

The initiatives for our better future

꿈을 향한
따뜻한 동행



This report is the fourth corporate social responsibility report published by Incheon Airport Corporation with the purpose of communicating with stakeholders. The report's title reflects the priority that the corporation gives to fulfilling its social responsibilities as a member of society. We hope this report will act as a channel of communication that helps stakeholders understand and participate in our corporate responsibility activities.

About This Report

Reporting Framework

This report was prepared in accordance with the Global Reporting Initiative (GRI) G3.1 Guidelines and the Airport Operators Sector Supplement and has undergone official review by the GRI, and reflects Incheon Airport's activities related to ISO 26000 and Ten Principles of the UN Global Compact. The Korean Won has been used as the standard currency in this report, while the US Dollar is used for certain projects abroad. The standard units for environmental indices are separately marked for each index.

Reporting Period and Scope

Incheon Airport publishes the Social Responsibility Report each year, and this report generally focuses on covering the period from January 1st 2010 to December 31st 2010, but includes information on qualitative activities from early 2011. Some sections include data from the previous 2 years or more to help stakeholders' understanding, and data from the 2010 CSR Report have been included where necessary. The scope of the report covers performances throughout Incheon Airport's business sites

Assurance of the Report

Incheon Airport has ensured the reliability of the 2011 Incheon Airport Corporation Social Responsibility Report through inspection by an external expert and has received application level checks from GRI. Independent assurance was undertaken to preserve the consistency, accuracy and integrity of the report and to reflect materiality and responsiveness throughout the preparation process of the report.

Distribution and Feedback

More detailed information is available at the Incheon Airport website, where the Korean and English versions of the Social Responsibility Report and Green Report can be downloaded in pdf format. To give feedback on the report please fill out the survey at the back of the report or contact us at the address below.



Social Responsibility Report 2011
Incheon International Airport Corporation

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CEO Message

Respected Stakeholders!

In 2011, Incheon Airport celebrated the tenth anniversary of its opening in 2011. As the representative gateway to Korea, rapidly growing as one of the major centers of the economy, Incheon Airport operates flights to 176 cities in 50 countries, and has grown to become a world class airport, 2nd for cargo volume and 8th for international passenger traffic worldwide.

Having become the first ever airport to be nominated as the World's Best Airport for the six consecutive years in the World Airport Evaluation held by ACI for its customer-centered service and innovation activities, Incheon Airport has now become a brand deeply seated in the hearts and minds of people worldwide as the world's favorite airport. Such breathtaking growth is the fruits of the efforts and passion of all of our partners who have tirelessly strived for change and innovation with a progressive and active mindset during the past ten years since the setting off of the airport's first flight.

Such external accomplishments serve as greater encouragement in achieving the vision of becoming a global expert airport corporation to lead the airport industry and have been the foundation of accomplishing 7 consecutive years of solid, profitable business outcomes.

Incheon Airport has been promoting the establishment of consultation services abroad as a new engine of growth, based on its know-how accumulated from airport construction and airport operation worldwide. Also it is establishing a completely integrated safety and security system, so essential for the operation of an airport, and is maximizing economic value creation through the efficiency of its operations. Moreover, as a corporate citizen, Incheon Airport places highest priority on growth and development in step with the local community and always puts social contribution to the local community first, as it pursues a self-motivated and creative local culture.

As the world's leading global expert airport corporation, Incheon Airport prides itself in its outstanding levels of customer satisfaction, which provide evidence of heart warming experiences that exceed the highest expectations of its customers. Meanwhile, Incheon Airport centers all of its efforts into building a systematic, integrated and fair community based on its new win-win cooperation measures involving close collaboration with business partners, fostering globally creative value creators, founding a future-oriented labor-management culture based on trust, and creating a happy workplace for its employees through the establishment of a family-friendly working culture that balances work and life. For the realization of an eco-friendly green management airport, environmental and energy operation measures have been enacted to respond to climate change and all efforts are being centered on realizing an environmentally friendly green operating system for the airport.

The primary goal and realization of Incheon Airport's corporate social responsibility is to set its path as a global airport corporation that is respected by all stakeholders and society, and which can touch the hearts of people as it fulfils all of its social responsibilities and achieves mutual understanding with its stakeholders.

We are proud to take this opportunity to present our past accomplishments to our stakeholders, and we cordially ask for your ongoing trust and support in our vision to become a sustainable airport in the future decades and centuries to come. The untiring, heartfelt support and consideration shown to us by our stakeholders, from our shareholders and customers through to the local community, will forever be cherished by the Incheon Airport of today, and we take this opportunity to express our deepest gratitude.

Thank you.

CW Lee



August 2011

President & CEO, Incheon Airport Corporation



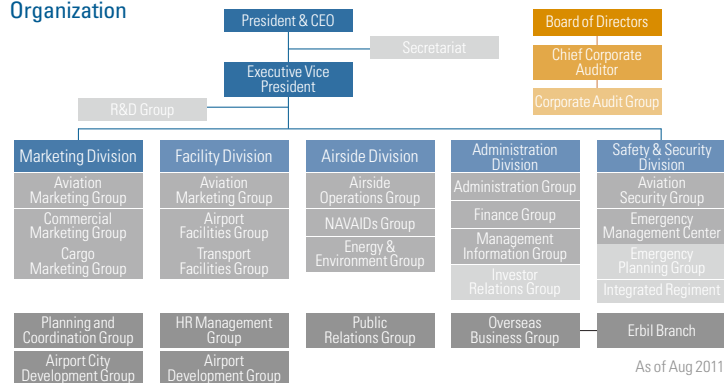


Company Overview

Since its opening on March 29th, 2001, Incheon Airport Corporation has continued to grow as Korea's national gateway and economic hub. Incheon Airport has grown into a major airport, connecting 176 cities in 50 countries and boasts the world's second largest cargo transportation and eighth largest international passenger volume. Thanks to its customer-oriented service approach and innovation activities, Incheon Airport has been selected as the best airport in the Airport Service Quality Survey conducted by Airports Council International for six consecutive years, which is a first in aviation history.

Company Name	Incheon Airport Corporation
Date of Establishment	Feb. 1st, 1999
Location	47, 424-gil, Gonghangno, Jung-gu, Incheon
Organization	3 Divisions, 2 Offices 22 Groups (Office/Center/Group), 81 Teams, 1 Branch
Affiliated Companies	Incheon Airport Energy, Incheon Airport Fuel Facility, Incheon United FC
Transportation Performance	32.95 million passengers, 2.68 million tons of cargo
Financial Sector	Capital stock KRW 3,617.8 billion, Net profit KRW 324.2 billion Made profits for 7 consecutive years
Operations/Services	Selected as Best Airport by ASQ for 6 consecutive years Received AA rating at public company evaluation

Organization



2010 Highlights

General |

Comprehensive ASQ Grand Prize Winner for Six Consecutive Years

Incheon Airport won the Best Airport Award at the 2010 ASQ (Airport Service Quality) initiated by ACI (Airports Council International) and became the first airport in aviation history to be nominated the world's best airport for six consecutive years.

Economic |

Acquired AA Rating in Public Corporation Customer Satisfaction Survey for Two Consecutive Years

Incheon Airport received 95.6 points in the 2010 public corporation customer satisfaction survey conducted by the Ministry of Strategy and Finance on passengers, employees and partners, receiving the maximum AA rating for the second consecutive year.

Profit for Seven Consecutive Years

Despite unfavorable factors arising both domestically and internationally, Incheon Airport made a profit for seven consecutive years recording KRW 320 billion in net profits, befitting its reputation as the Northeast Asian hub airport with the world's eighth largest passenger transportation and second largest cargo transportation volume.

Expanding Overseas Business

As part of its new growth engine business, Incheon Airport conducts overseas airport consulting, providing its world class airport construction and operation knowhow, and in 2010, successfully launched the Erbil International Airport, Incheon Airport's first overseas business project.



Major Businesses

01 Airport Construction	02 Air Transport	03 Airport Operation	04 Future Growth
Airport Infrastructure Construction (Terminal, Runway, Taxiway, Control Tower, etc.)	Passenger Transportation Cargo Transportation	Airport Facilities Maintenance Service Advancement Maintaining Safe Flight/Security	Terminal Commercial Facilities Development of Surrounding Areas Overseas Airport Business

Environment |

Korea Green Management Excellence Awards

In commendation for its contribution to the Low Carbon Green Growth policy of South Korea in response to climate change, Incheon Airport won the Climate Change Response Grand Prize at the 2010 Korea Green Management Excellence Awards held by the Ministry of Knowledge Economy and Ministry of Environment.



Society

Sky Culture Center/Haneul High School Groundbreaking Ceremony

Incheon Airport placed the "local community" as the primary sector for its social contribution activities and has constructed the Sky Culture Center, a comprehensive cultural complex and Haneul High School (opened March 2011), the first autonomous private high school in Incheon district.

Labor-Management Culture Award

Incheon Airport won the Minister of Employment and Labor's Award at the 2010 Labor-Management Culture Awards, which select and award model enterprises that have contributed to fostering a culture of mutual growth and cooperation between labor and management.

Receiving Social Contribution Award

In 2010, Incheon Airport received the 7th Korea Social Contribution Award in recognition of its strategic social contribution and sustainable management. With an understanding that social contribution activities are its mandate rather than option, Incheon Airport is committed to carrying out its social responsibilities as a global and public corporation.



Business Scope

Incheon Airport was established according to the Incheon Airport Corporation Act for the effective construction, maintenance and operation of the Incheon Airport, contributing to the air transport and economy of the nation.

Airport Construction



Phase 3 Construction
 Incheon Airport will invest KRW 4 trillion from 2010 to 2017

Scope Construction of passenger terminal No.2, expansion of cargo terminal, aircraft apron, logistics complex, expansion of transportation facilities for access to the airport

Flight Operations



Flight 214,835 Flights (Passenger and Cargo) per year

Passengers 33.47 Million Passengers, 5.2 million Transfer Passengers per year

Cargo 2.68 Million Tons of Cargo per year

Airport Operation



Flight, Terminal Operation, Security & Safety, Ground Support Service, Facilities Maintenance (Indoor & Outdoor)

Income from Airport Operation KRW 483.4 billion

Source of Income Airport Revenue (Landing Fees, Aircraft Parking-Fees, Apron Usage Fees) and Facilities Usage Fees (Passengers' Airport Service Fees, Parking Fees, Boarding Bridge Usage Fees, Utilities Fees, Cargo Handling Facility Usage Fees)

Future Growth



01_ Operation of Commercial Facilities and Logistics Complex

Concession Business (Duty Free Shops and Businesses), Free Trade Zone Operations, Office Lease

Non-Aeronautical Revenue KRW 802.6 billion

Source of Income Land Lease, Building Lease, Check-In Counter Usage Fees, Commercial Facilities Usage Fees, Advertising Fees

02_Air City Development

Creating synergy centering on the airport by developing related facilities that will be completed by 2020, including shopping, recreation, tourism, entertainment, and convention facilities

Business Summary IBC-II (Lot Size 32.7 million m², Project Scale of KRW 8 trillion) / IBC-I Phase 2 (Lot Size 330,000m², Project Scale of KRW 625.6 billion) / Southside Running Basin (Lot Size 150,000 m², Project Scale of KRW 25.4 billion)

Progress Status Conclusion of agreements for the international trade zone luxury hotel and aqua amusement park

03_ Expansion of Business Abroad

Expansion abroad through commercialization of technology and know-how accumulated through operation and construction of the airport

Progress Status Iraq Erbil International Airport (31.5 million USD) Consultation, Philippines Mactan Suave Airport (1.05 million USD) Feasibility Studies, Russia Khabarovsk Airport purchase of equity shares in airport operation and modernization

Reporting Process and Analysis of Major Issues

Analysis Process of Major Issues

It is important to identify stakeholders' areas of interest and their impact on corporate management when preparing the corporate social responsibility report. Incheon Airport has established an independent materiality analysis process and when preparing the report, focuses on issues that stakeholders have high interest in and which may potentially have impact on business activities.



Materiality Analysis Process

Stakeholders' Interest

An issue pool has been formed through analyzing recent corporate social responsibility trends and social responsibility issues relevant to Incheon Airport.

Media Analysis

Articles on Incheon Airport between January 2008 and May 2011 in daily newspapers, regional papers, economy newspapers and online newspapers have been categorized into 22 broad areas, and further broken down into 80 categories.

Analysis of CSR Issues in the Same Business Sector

After analyzing CSR issues of 5 enterprises in the same business as Incheon Airport, air quality, water quality, and environment-related issues have been identified as key issues.

Analysis of CSR Standard

Forty major issues were drawn out after analyzing global standards including the GRI G3.1 guidelines, based on the ten principles of the Global Compact - the social responsibility network that Incheon Airport is part of - and the ISO social responsibility guidelines.

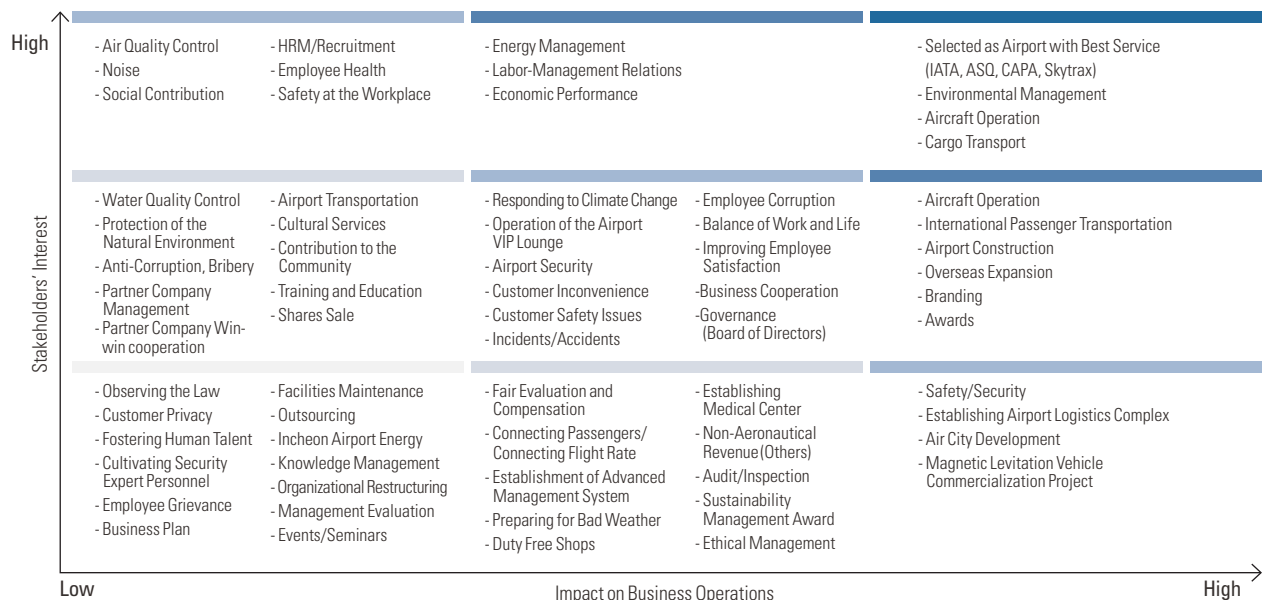
Impact on the Company

As a result of analyzing issues commonly dealt with in the management performance index, management announcement and management evaluation areas, issues such as airport operation, establishing infrastructure, environmental responsibility, customer satisfaction and securing future growth have been identified as having high impact on Incheon Airport's business activities.

Stakeholder Review






Each year, Incheon Airport collects opinions from various stakeholders in order to provide the best service to its customers. In 2010, surveys were conducted on customers, local community, business partners and employees, including customer satisfaction surveys conducted for public corporations.

Analysis Results of Major Issues After analyzing major issues, 68 issues including airport service satisfaction rate, environmental management, aircraft operation and cargo transport have been selected. In this report, Incheon Airport's activities are described with priority on these material issues.



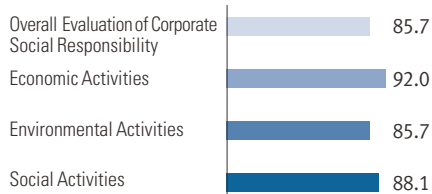
Definition and Communication with the Stakeholders

As it is a multiplex facility which houses over 550 organizations, win-win synergy with the stakeholders is likely to act as the most important catalyst for the future value of Incheon Airport. Incheon Airport classified its stakeholders into 5 major groups - customers, government, business partners, local community and employees - and operates targeted communication channels with each group. Guided by principles of socially responsible management, Incheon Airport will listen to, and strive for harmony with all its stakeholders in order to foster a culture that goes beyond win-win to bring forth genuine mutual growth.

	 Customers Arriving/Departing Passengers Connecting Passengers Welcoming/Seeing off Parties Other Visitors, Citizens	 Business Partners Airlines Airport Tenant Companies Airport Resident Companies Partner Companies Private Funding Company(s)	 Local Community Local Residents Municipal Government NGOs, Environmental Groups Social Welfare Groups Academic Societies Association, Schools	 Government Government Entities	 Employees Employees, Labor union Employee families
Core Value	Based on an untiring service mind, we will build the world's best airport that is fast, the safest, and most comfortable, with many sophisticated attractions.	We will grow together with our business partners by establishing a cooperation system based on trust and win-win policy to create the best airport service.	Based on transparent and ethical management, we will fulfill our duties as a public corporation, contributing to the development of the country and local community.	Based on reasonable partnership, we will trust each other and create new value.	We will strive to acquire the capacity as the world's best airport through learning and self-innovation based on creative passion, boundless imagination, flexibility, and unbending challenging spirit.
Major Issue	<ul style="list-style-type: none"> - Simplifying Immigration Process - Expanding Customer Amenities - Satisfying the Right to Know 	<ul style="list-style-type: none"> - Expanding Revenues for Commercial Facilities - Win-Win Cooperation 	<ul style="list-style-type: none"> - Expanding Education/ Cultural Facilities - Communication with Local Community - Development of Local Community 	<ul style="list-style-type: none"> - Management Efficiency - Job Creation 	<ul style="list-style-type: none"> - Sharing Policy Decisions - Employment Stabilization - Performance-Based Compensation
Communication Channel	VOC Committee, Voice of Customer Homepage and VOC Customer Satisfaction Survey Art & Culture Committee AICC Service Improvement Council Voice of Customer Council Moving service VOF (Voice of Field) CS Doctor utilizing point-of-contact experts	Airlines Meeting Service Improvement Committee Airport Operation Council Free Trade Zone Council Security Policy Council Partners Meeting On-site Agents Meeting Partners Grievance Processes	SR Committee / SR Operations Committee World Peace Forest Promotion Association School Specialization Council Sky Culture Center TF Team Volunteer Group V.C. Leader Meetings	International Airport Operation Council Public Institutions Advancement Committee Aviation Administration Council Security Policy Council	Intranet Company-wide Vision Workshop Labor-Management, and various other, Meetings Company Newsletter (Bi-Monthly) Labor-Management Council / Labor-Management Working-Level Council / Wages and Collective Bargaining Welfare Committee / Evaluation System Revision Council Industrial Safety and Health Council / Workplace Meeting Tour

Stakeholder Review on Corporate Social Responsibility Activities

In August 2011, Incheon Airport carried out a survey of 100 stakeholders on the standard of Incheon Airport economic, social and environmental activities. The results of the survey indicated that economic activities were highly evaluated for corporate social responsibility, while environmental activities received a relatively lower evaluation. Accordingly, Incheon Airport plans to collect further opinions on stakeholder expectations of its environmental activities.



Stakeholder Opinion on Corporate Social Responsibility Improvement

- Local promotion and active realization of Incheon Airport social responsibility projects
- Communication between Incheon Airport and resident companies, and other related agencies for win-win cooperation
- Monitoring and revision of engineer labor costs in contracts with cooperating agencies
- Provision of discounts for full-time employees during commuting hours
- Prices at convenience facilities and restaurants within the airport too high

100: Excellent, 75: Good, 50: Satisfactory, 25: Poor, 0: Very Poor (Unit_100 points total)

Interview with the Stakeholders

As a socially responsible business, Incheon Airport regards as one of its most important indices its ability to listen to and reflect the opinions of a diverse range of stakeholders. This includes gathering opinions on how best to balance work and life issues and improve the work place environment for its employees, and on how to develop mutually beneficial, win-win relationships with its business partners. At the same time, Incheon Airport listens to and reflects the voices of its customers, as well as constantly monitoring the opinions expressed by residents surrounding the airport on ways to enhance the development of the local community. This report, along with information passed on through the communication channels of each of Incheon Airport's stakeholder groups, gives an account of how Incheon Airport has listened to and responded to the many valuable and diverse opinions expressed by a range of stakeholders.

Q1 Which service provided by Incheon Airport impressed you the most?

I think Incheon Airport's service is improving every year. The free internet access is very convenient. Also, I found it very thoughtful to extend business hours of the duty free shops near the operating gate for late flyers.

Q2 Is there anything you would like Incheon Airport to do?

As has been covered in the media, it is unpleasant for a lot of people to see many smokers right outside the airport gate. Maybe the airport needs to promote the use of the smoking rooms more actively in case the smokers are not properly informed. Also, in order for Incheon Airport to become a more globally acclaimed airport, it should also cater to the diverse needs of people, for example, by specifying restaurant menus for the those with religious food choices.



Na Bora

CUSTOMER

Q3 As a business partner of Incheon Airport, which program have you found to be effective for collaborative activities?

Programs like visiting overseas airports and Hanmaeum Workshop have been good because we are able to work with other partners. Being a giant organization, all subsidiary organizations of Incheon Airport need to work in sync and it's important for us to become part of one Incheon Airport family through active communication.

Q4 Is there anything you would like Incheon Airport to do?

I'd like Incheon Airport to play the central role in fostering unity and communication among the many subsidiary organizations working for the airport.



BUSINESS PARTNERS Yeh Jeong-beom, team manager / Soon-Il Company

Q3 As a business partner of Incheon Airport, which program have you found to be effective for collaborative activities?

Recognizing that an airport depends on the organic operation of diverse consultative bodies and organizations, Incheon Airport has implemented planning and taken the lead to integrate these involved parties, and this has been effective in creating many positive results. 6 consecutive wins of ASQ is a good example of the collective achievement that comes not just from the airport company's effort but from all our members doing their best in their own fields. Sharing the excitement of such outcomes unites everyone working at the airport and motivates us to feel part of one big family. The annual Sky Festival with its high quality performances and variety of events also functions as a way to strengthen this family-like relationship.



BUSINESS PARTNERS Kim Beom-gu, team manager / SPC

Customer	Business Partners	Local Community	Government	Employees
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Q6 What is the biggest event related to the last 10 years of Incheon Airport?

After the 2nd phase of grand opening, the airport ran without any problem and I was convinced again that Incheon Airport was the world's best airport. Nevertheless, I wasn't sure if it would make the 6th consecutive winning of ASQ. However, when it won the world airport service quality evaluation again, I was really proud to be working for Incheon Airport.

Q7 What is your expectation of Incheon Airport?

Aeropolitics and airport operation infrastructure software may not be very noticeable but they are the most important factors in making the best customer service possible. In order to build a favorable reputation among airlines as an airport without any delays in flight, we need to provide: the shortest transition between aircrafts' landing point and their respective passenger boarding area, with resultant reduction of fuel use for taxiing; technical support for safe take off and landing of aircrafts; and speedy and accurate service at the customs and quarantine. To maintain and further develop its current status Incheon Airport has to keep continuous communication with government organizations and collaboration with the resident businesses at the airport.



Park Jeong-kwon, section chief / Ministry of Land Transportation and Maritime Affairs

GOVERNMENT

Q8 Which of the benefits provided by Incheon Airport serves as practical help?

Among many benefits we receive from the company, I particularly appreciate the provision of general health check-ups for each employee and one family member; the support for infertile couples and the availability of paternity leave for fathers wishing to care for their young babies at home; the Change Over Plan for parental leave, which lessens problems in exchanging positions; and the provision of the Yeong jong Island company housing complex, all of which are great systems that build loyalty and affection towards Incheon Airport.

Q9 Is there anything you would like Incheon Airport to do?

Besides its quality service, I would also like to see Incheon Airport become a world leader in all aspects including business operation and management system. I hope that Incheon Airport will soon be able to participate in running other airports abroad as a reputable global corporation. That will bring great pride to not only the employees but also the people of Korea.



Choi Jong-hae, assistant manager / Incheon Airport Performance Evaluation Team

EMPLOYEES

Q10 Incheon Airport is carrying out a joint project for community specialization. What kind of changes has it brought to your school, students and parents?

