

SUSTAINABILITY ON BOARD

Jeju Air 2024 Sustainability Report



JEJUair

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About this Report

Jeju Air proudly presents its inaugural sustainability report outlining the Company's strategies and activities for sustainability management as well as achievements and plans. This report elaborates on our efforts for climate change response, safety management and customer satisfaction as the material issues of the aviation industry that are identified through double materiality assessment. Not only does this report describe how these issues affect Jeju Air in terms of financial risk & opportunity and social and environmental impact, it also fully discloses our governance, strategy, risk management, and targets & metrics in the 'Risks & Opportunities' section. Moving forward, Jeju Air will publish sustainability reports annually to transparently communicate its sustainability management activities and accomplishments to stakeholders as it journeys ahead towards sustainable growth.

Reporting Scope

This report illustrates Jeju Air's ESG performance for its headquarters and domestic/overseas operations branch excluding subsidiaries in consideration of consistency in data collection. When the reporting scope differs, it is noted separately.

Reporting Period

This report introduces Jeju Air's financial and non-financial performance for the period from January 1 to December 31 of 2023, and this extends to the first half of 2024 for some material performance. This report spans the period between January 1 and December 31 of 2023 in reporting Jeju Air's financial and non-financial performance, and this extends to the first half

of 2024 for a portion of its performance taking into account the timeliness of the information contained and relevant sustainability contexts. For quantitative performance, this report presents three-year data from 2021 to 2023 to help identify its time-series performance trajectory.

Reporting Standards

This report was prepared in accordance with the international sustainability reporting guidelines of the GRI (Global Reporting Initiative) Standards 2021. This report referred to SASB (Sustainability Accounting Standards Board)'s airlines industry standards to reflect key issues associated with the aviation industry, and incorporated the reporting recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures) as well as the 17 UN SDGs (Sustainable Development Goals) set by the UN to advance sustainable development.

Third-party Assurance

This report was assured by an independent third-party organization with no interest in Jeju Air to ensure the credibility of its reporting content in conformity with the AA1000AS. For details of this assurance engagement and assurance findings, please see page 104 of this report.

Contact

Department: External Affairs Team, Jeju Air

Address: 76, Haneul-gil (Aviation Service Center), Gangseo-gu, Seoul,
Republic of Korea

E-mail: esg@jejuair.net



COVER STORY

Jeju Air brings joyful travel experiences to more people as it ambitiously broadens its network of destinations worldwide. The Jeju Air aircraft flying across the blue sky symbolizes the Company's commitment to driving greener and more sustainable operations, building upon its core business of air transportation.

INTERACTIVE PDF

Jeju Air's sustainability report is made accessible on the Company's website(<https://www.jejuair.net>). Its interactive PDF format supports readers to toggle to relevant pages within the report and visit the linked websites to conveniently navigate the report.

INTERACTIVE User Guide

If you click the icon in the Jeju Air Sustainability Report, it will run as described below.

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Website | <http://www.jejuair.net>

E-mail | esg@jejuair.net

CEO Message



Dear Esteemed Stakeholders,

Let me begin by thanking our shareholders, customers, and employees for their unsparing interest and encouragement for Jeju Air's sustainable growth at Jeju Air. The year 2023 presented numerous challenges such as the global economic slowdown and supply chain disruptions. Still yet, Jeju Air successfully rolled out the B737-8 Next-Generation aircraft, reached the 100 million mark in the number of passengers served, and achieved record-breaking revenue, quickly stabilizing its business operations as a result. Undoubtedly, 2024 will usher in its own set of uncertainties amid the unrest of the international political landscape and the ongoing restructuring of the aviation industry. Despite it all, we will fix our gaze on making forward-looking, value-driven investments to expand our aircraft fleet with new purchases for increased cost competitiveness, advance our IT systems, and build a thriving organizational ecosystem to further buttress our management system.

In making such future value investments, Jeju Air considers sustainability management as a top priority worthy of its steadfast pursuit. In fact, Jeju Air has worked with internal/external stakeholders on multiple fronts over the past several years to weave ESG management into the fabric of its organization and achieve meaningful outcomes along the way.

In regard to **Environmental efforts**, we prioritize the reduction of carbon emissions, which is the single greatest challenge the aviation industry has grappled with over the years. To this end, we have worked to add next-generation aircraft with exceptional fuel efficiency, adopt less carbon-intensive practices for flight operations, and improve operational efficiency to minimize carbon emissions. We have proactively engaged in green management and eco-friendly CSR activities, including but not limited to environmental cleanups in marine areas and upcycled product sales. We also achieved the ISO 14001 certification, the highest environmental management standard set by the International Organization for Standardization.

When it comes to its efforts in the **Social area**, Jeju Air engages in CSR activities for education, healthcare and environmental protection within the network of its overseas locations such as Vietnam and Lao PDR. Internally, the Company provides a wholesome and pleasant working environment for employees by promoting a horizontal corporate culture, providing flexible parental leave programs, and operating a range of health promotion programs. Jeju Air's efforts to regularize meetings to improve customer service and establish the Voice of Customer Committee earned the Company the CCM (Consumer-Centered Management) certification. Its leadership in establishing a health and safety system through setting, supplementing, and improving health & safety metrics to put the safety of employees first also earned the Company the ISO 45001 health and safety management system certification.

In the **Governance area**, we created the Internal Transactions Committee under the Board of Directors to uphold fair trade, ensure governance transparency, and protect shareholder rights while stipulating the Corporate Governance Charter and introducing electronic voting at the Annual General Meeting of shareholders to establish fair governance.

Such efforts earned Jeju Air an A rating in the ESG assessment made by the Korea Institute of Corporate Governance and Sustainability(KCGS) in 2023, up two levels from 2022, which serves as a visible testament to its position as a leading airline in ESG management. For today's businesses, ESG means much more than a mere response to an emerging global trend; it is a key pillar of sustainable growth. As a company known for its role in revolutionizing the nation's air travel industry, we will act on the value of 'pushing the boundary and pursuing sustained innovation'. This same spirit will steer its efforts to advance ESG management in our own authentic ways to tackle the environmental and social challenges that lie ahead and further commit to the lasting prosperity of our society as well as our own. We look forward to your continued support and interest as it rises to new challenges and pursues transformation to meet, and even exceed, the level of excellence our stakeholders have come to expect of the Company.

Thank you.

June 2024
CEO, Jeju Air **Kim E-Bae**

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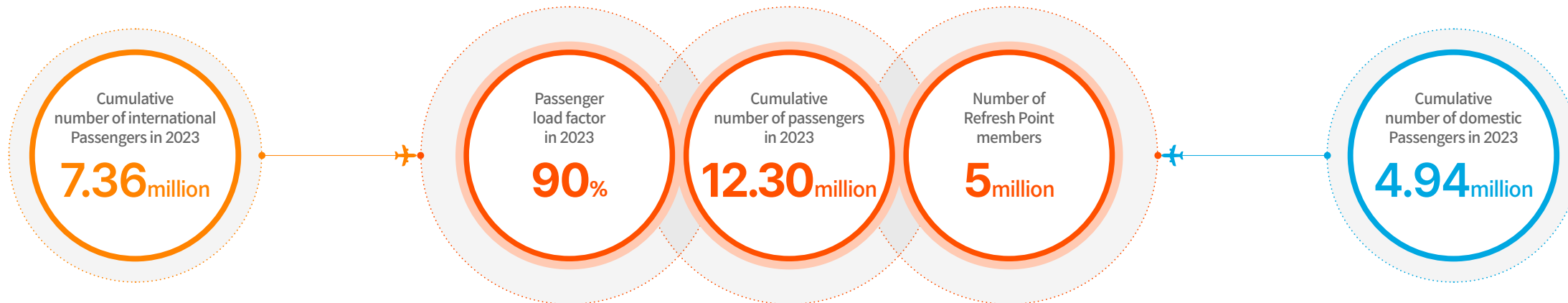
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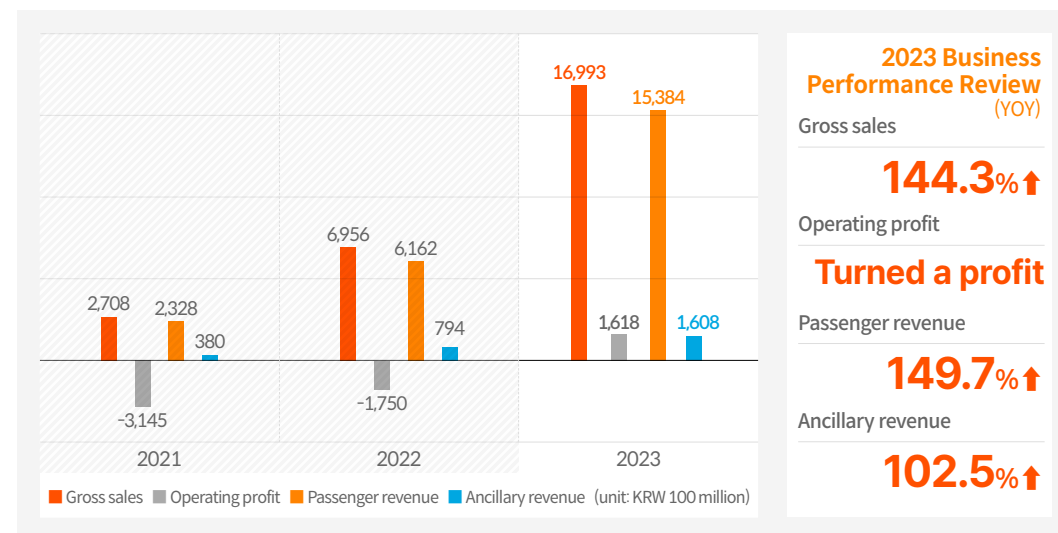
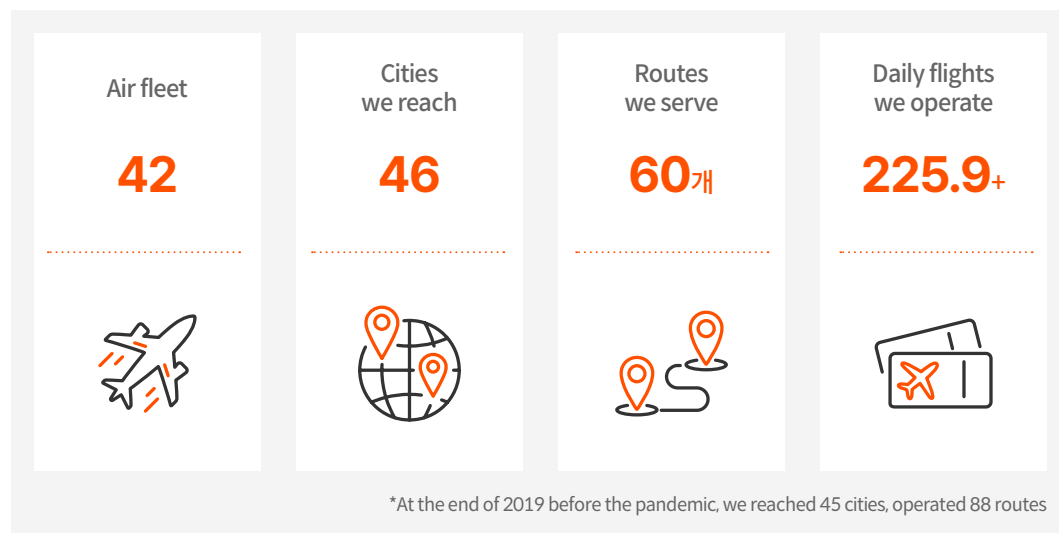
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Business Performance



based on regular flights as of Dec. 31, 2023
 *In 2019 before the pandemic, the number of international and domestic passengers was 8.37 million and 4.87 million respectively, (13.24 million in total)



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E-mail | esg@jejuair.net

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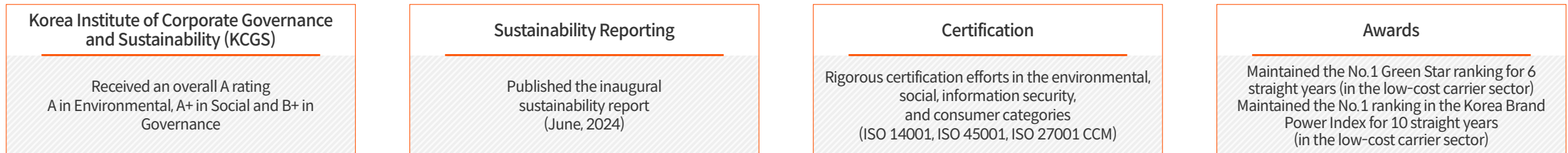
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ESG Performance

Jeju Air transparently discloses its business activities and performance for each of the Environmental, Social, and Governance areas, and prioritizes sustainability in business decision-making. Our efforts are widely recognized by the ESG ratings and awards that we receive, and we will continue to fulfil social responsibility, protect the environment, and partner with wide-ranging stakeholders to become the best we can be.



ESG Assessments and Awards



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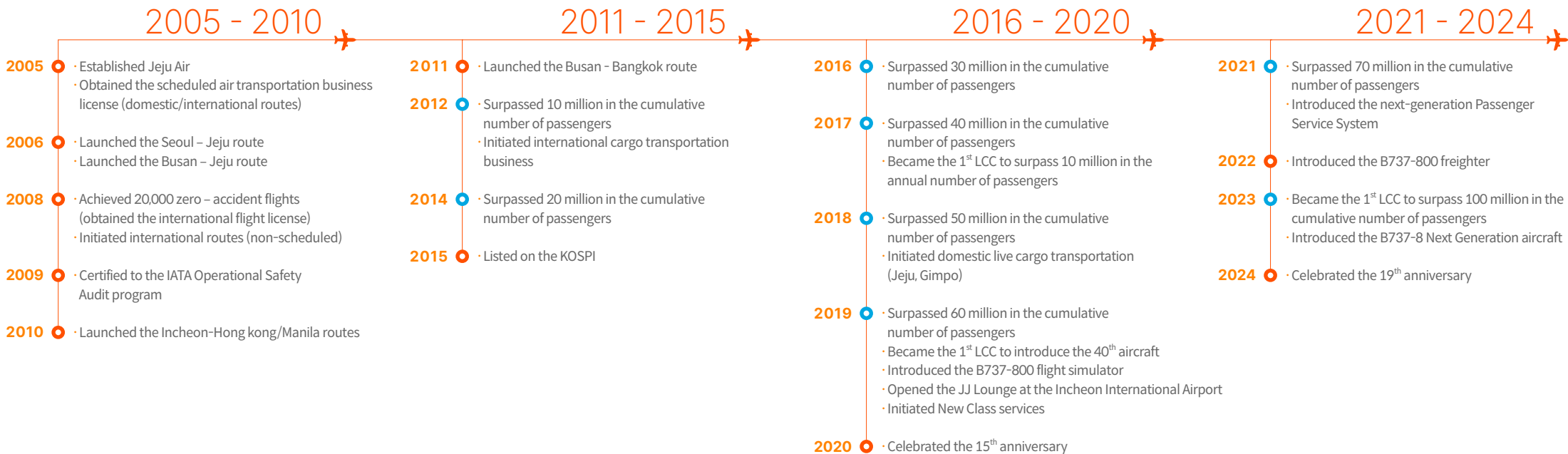
E-mail | esg@jejuair.net

About Jeju Air

Founded in 2005, Jeju Air has become Korea's largest LCC (Low Cost Carrier) with about KRW 2 trillion in total assets as of December 2023. Following the end of the pandemic, we achieved approximately KRW 1.7 trillion and KRW 160 billion in revenue and operating profit respectively in 2023, setting a record in our corporate history. Leveraging our owned air fleet consisting of 40 passenger and two cargo aircrafts, we carried a total of 12.3 million passengers, reaching 46 cities along 60 routes in 2023. We will continue to add new destinations to our global network to broaden the boundary of possible experience for customers.

