Expansion of the Main Building Fitness Center and diverse program offerings, including GX sessions Creation of a Sports Complex at the Busan Tech Center Renovation of the fitness center at the Busan Tech Center Operation of a futsal field at the Busan Tech Center Operation of the Incheon Airport Cargo Traffic Office fitness center Introduction of the Main Building Health Stairs and rooftop walking paths Environmental enhancements to the Dulle trail at the Daejeon Research Center
 Work Environment Enhancements	<ul style="list-style-type: none"> Improvement of in-house rest and convenience facilities <ul style="list-style-type: none"> Company-wide implementation of coffee lounges, offering unlimited complimentary coffee and tea Operation of Main Building GRAB&GO services and enhancement of in-house cafes Improvement of on-site rest areas Introduction of uniform delivery services for flight attendants Enhancement of footwear specifications for field staff

Work-Life Balance

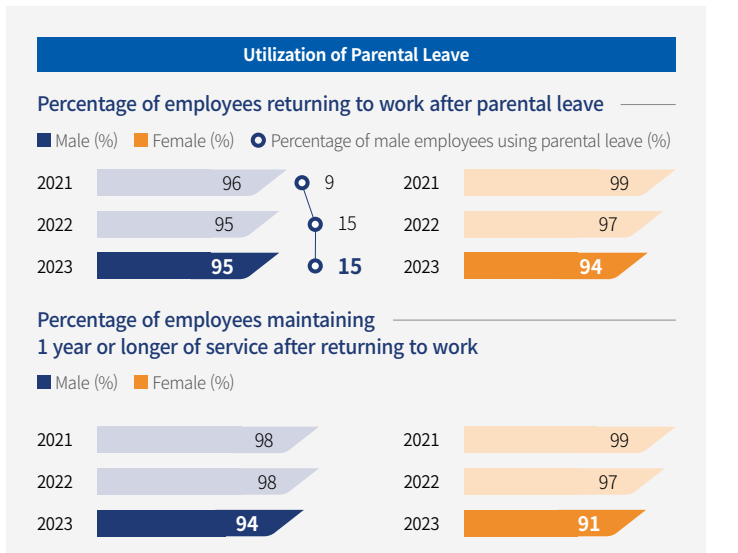
Maternity Support Programs

Korean Air is committed to expanding opportunities for female employees, ensuring they can maintain a harmonious balance between their personal and professional lives without disruptions due to childbirth and childcare responsibilities. We offer a range of maternity support programs to facilitate this, including legally mandated maternity leave, menstrual leave, spouse childbirth leave, allowance for prenatal check-ups during working hours, prohibition of overtime work, childcare leave, and adjusted working hours during pregnancy and childcare. Additionally, we go beyond legal requirements with internal policies, providing extended leave of up to 3 years for caring school-aged children, as well with infertility leave and vacation time for female employees undergoing fertility treatments. Flight attendants are entitled to maternity leave from the moment they become aware of their pregnancy. Upon return, we provide a dedicated lactation space called "Moa Love Room" within our Aeromedical Center, equipped with sterilizers, cleaning facilities, and lotion. Moreover, we actively promote a flexible work culture for all employees, implementing staggered commuting for flexible work hour arrangements to accommodate childcare responsibilities, and telecommuting through remote work technology.

Maternity Support Program Performance



* Pregnancy leave is applicable only to flight attendants.



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Flexible Work Hour Arrangements

Korean Air implements a flexible work hour system, considering both job requirements and individual circumstances. By granting employees autonomy in selecting their work hours based on personal needs, we aim to enhance job satisfaction, foster accountability, and improve work efficiency. We also provide shortened work hour options (15-30 hours per week) for family care, personal health, retirement preparation, and academic pursuits across various life stages, as well as for childcare purposes (15-35 hours per week).

Recharge Opportunities for Employees

In situations requiring time off (such as personal events, non-work-related health issues, etc.), Korean Air offers paid leave to eligible employees. We also administer a range of leave programs, including extended leave for up to 3 years for childcare and other personal reasons. Female flight attendants are entitled to pregnancy leave from the moment they confirm their pregnancy, considering the nature of their work. Moreover, we provide infertility leave for employees medically diagnosed with infertility, granting up to 1 year of leave for those undergoing assisted reproductive treatments like artificial insemination or IVF. Additionally, we offer bridge holidays annually, providing employees with opportunities to recharge. By announcing these holidays in advance, we facilitate efficient vacation and work planning at both the departmental and individual levels.

Fair Evaluation and Performance Reward System

Multi-Faceted Evaluation System

Korean Air implements a multi-faceted evaluation system to ensure equitable assessments grounded in diversity, recognizing that employees serve in diverse roles. With the integration of a new HR system in 2023 and an overhaul of the evaluation process reflecting both domestic and international HR trends, we have fortified evaluation mechanisms to foster communication and nurture the growth and development of our workforce. Under this multi-faceted evaluation framework, all employees undergo semiannual assessments based on impartial criteria tailored to their organizational and job-specific characteristics, emphasizing contributions made to the organization. For flight crew members, instead of traditional performance evaluations, we conduct skill assessments considering their unique job demands, such as piloting skills based on flight regions and aircraft types, and their proficiency in executing emergency procedures during unusual circumstances.

Moreover, during the annual competency assessment, we employ peer evaluations to ensure a more objective and well-rounded appraisal by leveraging insights from various viewpoints. The outcomes of peer evaluations



are anonymously provided to employees post-assessment, enabling them to incorporate feedback for self-improvement and development across areas like work ethic enhancement and career progression. To bolster managerial leadership and foster bidirectional communication between managers and staff, we administer “Manager Leadership Surveys,” utilizing the findings to validate leadership competencies across managerial responsibilities and personnel management. These diverse evaluation outcomes inform promotions, salary adjustments, and performance reviews based on job roles and positions. Rather than solely disseminating outcomes, our evaluation centers on employee development, furnishing feedback to each individual to aid in the exploration and cultivation of their talents and strengths.

Fair Compensation System

Korean Air maintains a non-discriminatory and transparent compensation system to ensure all employees receive equitable evaluations and remuneration based on individual performance and capabilities, irrespective of gender, background, or employment status. We deliver fair merit-based pay according to individual performance assessments and equitably extend bonuses such as management performance incentives and safety bonuses to both permanent and non-permanent staff. In addition, we uniformly provide

diverse welfare benefits as part of our comprehensive welfare framework, including employee discounts on air travel, assistance for life events, and medical support, among others.

Job Market Operation

Korean Air operates the Job Market scheme to furnish employees with avenues for self-directed career advancement, thereby enhancing job satisfaction, work engagement, and optimal personnel deployment. Introduced in 2022, the Job Market enables employees to register their self-growth plans, including preferred departments and skill sets, for potential matching with suitable roles in other departments should the need for manpower arise. Furthermore, we actively engage in an internal recruitment system overseen by departments in need of personnel, empowering employees to autonomously pursue desired positions, fostering self-development, and facilitating timely personnel assignments tailored to departmental needs.

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Talent Development

“People are the backbone of corporate management, and the transformation of people begins with proper education.”

“People” are Korean Air’s most valuable assets, and based on this belief, the company has developed and implemented diverse educational programs to foster global human resources.

Moreover, Korean Air aims to enhance education productivity through active online education, strengthen global service competitiveness through standardized service training, and create a dynamic corporate culture by establishing a knowledge-based learning organization.

Korean Air’s Education System

Under the educational policy of “Cultivating Global Talent Built on Expertise,” Korean Air operates an education system designed to systematically nurture managerial and job-specific competencies, based on two competency models: managerial competency and job competency. To ensure the efficient operation of this system, the Service Academy at headquarters is responsible

for establishing and executing education policies and conducting company-wide education. In specialized aviation fields such as operations, cabin, maintenance, and aerospace, Korean Air operates specialized training teams tailored to each area.

Education Strategy and Plan 2024

In 2023, Korean Air focused on providing timely support for recovery training to employees in the customer service field, addressing the swift rebound in business volume post-COVID-19. Efforts were directed towards introducing and stabilizing an online learning platform.

In 2024, our focus remains on enhancing employee capabilities for sustained organizational growth.

To adapt to the evolving market landscape in the New-Normal era, Korean Air will reinforce employee training, emphasizing our core principles of safety and service. We will strengthen employee capabilities through self-directed learning and interactive education systems, leveraging the latest trends and IT technologies. In the customer service domain, we will expand and enrich tailored job/service training to ensure seamless customer service delivery.

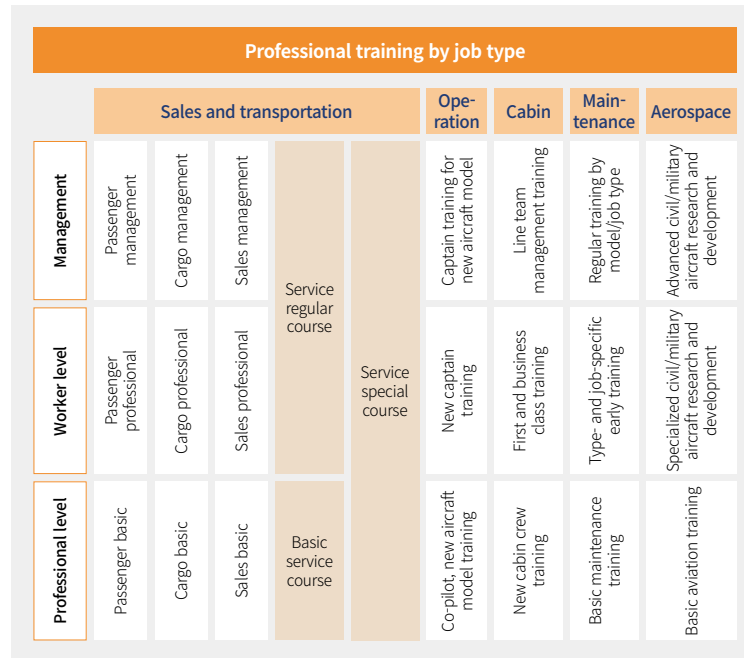
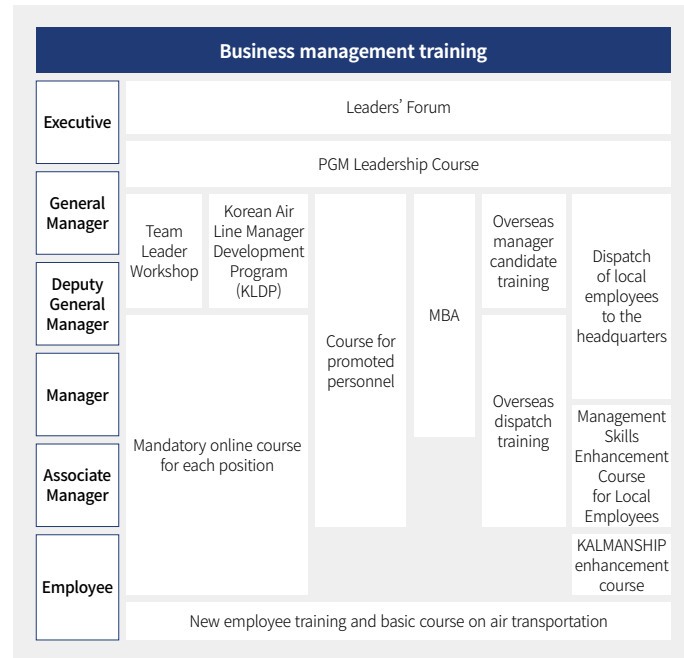
Lifelong Learning Support and Retirement Support Programs

Korean Air operates Jungseok College, Korea’s first in-house technical college, and supports employees’ lifelong learning endeavors by providing full scholarships to all students. Since its establishment in 2000 with the vision of nurturing talents poised to make significant contributions to the aviation and logistics sectors by integrating practical experience with academic knowledge, Jungseok College has produced a total of 1,519 graduates over 23 cycles, including 1,078 bachelor’s and 441 associate degree holders.

Korean Air also offers scholarships to employees pursuing further education at the Graduate School of Aviation and Management at Korea Aerospace University and the MBA program for logistics at Inha University. These scholarships cover 10% of tuition fees, aiming to instill a culture of lifelong learning among employees, fostering continuous self-development and talent cultivation within the aviation and logistics sectors.

Furthermore, Korean Air operates a transition support program for employees nearing retirement, assisting them in designing their post-retirement lives. During the COVID-19 pandemic, we developed and provided online content. However, to offer more practical support, we have conducted offline education courses since 2023. These courses focus on career planning, healthcare, financial and asset management, and provide guidance for life design after retirement.