With the support from Incheon Airport, our school has set up an education platform that is distinct from urban schools and which enabled us become an outstanding school in the airport district. The education program provided by Incheon Airport motivates students to discover their aptitude and develop talents in order to plan their future career. In this aspect, both students and parents are proud of Incheon Airport and appreciate the substantial contribution of Incheon Airport to the community.



Q11 Please give any comment or opinion on Incheon Airport.

Having local newspapers or regular promotional materials for the local community would provide easier access to the activities of Incheon Airport. Incheon Airport can also use websites or other means to survey the opinions from the local community.

LOCAL COMMUNITY

Kim Jeong-ryeol / Principal of Yong Yu Middle School



Operating Responsibility

The area of Yeongjong Island that Incheon Airport occupies was once known as Ja-yeon island, meaning a “swallow flying among claret colors”. The current name of Yeongjong island takes its meaning from “being an island with a lengthy floor”, as a symbol of the area’s destiny from ancient times of being gifted with a natural advantage to become an airport. Incheon Airport strives to measure up to these expectations by firmly taking in its place as a corporation for the people and with global expertise, harmonizing ethical management and customer satisfaction management, through corporate social responsibility.

Strategy Structure



Corporate Social Responsibility

It is Incheon Airport's belief that true value is created by growing as a admired corporation based on a balance between performance and social responsibility. Incheon Airport practices corporate social responsibility with a view to becoming a global airport leader, a company that provides the best service, a admired company, a company where employees are happy, and an environmentally-friendly company founded upon its management philosophy of growth, performance, ethics, people and social responsibility.

CSR Focus Area

Admired Airport Company



CSR Target

Expert Global Airport Corporation	Company that Provides the Best Service for its Customers	Admired Company	Company Where Employees Are Happy	Eco-friendly Green Management Corporation
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Implementing Organization

Planning and Coordination Group	Cargo Marketing Group	Commercial Marketing Group	Administration Group	HR Management Group	Energy & Environment Group
Overseas Business Group	Aviation Marketing Group	Aviation Security Group	Sustainability Management Team	Labor Relations & Welfare Team	Energy Management Team
Airport City Development Group	Airport Development Group	Emergency Management Center	Outsourcing Management Team	HR Team	Environmental Management Team

WLU(Work Load Unit)_ is an aggregate performance indicator that encompasses the passenger and cargo processing volume of an airport, and is measured by adding the number of passengers to ten times the cargo volume (in tons).

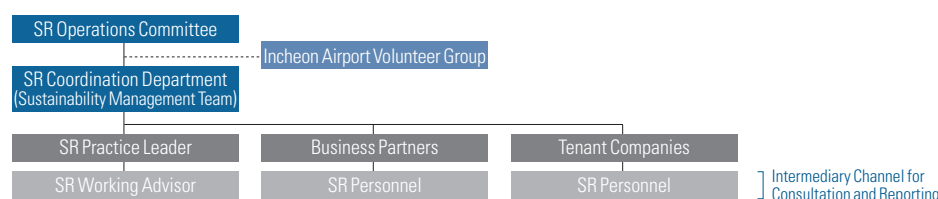
ASQ(Airport Service Quality)_ is an international certified index supervised by ACI (Airports Council International) that evaluates the overall airport service quality of various countries, and Incheon Airport was selected as the best airport for 6 consecutive years.

EBITDA(Earnings Before Interest, Taxes, Depreciation and Amortization)_ is a profitability indicator that represents a corporation's ability to generate cash.

KoBEX(Korea Business Ethics Index - Sustainability Management)_ is a survey conducted jointly by the Ministry of Knowledge Economy and IPS (Institute for Industrial Policy Studies) on major domestic public and private corporations on their sustainability management status, and they are graded with a scale of 1 to 100.

Implementing Organization

The existing Ethics Committee was expanded into the SR Operations Committee, strengthening the social responsibility system at the corporate level. At the committee meetings chaired by the president, executives gather to decide upon strategies and policies concerning Incheon Airport's overall social responsibility activities. The decisions made at the committee are delivered to the SR Practice Leaders and business partners through the Sustainability Management Team, and the SR working advisors and SR personnel take charge of on-site consultation and reporting to promote a culture of social responsibility throughout the company.



CSR Performance Index and Target

		2009 Performance	2010 Target	2010 Performance	2011 Target			2009 Performance	2010 Target	2010 Performance	2011 Target
Operation Responsibility	Management Performance Evaluation of Public Institutions*	A	A	A	A	Best Service for the Customers	Public Corporation Customer Satisfaction	AA	AA	AA	AA
	KoBEX SM (out of 100)	91.8	92	93.5	94		Immigration Processing Time (minutes)	18/14	18/14	16/12	16/12
	Recognition of Ethical Management (out of 100)	82.2	85.0	85.4	85.0		Aeronautical Accidents	0	0	0	0
Global Expert Airport Company	WLU (10 thousand)	5,121	5,800	5,975	6,400	Warnings During Safety Inspection	13	16	3	16	
	EBITDA (100 million KRW)	7,300	8,000	8,189	9,800		Admired Company	Volunteer Hours	1,481	1,000	2,825
	ASQ Evaluation	1	1	1	1	Company where Employees are Happy	Win-win Cooperation Index (out of 100)	66.1	70.0	70.1	74.0
	Revenue (100 million KRW)	11,866	13,000	12,860	15,000		Education Satisfaction (out of 5)	3.4	3.5	3.6	3.6
	No. of International Passengers (10 thousand persons)	2,800	3,200	3,295	3,500	Environmentally- friendly and Green Management	GWP (out of 100)	77	81	82	84
	Volume of International Cargo (10 thousand tons)	231	260	268	290		Security/Safety Accidents	0	0	0	0
	No. of Connecting Passengers (10 thousand persons)	520	540	520	580	Energy Consumption (TOE)	60,586	62,143	61,200	61,000	
	Phase 3 Airport Basic Design Process (%)	-	T2(Basic design)	T2(Basic design)	65%	Energy Conservation** (TOE)	-	2,354	3,204	2,910	
	Overseas Business Income (100 million KRW)	78	100	98	78	GHGs Emissions** (tCO2)	-	4,993	6,381	6,210	
						Purchase of Eco-friendly Products (%)	53	85	93	93	

*The Public Institution Management performance evaluation is reported according to the performance from the previous year, hence 2010 performance was reported in early 2011. **From 2010, reduction of greenhouse gas emissions have been reported based on a new standard.

Management Performance Evaluation of Public Institutions

The Management Performance Evaluation inspects the efficiency and performance of public institutions to decide the standard of each corporation. The evaluation has great influence over institutions, as low rated companies receive inspections from higher bodies or advice to change their CEO. Incheon Airport has officially been evaluated since 2008, while recording the maximum standard of AA for 2 consecutive years. In the 2010 evaluation of its 2009 performance Incheon Airport was recognized for adopting CSR and internalizing CSR to fit the unique functions of the corporation. Incheon Airport acquired the highest standard in public institution customer satisfaction, by enhancing management efficiency without raising the level of passenger fees or landing fees.

CSR Networking

Incheon Airport has joined the UN Global Compact and abides by its Ten Principles to practice global-level socially responsible management. Incheon Airport has also joined the IPS Ethical Management Forum and attends its monthly meetings, building networks to actively participate in corporate social responsibility activities.

CSR Evaluation Performance

In the Korean Business Ethics Index - Sustainability Management, which the Ministry of Knowledge Economy and the Institute for Industrial Policy Studies jointly survey annually by on major domestic public and private companies to assess their sustainable management, Incheon Airport received 93.5 points in 2010, with the maximum grade (AAA). Incheon Airport also won the Sustainability Management Excellence Award at the Korea Ethical Management Grand Prix, 1st place in the Economic Research Institute for Sustainable Society Index with 730 points, and has won a range of other awards, including the Korea Ethical Management Award, the Sustainability Award, and the Social Contribution Grand Prize (Ministry of Health & Welfare) etc.

Shareholders & Capital Structure

Composition of the Board of Directors

Strengthening the BOD

Compensation for Board and Executive Members

Incheon Airport was established as a public enterprise in accordance with the Incheon Airport Corporation Act. In accordance with the commercial law and Act on the Management of Public Agencies, Incheon Airport operates within the context of a balanced decision-making system and transparent and responsible management. Its shares are wholly owned by the Korean government, and as of the end of 2010, Incheon Airport's paid-in capital amounted to KRW 3,617.8 billion.

Incheon Airport operates a decision-making system centering around the Board of Directors with a view to being a company trusted by the public through transparent management, higher efficiency and independence. The Board of Directors is comprised of 7 non-executive directors and 6 executive directors including the CEO, and is chaired by a non-executive director. The Board of Directors is the final decision-making body that deliberates and determines Incheon Airport's main strategies and policies, and supervises, supports and advises on management issues and activities.

Incheon Airport is putting its efforts into establishing a BOD-centered management system. Regular Board meetings are held each month, the annual BOD calendar is distributed in advance and agendas and meeting schedules are notified beforehand to enhance corporate governance through solid operations of the BOD. The attendance rate has steadily increased, reaching 97.3% in 2010, and non-executive directors' comments have increased by 83.9%. Incheon Airport operates 3 subcommittees within the BOD - Auditing Committee, Planning & Budget Committee, and Director Recommendation Committee - in order to utilize non-executive directors' expertise and listen to their managerial advice. The non-executive director department allocation system, non-executive directors' lectures and contributions to the company newsletter also allow them to share their expert views with the employees. Incheon Airport strongly encourages non-executive directors' participation in events hosted by the company and regularly provides information to help them understand Incheon Airport's management status.

The president, who is the head of the organization, is evaluated in accordance with the Head of Organization Autonomous Management Plan and the organization's evaluation criteria, and depending on these the president may be reappointed or dismissed. The president's performance pay is limited to 200% of the basic annual salary. Executive directors are evaluated on the rate of their achievement of KPI goals for the company's strategy and vision, and their contribution to the company's performance, and depending on these they may be reappointed or dismissed. Executive directors' performance pay is limited to 100% of the basic annual salary.

Incheon Airport's Corporate Organization/Structure and Activities



Results of the Board of Directors Satisfaction Survey by Executives

Satisfaction in the Operation of the Board **82%**
 Satisfaction of Non-executive Directors **66%**

Corporate Ethics

Ethical Management Strategy and System

Incheon Airport has established an ethics strategy linked to its core values, strengthening its ethical management in order to grow as a public company of the people that spearheads the creation of a fair society. Incheon Airport has established a 3-phase ethical management system involving: "Establishing plans to implement ethical management → Setting up a sharing program for its diffusion → Performance evaluation", in order to share the aims and objectives of ethical management with internal and external stakeholders and enhance the practice of ethical management within the airport.

Ethical Management Implementation Strategy



Ethical Management Organization

The main decision making process of ethical and social responsibility management at IACC is carried out by the SR Committee centred on the CEO, while SR working advisors and SR practice leaders for each unit are placed at each department to lead the realization of an ethical culture. The SR practice leader is responsible for on-site practice and expansion of ethical management and CSR, and collects opinions on-site to present to the SR Committee. Also, to strengthen the feasibility of ethical management, an Integrity Task Force team has been set up to systematically carry out anti-corruption activities. Incheon Airport Clean Compact Managers are assigned at partner and airport tenant companies, to expand the culture of ethical management throughout the airport.

Expansion of Ethical Management Implementation Organization



*SR Committee_ Main decision making process in the area of ethics and social responsibility management (composed of managers).

*SR Practice Leaders/SR Working Advisor_ Secures realization and collects opinions on current issues related to ethics and social responsibility and sets the agenda for the SR Committee.

CEO's Strong Ethical Leadership

At Incheon Airport, the CEO takes a strong lead in ethical management. The CEO has sent an Integrity Letter to the stakeholders including tenant companies and airlines, explaining the company's commitment to ethical management; has disclosed operating expenses at Incheon Airport's homepage; and has contributed KRW 38 million earned from external lectures to a volunteer group, showing model leadership in ethical management.

1. Public Institution Grand Prize in Korea Ethical Management Award (Feb. 2010)
2. Incheon Airport Clean Compact Oath Ceremony
3. CSR Korea Award



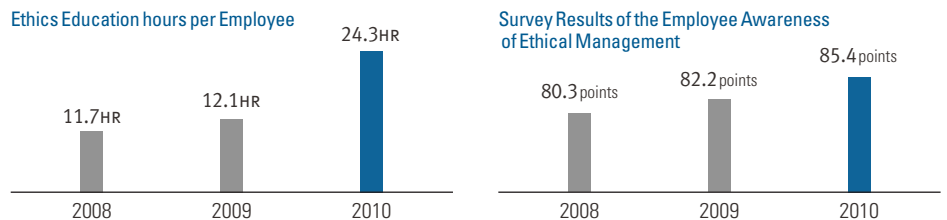
Incheon Airport Clean Compact

To extend ethical management throughout Incheon Airport, the 'Incheon Airport Clean Compact Agreement' was hosted with 86 other airport tenant companies in February 2010. The Incheon Airport Clean Compact is a pledge on the practice of ethical management by the airport in terms of ethics/transparency, environment/energy and CSR. To strengthen business partners' capacity for ethical management, a Clean Compact manager is designated to each company, and an ethics workshops are hosted for business partners. Also, under the initiative of the CEO, the company has developed an ethical management evaluation model and monitoring system for business partners, which ensures that the construction and operation of systems fulfils the requirements of social responsibility, and that evaluation is tuned in with partner companies to realize the goal of a transparent and fair 'Clean Airport'.

Ethical Management Assessment Index of Partner Companies	Initiative of the CEO	3	Operation of the System	3
	Construction of the System	3	Social Responsibility	1

Ethical Management Program

Incheon Airport has implemented an online pledge system of ethical guidelines for all employees, who can further internalize ethical consciousness through the self-test program 'Newspaper Test'. Also the One Strike Out Program automatically dismisses employees that violate ethics, and awareness is raised by adopting Clean Cards. In 2010, one case of corruption led to the instant dismissal of an employee. Also weekly 'Integrity' newspapers are delivered with special editions reinforcing the importance of ethics during holiday periods when corruption or bribery are more likely to occur. To promote voluntary ethical management by employees, each year the company conducts transparency awards, excellent working advisor bonuses, and model case competitions on ethical dilemmas. The provision of round-the-clock offline ethics education has increased the average number of ethical training hours for Incheon Airport employees by two fold to 24.3 hours from 12.1 hours in 2009.

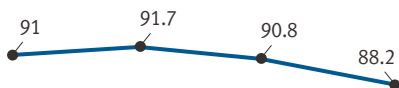


Ethical Management Monitoring

Incheon Airport has developed its unique ethics management evaluation standards, namely the "Incheon Airport Integrity Index", which itemizes its evaluation content into 32 indices across 4 criteria. Quarterly, half-yearly and yearly monitoring is held in the case of ethical management activities, while the results of the evaluation and areas identified as requiring improvement are reflected in the ethical management policy, thus continuing the consistent improvement of the company's standards of ethical management. Thanks to Incheon Airport's firm commitment to and active realization of ethical management, no such cases of legal exposure of corruption, human rights violation or discrimination occurred, while Incheon Airport was awarded the grand prize in Korea Ethical Management, and was nominated as first place in the SOC category as Korea's most admired corporation. Incheon Airport will continue to strive in its efforts to become a admired global expert company through the realization of active ethical management.



Results of Ethical Management Monitoring



*Measurements of Index per criteria(90.4 points)

Ethics	Transparency	Trust	Social Responsibility
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Incheon Airport Code of Ethics

Ethics Management	10	CEO Leadership, Ethics Training Hours, etc
Transparent Management	3	Participation Rates of Board of Directors, Notification of Corporate Matters, etc
Trustworthy Management	8	Level of Customer Satisfaction, Win-win Cooperation Satisfaction, etc
Corporate Social Responsibility Management	11	Social Contribution Activities Costs, Energy Reduction Rates, etc

Customer Satisfaction Management System

Defining Customers

Incheon Airport holds customer satisfaction foremost in its goal to “create highest values and inspiration through a new airport paradigm surpassing customers’ expectations.” Incheon Airport defines customers as individuals or groups who value and utilize Incheon Airport services or businesses. In analyzing customers, the table below is based on the same stakeholder categories that have been used earlier in this report, but also takes into consideration aspects such as work relations with Incheon Airport, contribution, and scale. Incheon Airport has identified the value consuming customer (the final purchaser of Incheon Airport’s products and services) and value delivering customers (business partners and service providers) as the key customers in its pursuit of better customer satisfaction management.

Incheon Airport CS



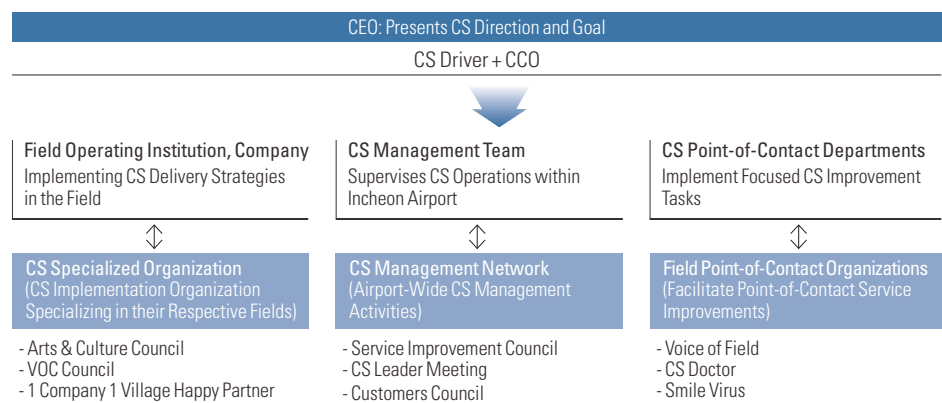
Key Customer CS Measures

	Value Requirement	2010 CS Measures
Value Consuming Customer - Airport Personnel	<ul style="list-style-type: none"> - Resident companies/airlines - Tenant companies/business partners 	<ul style="list-style-type: none"> - Optimal facilities/system - Free CS training support - Compensation for SLA - Employee amenities
Value Delivering Customer - Passengers Visiting Incheon Airport	<ul style="list-style-type: none"> - Departing/arriving passengers, connecting passengers - Welcoming, seeing off parties - Other visitors 	<ul style="list-style-type: none"> - Safe service - Fast service - Airport with enjoyment - Friendly employees
		<ul style="list-style-type: none"> - Free provision of CS training - Overseas airport benchmarking opportunities - Improvements to employees’ lounge and One Family rest area - Improve employee working environment such as the integrated information centers
		<ul style="list-style-type: none"> - Simplify immigration procedure (U-Airport) - Satisfy the demand for culture and arts - Enjoyment of shopping (Louis Vuitton to open in Incheon Airport) - 25-Hour Value Creation (culture, connecting flights)

CS Implementing Organization

By operating CS organizations optimized for each of its facilities, Incheon Airport provides a specialized service that inspires customers. Incheon Airport has established a phased operational organization centered on the CEO, and in a first for a public company, appointed a CCO (Chief Customer Officer) who supervises CS operations. The CS Management Team supervises CS activities within the company and is comprised of the CS management network, CS specialized organizations and point-of-contact departments. The CS management network implements airport-wide CS activities and is composed of the Service Improvement Council, which includes the heads of divisions and the CS Leader Meeting for sharing CS values and identification of implementation tasks, and the Customer Council of 50 representative customers. This CS-specialized organization builds Incheon Airport’s unique culture of customer satisfaction and includes the Arts & Culture Council comprising 10 art experts; the VOC Council in charge of identifying and executing VOC improvement tasks; and the 1 Company 1 Village Happy Partner program in charge of airline improvement tasks. In addition, the On-site Voice for problem solving for on-site employees, the CS Doctor utilizing external experts, and Smile Virus activities of 128 contact point employees also contribute to improving point-of-contact services.

CS Implementing Organization



Strengthening CS Capacity

Incheon Airport strives to improve the quality of service and heighten customer satisfaction through the self-motivated participation and pride of its constituent members and partners. In order to foster a CS culture that leads to the best airport service, Incheon Airport shares CS targets with its constituents, encourages an atmosphere of learning and voluntary participation, and strengthens motivation through various rewards and incentives. In 2010 the CS leader and expert programs including the CS In-depth Program have been expanded, while an action-plan type training program linked to the corporate-wide CS goals has led to a heightened sense of purpose, and the field application rate evaluation to improve training programs' efficacy has also led to an enhanced quality of CS training. These in turn have contributed to elevating the service quality and employees' sense of pride. In 2010, 1,686 employees received CS training, which is a 15% increase on the previous year, and training hours increased by 37% to 342 hours. Owing to improved service quality, customer satisfaction improved as well, and 794 employee compliments were received, which is a 114% increase from the previous year.

The CS culture and capacity enhancement programs developed by Incheon Airport have been turned into assets which are being utilized in overseas airport consulting and global training. In 2010, 371 overseas airport personnel have participated in the global training program, and 827 persons visited Incheon Airport for CS benchmarking over 81 visits. Incheon Airport is putting its efforts into spreading CS management culture and has opened a CS benchmarking program for domestic external institutions and enterprises, earning KRW 8.42 million in training fees, and signed a strategic business agreement with KMAC(Korea Management Association Consulting) in the training and education sector in order to actively respond to the growing demand for CS training.

Revision of the Customer Service Charter

In order to provide high quality service, Incheon Airport has established a service delivery standard in all sectors of airport service through the "Incheon Airport Service Improvement Council". With the changing conditions in airport operations the service goals and standards were revised for the 4th time whereby similar service standards were integrated and made more concrete, the public reporting cycle was expanded to a quarterly basis, and the Customer Charter operation guidelines were established. In addition, the quality assurance certification ISO9001 was renewed for 69 items including passenger service, facilities operation and flight safety, further securing the foundation for customer-oriented service.

CS Monitoring System

Incheon Airport regularly monitors customer service to evaluate the customer point-of-contact service quality and find areas that need improvement. We monitor our core services including immigration processing time, commercial facilities, public transport, and phone answering skills, to see if they meet the goals and standards for each service. When areas for improvement are identified, active measures are taken and evaluation is conducted again.

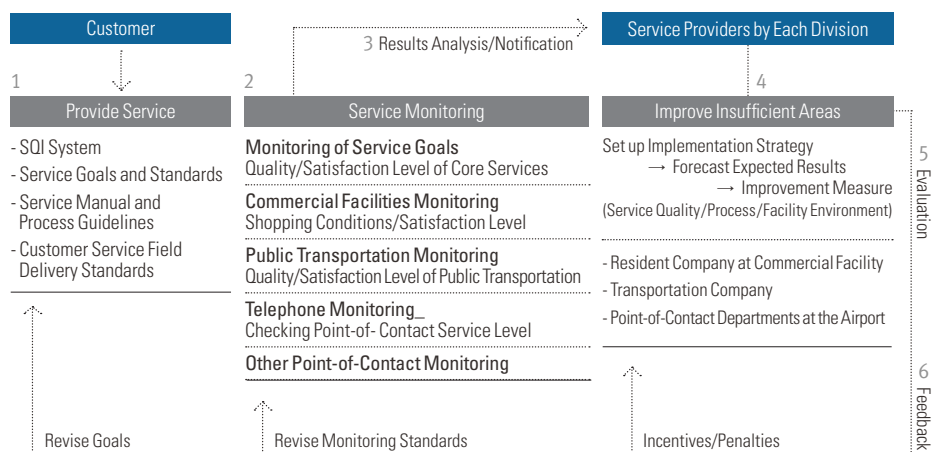
Customer Charter

Incheon Airport Corporation will undertake the following with the vision of becoming the global specialized airport by 2015, leading the world's airport industry through continued capacity building and creative efforts.

- 1 We will do Our Best to Maintain a Safe and Convenient Airport.
- 2 We will Bring Forth Utmost Value and Inspiration through Highest Quality and a New Airport Paradigm that Surpasses the Customers' Expectations.
- 3 We will Continually Develop and Lead the Global Standard for Airport Service, and will Become the World's Leading Airport.

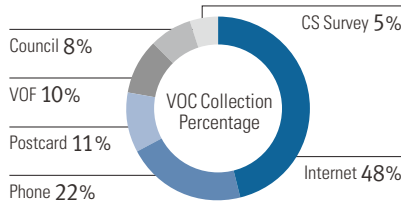
With the purpose of fulfilling the goals set forth above, we vow to set practical service delivery standards and to fully abide by these standards.