Name of company  Jeju Air Co., Ltd.	Employees  3,070 persons	Date of establishment  January 25, 2005	Date of listing  Nov. 6, 2015	Headquarters  (Yeon-dong, 3rd floor, Construction Guarantee), 64, Sin-daero, Jeju-si, Jeju-do, Republic of Korea	Financial performance  KRW 1.9809 trillion in total assets, KRW 1.6993 trillion in revenue, KRW 161.7 billion in operating profit	Destinations  Domestic flights to 7 cities 39 international cities
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History of Jeju Air



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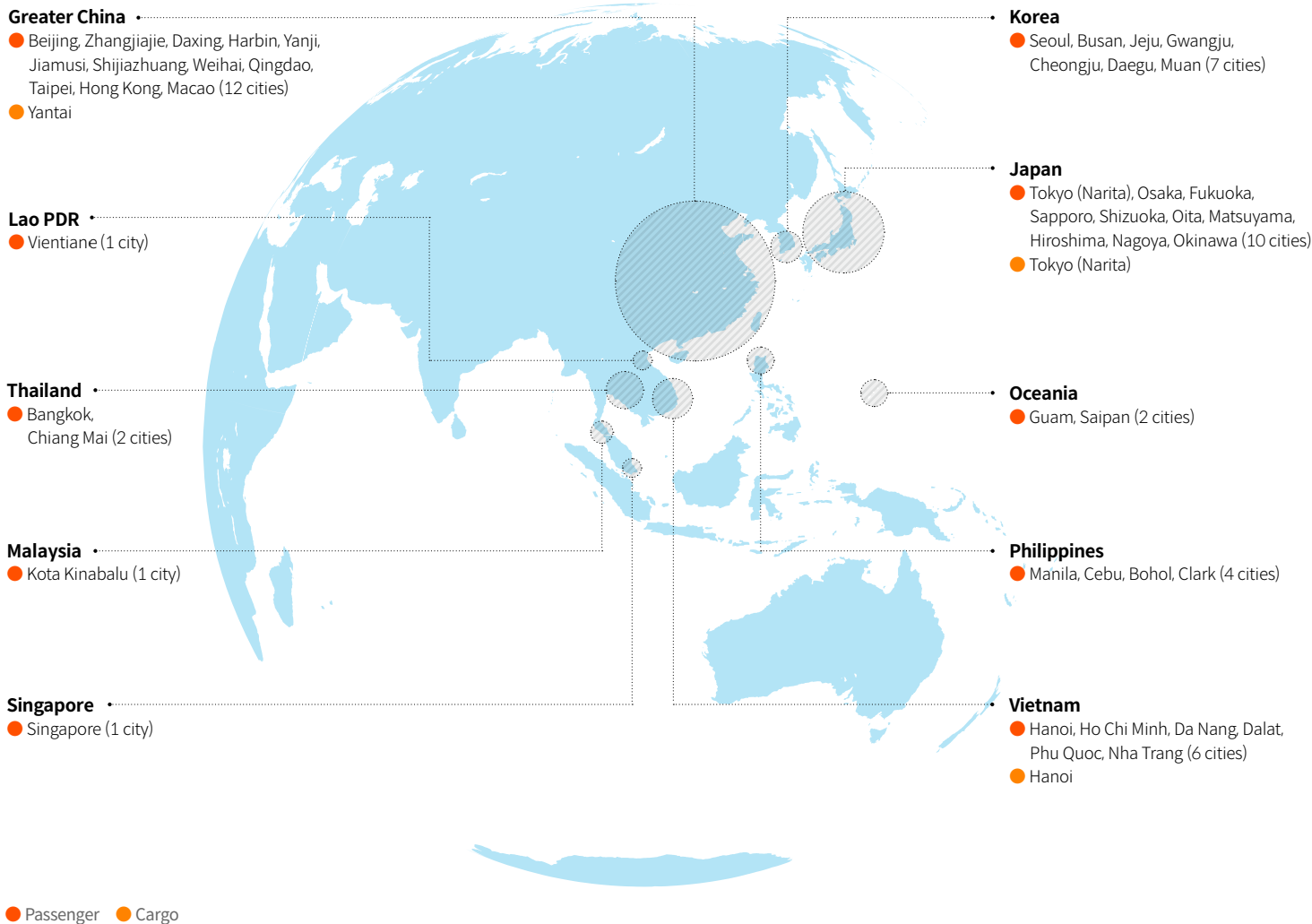
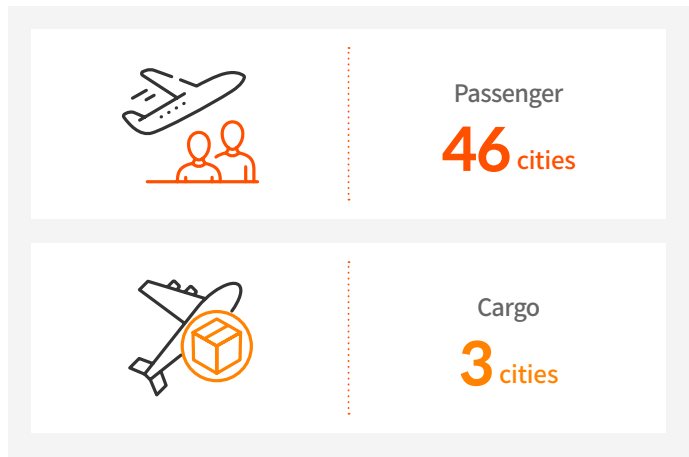
About Jeju Air

Global Networking

Initiating our Incheon-Osaka route in 2009, Jeju Air pioneered the mainstreaming of air travel in Korea. By delivering air travel services at affordable fares and optimal schedules, we improved access to short and frequent cross-border travel for our customers during their annual leave, weekends, and public holidays as well as long vacations, shifting the paradigm of the domestic travel market. Specifically, we started serving small cities in Japan either through opening new routes or resuming existing ones and launched new routes collecting Busan and Jeju with Ulaanbaatar, Beijing, Macao and others.

Presently, our global network of destinations spans major cities in Japan, Greater China, six key Asian countries (Thailand, the Philippines, Vietnam, Malaysia, Lao PDR, Singapore) and Oceania as well as cities in Korea. Starting air cargo business in 2022, we are further expanding our cargo operations with business footprint established in Tokyo in Japan, Yantai in China, and Hanoi in Vietnam.

(As of Mar. 2024)



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Website | <http://www.jejuair.net>

E-mail | esg@jejuair.net

Business Overview

Passenger Transportation

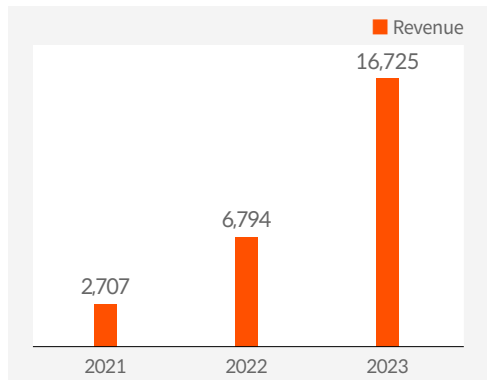
Jeju Air's ceaseless pursuit of innovation is driven by its customer-centered perspective to broaden the boundary of travel experience for customers at affordable prices. This enabled Jeju Air to set a record in its history, reaching KRW 1.7 trillion in revenue and serving 12.30 million passengers in 2023. It is specifically notable that we continued to identify and implement strategic tasks that directly align with our business growth to sharpen our industry competitive edge while pursuing cost savings on an ongoing basis to achieve optimal economic benefits. As of 2023, we operated 60 routes to reach 46 cities in Korea and abroad, driving the growth of Korea's air travel industry. Starting with the delivery of the first aircraft in November 2023, we also work to introduce 40 new aircraft to our fleet. We expanded our major routes to Japan in line with our market expansion strategy, and developed new ones in Oita, Hiroshima and others to rank 1st in market share in air travel routes connecting Korea and Japan. Furthermore, we launched new routes to reach Dalat, Palau, Bohol, and Batam across Southeast Asia and the South Pacific, widening our customer base in so doing.

Jeju Air signed interlining¹⁾ agreements with overseas airlines to expand its network of destinations for diversified revenue streams and to remain agile amid the shifting market landscape while upgrading its business infrastructure. We will continue to put the safety and comfort of our customers before all else, serve as a force for good for the sustainable development of our communities, and advance environmental stewardship and business ethics in our operations, emerging as a carrier of top customer choice.

1) Interlining: Multiple airlines sign agreements to interconnect the routes they operate respectively

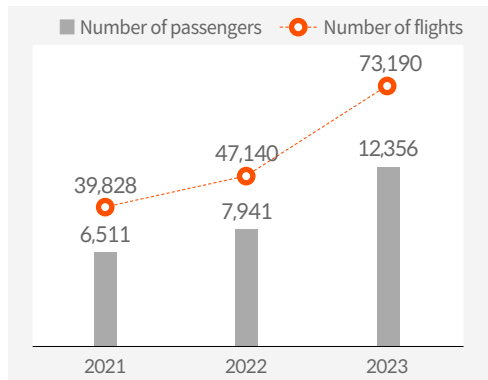
Passenger Business Performance

(Unit: KRW 100 million)



Number of Passengers and Flights Operated

(Unit: 1,000 persons, number of flights)



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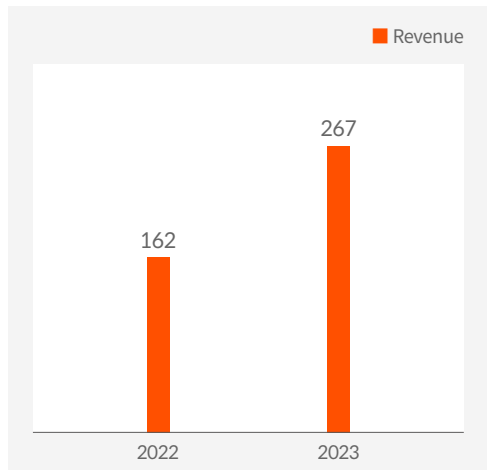
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Cargo Transportation

Jeju Air became the 1st LCC to launch air cargo business in 2022 and has since produced noteworthy outcomes in a short period of time on the strength of its affordable cargo fares. Our cargo business Dept. operated routes to Yantai in China, Narita in Japan, and Hanoi in Vietnam for the year of 2022, reaching 11,200 tons of volume and KRW 20.6 billion in revenue. This growth trend continued well into 2023 as we handled 26,000 tons of cargo and generated KRW 34.9 billion in revenue. While our air cargo business is still in its nascent phase, we expect its steady growth in the years ahead in line with the booming e-commerce market in China and Vietnam and the expanding pharmaceutical market in Japan. While harnessing our existing aviation infrastructure for business diversification, we will also acquire the cargo transportation license and open new routes to Japan and Vietnam for business expansion.

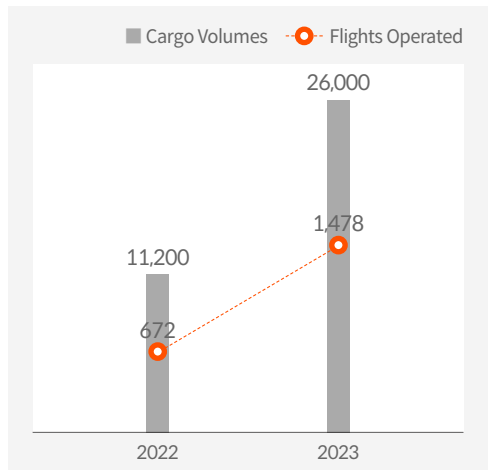
Cargo Business Performance

(Unit: KRW 100 million)



Number of Flights Operated and Cargo Volume Performance

(Unit: ton, number of flights)



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E-mail | esg@jejuair.net

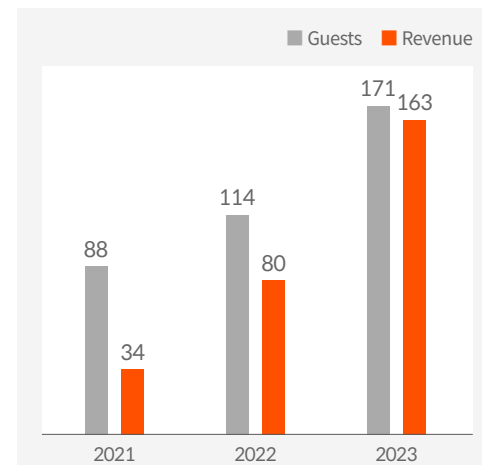
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Hotel

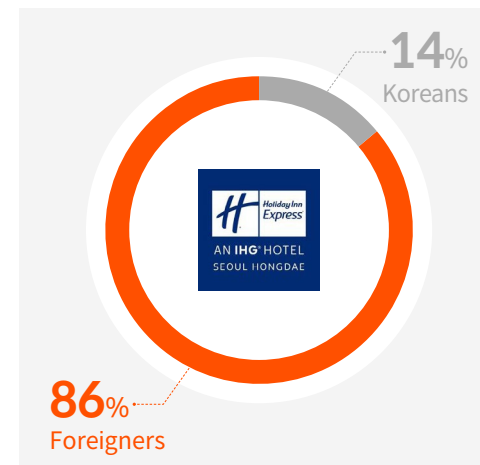
Jeju Air's decision to launch hotel business aims to diversify its revenue streams and lay the basis for sustainable growth in line with the burgeoning air travel demand and the emerging trend of free individual tourism. Adopting the Intercontinental Hotel Group (IHG) brand, we opened 'Holiday Inn Express Seoul Hongdae' in September 2018. Housing 17 above-ground floors and 294 rooms on a land of 54,000m², this hotel is in the vicinity of the airport train station to provide direct transport to Incheon International Airport and Gimpo International Airport. Leveraging our air transportation business which focuses on short/mid-haul flights and the highly accessible location of the hotel, along with diverse promotions and customized services, we proactively appealed to inbound tourists and this allowed our hotel business to generate the largest-ever revenue of KRW 16.3 billion in 2023.

Hotel Business Performance

(Unit: 1,000 persons, KRW 100 million)



2023 Guest Profile of Holiday Inn Express in Hongdae Seoul



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E-mail | esg@jejuair.net

Business Overview

SPECIAL

UAM, Creating Added Value to Aviation

UAM¹⁾ is drawing attention globally as a model for future transportation. Hailed as a viable alternative to alleviate traffic congestion and reduce air pollution in urban areas, UAM is emerging as a new frontier of the aviation industry, along with climate change response and net-zero technologies. As existing technology is coupled with breakthroughs in ICT, artificial intelligence, big data and nano technology, the aviation industry is expected to open a new chapter in its evolutionary history.

In response to the shifting market landscape, Jeju Air defined its UAM vision “Creating Added Value to Aviation” and commits to tackling challenges posed by the upcoming transformation of future mobility and to promoting this emerging industry. To become a UAM air operator, we are currently partnering with aircraft makers in Korea and overseas to explore the application of new technologies. In 2023, we teamed up with Eve Air Mobility to publish the Concept of UAM Operations outlining UAM operational environments, operational model markets, route analyses and operational limitations as the first private sector company. In addition, we attended multiple external events, from the 2023 UAM Flight Demonstration to the 2023 Jeju International UAM/Drone Confesta, to share our R&D outcomes. We also work with wide-ranging stakeholders in the field of UAM, including universities, public institutions, and suppliers, to establish this new industry. Looking ahead, we will harness the capabilities built over the years to develop ultra-short-haul UAM routes in addition to short/mid-haul air routes to meet diverse needs for airport shuttles, inter-regional transportation, and emergency medical transportation.

1) UAM(Urban Air Mobility): 3-dimensional, next-generation urban air traffic system connecting ground and air to transport people and cargo in urban airspace



Concept of UAM Operations in Jeju Island

Attending the Jeju International UAM/Drone Confesta 2023

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E-mail | esg@jejuair.net

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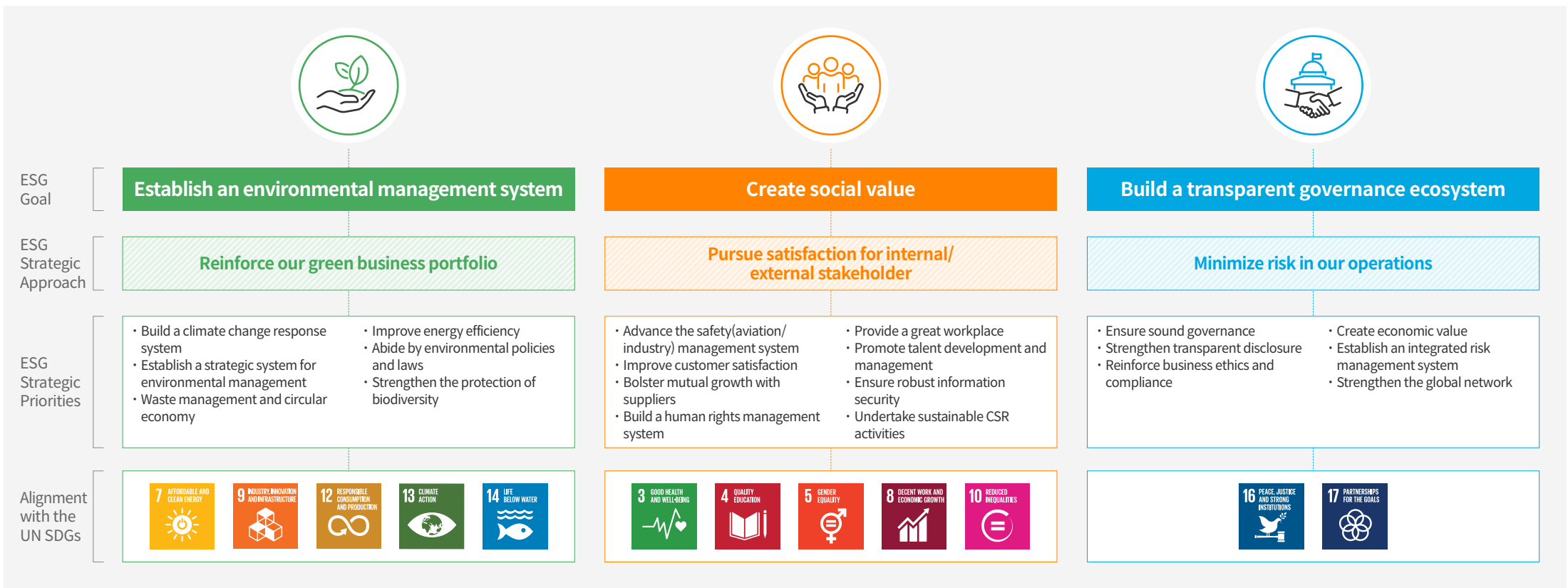
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ESG Strategic Framework

ESG Implementation System

To successfully navigate the rapidly-evolving global market and advance ESG management in reflection of its specific industry characteristics, Jeju Air set the three ESG goals of establishing an environmental management system, creating social value, and building a transparent governance ecosystem. To achieve these goals, we chose three strategic approaches of reinforcing our green business portfolio, pursuing satisfaction for internal/external stakeholder and minimizing risk in our operations, along with 20 strategic priorities. We are making progress towards the priorities that we voluntarily set in alignment with the UN SDGs and aim to fulfill our social responsibility as a global corporate citizen.

ESG Implementation System



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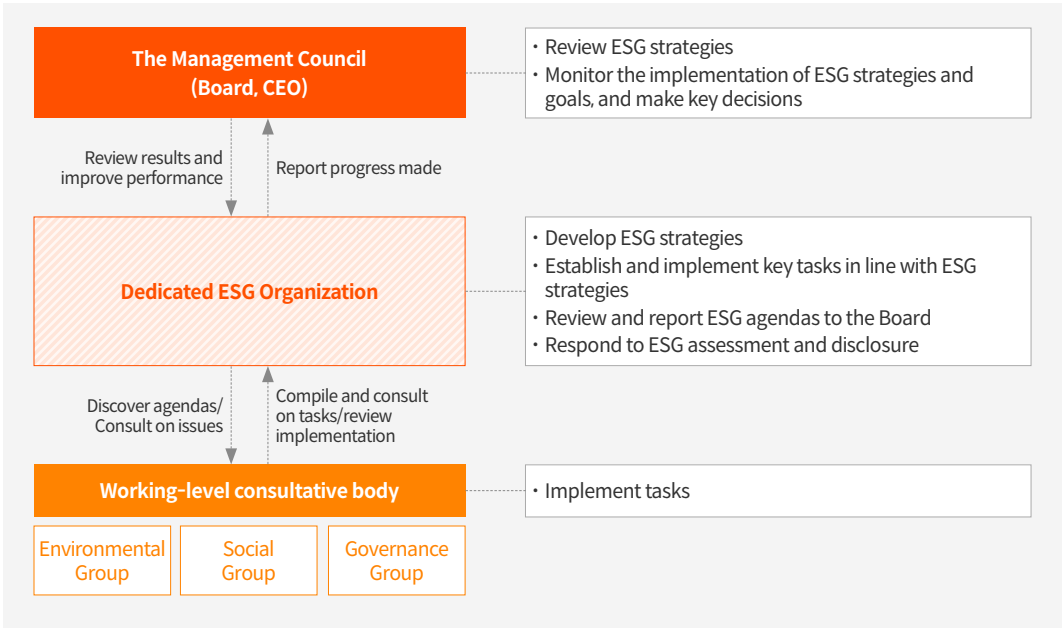
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ESG Organization

To deliver on the value of ESG management, Jeju Air advances ESG management with the Board of Directors, External Affairs Team, and working-body consultative bodies leading the way. The Board of Directors serves as the highest ESG decision-making body and is mandated to review our ESG strategies while discussing and deciding on the agendas reported in relation to ESG. External Affairs Team develops ESG strategies, responds to ESG assessment and disclosure, and identifies non-financial risks and opportunities. The External Affairs Team is specifically responsible for going over ESG agenda items and reporting them to the Board of Directors. In addition, strategic approaches were defined to ‘establish an environmental management system,’ ‘create social value,’ and ‘establish a transparent governance ecosystem’ among others, and relevant ESG priorities are undertaken through working-level consultative bodies.