Korean Air’s Education System



Retirement Preparation Course Performance in 2023 (Unit: persons, hours)

Course/Subject	Targeted Participants	Completed Participants	Learning Hours	Total Learning Hours
Offline				
2023 Life Design Course	235	49	12	588
Online				
Intro (Life Design Course)	235	106	0.5	53
Time Management after Retirement (Life Design Course)	235	84	1	84
Understanding Leadership (Life Design Course)	235	64	0.5	32
Communication in Organizations (Life Design Course)	235	56	1	56
Successful Relationships (Life Design Course)	235	54	1	54

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Education for Overseas Local Employees

Korean Air has established and operates an education system for overseas local employees aimed at nurturing global talents who will contribute to establishing localization abroad. The hierarchical education system includes the "New Employee Orientation" for newly hired employees to acquire fundamental company and job knowledge, and the "KALMANSHIP Enhancement Program" to deepen their understanding of Korean Air's business and Korean culture. For junior managers, there are programs like the "Competency Development Program" to enhance job skills and industry insight, and the "Global Talent Program," conducted at our Korean headquarters for local manager candidates. Additionally, we offer a separate "Company Orientation" course for newly hired foreign flight attendants and cabin crew. To meet the demand for job training in response to post-COVID personnel changes at overseas locations, we continuously offer sector-specific and region-specific real-time remote video training courses. Service training is designed to improve service quality for our overseas local employees. Through organic communication and collaboration between the headquarters Service Academy and overseas branches, timely service training is provided. Since COVID-19, we have expanded real-time remote video training for overseas employees and regularly produce and distribute self-learning online education content to enhance training accessibility and effectiveness in overseas regions, providing service training opportunities.

Graduate School Scholarship Support Status (Unit: persons)



Status of Online Education Content (Unit: items)



* In 2023, with the introduction of a new learning platform, language content was transitioned to utilize content from external specialized institutions, and some content was discontinued.

Performance of Training Programs for Job Competency Development in 2023

(Unit: person, hours)

Category	Offline		Online		Total	
	Number of Participants	Training Hours	Number of Participants	Training Hours	Number of Participants	Training Hours
Business Management	4,846	99,649	216,465	534,898	221,311	634,544
Job-specific Training	29,209	492,479	142,387	260,781	171,596	753,263
Total	34,055	592,128	358,852	795,680	392,907	1,387,807

Cultivating an Organizational Culture of Communication and Trust

Cultivating an Organizational Culture of Communication and Trust

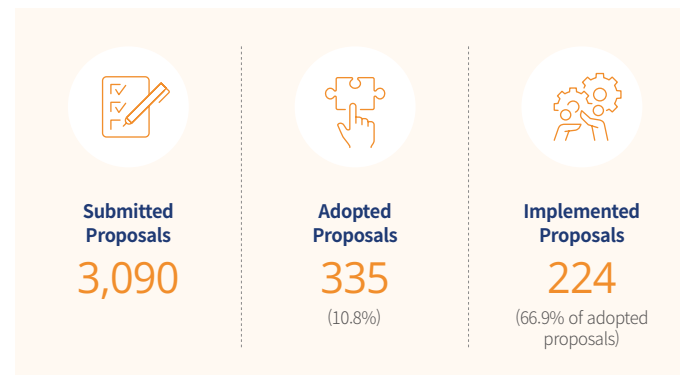
In its commitment to fostering a productive work environment, Korean Air launched "Idea#," an internal proposal board, in January 2021, providing a platform for employees to exchange diverse ideas. Idea# consolidates previous department-specific proposal systems into a unified platform. Irrespective of their department, employees can freely post ideas spanning all sectors and engage in collaborative discussions to refine them further. Submitted proposals undergo meticulous review by relevant departments, with adopted proposals earning rewards for the contributors. With an average of 1,870 daily visits, the platform facilitates peer interaction and idea sharing. To tap into collective intelligence on specific topics, Korean Air conducts competitions through the internal proposal board. Contests covering areas

like data utilization, CCM, and occupational safety have garnered widespread participation, fostering an environment where employees can contribute and share their expertise. Additionally, features such as surveys and voting have been incorporated to enable employees to express their opinions more effectively and easily. Idea# contributes to increasing productivity across the organization, serving as a primary conduit for internal communication.

Stronger Together

Since 2020, Korean Air has initiated the company-wide innovation campaign, "Stronger Together," to cultivate a dynamic and forward-looking organizational culture. This campaign aims to drive comprehensive changes in organizational structure, work processes, and communication norms to bolster Korean Air's competitiveness and prepare for the post-COVID era. In 2023, with a focus on instilling a culture of "respect" within the organization, Korean Air launched the "SELEP's Work Life Stories" series, highlighting respect from the perspectives of individuals, leaders, and the organization. This series, shared via the company's news bulletin and internal displays, encourages voluntary changes among employees. Additionally, Korean Air hosted the company-wide competition "Find the Best Practice of 2023! This Is How We Work!" aimed at driving changes in the way we work and promoting understanding and empathy across different departments by sharing best practices from various sectors. Following this, we conducted year-round campaigns to share diverse job expertise and tips, fostering mutual respect among employees and contributing to a dynamic and positive organizational culture. Moreover, Korean Air has implemented a standardized terminology system to manage aviation knowledge systematically, enhancing employee communication and expertise in the aviation industry. Korean Air values diversity among its employees and continually develops various campaigns to cultivate a flexible organizational culture rooted in transparent communication, enabling agile responses to evolving environments.

2023 Idea# Activities



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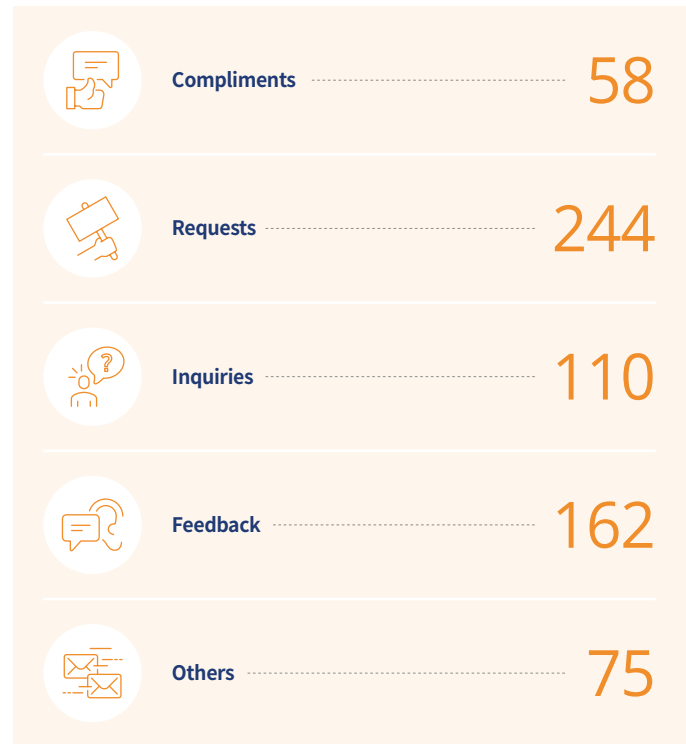
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Communication Plaza

Since March 2015, Korean Air has operated the “Communication Plaza” board on its employee website to foster a more inclusive organizational culture through open communication and mutual trust. Communication Plaza serves as an online forum where all employees can engage anonymously, facilitating constructive dialogue through inquiries, requests, compliments, and words of encouragement. Ensuring complete anonymity, the platform encourages free and honest expression of opinions without any constraints. The relevant departments promptly address inquiries and requests, promoting active communication throughout the organization and driving tangible enhancements in organizational culture.

2023 Performance



Corporate YouTube Channel ‘Daehan TV’

In June 2021, Korean Air launched its internal broadcasting channel, “Daehan TV,” on YouTube. Through its content, Daehan TV delves into the diverse roles and contributions of employees from various departments while promoting Korean Air’s corporate culture and values throughout the organization. The channel aims to create a platform where “Korean Air employees become one.” Since its launch, Daehan TV has garnered acclaim for creatively and warmly depicting various facets of Korean Air, thereby introducing a new platform for internal communication where every employee can take the center stage.

‘Family Day’ Celebration for Employees’ Families

Korean Air hosted a Family Day event, extending invitations to employees’ families ahead of May, known as “family month.” This gathering aimed to extend appreciation to employees and their families for jointly overcoming the challenges posed by the COVID-19 pandemic and to foster a sense of harmony. Spanning two days on April 29 and 30, the event attracted over 8,600 visitors to the Korean Air headquarters, providing them with a joyful and meaningful experience. The headquarters hangar was transformed into a vibrant theme park, featuring an array of amusement rides, food trucks, photo booths, and more. Additionally, an autograph session with the Korean Air Jumbos volleyball team took place, accompanied by giveaways of signed balls. The highlight of the Family Day event was the unveiling of a B777-300ER aircraft adorned with the slogan “Our Pride, We are Korean Air,” along with the names of 20,318 Korean Air employees. This wrapped aircraft, symbolizing the collective pride and identity of all Korean Air employees, now traverses the skies worldwide.



‘Happy Hour’ for Enhanced Internal Communication

On the last Friday afternoon of each month, Korean Air hosts “Happy Hour,” where colleagues from different departments gather for casual and informal conversations on a variety of topics. Established in 2012, Happy Hour offers employees a chance to take a brief break from work, engage in dialogue, foster mutual understanding, and inject vitality into the organization. President Woo Kee-Hong personally visits various departments during Happy Hour to offer encouragement to employees, listen to their concerns, and promote active communication. In July 2023, “Concept Day” was introduced during Happy Hour, allowing each department to select a costume theme and participate in a concept competition, culminating in the recognition of the best concept team through company-wide voting. Concept Day showcased diverse ideas and innovative initiatives, serving as an opportunity to reaffirm the principles of dress code autonomy and cultivate a flexible organizational culture.



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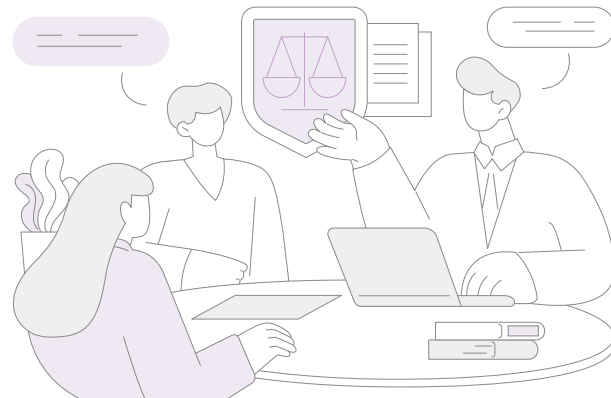
Board Composition and Status

As of May 2024, Korean Air's Board of Directors comprises three executive directors with extensive industry experience, and six independent directors with diverse backgrounds in management, economics, finance, economics, law, academia, and government. Candidates for independent director positions are selected through a rigorous process overseen by the Independent Director Recommendation Committee and are appointed following a resolution at the general shareholders' meeting. Shareholders meeting specific qualifications can propose independent director candidates in accordance with established procedures. Profiles of independent directors and candidates are made publicly available on the DART website before the general meeting of shareholders.

Board Independence, Expertise, and Diversity

As stipulated in Article 38 of the Articles of Incorporation, the appointment of the Chairman of the Board of Directors is conducted through a resolution of the Board, effectively separating the roles of the CEO and the Chairman of the Board. This measure aims to bolster the oversight function of the Board, thereby enhancing its independence, management transparency, and safeguarding the rights and interests of shareholders.

Korean Air focuses on expertise and diversity within its Board of Directors to ensure well-informed decisions from a comprehensive perspective. The Independent Director Recommendation Committee, composed entirely of independent directors, recommends candidates renowned for their expertise and social standing, capable of contributing to the company's strategic direction and objectives. Factors such as qualifications, performance, expertise, independence, diversity, and shareholder input are taken into account during the nomination process.



Board of Directors

(As of May 2024)

Category	Name	Gender	Current Position	Date of Last Appointment	Term	Remarks
Executive Directors	Cho Won-Tae	Male	Chairman & CEO	March 21, 2024	3 years	-
	Woo Kee-Hong	Male	President	March 22, 2023	3 years	-
	Yoo Jong-Seok	Male	Chief Safety & Operating Officer (CSO)	March 22, 2023	3 years	-
Independent directors	Jeong Kap-Young	Male	Chairman, Korean Committee for UNICEF	March 22, 2023	3 years	Chairman of the Board
	Park Nam-Gyoo	Male	Professor, Seoul National University Business School	March 22, 2023	3 years	-
	Park Hyon-Joo	Female	Country Executive for Korea, BNY Mellon	March 22, 2023	3 years	-
	Hong Young-Pyo	Male	Advisor, SBK Partners	March 21, 2024	3 years	-
	Pyo In-Soo	Male	Advisor, Bae, Kim & Lee LLC	March 21, 2024	3 years	-
	Heo Yoon	Male	Professor, Sogang University Graduate School of International Studies	March 21, 2024	3 years	-

Adoption of Best Practices for Corporate Governance

(As of May 2024)