Systematic CS Monitoring Process



Advancement of the VOC System

VOC Collection, Analysis and Utilization System

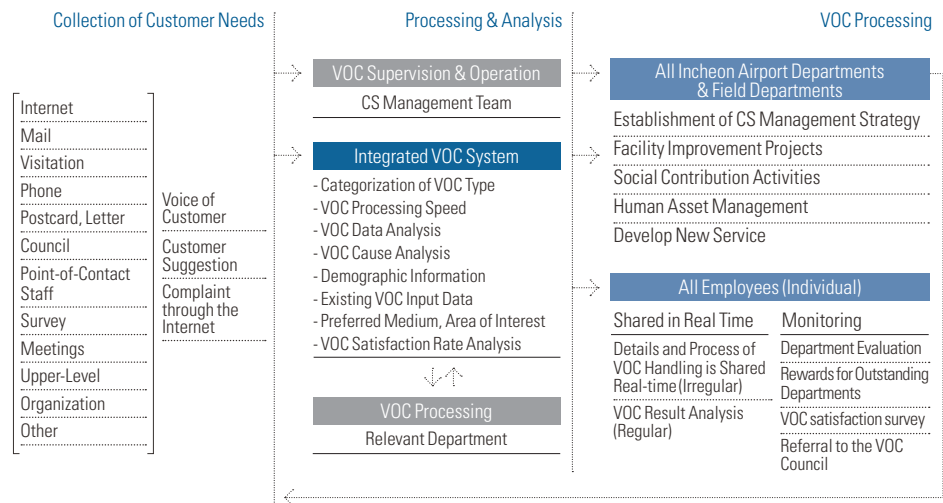


2010 VOC Processing Performance

Type of feedback	Percentage of total	Average processing time
Consultation	38%	34hr 56min
Complaints	25%	39hr 56min
Comments Suggestions	18%	58hr 07min
Encouragement & praise	19%	45hr 25min

Total 5,351

Based on the advancement of its VOC system, Incheon Airport's has used integrated analysis of the VOC data as a means to enhance customer satisfaction. In order to collect data on the diverse customers' needs, the VOC collection channel was expanded, and the accessibility to VOC was improved by refurbishing the VOC into an independent page, registering a dual system and providing FAQ information. The collected information is monitored in real-time and categorized according to the passengers' route categorization method to identify the reasons for complaints according to each service level and thus further integrate the information. Increase inter-connectivity. The VOC utility was improved through online and offline case sharing, while improvement tasks are managed, and implementation methods are discussed, at the VOC Council. With the advanced VOC system, a total of 5,351 cases were collected, 62 VOC improvement tasks were adopted and 54 cases were discussed by the VOC Council, recording an improvement rate of 65%. Incheon Airport will continue to advance the VOC system and turn the information acquired into assets in order to further enhance customer satisfaction.



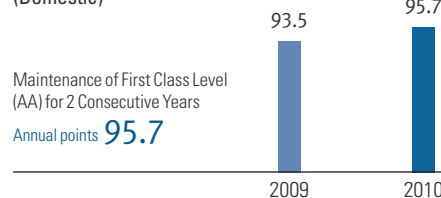
Customer Satisfaction Survey

Incheon Airport measures customer satisfaction through the public company customer satisfaction survey conducted by the Ministry of Strategy and Finance, identifies the strong and weak points according to operation sector, and then reflects them in its service delivery standards to provide better service. In the 2010 survey on 868 individuals including passengers, employees and business partners, Incheon Airport received 95.7 points, maintaining the maximum AA grade for 2 consecutive years.

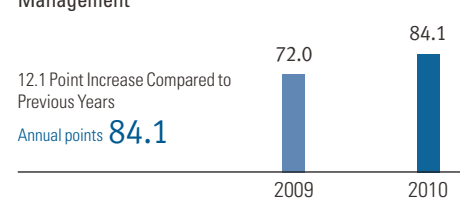
Expansion of Public Announcements

Reflecting customers' opinions, Incheon Airport has expanded the scope of its corporate public announcements, adding information about the articles of association and company regulations, external auditor appointment status and transparency evaluation results, as well as expanding the scope of disclosure regarding organizational operations and operating expenses, to help customers better understand Incheon Airport. In addition, the expert terminology used in Incheon Airport's homepage has been changed to easier terms to help customers' understanding, the "Guide to Help You Understand" was installed to explain expert terms, and the one-click(shortcut) function was enhanced in the open information page with its high access rate to help visitors understand Incheon Airport and enhance customer satisfaction.

Public Institution Customer Satisfaction Survey (Domestic)



Customer Satisfaction with Public Notifications by Management





Material Issues

Incheon Airport relentlessly strives to grow as an airport providing heart warming experiences and values exceeding the expectations of its customers. As a global expert airport corporation Incheon Airport continues to contribute to the future of society, while striving to win the hearts of its shareholders by providing excellence in service and always putting customers first. Also it will become a admired company through joint growth with business partners and the local society, and will grow as a company providing a workplace that brings happiness to its employees by creating a healthy working culture. Moreover, it will continue to fulfill its social responsibility by becoming a green management company that considers and cherishes the global environment.

01 Global Airport Leader

Incheon Airport is a global hub airport with the 8th largest passenger and 2nd largest cargo transportation volume in the world. Incheon Airport strives to enhance its positions as a global airport leader and fulfill its obligation as a public institution by strengthening its function as a hub contributing to the national growth, and by promoting overseas business as a new growth engine contributing to the national economy.

ENHANCING HUB COMPETITIVENESS

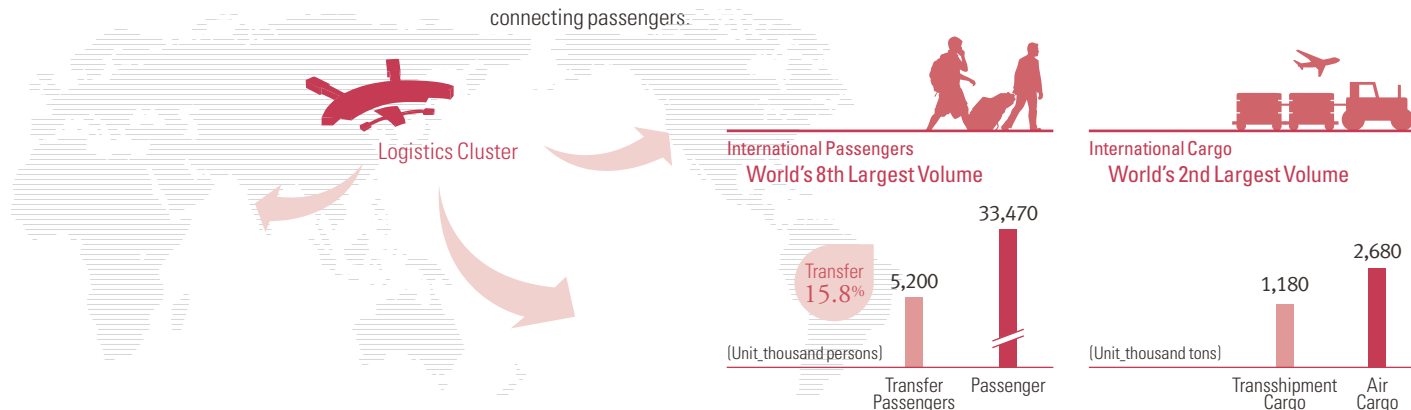
Building a Basis for High Value-Added Logistics Infrastructure

Incheon Airport is tapping into its geographical strength of being near a seaway to promote its logistics complex into a value generating logistics cluster capable of multimodal transport. In particular, the semiconductor industry has been selected as the main target for this, creating 8,000 tons of additional transport volume and KRW 30 billion in added value. In addition, as part of its business model diversification activities, Incheon Airport is developing the Free Trade Zone into a global transport base as well as an assembly & manufacturing base, and has developed a custom-tailored logistics model for which it is actively inviting investments. Incheon Airport is implementing a localized management policy to maximize the growth of aviation logistics. Through joint marketing with logistics companies, Incheon Airport has concluded agreements with 4 new air freight companies including Air Bridge Cargo and Qantas, and expanded flights of 5 existing airlines including Polar Air, creating 252,000 tons of additional cargo volume, while also securing cargo volume in Japan and Southeast Asia through joint IR with flag carriers.

Incheon Airport also actively pursues infrastructure development and expansion, enhancing competence as a logistics hub. Incheon Airport integrated information through AIRCIS, a web-based aviation logistics information system, and is developing related services. To realize the IATA e-freight initiative in Korea, Incheon Airport entered into an agreement with the Ministry of Land, Transport and Maritime Affairs and IATA, expanding its information system infrastructure. The Phase-2 airport logistics complex plan was revised to secure the basis to grow as the logistics center of Northeast Asia.

Expanding Connecting Passengers

In 2010, Incheon Airport promoted active overseas marketing by presenting its strengths as a transit airport and jointly advertising its connecting flights at 17 cities abroad, including Beijing, Tokyo and Manila, and discussed response to climate change in the changing business environment with related institutions at a cooperative meeting. As a result, a connecting flight incentive system and 29 transit tour programs, such as the Kimchi Tour, were developed to attract transfer passengers. In addition, connecting flight guides fluent in foreign languages were deployed and ease of transit was improved such as by simplifying immigration procedures and expanding amenities. The minimum connection time at the airport is 45 minutes, one of the shortest in the world, compared to the world standard of 60~70 minutes. In recognition of such efforts, Incheon Airport was awarded the Best International Transit Airport Award in March 2010, and despite a decrease in connecting seats and unfavorable domestic and international unfavorable conditions, successfully secured 5.2 million connecting passengers.

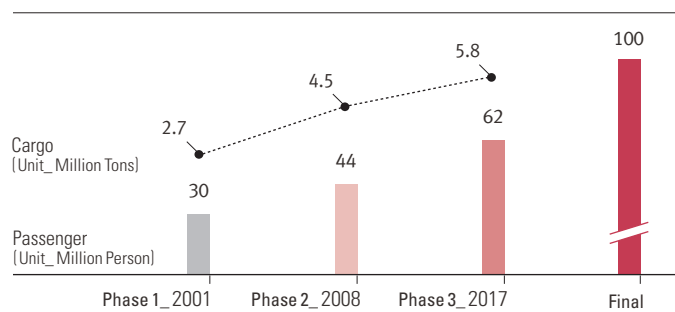




Phase 3 Construction to Secure Future Airport Demand

Incheon Airport is currently implementing its Phase 3 airport infrastructure expansion construction in order to secure its position as the Northeast Asian hub airport. As Incheon Airport's competitors such as Shanghai Pudong Airport and Haneda Airport are speeding up their facilities expansion, Incheon Airport began its Phase 3 airport design in March 2010 with a plan to finish construction by 2017, and held an open competition for the design of its passenger terminal no. 2 in October 2010. When the Phase 3 airport construction is completed Incheon Airport's passenger capacity will increase from 44 million to 62 million, and cargo handling capacity will increase from 4.8 million tons to 5.8 million tons, enabling Incheon Airport to further strengthen its competitiveness as a hub airport.

Infrastructure (Handling Capacity) Construction Outlook



Air-City Development Plan

IBC I	Phase 1	3,895,000m ² Development Plan_ Commercial, Business, Hotel, Golf Course
	Phase 2	336,000m ² Development Plan_ Airport Support Function, International Business Zone
IBC II		3,274,000m ² Development Plan_ Recreation Complex
Southside Water Basin	Phase 1	99,000m ² Development Plan_ Motorboat Racing Training Ground
	Phase 2	54,000m ² Development Plan_ Water Recreation Complex, Shopping District



SECURING BASIS FOR FUTURE GROWTH

Expanding Overseas Business

Incheon Airport has moved away from its initial catch-up based growth model from its early development stages, to establish its international airport consulting services with internationally recognized state of the art technology and know-how, as a new engine of growth based on its global brand power of being 6 time winner of the ASQ index. With the successful opening of the Erbil International Airport in Iraq, Sep. 2010, as its first project abroad (31.5 million USD investment), orders have been received for feasibility studies in the Philippines, for Mactan Suave Airport (10.5 million USD), and in Nepal, and for design and supervision of the Cambodia Siem Reap Airport. Also, in June 2011, Incheon Airport participated in the operation and modernization of Russia's Khabarovsk Airport by participating in the board of directors with its purchase of 10% equity and is sturdily building a strategic cooperative system through its consulting system valued at 1.5 million USD. Incheon Airport will now work on securing its organizational power, and branching out from consultation to investment in shares and consignments to build its brand as an expert global airport corporation well-balanced in growth and profitability.

Air-City Development

Air-City is a value-oriented multifunctional airport city that Incheon Airport is focusing on as part of its future growth business and involves developing the vicinity of the airport into build an international business district, recreational complex, hotels and water recreational complex. In 2010 the free economic zone development plan was finalized, heightening the feasibility of the Air-City development plan. As the fundraising for phase-1 development which is the international business district in zone IBC-I, Incheon Airport made a public announcement inviting businesses to the core industrial zone and accepted letters of intent, while also boldly liquidating unprofitable businesses to speed up the project. As of December 2012 hotels, studio apartments and a golf course in zone IBC-I are successfully in operation, and construction for a hotel and hospital is under way according to schedule. At the south-side water basin the phase-1 water park construction has been completed to improve the scenery and is now ready for attracting tourists. Incheon Airport held the 7th Sky Festival in the IBC-I area to promote Air-City, and will continue its efforts to create added value through Air-City by continuing to build a cooperation system and providing promotional support.

Material Issue

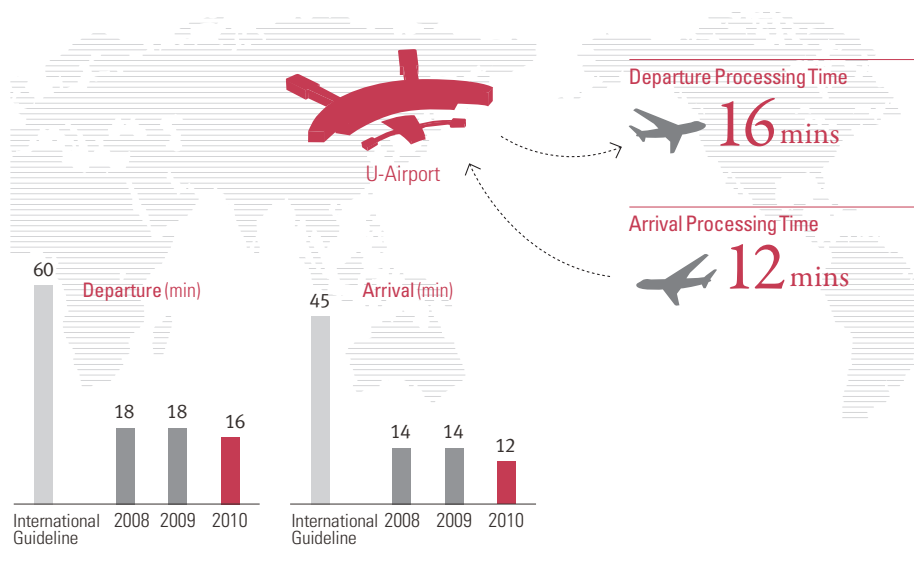
02 Company that Provides the Best Service for its Customer

Incheon Airport has actively used cutting edge technology to reduce immigration arrival and departure processing times to world's best standard. In addition, the airport features the world class 'AIRSTAR Avenue' complex of duty-free shops, where businesses have been rationally integrated into a zone not only for comfortable shopping but also cultural experience. Moreover, the airport has provided over 86,000 hours of continuous service with no aircraft accidents or interruption to operations, reflecting the painstaking care given to maintaining its security and service integration systems to the best standard.

CONVENIENT SERVICE

U-Airport Built on Cutting-Edge Technology

As part of its efforts to simplify services and enhance operation efficiency, Incheon Airport built the U-Airport, which combines IT and BT. With the introduction of the U-Airport, automatic immigration procedures and self check-in is now possible, and enhanced operation efficiency measures such as the cyber terminal that provides customers with a one-stop service has enabled Incheon Airport to provide service of world class speed, where the immigration procedure for departure takes an average of 16 minutes and arrival 12 minutes. In addition, delayed luggage rate is 0.13 out of 10,000, which is one of the lowest in the world, and Incheon Airport reached 80,000 hours of non-stop air navigation facility operation, maintaining top-notch service efficiency.



Improving Airport Accessibility

In order to provide a customer-oriented public transportation system, Incheon Airport conducts transportation status surveys and holds public transportation improvement meetings every half-year. As a result, 99 bus routes that include late night buses and routes heading to the provincial areas are now available, which is double the number at the early stage of the airport's opening, and over 3,000 buses are in daily operation. In 2010 bus stops have been relocated in the curb side areas where passengers get on or off from buses or cars, so that customers can easily find their way to the airport, and a taxi' call system was introduced. With the launching of the Incheon Airport Railway in December 2010 connecting Seoul Station, Gimpo Airport and Incheon Airport, it takes 43 minutes on an express train from Seoul Station to Incheon Airport.

Passenger Forecasting System

In order to lessen crowds and provide fast service, Incheon Airport is operating a passenger forecast-system and provides the information on its home-page. Based on the passenger forecast system, service personnel are allocated flexibly taking into account the total number of passengers as well as the expected number of passengers according to departure lounge and by the hour, so that equal service will be provided even during peak hours. The passenger forecast system is a key element in Incheon Airport's service, being utilized not only for passenger control such as in the immigration checkpoint, taxiway and security check points, but also for adjusting business hours of the commercial facilities. With a view to providing an all-embracing service, Incheon Airport is improving the passenger forecast process to include transit passengers as well.

Free-of-charge Interpretation Service

Incheon Airport has taken the initiative with its free interpretation service Incheon Airport - BBB Movement to support convenience in domestic travel by airport passengers. Incheon Airport has promoted this program in various ways such as installing 13 information desks, displaying banners throughout the airport, recruiting volunteer interpreters and developing educational material. Also, it carried out the BBB movement training for all employees and cooperating agencies to realize Socially Responsible Management for diversity and multi-cultures, as befitting its status and characteristics as a global airport corporation.

*BBB(Before Babel Brigade)



AIRSTAR Avenue

Incheon Airport created its independent duty free shopping brand AIRSTAR Avenue and operates it as a multipurpose culture and shopping zone. AIRSTAR Avenue is an integrated BI operating the joint marketing of 70 shops including 500 brand commercial facilities. Through the AIRSTAR Avenue with its various products at reasonable prices, a pleasant shopping environment, convenient facilities and excellent service, Incheon Airport strives to be recognized as the airport where the customers are the Stars.

Public Company Customer Satisfaction Survey

Maintained Highest Grade (AA) for Two Consecutive Years

95.7 points 2010

93.5 points 2009 ▲+2.2

Commercial Facility Customer Satisfaction

83.7 points 2010

New Survey Conducted In 2010

AIRPORT FULL OF ENJOYMENT

Arts and Culture

As airports are gateways connecting the world, they are an effective place to promote a country's culture and improve a country's image. Incheon Airport holds a variety of cultural performances, such as the royal promenade, and lunar new year/holiday events that show Korea's unique culture, and also operates the Korean Cultural Center, Korean Culture Museum, Traditional Culture Experience Center, and other cultural activities that promote Korean culture to the world. Under the slogan "Incheon Airport puts wings on culture," Incheon Airport holds cultural performances of various genres every day of the year in collaboration with cultural arts groups. Incheon Airport strives to develop fresh cultural contents that will inspire customers and make it a chance for international travellers to want to visit Korea again.

High-Class Commercial Facilities

Incheon Airport divides its duty-free shoppers into detailed categories, sets up promotion plans tailored to their needs, and conducts joint marketing with AIRSTAR Avenue to provide a more convenient and pleasant shopping experience to its customers. Various sales promotions and large giveaway events such as automobile giveaways were planned to provide domestic passengers with a more colorful shopping environment. Brochures were printed in Chinese and Japanese for the rapidly increasing numbers of tourists from China and Japan, and exclusive discount coupons were distributed to transit passengers. In addition, Incheon Airport is the first airport where Louis Vuitton will open a retail shop, and Incheon Airport renovated the shopping district based on customers' needs, adding new brands targeting young consumers and popular Korean dining brands to provide a convenient, unique and prestigious shopping experience.

Transportation Center - a Multifunctional Culture and Shopping Space

With the complete opening of the airport railway the Transportation Center that connects the airport railway and passenger terminal has been developed into a shopping area, utilizing idle space and enhancing customer convenience. The Transportation Center is furnished with commercial facilities for casual shopping and amenities. At the plaza in the B1 level an indoor ice rink and performance stage will be installed and a multiplex theater will open as well. The performance stage will hold various performances 2-3 times every day, and a visual media system will be installed on the large columns to broadcast videos. Incheon Airport strives to provide its airport facilities as a new-concept cultural space where airport visitors, local residents and the general public can come to enjoy culture and make many fond memories.

HIGHEST LEVEL SAFETY & SECURITY SYSTEM



Establishing Optimal Security System

Under the motto of “the safest airport in the world” Incheon Airport has been successfully operating its security system ever since its launch, and was named the safest airport by ASQ, maintaining its no.1 position in the overall evaluation for the sixth consecutive year. In order to minimize customer inconvenience caused by tightened security, Incheon Airport installed 24 additional Re-check stations in 2010. Suspicious items detected during X-ray scanning is sent within a second to the Re-check station, to facilitate pinpointing the location of the item, and for further customer satisfaction, the scanning time has been reduced by 50% from 105 seconds to 55 seconds. In addition, security systems such as the vehicle entrance and exit monitoring system and visual surveillance systems were improved, and advanced security equipment such as the full body scanner and liquid explosives detector were installed.

Ethics Education for Security Guards (Education Hours per Employee)

Human Rights Education	8.5
Service Education	6.4
Anti Terror Education	6.4
Working-Level Education	6.4
Character Education	6.4

Confidential & Protection of Customers' Personal Information

As a top-level national security site, Incheon Airport strictly follows information protection procedures to prevent any leakage of confidential information and to ensure the protection of customers' personal information.

Safety & Security Goal

Safety and security are the primary and foremost value and goal in airport operation. Incheon Airport dutifully fulfills its role as the first gateway to Korea through its world class safety & security system and by tightening airport facilities maintenance with the goal of zero aviation accidents, security accidents and material accidents.

Participation in Flight Safety Standard Establishment

Incheon Airport is participating in establishing global aviation safety evaluation standards. As a member of the ACI Operational Safety Sub-Committee(OSSC), Incheon Airport participated in the review of the safety handbook revision, registered as an airport operation expert in ICAO's technical cooperation program, and participated in the flight plan task force activities. In addition, Incheon Airport is leading the international airport operations sector, participating in the coordinating TF team for the implementation of the airport certification grading system of the Ministry of Land, Transport and Maritime Affairs and conducting commissioned research for its advancement in the aviation sector.

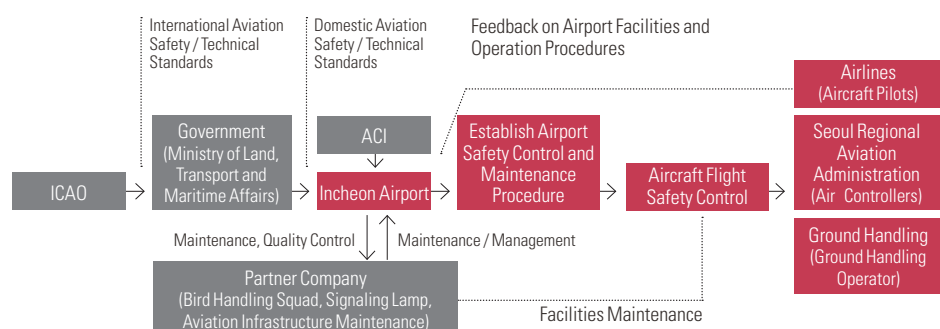
Maintaining a Balance between Security and Service I To provide customer-centered service within a system of strict security, Incheon Airport carries out human rights education for 836 of its security search guards, related to an array of issues such as customer service, prevention of sexual harassment, awareness of disabilities, and upholding of human rights of passengers. It has also placed customer friendly security search guides at each departure gate to inform passengers on the search procedure and to actively help the disabled. Also by supporting security searches in baggage transported from the Seoul Station City Center Airport Terminal, passenger convenience has been enhanced, by enabling a one-stop system for baggage from Seoul Station to the passenger's flight.

Enhancing Reputation for Security I Incheon Airport is enhancing its security reliability by maintaining close cooperative relations with Korean and foreign security institutions. In particular, on the occasion of the “G20 Seoul Summit 2010,” Incheon Airport raised the security level to “serious” which is the highest level alert and assisted in the successful hosting of the meeting by thorough preparation for a safe and fast immigration processing. Incheon Airport has turned its airport security management know-how into a knowledge commodity and is contributing to creating new overseas business opportunities such as analyzing airport security requirements and security design support.