ESG Organizational Chart



Key ESG Agendas Handled by the Board of Directors

Date of Meeting	Key Agenda	Agenda Description
May 7, 2024	(Reporting) Report double materiality assessment results	• Review risks and opportunities for each material issue identified in 2023
	(Reporting) Report on the climate change response roadmap and major environmental issues	• Mid/long-term climate change response strategies (scenario update) • Report on net zero and other major environmental issues (waste, energy, etc.)
Feb 6, 2024	(Decision) Approve occupational health and safety plans for 2024	• Make decisions on occupational health and safety activity plans
May 9, 2023	(Reporting) Report the progress made on ESG management	• Report the progress made in each of the environmental, social, and governance areas • Board of Directors skills matrix • Status of the Korean Emissions Trading System and our responses
	(Decision) Establish the Independent Director Recommendation Committee and its regulations	• Establish Independent Director Recommendation Committee
Feb 7, 2023	(Decision) Approve occupational health and safety plans for 2023	• Make decisions on occupational health and safety activity plans

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Stakeholder Communication

Jeju Air reaches out closer to stakeholders to enhance their trust in us and drive sustainable management. We engage in a variety of activities through communication channels for respective stakeholder groups, and ensure we properly identify and meet their needs.

	 Employees	 Shareholders/ Investors	 Customers	 Suppliers	 Local Communities/ NGO	 Central and Local Governments/ Associations
Key Areas of Interest	<ul style="list-style-type: none">• Work-life balance• Capacity-building including self-development and training• Fair performance appraisal and equal opportunity• Increased profit and new market presence• Corporate culture improvement• Welfare and benefits• Safe and pleasant workplace	<ul style="list-style-type: none">• Sound governance• Risk management• Transparent disclosure• Protection of shareholder rights	<ul style="list-style-type: none">• Safe flights• Improvement in service quality• Operation of diversified routes• Prompt customer complaint/inquiry handling• Protection of customers' personal data	<ul style="list-style-type: none">• Fair trade compliance• Mutual growth• Support for business partners• Increased communication	<ul style="list-style-type: none">• Community development and social value creation• Closer communication with local communities• CSR activity• Climate change response and minimization of environmental impact	<ul style="list-style-type: none">• Aviation safety and security• Domestic/global aviation policies• Air transport rights• Social/economic value creation• Procurement of future technology• Legal and regulatory compliance• Climate change response
Communication Channels and Their Operational Frequency	<ul style="list-style-type: none">• Internal communication channel<ul style="list-style-type: none">- Groupware(year-round)- Whistleblowing channel(year-round)- Online newsletter(safety/ESG)(regular)- Corporate newsletter(webzine)(regular)- Internal suggestion system(Imagination Flight)(regular)• Employees surveys(as needed)• Labor-management council(quarterly)• Company management briefings(quarterly)• Employee trainings and workshops(year-round)	<ul style="list-style-type: none">• Ordinary AGM(annual)• Disclosures and notices(periodic/frequent)<ul style="list-style-type: none">- Annual reports, audit reports, and corporate governance reports- Website notices• Corporate briefings(year-round)• NDRs(Non-Deal Roadshow)(quarterly)• Conference calls(year-round)	<ul style="list-style-type: none">• Website(year-round)• Social network channels(year-round)• Customer center(Voice of Customer)(year-round)• AI chatbot(year-round)	<ul style="list-style-type: none">• Groupware(year-round)• Whistleblowing channel(year-round)• Co-prosperity Committee(regular)	<ul style="list-style-type: none">• Website(year-round)• Social network channels(year-round)• Media articles(year-round)• CSR programs(regular/frequent)	<ul style="list-style-type: none">• Policy discussions and seminars(year-round)• International organization meetings and aviation talks(year-round)• Association membership and activity(year-round)• Public relations department(year-round)
Key Activity	<ul style="list-style-type: none">• Corporate culture improvement activity• Company-wide idea contest• Company-wide information security and business ethics pledge• Healthcare and other varying welfare and benefits schemes• Employee communication through the labor-management council• Business results and information sharing• Capacity-building training programs tailored to job levels/functions	<ul style="list-style-type: none">• Closer communication with shareholders and investors through corporate briefings• Profit generation through M&As and new market entry• Establish and improve new committees under the Board of Directors• Expand the disclosure of corporate information(website)	<ul style="list-style-type: none">• Address customer complaints and inquiries• Improve services through the analysis of customer feedback• Closely communicate with customers through diversified channels	<ul style="list-style-type: none">• Technical support program• Welfare and benefits support programs• Business ethics pledge• Code of conduct for business partners• Training to strengthen job competency and ESG capabilities	<ul style="list-style-type: none">• Environmental and CSR activities involving employees• Education programs aligned with business operations• Adherence to pollutant-related regulations• Preservation of biodiversity• Noise charge payment	<ul style="list-style-type: none">• Response to domestic/global aviation policies• Attendance at IATA/ICAO international conferences• Attendance at government seminars associated with the aviation industry• Association membership and activity• UAM business implementation and public-private partnerships• Faithfull tax payment• Operation of the Internal control system and the audit body• Implementation of climate change response systems(CORSIA, GHG emissions trading schemes)• Development of mid/long-term climate change response strategies

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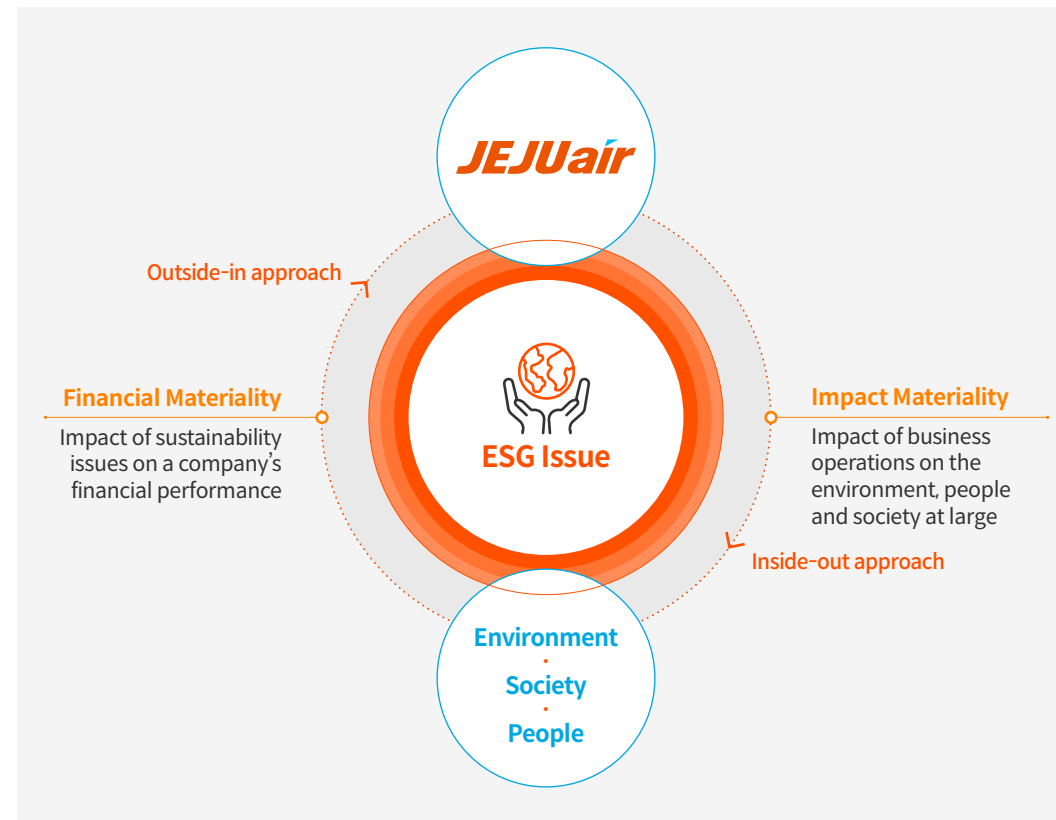
E-mail | esg@jejuair.net

Double Materiality Assessment

Overview of Double Materiality Assessment

Double materiality assessment comprehensively takes into account both inside-out impact materiality – how a company's business operations impact its surroundings including society and the environment – and outside-in financial materiality – how a company's financial performance is impacted by the surroundings. Jeju Air conducted double materiality assessment to identify the sustainability issues that should be the focus of its management and response efforts. We selected survey respondents from each of the Financial Materiality and Impact Materiality perspectives and surveyed our stakeholders accordingly. In addition, we analyzed ESG assessment metrics and media articles, and benchmarked leading companies to characterize each issue in terms of impact, risk and opportunity.

Overview of Double Materiality Assessment



Double Materiality Assessment Process



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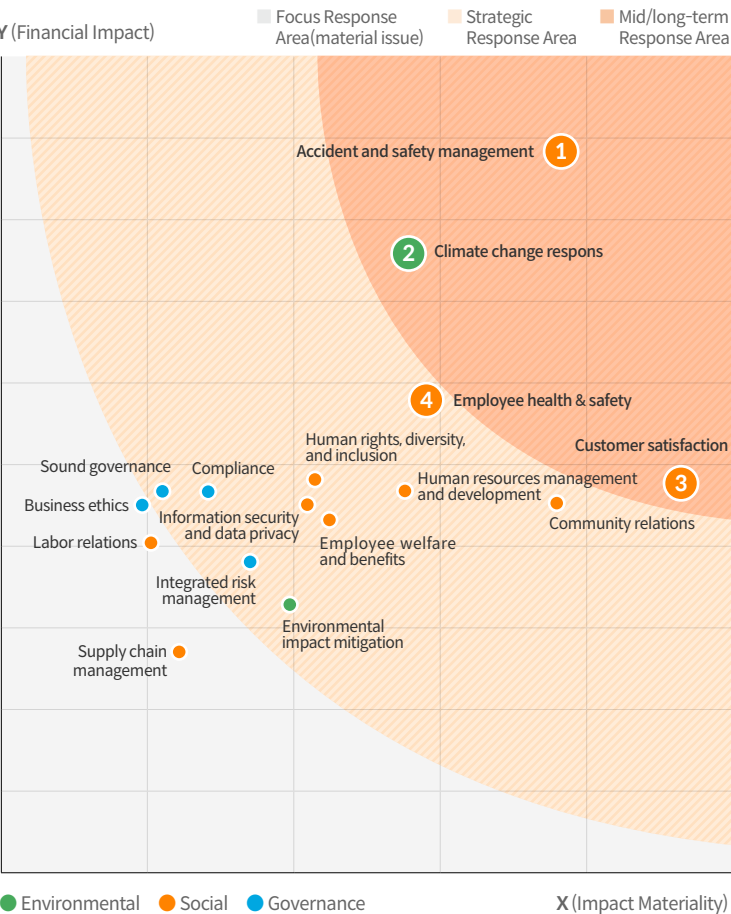
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Double Materiality Assessment

Double Materiality Assessment Results

The analysis results informed the process to select three material issues, and we finalized a pool of four material issues by adding one issue requiring supplementation from the strategic viewpoint. Jeju Air will set our sustainability management goals and strategies in alignment with the material issues identified through this materiality assessment process and will define and systematically manage implementation tasks and priorities.



Ranking	Issue	Social & Environmental Impact	Financial Impact	Key Stakeholder Group	Alignment with GRI	Page
1	● Accident and safety management	●	●	Customers	GRI 403-1~10	p.42~46
2	● Climate change response	○	●	Local communities, investors, governments, associations	GRI 305-1, 4	p.23~33
3	● Customer satisfaction	●	○	Customers	GRI 416-2	p.59~61
4	● Employee health & safety	○	○	Employees	GRI 403-1~10	p.47~50
5	● Community relation	●	○	Local communities	GRI 413-1	p.66~69
6	● Human resources management and development	○	○	Employees	GRI 404-1~3	p.53, p.55~58
7	● Information security and data privacy	○	○	Customers	GRI 418-1	p.64~65
8	● Human rights, diversity, and inclusion	○	○	Employees, customers	GRI 405-1, 2	p.51~52
9	● Employee welfare and benefits	○	○	Employees	GRI 401-2	p.54
10	● Compliance	○	○	Employees	-	p.77
11	● Integrated risk management	○	○	Investors	-	p.78~80
12	● Environmental impact mitigation	○	○	Local communities, customers, governments	GRI 305-1, 4/ GRI 302-1, 3/ GRI 303-5/ GRI 306-1, 2	p.34~40
13	● Sound governance	○	○	Investors	-	p.71~74
14	● Business ethics	○	○	Employees, customers, investors	-	p.75~76
15	● Labor relations	○	○	Employees	GRI 407-1	p.58
16	● Supply chain management	○	○	Suppliers	-	p.62~63

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E-mail | esg@jejuair.net

Risks & Opportunities

Material Issue
#1

Accident and
Safety Management



Governance

The CEO is mandated to head Jeju Air’s overall aviation and occupational safety management, and the Safety & Security Division under the direct leadership of the CEO manages and oversees a range of safety activities, from safety goal setting to safety performance monitoring and safety training, to ensure its safety management system for aviation safety is properly implemented and maintained. We operate regular meeting bodies to discuss health & safety issues and risks for occupational health & safety, and our top leadership(Board of Directors) and our dedicated organization responsible for the Serious Accidents Punishment Act review implementation plans associated with our occupational health and safety management system and their implementation status while making necessary improvements at least once on a half-yearly basis.

Strategy

Risk and Opportunity	Value Chain	Response Cycle	Stakeholder	Our Response
Risk Safety accidents occurring in the workplace bring impact to employees. Any loss of life caused by accidents may weaken their productivity and incur financial losses.	Reporting organization and downstream ¹⁾	Short-term	Customers, employees	Aviation safety <ul style="list-style-type: none">• Safety management activity p.44 Occupational health and safety <ul style="list-style-type: none">• Creating a Safety-first Culture p.49• Risk Prevention Activity p.50
Opportunity Establishing a proper health and safety management system and engaging in relevant activities promote the health and safety of employees, directly impacting a company’s productivity gains. This also enhances social perceptions on the company to boost its credibility.	Reporting organization and downstream	Mid-term	Employees	Aviation safety <ul style="list-style-type: none">• Operational Status of the Safety Management System p.43 Occupational health and safety <ul style="list-style-type: none">• Occupational health and safety organization p.48• Occupational safety management system p.48
Risk Accidents involving aircraft have direct impact on customers. Such accidents may give rise to the loss of life and property on the part of customers, and to financial losses in the form of compensation, penalties, and weakened corporate credibility.	Downstream	Long-term	Customers	Aviation safety <ul style="list-style-type: none">• Safety management activity p.44

1) Downstream: Refer to a phase in which products and services reach end consumers



SDG3 Establish a safe workplace
Target 3.9 Reduce the number of deaths and illnesses from hazardous chemicals
Target 3.d Strengthen the capacity for early warning against health and safety risks

Risk Management

Jeju Air operates the Enhanced Safety Management System(ESMS) that we internally developed to embed safety management at all levels of the Company. This system enables us to collect safety-related data to manage safety performance targets along with risk identification and analysis. All our employees participate in simulation drills under the scenarios of high-consequence injuries to fully understand the activities to be undertaken in the event of an injury, ensuring damages are minimized when such risks do occur.

Metrics & Targets

Aviation safety	
KPI	• Number of aviation accidents/incidents
Long-term Sustainability Management Goal	• Achieve zero aircraft accidents and incidents
2023 Performance	• Achieved zero aircraft accidents and incidents for 9 straight years • Operated our own Safety Management System • Bolstered safety training and manuals in line with the introduction of the B737-8 Next Generation aircraft
Occupational health and safety	
KPI	• Number of incidences of high-consequence injuries
Long-term Sustainability Management Goal	• Achieve zero high-consequence injuries
2023 Performance	• Identified and improved hazards and risks through risk assessment and near-miss reporting among others • Strengthened communication by operating the labor-management occupational health and safety committee and the mutual-growth council with suppliers • Provided trainings and workshops to help our supervisors and suppliers improve their health and safety capabilities

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Risks & Opportunities

Material
Issue
#2

Climate Change
Response



Governance

Jeju Air operates its climate change response organization joined by the Board of Directors, the ESG department, and the environmental working group. The Board reviews our climate change response strategies and approaches each year and approves key tasks for climate change response while managing and overseeing implementation outcomes. The ESG department and the environmental working group serve to discuss climate-related risks and opportunities. Regular consultations are also made with relevant departments to develop specific strategies and tasks and go over the progress made on task implementation as well as goals and plans.

Strategy

Risk and Opportunity	Value Chain	Response Cycle	Stakeholder	Our Response
Risk Tightening carbon regulations, including emissions trading schemes in Korea and abroad, and increasing prices of carbon credits result in increased financial burden such as rising operational costs.	Reporting organization	Short-term	Reporting organization	• Analysis of climate-related risks and opportunities p.23~25 • Climate Change Response Activity p.25
Opportunity Adopting green, low-carbon technology helps reduce GHG emissions with positive impact on local environmental preservation. This also mitigates financial risks associated with carbon credits.	Reporting organization and upstream ¹⁾	Mid/long-term	Reporting organization, local communities	• Analysis of climate-related risks and opportunities p.23~25 • Climate Change Response Activity p.25
Risk Climate change, represented by global warming, may impact aircraft operations. Disruptions to aircraft operations may lead to declining revenue and mounting customer complaints.	Reporting organization and downstream	Mid/long-term	Reporting organization, customers	• Analysis of climate-related risks and opportunities p.23~25 • Climate Change Response Activity p.25

1) Upstream: Refer to an initial phase in which products and services are produced



- SDG 13 Climate Action**
- Target 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters
- Target 13.2** Integrate climate change measures into national policies, strategies, and planning

Risk Management

Jeju Air laid institutional and strategic settings to systematically respond to climate change. We also identified climate-related risks and opportunities and assessed them from the materiality perspective to understand how each of these risks and opportunities impacts our operations. This was followed by activities undertaken to properly address such impact as well as monitoring for risk management.