Best Practice Recommendations	Adopted	Remarks
Segregation of CEO and Chairman Roles	<input type="radio"/>	Appointment of an independent director as chairman (Jeong Kap-Young)
Introduction of Corporate Governance Charter	<input type="radio"/>	Publication on the company website
Introduction of Corporate and Employee Code of Ethics	<input type="radio"/>	Publication on the company website
Introduction of Cumulative Voting	<input checked="" type="radio"/>	Inapplicable as per the Articles of Incorporation
Board Composition (with a majority of independent directors)	<input type="radio"/>	Comprising 67% independent directors (6 out of 9)
Regular Board Meetings	<input type="radio"/>	Held at least once per quarter
Provision of Director Information Prior to Board Meetings	<input type="radio"/>	Distribution of presentation materials and agenda; pre-conference convened for major agenda items
Disclosure of Board Activities, Attendance Rates, and Voting Results on Major Agenda Items	<input type="radio"/>	Disclosure of Business Reports, including on the website
Establishment of Operational Regulations for the Board	<input type="radio"/>	Publication on the company website
Establishment of Operational Regulations for Committees	<input type="radio"/>	Publication on the company website
Formation of Committees within the Board	<input type="radio"/>	Operation of five committees (Audit, Compensation, Safety, ESG, and Independent Director Recommendation Committees)
Subscription to Directors' Liability Insurance at the Company's Expense	<input type="radio"/>	Subscription to Directors and Officers Insurance
Audit Committee (comprising all independent directors)	<input type="radio"/>	Comprising four independent directors
Independence of Independent Directors	<input type="radio"/>	Operation of the Independent Director Recommendation Committee, comprising all independent directors
Validation of Accuracy of Business Reports, etc.	<input type="radio"/>	Validated by the CEO and relevant executives
Comparison with Best Practices	<input type="radio"/>	Disclosure on the company website
Board-level Review/Oversight of Non-financial (ESG) Risks	<input type="radio"/>	Operation of the ESG Committee within the Board

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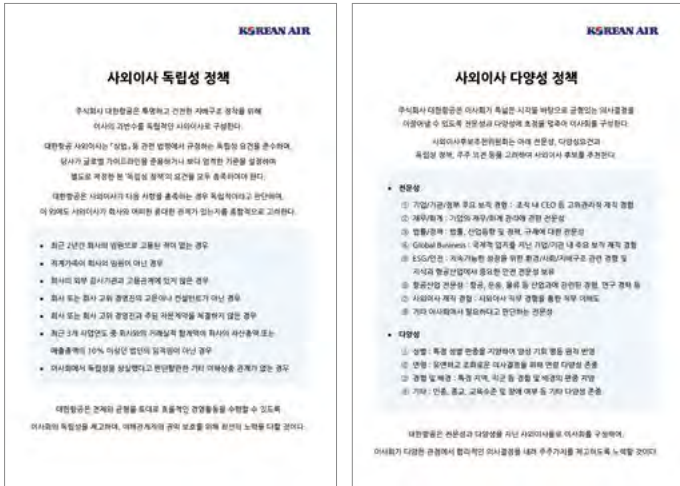
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Board Independence and Diversity Policy

To enhance the transparency and expertise of our Board of Directors, Korean Air has established and disclosed a “Board Independence and Diversity Policy,” defining specific criteria for the important factors of “independence” and “diversity” considered during the appointment of independent directors. This policy serves as a key verification requirement in the process of recommending independent director candidates.

[Click for Board Independence and Diversity Policy](#)



BSM (Board Skills Matrix)

To further enhance the expertise and diversity of the board, Korean Air has developed a “Board Skills Matrix (BSM)” based on key indicators of director expertise within our diversity policy. This matrix is used to evaluate the diverse competencies of our board members and is referenced in the process of recommending independent director candidates.

Review of Independence Requirements for Independent Directors

Independence Requirements	Jeong Kap-Young	Park Nam-Gyoo	Park Hyon-Joo	Hong Young-Pyo	Pyo In-Soo	Heo Yoon
1. The director must not have been employed as an executive of the company in the past two years.	○	○	○	○	○	○
2. 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.”	○	○	○	○	○	○
3. The director must not have an employment relationship with the company’s external audit firm.	○	○	○	○	○	○
4. The director must not be an advisor or consultant to the company or its senior management.	○	○	○	○	○	○
5. The director must not have signed any significant advisory contracts with the company or its senior management.	○	○	○	○	○	○
6. The director must not be an employee of a corporation whose total transaction amount with the company exceeds 10% of the company’s total assets or sales revenue over the past three fiscal years.	○	○	○	○	○	○
7. The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent.	○	○	○	○	○	○

* Korean Air applies the independence requirements for independent directors as defined in the company’s board independence policy and in alignment with major institutions like S&P Global.

Board Skills Matrix (BSM)

Category	Executive Directors			Independent Directors						Composition (%)
	Cho Won-Tae (CEO)	Woo Kee-Hong (President)	Yoo Jong-Seok	Jeong Kap-Young (Board Chairman)	Park Nam-Gyoo	Park Hyon-Joo	Hong Young-Pyo	Pyo In-Soo	Heo Yoon	
Experience in corporate / institutional / government positions	●	●	●	●		●	●			67%
Finance / Accounting					●	●	●			33%
Legal / Policy								●	●	22%
Global Business	●	●	●	●		●		●		67%
ESG / Safety	●	●	●	●	●	●	●	●		89%
Expertise in the Aviation Industry	●	●	●		●				●	56%
Experience as an Independent Director				●	●			●	●	-
Independence				●	●	●	●	●	●	-
Year of Term Expiry	2024	2026	2026	2026	2025	2026	2027	2027	2027	-
Gender	M	M	M	M	M	F	M	M	M	-

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Board Performance

In 2023, Korean Air conducted a total of 8 board meetings (7 regular and 1 extraordinary), addressing and resolving 47 agenda items. Regular board meetings are held at least once a quarter, with extraordinary meetings convened as needed, facilitating thorough discussions and detailed reviews of major decisions. The annual schedule of board meetings is announced in advance to encourage attendance, with an average attendance rate of 97% (97% for independent directors), with an average of 10.75 directors present.

Korean Air adopts a system where executives from diverse fields such as passenger, cargo, finance, and technology are invited to assist board members in understanding proposed agenda items. Executives from relevant departments attend to present and address questions on agenda items. Pre-meetings may be held for key agenda items in accordance with Board of Directors regulations to enhance directors' comprehension.

Moreover, to ensure the professional and efficient operation of the Board and support the roles of independent directors, a "Board Secretariat" has been established and is operational. Newly appointed independent directors receive company orientation and are invited to visit key company facilities to deepen their understanding of operations. Additionally, ongoing educational initiatives are implemented, including providing briefing materials to independent directors in response to significant management issues as they arise.

2023 Highlights of the Board of Directors

Date of Meeting	What's on the agenda	Independent director attendance
February 1, 2023	Seven items, including approval of financial statements and business report for 2022 (61st period)	9/9
February 20, 2023	Six items, including approval of the 61st regular general meeting of shareholders	9/9
March 22, 2023	Six items, including composition of committees (draft)	9/9
May 3, 2023	Seven items, including the Q1 2023 accounting settlement (draft)	8/8
August 2, 2023	Eight items, including the H1 2023 accounting settlement (draft)	8/8
September 21, 2023	One item: status of review and progress of the corporate merger	6/8
October 30, 2023	Four items, including the Q3 2023 accounting settlement (draft)	8/8
December 6, 2023	Eight items, including the 2024 business plan (draft)	8/8

* Independent Director Cho Myeong-Hyun's term expired on March 26, 2023.

Risk Management by the Board

Korean Air has formalized and institutionalized the process for the Board of Directors to deliberate and receive reports on major risks in accordance with Article 9 of the Board of Directors Regulations. Major risks are broadly categorized into financial and non-financial risks. Major financial risks include exchange rate, fuel price, and interest rate fluctuations, which have the greatest impact on the aviation industry. Non-financial risks are classified into strategic/operational, regulatory, and environmental risks, among others. Board committees (Safety, ESG, and Audit) are established for professional risk management in each area, with dedicated responsibilities for oversight and regular reporting to the Board.

Board-level Non-financial Risk Review

Korean Air conducts reviews of non-financial risks at the board level. Matters such as aviation safety and climate action, identified as significant ESG issues annually, undergo prior review by board committees and are reported to the Board of Directors. In 2023, the Safety Committee conducted comprehensive reviews of safety risk-related matters, covering "the operational status and results of safety performance indicators," "measures to prevent passenger/crew injuries during flight operations," and "enhancements to emergency exit safety management," and reported the findings to the Board. The ESG Committee examined various ESG issues in the aviation industry, including "trends in SAF policies and the progress of pilot projects in Korea," and "ESG achievements in 2023 and plans for 2024."

Board Committees

Korean Air has established and operates five committees within the Board of Directors: the Audit Committee, Independent Director Recommendation Committee, ESG Committee, Safety Committee, and Compensation Committee. These committees ensure the efficient operation of the Board and compliance with relevant laws and regulations. Four out of the five committees, excluding the Safety Committee, which focuses on strengthening safety management, consist solely of independent directors.

ESG Committee Performance

In 2023, Korean Air convened four ESG Committee meetings, addressing and resolving a total of six agenda items. The ESG Committee meets quarterly to actively integrate non-financial aspects such as environmental, social, and governance (ESG) considerations into management activities. Comprised entirely of independent directors, the committee actively engages in ESG discussions at the board level. Its functions include deliberating internal transactions as required by laws, such as the Fair Trade Act, reviewing and overseeing the company's ESG-related implementation, and conducting prior reviews of key management matters that significantly impact shareholder value.

2023 Highlights of the ESG Committee

Date of Meeting	Agenda Items	Attendance of Independent Directors
Feb. 17, 2023.	• Proposal for HIC Financial Structure Improvement (draft)	4/4
June 26, 2023.	• Review of SAF Policy Trends and Progress of Domestic Pilot Projects • 2023 ESG Materiality Assessment and Publication of ESG Report	4/4
July 31, 2023.	• Review of Purchase Plan for Sectional Ownership of Seosomun Building (draft)	4/4
Dec. 11, 2023.	• Proposal for Board Independence and Diversity Policy and Establishment of BSM (draft) • Report on ESG Progress in 2023 and Plans for 2024	4/4

(As of May 2024)

Status of Board Committees

Committee Name	Composition	Directors	Objectives and Responsibilities
Independent Director Recommendation Committee	All independent directors	Jeong Kap-Young (Chairman), Park Nam-Gyoo, Hong Young-Pyo, Heo Yoon	Recommends candidates for independent director positions in compliance with relevant laws, Articles of Incorporation, and board regulations.
Audit Committee	All independent directors	Heo Yoon (Chairman), Park Hyon-Joo, Hong Young-Pyo, Pyo In-Soo	Conducts audits of the company's accounting and operations as per legal requirements, the Articles of Incorporation, and board regulations, and executes tasks delegated by the Board.
ESG Committee	All independent directors	Park Nam-Gyoo (Chairman), Jeong Kap-Young, Pyo In-Soo	Reviews and oversees ESG implementation, conducts preliminary assessments of significant management matters affecting shareholder value, and deliberates/resolves internal transactions mandated by laws such as the Fair Trade Act.
Safety Committee	Internal2 Outside2	Yoo Jong-seok (Chairman), Woo Kee-Hong, Hong Young-Pyo, Pyo In-Soo	Monitors safety performance and management, provides recommendations, and resolves issues delegated by the Board.
Compensation Committee	All independent directors	Park Nam-Gyoo (Chairman), Park Hyon-Joo, Heo Yoon	Ensures transparency and objectivity in determining director compensation, and deliberates/resolves significant matters related to director compensation and those delegated by the Board.

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Protection of Shareholders' Rights

Korean Air is committed to safeguarding shareholders' interests in compliance with the Commercial Act and relevant regulations. This commitment involves facilitating shareholders' attendance and voting rights at general meetings and ensuring regular and timely information dissemination. Concurrently, to enhance shareholder value, internal regulations such as the Articles of Incorporation and Corporate Governance Charter are formalized with relevant provisions.

General Meetings of Shareholders

Since 2022, Korean Air has issued notices for general meetings of shareholders four weeks in advance, surpassing the minimum statutory requirement of two weeks, to allow sufficient time for agenda review. While written and electronic voting are not implemented, shareholders are encouraged to use proxy voting to exercise their voting rights conveniently. The scheduling of shareholder meetings avoids conflicts with other shareholder meetings, promoting smooth participation and active engagement. Additionally, detailed information such as voting ratios and attendance records is transparently disclosed on the website. Ongoing efforts are underway to explore avenues for increased shareholder participation and exercise of voting rights in future general meetings.

61st Annual General Shareholders' Meeting (March 2023)

Agenda Items		Approval Status
Item 1	Approval of the 61st Financial Statements and Consolidated Financial Statements	Approved as proposed
Item 2	Partial Amendment of the Articles of Incorporation	Approved as proposed
	Item 3-1 Appointment of Executive Director Woo Kee-Hong	Approved as proposed
	Item 3-2 Appointment of Executive Director Yoo Jong-Seok	Approved as proposed
Item 3	Item 3-3 Appointment of Independent Director Jeong Kap-Young	Approved as proposed
	Item 3-4 Appointment of Independent Director Park Hyon-Joo	Approved as proposed
Item 4	Appointment of Independent Director Park Hyon-Joo as Audit Committee Member	Approved as proposed
Item 5	Approval of Director Compensation Limit	Approved as proposed

Stock and Shareholder Status

The total number of Korean Air shares authorized for issuance is 700,000,000 shares (par value per share: KRW 5,000), and as of the end of 2023, 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.