Maximizing Aircraft Operational Safety

Incheon Airport recorded 1 million 670 thousand flights, and 86,000 hours of no-accident, non-stop operation, gaining recognition for its world's highest level of operational stability. Incheon Airport established mid-to-long-term improvement plans for each facility and enhanced reliability of its aviation safety facilities inspection, maximizing the stability of its airport operations. With the advancement of the safety maintenance activities, Incheon Airport won the 1st grade airport certification from the Ministry of Land, Transport and Maritime Affairs, while the ground accident rate decreased by 45% compared to the previous year. By installing the latest precision approach facility, CAT IIIb, Incheon Airport is equipped with the highest level of aviation safety. The sector meetings and joint safety campaigns to foster a culture of safety awareness further contribute to a safer and more efficient airport operations.

Aircraft Operational Safety Enhancement Process





ASQ

Occurrences of Security Related Accidents **Zero**

ASQ Security Rating **1st** 6 Consecutive Years

Time Consumed per Search **55** Seconds

(50% decrease from the previous year)



Zero-Accident, Zero-Suspension of Flights
 Highest Universal Standard of Flight Safety

1.67 Million Flights

86,000 Hours



On-site Safety hazards **45%** Decrease (from the previous year)

De-icing Time **19** Minutes (10 minutes decrease from year before)

*ICAO's international guideline is to remove snow within 30 minutes when snowfall records 2.5 cm.

To maximize airport safety, Incheon Airport takes proactive measures against bad weather such as snowstorms and icing of the movement area, and risk factors such as bird strikes to maximize airport safety. In order to prepare for the worst snowstorms, Incheon Airport operates 39 snow removal vehicles, which reduces the snow removal time from 28 minutes to 19 minutes. The wildlife attracting facility was installed and the environment improved, and spots where wildlife appear frequently are inspected thoroughly to minimize the risk of collision with aircraft.

Disaster and Emergency Response

Incheon Airport integrated the disaster response teams that tackles human disasters such as aircraft accidents, fire and explosion; social disasters such as overseas epidemics and terrorist attacks; and natural disasters, into the Situation Control Center and, maintaining a 24-hour alert status. Self-inspection and inspection by external expert organizations is conducted regularly, and joint training with related institutions to respond to airport emergencies, terrorist attacks, aircraft accidents and epidemic outbreaks are conducted with related institutions to enhance joint response capabilities in case of emergencies. In addition, on the occasion of North Korea's military provocation in Yeonpyeong Island, the North Korean crisis response procedure was added to enhance responsiveness to national crises.

For the case of human disasters such as aircraft accidents and fires, Incheon Airport maintains the highest fire-fighting level through the timely replacement and additional installation of rescue equipment, and by establishing its emergency rescue system and 24-hour emergency alert system, assisted 1,083 emergency patients in 2010. In order to block the penetration of international epidemics into the country, Incheon Airport cooperates with the Airport Quarantine Office and the Animal, Plant and Fisheries Quarantine and Inspection Agency. For the case of natural disasters such as snowstorms and floods, the disaster control center's response system is activated at the first sign of threat, and Incheon Airport puts its efforts into "non-stop operation" of the airport through continued inspection and training. Incheon Airport will continue to provide the best service to the customers by securing airport security through thorough inspection and training.

Efforts for Aircraft Operational Safety

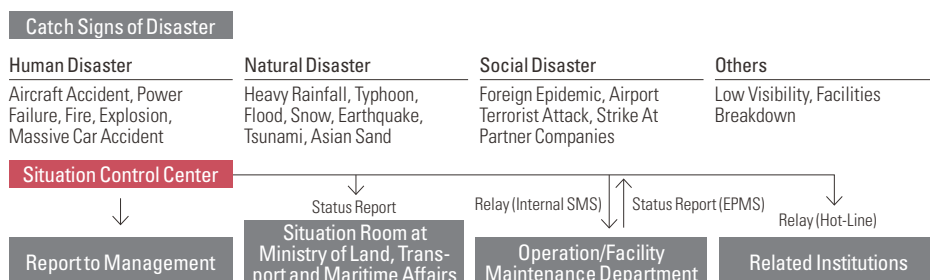
	Aviation Accidents	Ground Accidents	Snow Removal Time (Min)	Wildlife Bird Strikes*
2010	0	6	19	7
2009	0	11	28	6
2008	0	16	28	9

*Cases per 10,000 flights

Response to Disasters And Emergencies

Material Accidents (Cases)	Virtual Exercise for Disaster Situations (Times)	Request For Correction by External Institution's Safety Inspection (Cases)
0	12	3
0	12	13
0	12	19

Disaster and Emergency Response System



03 Admired Company

Incheon Airport is the workplace for 5,933 partners from 43 companies and the livelihood for the residents of the Yeongjong and Yongyu areas. Incheon Airport strives to fulfill its role as a public company, being a dependable companion and close neighbor that practices sharing with the community, to ultimately become an admired company within society.

2010 CSR Funding Activities (Unit_ KRW million)		
	Win-win Cooperative Support Fund	89,400
	Social Service Activity Funding	26,601
	Total	116,001

WIN-WIN COOPERATION FOR MUTUAL GROWTH

Incheon Airport New Win-win Cooperation Plan

In order to achieve its mid-to-long-term strategy for the "Establishment of a sustainable management system" and contribute to building a fair society, Incheon Airport established the "New Win-win Cooperation Plan." Incheon Airport strives for win-win cooperation with airport tenant companies and partner companies and the establishment of a voluntary and sustainable implementation system for social contribution. For this end, the six basic implementation tasks of: spreading consensus; enhancing win-win cooperation with partner companies; strengthening mutual growth with tenant companies; enhancing competitiveness of logistics companies; strengthening action-based leadership; and fostering social enterprises, will be executed implemented systematically.



6 Implementation Tasks for Win-win Cooperation		Win-win Cooperation Programs for Mutual Growth
Spreading Consensus	Workshops with CEOs From Partner Companies, Field Meetings	- Conducted Partner Company Field Representatives' Meeting (43 Companies/2 Times) - Held CEO Win-win Cooperation Workshop (December), Meetings by Sector (14 Times)
Enhancing Win-win Cooperation with Partner Companies	Listening to Grievances in the Field, Improving Productivity	- Held Partner Company Field Grievance Meeting (October) - Held Rewarding Ceremony and Case Sharing for Outstanding Cases of Improving Airport Quality(5 Companies, November)
Strengthening Mutual Growth with Partner Companies	Review of the Usage Fee Incentive Scheme	- Airlines: Deduction of Usage Fee for Airlines Who Have Contributed to Strengthening Airport's Hub Function (15 Companies, KRW 3.8 Billion) - Commercial Facilities: 10% Deduction of Facilities Usage Fee (KRW 63.8 Billion)
Enhancing Competitiveness of Logistics Companies	Rewarding Outstanding Companies and System Improvement Activities	- Land Rent Deduction According to the Rate of Handling Transshipment Cargo (KRW 400 Million) - 10% Deduction of Free Trade Zone Land Rent (KRW 460 Million)
Strengthening Action-Based Leadership	Airport Family Joint Volunteer Activities, Supporting Volunteer Clubs	- Held Airport Family Field Day "One Heart Day" (May) - A Total of 2,080 Persons Participated in the Airport Family Volunteer Activities (i.e. Charity Campaign)
Fostering Social Enterprises/Human Talents	Establishment and Fostering of Multi-Cultural Social Enterprises, Creating Jobs and Internships, Social Employment Programs	- Operates 11 Programs Including CS / Airport Expert Training - Established Plan to Support Social Enterprise in the Field of Multi-Cultural Families' Art and Culture Promotion Agreement November

5,933 Partners



Partners Within the Airport Service Companies

43

Airport Operations
3,529

Facilities Maintenance
1,966

Information Communication
408

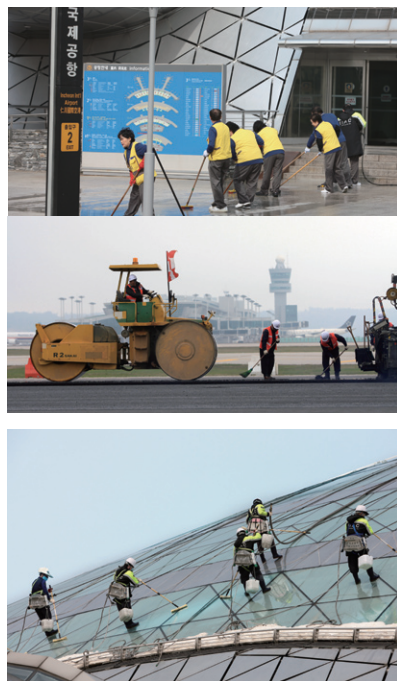
Others
30

*As of December 2010

ENHANCING BUSINESS PARTNERS' CAPABILITIES

Win-win With Business Partner Companies

As of 2010, 43 companies and 5,933 partner employees worked with Incheon Airport for the common goal of becoming a global airport leader. "Building collaborative partnership," "Enhancing competence of partner companies" and "Fostering unity between airport employees" are Incheon Airport's 3 strategies of active leadership in win-win cooperation. Incheon Airport has designated "Business Partner Day," and strives to build a partnership of shared values by hosting the Win-Win Cooperation Workshop with 43 partner CEO's and by consulting with partner companies regarding their grievances. Also, to enhance business partner competence, Incheon Airport provides support for ethical management activities, rewards outstanding partner companies and employees, and operates programs fostering a sense of involvement as a member of the airport, including encouragement of peak season shifts, family invitation events, and summer time retreats.



Value Sharing Program with Business Partners	Main Program	Frequency	Activities of The Management Level
	Business Partners Win-win Cooperation Workshop	Once / Year	Sharing Incheon Airport's Management Policies and Future Direction (CEOs Of 43 Companies)
	Field Representatives Meeting	Twice / Year	Listening and Sharing Opinion with the Middle Management (Field Representatives of the 43 Companies)
	Grievance Consulting for Partner Companies	Once / Year	Difficulties in Work / Searching Ways for Improvement (168 Participants)
	Encouraging Workers During Peak Season	Lunar New Year / Thanksgiving	Field Visitation, Encourage Employees Personally
	Business Partners' Day	Once / Year	Foster Basis for Win-win And Mutual Growth as Strategic Partners (3,000 Attendants)
	VOF(Voice of Field)	Once / Year	Listen to the grievance of resident field employees (87 opinions gathered)

Clean Compact

To prevent unfairness in the bidding and contracting process, all contracts include an integrity contract clause starting from the bidding process, and violating agencies are excluded from bidding for a certain period of time for violating agencies. Also, to establish fair and transparent trading regulations, an illegal subcontract alert center for construction sites is operated on the company's website. Construction companies operating within Incheon Airport may be alerted on this system, while investigations are classified as a rule. After appropriate measures are sought, the results are informed to the whistle-blower.

Electronic Bidding System

Incheon Airport is putting its efforts into fostering transparent and fair bidding through the expansion of the electronic bidding system. Through the electronic bidding system, quick processing of the auction facility is now possible, and improves trust and work efficiency with business partners through its fair and transparent procedure.

Number and Amount of Electronic Biddings

	Electronic Bidding (Cases)	Electronic Bidding Rate (%)	Electronic Bidding Amount (KRW billion)
2010	308	100	113.4
2009	203	95.8	475.4
2008	142	86.6	230.4

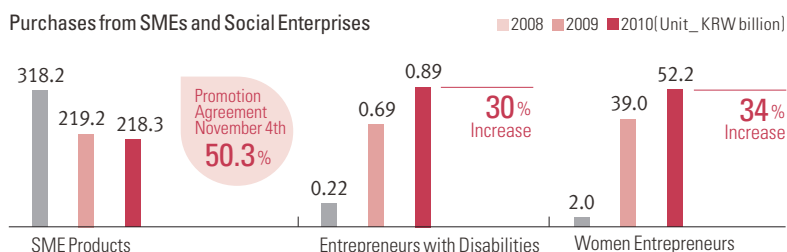
Supporting Business Partners

Incheon Airport provided assistance amounting to KRW 68.36 billion through 10% deductions from landing fees and commercial facility rent to help resident companies' management. It also raised the bidding rate from 80.5% to 97.75% and increased transportation and lunch allowances to realistic levels, spending KRW 21 billion on improving welfare. Incheon Airport's annual support for business partners amounts to an annual amount of KRW 89.4 billion, and job creation for 770 persons. In addition, Incheon Airport expanded its purchasing from SMEs to 50%, or KRW 218.3 billion, in 2010.

Improving Business Partner Satisfaction

As a result of various support activities, the satisfaction rate on win-win cooperation programs for business partners increased from 66.1 points in the previous year to 70.1 points in 2010, according to the survey conducted on partner company employees and field representatives. Moreover, in a survey conducted by one public enterprise corporate customer, the satisfaction rate rose from 93.5 points in 2009 to 95.1 points in 2010. Incheon Airport will further strengthen cooperative relations with its business partners to continue to improve their satisfaction rate in doing business with Incheon Airport.

Purchases from SMEs and Social Enterprises



PROMOTING CULTURE OF SHARING IN THE COMMUNITY

Social Contribution

In consideration of the circumstances of the airport area, Incheon Airport puts the “local community” at the top of its social contribution activities and strives to develop a social contribution model to create a self-sustainable and creative local culture. In addition, the Incheon Airport Volunteer Group, which is at the starting point of spreading the spirit of sharing, operates based on voluntary participation and is steadily expanding its scope of activities. Incheon Airport will continue to identify unique social contribution projects such as the BBB movement, playing a leading role among public companies in building a local culture of sharing through active social participation as a corporate citizen, actively responding to the discourse on diversity and multi-cultural society

Social Contribution Activities System

The Sustainability Management Team manages any stakeholder needs or requirement regarding social contribution policy. The airport’s social contribution activities can be categorized into the 4 central social contribution project types: fostering local talent, creating the World Peace Forest, the Sky Culture Center and promotion as a social corporation, as well as the two broad areas of voluntary service and culture sharing activities.

Social Contribution Activities Expenditures (Unit_ KRW mil.)	2010	2009	2008	Key Projects	Education / Culture / Business	Welfare / Emergency Relief	Local Community	Environment / Women	Total
	25,136	39,309	643	25,136	649	110	648	22	26,601
	39,309	128	39	39,309	128	39	239	12	39,781
	643	111	73	643	111	73	37	25	889

*Priority project, Sky Culture Centre, cumulative construction costs as at 2010: 24,500 million KRW.

*Priority project, Haneul High School, an autonomous private high school, establishment costs, 2009: 38,700 million KRW. *A 67% increase on the average annual expenditure of 15,934 million KRW on social contribution activities over the previous 3 years (2007-2009).

Social Contribution Sector	Key Social Contribution Project	Volunteerism	Cultural Activities
	Cultivating Local Talents	Incheon Airport Volunteer Group's Activities	Supporting Local Festivals
	Constructing World Peace Forest	Public Interest Support Activities	Concerts At Passenger Terminal
	Constructing Sky Culture Center	BBB Movement	Promoting Sports and Culture
	Cultivating Social Enterprises In The Culture & Arts Sector	Overseas Volunteering	Supporting Local Community Welfare Facility

*BBB(Before Babel Brigade)

Key Social Contribution Projects

01 Fostering Local Talent

Incheon Airport has built trust with the local community under the theme of education and has strived to strengthen the capacity for development in the local community. The School specialization project has supported elementary and middle schools since 2007. In 2010, 350 million KRW was donated to initiate 10 programs based on creativity, and aero-space and marine education. As the first privately funded high school in the Incheon area, Incheon Haneul Highschool, which opened in March of 2011, can accommodate up to 600 students in 24 classes (8 classes per year group), thanks to investments of 38.7billion KRW for construction and land purchase for the school. Also an academic-industrial complex has been constructed in cooperation with Incheon University, Inha University and Korea Aerospace University for the early discovery of talented students in the field of air logistics, with Incheon Airport donating a total of 30 million KRW to 8 students in 2010.

Major Programs for Local Schools Specialization Project

Air & Space Education	Enhancing Creativity	Samulnori	English Skills
	Traditional Music Education	Marine Education	English Musical





Key Social Contribution Activities



01 Cultivating Local Talent

- Building trust with the community through shared value on education, the common interest
- Supporting unique future-oriented programs for each school
- Seeking smooth communication with the local community
- Contributing to local community development by improving education conditions

02 Construction of World Peace Forest



- Building win-win partnership connecting the corporation, civic group and municipal government
- Transforming green space into a thematic cultural community space



03 Construction of the Sky Culture Center

- Improve culture welfare conditions, reflecting the needs of the local residents
- Enhance airport service quality by balancing work and life of airport employees

04 Fostering Multicultural Social Enterprises



- Strategic Link Between Multiculturalism + Cultureport
- Operation of Multicultural Chorus and Regular Concerts

02 Construction of the World Peace Forest

The "World Peace Forest" is an urban forest 470,740m² in size and located in the Incheon Airport New Town (Jung-gu, Unseo-dong). The phase 1 screen plantation project that cost KRW 1.3 billion was completed in 2010, and a variety of trees will be planted until 2016 in 3 phases. Starting with the "World Peace Tree Planting Ceremony" that was held on April 1st as a means to promote the World Peace Forest as a residents' retreat, Incheon Airport holds citizens' participatory programs every month. In November the local festival "Share the Love" was held in the World Peace Forest, and the forest is getting closer to the residents' hearts as their space for repose and sharing. Incheon Airport hopes that a new level of social contribution will emerge with the World Peace Forest project as a model, and that the forest will not only function as noise buffer and shielding, but that it will also contribute to the ecology of the city environment and become the center of a green urban community.

03 Sky Culture Center

Incheon Airport is currently constructing a multifunctional culture and arts facility for the residents of Yeong-jong, Yongyu-do, and resident employees at Incheon Airport. Through a naming contest held last June, the facility got the name "Sky Culture Center." The groundbreaking ceremony was held in July 2009, and the Sky Culture Center will be a large-scale cultural facility, two stories below ground and 3 stories above, consisting of an auditorium for performances and concerts, basketball court, swimming pool, book café, seniors lounge, youths lounge, nursing rooms, and a variety of cultural facilities. On the outside, there will be an amphitheater, concert stage, theme square and athletics park. The Sky Culture Center will become the emblem of community facility complex that contributes to the community culture and communication.

04 Fostering Multicultural Social Enterprises

Incheon Airport has chosen "multi-culture" and "cultureport" as the topic of discourse of the coming age and pursues unique social contribution activity tailored to its business characteristics. For this end, Incheon Airport joined hands with a social enterprise and in 2011, established a chorus, comprised of members of multicultural families, which Incheon Airport plans to promote. Incheon Airport hopes that the members will form a stronger social bond through the chorus activities, and that a beautiful harmony will ring throughout Incheon Airport and foreign airports with their regular concerts.

04 Happy Workplace for Employees

To accomplish the goals of becoming an expert airport corporation fostering talent and a culture of open creativity, Incheon Airport actively pursues its strategic goals of cultivating internationally competitive value creators, a labor-management culture based on trust, future-oriented win-win cooperation labor relations and a family & women-friendly culture that balances work and life. Through recognition of such efforts, Incheon Airport was awarded the Grand Prize for Labor-Management Culture(2010), Grand Prize in the Great World to Have Children Award and the Presidential Award in the National Productivity Prize. Incheon Airport will spare no efforts in creating a ‘Great Work Place’ bringing pride and happiness to all employees by providing a healthy and safe working environment and diverse welfare benefits.

EQUAL EMPLOYMENT OPPORTUNITIES

Incheon Airport Workforce

The maximum number of employees at Incheon Airport is 872, and 866 employees including 42 new recruits are working at Incheon Airport as of December 2010.

Total Workforce (Unit_ No. of persons)	Board Members	Employee	Safety & Security	Management Contract	Permanent Contract	Special Post	Total Employees
Total	6	795	23	10	28	4	866
Male	6	652	22	9	18	3	710
Female	0	143	1	1	10	1	156

Incheon Airport has promoted efficiency in its management of personnel and has modified its working force. However, it has pursued reduction of its personnel through voluntary resignation without any particular forced restructuring. 2010 saw the voluntary resignation of 2 employees and 11 general retirements. While hosting farewell receptions for workers who have voluntarily resigned, it has also supported career management and rehabilitation programs for those facing resignation through its Outplacement Program.

Equal Employment Opportunities and Human Rights

Incheon Airport respects the diversity and dignity of its workers and strictly prohibits any discrimination based on gender, age, religion, academic ability, physical disabilities and areas of origin. Incheon Airport has switched existing contract workers to indefinite contracts that guarantee working until retirement age. Management contract posts consist of executives and specialist posts and there are no separate group of contract workers - all employees are full-time regular workers. The average salary is KRW 77.88 million, and the wages and benefits for the same position are identical without gender discrimination. In addition, when recruiting new regular workers, 17 from engineering, 17 females and 2 disabled individuals were hired, realizing socially fair employment. As a public institution, Incheon Airport adheres to the labor regulations of the Labor Standards Act and prohibits political activities by its employees as a public institution. Also according to the principles of the Global Compact(UNGC) and the International Labor Organization, Incheon Airport does not permit any form of child or forced labor. By strengthening its policies for the socially marginalized, Incheon Airport exceeded government standards by working with 21 disabled, and 56 employment special consideration group members.

New Hires Average Monthly Wage by Gender	2010	Male	Female
		2.06	2.01

(Unit_ KRW million)

The wages for new employees without military service are equal regardless of gender, but Incheon Airport recognizes the time served in the military (2 years). The rate of active service for Korean males is 80%.

Supporting Female Workforce

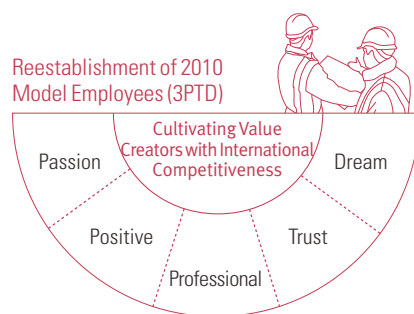
As of late 2010, the female workforce accounted for 18.01% of total personnel, with 156 female employees, maintaining an annual increase in the ratio of female employees. Incheon Airport has introduced the “Incheon Airport Female Employment Goals”, to employ women for over 30% of its workforce for better employment opportunities. Also, by enhancing the rate of promotions for women, support has been continued in terms of expanding female management. In 2010, 11 women were promoted, including first class promotion, and two new female team directors were appointed.



CREATING A WORKING CULTURE

Model Employees of Incheon Airport

A model employee of Incheon Airport will create new values and realize dreams with a background of trust, passion, positivity and professionalism. Incheon Airport has introduced professional employee training and innovative recruitment systems to foster such a workforce.

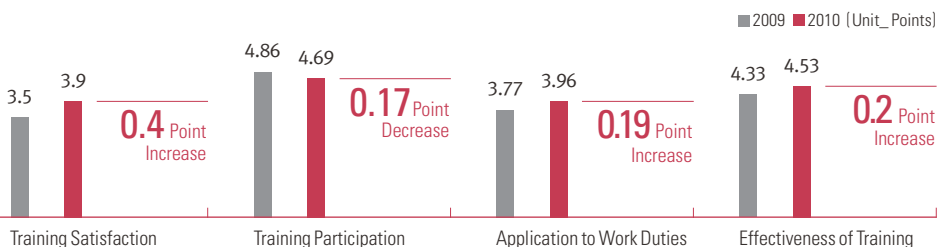
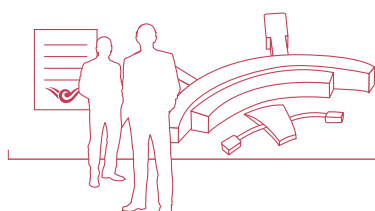


Fostering Global Workforce

To foster a value creator workforce with international competitiveness, Incheon Airport has constructed worker training plans in tune with its management strategies, and operates a systematic training program. The career development program of Incheon Airport is of the highest standard nationwide with 137 hours of training per employee. In order to nurture high quality personnel in the future, a future leader fostering program is operated according to the rank system, and to heighten the professionalism of the operation of the airport, MBA programs are run within the workplace and support is given for Masters and PH.D programs in the Aerospace University to cultivate airport and global experts. Employees are also dispatched to International Organizations and partner airports.

Education Programs in Tune With Management Strategy

	Hub Strategy	Growth Strategy	Management Strategy	Company Strategy
Strategic Challenges	Strengthening of Hub Competitiveness	Construction of a Future Engine of Growth	Enhancement of Efficiency in Safety and Management	Advancement of the Management System
	Phase 3 Airport Construction Connecting Flight Businesses/LCC Building Logistics Infrastructure Creating Service Value	Business Abroad Expansion Air City Development New Profits Development	Safety & Security System Airport Operation Efficiency Eco-friendly Airport Management	Advance Management System Fostering a Professional Workforce
Professional Training Program in Airport Management	Incheon Airport Professional Airport Management MBA		(Regular) Masters Ph.D programs in Airport Management	
Global Programs	Global Professional Airport Program		Fostering of Airport Duty Professional Lecturers	
Professional Job Training Course	Airport Construction Airports Marketing Airports Logistics CS	Consulting Business Development Commercial Marketing	Airport Safety Operation Airsides/Ground Control Aviation Safety Facility Management of Facilities/Environment Airport Security	Management HR/Labor Relations
Basic Job Training Course	Common Job Training Course			



*The training satisfaction survey has been carried out since 2009.