Metrics & Targets

KPI

- Net zero strategy and roadmap
- Scope 1, 2

Long-term Sustainability Management Goal

- Reduction in GHG emissions by 2030

2023 Performance

- Established our net zero strategic approaches and roadmap
- Set carbon emissions reduction goals and managed progress
- Analyzed climate-related risks and opportunities
- Achieved the ISO 14001 international environmental management standard
- Strengthened employee training

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Risks & Opportunities

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Issue
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Customer
Satisfaction

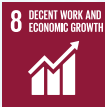


Governance

Jeju Air is advancing consumer-centered management with the Consumer Management Team leading the charge. We also operate a standing committee attended by working-level managers from customer-facing departments to improve our customer response and service quality. This committee serves to discuss key VOC issues and their follow-up plans, share best practices of consumer-centered management, and operate task-specific working groups to remedy potential VOC issues. The committee also helped us collectively review major VOC cases and their handling outcomes and identify necessary improvements. A separate meeting is held with our CEO and executives in attendance to report the topics discussed at the committee and their results and to set strategies to improve customer satisfaction.

Strategy

Risk and Opportunity	Value Chain	Response Cycle	Stakeholder	Our Response
Opportunity Identifying customer needs and providing products and services to meet these needs lead to improved customer satisfaction. This will boost the customer demand for Jeju Air's products and services and eventually result in revenue growth.	Downstream	Short-term	Customers	<ul style="list-style-type: none">• VOC operation p.59• Service quality improvement committee p.60
Risk The shifting technology and environmental landscape may bring a rapid, unexpected change in customer needs. Any failure to cater to customer needs could result in diminishing customer satisfaction and incur additional costs for technology transition and others.	Downstream	Mid-term	Customers	<ul style="list-style-type: none">• VOC operation p.59• Service quality improvement committee p.60
Opportunity Improving the quality of products and services provided over extended periods of time and meeting customer needs in so doing could ultimately enhance corporate reputation and credibility.	Downstream	Long-term	Customers	<ul style="list-style-type: none">• Service quality improvement committee p.60



SDG 8 Sustainable growth

Target 8.2
Achieve sustainable growth technology upgrading



SDG 10 Reduce inequalities

Target 10.2
Provide equal services irrespective of disability

Risk Management

Jeju Air engages in active communication with consumers to manage risks associated with customer satisfaction. To identify customer needs and deliver high-quality services and products, we promptly handle VOC issues submitted. Along with communication channels available 24/7, we also improved our online booking, ticketing, and check-in process and established consumer compensation policies, offering a range of services to mitigate risks associated with customer satisfaction.

Metrics & Targets

KPI	• Customer satisfaction indicators
Long-term Sustainability Management Goal	• Strengthen the consumer-centric system of the aviation industry
2023 Performance	<ul style="list-style-type: none">• Expanded and improved customer-facing services• Achieved customer satisfaction certification (CCM certification)• Ranked No.1 in the Korea-Brand Power Index (low cost carrier category) for 10 straight years and hence named a Golden Brand

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E-mail | esg@jejuair.net



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E-mail | esg@jejuair.net

Climate Change Response

Governance

Climate Change Organization

Jeju Air bolstered its climate change organization to prevent potential climate change risk and advance environmental management in a way that suits the distinctive characteristics of the aviation industry. Composed of the Board of Directors as the highest decision-making body, the Strategy Group of ESG, and the environmental working group, our climate change organization serves to develop climate change response strategies and identify and manage climate change risks to drive our efforts towards net zero emissions.

Roles of the Board and Other Responsible Organizations



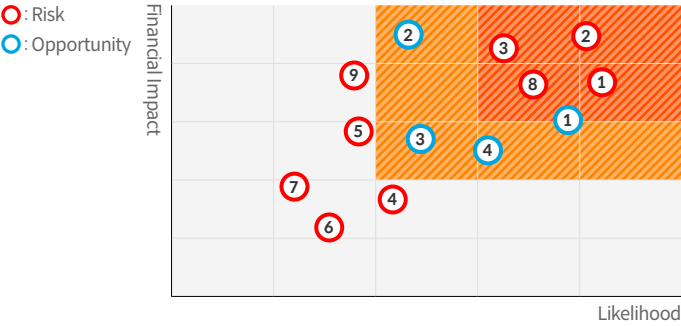
Response Strategy

Analyzing Climate Change Risks and Opportunities

Materiality Assessment for Climate Change Risks and Opportunities

Jeju Air pooled together climate change risks and opportunities through the analysis of industry peers and literature research, and conducted materiality assessment based on financial impact and likelihood. We referred to climate change scenarios that are publicly available to identify the financial impact of risks and opportunities on our operations in reflection of physical climate change, policy change, socioeconomic change, and environmental change. The risks and opportunities identified as such and materiality assessment results informed our efforts to establish climate change response strategies.

Materiality Assessment on Climate Change Risks and Opportunities



Climate Change Response Strategy



Risks

Category		Period		Risk
Transition Risks	Policy & Regulation	Short-term	1	Tightening carbon regulations and ESG disclosure standards and best practices
		Mid-term	2	Increasing costs in line with the carbon credit trading schemes implemented in Korea and abroad
	Technology	Mid-term	3	Expanding investment in energy transition to reduce climate change risk (introducing new aircraft and SAFs, etc.)
	Market	Short-term	4	Shifting demand and supply of eco-friendly products and services
		Mid-term	5	Shifting consumer behavior
	Reputation	Short-term	6	Shifting consumer and investor preferences
Physical Risks	Acute	Mid-term	7	Declining trust in corporate brand due to delayed response to climate change
		Short-term	8	Decreasing revenue and disruption to passenger services (increasing inconvenience) due to impact on flight operations (cancellation/delay)
	Chronic	Mid/long-term	9	

Opportunities

Category	Period		Opportunity
Resource efficiency	Short/mid-to-long term	1	• Save costs through improved recycling and waste management systems • Improve energy/water efficiency
Energy resources	Mid/long-term	2	• Increase the adoption of eco-friendly, low-carbon technology
Policy	Mid/long-term	3	• Internal strategies and policies made more competitive in line with US, EU, and other global organizations demanding businesses disclose their climate change responses and progressively mandating such disclosures
Market	Mid/long-term	4	• Diversify the business portfolio associated with climate change response • Increasing demand for eco-friendly, recycled plastics

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Climate Change Response

Analyzing Climate Change Risks and Opportunities

Climate change risks are classified into transition risks associated with the transition into a low-carbon society adopting new climate change policies and regulations and eco-friendly technology and into physical risks involving physical hazards such as tropical cyclones and floods that may impact flight operations. While climate change often poses risk to businesses, it can also be an opportunity to tap into new business areas.

Jeju Air identifies climate change risks and opportunities in accordance with the TCFD recommendations, and categorizes these risks and opportunities over the short, mid, long-term horizons to analyze their potential impact and establish our response strategies. These strategies anchor our sustained efforts to strengthen our response activities for key risks and opportunities.

Climate Change Risks Analysis

Category		Risks Identification and Assessment	Period			Potential Financial Impact	Response Strategy
			Short-term	Mid-term	Long-term		
Transition Risks	Policy & Regulation	• Tightening carbon regulations, including Korea Emissions Trading Scheme (K-ETS), CORSIA and increasing prices of carbon credits	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	• Financial impact from the purchase of carbon credits • Increasing operational costs in line with the rising prices of GHG carbon credits • Projected additional financial burden in line with tightening global carbon regulations (CORSIA) and the need to respond to the VCM • Increasing burden on human/physical resources due to changing domestic/global disclosure standards	• Develop and implement specific strategies to reduce GHG emissions • Keep management up to date with GHG emissions and carbon credit trading • Monitor country-specific regulations and policy trends • Increase fuel efficiency and reduce GHG emissions through introducing next-generation aircraft, make aircraft lighter through regular engine washing and carbon brake replacements
		• New environmental disclosure standards and enhanced obligations	<div><div></div></div>	<div><div></div></div>			
		• Increasing environmental litigation on green washing and other issues	<div><div></div></div>	<div><div></div></div>			
	Technology	• Transition to eco-friendly, low-carbon technology	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	• Accelerating efforts to introduce domestic regulations concerning SAF (Sustainable Aviation Fuel) blending mandates in line with tightening EU climate change laws and policies • Increasing costs in line with introducing and expanding the use of SAF as a tool for carbon emissions reduction in the aviation sector • Increasing costs resulting from institutional changes (waste treatment costs etc.)	• Keep track of SAF laws and regulations in Korea and abroad • Make policy proposals to the government in line with the plan to introduce and use SAF
		• Increasing burden of environmental impact (waste recycling, etc.)	<div><div></div></div>	<div><div></div></div>			
	Market	• Change in supply and demand for green products and services	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	• Consumers considering businesses' climate change response strategies in making their purchasing decisions in line with the emerging culture prioritizing green, value-driven consumption	• Develop upcycled products to increase the recycling of in-flight waste and the proportion of eco-friendly products • Expand the purchase of green-certified products • Raise awareness by launching green campaigns engaging consumers
		• Growing uncertainties over the shifting market landscape	<div><div></div></div>	<div><div></div></div>			
		• Increasing stakeholder requirements for stronger climate change response and rising social costs	<div><div></div></div>	<div><div></div></div>			
	Reputation	• Shifting consumer and investor preferences	<div><div></div></div>	<div><div></div></div>		• Increasing costs to pursue a strategic shift towards green transition to cater to investors, consumers, and other stakeholders demanding more robust ESG management as well as assessment results in making investment decisions • Degrading corporate reputation due to the failure to make ESG disclosures and engage in climate change response activities	• Advance the environmental management system and strengthen climate change-related disclosures • Bolster the operational system in each of the ESG areas to improve ratings granted by domestic/global ESG rating agencies
		• Declining trust in corporate brand due to the failure to respond to climate change	<div><div></div></div>	<div><div></div></div>			
Physical Risks	Acute	• Tropical cyclones, wildfires, heavy snowfalls, and other natural disasters	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	• Declining revenue and impact on passenger services due to disruptions to flight operations including cancellations and delays	• Collect and analyze data on irregular operations to determine optimal routes, improve profitability and minimize passenger inconvenience
	Chronic	• Climate change including global warming and rising temperatures	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>		

Climate Change Response

Climate Change Opportunities Analysis

Category	Opportunities Identification and Assessment	Period			Potential Financial Impact	Response Plan
		Short-term	Mid-term	Long-term		
Resource efficiency	• Excess credits generated in line with activities to reduce GHG emissions	<div></div>	<div></div>	<div></div>	• Declining operational costs by selling generated surplus credits • Cost savings and increasing profit due to process improvement • Scaling up of low-carbon industries (recycling, waste management, etc.)	• Develop strategies and implementation plans to manage/reduce GHG emissions, and review the progress made • Turn waste generated in-flight/from business sites into resources to mitigate environmental impact along the entire lifecycle • Introduce more EVs across business sites to reduce GHG emissions
	• Cost savings through improved recycling and waste management systems	<div></div>	<div></div>			
	• Improved efficiency in energy and water use	<div></div>	<div></div>			
Energy resources	• Increased adoption of eco-friendly, low-carbon technology	<div></div>	<div></div>		• Decreasing financial risk associated with carbon credits in line with reduction in GHG emissions • Improving profitability in line with long-term savings on operational costs • Creating demand in line with improving corporate brand image	• Introduce next-generation aircraft with improved fuel efficiency
Policy	• Internal strategies and policies made more competitive in line with US, EU, and other global organizations demanding businesses disclose their climate change responses and progressively mandating such disclosures	<div></div>	<div></div>		• Declining investment costs due to policy subsidies/incentives	• Respond to changing policies concerning the introduction and use of SAF
Market	• Diversifying the business portfolio with regard to climate change responses	<div></div>	<div></div>		• Monetizing the supply of liquidity by investing in and supporting green projects such as voluntary carbon market • Increasing revenue from developing products and services in line with the growing demand for eco-friendly, low-carbon products • Creating demand in line with improving corporate brand value and reputation	• Review voluntary participation in voluntary carbon market through economic feasibility analysis • Pursue the recycling of plastics and waste materials generated in-flight and from business sites
	• Advancing into new markets such as voluntary carbon market	<div></div>	<div></div>	<div></div>		
	• Growing demand for green/recycled plastics	<div></div>	<div></div>			
	• Increased stakeholder trust due to improvement in ESG management performance	<div></div>	<div></div>			

Resilience According to the Climate Change Scenario

Climate change brings impact to society at large, spanning policies, regulations, consumer demand to name just a few. Jeju Air analyzed the financial impact of potential climate change risks and opportunities that may impact our operations by taking into account the transition scenario limiting global mean temperature increase below 1.5°C and Korea’s Nationally Determined Contribution (NDC) targets. We remain committed to advancing our implementation system to reach net zero emissions to proactively identify potential risks that may affect our operations and to minimize damages when such risks do occur. To this end, we have established and managed our company-wide net zero framework and goals since 2022.

The transition to a low-carbon economy inevitably entails increasing costs stemming from carbon regulations. This means that the risk of increasing costs would aggravate if efforts are not made to preemptively reduce carbon emissions, which prompted us to define enhanced regulations in Korea and abroad, including rising costs of GHG emissions allowances, as a key climate change risk. Such risk assessment results are factored into our management strategy and financial management, and we will continue with our GHG emissions reduction activities to achieve the goals we set internally.

Climate Change Response Activity

Jeju Air has established systemic GHG emissions reduction plans to mitigate climate impact from GHG emissions and keep abreast of domestic and global net zero policies. These include introducing aircraft with improved fuel efficiency and increasing operational efficiency across our overall business sites.

Jeju Air’s Climate Change Response Activity

Introduce next-generation aircraft

Introduce next-generation aircraft with improved fuel efficiency

Improve operational efficiency

Reduce fuel consumption through improving the efficiency of maintenance/flight/ground operations

Sustainable Aviation Fuel (SAF)

preparing for the introduction of sustainable aviation fuel

Respond to carbon regulations

Korean Emissions Trading Scheme (K-ETS), The Carbon Offsetting and Reduction Scheme for International Aviation (ICAO CORSIA)

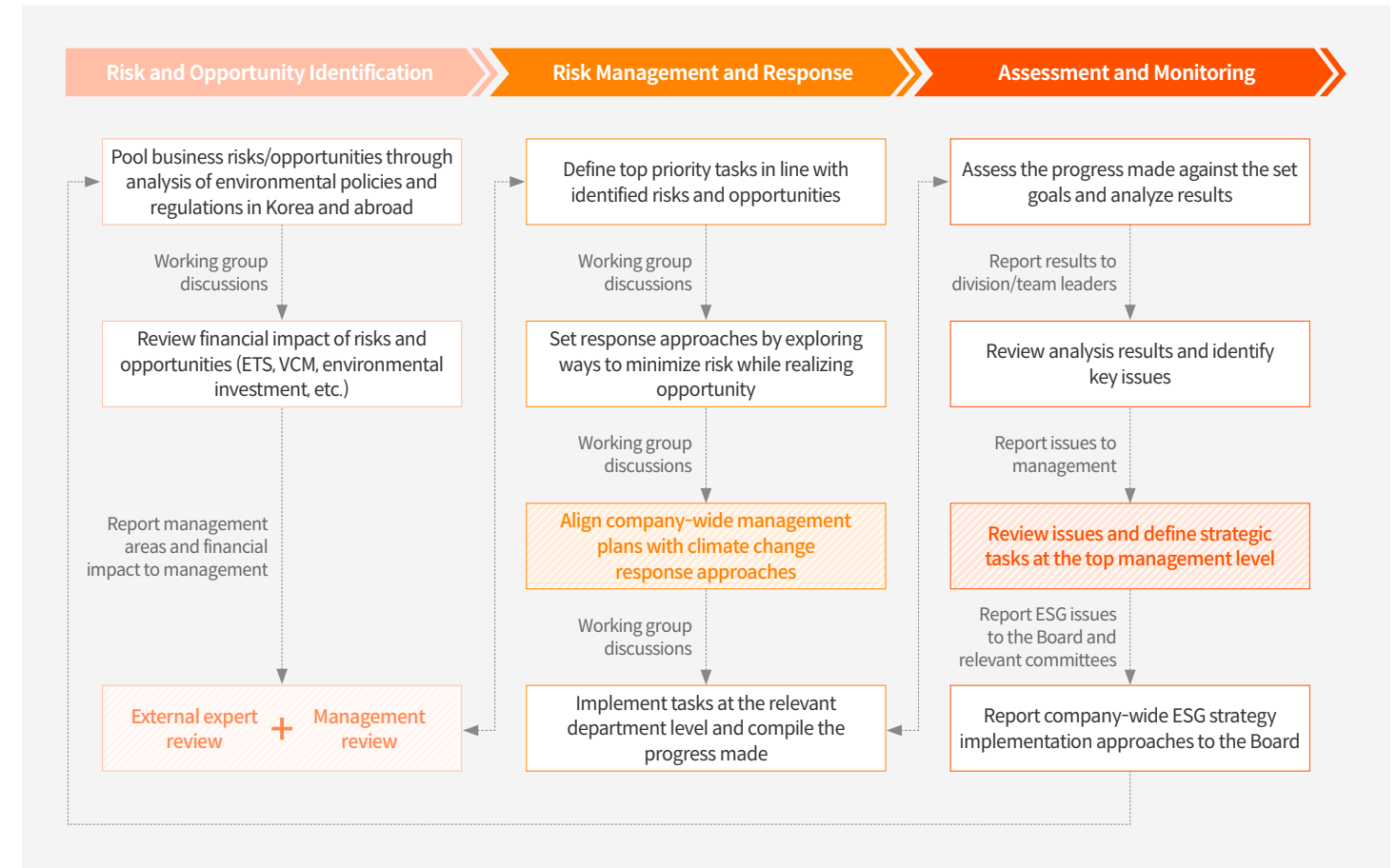
Climate Change Response

Risk Management

Jeju Air engages in a wide array of activities for risk management, from seeking greater efficiency in maintenance and flight operations to introducing next-generation aircraft. We will also establish our environmental risk management process to cover climate change and other risks while continuously advancing our risk management system in alignment with our company-wide mid/long-term strategies. ESG issues are regularly reported to the Board of Directors to review our environmental management strategies and their implementation approaches.