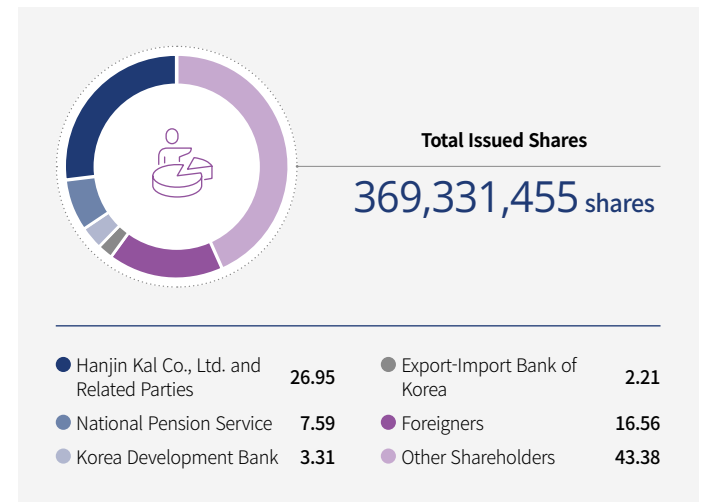
The largest shareholder of Korean Air is Hanjin Kal Co., Ltd., which owns 99,521,302 shares (share ratio: 26.95%) as of December 31, 2023.

Type and Number of Issued Shares (As of December 31, 2023)

Category	Authorized Shares	Issued Shares	Remarks
Common Stock	685,000,000	368,220,614	Voting rights
		47	No voting rights, treasury stock
Preferred Stock	15,000,000	1,110,792	No voting rights
		2	No voting rights, treasury stock
Total	700,000,000	369,331,455	

* Includes shares held by public interest corporations with voting rights exercisable.

Shareholder Composition (As of December 31, 2023) (Unit: %)



Enhancement of Shareholder Communication

Disclosure Activities

Korean Air is dedicated to providing shareholders and market stakeholders with timely and accurate information on all aspects of corporate management. Relevant details are accessible through the company's website and disclosure systems like DART and KIND. The company has instituted regulations for managing disclosure information to ensure its accuracy, fairness, and prompt dissemination in compliance with relevant regulations. Notably, when significant management decisions are made by the Board of Directors or facts emerge that could substantially impact investment decisions, they are promptly disclosed to the market. Moreover, our disclosure department, comprising two disclosure managers and one chief disclosure officer, operates with expertise in disclosure tasks. These professionals are registered with the Korea Exchange under Article 88 of the Securities Market Disclosure Regulations.

Shareholder Return Policy

Korean Air's shareholder return policy is rooted in the core principles of enhancing corporate value through sustained growth and offering stable dividends based on business performance.

The dividend size is determined through a comprehensive assessment of earnings, financial status, and aircraft investments to ensure sustained growth. To this end, Korean Air disclosed its medium- to long-term dividend policy for enhancing shareholder value on February 20, 2023. The policy entails returning to shareholders up to 30% of net profit for three fiscal years 2023 to 2025 (excluding unrealized gains and losses, and non-recurring profit and loss). In line with this policy, Korean Air disclosed its dividend decision on February 20, 2024, based on the 2023 business performance. (Dividend per share: Common Stock KRW 750 / Preferred Stock KRW 800) Furthermore, Korean Air will continue to enhance its dividend payout ratio by prioritizing efficient management and profitability-driven business operations to maximize shareholder value.

Enhancing Shareholder and Investor Communication

Korean Air is committed to improving communication with a diverse range of stakeholders, including both domestic and international shareholders and investors. Quarterly investor relations materials are published on our website, and we ensure timely disclosure of significant management updates, including business performance, in compliance with the regulations of the Financial Services Commission and the Korea Exchange. Furthermore, Korean Air regularly engages in meetings, conference calls, and visits with both domestic and international securities analysts and individual investors to actively foster dialogue and engagement with investors and the stock market.

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Ethical and Compliance Management

Ethical Management Initiatives

As a global market player, Korean Air places utmost importance on “business ethics,” anchoring our principles in honesty and trust with customers. We are dedicated to setting the standard for ethical management, aiming to reciprocate customers’ trust through transparent, fair, and effective corporate governance practices.

The “Charter of Ethics” serves as the cornerstone of our ethical framework, articulating the core values and objectives embraced by Korean Air. It epitomizes our proactive commitment to fostering shared prosperity by championing transparent and responsible management practices, upholding the principles of free and fair competition, and enriching public values through compliant corporate conduct. Moreover, Korean Air implements concrete and substantive business ethics programs, including the “Guidelines on the Implementation of the Code of Ethics,” “Guidelines on Dealing with Ethical Issues,” and the “Whistleblowing System,” to uphold the ethical standards outlined in the “Charter of Ethics.” All employees are obliged to strictly adhere to and implement the regulations and guidelines established within these programs.

▶ 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

- 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 Operation

Korean Air has implemented an internal whistleblowing channel accessible through its website and intranet portal system as part of its ethical management initiatives. This platform allows employees, customers, shareholders, and other stakeholders to report various wrongdoings within the company, including violations of company regulations, misconduct, irregularities, and unfair practices in supplier transactions. Furthermore, strict protection measures are in place for individuals who report such wrongdoings, ensuring they are protected from any retaliatory actions as per established principles and procedures.

* Email: jebo@koreanair.com or whistleblower@koreanair.com

▶ Business Ethics Program

Internal Guidelines and Regulations for Ethical Management	Details
Charter of Ethics	Presents corporate philosophy and business directions
Guidelines on the implementation of the Code of Ethics	Provides specific operational guidelines for adhering to the Charter of Ethics
Guidelines on Dealing with Ethical Issues	Offers guidance for making ethical decisions and taking appropriate actions
Whistleblowing System	Establishes regulations to prevent internal misconduct and prohibits retaliation against reporting employees

Audits on Ethical Standards and Anti-Corruption Policies

Korean Air conducts regular audits to ensure fairness and prevent unfair practices across operational divisions, including passenger and cargo, as well as strategic support divisions, covering all employees. Moreover, the ethical standards outlined in the Charter of Ethics and Guidelines on the Implementation of the Code of Ethics are effectively communicated throughout departments, with all employees receiving regular training in ethical management to promote its practical application in their daily tasks. In particular, in 2023, we updated internal materials for ethical management training, with all targeted employees completing the training to foster compliance with ethical regulations. Each business/operational/support sector designates division and department heads as internal ethics officers, facilitating direct consultation on ethical matters for employees. Additionally, through a reporting system for violations of company regulations, misconduct, and corrupt practices, we actively monitor and control violations of ethical standards. Furthermore, to uphold transparent management and fair competition policies, Korean Air has implemented internal control processes and continuously monitors significant risk factors to ensure adherence to business ethics across the organization.

Compliance Management Activities

Compliance Governance

Role of the Board of Directors

The Board of Directors receives annual reports from the Compliance Officer on the results of compliance audits and the effectiveness evaluation of compliance activities and decides on important matters related to compliance management. Additionally, the Board of Directors oversees whether the CEO faithfully reflects the decisions of the Board and maintains and effectively operates the compliance control system.

Role of Management

The CEO establishes, maintains, and oversees the compliance system and its operation in accordance with compliance standards and decisions of the Board of Directors. The CEO also ensures that all employees comply with legal and regulatory obligations related to their duties and plays a role in confirming the principles of compliance management to institutionalize compliance activities, such as audits and education for the prevention of illegal acts, as part of the company’s organizational culture.

Role of Compliance Officer

The Compliance Officer leads the Compliance Team in establishing, maintaining, and operating the compliance control system, assuming a practical management role. Appointed by the Board of Directors, the Compliance Officer is tasked with a wide range of responsibilities, including setting annual compliance control activity goals, establishing compliance education and training programs, conducting compliance audits for domestic and international divisions, evaluating the effectiveness of the compliance control system, and attending and reporting on compliance-related matters at board meetings. The Compliance Officer plays a pivotal role in establishing Korean Air’s compliance management system.

Role of Compliance Team

Korean Air operates a Compliance Team overseen by the Compliance Officer to uphold compliance management. This team aids the Compliance Officer and executes directives. Working closely with compliance managers assigned to domestic and international divisions, the team ensures that compliance activities are carried out across all departments of Korean Air, fostering the propagation of a compliance culture.

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Compliance Management Implementation Process

Compliance Principles

Guided by the Compliance Control Standards and the Compliance Control Standards Enforcement Rules, Korean Air has appointed a compliance officer and compliance managers across over 30 domestic and international divisions to promote compliance management and ensure adherence. Furthermore, Korean Air is committed to fulfilling its social and legal obligations, using these efforts as primary catalysts to foster a collaborative environment of trust among employees, customers, shareholders, suppliers, and other stakeholders.

Compliance Policy

Korean Air is committed to ensuring legal compliance and effective corporate governance. This commitment is manifested through the establishment of clear compliance control standards and enforcement rules that all employees are obligated to follow in their roles. By operating a compliance officer system, Korean Air actively fosters a culture of compliance within its workforce. Every employee at Korean Air is dedicated to adhering to laws, promoting fair and transparent business practices, and fostering the company's sustainable growth and customer trust.

Compliance Management Implementation Measures

Compliance Team | Korean Air's Compliance Team, led by a Compliance Officer, ensures adherence to legal and regulatory requirements. With the appointment of around 30 compliance managers across domestic and international divisions, the company aids employees in comprehending and following relevant domestic and international laws. The Compliance Team designs and executes compliance education and training programs aligned with the Compliance Officer's annual compliance control activity plan. Additionally, it conducts audits to verify compliance with standards and regularly reports findings to the Board of Directors.

Compliance Regulations | Korean Air has developed enforcement rules detailing the criteria and procedures for compliance control standards and their execution. Through these rules, the company conducts control activities to ensure legal compliance and promote effective corporate governance. Moreover, it formulates Compliance Management Guidelines to establish and operate a compliance management system in line with International Organization for Standardization (ISO) standards. Additionally, the company compiles and updates a catalog of major legal risk types and legal risk assessment reports to proactively identify and manage legal risks inherent in each department's operations.

Compliance Management System

Compliance Audits and Effectiveness Evaluation of Compliance Control System | Korean Air conducts compliance audits based on compliance standards and enforcement rules to ensure employees adhere to legal requirements autonomously. The company regularly assesses the effectiveness of the compliance control system in promptly preventing or detecting legal risks. Based on these evaluations, necessary improvements are identified and actively implemented.

Certification of Compliance Management System | In April 2023, Korean Air became the first South Korean airline to achieve ISO 37301 (Compliance Management System) certification and maintains it through regular audits. This recognition acknowledges Korean Air's compliance management as meeting international standards by establishing a comprehensive framework for identifying and managing organizational legal risks, including the development of internal regulations and guidelines and the completion of compliance management guidelines.



Compliance Risk Management Framework

Risk Management Process

Korean Air establishes and executes a systematic process for identifying, assessing, improving, auditing, and reporting on risks to proactively prevent and manage potential legal risks.

Identification / Assessment	<ul style="list-style-type: none"> Monitoring and investigating legislation and amendment status Drafting reports that assess legal risks, detailing relevant laws and precautions for each department Compiling a list of major types of legal risk behaviors
Improvement	<ul style="list-style-type: none"> Providing online and offline compliance education sessions Offering guidance and advice on compliance matters Receiving and processing compliance reports Enhancing and refining business policies and processes
Audit	<ul style="list-style-type: none"> Conducting autonomous compliance audits by each department (office) Conducting compliance audits overseen by the Compliance Officer
Reporting	<ul style="list-style-type: none"> Reporting to Compliance Officer Reporting to the Board of Directors External disclosures

Risk Management Organization

Korean Air closely collaborates with the Compliance Officer, the Compliance Team under the Compliance Officer, and Compliance Managers in each domestic and international division/department/office to ensure consistent management of legal risks across all sectors.

Compliance Officer	<ul style="list-style-type: none"> Responsible for the practical oversight of building, maintaining, and operating the compliance control system 	1 person
Compliance Team	<ul style="list-style-type: none"> Assists the Compliance Officer and executes directives Handles all practical matters related to building, operating, and evaluating the compliance control system 	6 persons
Compliance Managers	<ul style="list-style-type: none"> Manage overall compliance control system activities in their respective departments through organic collaboration with the Compliance Officer and Compliance Team 	30 persons

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Risk Management Activities and Performance

Operation of Compliance Reporting System | Korean Air provides channels for employees to report illegal or unfair practices and suggest improvements. The identity of the reporter is kept confidential, and reports are handled under strict protection to ensure no adverse consequences for the reporter.

Reporting Channels	Types of Reports
Compliance Reporting System	<ul style="list-style-type: none"> Illegal or unfair job execution by employees Suggestions for improving the compliance control system
Internal Whistleblowing System	<ul style="list-style-type: none"> Various violations of regulations, misconduct, irregularities, and unfair practices that may occur in transactions with suppliers
Workplace Harassment and Sexual Harassment Reporting System	<ul style="list-style-type: none"> Reports of workplace harassment and sexual harassment

Legal Risk Assessment Reports and List of Major Types of Legal Risk Behaviors | Korean Air identifies inherent legal risks in employee tasks and actively manages them by preparing, utilizing, and maintaining legal risk assessment reports and a list of major types of legal risk behaviors.