WIN-WIN COOPERATION AND LABOR-MANAGEMENT CULTURE

Main Channels of Communication

Regular Employees



Management Innovation Reports_ 2 times/year
 Sharing and Extending Cases of Innovation to All Employees
 Vision Workshop_ 1 time/year
 Accumulation of Vision And Core Values by All Employees
 Conversations with Management_ 20 times/year
 Open the Door Program for Informal Talks with Employees etc

Open Communication

Incheon Airport builds a trusting relationship through various communication channels on management issues. The adoption of the Assimilation Program entails heads of departments responding to anonymous suggestions by employees over a communication channel that has been used over 100 times. The results of the 2010 evaluation of employees' shared knowledge of the airport's management principles and core values showed that 91% of Incheon Airport's employees understand the vision and strategy of Incheon Airport and work together in its accomplishment. The win-win culture of labor-management in Incheon Airport has been recognized both internally and externally, with four cases of benchmarking of Incheon Airport's labor-management culture and nomination as the Best Labor Management Culture Enterprise by the Ministry of Employment and Labor in November 2010.

Labor Unions



Labor-Management Joint Workshop_ 2 times/year
 Labor-Management Negotiations_ 4 times/year
 Labor-Management Working Group_ All year round
 Labor-Management Representative Hot-line_ All year round
 Labor-Management Joint Contributions to Society_ 10 times/year
 Discussions and Consultation on Main Management Issues

Reinforcement of Performance Based Compensation

Incheon Airport takes pride in providing equal opportunities to all of its personnel and operates with fair evaluations and rewards based on performance and potential. Objectivity is established through real-time inspection of personal MBO(Management by Objectives) and the career development evaluations are managed by carrying out 'Education by Objectives' in response to MBO and coaching diaries. Employees with lower performance rates are provided with a New Challenge program, while an objective "3 strikes out" system is applied in the case of three consecutive lowest rankings in annual evaluations. Also, Incheon Airport has expanded differential compensation by performance and increased the rate of performance based rewards to 31%, which is reflected in payment, promotion, appointment and education. The performance is evaluated according to what is expected of the position and rank and how the individual and department fare, to ensure fair and accurate evaluations of various elements of competency and performance.

HR Management System Based on Abilities

The transparency of appointment procedures for personnel has been enhanced through innovation in the methods of HR Management, such as Job Posting in the form of an autonomous job recruitment system and rank promotions without consideration of current positions. The Job Posting system is an introduction of economic theories of the market place to the HR Management System through employees applying to the teams they wish to work for and team directors appointing employees they wish to work with. In the case of new recruitment, employment is carried out based on job type, such as sales or logistics, through a series of capacity assessments including written essays, and multiple level interviews. The HR Management system has been established to categorize human resources based on core capacities such as passenger service and management efficiency, and a foreign personnel pool of 140 people has been employed.

Advancement of Labor-Management Relations

The Incheon Airport rightfully protects the three basic labor rights(rights to organize, collective bargaining, and collective action) and collective bargaining was successfully used to negotiate a more flexible and intensive workplace in December 2010, thanks to the communication and cooperation between labor and management. Ever since its establishment not one case of labor dispute has occurred, based on a spirit of compromise by labor and management and the consolidation of a culture of trust. The Incheon Airport labor union was established on Nov. 20, 1995 and is affiliated to the Federation of Korean Trade Unions. Under the collective agreement and labor union by law, the union consists of all 664 employees in the third level and below (76.6% of personnel).

Ombudsman System

The employee ombudsman channel was reorganized and the CPO and HR Ombudsman system has been implemented. Employees can request for the ombudsman at anytime and will be notified of solutions. In 2010, the opinion of employees was gathered resulting in the elimination of policies such as fuel-use diaries that decrease the efficiency of workers.



BALANCING WORK AND LIFE

Parental Leave	2008	2009	2010
Maternity leave(cases)	8	15	7
Paternity leave(cases)	1	2	1
Rate of reinstatement	88.9%	94.1%	in progress

Various Benefits Program

Incheon Airport provides an array of welfare programs such as employee self-improvement, health care and family support. The selective welfare plan (Benefit Café Plan) further heightens employees' satisfaction. Supporting housing through company housing, financial support for children's tuition and family medical costs, and medical check, all contribute to creating a happy workplace. In addition, a retirement pension fund was introduced in 2008 and now covers 70% of employees, and Incheon Airport supports club activities to encourage a balance between work and life. Refresh 6+ encourages the use of annual paid holidays, with Incheon Airport being designated as "the Best Corporation for Vacation Culture" selected by six institutions including the Ministry of Culture Sports and Tourism.

Family Friendly Management

Incheon Airport participates in the social movements to overcome low birth rates, such as by providing financial support for families with many children and infertile couples. The Employee Assistance Program for counseling on mental health, child care and stress and the designation of a family day is part of Incheon Airport's efforts in encouraging a healthy family culture. Also the operation of a Change Over Program designating replacements during pregnancy leave has helped solve the problem of instability in returning to the workplace and 1 year child-care leave is guaranteed for both parents on request to ensure a flexible working environment supporting child care. Incheon Airport was recognized for its advanced family friendly management by being awarded the President Award for the "Great World to Have Children" Contest in 2010, selected by the Ministry of Health and Welfare.

Areas of EAP Counseling

Employee Assistance	Stress	Psychological Testing	Career Development	Private Investment Techniques/Law
Quitting Drinking/Smoking	Emotional Issues	Personal Relations	Child Care	Spouse/Family Relationships

Safety and Health

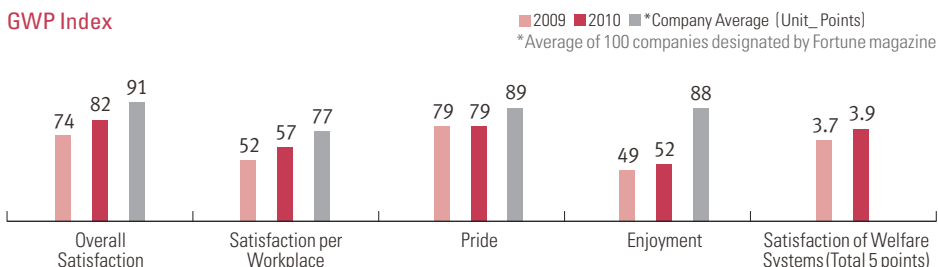
Incheon Airport operates the Industrial Safety & Health Council which is a joint deliberative body between labor and management that decides important matters related to health and safety of the employees. Through the monthly safety inspection day, employees receive at least an hour of safety education per month, or 3 hours per quarter, while all employees receive free regular health check-ups each year. A General Practitioner system has been introduced along with smoking clinics and obesity funds, providing an array of health improvement programs. Vaccines against H1N1 and other contagious diseases are carried out to prevent infection, while group insurance is provided to cover occurrence of serious diseases like cancer, or strokes, to provide continued support for the improvement of health for employees.

Accident Rate	Work-Related Injuries(persons)	Accident rate (%)	Sick leave(persons)	Male	Female
	0	0	130	92	38

Enhancement of Employee Satisfaction

Incheon Airport annually carries out the GWP(Great Work Place) survey to provide a high level of trust within the organization, give pride to its workers and create a happy and worthwhile working environment. The 2011 survey resulted in 89 points, with a 7 point increase from the year 2010, exceeding the expected outcome of 2011. Pride in the workplace and in one's duties was one criterion that recorded a significant increase. Incheon Airport is working to analyze the niche interests of employees and to respond to such needs through diverse policies, in order to improve the GWP grade by 2015 to the level of the World's 100 Top Corporations designated by Fortune Magazine.

GWP Index



Material Issue

05 Eco-friendly Green Management Company

Incheon Airport aims to leap forward as the World Best Green Airport, by establishing and following environmental and energy management measures. Energy reduction and increase in efficiency, introduction of renewable energy resources, carbon neutralization and diverse green management policies are actively being pursued. We are striving to develop the airport industry by shifting to an eco-friendly low carbon structure and consolidate a virtuous cycle that solves environmental issues. Incheon Airport has strived to share the processes and accomplishments of its green management with stakeholders through annual publication of the Green Report. In 2010 it remained free from any violations of environmental regulations.

GREEN MANAGEMENT SYSTEM

Green Growth Strategy



Environmental and Energy Management Measures

Incheon Airport established an environmental policy and energy management policy and abides by them in order to become realize an eco-friendly, green airport. The environmental policy provides guidelines in establishing environmental goals and minimizing environmental impacts through continued environmental improvements, and in building a proactive and systematic environmental management system. The energy management policy is Incheon Airport's basic principle in responding to climate change and fulfilling its social obligation as an airport company. Incheon Airport strives to expand application of its environmental policy to its internal constituents, business partners, construction inspection institutions and constructors through various education and training.

Incheon Airport has established an eco-friendly green management strategy based on the "Global Incheon Airport 2015", and is pursuing its assigned tasks in regard to its capacity reinforcement for Green Management and minimization of environmental impact. In 2010, Incheon Airport set its environmental goal to emissions of 2,024t of CO₂ and a 5% improvement in environmental management.

Eco-friendly Green Growth Department

Incheon Airport has reorganized the existing Energy Reduction Promotion Committee into the Green Growth Promotion Committee as of July 2009, to meet the green growth paradigm. With the executive vice president as the chairman of the committee, each department provides 8 committee members with the exception of the vice chairman (Head of the Airside Division) and the assistant administrator. Through its regular committee meetings every half year, the committee monitors the establishment of the Green Growth Strategy and the Energy Management goals and achievements. For practical implementation of the projects, the Energy Environmental Group under the Airside Division and the Airport Facilities Group under the Facilities Division carry out tasks related to Green Management in an integrated and systematic manner. Also, throughout all departments, an energy monitor is designated to implement energy saving in everyday matters. Incheon Airport will continue to give all efforts in becoming an eco-friendly green airport through exclusively responsible working groups and close cooperation.

Eco-Friendly Structure of Incheon Airport



Aerodrome Division _Energy & Environment Group

- Energy Management Team
 - In charge of overall Green Growth Strategies
 - Energy Saving Tasks
 - Greenhouse Gases Reduction Tasks
- Energy Related Teams
 - Management of Greenhouse Gases in specific areas
- Energy Monitors per Division
 - Promotion of saving Energy in Everyday Matters

Facilities Division_ Airport Facilities Group

- Plant Maintenance Team
 - Operation of Water Treatment and Resources Recovery Facilities

- Environment Management Team
 - In charge of overall Environment Management
 - Management of ISO14001
 - Aircraft Noise Control, Ecological Impact in the Area Surrounding the Airport



Pursuing Authentication of the Energy Management System(EnMS)

An Energy Management Manual and a Procedures Manual have been enacted for the construction of a systematic Energy Management System. In 2011, a trial authentication of the Energy Management System will be carried out, while a working system in tune with the Energy Management System will be set up for consistent follow-up and reinforcement of Energy Management.

2009_Preparatory Response for Trial Authentication

Energy Management Manual (22) and Procedure (12) enacted

2010_Preparation for Trial Authentication

Participation, application and certification of the trial authentication business

2011_Scheduled Trial Authentication

- Technological support and exemption of authentication commission for the consolidation of an Energy Management System
- Medium and Long term systematic and consistent introduction of the Management system
- Effects of promotion as a Best Energy Management Corporation

Green House Gas Emissions

	2008	2009	2010
Direct GHGs(tCO ₂)	15,174	14,546	14,513
Indirect GHGs(tCO ₂)	156,901	164,762	168,275

*The scope of recorded direct and indirect GHGs emissions include that of Incheon Airport and partner companies.

Reduction Scenario of Carbon Emissions

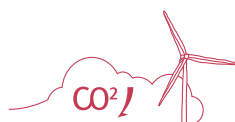
Standard for 2020	BAU	Reduction Scenario		
		1	2	3
Emissions (tCO ₂)	196,074	158,477	148,379	144,082
Reduction Rate(%)	-	-19%	-24%	-27%

* BAU_ Business As Usual

Mid-Long Term Green Growth Plan

April 2010, Incheon Airport concluded a target management agreement on greenhouse gases and energy with the government, and has established a mid-term plan (2011-2015) for green growth. Incheon Airport plans to reduce greenhouse gas by 50,400 tons with a total investment of 66.9 billion KRW by 2015. Incheon Airport has been recognized for its commitment to low carbon green growth and was awarded the climate change response category in the Green Growth Awards held jointly by the Ministry of Knowledge and Economy and the Ministry of Environment. Such momentum has helped Incheon Airport to plan pursuing its leading role as a green airport providing benchmarking to airports all over the world.

Provision of Mid-long Term Green-house Gas Reduction Measures_ The Incheon Airport greenhouse gas inventory of 2009 observes international standards, and has received third party authentication from the Korean Energy Management Corporation. Potential reduction rates were evaluated to establish mid-long term reduction measures in 2010, which will be initiated through the introduction of renewable energy resources and the securing of a carbon emissions trading scheme from 2011 to 2020.



Achievement of Accumulated Reduction Rates of Greenhouse Gases By 2015

50,400 tCO₂ Reduction

World Best Green Airport

2009~2010 Constructing the Foundation

Setting up a Green Management System

- Setting up an Energy Management System
- Training Personnel to Realizing Green Management
- Promotion of Green Life and Reinforcement of Cooperation

2011~2012 Intensified Promotion

Energy Saving and Efficiency

- Replacement of 50% Lights to LED and Consistent Pursuing of Efficiency of Facilities
- Enactment of Standards in Energy Management of Buildings
- Pursuing of ESCO Businesses

2013~2015 Core Strategies

Energy Self-Reliance

- Expansion of introduction of Renewable Energy Resources
- Diversification of Introduction of Renewable Energy Resources
- Introduction of Phase 3 Renewable Energy

2009~2010 Carbon Neutralization

Green Airport

- Establishment and Reduction of the Greenhouse Gas Inventory
- Introduction and Operation of the Carbon Reduction Program
- Green Airport Transport Policies

Annual Investment and Reduction Plan	2011	2012	2013	2014	2015	Total
Investment (KRW million)	24,307	23,514	1,808	1,955	15,328	66,912
Reduction Cost (KRW million)	1,591	668	428	263	216	3,166
Accumulated Reduction Rate (tCO ₂)	4,955	8,432	10,656	12,013	14,344	50,400

OPERATION OF A LOW CARBON GREEN AIRPORT



298 tCO₂ Reduction

Operation of Green Hangers to minimize aircraft movements

1,584 tCO₂ Reduction

Operation of AC-GPS to reduce unnecessary use of fuel

1,683 tCO₂ Reduction

Use of super-light eco-friendly ULD to reduce use of aircraft fuel

Expansion of Facilities and Improvement in Management

Incheon Airport is pursuing expansion of airport facilities and improvement in management while aiming to become a low carbon airport, especially, through the operation of green hangars that minimize lengths of transfer for aircraft to reduce greenhouse gas emissions, and AC-GPS which reduces unnecessary use of fuel for parking of aircraft.

Construction of an Eco-friendly Transportation System

Incheon Airport will be the world's first in constructing a state of the art, eco-friendly magnetic levitation railway within the airport, and provide unique transportation services. As one of the most eco-friendly existing means of transportation, Magnetic Levitation Railway heightens accessibility by connecting passenger terminals and areas surrounding the airport and accelerates the growth of such areas. Incheon Airport is also operating bicycle tracks and eco-friendly electric cars.

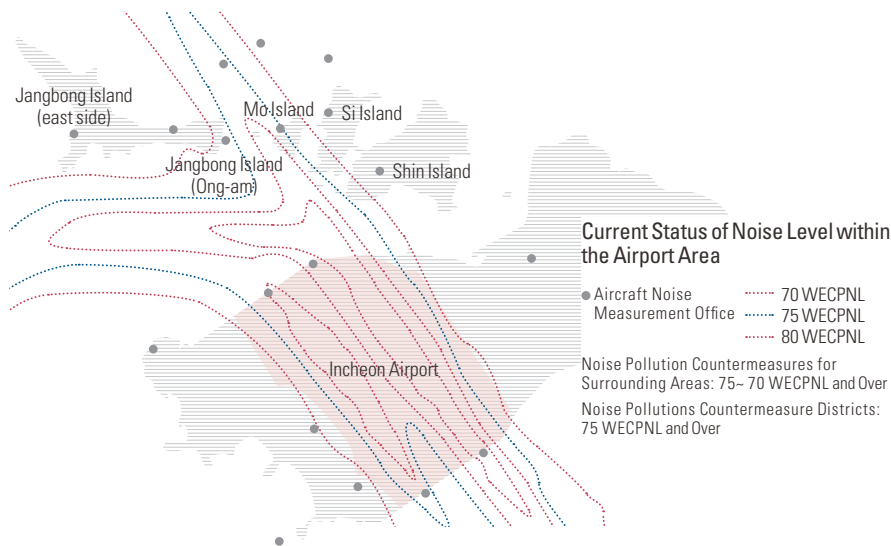
Strengthening of Eco-friendly Green Cargo and Hub Branding

Incheon Airport has created the 'Green Cargo Hub' BI (Brand Identity) as part of strengthening its brand as an eco-friendly green cargo hub. Also, up to 5,110 tons of annual airport cargo packaging plastic has been replaced with biodegradable materials, while the Incheon Airport CI has been added to the eco-friendly material Unit Load Device that is provided to airlines, creating an eco-friendly image of Incheon Airport.

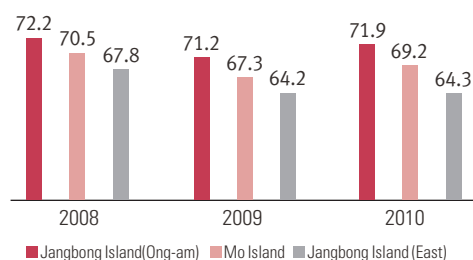
Aircraft Noise Control

Incheon Airport consistently analyzes the results of aircraft noise measurements from the operation of the airport, and notifies the Seoul Regional Aviation Administration and airlines using the airport, in efforts to reduce the impact of noise pollution created by airline carriers. In 2010, noise levels in the area surrounding Incheon Airport were measured at an average of 36.1~71.9 WECPNL at each measure point. Areas particularly vulnerable to noise pollution, such as Jangbong island and Mo island, were found to have noise levels of 56.1~71.9 WECPNL. The results of the measurements were shared with airlines using Incheon Airport to encourage reduction of aircraft noise by airlines. Incheon Airport employs the noise abatement departure procedures NADP1, and 2 to decrease noise level, and has established a procedure for aircrafts to avoid passing above residential areas at nighttime.

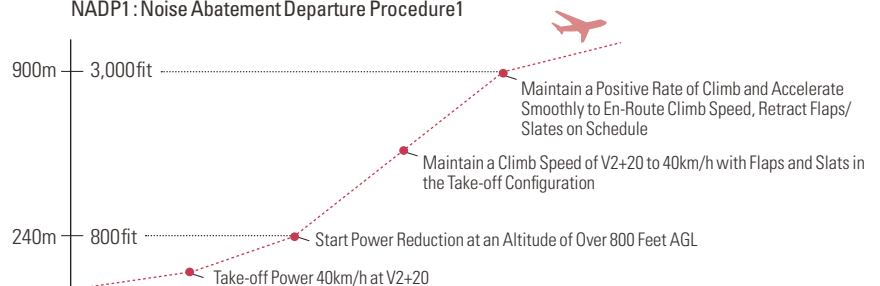
Aircraft Noise Countermeasures - The surrounding areas of Incheon Airport were designated and notified as noise pollution countermeasure areas according to the 'Act for the prevention of airport noise and noise pollution countermeasure support' in November 2011. As such, Incheon Airport has been able to carry out efficient aircraft noise countermeasures and support programs for residents.



Aircraft Noise (WECPNL)



NADP1 : Noise Abatement Departure Procedure1



*NADP1, NADP2 (Noise Abatement Departure Procedure) Aircraft Take-off Procedure to Reduce Noise (ICAD DOC8165)



Performance

Incheon Airport is a global hub airport ranking 8th in passenger traffic and 2nd in cargo volume, and is 6 time consecutive ACI (Airports Council International) winner. Incheon Airport is a workplace for its 35,000 partners and 866 employees, while being a neighbor to the residents of Youngjong and Yongyoo districts. Incheon Airport has experienced multiple innovations in creating a new paradigm and is an expert in the detail of its successful operations and close communications with stakeholders. Our work today is our promise to become a Corporation that leaps forward into the future.

Economic Performance

Airport Operating Performance

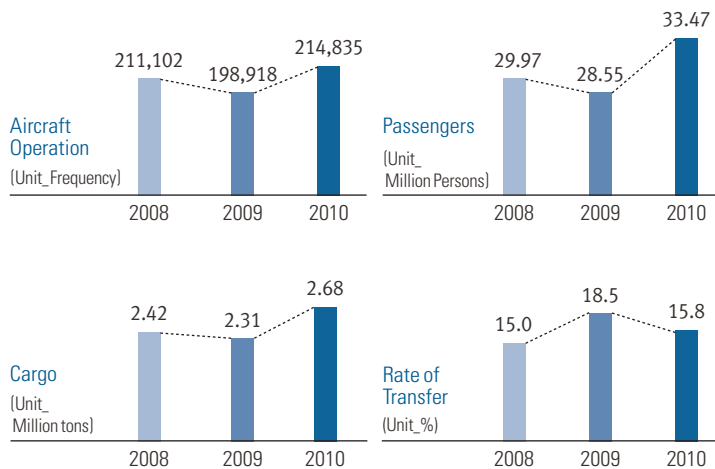
A rapid increase in the number of people traveling abroad due to a rebound in the economy and the hosting of world-wide events such as G20, led to an overall increase in the number of flights.

Flight Operations | 2010 saw a great increase in flight operations due to the trend of recovery in the world-wide economy. The number of flights were recorded at 214,835, increasing 8% from the past year.

Passenger Traffic | A huge increase in number of incoming tourists was seen in 2010, due to a surge in the demand for domestic and international travel, which has been stagnating, and the fall in the value of Korea's currency. In 2010, 33.47 million incoming passengers were recorded, bringing an increase of 17% from the year before, while transit passengers remained at a similar level of 5.2 million.

Cargo Volume | With the favorable turn of the economy in the early half of 2010, including increased exports and investment in facilities, cargo volume skyrocketed in terms of imports, as well as exports of IT and automobile parts. Cargo Volume was recorded at 2.68 million, a 6 percent increase from the year 2010.

Airport Operating Performance



Aircraft Operation by Day & Night

	Day_06:00 ~ 21:59, 16hr (Unit_Frequency)		
	2008	2009	2010
Passengers	164,974	156,935	165,609
Cargo	22,358	19,365	23,230
Other	1,155	1,408	1,927
Total	188,487	177,708	190,766

	Night_22:00 ~ 05:59, 8hr (Unit_Frequency)		
	2008	2009	2010
Passengers	12,545	12,342	14,650
Cargo	11,225	10,276	11,346
Other	295	262	455
Total	24,065	22,880	26,451

Other_ Number of flights for studies, research, aerial photographs, military, construction, development or other purposes / Total number of flights exempting other purposes: 214 835

Airport Service Quality Award for 6 Consecutive Years

Incheon Airport was awarded the Best Airport Prize in the '2010 Airports Service Quality Award', hosted by the ACI, achieving its 6th consecutive win. The ASQ randomly surveys 270 thousand people from 154 airports around the world to comprehensively evaluate 7 service sectors and 27 facility and operations criteria, selecting the "Nobel Prize" of airports. Incheon Airport took first place in 29 out of 34 criteria, making it not only the comprehensive world's best airport, but also the Best Airport in the Asia Pacific, and the Best Airport among middle and large size airports, qualifying as first place in 3 respective areas. Incheon Airport will continue in its efforts to maintain the pride of being selected as the World's Best Airport, by its own customers.