Climate Change Risk Management Process



Climate Change Response

Metrics & Targets

Climate Change Metrics and Reduction Targets

Jeju Air classifies GHG emissions generated from flight operations into domestic and international routes and monitor its reduction goals and performance each year to mitigate GHG emissions. In light of the continued expansion of the air routes that we service, we set our short, mid, long-term goals of reducing GHG emissions. We also aim to advance our GHG inventory management system by 2026 to pursue effective pathways in mitigating our GHG emissions and will fine-tune our mid/long-term goals for carbon emissions reduction in sync with the completion of our GHG inventory management system.

GHG Emissions

Category	Subcategory		Unit	2021	2022	2023
Emission	Total emissions (Scope 1 +2)		tCO ₂ eq	329,422	588,884	1,408,422
	Total Scope 1 (direct) emissions		tCO ₂ eq	328,539	588,059	1,407,530
	GHG emissions from flight operations	Domestic flights	tCO ₂ eq	305,563	298,778	227,585
		International flights	tCO ₂ eq	22,584	288,869	1,179,445
		Total	tCO ₂ eq	328,147	587,647	1,407,030
	GHG emissions from ground operations		tCO ₂ eq	392	412	500
	Total Scope 2 (indirect) emissions		tCO ₂ eq	883	825	892
	GHG emissions intensity (Scope 1+2, intensity)		tCO ₂ eq/KRW million	1.21	0.84	0.82
Reduction	Reduction rate (intensity)		%	1.63	30.58	2.58



Sustainable Aviation

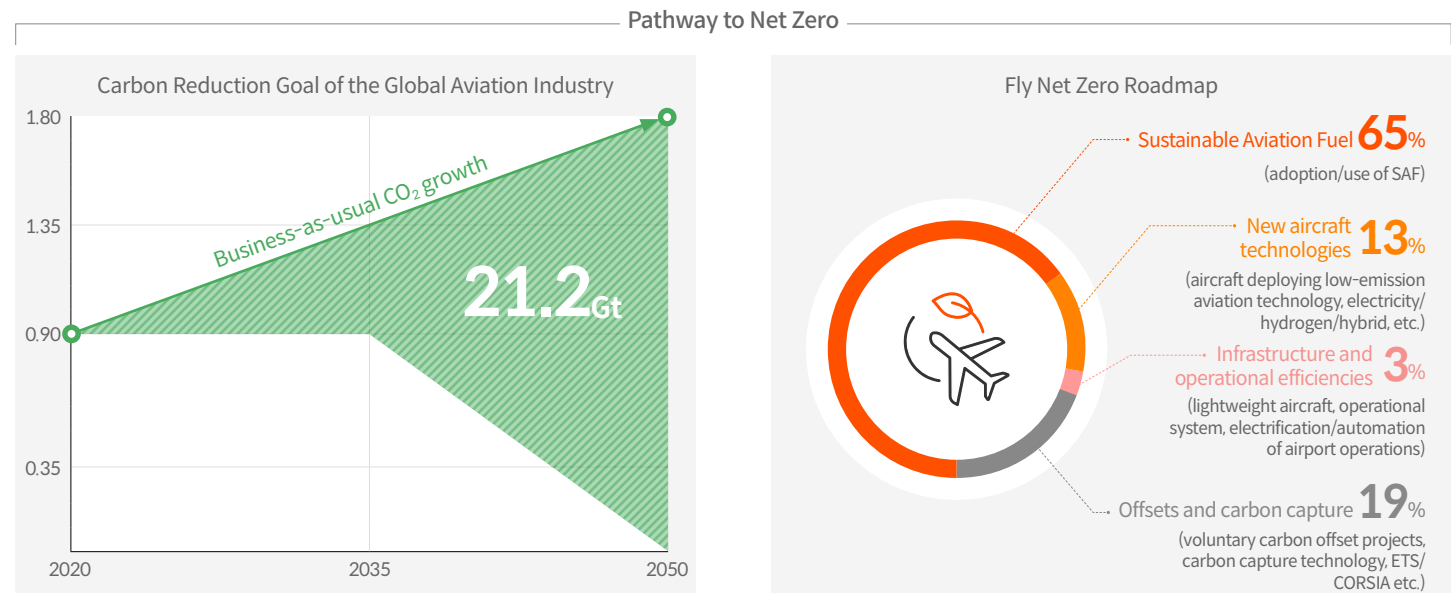
NET-ZERO Plan

IATA/ICAO's Climate Goals

The International Air Transportation Association(IATA) passed a resolution to commit its members to achieving net zero carbon emissions by 2050 at the Annual General Meeting held in Boston, the US, in October 2021 in line with the Paris Agreement to limit global average temperature to 1.5°C above pre-industrial levels. The Fly Net Zero commitment announced at the meeting aims to reduce nearly 21.2Gt of carbon emissions by 2050. Jeju Air endorses IATA's Fly Net Zero commitment and is willing to join in on its initiative to tackle climate change. This guides our efforts to follow the key pathways to net zero suggested by the IATA, and to cooperate with our major stakeholders cross the aviation ecosystem towards the decarbonization of the aviation industry.

Jeju Air defined five core strategies to progress towards IATA's and country-level carbon reduction goals and to achieve its mid/long-term goal for carbon emissions reduction. We will introduce next-generation aircraft with increased fuel efficiency, boost operational efficiency, facilitate the use of Sustainable Aviation Fuel (SAF), advance our IT capabilities through system development, and respond to carbon regulations in Korea and abroad to mitigate our carbon emissions continuously.

IATA's Climate Goal and Breakdown of Carbon Emissions Reduction Measures



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Carbon Reduction Efforts

Jeju Air aligns with IATA's carbon reduction goals and Korea's Nationally Determined Contributions. We set five key strategies to attain our mid/long-term goals for reducing carbon emissions. These strategies - introducing next-generation aircraft, boosting operational efficiency, preparing for the introduction of sustainable aviation fuel, responding to regulations in Korea and abroad, and pursuing IT system advancement - will help us achieve sustained reductions in carbon emissions.

Jeju Air's Efforts to Reduce Carbon Emissions





Introducing next-generation aircraft



Boosting operational efficiency



Preparing for the introduction of sustainable aviation fuel



Respond to carbon regulations in Korea and abroad

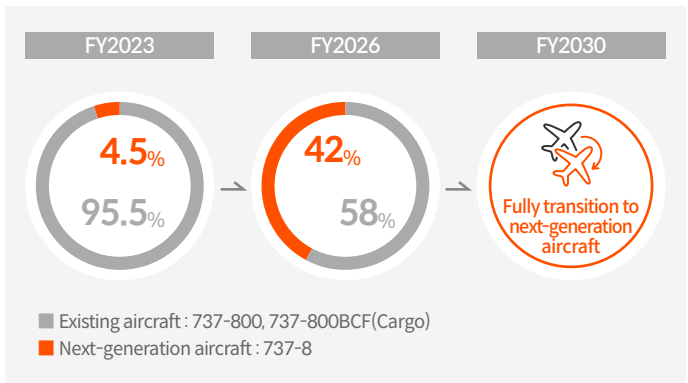


Pursuing IT system advancement

Introducing Next-generation Aircraft

Jeju Air has introduced the high-efficiency B737-8 Next-Generation aircraft since November 2023 to lower GHG emissions and noise generation. The B737-8 model is able to reduce fuel consumption and carbon emissions by over 20% and noise footprint by approximately 50% compared to the B737-800 that has been the mainstay of our fleet. This next-generation model is equipped with Advanced Winglet technology for minimal air resistance and fuel consumption savings, a redesigned Tail Cone, and the LEAP-1B next-generation engine, which achieves a 50% reduction in exhaust emissions against CAEP/6 air pollutant(NOx) emissions regulations. We will consecutively introduce 38 additional aircraft to replace our existing fleet aircraft and deploy them for mid/long-haul flights. Going forward, we will continue with our investments in high-efficiency next-generation aircraft to bring sustainable aviation to life and provide pleasant and safe services.

Jeju Air's Next-generation Aircraft Introduction Goal¹⁾



1) Starting in 2023, next-generation aircraft will be introduced consecutively until 2030, and the introduction plan is subject to change according to the shifting internal/external conditions.

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Sustainable Aviation

Boosting Operational Efficiency

Jeju Air focuses on five priorities in reducing fuel consumption including flight procedures for economic operations, efficiency in ground operations, aircraft weight management, and data-based fuel uplift management, improving our operational efficiency on an ongoing basis.



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Sustainable Aviation

Boosting Operational Efficiency

Economical Flight Operation Protocols

Jeju Air launched Green Crew as our carbon reduction Task Force Team attended by cockpit crewmembers in 2017 and has since studied and implemented measures to mitigate carbon emissions generated from flight operations. Green Crew led by the voluntary efforts of our cockpit crew quantifies and articulates the 15 decarbonizing technologies made available by aircraft manufacturers based on a range of performance parameters and the 'Aviation Emissions Reduction Technology implementation Manuals' published by the Ministry of Land, Infrastructure, and Transport. while verifying their effectiveness through continuous data collection. Our Green Crew applies carbon reduction operational techniques tailored to each phase of flight operations, from take-off to departure, climb, cruise, descent, and landing, and provides training for safe flight operations.

Efficiency in Flight Planning

Leveraging its aircraft operation database, Jeju Air systematically analyzes reasons for Over/Under Burn, which occurs when fuel is consumed more or less than planned. This enables us to develop optimal fuel uplift policies and efficient operational plans to mitigate GHG emissions as a result. We also analyze most efficient routes for each season, seek out shorter routes, and contract with alternate airports in close proximity, doing our utmost to increase operational efficiency.

Aircraft Weight Management

To ensure optimal aircraft weight, Jeju Air keeps track of the latest booking status for each flight and develops and utilizes baggage weight prediction models that are specific to different routes. This leads to reduced mismatch between planned and actual payloads to save fuel consumption, and over 2,584 tCO₂ of carbon emissions were avoided in 2023. Shifting from steel to lighter carbon brakes also helped us achieve a nearly 320 kg weight reduction per aircraft and lower fuel consumption in the process. Going forward, we will continue with our efforts, including systemic payload analysis, to reduce aircraft weight and achieve fuel savings.

Engine Water Wash

Jeju Air performs regular engine water washes to ensure engines restore their performance and increase efficiency, improving fuel efficiency in the process. The increased combustion efficiency translates into fuel savings, and this allowed us to reduce 710 tons in fuel consumption and 2,237 tCO₂ in carbon emissions.

Efficiency in Ground Operations(APU)

Jeju Air made a switch from APUs(Auxiliary Power Unit) to GPUs(Ground Power Unit) and GPSs(Ground Power Supply) as a source of electricity supplied to the in-flight while aircraft is on standby on the ground. This minimizes the operation of APUs that consume aviation fuel to save on fuel consumption and mitigate carbon emissions.

SPECIAL

Green Crew

Jeju Air has operated Green Crew as its carbon reduction task force team, exploring and implementing ways to reduce carbon emissions generated from flight operations. Launched in 2017, Green Crew has been up and running through the voluntary participation of our cockpit crewmembers, quantifying and articulating Jeju Air's distinctive 15 decarbonizing techniques and validating their effectiveness through continuous data collection in line with the 'Aviation Emissions Reduction Technology Implementation Manuals' published by the Ministry of Land, Infrastructure, and Transport and various performance charts provided by aircraft manufacturers. Green Crew meets regularly each month to conduct extensive training before applying decarbonizing techniques to ensure safe flight operations. Apart from technical research and development efforts to reduce carbon emissions, Green Crew also engages in a range of contribution and publicity activities through ALPA-K (Airline Pilot Korea) publications and online platforms. Aiming to achieve Carbon Footprint and other official certifications, Green Crew remains focused and committed to GHG emissions reduction efforts and strives to promote the importance of mitigating GHG emissions among all our cockpit crewmembers.



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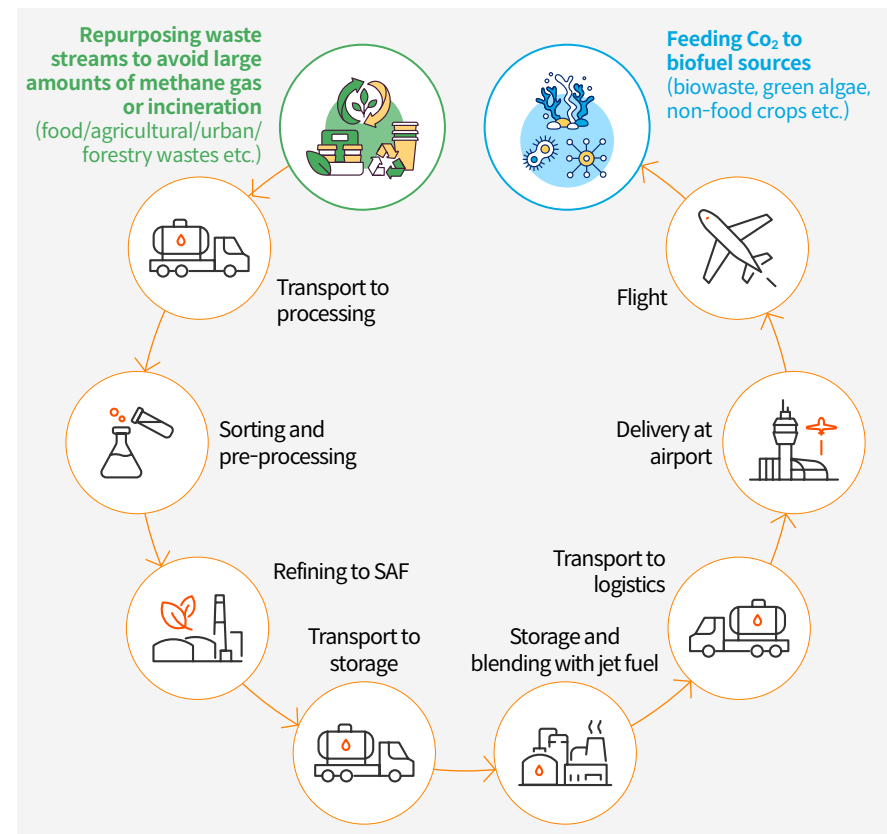
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Sustainable Aviation

Preparing for the Introduction of SAF

Sustainable Aviation Fuel (SAF) are made from non-fossil fuel feedstocks by recycling used cooking oil or domestic waste and have the potential to reduce carbon emissions by up to 80% compared to kerosene-based counterparts. Transitioning to SAF is the most effective and important pathway to net zero 2050, and Jeju Air is also readying to introduce SAFs. We keep close tabs on the policies and roadmaps adopted by the Korean government and countries around the world to introduce and use SAF and will develop our implementation plans in step with such national policies.



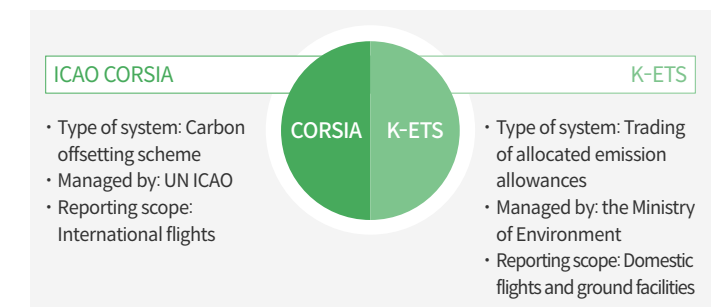
Responding to Carbon Regulations in Korea and Abroad

Korea Emissions Trading Scheme(K-ETS)

The Korea Emissions Trading Scheme(K-ETS) has been up and running since 2015 pursuant to the Act on the Allocation and Trading of Greenhouse-gas Emission Permits established in 2012. Jeju Air fulfills its reconciliation obligations for the emissions generated from operating domestic flights and ground facilities. We also submit our emissions statements verified by third-party to the Ministry of Environment each year to meet mandatory requirements under the K-ETS.

Carbon Offsetting and Reduction Scheme for International Aviation (ICAO CORSIA)

In 2016, the International Civil Aviation Organization(ICAO) announced the CORSIA(Carbon Offsetting and Reduction Scheme for International Aviation), and has piloted these global carbon regulations since 2021 with a goal of reducing GHG emissions from international aviation to those of the 2019 base year. Jeju Air calculates GHG emissions stemming from our international flight operation and submits verified emissions reports to the Ministry of Land, Infrastructure, and Transport while working to develop policies and internal reduction plans in preparation for the CORSIA becoming mandatory from 2027 onwards.



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E-mail | esg@jejuair.net

Sustainable Aviation

Pursuing IT System Advancement

Not only does Jeju Air accelerate its digital transformation for enhanced customer convenience through IT system advancement, but it also shifts to paperless operations to help reduce carbon emissions. In 2023, we encouraged web and mobile check-in and nearly 4.6 million customers opted for this service to save paper consumption. Besides, we use Electronic Flight Bag, established an online platform-based working environment, and adopted the electronic document system to ensure resources are used efficiently.