Item	Details
Legal Risk Assessment Reports	<ul style="list-style-type: none"> Identification of major legal provisions to comply with in each department's areas of work, including fair trade, safety and health, information security, and labor, with inherent risks (implemented in August 2023) Risk assessments based on the likelihood of risk occurrence and the magnitude of impact related to each identified legal provision (implemented in August 2023) Development and implementation of mitigation plans if the risk assessment results qualify as management targets (implemented from August to December 2023)
List of Major Types of Legal Risk Behaviors	<ul style="list-style-type: none"> Categorization of major types of legal risk behaviors potentially arising from legal violations (updated in August 2023)

Compliance Auditing and Reporting to the Board of Directors | Korean Air conducts autonomous compliance audits by each department (office) and regular and ad hoc audits by the Compliance Officer to ensure adherence to compliance control standards among employees. The Compliance Officer annually reports the findings of these audits to the Board of Directors.

Audit Type	Details
Autonomous Compliance Audits by Department (Office)	<ul style="list-style-type: none"> Each department (office) conducts autonomous audits on understanding of the compliance control system, utilization and maintenance of legal risk assessment reports, compliance education, and compliance audits (conducted in October 2023).
Regular Audits by Compliance Officer	<ul style="list-style-type: none"> The Compliance Officer conducts regular audits on compliance with compliance control standards by all employees (conducted in November 2023).
Ad Hoc and Extraordinary Audits by Compliance Officer	<ul style="list-style-type: none"> The Compliance Officer conducts these audits when specific departments (offices) are identified as requiring inspection due to significant legal risks or concerns about increased legal risks due to changes in the legal environment (e.g., ad hoc audit conducted in January 2023 regarding compliance with the Personal Information Protection Act and implementation of measures based on audit findings).

Compliance Risk Analysis

	Short-term (0-3 years)	Medium to long-term (3+ years)
External Issues	Strengthening of Personal Information-related Legislation (e.g., Revision of Korean Personal Information Protection Act and EU GDPR, enactment of US CPRA)	Enactment or introduction of ESG-related legislation and systems (e.g., ESG disclosure system)
Opportunities for Korean Air	Proactive preparation for international personal information protection standards to enhance corporate reliability	Strengthening of compliance management through the establishment and operation of internal control systems related to ESG
Risks for Korean Air	Increased legal risks related to personal information protection regulations in each country following enhanced standards	Increased legal risks requiring response due to the implementation of ESG-related regulations

	Short-term (0-3 years)	Medium to long-term (3+ years)
Internal Issues	Ongoing review for an Asiana Airlines merger	Effective operation of the Fair Trade Compliance Program (CP)
Positive Impact on External Parties	Reduction of competition law-related risks due to resolution of competition among Korean FSCs.	Strengthening compliance management and enhancing corporate reliability
Negative Impact on External Parties	Additional legal issues related to Asiana Airlines	Becoming difficult to operate programs tailored to specific business characteristics

Ethical Management and Compliance Education

Korean Air reinforces education through diverse and systematic programs in ethical management and compliance to instill ethical norms and compliance awareness among employees, enabling them to apply these principles. All employees in Korea and abroad are required to complete the "Our Ethical Management" course, emphasizing the significance of the company's ethical management practices and corporate philosophy. Additionally, they undertake the "Understanding the Compliance System" course annually, which underscores the importance of compliance management and Korean Air's support system.

Furthermore, newly onboarded employees and overseas staff undergo legal training covering acts such as the Improper Solicitation and Graft Act, Fair Trade Act, and Equal Employment Opportunity and Work-family Balance Assistance Act. Regular online training sessions, including "Compliance with Antitrust Laws," "Understanding the Improper Solicitation and Graft Act," and "Understanding Market Dominance Abuse and Unfair Trading Practices," are conducted for all employees to bolster compliance awareness across the organization. Quarterly Compliance Newsletters are also distributed to heighten awareness of compliance management among employees.

Ethics and Compliance Training for Employees

(Unit: Persons (Completion Rate))

Courses	2021	2022	2023
Our Ethical Management*	-	16,644 (100%)	-
Compliance with Antitrust Laws	886 (79%)	1,061 (92%)	1,220 (94%)
Understanding the Improper Solicitation and Graft Act*	-	10,538 (89%)	-
Understanding the Abuse of Market Dominance and Unfair Trading Practices*	13,779 (76%)	-	14,995 (83%)
Understanding the Compliance System	12,714 (71%)	10,416 (70%)	15,519 (86%)

* Biennial Operation

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Risk Management

Non-Financial Risks

Strategic and Operational Risks

A high-level consultative body, composed of heads of business divisions, convenes regularly to examine economic, environmental, and social trends from a company-wide standpoint, with the objective of optimizing corporate value. Furthermore, internal audits are carried out to evaluate the risk profiles of each business division and scrutinize the effective utilization of resources.

Regulatory Risks

Korean Air has established a robust monitoring system to ensure compliance with relevant laws and regulations, proactively addressing regulatory risks by utilizing legal advisory departments and expert resources. Moreover, the implementation of the Fair Trade Compliance Program aims to prevent the occurrence of unfair transactions.

Accident-Related Risks

The Corporate Aviation Safety Strategy Department oversees all safety and security matters to prevent aircraft accidents and hijackings and mitigate potential losses. Korean Air develops and regularly updates regulations, manuals, and guidelines for emergency and accident responses, conducting routine inspections of the emergency-response system. Additionally, comprehensive company-wide drills and training sessions are held at least once per year to bolster the airline's preparedness in responding to unforeseen aircraft accidents.

Environmental Risks

Korean Air has established comprehensive environmental risk prevention measures and crisis response regulations. Emergency response training, covering procedures for fuel and chemical spills, along with specialized departmental environmental emergency response training, is conducted to mitigate environmental accident risks. Furthermore, Korean Air is committed to minimizing the negative impacts of climate change on the environment by adopting high-efficiency aircraft and optimizing flight routes.

Financial Risks

Financial Risk Management Team

Korean Air has established and operates a dedicated team to manage financial risks under the Finance Planning Team of the Corporate Finance Division. The team systematically manages financial risks by monitoring risk factors in the market to minimize them.

Exchange Rate Fluctuation Risks

Engaging in foreign currency transactions exposes Korean Air to exchange rate fluctuations and their impacts. While primarily exposed to the US dollar, other currencies such as the Japanese yen, Euro, and Chinese yuan are also involved. To manage the risks associated with exchange rate fluctuations, Korean Air diversifies its borrowing currencies, including the Korean won and Japanese yen, to balance its income and expenses across different currencies, thereby reducing the proportion of borrowings in US dollars. Additionally, the company continuously manages exchange rate fluctuation risks through currency derivative contracts in accordance with internal policies. Exchange rate risks are regularly assessed, and derivative contracts are managed within pre-approved limits.

Interest Rate Fluctuation Risks

Korean Air borrows funds at both fixed and floating interest rates, exposing it to interest rate fluctuations. To manage interest rate risks, the company actively pursues low-interest currency fixed-rate borrowings in Korean won and Japanese yen, among other low-interest currencies. Furthermore, it utilizes interest rate derivatives contracts in accordance with internal policies to manage interest rate fluctuations within approved limits.

Oil Price Fluctuation Risks

The market price of petroleum products like aviation fuel fluctuates significantly due to various factors affecting supply and demand in the global oil market. These factors have a substantial impact on the operational performance and cash flow of our largest business segment, the aviation transportation division. To mitigate the risk of oil price fluctuations, the company employs measures such as oil option contracts in line with internal policies. Oil price fluctuation risks are regularly assessed, and derivative contracts are managed within pre-approved limits.

Tax Risks

In December 2023, Korean Air established tax policy, prioritizing "compliance with tax laws and diligent reporting and payment" across all business operations. A dedicated tax team collaborates with internal and external tax experts to evaluate and address potential tax risks arising from major transactions, contract adjustments, and new business ventures. Furthermore, Korean Air contributes to tax revenue generation through direct and indirect tax payments derived from business activities, investments, and employment practices.

[Click for Tax Policy](#) 

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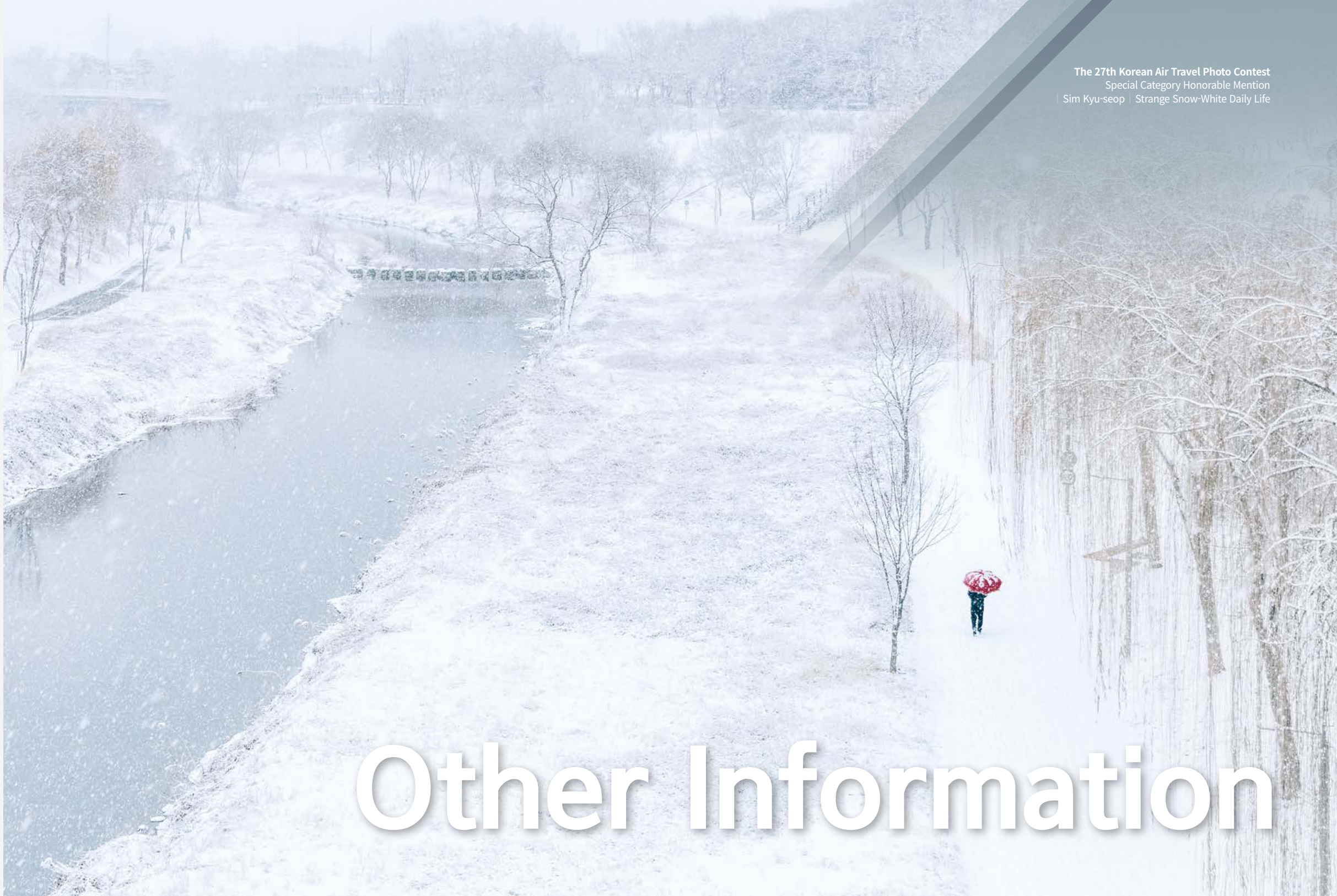
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The 27th Korean Air Travel Photo Contest
Special Category Honorable Mention
Sim Kyu-seop | Strange Snow-White Daily Life

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Economic

Financial Status

(based on consolidated financial statements)

Item	Unit	2021	2022	2023
Current assets	KRW million	6,640,997	8,090,937	8,595,170
Non-current assets	KRW million	20,030,906	20,906,764	21,796,606
Total assets	KRW million	26,671,903	28,997,701	30,391,776
Current liabilities	KRW million	8,444,927	8,475,184	9,409,865
Non-current liabilities	KRW million	11,361,287	11,230,057	11,166,703
Total liabilities	KRW million	19,806,214	19,705,241	20,576,568
Capital	KRW million	1,744,658	1,846,657	1,846,657
Other paid-in capital	KRW million	4,248,400	4,145,583	4,145,341
Other components of equity	KRW million	650,768	948,267	942,060
Retained earnings	KRW million	110,077	2,053,684	2,591,941
Non-controlling interest	KRW million	111,786	298,269	289,209
Total equity	KRW million	6,865,689	9,292,460	9,815,208
Total liabilities and equity	KRW million	26,671,903	28,997,701	30,391,776

Business Performance

(based on consolidated financial statements)

Item	Unit	2021	2022	2023
Revenue	KRW million	9,016,825	14,096,095	16,111,796
Cost of goods sold	KRW million	6,912,047	10,245,441	12,850,302
Gross profit	KRW million	2,104,778	3,850,654	3,261,494
SG&A Expenses	KRW million	686,809	1,020,067	1,471,405
Operating profit	KRW million	1,417,969	2,830,587	1,790,089

Item	Unit	2021	2022	2023
Non-operating income	KRW million	(574,855)	(268,452)	(214,399)
Net income before income taxes	KRW million	843,114	2,562,135	1,575,690
Income tax expense	KRW million	264,332	832,632	446,584
Income from continuing operations	KRW million	578,782	1,729,503	1,129,106
Income from discontinued operations	KRW million	-	-	-
Net income	KRW million	578,782	1,729,503	1,129,106
Other comprehensive income (loss)	KRW million	72,227	556,145	(263,542)
Total comprehensive income	KRW million	651,009	2,285,648	865,564

Economic Value Stakeholder allocation

(based on separate financial statements)

Item	Unit	2021	2022	2023	
Government	Corporate tax	KRW million	147,340	894,944	386,158
Shareholders	Dividends	KRW million	-	277,054	277,054
Community	Social contribution expenses	KRW million	3,070	6,026	15,401
	Rent	KRW million	1,603	13,670	145,023
Suppliers	Fuel costs	KRW million	1,799,996	4,007,540	4,457,083
	Manufacturing costs	KRW million	160,159	223,205	257,597
	Airport expenses	KRW million	660,503	729,459	1,114,347
Employees	Labor costs	KRW million	1,342,974	1,676,240	1,929,633
	Welfare expenses	KRW million	350,330	422,579	657,069
Creditors	Interest expenses	KRW million	363,685	361,751	480,401

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Energy usage

Item	Unit	2021	2022	2023	
Energy consumption	Non-renewable energy	TJ	109,267	133,912	172,766
	Renewable energy ¹⁾	TJ	0	0.00458	0.01114
	Total	TJ	109,267	133,912	172,766
By energy source	Electricity	TJ	852	887	939
	Fuel	TJ	108,401	133,005	171,809
	Steam	TJ	15	20	18
	Other	TJ	0	0	0
Energy use intensity	Internal metrics (revenue, unit production, etc.)	MWh/KRW million	3.366	2.639	2.978

1) Corrected miscalculation of blended SAFs in calculating renewables in the previous report in 2022.