Achieved a Grand Slam in the World Airport Arena



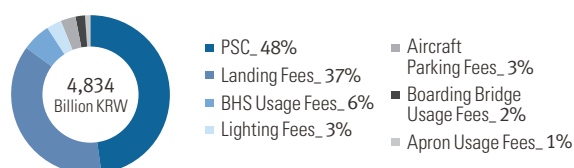
Management Achievements

Withstanding unfavorable domestic and international unfavorable conditions, Incheon Airport successfully carried out its sales strategy by accomplishing its 7th consecutive year of surplus with 1286 billion KRW turnover (8.4% increase from last year) and 320 billion KRW in net income for the year. Due to increased demand in flights, reflecting a return in the trend of traveling abroad, aviation revenue recorded a 16.5% increase from the year before, and non-aviation revenue also recorded a 4.0% increase from the year before, owing to an increase in the use of commercial facilities. Incheon Airport has frozen airport charges for the last 7 years, while reducing landing costs to gain a competitive edge as a hub airport based on profitability in non-aeronautical businesses.

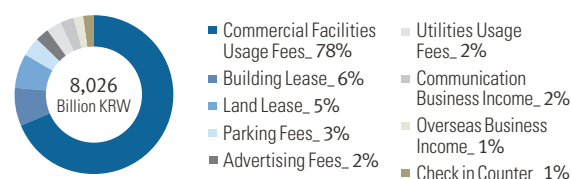
Type	2008	2009	2010
Assets	82,100	80,406	78,096
Current Assets	1,277	1,943	1,862
Non-Current Assets	80,823	78,463	76,234
Liabilities	41,099	36,917	31,877
Current Liabilities	8,522	12,895	5,904
Non-Current Liabilities	32,577	24,022	25,973
Capital	41,001	43,489	46,219
Capital Stock	36,178	36,178	36,178
Other	4,823	7,311	10,041

Type	2008	2009	2010
Revenue	10,727	11,886	12,860
Aeronautical Revenue	4,451	4,151	4,834
Non-Aeronautical Revenue	6,276	7,715	8,026
Operating costs	6,688	7,487	7,528
Cost of Sales	5,802	6,640	6,672
Cost of Sales Management	886	847	856
Operating Profit	4,038	4,379	5,332
Non-Operating Profit	2,989	1,360	550
Non-Operating Costs	3,938	2,476	1,489
Income Tax Expenses	1,556	595	1,151
Net Income for the Year	1,533	2,668	3,242
Total Profit	13,714	13,226	13,410
Total Cost	12,181	10,558	10,168

Aviation Revenue 2010



Non-Aviation Revenue 2010



Management Analysis

Incheon Airport achieved a fruitful level of management in 2010 through active marketing and improvement of services, as the North East Asian hub airport ranked 8th for passenger traffic and 2nd for cargo volume worldwide. The ratio of net profit to net sales increased 25.2% and taxed net profits ratio to net worth has steadily increased from 3.7% in 2008 to 7.0% in 2010. Approximately 11 billion won of financial expenses have been saved through favorable cash flow for operations and redemption utilizing low interest, and the debt ratio has been reduced to 69.0%, thus maintaining financial soundness.

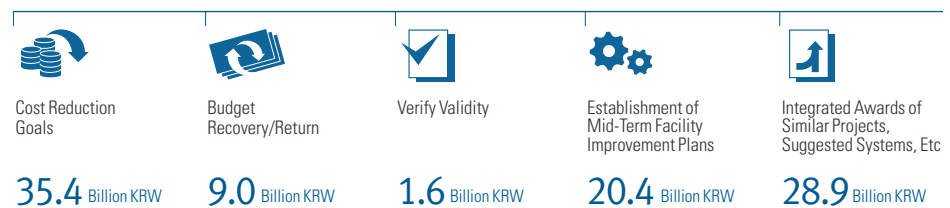
Stability, Profitability, and Growth Index

												(Unit_ %)
Stability Index	2008	2009	2010	Profitability Index	2008	2009	2010	Growth Index	2008	2009	2010	
Debt Ratio	100.2	84.9	69.0	Ratio of Operating Profit to Net Sales	37.6	36.9	41.5	Net Sales Growth Rate	10.4	10.6	8.4	
Interest Coverage Ratio	14.4	15.1	5.09	Ratio of Net Profit to Net Sales	14.3	22.5	25.2	Operating Profit Growth Rate	▲ 12.3	8.4	21.8	
Proportion of Total Revenue Supplied by Leveraged Loans	35.4	33.8	28.1	Return on Net Asset	1.9	3.3	4.4	Net Income Growth Rate for the Year	▲ 25.9	74	21.5	
Interest Coverage Ratio	2.73	3.56	5.09	Taxed Net Profits Ratio of Net Worth	3.7	6.1	7.0	Total Asset Growth Rate	4.4	▲ 2.1	▲ 2.9	

Enhancement of Financial Management Efficiency

Incheon Airport has set up the new ERP portal system, AURI, to construct an integrated and advanced management system of 33 modules from 6 criteria such as strategic management, finance and budget management, and performance management. With speedy and accurate cost control made possible through an integrated management system, the provision of timely information resulted in an annual 3% decrease of facility maintenance costs, heightening efficiency of financial management. Also, in observance of the budget policy and system operation of the government's public sector efficiency policy, budget reduction has been promoted throughout the company, resulting in 9.53 billion KRW of reductions in the budget.

Budget Reduction Activities and Accomplishments Total Reduction of **95.3** Billion KRW



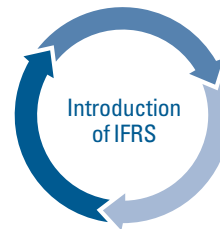
Adoption of International Financial Reporting Standards (IFRS)

In 2010, Incheon Airport has determined its financial policies and constructed related financial systems in order to implement the International Financial Reporting Standards. By adopting IFRS and constructing a new ERP System, Incheon Airport has strengthened its accounting principles and has speedily provided necessary information on its financial situation, and has strived to introduce advanced asset management. By such means, the internal financial management system has been improved to the level required by exemplary standards.

Major Changes Due to Introduction of IFRS

Creating Advanced Asset Management

Classification of asset components
Modification of durable years
Cost of replacement etc



Substantiality of Financial Reporting

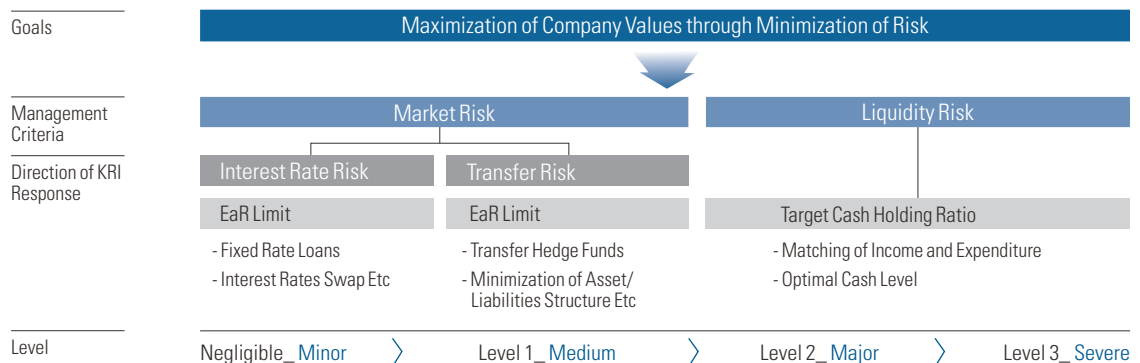
Consolidated Financial Statements
Increase of Information Points (Qualitative Information)
Profits and Loss Per Category Etc

Reinforcement of Accounting Principles

Strengthening of Accrual Basis
Reduction of Current Value Etc

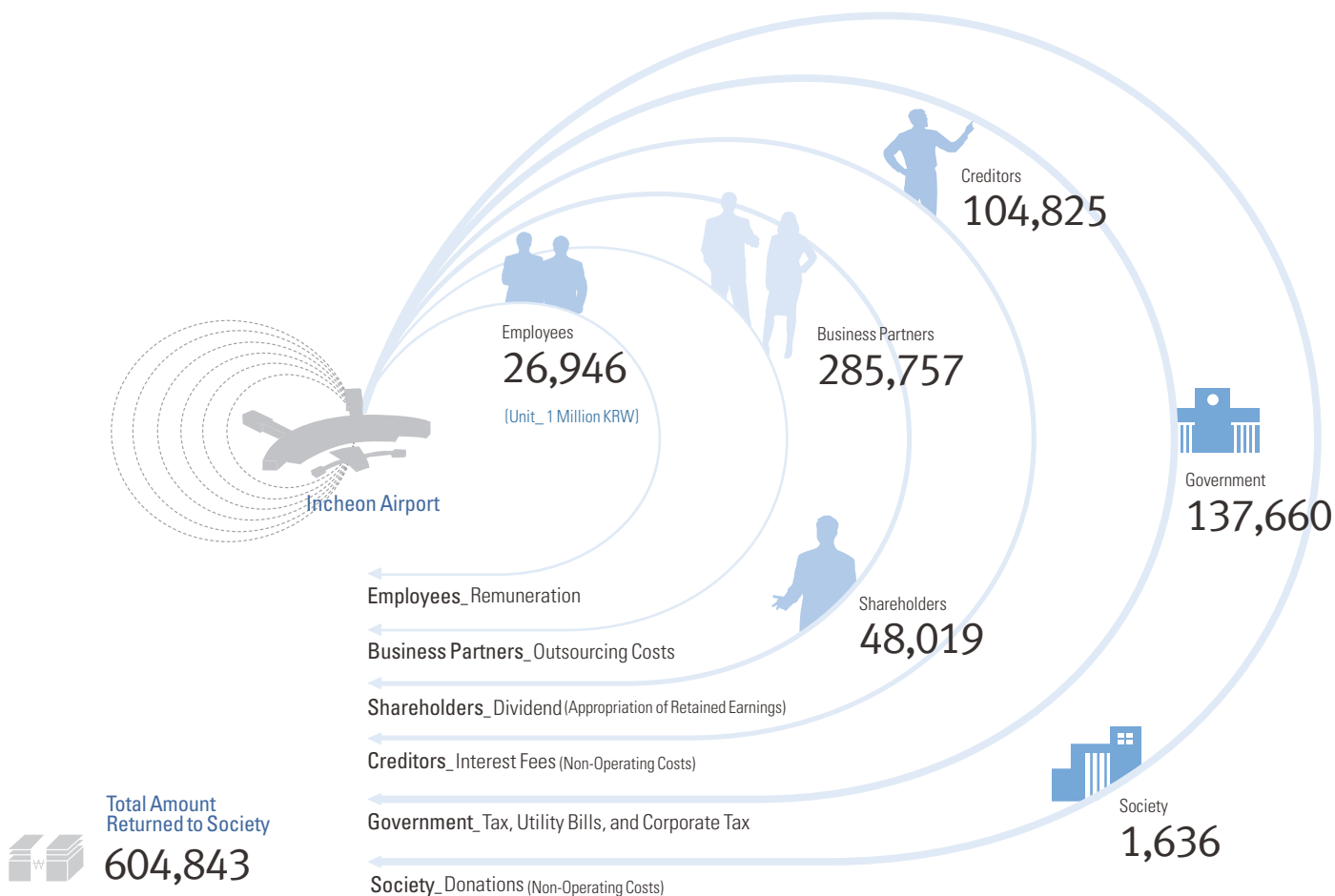
Response System for Financial Risk

Incheon Airport categorizes financial risk according to interest rates, transfers and liquidity risk, and creates scenarios according to each type of risk for round the clock monitoring in tune with the financial market. Risk Management was reinforced in 2010 through Stress Testing which simulates and analyzes the worst case scenarios in future finance, market and management environments.



Returning the Fruits of Operations

Incheon Airport has created steady growth in revenue and profits from investments by identifying efforts and new engines of growth under its commitment to sustained competitiveness. With the conviction that all accomplishments are fruits reaped together with our stakeholders, Incheon Airport has committed itself to sharing its economic value gained from its businesses with stakeholders and fulfilling its social responsibility as a public institution. During the year 2010 alone, 45.1% of its total created economic value (converted to 604.8 billion KRW) was returned to its employees, shareholders, debtors, the government, business partners and society.



Shareholders and Investors | The economic value distributed to shareholders and investors is the sum of interest costs and dividends. Incheon Airport is wholly owned by the government.

Employees | Wages and welfare costs are the economic value returned to the employees who are Incheon Airport's internal customers, and includes salaries, allowances, severance pay and benefits.

Government | The economic value returned to the government consists of taxes and dues and corporate tax. Through an increase in its net income, the standard tax increased from 34,535.7 billion KRW in 2009 to 48,055.1 billion KRW in 2010, increasing its income tax expenses by 44% from the previous year.

Partner Companies | Airport operation is a labor intensive process industry. Incheon Airport creates world class service with 6,000 personnel and 43 partner companies, in 3 sectors (airport operation, facilities maintenance, and communication). The economic value distributed to them in 2009 was approximately KRW 251.9 billion.

Local Community | This refers to donations including social contribution funds to the local community. Approximately 1.64 billion KRW was invested as donations in 2010, while an additional 18.5 billion KRW was given for the construction of the Sky Cultural Center. Incheon Airport recognizes that the development of the company can be pursued by building a foundation of development of the local community, and plans to consistently invest in this area. (Total construction cost of Sky Cultural Center 30 billion KRW)

*Labor Costs : Basic pay + Sundry allowances + Miscellaneous costs + Retirement fees + Flexible benefits plan.

**Business Partners-Outsourcing : As a labor intensive utility industry, the airport corporation alone creates jobs for approximately 6000 people (with a total 35 thousand airport employees).

***Social Donations in 2009 : 38.7 billion KRW donated to the Incheon Haneul Education Foundation (Establishment of an autonomous private high school Haneul High School in 2009 to foster local talent and development of the local community through the enhancement of residential conditions.)

Income Returned to Stakeholders		(Unit_ Million KRW)		
Category	2008	2009	2010	
Employees - Remuneration*	33,339	30,639	26,946	
Business Partners - Outsourcing Costs**	251,508	271,720	285,757	
Shareholders - Dividend (Appropriation of Retained Earnings)	36,239	26,772	48,019	
Creditors - Interest Fees (Non-Operating Costs)	147,885	122,840	104,825	
Government - Tax, Utility Bills, and Corporate Tax	171,172	76,588	137,660	
Society - Donations (Non-Operating Costs)	3,121	***40,014	1,636	
Total	650,239	574,221	604,843	

Indirect Economic Influence

Reduction of Airport Service Charges through Diversification of Profits | Based on its profitability in non-airport related business, Incheon Airport has frozen the airport service charge for the past 7 years, and has reduced landing fees for airlines. This contributes to the competitiveness of the national economy by reducing production costs for exporting companies and financial burdens for passengers. Through consistent diversification and development of new business projects, Incheon Airport will continue to reduce the relative cost of Airport Service Charge.

Government Support Program | As a 100% Government funded public institution, Incheon Airport has received 3% in benefits for exemption from government tax from the government through "investments in improving productivity of facilities" and "R&D investment in human resources", additionally receiving approximately 7.02 billion KRW of government support in proceeding with its supply of lightweight ULD and activation of transits tour businesses.

Economic Effects of Concession Projects | Incheon Airport continues to reinforce sustainability and competitiveness of commercial tenant companies within the airport such as duty-free shopping malls, restaurants, specialized shops, convenience stores and transit hotels. Incheon Airport has created the world's first airport duty free brand "Airstar Avenue", aiming to reach annual concession project revenue of 2 trillion KRW by 2015 and maintaining customer satisfaction with commercial facilities at over 87 points. Incheon Airport will support the development of new sources of profitability by reflecting the commercial characteristics and changes in needs of customers in the operation of its joint marketing.

Support for Stabilization of Airport Tenant Company Sales | For joint growth with its business partners, Incheon Airport is operating a support program with the capacity of approximately 67.8 billion KRW. It has reduced 3.8 billion KRW in airport fees for 15 airlines that have committed to creating the airport into a hub, and has cut 10% from fees for use of commercial facilities, land renting fees and rent fees for land in the free economic zone, to support the competence of tenant companies.

Support for 6000 Business Partner Employees through Win-win Cooperation Program | Diverse programs were run to enhance morale for the employees of business partners, who have contributed in the 6th consecutive victory in the ASQ. Business partner day was established with funding of 740 million KRW for the enhancement of welfare satisfaction for business partner employees and to create a community spirit as a single family within Incheon Airport. Various support programs were held such as English camps for employee's children, bonuses for excellent business partners, international airport trips for excellent employees (45 personnel), gifts for employees on shifts during holiday seasons, operation of summer retreat facilities and unity events.

Creating Jobs | Incheon Airport provides jobs for 35,000 employees working in over 570 companies. From information receptionists and janitors to the fields of airport operation, facility maintenance and information technology, Incheon Airport's partner companies alone offer 6000 jobs. Also, to join in the workplace initiative by the government, 45 interns were employed in 2010, and 10,959 jobs were provided for the underprivileged through its public labor project. Incheon Airport will continue its efforts to take a leading role in providing jobs for the underprivileged and finding more ways of sharing with society and take a leading role in the movement.

Economic Value Generated by Business Activities (Unit_ Million KRW)

Project	Amount
Integrated information processing system for Air Traffic Control	45
Commissioned research	160
Integration of departure procedure and development of the automated system (Development of CUPPS)	14
Establishment of technology for product safety (solar reflective paint research and development)	146
Supply of Incheon brand lightweight ULD	232
Support for the activation of the Incheon transit tour to promote foreign tourists	120
Support to promote the hosting of the TIACA international cargo conference in Incheon Airport	717

Environmental and Energy Management Measures



Environmental Measures

- Observes Environmental Regulations, Acts and International Treaties.
- Minimizes environmental impact on the surrounding environment and controls occurrence of environmental harm caused by operation and construction of the airport.
- Establishes and carries out environmental goals and environmental improvement plans and constructs an active and integrated environmental management system through regular review of performance.
- Secures transparency of environmental management by providing environment related information to stakeholders.
- Carries out eco-friendly airport operation and construction tasks that fulfill the common goals of the local district and environmental NGO's.



Energy Management Measures

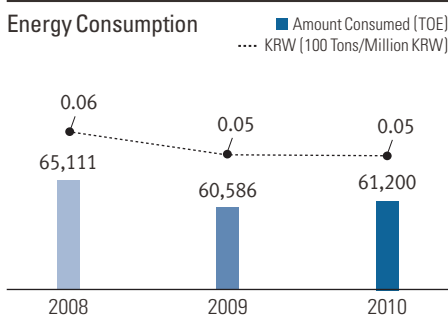
- Recognizes the efficient use of energy as the core success factor of airport operation, and creates company values through active energy management.
- Fulfills its social responsibility as an airport corporation through the purchase and use of energy saving products.
- To reduce greenhouse gas emissions, heightens energy self-reliance and decreases use of fossil fuels, by the active expansion of new and renewable energy resource facilities when operating and constructing the airport.
- Actively supports Energy Management Activities and Energy Saving Training to all employees and affiliates.
- Observes domestic and international regulations and treaties, strives for the promotion and improvement of energy management, and publicizes accomplishments internally and externally.
- Establishes and carries out energy management goals and energy improvement plans, and constructs an active and systematic energy management system through regular review of accomplishments.

Energy Use and Current Statistics

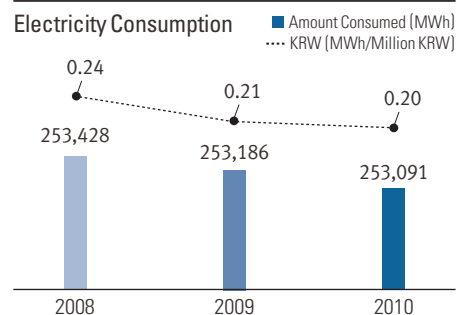
Incheon Airport experienced various increases in energy use due to enhanced airport operation such as increases of 7% in flights, 17% in passenger numbers and 16% of cargo volume, as well as the addition of five more buildings. In spite of this, the overall use of energy throughout the airport increased only by 1.6% to 104,190TOE, from which the actual amount of energy used by Incheon Airport remained at the level of approximately 60%, which recorded around 1% increase to 61,200TOE.

The ratio between electricity consumption by Incheon Airport and by occupying companies remained at 6 to 4. The amount of electricity consumed by occupying companies increased by 2.4% due to new sources of consumption by occupying company's facilities, such as the airport medical center and the construction of the magnetic levitation train. On the other hand, in spite of experiencing its highest sales performance ever, Incheon Airport recorded 0.04% decrease in electricity use due to replacement with high efficiency machinery and energy saving programs by airport employees.

Energy Consumption



Electricity Consumption



Energy Saving Performance

Incheon Airport fosters its own greenhouse gas and energy experts, has the capability to conduct independent energy audits, and plans to develop this as a consulting business for overseas airports that will lead the green growth of the airport industry. Through diverse energy saving activities and consistent efforts such as improvement of facilities and operations, Incheon Airport reduced approximately 8,200 tons of greenhouse gases and KRW 2.6 in energy costs. In 2010, 10% of the total lighting within the airport were replaced with LED lighting, and plans have been made to replace more than 50% by 2015 through a total investment of KRW 9.8 billion. Incheon Airport established a building energy management standard to enhance its building energy efficiency and is currently developing guidelines for increasing energy efficiency of buildings. Also, in response to national countermeasures to avoid the threat of electricity shortage and for energy saving in general, the temperatures of the airport offices were adjusted to 28°C for air conditioning and 18°C for heating. In the case of passenger terminals and check-in areas, the heating and air-conditioning are operated at 25°C and 20°C respectively, and through regular inspection, coolers that show decreased efficiency are replaced (4 absorption coolers were removed and 2 turbo coolers were replaced in 2010). Incheon Airport will establish a standard for energy saving construction for the phase 3 airport construction as well, laying the foundation for an eco-friendly green airport.

Amount of Energy Saved				(Unit_ Million KRW)	
Category	Areas of Reduction	Number of Cases	Amount Saved	Annual Amount Saved	
				TOE	tCO ₂
Improvement of Facilities	Electricity	12	346	904	1,947
	Medium Temperature Hot Water	1	1,298	1,142	2,355
	Subtotal	13	1,644	2,046	4,302
Improvement of Operation	Electricity	21	447	1,157	2,495
	Medium Temperature Hot Water	2	429	445	927
	LPG	1	156	227	486
	Subtotal	24	1,032	1,829	3,905
Total		37	2,676	3,875	8,207

Energy Self-Reliance

To observe national policy and to achieve its carbon neutralization goals, Incheon Airport has carried out viability analysis to introduce renewable energy resources and has established a mid-long term renewable energy introduction plan. Currently a case model district for renewable energy is being operated by installing 5 units of solar (100kW) and wind (10kW) generation facilities within the gray water treatment site and 42 hybrid street lamps at the airport entryway. Along with this, 4.3% of the greenhouse gas emission from the gray water treatment site is being counterbalanced by the carbon neutralization program of the Korea Energy Management Corporation. Incheon Airport plans to expand renewable energy facilities during the phase 3 airport construction, utilizing the know-how accumulated through the operations of the case model district. In addition, Incheon Airport is working to achieve 10% energy self-sufficiency through the CDM (Clean Development Mechanism) project and RPS (Renewable Portfolio Standard) project.