Introducing Electronic Flight Bag(EFB)

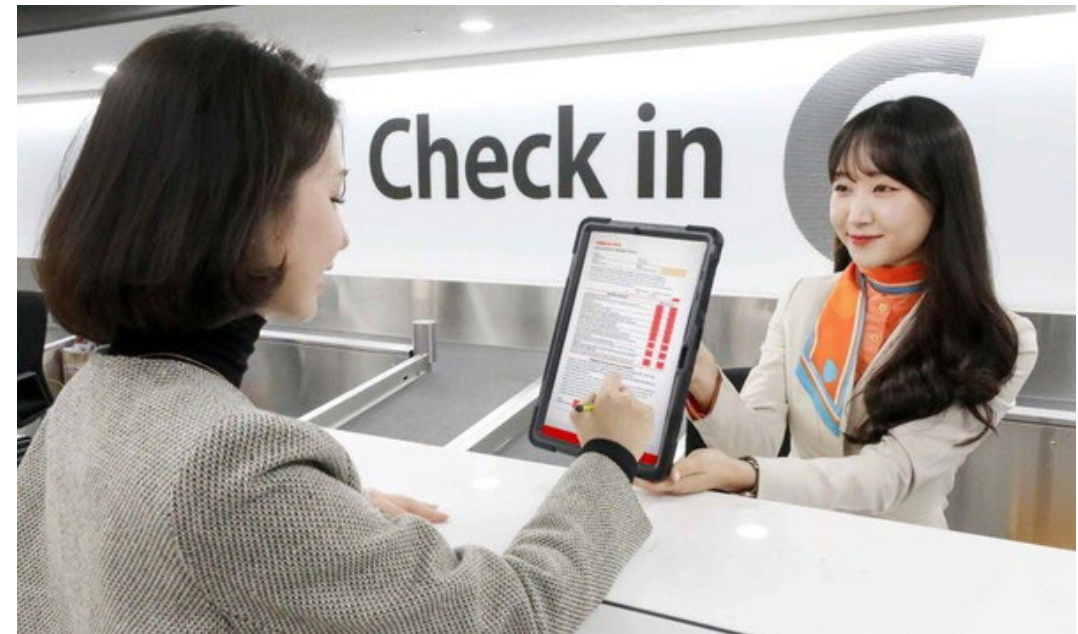
Jeju Air introduced Electronic Flight Bag(EFB) running on tablet PCs to digitize a range of manuals required for aircraft control as well as flight safety documents. It is specifically noteworthy that we adopted an electronic training record system(E-PAPER) in providing flight simulation training to our cockpit crewmembers and scaled up this system for our entire flight simulation training in 2023. E-PAPER implementation for regular training, development training and other diverse types of training helped us avoid the use of over 12,000 pieces of paper in 2023. We will apply E-PAPER to a variety of training courses to conserve resources.

Establishing an Online Platform-based Working environment

To upgrade the work process of our cabin crewmembers and reduce paper consumption, we developed an web and application-based system to digitalize the working environment for our cabin crews.

Introducing the Electronic Document System

Jeju Air introduced the electronic document system for customers to digitally prepare 10 types of check-in documents. While our customers had to manually fill out these documents to board their flight, this e-document system expedited the check-in process for greater customer satisfaction while allowing for automatic storage and disposal of documents in security servers to avoid the use of 200,000 pieces of paper per year in addition to protecting data privacy.



Electronic Document System

Environmental Management

Environmental Management Implementation System

Environmental Management Implementation System

To achieve its environmental management vision 'JEJUAIR GREEN 2050', Jeju Air set strategic approaches and goals, along with three strategic tasks and 10 implementation tasks to reach these goals. We prioritize eco-friendly business operations as our utmost value and engage in a range of ESG management activities in the areas of GHG emissions/waste reduction and energy management in line with our six environmental management guidelines. In particular, we established an environmental risk management system in 2022 in accordance with the TCFD¹⁾ recommendations to govern risk identification to analyze climate change risks and opportunities, proactive/follow-up reporting, and implementation and monitoring. We remain focused on advancing our environmental management system spanning environmental management organization, system, and environmental disclosure, and aim to bolster our internal capabilities for ESG management and minimize the environmental impact of business operations.

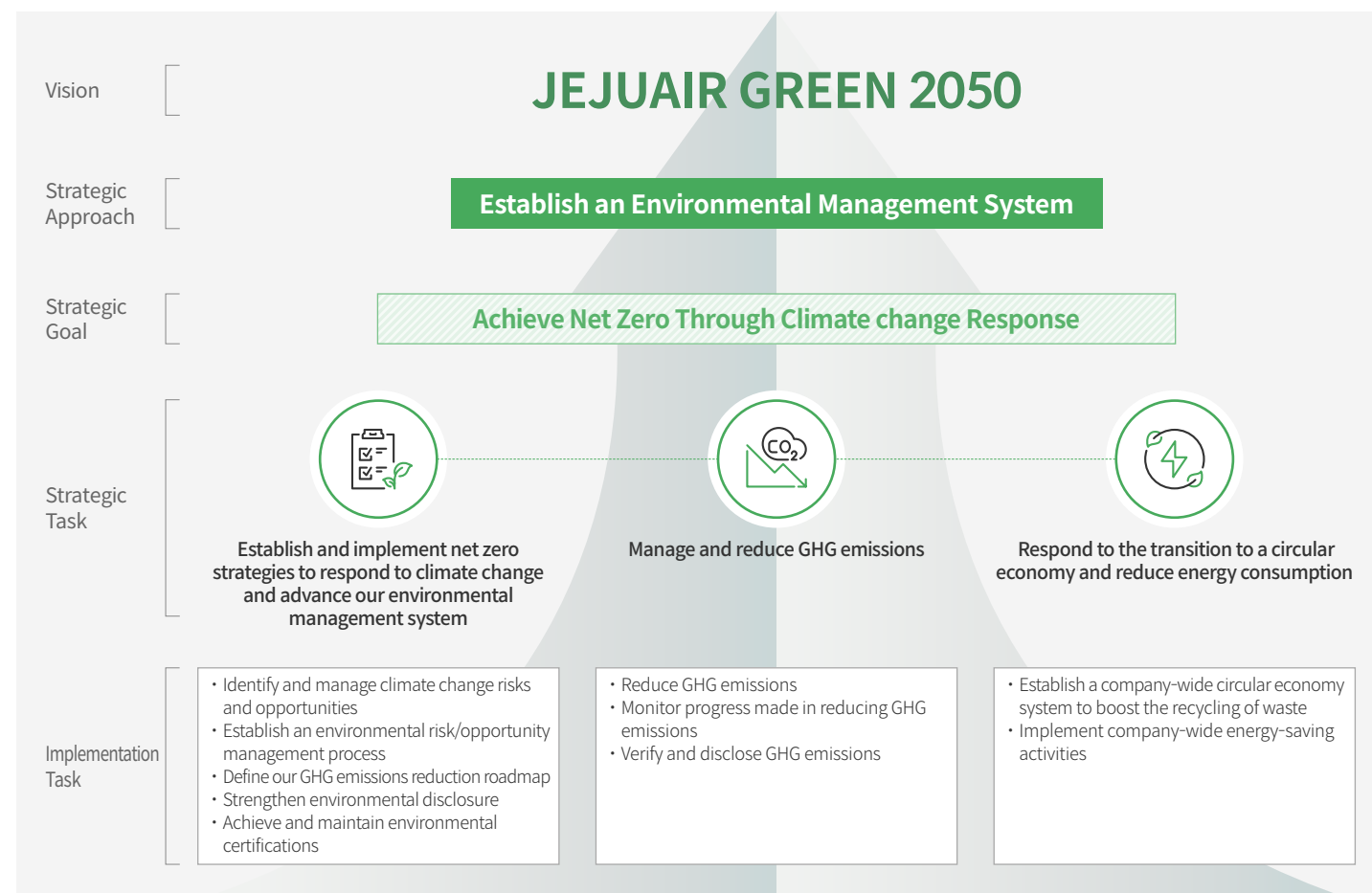
Environmental Management Guidelines

1. We thoroughly abide by environment/energy-related laws and regulations in Korea and abroad.
2. We recognize the importance of the changing climate environment and continue to reduce GHG emissions.
3. We continue to invest in introducing newer models of aircraft and systematically improve our operational procedures to reduce GHG emissions.
4. We conserve resources and energy and pursue preventive environmental management and performance improvement to minimize environmental impact.
5. We actively seek mutually-beneficial environmental activities along with customers, suppliers, local communities, and other stakeholders.
6. We disclose our environmental management activities and achievements internally and externally and provide all our employees with continuous promotion and training to ensure their implementation of environmental management

Environmental Management Guidelines [↗](#)

1) TCFD(The Task Force on Climate Related Financial Disclosures): Established by the international organization Financial Stability Board in 2015 to develop a framework and present recommendations for businesses and financial institutions to help investors, shareholders, and the general public better understand climate-related financial risks

Environmental Management Implementation System



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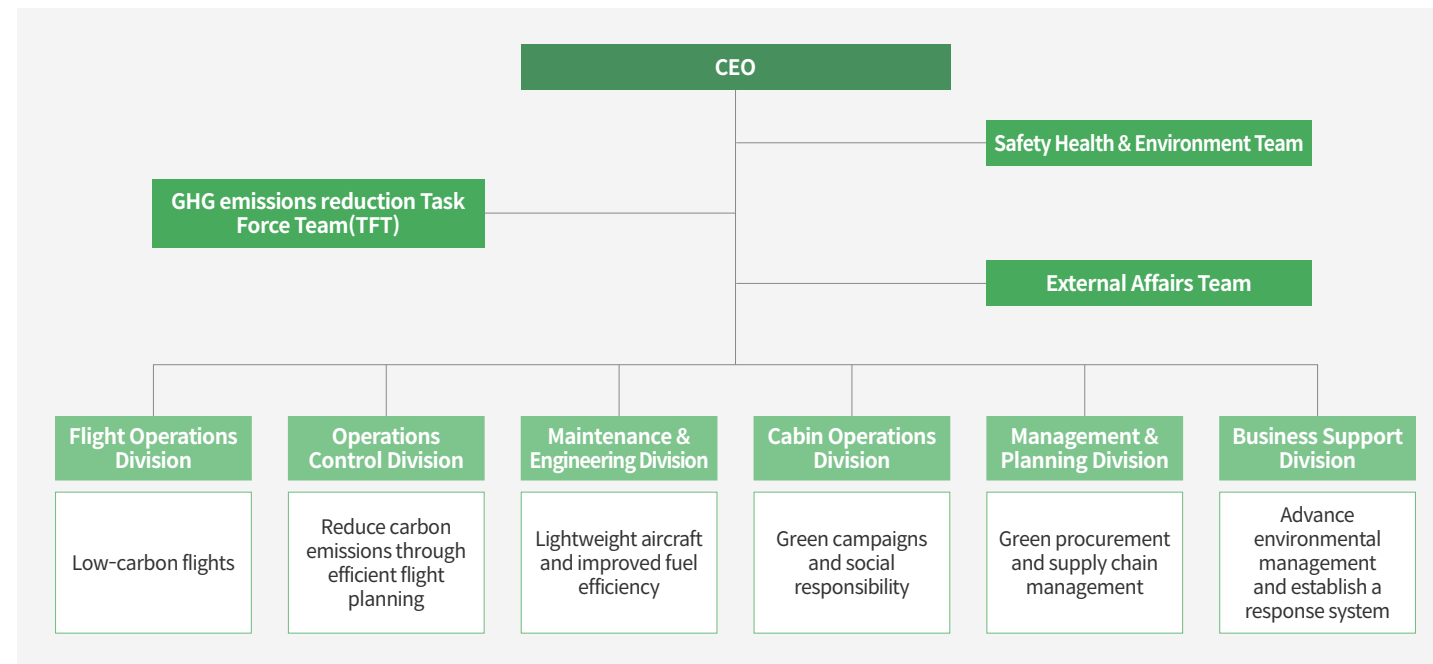
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Environmental Management

Environmental Management Organization

To bolster its environmental management, Jeju Air operates a dedicated organization comprising the Task Force Team(TFT) for GHG emissions reduction, the Safety Health & Environment Team responsible for environmental safety, and the External Affairs Team in charge of our ESG operations. Strategic tasks for environmental management are assigned to respective relevant departments to drive environmental management operations through close, cross-functional collaboration, and key issues are reported to the CEO to take necessary action. Relevant departments undertake major specific implementation tasks and monitor the progress made against the set goal to advance environmental management.

Organizational Chart for Environmental Management



Environmental Management System

To take a systemic approach to environmental management, Jeju Air introduced procedures for environmental impact assessment in 2022, and certified its operations to the ISO 14001 international environmental management system standard in 2023. Our internal audit team composed of environmental safety personnel is up and running to review and assess the implementation of our environmental management system. Environmental impact assessment is conducted at least once a year in reflection of different characteristics of each operational site to identify environmental risks and opportunities that may arise during business operations and to make necessary improvements for identified issues. We engage in a variety of activities to ensure all employees develop a high level of environmental safety awareness, and are working to build an independent, self-directed environmental safety management system.



Environmental Management System
Certificate

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Environmental Management

Response to Environmental Laws and Regulations

Management of Environmental Laws and Regulations

Jeju Air regularly monitors domestic environmental laws and regulations in relation to GHG, waste, and hazardous chemicals. We also keep track of key management issues for respective regulations and ensure proactive response to them.

Management of Environmental Laws and Regulations

Category	Laws/Regulations	Response
Greenhouse Gas	(Law) Act on the Allocation and Trading of Greenhouse-gas Emission Permits (Regulation) The Korea Emissions Trading Scheme	• Comply with GHG emissions reporting regulations and have emissions data verified by third-party • Purchase emission allowances
Waste	(Law) Wastes Control Act	• Have responsible personnel complete training on waste • Ensure systemic management through registering the amounts of waste generated on the pertinent system
	(Law) Framework Act on Resources Circulation	• Develop plans to reduce in-flight plastic waste and make relevant policy proposals
Hazardous Chemicals	(Law) Chemical Substances Control Act	• Constantly check management status through chemicals register documentation and facility checks
	(Law) Act on the Registration and Evaluation, etc. of Chemical Substances	• Reduce risk levels by opting for alternatives over products containing hazardous chemicals through MSDS checks
Noise	(Law) Airport Noise Prevention and Areas Assistance Act	• Reduce noise and improve fuel efficiency with the introduction of the Boeing 737-8 aircraft
Procurement	(Law) Act on the Promotion of Purchase of Green Products	• Expand the proportion of eco-friendly products in sale and procurement

Non-compliance with Environmental Laws and Regulations

Category	Unit	2021	2022	2023	Action Taken
Regulatory non-compliance	Cases	0	1	0	Reviewed internal regulations and developed plans to prevent the reoccurrence of similar issues
Penalties and fines	KRW million	0	0.8	0	



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Environmental Management

Efforts to Mitigate Environmental Impacts

Energy Management

Aviation fuels account for the largest proportion of energy consumed by airlines. Jeju Air continues to introduce high-efficiency, next-generation aircraft to lower our aviation fuel consumption. In tandem with this, we expand our smart offices and purchase high-efficiency electronic products to lower energy consumption while launching the ‘Cool Outfit Campaign’ each summer to recommend our employees to dress cool and engage them in our energy-saving efforts in so doing. The hotel that we operate has installed photovoltaic (PV) power generators within the building to produce green energy. While PV power represented a mere 0.4% of our total energy consumption including electricity and gas in 2021, this almost doubled to 0.86% in 2023.

Waste Management

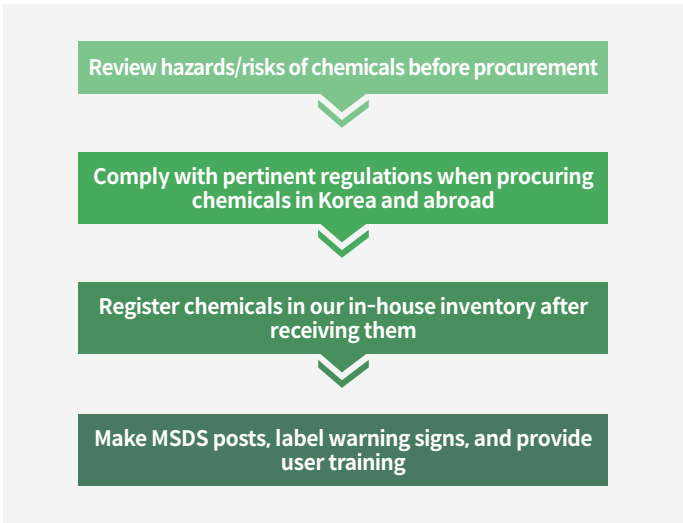
To minimize the environmental impact of business operations, Jeju Air ensures waste is safely treated and managed in accordance with rigorous procedures. We stipulated our internal waste management guidelines in 2018 and have since requested our stakeholders including suppliers to treat all waste lawfully. The Safety Health & Environment Team serves as the dedicated organization overseeing our waste management, and waste managers are assigned at respective departments to hold them accountable for waste management. All waste generated from our operations is managed through licensed waste transport/treatment companies pursuant to Korea’s Wastes Control Act and notifications issued by the Animal and Plant Quarantine Agency. The waste oil generated from maintenance work and the paper, cans, and PET bottles consumed for in-flight services are all collected and treated by recycling companies. To verify all waste is legally treated, we conduct regular inspections on treatment companies for their treatment facility, operational status, and waste treatment process.

Waste Management Guidelines 

Chemicals Management

Jeju Air’s purchase and management of chemical substances are in compliance with Korea’s Chemical Substances Control Act and the Act on the Registration and Evaluation, etc. of Chemical Substances. We also established our internal chemicals management guidelines and ensure their rigorous application across our operations. In particular, our management system enables us to monitor chemical substances throughout their lifecycle from receiving to disposing of chemical substances as well as the MSDS (Material Safety Data Sheet) of products and their use information. Products containing hazardous chemicals are reviewed for their hazards and risks and are replaced with alternatives when deemed necessary.

Chemical Substance Procurement and Management Process



Aircraft Noise Management

Not only does Jeju Air abide by aircraft noise reduction standards of the ICAO¹⁾ and pertinent domestic regulations, but the company also include additional provisions in its operational regulations and procedures with respect to aviation noise reduction to keep the noise generated during aircraft operations to a minimum. We stringently comply with the Noise Abatement Departure Porcedures²⁾ and the Continuous Descent Approach³⁾, and also ensure Reduced and Derated Takeoff Thrust⁴⁾. Apart from conventional navigation methods⁵⁾, we actively adopt Area Navigation⁶⁾ during take-off and landing to improve the operational efficiency of our aircraft. We also continue to introduce high-efficiency, eco-friendly new aircraft models (B737-8) that have the potential of reducing noise by up to 50% from previous ones while deploying cutting-edge navigation equipment for precision route management to avoid noise-sensitive areas in operating our flights.

Organizations and Terminology Associated with Aviation Noise Reduction

Category	Description
1) The International Civil Aviation Organization (ICAO)	• Established in 1947 as a specialized UN agency with a goal of pursuing the science-based advancement of aviation technology, transportation, and facilities for international civil aviation
2) Noise Abatement Departure Procedures (NADP)	• Departure procedures implemented globally to reduce noise near airports
3) Continuous Descent Approach (CDA)	• Descent approach designed to ensure the cost-effective operation of aircraft
4) Reduced and Derated Takeoff Thrus	• Ensure only the necessary amount of engine thrust is used during take-off
5) Conventional navigation	• Ground navigation facilities designed to ensure safe operations when weather conditions are poor
6) Area Navigation (RNAV)	• Navigational method for aircraft to choose arbitrary flight routes to minimize the distances traveled while increasing air traffic capacity

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Environmental Management

Environmental Management Activity

Green Procurement

Jeju Air established green procurement guidelines and is expanding green procurement in line with these guidelines. We are increasing the procurement of next-generation aircraft with improved fuel efficiency and green-certified products, and are making a switch from plastic cups and straws to paper-based ones for in-flight consumption. Going forward, we will progressively expand our consumption of green products and take a more proactive approach to green procurement.