Water usage

Item	Unit	2021	2022	2023	
Water consumption	Non-recycled water	Ton	558,014	559,143	636,904
	Recycled water	Ton	12,845	15,092	19,395
	Total	Ton	570,859	574,235	656,299
By water source	Water supplied by third parties (municipal, industrial water supply, etc.)	Ton	509,055	505,307	568,090
	Groundwater	Ton	48,959	53,836	68,814
	Seawater	Ton	0	0	0
	Surface water	Ton	0	0	0
Water recycling	Recycling volume	Ton	12,845	15,092	19,395
	Recycling rate	%	2.3	2.7	3.0

Greenhouse gas emissions

Item	Unit	2021	2022	2023	
GHG emissions	Scope 1	tCO ₂ eq	7,503,920	8,631,157	11,852,913
	Scope 2	tCO ₂ eq	41,398	43,301	45,727
	Scope 3 ¹⁾	tCO ₂ eq	1,700,334	1,975,406	2,578,277
	S1+S2 total	tCO ₂ eq	7,545,318	8,674,458	11,898,640
	S1+S2+S3 total	tCO ₂ eq	9,245,652	10,649,864	14,476,917
GHG emissions intensity	Internal metrics (revenue, unit production, etc.)	tCO ₂ eq/KRW million	0.837	0.615	0.739

1) • GHG emissions from aircraft production could not be calculated in 2023. Therefore, emissions from aviation fuel production/transportation were estimated using a factor of 0.68 kgCO₂eq/kg.
• The calculation includes GHG emissions related to airport operations, in-flight meal production, employee commuting, and business trips.

Air pollutants

Item	Unit	2021	2022	2023
NOx emissions (nitrogen oxides)	Ton	42,323	48,519.6	63,531.0
SOx emissions (sulfur oxides)	Ton	0.0	0.3	0.1
Dust emissions (dust)	Ton	2.3	5.4	6.4
Other (THC)	Ton	13.3	11.5	15.8

1) THC increased due to the increased operating hours of the Tech Center in 2023.

Water pollutants

Item	Unit	2021	2022	2023
TOC	kg	524	288	312
BOD	kg	481	171.3	178.0
SS	kg	261	238.9	142.0
T-N	kg	236	222.7	212.0
T-P	kg	7	8.3	35.0

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Hazardous chemicals

Item	Unit	2021	2022	2023
Hazardous chemical usage	Ton	159.2	187.2	104.6

Waste generation and disposal

Item	Unit	2021	2022	2023	
Waste generation	General Waste	Ton	5,978	7,781	11,215
	Designated Waste	Ton	569	763	797
	Total	Ton	6,547	8,544	12,012
Waste recycling rate	General Waste	%	75	76	70
	Designated Waste	%	30	35	39
	Total	%	71	72	68
Waste disposal	Incineration	Ton	1,890	2,381.1	3,805
	Landfill	Ton	11	6.7	14
	Recycling	Ton	4,646	6,156.1	8,193

Green investment

Item	Unit	2021	2022	2023
Green product purchases ¹⁾	KRW million	2,304	7,182	13,604
Green investments ²⁾	KRW million	0	775,560	6,451,480

1) Purchases of general items and fuel efficient aircraft fuel

2) Fuel efficient aircraft purchases

Environmental training performance

Item	Unit	2021	2022	2023
Total training hours	Hour	9,738	9,368	10,641
Training hours per employee	Hour	0.5	0.5	0.55

Environmental compliance

Item	Unit	2021	2022	2023	
Violations of environmental laws and regulations	Monetary penalties	Case	0	0	0
	Non-monetary penalties	Case	0	0	0
	Penalty amounts	KRW	0	0	0

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Employee status

Item	Unit	2021	2022	2023	
All	Persons	19,409	19,142	19,425	
Gender	Male	10,784	10,557	10,721	
	Female	8,625	8,585	8,704	
	Total	19,409	19,142	19,425	
	Percentage of female employees	%	44.44	44.85	44.81
	By employment type	Permanent employees	Male	10,625	10,217
Female			8,394	8,387	8,282
Total			19,019	18,604	18,275
Percentage of permanent employees female employees		%	44.13	45.08	45.32
Non-permanent employees		Male	159	340	728
	Female	231	198	422	
	Total	390	538	1,150	
By age	Under 30 years old	2,206	1,673	1,677	
	30 to 39 years old	6,458	6,341	6,201	
	40 to 49 years old	5,752	5,847	6,006	
	50 years old or older	4,993	5,281	5,541	
	By nationality	Republic of Korea	%	93	93
United States		%	1	1	1
Japan		%	1	1	1
China		%	2	2	2
Others		%	3	3	3
By recruited region		Korea	Persons	17,919	17,672
	Overseas	Persons	1,490	1,470	1,496

Item	Unit	2021	2022	2023		
By position (based on permanent employees)	Managerial positions ¹⁾	Male	Persons	3,079	3,140	3,204
		Female	Persons	2,047	2,340	2,571
		Total	Persons	5,126	5,480	5,775
	Percentage of female managers	%	39.90	42.70	44.52	
	Non-managerial positions	Male	Persons	7,546	7,077	6,789
		Female	Persons	6,347	6,047	5,711
Total		Persons	13,893	13,124	12,500	
Employment of locally recruited employees	Number of employees at overseas locations	Persons	1,691	1,685	1,776	
	Percentage of locally recruited employees	%	88	87	84	
	Percentage of locally recruited employees in managerial positions	%	16	16	15	
	Percentage of locally recruited female employees	%	52	51	51	
Non-affiliated workers	Contract workers	Male	Persons	1,399	1,592	2,098
		Female	Persons	909	1,250	1,651
	Dispatched workers	Male	Persons	46	50	53
		Female	Persons	17	22	26

1) Managerial position criteria: Permanent employees at senior manager level or above (excluding cabin managers, locally recruited managers or above, and flight crew members)

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New hires and turnover

Item	Unit	2021	2022	2023			
New hires	Gender	Male	Persons	137	229	511	
		Female	Persons	40	121	427	
	By age	Under 30 years old	Persons	73	131	574	
		30 to 39 years old	Persons	89	185	322	
		40 to 49 years old	Persons	12	27	33	
		50 years old or older	Persons	3	7	9	
	By recruited region	Korea	Persons	126	179	726	
		Overseas	Persons	51	171	212	
	Turnover status ¹⁾	Gender	Male	Persons	487	513	476
			Female	Persons	343	339	396
By age		Under 30 years old	Persons	201	109	77	
		30 to 39 years old	Persons	170	252	302	
		40 to 49 years old	Persons	62	146	113	
		50 years old or older	Persons	397	345	380	
By recruited region		Korea	Persons	592	657	678	
		Overseas	Persons	238	195	194	
Turnover rate ²⁾		Year-end headcount	Persons	17,919	17,672	17,929	
		Total turnover	Persons	592	657	678	
	Total turnover rate	%	3.30	3.72	3.78		
	Voluntary turnover	Persons	174	396	393		
Voluntary turnover rate	%	0.97	2.24	2.19			

1) Turnover: includes both voluntary and advised turnover

2) The turnover rate is calculated based on Korean employees; new calculation criteria apply starting from the 2023 report, in line with the Ministry of Trade, Industry and Energy's ESG reporting guidelines
 (Turnover rate = Number of employees who left in the current year ÷ Total headcount at the end of the current year)

Maternity leave

Item	Unit	2021	2022	2023		
Maternity and paternity leave usage	Number of people using pregnancy leave ¹⁾	Persons	365	407	351	
	Number of people using maternity leave	Persons	498	448	479	
	Percentage of employees returning to work after maternity leave	%	100	100	100	
Parental leave usage	Number of people using parental leave	Male	Persons	40	77	104
		Female	Persons	427	450	579
	Number of people expected to return from parental leave	Male	Persons	45	56	99
		Female	Persons	486	484	518
	Number of people returning from parental leave	Male	Persons	43	53	94
		Female	Persons	479	469	486
	Percentage of employees returning to work after parental leave	Male	%	96	95	95
		Female	%	99	97	94
	Number of employees maintaining 1 year or longer of service after returning to work	Male	Persons	64	42	50
		Female	Persons	455	466	428
Percentage of employees maintaining 1 year or longer of service after returning to work ²⁾	Male	%	98	98	94	
	Female	%	99	97	91	

1) Pregnancy leave is applicable only to cabin crew performing flight duties.

2) Percentage of employees maintaining service for 1 year or more after reinstatement = Number of employees maintaining employment for over one year after reinstatement in the respective year / Number of employees reinstated in the previous year

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Employee training

Item	Unit	2021	2022	2023	
Total training hours ¹⁾	Hours	737,724	1,032,490	1,387,807	
Total number of trainees (excluding duplicates) ¹⁾	Persons	19,988	19,645	21,176	
Training hours per person	All	38	55	71	
Training hours per person (by gender)	Male	44	61	68	
	Female	31	53	75	
	Executive level	19	37	45	
Training hours per person (by position)	Managers or above	36	51	60	
	Assistant managers or below	38	55	84	
Total training costs	All	KRW million	22,661	27,977	33,174
Training cost per person	All	KRW 1,000	1,163	1,441	1,701
Training cost per person (by gender)	Male	KRW 1,000	1,335	1,596	1,629
	Female	KRW 1,000	948	1,384	1,790
	Executive level	KRW 1,000	586	1,014	1,073
Training cost per person (by position)	Managers or above	KRW 1,000	1,119	1,380	1,444
	Assistant managers or below	KRW 1,000	1,153	1,488	2,003

1) Includes executives, employees on leave, and retirees in the current year

Welfare expenses

Item	Unit	2021	2022	2023
Total welfare expenses	KRW million	350,330	422,579	657,069
Average welfare benefits per employee	KRW 10,000	1,805	2,208	3,383

Labor practices

Item	Unit	2021	2022	2023
Percentage of workers covered by collective bargaining agreements	%	91.5	90.9	87.7
Number of work stoppages	Cases	0	0	0
Idle days due to work stoppages	Days	0	0	0

Pension and withdrawal status

Item	Unit	2021	2022	2023
All	KRW 100 million	683.0	669.3	721.5
National pension	KRW 100 million	443.1	425.6	469.3
Private pension	KRW 100 million	106.1	104.1	102.9
Credit union investment funds	KRW 100 million	133.8	139.6	149.3

Social conversations

Item	Unit	2021	2022	2023	
General	Employees eligible for union membership	Persons	13,159	12,479	11,771
	Union membership	Persons	11,888	11,254	10,221
	Union membership rate	%	90.34	90.18	86.83
Operations	Employees eligible for union membership	Persons	2,543	2,645	2,759
	Union membership	Persons	2,153	2,238	2,282
	Union membership rate	%	84.66	84.61	82.71
Labor-Management Council meetings held	Count	4	4	4	
Number of complaints received	Cases	3	7	4	
Number of complaints resolved	Cases	3	7	4	
Average days to respond	Days	10	10	10	

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Safety management

Item	Unit	2021	2022	2023	
Occupational injury rate ¹⁾	%	0.09	0.29	0.74	
Number of occupational injuries ²⁾³⁾	Cases	16	52	132	
Lost Time Injury Frequency Rate (LTIFR) ⁴⁾	The number of lost time injuries occurring in a workplace per 1 million hours worked	0.42	1.52	3.83	
Absenteeism rate	Employee absenteeism rate ⁵⁾	%	0.09	0.42	0.87
	Scope of employee data application ⁶⁾	%	86.4	86.0	87.6
Number of aircraft accidents	Cases	0	2	0	
Number of passenger fatalities ⁷⁾	Cases	0	0	0	
Number of administrative penalties issued by relevant authorities (Ministry of Land, Infrastructure, and Transport) for aviation safety regulations	Cases	0	0	4	