Amount of Electricity Used	4,623 MWh 1,960 tCO ₂
Amount of Renewable Energy Generated	195 MWh 83 tCO ₂
Rate of Carbon Neutralization	4.3 %

Water

Air Quality Control

Water Quality Control

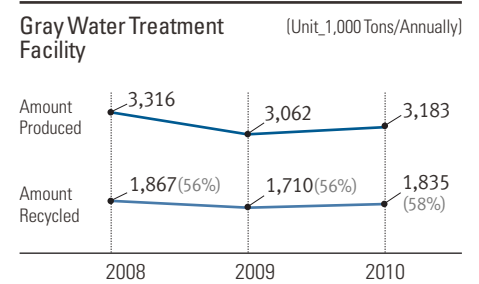
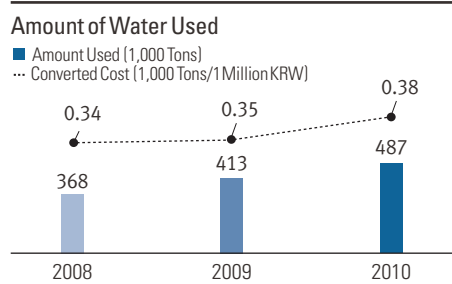
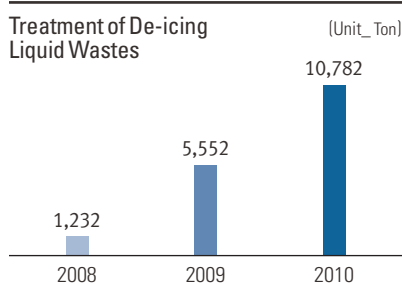
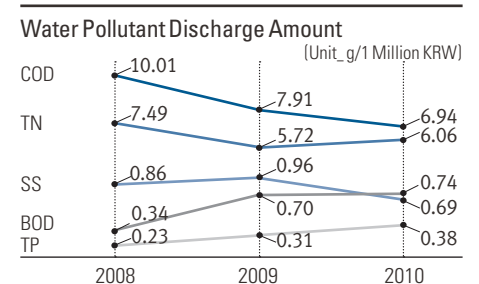
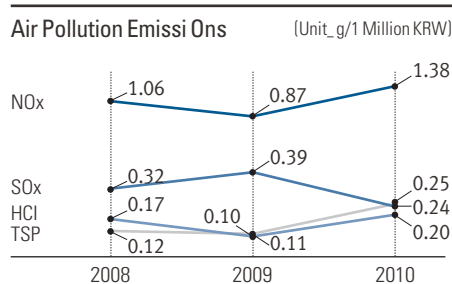
Waste Control

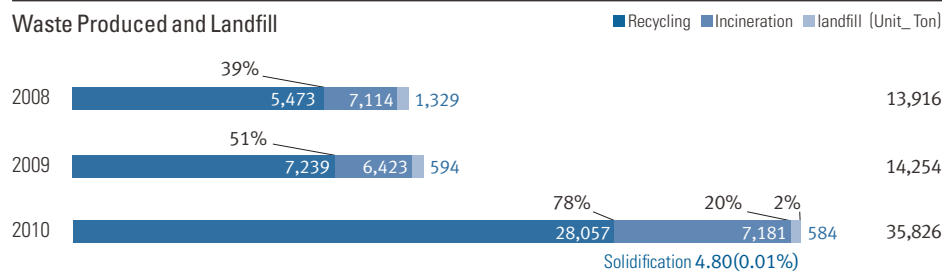
Water is secured from the Incheon public water supply's official water treatment plant, and is stored in a water supply reservoir of approximately 100 thousand ton capacity.

For the means of analyzing the state of air pollution created by operation of aircrafts and surrounding vehicles, round the clock monitoring is carried out via 3 air quality measurement facilities installed in areas such as Eulwang-dong. No particular changes in air quality occurred in the New Town district, Eulwang-don and the surrounding airport areas in 2010, and reports showed that air quality in the surrounding areas was of a satisfactory state. Moreover, Incheon Airport strives to gain a clear understanding of impacts of airport operation and reduce emission of air pollutants through activities such as environmental research of surrounding areas and campaigns to reduce exhaust pollution. To strive for consistent improvement, in the case of construction sites, treatment facilities and shatter-proof walls are installed and maintained to reduce the occurrence of dust scattering, which is the main source of air pollution. Also, Incheon Airport does not emit SF6 or ozone harming substances such as CFC, HCFC, Halons or MethylBromide, and air pollution prevention facilities such as spray drier absorbers, activated carbon injection systems, and selective catalytic reduction systems in resource recovery facilities(incineration facility) are being installed and operated to prevent any sources of air pollution occurring from the airport facilities.

For the efficient treatment of wastewater generated from airport operations, Incheon Airport operates a gray-water treatment facility and wastewater treatment facilities in each installation. The gray water treatment facilities can process up to 30 thousand tons per day, and enable approximately 51.4% of wastewater generated from the airport facilities and aircraft to be reused for gardening, toilets and cooling. Initial rainfall runoff treatment facilities installed at five locations minimize the oil washed away by rain.

For flight safety, from April 2010 to November 2011 Incheon Airport has carried out pavement maintenance projects to increase the amount of friction on its 1 and 2 runways, from April 2010 to November 2011. Waste levels temporarily rose due to the large amount of recyclable waste such as paving materials(ASCON) produced from the construction site. A total of 24,671 tons of waste was produced from the construction (69% of total waste), of which 2,415 tons of ASCON were recycled by being processed through waste treatment companies and the resource recovery facility of the airport. Also, monitoring of construction subcontractors is carried out to reduce the amount of waste produced. Meanwhile, waste that is produced from the airport facilities and the corporation's operations is mostly recycled or incinerated. Incheon Airport operates a recycling plant with can-densers and automated recycling lines within its re-cycling treatment areas for the efficient management of waste and improvement of recycling rates, while combustible waste is incinerated at the resource recovery facility. Also, to minimize the impact on the environment due to snow clearance, De-icing PADs are installed in 8 locations within the airport, while all de-icing waste water is consigned to a treatment firm, possible due to its small amount.





*2010 saw a temporary increase in waste generation due to maintenance work on runway surfaces.

Environmental Impact Surveys

To minimize the impact on the environment from the construction and operation of the airport and from other businesses, Incheon Airport carries out environmental impact surveys on ocean and reservoir water quality, foul smells, radio interference and land pollution. Also, environmental impact evaluations are carried out before construction as a means of prevention, resulting in the establishment and pursuance of environmental protection measures to prevent destruction of nature or pollution of areas surrounding the airport.

Soil Pollution Control

In observance of the soil environment protection act, Incheon Airport carries out regular inspections to manage and preserve soil. According to legal requirements, contamination and leakage inspections were carried out on the underground oil reserve facilities of Central Power Plant A which became legally subject to inspection from 2010. Results of the contamination and leakage inspections of the oil reserve facility showed optimal results in all criteria.

Water Bodies Quality Control

Water Quality Inspections are carried out four times each year at the running basin at the north south and east of the airport and in 9 locations of the ocean surrounding the airport. The water quality of the running basin is measured according to 20 criteria including effects of BOD, COD, T-N, T-P etc, on the species composition and existing rates of blue-green algae. Ocean water quality is measured by 6 criteria regarding general water quality and 4 criteria regarding heavy metals. In 2010, results of the ocean water quality inspection in general showed an average of pH I-II level in general criteria and level II in COD, while heavy metals concentration was within lower than accepted standards.

Preservation of the Eco-System

Incheon Airport carries out inspections of the ocean and land ecosystems four times each year, to understand the state of plants and animals inhabiting the surrounding areas, and operate sustained management for the protection of the ecosystem. Also, while restoring the prehistoric site of Sammok Island to create a park, over ten thousand domestic pine trees have been planted at the entrance to the passenger terminals and airport maintain to a tranquil atmosphere. Gardens flourishing with domestic species of azalea and forsythia are open to the public. Star Garden at the second floor of the transportation center exhibits over 900 plants of 150 species while a nature and ecosystem experience park for children provides a learning experience about the value of nature.

Measurements of Air Quality Surrounding the Airport (Unit_ ppm)

Type	2008	2009	2010
Sulfuric Acid Gas	0.006	0.006	0.005
Carbon Monoxide	0.600	0.800	0.702
Nitrogen Dioxide	0.021	0.022	0.020
Ozone	0.036	0.027	0.031
Particulate Matter	58.00	55.00	47.49

Water Quality Surrounding Oceans (Unit_ g/Million KRW)

Type	2008	2009	2010
pH	7.91	7.9	7.89
COD	1.7	1.7	1.88
SS	42.4	33.2	27.63
TN	0.44	0.52	0.59
TP	0.04	0.05	0.06
Cd	0.047	0.19	0.022
Pb	1.508	1.295	1.256

Expansion of an Eco-friendly Culture

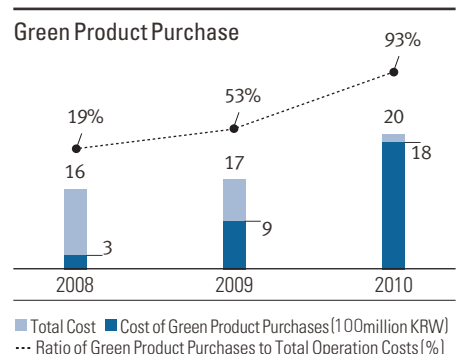
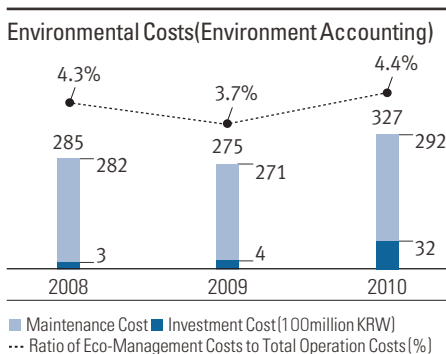
Certification of ISO14001 | Incheon Airport obtained the ISO 4001 certificate in 1998 for airport construction and in 2002 for airport operations. It regularly carries out internal environmental auditing. And each year, verification by outside institutions is carried out to check its smooth operation and improve its eco-management system.

Construction of an Eco-friendly Management Network | Incheon Airport annually collects data on expended costs for improvement and management of the environment, differentiating between environmental investment and eco-management. A total of 2.95 billion KRW was spent on eco-management costs for the operation of the airport, accounting for 4.35% of the total operation costs in 2010.

Main Activities of Competitive Green Growth Cooperating Agencies

Cooperating Agencies	Composition	Main Activities
Airport Green Growth Promotion Team	Ministry of Land, Transport & Maritime Affairs, Research Centers of Airport Corporations, Incheon Airport	Development and promotion of greenhouse gas reduction measures. Presentation of Workshop with the theme of greenhouse gas reduction.
Realization of Eco Drive, Participation in the Social Partnership Agreement	Korea Transportation Safety Authority, Public Institutions	Contribution to reduction of greenhouse gas emissions through concluding the Eco Drive Agreement. Promotion of Eco Drive in the Airport Area.
Incheon Agenda 21: Subcommittee for response to Climate Change	Incheon City, Incheon District NGO's, Related Academia	Cooperative activities in response to climate change. -Monthly meetings, introduction of the foundation and activities.
Clean Compact	Tenant Companies of Incheon Airport, Cooperating Agencies	Presentation and Sharing of the Incheon Airport Green Growth Strategy. Inclusion of Minimization of Environmental Impact in the pledge.

Introduction of Environmental Accounting | Incheon Airport annually collects data on expended costs for improvement and management of the environment differentiating between environmental investment and eco-management. A total of 2.95 billion KRW was spent on eco-management costs for the operation of the airport, accounting for 4.35% of the total operation costs in 2010.



Green Product Purchases | From the setting up of its budget, Incheon Airport prioritizes the purchase of green products, while specifying a special contract clause for reporting on compulsory purchase of green products for use by airport workers, to encourage use of green products. Green product purchase education 6 times per year, while information on related products and green markets are notified on the corporation bulletin board.

Inspection of Daily Energy Saving by Cooperating Agencies | In order to improve the operation and facilities of cooperating agencies and to enhance energy efficiency through energy saving campaigns, Incheon Airport carries out energy saving inspections of its 37 cooperating agencies each quarter. Also, by analyzing these results, Incheon Airport supports the discovery and sharing of model cases of excellence in energy saving by cooperating agencies. At the end of the year, bonuses are provided as incentives to become an energy saving company, to encourage voluntary energy savings.

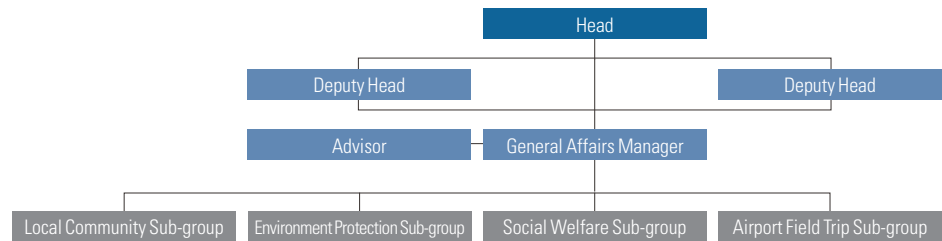
Social Contribution Performance

Voluntary Activities

Incheon Airport utilizes its unique characteristics and capacity of as an airport corporation to promote diverse volunteer activities to share with our neighbors.

Launching of the Incheon Airport Volunteer Group | Incheon Airport operates a volunteer group with 330 employees as members. A voluntary service day is designated every 3rd Wednesday of the month, in efforts to create a voluntary and sustained culture of sharing, while cooperating with NGO's to heighten the effectiveness of such work. In 2010, the system for voluntary work was set up through the adoption of a voluntary service management system and the operation of an online bulletin board to carry out a total of 2,825 hours of voluntary service, such as the Sharing Kimchi with Neighbors event.

Voluntary Service Promotion Group



Incheon Airport Volunteer Group Activities in 2010

Activities	Date	No. of Volunteers	No. of Hours	Activities	Date	No. of Volunteers	No. of Hours
A House Full of Happiness	24. Mar	40	200	Voluntary service for the Red Cross charity bazaar	15. Sep	36	144
Donation-Up Coin Campaign	3. Apr	22	176	Santa at Chuseok	4. Oct	11	88
Boramae Child Care Center	21. Apr	32	160	Gardening and Winter Support at Jangbong Haerim Institute	20. Oct	35	210
Haesong Home for the Elderly	19. May	25	125	DichaHill Helping to Harvest Crops	20. Oct	31	155
DichaHill	23. Jun	26	130	Sharing Kimchi with Neighbors	24. Nov	70	350
Living environment improvement project for senior citizens of Sindo 4-ri	29. Jun	12	96	Knit a Cap Campaign for African Children	27. Dec	51	255
Overseas voluntary work for specialization of local schools	26. Jul	23	736	Total			2,825
Editing and Publishing of E-Books	1. May - 30. July	8	-				

* Average hours of voluntary service per employee 4.5 hours (630 personnel available).



BBB Movement | The BBB(Before Babel Brigade) Movement is free translation volunteer campaign run throughout the year with NGO BBB Korea to create an airport without language barriers. Incheon Airport has promoted the program in various ways such as installing 13 information desks and displaying banners throughout the airport, and recruiting voluntary interpreters and developing educational material. Also, it carries out the BBB movement training for all employees and cooperating agencies to realize Socially Responsible Management for diversity and multiculturalism, as befitting its status and characteristics as a global airport corporation.

Technical Support for Clearing Snow in Areas affected by the Snowstorm | 2 high speed snow clearing machines from Incheon Airport were dispatched to the Gangwon Yeongdong region that suffered from a 100 year record amount of snow at the start of 2011. The high speed snow clearance machines can blow away up to 4,000 tons of snow to a maximum of 55 meters per hour, contributing greatly to unblocking snowed-in roads.

Voluntary Work Abroad | Incheon Airport has donated 150 thousand dollars worth of goods to hospitals and elementary schools in the Kurdistan region to increase the welfare of the surrounding areas of Erbil Airport. Incheon Airport has jointly promoted education related activities with Save the Children and other foreign volunteer groups in underdeveloped regions where airports are being built, such as Cambodia and Nepal, to foster the potential of local development and to provide a channel from communication.

Cultural Activities

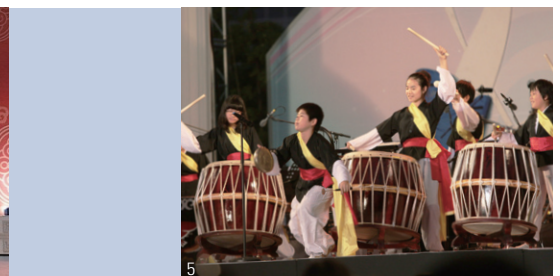
Incheon Airport takes pride in providing opportunities to members of the local community to participate in art and culture programs.

Incheon Sky Festival | Incheon Airport has successfully hosted Incheon Sky Festival every year with local residents since 2004. Approximately 6,500 people participated in the diverse cultural performances and abundant events at the Incheon Sky Festival in 2010, marking a milestone in its consolidation as a festival enjoyed by employees, cooperating agencies and the local community.

Cultural performances at the Airport | Incheon Airport declared its commitment toward becoming the world's top airport, and under the slogan "Incheon Airport puts wings on culture," holds a colorful array of cultural performances and events every day of the year, with regular performances at the Millennium Hall, human rights photo exhibition, musicals, samulnori(traditional percussion music performance), B-boy, and dance. Incheon Airport also provides various opportunities to experience Korean traditional culture and history, such as the royal promenade, Korean War photo exhibition, lunar new year/holiday events, Korean Cultural Center, Korean Culture Museum, and Traditional Culture Experience Center.

Promotion of Sports Culture | Incheon Airport is a shareholder in Incheon Football Club and consistently supports local sporting events. Also, sports and culture facilities such as soccer fields, tennis courts, basketball courts and a main hall are open for free use by the local community, while the hosting of regular film previews is part of its role in leading the promotion of sports and sharing of arts in the local community.

Hosting of "Share the Love" | Share the Love is an annual festival held since 2007 to share Incheon Airport's social contribution projects with the local residents. On the 1st and 6th of November, 2010 approximately 3000 local residents, students and parents gathered in the surrounding areas of the airport of Yeongmaru park and the World Peace Forest with great success. Starting with a special lecture by Professor Oh Eun-young on sharing love between parents and children, celebration performances by students and presentations on the 5 school specialization projects were hosted. In the World Peace Forest, a concert in the forest complemented the beauty of late autumn. Also, exhibitions on social contribution projects of Incheon Airport and an array of experience booths in Yeongmaru park informed the public of Incheon Airport's social contribution methods while requesting the continued support of the public.



Appendix

UN Global Compact

The UN Global Compact is a voluntary initiative to promote and implement agreed principles on human rights, labor standards, the environment and anti-corruption. To enhance its corporate transparency and fulfill its social responsibilities, Incheon Airport joined the UN Global Compact on March 24, 2007, attended the July 2007 Leaders Summit, and shares and disseminates examples of sustainable management. Incheon Airport respects and strives to realize the objectives of the 10 principles of the UN Global Compact throughout all areas of management.

*2010 CSR Report is Registered As an UNGC GC Advanced Level CoP.



The Ten Principles

Human Rights

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2. make sure that they are not complicit in human rights abuses.

Labour Standards

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4. the elimination of all forms of forced and compulsory labour;

Principle 5. the effective abolition of child labour; and

Principle 6. the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7. Businesses should support a precautionary approach to environmental challenges;

Principle 8. undertake initiatives to promote greater environmental responsibility; and

Principle 9. encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.

Incheon Airport Clean Compact Pledge

Incheon Airport and the service providers, resident institutions, airlines, and tenant companies at Incheon Airport are proud to be contributing to national economic development by providing the best service to the customers and operating a convenient airport based on one of the world's best safety and security systems.

We pledge to eliminate all unreasonable and nontransparent practices from society and all aspects of the corporation, and to actively implement ethical management, as well as putting our utmost efforts to minimize environmental impacts incurred by airport operations, and declare as follows:

One. We acknowledge that ethics is foremost in a corporation's competitiveness, and will strive to earn the respect from the people and society by establishing high ethical principles based on trust, and practicing anti-corruption and ethical management.

One. We will strive to minimize the environmental impacts caused by airport operations and pursue sustainable growth by abiding by the international environment protection regimes including the Climate Change Treaty.

One. We will put our efforts into contributing to the development of society through continued social responsibility activities and practicing socially responsible management.

One. We pledge joint growth through mutual trust and cooperation with the pride of being the World's Best Airport.

May, 2011



First, I would like to congratulate Incheon International Corporation on the publishing of their 4th Social Responsibility Report. As a truly global and innovative airport, Incheon Airport has been awarded the title of World's Best Airport for the sixth consecutive time in its tenth year since opening. It is notable that this year's report focuses on both the promotion of sustained accomplishment as the world's leading airport by the CEO and its commitment to continued efforts in fulfilling its corporate social responsibility and realizing a fair society through social contribution, win-win cooperation and future oriented labor relations culture. The greatest moving force in the continuation of a company's social responsibility is the determined willpower of its CEO and Board of Directors. The joint promotion of the company's management strategy with its corporate social responsibility strategy, joined together with the activation of the SR Operations Committee, have built on this foundation, and can be seen as an overall reinforcement of the CSR system throughout the corporation. In the report, the main issues have been aptly selected according to global standards to report on its continuation of corporate social responsibility, and important issues such as evaluations of influences on the company and the interests of shareholders have been appropriately selected. The report is specific in setting a CSR accomplishment index and goals in order to analyze performance.

I also highly value Incheon Airport's efforts to expand its ethical culture through regular monitoring via a self regulated ethical management index, including the SR Operation Committee, the Incheon Airport Clean Compact pledge and the initiation of education, and particularly strict official reporting of corporate management and the results of the transparency diagnosis. As a service industry, Incheon Airport displays a systematic CS monitoring system and enhanced customer satisfaction through service, while actively enhancing its unique functions as an airport specializing in transfers.

In terms of its relationships with partner companies, it is developing a win-win cooperation structure through the conclusion of integrity agreements and the utilization of an online bidding system. Support for the fostering of local talent and the cultivation of the World Peace Forest and support for promoting a social corporation in the fields of culture and arts all contribute greatly in developing its social contribution activities. While it pursues the happiness of its employees and ably realizes equal employment and respect of human rights, improvement could be sought in reinforcing the integration of human rights management throughout the company. Incheon Airport has followed in the footsteps of the UN by proceeding to enhance the abilities of women as one of its central goals of social responsibility, while its additional efforts of gender-equal employment and fostering of talent and setting goals for expansion for the advancement of women into higher-tier management, show great potential.

In the field of environmental management, the establishment of the green growth promotion committee, the pursuing of efficiency through an energy management system for the goal of becoming a green hub airport, the mid term plan for green growth by 2015, and the greenhouse gas emission reduction plan by 2020 are maintained well. Nevertheless, greater exertion could be placed on increasing the utilization of renewable resources by pulling forward the set date for its goal of 10% energy self-reliance, in its target to become the greatest capacity green airport. Through consistent increase in passenger and cargo volume, the 7th consecutive year of profitability in financial performance has been accomplished, while in this age of global financial instability, the establishment of a financial risk response system is imperative, making risk prevention in each unit a necessary and anticipative measure.

Finally, as can be seen from its profitability in being a world leading company in its field, Incheon Airport must integrate its sustainable development plans with the pending financial requirements of continuing to openly analyze and respond to matters such as its shares and its role as the world's best airport. I sincerely hope for the sustained growth of Incheon Airport as a global expert airport corporation.

Thank you.

Secretary General of UN Global Compact
Korea Network, Ju Chul-ki

A handwritten signature in black ink, appearing to read 'Chulki Ju'.

GRI Content Index

● Full Reporting ● Partial Reporting ○ Omitted N/A Not Applicable

	Index Number	Description	Reported	Page	Direct Answer	If applicable, indicate the part not reported	Reason for omission	Explanation
Strategy and Analysis	1.1	Statement from the most senior decision-maker of the organization.	●	3				
	1.2	Description of key impacts, risks, and opportunities.	●	3				
Organizational Profile	2.1	Name of the organization.	●	4				
	2.2	Primary brands, products, and/or services.	●	4				
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	4				
	2.4	Location of organization's headquarters.	●	4				
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	4		Regarding the type of customers, on page 7 Incheon Airport's customers mentioned among stakeholders consist of arriving, departing passengers, connecting passengers, and business partners, etc.		
	2.6	Nature of ownership and legal form.	●	13				
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	6, 7				
	2.8	Scale of the reporting organization.	●	4, 5, 32				
	2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●	13				
	2.10	Awards received in the reporting period.	●	57				
Report Parameters	3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	Cover				
	3.2	Date of most recent previous report (if any).	●	Cover				
	3.3	Reporting cycle (annual, biennial, etc.)	●	Cover				
	3.4	Contact point for questions regarding the report or its contents.	●	Cover				
	3.5	Process for defining report content.	●	6				
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	Cover				
	3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	●	Cover				
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	Cover				
	3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	Cover				
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●	Cover				
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	Cover	No significant change has been made.			
	3.12	Table identifying the location of the Standard Disclosures in the report.	●	52-56				
	3.13	Policy and current practice with regard to seeking external assurance for the report.	●	Cover				
Governance, Commitments, and Engagement	4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	13				
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	●	13				
	4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	●	13				
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	13				
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	●	13				
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	13				
	4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	●	13				
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	14, Appendix				
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	12				
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	12, 13				
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	40				

● Full Reporting ● Partial Reporting ○ Omitted N/A Not Applicable

Index Number	Description	Reported	Page	Direct Answer	If applicable, indicate the part not reported	Reason for omission	Explanation
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	57				
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	●	57				
4.14	List of stakeholder groups engaged by the organization.	●	7				
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	7				
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	7				
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	7				Incheon Airport is implementing various means to communicate regularly with its stakeholders including the monthly-held VOC (Voice of Customers) committee, the half-yearly International Airport Operation committee with the government, and the quarterly-held welfare committee.