Green Procurement Performance

Category	Unit	2021	2022	2023
Green procurement ¹⁾ performance	KRW 10,000	3,108	10,438	63,831

1) Criteria for green procurement: Procuring products certified to the FSC standards, products that are highly reusable or recyclable, and products that bring minimal impact on the environment and the human body in accordance with Article 4 (2) of Jeju Air's internal green procurement guidelines



Acquisition of Eco-friendly Vehicles

The accelerating global warming further highlights the importance of reducing GHG emissions. This prompted Jeju Air to shift to eco-friendly vehicles for its corporate fleet vehicles to mitigate carbon emissions. Our transition into EVs and hybrid vehicles resulted in the gradual increase in the number of eco-friendly vehicles from one in 2021 to six in 2022 and seven in 2023, and the percentage of eco-friendly vehicles of total corporate fleet vehicles also achieved a year-over-year growth to 9.46% in 2023. We will continue to introduce EVs and other eco-friendly vehicles to stay at the forefront of combating climate change.

Overview of Eco-friendly Vehicles

Category	Unit	2021	2022	2023
Total fleet vehicles	Vehicles	76	87	74
EVs	Vehicles	-	4	4
Hybrid vehicles	Vehicles	1	2	3
Percentage of owned eco-friendly vehicles	%	1.32	6.90	9.46



Environmental Training

To raise employees' environmental awareness and encourage their engagement, Jeju Air provides a range of training courses in line with the ISO 14001 environmental management system standard, spanning in-house online environmental training and ESG training for new hires. In June 2022, we signed an MOU with the Ministry of Environment to cooperate on environmental training towards a sustainable future to provide our employees with environmental training. We also look for corporate social responsibility project opportunities to offer environmental training for the general public, facilitating environmental training across the wider society.

Overview of Environmental Training

Category	Unit	2021	2022	2023
Total training hours	Hours	12	48	440
Total employees who participated in training	Persons	3	9	406



Signing an MOU to Cooperate on Environmental Training

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Environmental Management


SPECIAL

Efforts for Resource Circularity

Upcycling

Each year, Jeju Air upcycles in-flight waste materials that would otherwise be discarded and incinerated as part of the efforts for resource circularity. In January 2022, we recycled discarded cabin crew uniforms to produce ‘Refresh Bag’ products. In April 2023, we collaborated with the Spanish upcycling brand Nukak to repurpose 180 used life vests into over 500 products including coin purses, passport holders, and cross bags.

Upcycling used life vests

 into over **500** products in 2023



Refresh Bag Products

Recycling Milk Cartons

In 2022, Jeju Air signed an MOU with Modurak and the private foundation Coal Briquettes for Neighbors in Korea to continue with its efforts to promote resource circularity. Under the Milk Carton Reuse campaign, milk cartons used at the Modurak were cleaned and donated to Coal Briquettes for Neighbors in Korea, which amounted to over 13,870 cartons donated in 2023.

2023 milk cartons

 Donated **13,870**



Donating Milk Cartons

Donating Secondhand Clothes and Blankets

Jeju Air’s secondhand clothing collection campaign has been launched since 2022 along with employees to help reduce carbon emissions and facilitate resource circularity. The old clothes donated by employees went to Beautiful Store to promote resource circulation. To help abandoned animals stay warm during winter, we collected the blankets used for in-flight services and secondhand bed covers donated by employees and delivered them to multiple abandoned animal protection centers while also engaging in volunteer work. In line with the heightened social interest in resource circularity, we will continue with our resource circularity campaigns to disseminate the value of warm-hearted sharing.

2022 Secondhand clothes

 Donated **1,146** pieces of clothing and fashion accessories

2023 Secondhand blankets

 Donated **494** pieces of secondhand bed covers, blankets and towels



Donating Secondhand Clothes

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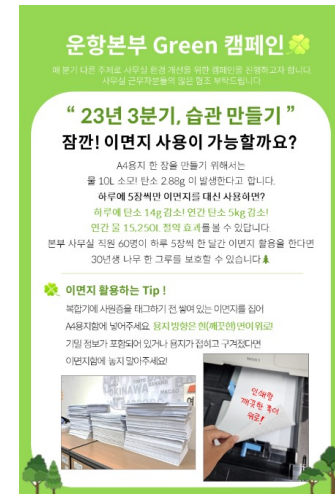
Environmental Management

Participatory Green Campaign

Jeju Air launches campaigns that engage employees and customers to protect the environment and achieve net zero emissions. For instance, our ‘Avoid Single-use Cups at Work’ campaign involves employees to encourage the use of tumblers and eco-friendly cups, and our ‘Scrap Paper Campaign’ encourages the reuse of printed paper. To engage customers in such efforts, we launched the ‘Green Travel Pass Campaign’ to offer priority boarding services to customers whose baggage weighs 5kg or less and the ‘Green Traveler Campaign’ to provide passengers traveling to Jeju with biodegradable waste bags they can use to pick up litter during their stay on the island. We plan to continue with diverse campaigns to raise awareness on the potential of small everyday actions as a force for good to protect the environment.

Protecting Indo-Pacific Bottlenose Dolphins

The Indo-Pacific bottlenose dolphins found in the southwest and northeast of Jeju are at risk of extinction with the population of just around 120 individuals. As the apex predator inhabiting along the Jeju coast only, their number serves as an indicator for healthy marine ecosystems and abundant fishery resources. Any decline in the number of these dolphins is interpreted as the presence of vulnerabilities and threats posed against the marine ecosystem of Jeju. This urged us at Jeju Air to launch our efforts to keep Indo-Pacific bottlenose dolphins safe and raise awareness on biodiversity. Since we developed the dolphin character ‘JECO’ inspired by this internationally-protected dolphin species in 2021, we have engaged in biodiversity preservation campaigns across a host of promotional channels including onboard promotion, social media platforms, and ramp buses. In 2023, we launched a collaboration campaign with the Korean Federation for Environmental Movement of Jeju to awaken travelers in Jeju to the importance of protecting Indo-Pacific bottlenose dolphins. Apart from these efforts, we supported the scientific research led by the Biodiversity Foundation on the behaviors and ecology of dolphins and launched campaigns to raise customers’ awareness on the dolphin ecosystem.



Campaign Poster Promoting
Scrap Paper



Biodiversity Campaign Poster

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E-mail | esg@jejuair.net

Safety Management

Aviation Safety Management System

Aviation Safety Policy

Jeju Air publicly announced our safety policy outlining the CEO’s safety principles and philosophy and makes this policy available at work for all employees to readily recognize. The safety of our entire stakeholders including customers and employees is the top priority value that we pursue, and it forms the foundation for our existence and growth as an airline. We keep our safety management system and procedures up to date through free-flowing communication and monitoring, and advance safety management in a highly organized way in line with the specific implementation plans of respective business units. We progress towards the safety goals set by the Safety Review Board, including achieving zero occurrences of high-severity/low-frequency metrics caused by human error’.

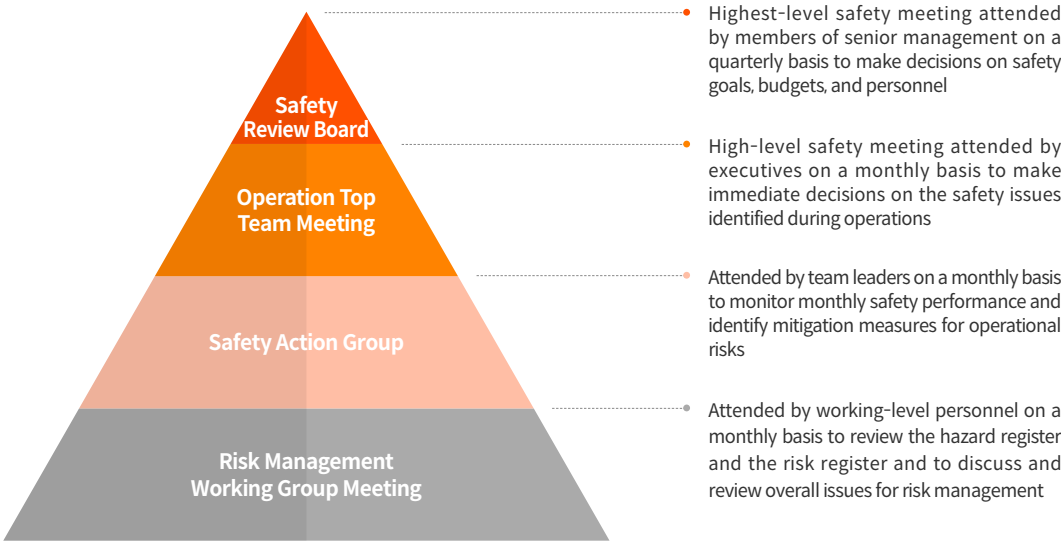
Safety Policy

1. We do our utmost to provide the necessary resources and training to achieve the highest level of safety performance.
2. We manage, collect, and use safety risk data concerning aircraft operation to ensure systemic safety management, and focus on proactive, preventive safety over reactive corrective action to promote company-wide safety goal and performance management.
3. We encourage voluntary reporting practices, guarantee confidentiality, and do not use collected information for the purpose of taking disciplinary action to facilitate a positive safety culture at all levels.
4. We refrain from taking disciplinary action on human errors made by simple negligence. However, intentional or negligent disregard of or non-compliance with safety regulations and procedures are considered as exceptions.
5. All Jeju Air employees assume responsibility for the direct impact their respective duties have on safety and stringently abide by general laws, regulations, and procedures associated with aviation safety.
6. All Jeju Air employees proactively identify hazards that may give rise to safety accidents and mitigate or eliminate such hazards to ensure preventive safety management.
7. All Jeju Air employees, upon detecting hazards or accidents, incidents, disruptions to aviation safety, abnormal operations, or regulatory non-compliance, immediately report such incidences.

Safety Management Organizations and Meetings

The Safety & Security Division operates under the direct leadership of our CEO, and there are four teams – Safety Planning Team, Safety Quality Team, Safety Management Team, Aviation Security Team – operated under the division. Safety & Security Division is mandated to manage and oversee a range of safety activities, spanning safety goal/metric setting, safety performance monitoring, and safety trainings & drills, to ensure the proper implementation and maintenance of our Safety Management System (SMS) throughout the organization in line with the principles of objectivity, independence, and fairness. We also have safety managers ensuring safety in the areas of flight operations, maintenance, cabin, control, transportation, and freight. To promote closely-aligned communication from working-level personnel all the way to top management and effective response to safety risks, we operate major meeting bodies comprising safety managers, safety personnel, and working-level safety staff.

Organizational Chart of the Safety Management System



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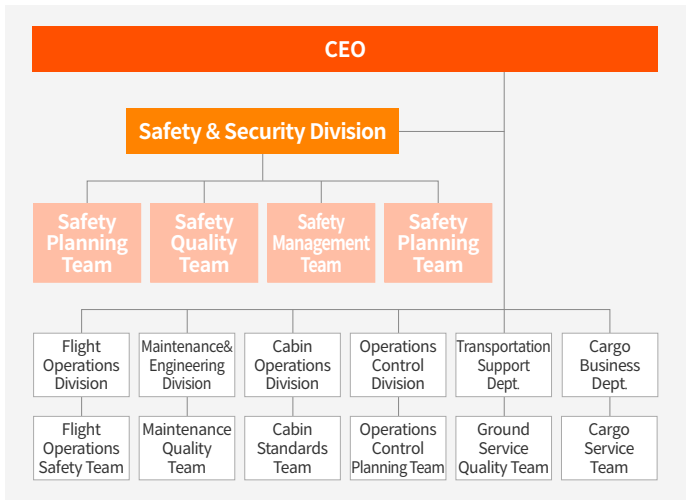
Safety Management

Decision and Reporting Items Handled by the Safety Review Board in 2023

Decision Item	<ul style="list-style-type: none">Establish a safety goal system covering Jeju Air's safety policy, safety goals, and safety performance indicators in 2023Safety personnel, trainings & drills, quality audits, and safety budget planning to prevent high-consequence public disastersRisk management status and Risk Matrix update plans
Reporting Item	<ul style="list-style-type: none">Status of Safety Performance Indicators (SPI)Risk management statusImplementation of the safety plan to prevent high-consequence public disastersProgress made in SSR1¹, quality audits, and inspections by the Ministry of Land, Infrastructure, and TransportOperational status of the aviation security management system

1) SSR(Safety & Security Report):Safety and security reports that can be reported on the ESMS

Organizational Chart of the Safety & Security Division



Operational Status of the Safety Management System

Aviation Security Management System

We operate the Jeju Air Security Information System (JSIS) that we independently developed as our risk management response system and leverage this system to take swift and differentiated security measures according to the level of actual risks and threats. Our advanced operational system also ensures that real-time monitoring is performed across our overall aviation security operations, ranging from information sharing, personnel & resource management and continuous improvement planning to risk response and trainings & drills.

Enhanced Safety Management System

In 2019, Jeju Air independently developed the Enhanced Safety Management System (ESMS). This system enables the integrated management of mandatory/voluntary safety reports prepared by all employees and flight/transportation work reports prepared by employees involved in flight operations. The modular configuration of our ESMS also allows for the integrated collection and management of safety data. The ESMS can be aligned with our safety investigation, safety audit, quality audit, and Flight Animation System (FAS), and allows us to draw on collected data to manage risk level management including risk identification/analysis/mitigation as well as safety performance indicator/goal management. The risk factors identified are addressed through risk assessment, and mitigation measures are taken according to their risk level. The mitigation measures implemented are reviewed for their validity and effectiveness, and risk assessment is performed again for these identified risk factors. In addition, risk management results are documented on our ESMS following monitoring and analysis. Jeju Air aims to establish efficient IT systems to embed proactive safety management into our day-to-day business operations.

Electronic Manual System

Jeju Air operates the Electronic Manual (EM) system that developed back in 2018 to enable all employees to access flight safety documents that are directly associated with safety on their PC or mobile devices at any given time and location. Our electronic manuals offer such user-friendly features as document access, bookmark, and document comparison, and also allow document managers to regularly review and update each document to make sure they remain up to date. As of the end of December 2023, a total of 623 flight safety documents were registered on our EM system. Harnessing our EM system helps us reduce paper consumption to reduce the generation of waste all while ensuring effective document management.

Introducing the Next-generation Flight Watch System

Jeju Air adopted a next-generation flight watch system in 2023 for the integrated management of its flight watch operations that had been previously decentralized across multiple systems. This system supports the combined functionality of live flight tracking, data communication messaging between aircraft and flight control centers, adverse weather monitoring, forecast, and analysis along flight paths and in airspace, and aviation information monitoring. Equipped with an enhanced flight path weather analysis functionality compared to the previous system, our next-generation flight watch system is able to predict, identify, and address potential risks during flight operations. We will continue investing in the flight management system to upgrade our flight safety support system and deliver best-in-industry customer services.

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JEJUair

Website | <http://www.jejuair.net>

E-mail | esg@jejuair.net

Safety Management

Aviation Safety Activity

Safety Management Activity

Creating Our Safety Symbol and Slogan

Jeju Air created a safety symbol and a slogan symbolizing its unique Safety Identity. The safety symbol comprising vapor trails, an airplane, and a shield and the safety slogan 'Always think about Safety & Security' embody our firm commitment to safety management. These safety symbol and slogan are widely featured in our safety publications and campaigns to promote our employees' safety awareness.

Safety & Security Symbol and Slogan

Safety & Security Symbol: Meaning of its 3 Components



- **Contrails** manifest our mindset to always prioritize safety and security
- The **airplane** symbolizes Jeju Air operating flights safely as always
- The **shield** represents our safety and security management system capable of preventing incidents at any given time and location

Meaning of our Safety Slogan

Always think about
Safety&Security

- Always think about safety & security anytime anywhere

Award Programs to Recognize Safety Promotion Activities

Each year, Jeju Air recognizes employees for their contribution to upholding the core value of 'safety' by granting the Safety Award. The Safety & Security Division also rewards SSR (Safety & Security Report) followers each month for setting an example in identifying risks and promoting safe operations. The improvements made based on the reports proposed by these followers are communicated at all levels of the company through safety newsletters. Looking ahead, we will continue with our employee award programs to create cultural settings for voluntary safety & security reporting.

Safety Promotion Activity

Jeju Air publishes quarterly safety newsletters for all employees to communicate a range of safety information, spanning the latest news on safety management systems, the company's risk management status, safety culture assessment results, quality audit program operation results, and FOQA¹⁾ analysis trends. In 2023, we distributed leaflets detailing our safety & security reporting system to gather safety and security feedback from all our employees. We will continuously engage in a wide array of safety promotion activities to disseminate a culture of safety and security and a just culture²⁾.

- 1) FOQA(Flight Operation Quality Assurance): Analyze flight data generated from flights that deviated from standard operations or were outside normal operating ranges
- 2) Just culture: A culture that rewards voluntary safety activities and clearly distinguishes between acceptable and unacceptable behaviors within the organization with an aim to promote safe behaviors while discouraging unsafe behaviors



Leaflet on Jeju Air's Safety & Security Reporting System

Conducting ERP Drills

To ensure respective departments effectively respond to actual aircraft accidents when they do occur, Jeju Air conducts drills under accident scenarios each year. This enables participating departments to learn proper ways to respond to emergencies that may arise under varying circumstances and follow up on such drills by analyzing the issues and vulnerabilities of their response scenarios and proposing necessary improvements. Issues requiring improvement are reflected in the following year's emergency response plan drills to establish and operate an efficient emergency response system.



Emergency Response Plan Drill in Progress

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Flight Safety Training

Flight Attendants Training

Jeju Air resumed training for new flight crew to cater to the air travel demand which bounced back after the pandemic and provide training to our incumbent flight crew in excess of the statutory training hours. In preparation for introducing the new, high-efficiency B737-8 aircraft model, we offer theoretical training and simulator training in addition to existing flight training. Pursuant to Articles 63 and 64 of the Aviation Safety Act, all flight crew should be tested through the Full Flight Simulator (FFS) in operating new aircraft. In fact, Jeju Air became the 1st Low-Cost Carrier (LCC) in Korea to introduce the FFS in 2022, and has since operated the FFS accordingly. We also sent our flight instructors to the aircraft maker for training to establish infrastructure to conduct in-house training. As of the end of 2023, nearly 76 flight crew are operating the B737-8 aircraft after completing essential training.