- 1) Occupational injury rate = (number of injuries ÷ number of workers) × 100
 2) The count for 2022 was revised to 52 after the approval of 6 additional cases following the preparation of the previous year's report.
 3) • Number of occupational accident cases: Sum of injuries and fatalities resulting from work-related accidents or diseases.
 • In 2023, there were 131 injured persons (125 work-related accidents, 6 work-related diseases) and 1 fatality (work-related disease).
 4) Lost-time injury frequency rate = (Number of lost-time injuries ÷ Total work hours for the fiscal year) × 1,000,000
 5) • The absenteeism rate is calculated based on The Number of lost workdays due to work-related injuries/illnesses.
 • Absenteeism rate = (Number of lost workdays ÷ Total working days) × 100
 6) Scope of data coverage = (Number of employees in Korea ÷ Total number of employees) × 100
 7) Zero cases in 2020

Social contribution

Item	Unit	2021	2022	2023	
By type of social contribution	Cash donations	KRW million	2,938	5,922	15,274
	In-kind donations	KRW million	132	104	126
By social impact area	Community investment	KRW million	2,435	5,342	12,131
	Commercial	KRW million	561	253	485
Volunteer activities	Number of volunteer services ¹⁾	Count	85	118	142
	Number of volunteers ²⁾	Persons	0	664	1,565
	Hours of volunteer service per person	Hours	0.0	0.2	0.6

- 1) Based on in-person and remote volunteer activities
 2) Based on in-person volunteer activities

Corruption and bribery

Item	Unit	2021	2022	2023
Direct or indirect political contributions	KRW million	0	0	0
Charitable contributions and sponsorship	KRW million	0	0	0

Policy disbursements

Item	Unit	2021	2022	2023
Lobbying, interest representation or similar	KRW million	0	0	0
Local, regional or national political campaigns / organizations / candidates	KRW million	0	0	0
Trade associations or tax-exempt groups	KRW million	377	162	418
Other (e.g. spending related to ballot measures or referendums)	KRW million	0	0	0

Human rights training performance

Item	Unit	2021	2022	2023	
Creating a Bright and Transparent Work Environment	Completed participants (rate)	Persons (%)	17,415 (100)	17,204 (100)	17,933 (100)
	Total training hours	Hours	17,415	17,204	17,933
Increasing Awareness of Employees with Disabilities in the Workplace	Completed participants (rate)	Persons (%)	17,357 (100)	16,919 (100)	17,692 (100)
	Total training hours	Hours	17,357	16,919	17,692

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Occupational safety and health training performance

Item	Unit	2021	2022	2023	
Occupational Safety and Health (Q1 Employee Training) ¹⁾	Completed participants (rate)	Persons (%)	9,596 (100)	11,123 (100)	15,496 (100)
	Total training hours	Hours	49,806	56,925	85,398
Occupational Safety and Health (Q2 Employee Training)	Completed participants (rate)	Persons (%)	9,600 (100)	11,974 (100)	16,500 (100)
	Total training hours	Hours	50,490	64,701	91,335
Occupational Safety and Health (Q3 Employee Training)	Completed participants (rate)	Persons (%)	10,014 (100)	14,500 (100)	17,029 (100)
	Total training hours	Hours	48,399	79,479	94,260
Occupational Safety and Health (Q4 Employee Training)	Completed participants (rate)	Persons (%)	10,329 (100)	14,817 (100)	17,081 (100)
	Total training hours	Hours	50,334	81,384	95,586

Shared growth

Item	Unit	2021	2022	2023	
Total number of suppliers	Number of companies	1,778	1,685	1,833	
Number of key suppliers ¹⁾	Number of companies	207	263	356	
Number of suppliers with fair trade agreements	Number of companies	30	33	33	
Number of companies pledging compliance with the Code of Ethics ²⁾	Number of companies	17	179	69	
Number of support cases for suppliers	Cases	737	3,250	3,638	
Amount of financial support for suppliers	Direct and indirect financial support	KRW million	2,475	3,561	3,033
Supplier technology development support and technology protection program performance	Funding amount	KRW million	1,775	3,246	1,534
	Number of support cases	Cases	368	267	300
Performance of training programs for suppliers	Number of courses	Cases	41	653	245
	Participants	Persons	239	2,757	2,806
	Performance	Hours	164	8,643	9,216

1) Compiled based on the criteria of annual transactions exceeding KRW 1 billion.
 2) Limited to Korean companies, excluding one-time and simple payments.

Customer satisfaction

Item	Unit	2021	2022	2023
Number of customer compliments received	Cases	1,902	5,569	10,901
Number of customer complaints received	Cases	1,767	4,854	8,275
Number of customer complaints resolved	Cases	1,766	4,852	8,268
Customer complaint resolution rate	%	99.94	99.96	99.92
Other (inquiries, suggestions, etc.)	Cases	10,608	30,063	45,126

* Due to the decrease in the number of passengers caused by COVID-19 in 2021 and 2022, the number of customer complaints also decreased. In 2023, with the substantial recovery in travel demand, the number of passengers increased sharply, leading to a proportional increase in customer complaints. (Number of complaints before COVID-19: 6,242 cases in 2019, 6,493 cases in 2018)

Measuring customer satisfaction

Item	Unit	2021	2022	2023
Net Promoter Score (NPS) surveys	Scores	61.5	57.2	58.3
Participation rate of customers	%	15.4	10.4	9.9

Online strategy and customers

Item	Unit	2021	2022	2023
Percentage of customers using online platforms	%	34	33	40
Percentage of online revenue	%	34	33	34

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Information protection

Item	Unit	2021	2022	2023	
Information security and privacy awareness training	Number of completers (completion rate)	Persons (%)	18,986 (100)	18,897 (100)	19,035 (99.49)
Number of employees who completed information security and privacy awareness training (Korea)	Persons	17,258	17,490	17,622	
Number of employees who completed information security and privacy awareness training (overseas)	Persons	1,728	1,407	1,413	
Number of customer personal data breach reports	Cases	0	0	0	

Employee engagement

Item	Unit	2021	2022	2023	
All	%	-	98	-	
By job position	Managerial positions	%	-	99	-
	Non-managerial positions	%	-	98	-

* The plan for measuring employee engagement in 2023 is postponed to 2024.

Governance

Board performance

Item	Unit	2021	2022	2023	
Number of meetings	Regular	Count	7	7	7
	Extraordinary	Count	2	2	1
Number of agenda items for resolutions	Item	31	31	33	
Number of agenda items for reports	Item	18	13	13	
Percentage of female directors¹⁾	%	8	8	9	
Attendance rate of executive directors	%	96	96	96	
Attendance rate of independent directors	%	100	96	97	

1) As of December 31

Board status

Item	Unit	2021	2022	2023
Executive directors¹⁾	Persons	3	3	3
Independent directors (including audit committee members)	Persons	9	9	8
Audit Committee	Persons	6	6	6

1) As of December 31

Average compensation per director

Item	Unit	2021	2022	2023
Executive directors	KRW million	819	1,096	1,474
Independent directors (including audit committee members)	KRW million	84	84	62
Audit Committee	KRW million	73	85	82

* Average compensation per director is the total compensation divided by the number of directors, calculated at the end of the fiscal year

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Whistleblowing System

Item	Unit	2021	2022	2023	
Number of reports	Number of cases received	Cases	32	23	22
	Number of violations of ethical regulations	Cases	8	6	3
Number of violations	Corruption or bribery	Cases	0	0	0
	Number of sexual harassment/workplace bullying cases	Cases	7	2	5
	Conflicts of interest	Cases	0	0	0
	Money laundering or insider trading	Cases	0	0	0
	Number of unfair competition-related violations	Cases	0	0	0
	Minor discipline (reprimand, warning)	Cases	4	4	1
Personnel action history	Severe discipline (demotion, suspension, reduction in pay)	Cases	15	9	1
	Dismissal/advised resignation	Cases	4	1	7

Performance in ethical management and compliance training

Item	Unit	2021	2022	2023	
Our Ethical Management ¹⁾	Completed participants (rate)	Persons (%)	-	16,644 (100)	-
	Total training hours	Hours	-	11,096	-
Compliance with Antitrust Laws	Completed participants (rate)	Persons (%)	886 (79)	1,016 (92)	1,220 (94)
	Total training hours	Hours	1,329	1,524	1,220
Understanding the Improper Solicitation and Graft Act ¹⁾	Completed participants (rate)	Persons (%)	-	10,538 (89)	-
	Total training hours	Hours	-	8,782	-
Understanding the Abuse of Market Dominance and Unfair Trading Practices ¹⁾	Completed participants (rate)	Persons (%)	13,779 (76)	-	14,995 (83)
	Total training hours	Hours	6,890	-	7,498
Understanding the Compliance System	Completed participants (rate)	Persons (%)	12,714 (71)	10,416 (70)	15,519 (86)
	Total training hours	Hours	6,357	5,208	7,759

1) Biennial operation

Number and amount of violations of laws related to anti-competitive behavior, monopolies, and other unfair trading practices

Item	Unit	2021	2022	2023
Total amount of fines	KRW 10,000	0	0	0
Number of non-monetary penalties	Cases	0	0	0
Number of lawsuits filed	Cases	0	0	0

Status of non-compliance with laws in other social and economic areas

Item	Unit	2021	2022	2023
Number of legal and regulatory violations	Cases	3	1	0
Amount of penalties or fines ¹⁾	-	KRW 20 million	8.3 billion rubles	0

1) The fine amount for 2022 is currently under appeal as of 2023, and the specific amount may be subject to change in the future.

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Topic	GRI Standards 2021	Publication	Page
GRI 2 : Governance	2-1	Organizational details	6
	2-2	Entities included in the organization's sustainability reporting	2
	2-3	Reporting period, frequency and contact point	2
	2-4	Restatements of information	- No changes made
	2-5	External assurance	83~84
	2-6	Activities, value chain and other business relationships	7~12
	2-7	Employees	73~74
	2-8	Workers who are not employees	73
	2-9	Governance structure and composition	61~62
	2-10	Nomination and selection of the highest governance body	63
	2-11	Chair of the highest governance body	63
	2-12	Role of the highest governance body in overseeing the management of impacts	63
	2-13	Delegation of responsibility for managing impacts	61
	2-14	Role of the highest governance body in sustainability reporting	63
	2-15	Conflicts of interest	62
	2-16	Communication of critical concerns	63
	2-17	Collective knowledge of the highest governance body	62
	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	-
GRI 2 : Strategy, policies and practices	2-22	Statement on sustainable development strategy	-
	2-23	Policy commitments	12
	2-24	Embedding policy commitments	14~23
	2-25	Processes to remediate negative impacts	66~68
	2-26	Mechanisms for seeking advice and raising concerns	66~68
GRI 2 : Stakeholder engagement	2-27	Compliance with laws and regulations	66~68
	2-28	Membership associations	86
	2-29	Approach to stakeholder engagement	22~23
GRI 3 : Material Topics	2-30	Collective bargaining agreements	75
	3-1	Process to determine material topics	19~21
	3-2	List of material topics	19~21
	3-3	Management of material topics	19~21

Topic	GRI Standards 2021	Publication	Page
GRI 201 : Economic Performance	201-1	Direct economic value generated and distributed	70
	201-2	Financial implications and other risks and opportunities due to climate change	35
	201-3	Defined benefit plan obligations and other retirement plans	-
	201-4	Financial assistance received from government	-
GRI 202 : Market Presence	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	-
GRI 203 : Indirect economic impacts	203-1	Infrastructure investments and services supported	76
	203-2	Significant indirect economic impacts	70
GRI 204 : Procurement practices	204-1	Proportion of spending on local suppliers	-
GRI 205 : Anti-corruption	205-1	Operations assessed for risks related to corruption	-
	205-2	Communication and training about anti-corruption policies and procedures	79
	205-3	Confirmed incidents of corruption and actions taken	79
GRI 206 : Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	79
GRI 207 : Tax	207-1	Approach to tax	68
	207-2	Tax governance, control, and risk management	68
	207-3	Stakeholder engagement and management of concerns related to tax	68
	207-4	Country-by-country reporting	-
GRI 301 : Materials	301-1	Materials used by weight or volume	71
	301-2	Recycled input materials used	32
	301-3	Reclaimed products and their packaging materials	33~34
GRI 302 : Energy	302-1	Energy consumption within the organization	28
	302-2	Energy consumption outside of the organization	71
	302-3	Energy intensity	71
	302-4	Reduction of energy consumption	28
	302-5	Reductions in energy requirements of products and services	28
GRI 303 : Water and effluents	303-1	Interactions with water as a shared resource	-
	303-2	Management of water discharge-related impacts	29
	303-3	Water withdrawal	71
	303-4	Water discharge	-
	303-5	Water consumption	71