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

DMA EC	Economic performance	●	38-42				
	Market presence	●	42				
	Indirect economic impacts	●	42				
DMA EN	Materials	●	43				Incheon Airport does not report on this disclosure since its business area is not located in a legally protected area. Incheon Airport only reported on its voluntary action to preserve the ecosystem.
	Energy	●	43				
	Water	●	45				
	Biodiversity	○	46				Not applicable
	Emissions, effluents and waste	●	45-46				
	Products and services	●	22-25, 47				
	Compliance	●	57		No history of non-compliance		
	Transport	●	36, 45,				
	Inter-modality	●	36, 43		No history of violation; Incheon Airport communicates with the committee of local residents in its business area and supports their local annual events and welfare services.		
	Overall	●	47				
DMA LA	Noise	●	36				
	Employment	●	30-32				
	Labor/management relations	●	32-33				
	Occupational health and safety	●	33				
	Training and education	●	31				
DMA HR	Diversity and equal opportunity	●	30				
	Equal remuneration for women and men	●	30				
	Investment and procurement practices	●	27				
	Non-discrimination	●	30		No history of violation; Incheon Airport communicates with the committee of local residents in its business area and supports their local annual events and welfare services. Also it has improved the educational environment with the evidence of around 20% of increase in the number of middle school students in the areas from mid-2010 to mid-2011.		
	Freedom of association and collective bargaining	●	32				
	Child labor	●	30				
	Prevention of forced and compulsory labor	●	30				
	Security practices	●	24				
	Indigenous rights	●	38, 47				
	Assessment	●	27				
DMA SO	Remediation	●	15				Incheon Airport's business follows the UNGC and the Clean Compact as a means of human rights review.
	Local communities	●	28				
	Corruption	●	15				
	Public policy	●	30				
	Anti-competitive behavior	●	14-15				
DMA HR	Compliance	●	15, 57				
	Customer health and safety	●	16-18, 24-25				
	Product and service labelling	●	25, 36				
	Marketing communications	●	17				
	Customer privacy	●	16-18				
	Compliance	●	16-18, 57				
	Business continuity and emergency preparedness	●	40				
	Service quality	●	22-25				
	Provision of services or facilities for persons with special needs	●	24				

GRI Content Index

● Full Reporting ● Partial Reporting ○ Omitted N/A Not Applicable

Index Number	Description	Reported	Page	Direct Answer	If applicable, indicate the part not reported	Reason for omission	Explanation
Economic							
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	39				
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	40				
EC3	Coverage of the organization's defined benefit plan obligations.	●	33		The government owned paid-in capital, 3.6 trillion KRW as of 2010		
EC4	Significant financial assistance received from government.	●	-				
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	●	30				
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	-		Maintaining the obligatory procurement from locally based suppliers at a rate over 30% every year; Incheon Airport complies with the Clean Compact in its supplier selection in order to promote ethical business practices.		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	●	30				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	22, 28, 29		The areas around the airport have a relatively small size of population due to its geographic characteristics, thus it poses some difficulties in our local hiring policy. Incheon Airport is instead making efforts to foster the favorable environment to local habitants building educational and cultural facilities.		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	42				The data on consumption amount for each primary source is not conformed to the GRI's platform. The relevant data will be reported from 2012.
Environmental							
EN1	Materials used by weight or volume.	●	43				
EN2	Percentage of materials used that are recycled input materials.	●	44				
EN3	Direct energy consumption by primary energy source.	●	43			Not available	
EN4	Indirect energy consumption by primary source.	●	43		Energy consumption in TJ: 2726.06TJ in 2008, 2536.61TJ in 2009, and 2562.32TJ in 2010. The primary sources of the energy consumption consist of CNG, LPG, diesel, and petrol.	Not available	
EN5	Energy saved due to conservation and efficiency improvements.	●	44				Renewable vs. non renewable primary source is not yet available (to be reported in 2012).
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	●	44				
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	44				
EN8	Total water withdrawal by source.	●	45				
EN9	Water sources significantly affected by withdrawal of water.	●	46				
EN10	Percentage and total volume of water recycled and reused.	●	45				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	●	46	Location and size of protected areas	Not applicable	No protected area adjacent to the business area.	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	●	46				
EN13	Habitats protected or restored.	●	46				
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	●	46				
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	○	46	Number of IUCN Red List species and national conservation list species affected	Not applicable	No protected area adjacent to the business area.	
EN16	Total direct and indirect greenhouse gas emissions by weight.	●	35				
EN17	Other relevant indirect greenhouse gas emissions by weight.	●	35	Indirect GHG emissions = 168,279 tCo2eq			
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	35				
EN19	Emissions of ozone-depleting substances by weight.	●	45				
EN20	NOx, SOx, and other significant air emissions by type and weight.	●	45				
EN21	Total water discharge by quality and destination.	●	45				
EN22	Total weight of waste by type and disposal method.	●	45				
EN23	Total number and volume of significant spills.	●	45			Not applicable	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	●	-	No such regulated toxic waste is generated.			
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	●	46				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	34				
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	●	36				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	57	No history of non-compliance			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	36				
EN30	Total environmental protection expenditures and investments by type.	●	47				

● Full Reporting ● Partial Reporting ○ Omitted N/A Not Applicable

	Index Number	Description	Reported	Page	Direct Answer	If applicable, indicate the part not reported	Reason for omission	Explanation /to be reported in
Labor Practices and Decent Work	LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	●	30	All employees of Incheon Airport are permanent full-time workers except for contract-term positions in management. Any additional data on the disclosure will be further reported in 2012.		Not available	/ 2012
	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	○	30			Not available	/ 2012
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	●	27	10% discount offered to the airport employees for purchase at the airport resident stores			
	LA4	Return to work and retention rates after parental leave, by gender.	●	32				
	LA5	Percentage of employees covered by collective bargaining agreements.	●	-	Collective Agreement Article 8. (obligation of reporting & providing document) 7 days notice			
	LA6	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	●	32	p.32, 100% of labor union members required (664 personnels, 76.3% of total employees)			
	LA7	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	●	33	Lost days due to injury means 'scheduled work days' that employees missed for sick leave. Recording accident statistics is based on the reporting system of employee's submission of approval request.			
	LA8	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	●	33				
	LA9	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	33		Data on the disclosure by employee category are not available.		
	LA10	Health and safety topics covered in formal agreements with trade unions.	○	31	The trainings are only subject to permanent employees.		Not available	/ 2012
	LA11	Average hours of training per year per employee by gender, and by employee category.	●	31				
	LA12	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	○	32				
	LA13	Percentage of employees receiving regular performance and career development reviews, by gender.	●	30				
	LA14	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	●	30				
	LA15	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	●	33				
Human Rights	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	●	27				
	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	●	27				
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	●	15				
	HR4	Total number of incidents of discrimination and corrective actions taken.	●	15	No such incident has occurred.			
	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	●	15				
	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	●	30				
	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor.	●	30				
	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	●	15				
	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	●	-	No incident of violations has been reported.			
	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	●	27	Incheon Airport's business follows the UNGC and the Clean Compact as a means of human rights review.			
	HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	●	15	No such case has been reported.			

GRI Content Index

● Full Reporting ● Partial Reporting ○ Omitted N/A Not Applicable

	Index Number	Description	Reported	Page	Direct Answer	If applicable, indicate the part not reported	Reason for omission	Explanation
Society	S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	●	28, 29				
	S02	Operations with significant potential or actual negative impacts on local communities.	●	15	Corruption risk monitoring system is subject to the company-wide scale.			
	S03	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	●	15				
	S04	Percentage and total number of business units analyzed for risks related to corruption.	●	15				
	S05	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	30				
	S06	Actions taken in response to incidents of corruption.	●	30	According to the Labor Standards Act, Incheon Airport prohibits any political activities of its employees.			
	S07	Public policy positions and participation in public policy development and lobbying.	●	57	No history of non-compliance			
	S08	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●	57	No history of non-compliance			
	S09	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	36				
	S010	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	28-30				
Product Responsibility	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	●	17				
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	●	25, 36				
	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●	-	Information on flight schedules and airport connection transportation is provided on the website.			
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	57	No such incident has occurred			
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	23				
	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	17				
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	●	57	No history of non-compliance			
	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	17	No such complaint has been reported			
	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	57	No history of non-compliance.			
Airport Operators Sector Supplement	A01	Total number of passengers annually, broken down by passengers on international and domestic flights and broken down by origin-and-destination and transfer passengers, including transit passengers.	●	20				
	A02	Annual total number of aircraft movements by day and by night, broken down by commercial passenger, commercial cargo, general aviation and state aviation flights.	●	20				
	A03	Total amount of cargo tonnage.	●	20				
	A04	Quality of storm water by applicable regulatory standards.	●	45	The Quality of storm water collected at the stormwater treatment facilities is in compliance with the Preservation of Water Quality Act.			
	A05	Ambient air quality levels according to pollutant concentrations in microgram per m3 or parts per million (ppm) by regulatory regime.	●	45, 46				
	A06	Aircraft and pavement de-icing/anti-icing fluid used and treated by m3 and/or tonnes.	●	45				
	A07	Number and percentage change of people residing in areas affected by noise.	●	36	35,000 people residing in the areas are affected.			
	A08	Number of persons physically or economically displaced, either voluntarily or involuntarily, by the airport operator or on its behalf by a governmental or other entity, and compensation provided.	○	36	Incheon Airport's annual compensation provided to the residents is 6,504 million KRW in 2008, 33,121 million KRW in 2009, and 23,061 million KRW in 2010. Compensation average per household is around 60 million to 70 million KRW. Incheon Airport did not report on the number of displaced persons since there is no available data on this.	Reason for omission: Not available	To be reported in: 2012	
	A09	Total annual number of wildlife strikes per 10,000 aircraft movements.	●	24, 25	p.25; 9 in 2008, 6 in 2009, 7 in 2010.			

Awards

No.	Award Details	Date	Awarding Organization
1	President of Bureau Veritas Awards, International Public Design Award	2010	Korea Public Design Regional Foundation
2	Best Airport in the World	Jan. 2010	Business Traveler Magazine
3	The 3rd consecutive winner of Korea's Most Respected Corporation	Feb. 2010	Korea Management Association Corporation
4	Korea Ethical Management Award	Feb. 2010	New Industry Management Academy
5	1st place in the 2010 Korea Public Institution Sustainability Index	Feb. 2010	ERISS
6	Airport of the Year 2010	Mar. 2010	Air Cargo World
7	International Connection, International Service first place	Mar. 2010	SKYTRAX
8	Staff Excellence, Asia	Apr. 2010	SKYTRAX
9	Best International Connection Airport	Apr. 2010	SKYTRAX
10	The 5th consecutive winner of the World Airport Service Evaluation	May. 2010	Airports Council International (ACI)
11	Green Management Award	Jun. 2010	Ministry of Knowledge Economy
12	Named outstanding Business for Vacation Culture at The Star of Tourism Korea 2010	Jul. 2010	Maeil Business Newspaper
13	Presidential Commendation at the National Productivity Awards	Sep. 2010	Korea Productivity Center
14	2010 Labor Business Cooperation Award	Sep. 2010	Korea Employers Federation
15	2010 Great World to Have Children Award Grand Prize	Sep. 2010	Ministry of Health and Welfare
16	US Transportation Security Administration rated Incheon Airport safety "World Class"	Sep. 2010	TSA
17	ASQ Special Recognition Award	Nov. 2010	Airports Council International (ACI)
18	GT World's Best Airport	Dec. 2010	Global Traveler
19	2011 Korea Image Didimdol Award	Jan. 2011	Corea Image Communication Institute
20	The 6th consecutive winner of the World Airport Service Evaluation	Jan. 2011	Airports Council International(ACI)
21	Ministerial Commendation for All-Round Award in Korean Social Service Awards	May. 2011	Ministry of Health and Welfare

Memberships in Associations and Organizations (as of 2011)

Year Joined	Association/Organization	Year Joined	Association/Organization	Year Joined	Association/Organization
1995	Korea Environmental Preservation Association	2004	Federation of Korean Industries	2007	BISD
		2005	IPS Ethical Management CEO Club	2007	UN Global Compact Network Korea
2001	Korea Civil Aviation Development Association	2005	Meerae Forum	2007	UN Global Compact
2001	ACI(Airports Council International)	2006	Korea Navigation Institute	2008	Korean Association for Public Administration
2002	Incheon Chamber of Commerce & Industry	2006	Korea Management Association Corporation	2008	Incheon Business Forum
2002	ISO 9000/14000	2006	IPS Ethical Management SM Forum	2009	BBB Korea
2002	ASQ(American Society for Quality)	2007	TIACA (The International Air Cargo Association)	2011	Lime Globe Innovation Forum
2003	Korea Productivity Center				

Relevant Regulations

Compliance_ Incheon Airport is in the construction and operation business, and is in compliance with domestic environmental law, international regulations and conventions. In 2010, there have been no incidents of non-compliance with regulations concerning the environment, labor, fair trade or human rights.

Municipal law_ Korea Airports Corporation Act, Act on the Improvement of Managerial Structure and Privatization of Public Enterprises, Commercial Act, Act on The Promotion of A New Airport for Seoul Metropolitan Area Construction, Aviation Act, Aviation Safety and Security Act, National Land Planning and Utilization Act, Special Act on Designation and Management of Free Economic Zones, Act on the Acquisition of Land, Etc for Public Works and the Compensation Therefor, Public Waters Management Act, Public Waters Reclamation Act, River Act, Road Act, City Railroad Act, National Parks Act, Act on Urban Parks and Greenbelts, Etc. Farmland Act, Erosion Control Act, Management of Mountainous Districts Act, Creation And Management of Forest Resources Act, Water Supply And Waterworks Installation Act, Sewerage Act, Harbor Act, Environmental, Transportation, and Natural Disaster Impact Assessment Act, Industrial Cluster Development and Factory Establishment Act, Building Act, Aids to Navigation Act, Construction Standard Management Act, Wastes Control Act, Act on Disposal of Wastewater/Animal waste and Livestock Wastewater, Clean Air Conservation Act, Preservation of Water Quality Act, Noise and Vibration Control Act, Act on Promotion of the Transportation Convenience

of Mobility Disadvantaged Persons, Installation, Maintenance, and Safety Control of Fire-Fighting System Act, Fire-Fighting System Installation Business Act, Safety Control of Dangerous Substances Act, Parking Lot Act, Trade Union and Labor Relations Adjustment Act, Gender Equality Employment Act, Employment Promotion and Vocational Rehabilitation of Disabled Persons Act, Act on the Honorable Treatment and Support of Persons, etc. of Distinguished Services to the State, Framework Act on Employment Policy, Employment Security Act, Occupational Safety and Health Act, Industrial Accident Compensation Insurance Act, Employment Insurance Act, Act on the Collection, etc. of Premiums for Employment Insurance and Industrial Accident Compensation Insurance, Act on the Protection of Personal Information Maintained by Public Institutions, Act on Disclosure of Information by Public Agencies, Act on Document Filing of Public Institutions, Civil Petitions Treatment Act, Framework Act on Low Carbon, Green Growth, Act on the Promotion of the Development, Use and Diffusion of New and Renewable Energy, Energy Use Rationalization Act

International Conventions_ UN Global Compact (Joined in March, 2007), ILO International Labor Standards, Convention on International Civil Aviation and its Annexes(ICAO)

International Standards_ ISO 9001, ISO14001



Statement GRI Application Level Check

GRI hereby states that **Incheon International Airport Corporation (IIAC)** has presented its report "Social Responsibility Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 31 August 2011

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a light blue circular background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 22 August 2011. GRI explicitly excludes the statement being applied to any later changes to such material.



Share Your Opinion.

Incheon Airport would like to hear the valuable opinions of all its stakeholders in order to further improve future Social Responsibility Reports. You are invited fill out the following questionnaire and send it to the address or fax number below.

Address

47, 424-gil Gonghangno, Jung-gu, Incheon, 400-700, Republic of Korea
Tel_ 82-32-741-2107, 2108 Fax_ 82-32-741-2330

1. What is your profession?

Incheon Airport Employee
 Airport-stationed Worker
 Shareholder
 Investor
 Business Partner
 Specialist in Sustainability Management
 Social Group (including NGO)
 Academia
 Media
 Other _____

2. Through what channel did you get our Social Responsibility report?

Incheon Airport Website
 Newspaper/Magazine
 Web Surfing
 Incheon Airport Employee
 Seminar/Lecture
 Other _____

3. Did this Report help your understanding of Incheon Airport's Social Responsibility management activities?

Very Helpful
 Helpful
 Moderately Helpful
 Unhelpful
 Totally Unhelpful

4. This report was reorganized according to the results of materiality analysis. What are your major areas of interest?

Airport Operation Results
 Returning Economic Gains
 Leading Global Specialized Airport Corporation
 Safety
 Customers
 Employees
 Business Partners
 Communities
 Environment
 Other _____

5. How would you rate this report on the following aspects?

	Very Much	Yes	Moderately Agree	Disagree	Totally Disagree
Terminologies are clear and easy to understand.	_____	_____	_____	_____	_____
Contents are reliable.	_____	_____	_____	_____	_____
Design is good and helps understand the contents.	_____	_____	_____	_____	_____
It helps me understand Incheon Airport's social responsibility management policy.	_____	_____	_____	_____	_____

6. After reading the Report, have your thoughts on Incheon Airport changed?

They changed for the better
 They did not change
 They changed for the worse

7. If you have any additional comments, please specify.

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ISO26000 Index

● Full Reporting ● Partial Reporting ○ Omitted N/A Not Applicable

Core subjects	Description	Status	Page	Note
Organizational Governance	Governance	●	12, 13, 14, 40, Appendix	
Human Rights	Due diligence	●	22	
	Human rights risk situations	●	15	
	Avoidance of complicity	●	15, 22	
	Resolving grievances	●		No suits or acts of violation
	Discrimination and vulnerable groups	●	15	
	Civil and political rights	●	15	
	Economic, social and cultural rights	●	42	
	Fundamental principles and rights at work		30	
Labour Practices	Employment and employment relationships	●	30	
	Conditions of work and social protection	●	27	
	Social dialogue	●	33	
	Health and safety at work	●	32,33	
	Human development and training in the workplace		31	
The Environment	Prevention of pollution	●	45,46	
	Sustainable resource use	●	43,44,45,46	
	Climate change mitigation and adaptation	●	40	
	Protection of the environment, biodiversity and restoration of natural habitats	●	24, 25, 46	
Fair Operating Practices	Anti-corruption	●	15	
	Responsible political involvement	●	30	
	Fair competition	●	57	
	Promoting social responsibility in the value chain	●	27	Local Mandatory Joint Ubcontracting - Subcontracting Rate Maintained at over 30%
	Respect for property rights	●	28, 29	
Consumer Issues	Fair marketing, factual and unbiased information and fair contractual practices	○		Provides Flight Information (time) and Connecting Transportation at the Incheon Airport website
	Protecting consumer's health and safety	●	17	
	Sustainable consumption	●	34, 36	
	Consumer service, support and complaint and dispute resolution	●	23	
	Consumer data protection and privacy	●	17	
	Access to essential services	●	42	
	Education and awareness	○	57	
Community Involvement and Development	Community involvement	●	28, 29, 36	
	Education and culture	●	28, 29	
	Employment creation and skills development	○		As Incheon Airport was built on reclamation ground, the number of local residents are relatively few, and Incheon Airport provides settlement conditions by building schools and cultural facilities
	Technology development and access	●	22, 28, 29	
	Wealth and income creation	●	39	
	Health	○	33	
	Social investment	●	22, 28, 29	

Glossary

Airports Council International (ACI)

An international association of the world's airports. The purpose of ACI is to cooperate with international institutions related to aviation, and to foster safety, efficiency, financial independence, and mutual cooperation among member airports. It also provides member airports with information regarding domestic and international airport development and analysis reports, and also performs the ASQ survey program. Currently, 550 airport companies in 165 countries and regions are listed as members.

Baggage Handling System (BHS)

The automated system that connects baggage for departure, transfer, and arrival between the passenger terminal and concourse. It is connected to the Baggage Source Message (BSM) and Flight Information System (FIS), so that when a passenger checks in at the counter, the baggage is automatically sorted and transported until the passenger reclaims them. (Incheon Airport's BHS is 88km in length)

Clean Development Mechanism (CDM)

A system where part of the reductions rates that industrialized countries accomplish through greenhouse gas reduction projects in developing countries, is partially counted as part of the reduction rate for the industrialized country.

Common Use Self Service (CUSS)

This is a service that enables the passenger holding an e-ticket to log in to the airline's check-in system by using a touch screen to get seats and boarding passes, and which has greatly reduced the check-in waiting time. Incheon Airport installed 39 CUSS devices at the 3rd floor of the passenger terminal in April 2007, and an average of 866 people use them daily.

Fluidized Bed Incinerator

This is an incineration method that can burn general waste and sludge simultaneously. Unlike the stoker type incinerator that burns by heating up gases, the fluidized bed incinerator heats up sand (700~800°C) that instantaneously dries and burns the waste. The response time is quick and efficient. Incheon Airport employs the fluidized bed incinerator method at the resource recovery facility to treat wastes from the airport and the new town area.

Global Reporting Initiative (GRI)

The GRI Sustainability Reporting Guidelines, which are the most widely used comprehensive sustainability reporting framework around the world, published its first edition of the 'GRI Guideline' in June 2000, later publishing the 'G3 Guideline' in October 2006, which was revised to 'G3.1 Guideline' January 2011. www.globalreporting.org

International Air Transport Association (IATA)

IATA was established with the purpose of research in air transport, enhancing stability in the field of air transport, and fostering amicable relations between international airlines. It was established in Havana, Cuba in 1945, and the head office is located in Montreal Canada, and its branch office in Geneva. Currently 270 airlines from 140 countries are listed as members. Korean Air joined in 1989, and Asiana Airlines in 2002. www.iata.org

International Civil Aviation Organization (ICAO)

ICAO was established in 1947 under the Convention on International Civil Aviation (also known as Chicago Convention) as a UN organization, for the development and safety of civil aviation, and enhancing the economics of air transport. It consists of the General Assembly, Board of Directors, Secretariat, and three Councils. The Republic of Korea joined in 1952. www.icao.int

Low Visibility Operations Procedure

In cases where the pilot's visibility is below normal due to weather conditions such as fog, airports operate under the Low Visibility Operation Procedure. Incheon Airport prepares for low visibility operations when the runway visibility is less than 550m, and enters into LVP when it is less than 350m, and the mode is ended when visibility returns to above 350m. In addition, Incheon Airport has acquired the CAT-IIIb operation level in which aircrafts can land or take off even when runway visibility is below 100m.

Minimum Connecting Time (MCT)

The minimum amount of time required to transfer flights at an airport.

NADP 1,2 (Noise Abatement Departure Procedure 1,2)

The aircraft take-off procedure to minimize noise during take-off. ICAO provides the NADP 1, 2 which have been revised from NADP A, B.

Passenger Service Charge (PSC)

Korea Airport Service Charges per one passenger on a direct flight (as of June 2011) Domestic Airlines: 4,000 KRW (exempting ICN), 5,000 KRW for departing from ICN / International Airlines : ICN 18,000, Gimpo International Airport (GMP) 18,000 KRW, Gimhae Airport 13,000 KRW, Jeju International Airport 14,000 KRW, Daegu International Airport 13,000 KRW (Added Tourism Promotion Fund 10,000 KRW).

Renewable Portfolio Standard (RPS)

A system in which owners of power generators of over 500 MW have an obligation to install renewable resource utilities of up to 10% of power generated by 2012.

Transfer Familiarization Tour

These are tours prepared by airlines, tourism companies or municipal governments for tour operators, press, and related personnel to promote their tourist sites and packages.

TOE (Tonnage of Oil Equivalent)

TOE is a unit of energy defined by International Energy Agency (IEA) that standardizes the energy expressed in various units including kJ, ton, m³, kWh, where one TOE is the amount of energy released by burning one ton (7.41 barrels) of crude oil (approx. 10,000,000 kcal), equivalent to 1.55 tons of coal and 1.150m³ of natural gas. Incheon Airport uses this unit of energy in calculating electrical and thermal energy.

UN Global Compact

The UN Global Compact was initiated by former UN Secretary General Kofi Annan at the Davos Forum, Switzerland, in January 1999. It consists of Ten Principles based on the Universal Declaration of Human Rights, ILO Declaration, Rio Declaration, and the UN Convention against Corruption. Incheon Airport joined in March, 2007. (www.unglobalcompact.org)

Weighted Equivalent Continuous Perceived Noise Level (WECPNL)

It is an international standard for measuring aircraft noise, which takes into account the highest daily average noise level for an aircraft, dividing the number of landings and take-offs on a weighted basis for daytime, night time, and late night. The standard noise level for aircraft noise affected areas in 75 WECPNL.

Social Responsibility Report 2011

Publisher_ Incheon International Airport Corporation
Sustainability Management Team

Date of Issue_ August 10, 2011 Design_ Reddot Branding

www.airport.kr

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This report was printed with soy-based ink on eco-friendly paper using non-chlorine bleached pulp.

Social Responsibility Report 2011