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Topic	GRI Standards 2021	Publication	Page
GRI 304 : Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-
	304-2	Significant impacts of activities, products and services on biodiversity	○ 30
	304-3	Habitats protected or restored	○ 30
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
GRI 305 : Emissions	305-1	Direct (Scope 1) GHG emissions	○ 31
	305-2	Energy indirect (Scope 2) GHG emissions	○ 31
	305-3	Other indirect (Scope 3) GHG emissions	○ 31
	305-4	GHG emissions intensity	○ 31
	305-5	Reduction of GHG emissions	○ 31
	305-6	Emissions of ozone-depleting substances (ODS)	-
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	○ 71
GRI 306 : Waste	306-1	Waste generation and significant waste-related impacts	○ 28
	306-2	Management of significant waste-related impacts	○ 28
	306-3	Waste generated	○ 72
	306-4	Waste diverted from disposal	○ 72
	306-5	Waste directed to disposal	○ 72
GRI 308 : Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	-
	308-2	Negative environmental impacts in the supply chain and actions taken	-
GRI 401 : Employment	401-1	New employee hires and employee turnover	○ 74
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	○ 55-56
	401-3	Parental leave	○ 55
GRI 402 : Labor/management relations	402-1	Minimum notice periods regarding operational changes	○ 50 days for layoff, 30 days for dismissal
GRI 403 : Occupational health and safety	403-1	Occupational health and safety management system	○ 38-39
	403-2	Hazard identification, risk assessment, and incident investigation	○ 41
	403-3	Occupational health services	○ 38-39, 43
	403-4	Worker participation, consultation, and communication on occupational health and safety	○ 40-44
	403-5	Worker training on occupational health and safety	○ 40-44
	403-6	Promotion of worker health	○ 38-39
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	○ 38-39, 43

Topic	GRI Standards 2021	Publication	Page
GRI 403 : Occupational health and safety	403-8	Workers covered by an occupational health and safety management system	○ 38-39
	403-9	Work-related injuries	○ 76
	403-10	Work-related ill health	○ 76
GRI 404 : Training and education	404-1	Average hours of training per year per employee	○ 75
	404-2	Programs for upgrading employee skills and transition assistance programs	○ 57-58
	404-3	Percentage of employees receiving regular performance and career development reviews	○ 56
GRI 405 : Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	○ 61-62, 37, 54
	405-2	Ratio of basic salary and remuneration of women to men	-
GRI 406 : Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	○ 37, 65, 79
GRI 407 : Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
GRI 408 : Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor	-
GRI 409 : Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
GRI 410 : Security practices	410-1	Security personnel trained in human rights policies or procedures	-
GRI 411 : Rights of indigenous peoples	411-1	Incidents of violations involving rights of indigenous peoples	-
GRI 413 : Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	○ 51-53
	413-2	Operations with significant actual and potential negative impacts on local communities	-
GRI 414 : Supplier social assessment	414-1	New suppliers that were screened using social criteria	○ 50-51
	414-2	Negative social impacts in the supply chain and actions taken	-
GRI 415 : Public policy	415-1	Political contributions	○ 76
GRI 416 : Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	○ 41-43
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	○ No cases of violation
GRI 417 : Marketing and labeling	417-1	Requirements for product and service information and labeling	○ 41-43
	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
GRI 418 : Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	○ 77

SASB Index

The Sustainability Accounting Standards Board (SASB) is an organization that sets industry-specific standards for reporting non-financial factors related to a company's financial performance. Korean Air discloses key sustainability information relevant to the aviation industry based on the SASB Index.

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Category		Code	2023
Metrics	Available seat kilometers (ASK)	TR-AL-000.A	80,777 million seat km
	Passenger load factor	TR-AL-000.B	84.2%
	Revenue passenger kilometers (RPK)	TR-AL-000.C	68,053 million passenger km
	Revenue ton kilometers (RTK)	TR-AL-000.D	14,555 million ton km
	Number of takeoffs	TR-AL-000.E	128,944 times
	Average fleet age	TR-AL-000.F	11.7 years
Greenhouse gas emissions	Gross global scope 1 emissions	TR-AL-110a.1	11,852,913 tonCO ₂ 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	Climate Change Response (P. 31-35)
	(1) Total fuel used in gigajoules	TR-AL-110a.3	171,809,749 GJ
	(2) Percentage of fuel from sources alternative to petroleum	TR-AL-110a.3	0%
Labor practices	(3) Percentage of sustainable fuel	TR-AL-110a.3	0% (85,281.71 USG)
	Percentage of active workforce covered under collective bargaining agreements	TR-AL-310a.1	87.7%
	(1) Number of work stoppages (strikes/blockages with 1,000 workers that lasted a complete shift)	TR-AL-310a.2	0
Competitive behavior	(2) Total days idle	TR-AL-310a.2	0
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	TR-AL-520a.1	N/A
Accident and safety management	Description of implementation and outcomes of a Safety Management System	TR-AL-540a.1	Safety Management (P. 40-45)
	Number of aviation accidents	TR-AL-540a.2	0
	Number of governmental (Ministry of Land, Infrastructure and Transport) enforcement actions of aviation safety regulations	TR-AL-540a.3	4

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TCFD Index

The Task Force on Climate-Related Financial Disclosures (TCFD) is a global consultative body established by the Financial Stability Board (FSB) at the request of the G20, aiming to facilitate the disclosure of information related to climate change. Korean Air discloses relevant information in accordance with the TCFD's recommendations to understand the impacts of climate change on the company and to assist stakeholders in making informed decisions.

TCFD Recommendations		Page
Governance	a. Board oversight of climate change-related risks and opportunities	Environmental Management Governance (P. 25) Environmental Performance Management (P. 26)
	b. Management assessment and management of climate change-related risks and opportunities	
Strategies	a. Climate change-related risks and opportunities in the short, medium and long term	Risks and Opportunities Related to Climate Change (P. 35)
	b. How climate change-related risks and opportunities affect the organization's business, strategic, and financial planning	
	c. Describe the resilience of your corporate strategy in light of climate change scenarios, including a below 2°C scenario	
Manage risk	a. Procedures for identifying and assessing climate change-related risks	Risks and Opportunities Related to Climate Change (P. 35)
	b. Procedures to manage climate change-related risks	
	c. The process of integrating climate change-related risk identification, assessment, and management procedures into the organization's overall risk management framework	
Metrics and goals	a. Indicators used by the organization to assess climate change-related risks and opportunities in accordance with its business strategy and risk management procedures	Climate Change Response Strategy (P. 31) Greenhouse gas emissions (P. 31, P. 71)
	b. Risks related to GHG emissions by Scope1 (direct emissions), Scope2 (indirect emissions), and Scope3 (other indirect emissions)	
	c. Describe the objectives and outcomes you use to manage climate change-related risks and opportunities	

※ In addition to the TCFD, Korean Air discloses detailed information on its climate change response through the Carbon Disclosure Project (CDP) platform.

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Third-Party Assurance Statement

To readers of 2024 Korean Air ESG Report (Sustaining Excellence)

Introduction

Korea Management Registrar (KMR) was commissioned by Korean Air to conduct an independent assurance of its 2024 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 2021**
- **Universal standards**
- **Topic specific standards**
 - Management approach of Topic Specific Standards
 - GRI 203: Indirect Economic Impacts
 - GRI 301: Materials
 - 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 405: Diversity and Equal Opportunity
- GRI 406: Non-Discrimination
- GRI 413: Local Communities
- GRI 416: Customer Health and Safety
- GRI 417: Marketing and Labeling
- GRI 418: Customer Privacy

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

KMR’s Approach

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

- 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.

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- SASB Index
- TCFD Index
- Third-Party Assurance Statement**
- Greenhouse Gas Emissions Assurance Statement
- Awards and Memberships

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. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

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's 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, 2024 Seoul, Korea

CEO *E. J. Hwang*



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Greenhouse Gas Emissions Assurance Statement

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Greenhouse Gas Emissions Assurance Statement

Greenhouse Gas Emissions Verification Opinion



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 2023 ("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 guidelines on the operation of GHG emission trading scheme ("ETS" (Notification No. 2023-221 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 2024 and performed in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No. 2023-221, 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 CO₂ equivalent. As part of the verification process;

- We have reviewed and verified the GHG emissions report for the calendar year 2023
- We have reviewed and verified the process to generate, aggregate and report the emissions

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 AIR's for the year 2023 were confirmed as below;

Greenhouse Gas Emissions of KOREAN AIR's Domestic business site for Yr 2023 (Unit: ton CO₂ equivalente)

KOREAN AIR	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
Domestic (in KOREA)	370,792.467	45,727.115	416,509

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

April 2024 Seoul, Korea
Country Manager, DNV Business Assurance Korea Ltd **Jang-Sub Lee**

No.: PRJN-621882-2024-AST-KOR

Greenhouse Gas Emissions Verification Opinion



Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by KOREAN AIR to verify the KOREAN AIR's Emission Report in accordance with ICAO CORSIA¹ for the calendar year 2023 ("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 (Doc 9501)-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 CO₂ emissions from international flight² defined in ICAO CORSIA ;

- Reporting Period : 2023-01-01 ~ 2023-12-31
- Boundary for reporting : CO₂ emission from aeroplane operated for the international flight of KOREAN AIR

Verification Approach

The verification has been conducted by DNV on April 2024 and performed in accordance with the verification principles of ISO 14064-3:2019 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 2023
- 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 2023 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 2023 (Unit: ton CO₂e)

Category	No. of aerodrome pairs	Total emissions
KOREAN AIR (2023)	485	11,031,934

April 2024 Seoul, Korea
Country Manager, DNV Business Assurance Korea Ltd **Jang-Sub Lee**

No.: PRJN-621885-2024-AST-KOR-CORSIA

This Verification opinion is valid as of the date of the issuance 15 April 2024. Please note that this opinion 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 opinion between English version and Korean version, Korean shall be given precedent.

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Major Awards (Last 3 Years)

Awards	Awarding entity	Award Date
The 24th Logistics Grand Prize in the large-scale business sector	Korea Logistics Society / Korea Chamber of Commerce and Industry	May 21, 2021
COVID-19 Airline Safety Rating: Five Star Airline	Skytrax	May 27, 2021
2021 Global Customer Satisfaction Index (GCSI) Awards	Global Management Association (GMA)	July 8, 2021
Airbus 220 Best Operational Excellence 2021	Airbus	October 4, 2021
2021 Airline of the Year	Air Transport World (ATW)	October 5, 2021
2021 Best Airline for International First Class and Best Business-Class Seat Design	Global Traveler	December 1, 2021
Official Airline Ratings : Five Star Global Airlines	Airline Passenger Experience Association (APEX)	December 3, 2021
Cellars in the Sky Award 2021 Gold Medal (First Class Champagne and First Class Dessert Wine)	Business Traveler	February 24, 2022
2022 Passenger Choice Award Best Food & Beverage in Eastern Asia and Best Cabin Service	Airline Passenger Experience Association (APEX)	June 8, 2022
PAX Readership Awards 2022 Best In-flight Duty Free Program	PAX International	June 14, 2022
2022 Cargo Operator of the Year	Air Transport World (ATW)	June 21, 2022
Ranked first place in the Global Customer Satisfaction Index (GCSI) for air passenger transport services	Global Management Association (GMA)	June 23, 2022
Airline Excellence Awards Cargo Airline of the Year and Long Haul Airline Asia / Pacific	AirlineRatings	July 13, 2022
2022 Social Contribution Enterprise Award in the Environment/Disaster Relief category (5 times)	The Korea Economic Daily	July 21, 2022
Ranked first in the FSC category of the National Customer Satisfaction Index (NCSI)	Korea Productivity Center	May 10, 2023
2023 Passenger Choice Award * Best Cabin Service	Airline Passenger Experience Association (APEX)	May 25, 2023
Airline Excellence Awards Cargo Airline of the Year, Best Airline in North Asia, No.4 in the global rating agency's Top Twenty Five Airlines	AirlineRatings	May 31, 2023
PAX Readership Awards 2023 Best In-flight Duty Free Program	PAX International	June 7, 2023

Awards	Awarding entity	Award Date
Ranked first in the Global Customer Satisfaction Index (GCSI) for air passenger transport services (19 consecutive years since 2005)	Global Management Association (GMA)	June 8, 2023
2023 USA Today 10Best Readers' Choice Awards (No. 1 for premium class service, No. 2 for best in-flight food, and No. 6 for best cabin crew)	USA Today	October 20, 2023
Ranked first in the airlines category of the Korean Standard Service Quality Index (KS-SQI)	Korea Standard Association	November 9, 2023
National Brand Awards for the corporate sector	Institute of Nation Brand Promotion	December 15, 2023
Ranked first for Best Airline Cuisine, Business Class Seat Design, and Best Frequent-Flyer Award Redemption	Global Traveler	December 13, 2023

Memberships

Category	Associations/Organizations
Aviation	International Air Transport Association (IATA), SkyTeam, 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 UVS Association, Korea Defense Industry Association, Korea Aerospace Industries Association, Korea Industrial Technology Association, Korea Aerospace Technology Research Association, Defense Industries Committee, Korea Defense Guarantee Cooperative, Korea Carbon and Nano Industry Association, Korea Association of Standards and Testing Organizations, Defense Quality Society, Korea Aerospace Quality Group, Young Falcons of Korea, Korea Research Association for Unmanned Vehicle
Economy	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, Busan Chamber of Commerce & Industry
Environment	Gangseo Business Group for Environmental Practices, Voluntary Agreement of the Aviation Industry on Greenhouse Gas Reductions
Society	UN Global Compact, Asia Society Korea Center, Korea AEO Association, Korea Management Association, Korea-Mongolia Forum, Korea Defense Transportation Association