Cockpit Crew Training Hours		(Unit: Hours)		
Category	2021	2022	2023	
Regular training hours per person	37	40	54	
Training hours for new cockpit crew	-	3,064	12,932	

Cabin Crew Training

Jeju Air fully commits to providing training to cabin crew for the safety of customers. Along with systemic in-person safety training covering such topics as emergency response, fire suppression, aviation security, and first aid, we also develop online training content associated with 'in-flight injuries' and 'fires and flames' among the Safety Performance Indicators (SPI) of the national aviation and aeronautics sector and conduct training accordingly.



Safety Training Simulation Facility

Training Facility Investment

Jeju Air continues to invest in training facilities to ensure flight safety. Jeju Air is the sole LCC in Korea to own two Full Flight Simulators (FFS). The FFS serves to provide training to pilots and help them become proficient in normal, abnormal and emergency procedures and capable of carrying out special missions, simulating maneuvers and environments that are rarely available in regular flight training to build preparations for a wide range of situations. In particular, one of our FFS was designed for the newly introduced B737-8 aircraft and was equipped with a new Flight Training Device (FTD) to help us remain agile to the shifting navigation landscape and bolster the safety capabilities of our flight crew.



Full Flight Simulator and Flight Training Device

Safety Management

Aviation Security

To ensure safety and reliability in passenger and cargo transportation, Jeju Air operates a ‘proactive aviation security risk management system.’ This primarily aims to keep passengers, crew, aircraft, and airport facilities safe from emerging threats and ensure the safety, on-time performance, and efficiency of aircraft operations. We collect key information on the countries that we serve as well as airport information to analyze their security level and develop necessary preventive measures to maintain the highest level of aviation security. While we establish effective risk management regulations and operate a continuous management and oversight system, we also embrace cutting-edge technology to advance a future-ready aviation security management system adhering to both international standards of the ICAO and others and domestic statutory requirements.

IOSA Certification

The IATA Operational Safety Audit (IOSA) program developed by the International Air Transport Association (IATA) covers nearly 920 certification items including organization, flight operations, flight control, maintenance, cabin, ground operations, freight, and security. Jeju Air was first certified to this program in 2008 and has since received regular biennial inspections and renewed our certification to demonstrate our safety performance on par with global standards and consistently improve our safety and service quality. Such efforts drive our commitment to continuously delivering reliable services for the safe travel experience of our customers.

IOSA Certification Logo



Safety Management

Occupational Health and Safety Management System

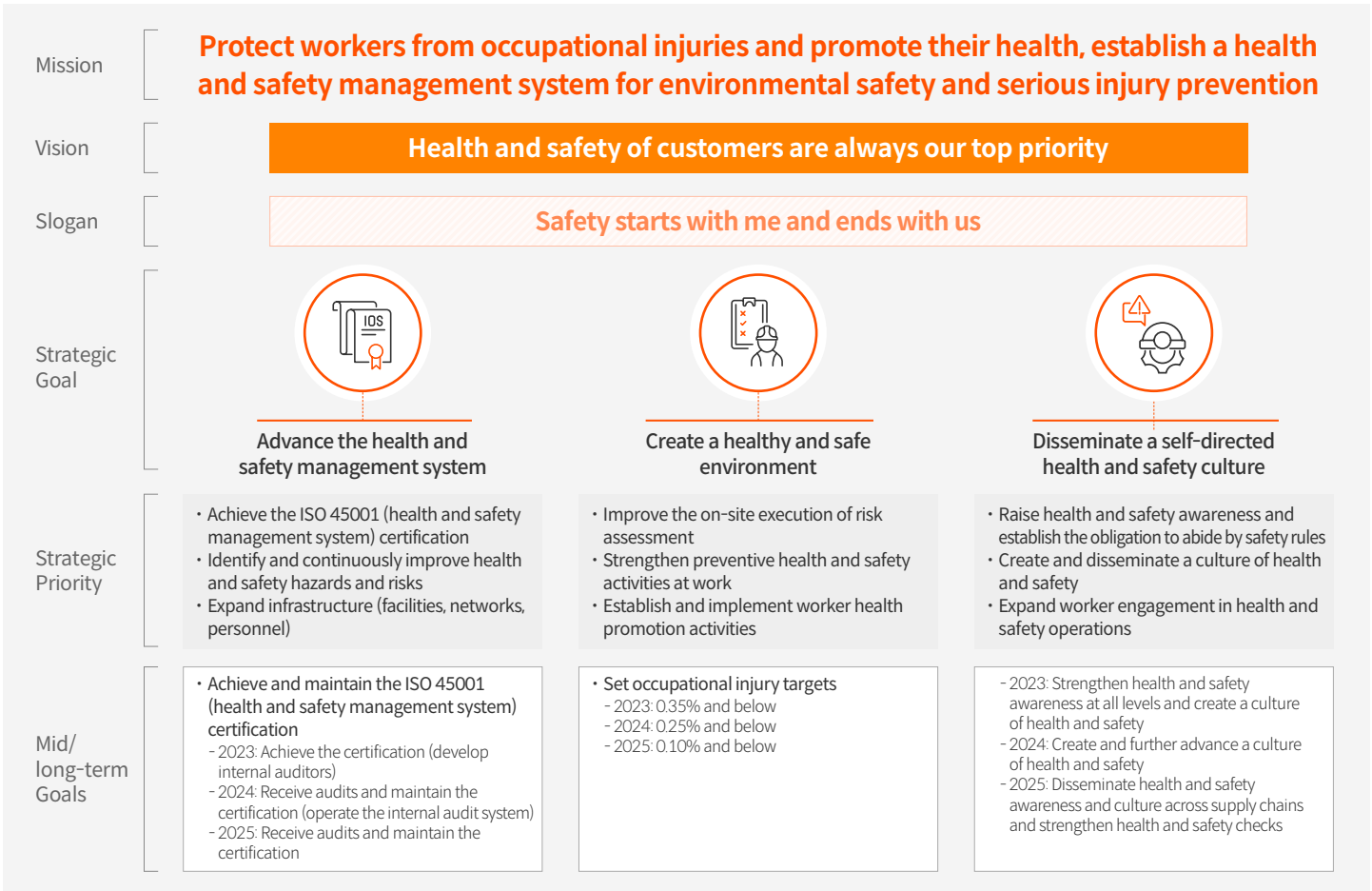
Occupational Health and Safety Management Guidelines

To protect the life and safety of all employees, Jeju Air established health and safety management guidelines and a dedicated Environment, Health, and Safety (EHS) organization to establish EHS plans, check and improve hazards and risks, and collect employee feedback. All our employees rigorously abide by occupational health and safety laws and regulations, manage identified risks within their acceptable range, and continuously engage in safety accident prevention. We also establish a communication system with suppliers to heed their feedback, share issues and improvements, and conduct trainings and drills to continue with wide-ranging health and safety activities across our supply chains.

Occupational health and safety management guidelines

1. We thoroughly abide by laws and pertinent regulations governing occupational health and safety and health promotion.
2. We set occupational health and safety goals and periodically review their implementation to manage risks that arise in the working environment within acceptable ranges and continuously undertake preventive activities for work-related incidents and accidents.
3. We establish a communication system between Jeju Air and supplier employees to collect their feedback, develop improvement plans, and provide necessary information to render our occupational health and safety operations more transparent and effective.
4. We ensure appropriate budget planning and execution required to achieve our occupational health and safety goals and implement relevant management guidelines and provide all employees with systemic trainings and drills.
5. All employees, as active agents of occupational health and safety activities, faithfully fulfill their responsibilities and obligations.

Occupational Health and Safety Implementation System



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JEJUair

Website | <http://www.jejuair.net>

E-mail | esg@jejuair.net

Safety Management

Occupational Health and Safety Organization

With our CEO heading our overall health and safety management, Jeju Air operates four organizations responsible for health and safety management. The health and safety chief officer is mandated to lead the occupational health and safety organization and head our company-wide health and safety operations. Personnel at respective unit operational sites analyze process-specific risks in advance to prioritize hazards and risks and develop execution plans. We also regularly hold meetings to discuss issues and risks associated with occupational health and safety with supervisors and workers at the company-wide and site-specific level. We also collaborate with external specialized organizations to proactively identify potential injury, illness, and accident factors that may occur due to noise, chemicals, dust and other hazards, and actively pursue necessary follow-up action. We set up a dedicated organization to respond to the Serious Accidents Punishment Act and review and oversee our execution plans, implementation status, and key performance in relation to our occupational health and safety system in conjunction with top management on a semi-annual basis.



Occupational Health and Safety Committee

Jeju Air operates the Occupational Health and Safety Committee composed of management members including the CEO and employee members. The Committee convenes at least once every quarter and serves to heed employees' feedback on occupational health and safety to mitigate or resolve relevant issues. We also engage in active communication through the Committee with employees concerning the actions taken. In 2023, a total of 10 agenda items were discussed, including protection for cabin crewmembers who come to work early and provision of supplies to protect outdoor workers from heat-related illnesses during heat waves.

Occupational Health and Safety Organizational Chart



Occupational Health and Safety Management System

To ensure the safety of employees and provide a safe working environment, Jeju Air developed health and safety management guidelines, operates the Occupational Health and Safety Committee, and regularly conducts workplace risk assessments, establishing its occupational health and safety system in the process. Such efforts allowed us to become the first Low-Cost Carrier to achieve the ISO 45001(health and safety management system) certification in 2023. Going forward, we will periodically assess and improve our implementation of the occupational health and safety system to create a safe workplace and keep our employees safe.



ISO Certificate Ceremony

Safety Management

Occupational Health and Safety Activity

Creating a Safety-first Culture

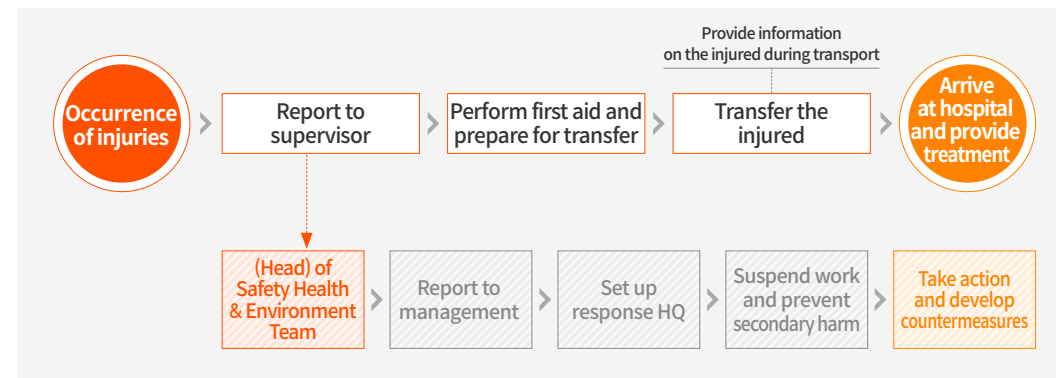
In line with the four strategies set under the government's serious injury reduction roadmap, Jeju Air defined 'building and disseminating safety awareness and culture to prevent high-consequence injuries at work' as its occupational health and safety goal for 2023. To establish autonomous safety awareness and workplace health and safety, a range of health and safety activities were undertaken, spanning newsletter publication involving all employees, a health and safety slogan contest, a declaration for occupational health and safety management, health and safety checks made in preparation for heat waves, safety awareness surveys, production of videos on a safety culture, and discussions with suppliers to disseminate a safety culture. In particular, an annual special lecture to raise employees' safety awareness helped build consensus on the needs for establishing a safety culture and promoting occupational health and safety. We also team up with external specialized organizations to launch various initiatives on smoking cessation, job stress and mental health management, cerebro/cardiovascular disease prevention, employee health checkups, and work environment measurement. In 2024, we plan to develop new campaigns that align with existing health and safety activities and diversify communication channels between leadership and employees to share health and safety issues. Jeju Air will continue with our safety culture activities to encourage all our employees to take initiative for occupational health and safety and build a safety-first culture.

Responding to High-consequence Injuries

Jeju Air abides by the standards developed to respond to high-consequence occupational injuries with an aim to safeguard employees and protect assets. We operate the response headquarters to promptly address projected or actual high-consequence occupational injuries and established our response procedures spanning from reporting to on-site first aid, injury investigation, and countermeasure development. We also conduct scientific and medical investigations on all occupational injuries that occurred and organize meetings to identify measures to pursue improvement in policy, administrative, and technical aspects and prevent reoccurrence of similar issues.

Our company-wide programs to prevent high-consequence injuries are planned and operated by referring to historical high-consequence injuries that occurred. High-consequence injury response drills that engage all employees twice a year help us present scenarios for different emergency situations and learn appropriate response skills for first aid, hospital transfer, and treatment of injured individuals. The deficiencies and implications identified through such drills inform our efforts to continuously upgrade our emergency response scenarios and plans. Jeju Air will develop measures and implement a range of activities to prevent high-consequence injuries so that we keep our employees safe.

Procedures to Respond to Injuries



High-consequence Injury Response Drill

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Risk Prevention Activity

To provide a safe and healthy workplace, Jeju Air identifies hazards and risks in the workplace, and actively seeks feedback from process-specific personnel to further improve the effectiveness of this identification process. To develop systemic and efficient measures against potential workplace risks, we conduct working-level workshops and scheduled/unscheduled workplace risk assessments, along with on-site checks performed by health and safety managers and interviews with field employees. We collect employee feedback on health and safety issues, which is followed by data collection, improvement and feedback on near-misses while providing rewards to motivate employees’ active participation.

Supplier Health and Safety Management

Jeju Air established a health and safety management system with suppliers and engages in varying activities to prevent high-consequence injuries and disseminate a culture of health and safety. Each year, we hold discussions with CEOs and/or health and safety executives from all our suppliers to consult on health and safety improvements and developments. On-site health and safety checks are performed each quarter in conjunction with suppliers, and improvement measures are developed for discovered risks and hazards, followed by the rigorous implementation of such measures. Monthly health and safety council meetings serve to gather difficulties that our suppliers face regarding health and safety and further enhance workplace safety. Specifically, our supervisors make their rounds of suppliers for inspection at least once a week. In signing subcontract, service, or outsourcing agreements, we first assess the health and safety performance of prospective suppliers and ensure we enter into such agreements with suppliers who meet or exceed the set assessment criteria. In partnership with the Korea Occupational Safety and Health Agency, we support suppliers with external specialized consulting and seminars as well as specialization training.

Overview of Occupational Health and Safety Performance

Category		Unit	2021	2022	2023
Employees covered by the occupational health and safety management system	Number of employees	Persons	3,001	2,833	3,070
	Percentage of employees covered	%	100	100	100
Occupational health and safety	Occupational injuries (fatalities caused by work-related injuries)	Cases	0	0	0
	Occupational injuries (fatalities caused by work-related illnesses)	Cases	0	0	0
	Occupational injury rate (injury)	%	0.17	0.15	0.42
	Occupational injury rate (illness)	%	0	0.2	0.96
	LTIFR (Lost Time Injury Frequency Rate)	Injuries per 1 million hours	1.28	2.39	7.83
Aviation safety	Aviation accidents	Cases	0	0	0

Employee Health Promotion

To promote the health of employees, Jeju Air provides smoking cessation campaigns, metabolic syndrome management, cerebro/cardiovascular disease prevention, brain/pulse wave measurement, and health promotion training. We also support health checkup along with virtual work-out and other health management and counseling programs. For mental health management, we operate a counseling room within our health promotion room, and help employees measure their stress level through autonomic nervous system balance testing and recommend personalized mental health programs. Furthermore, we offer digital mental health management solutions and assist employees in receiving examinations provided by external specialists working at mental health welfare support centers. Going forward, Jeju Air will plan and continuously invest in a range of health promotion programs to help our employees take care of and promote their health.

employee health promotion programs

‘Mind Garden’ gardening program to prevent depression Take care of mental health through the medium of plants	Mind Care Body composition analysis, brain/pulse wave testing, counseling
Mental Health Checkups Testing and counseling provided by psychological counselors	Lunch Seminar to Prevent Burnout Burnout prevention training
Tension Up Campaign Provide employees with vitamin beverages	Mental Health Training for Depression Prevention Training provided by psychiatrists

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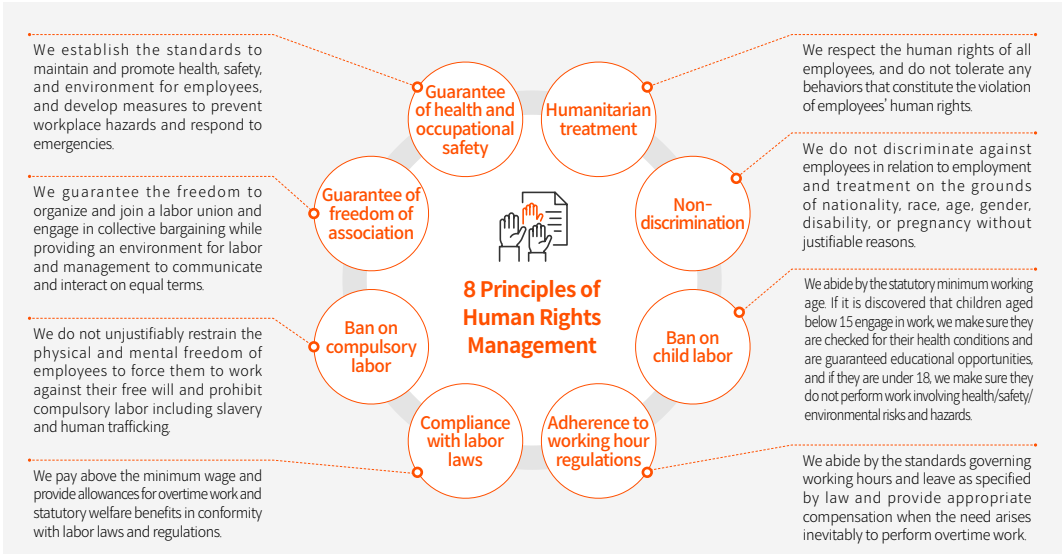
Human Rights Management

Human Rights Management System

Human Rights Management Policy

Jeju Air stipulated its human rights management policy to respect the human rights of all stakeholders in 2023. We abide by the UN Universal Declaration of Human Rights, fundamental conventions of the ILO (International Labour Organization), and other international standards governing human rights and labor issues as well as domestic laws and regulations that reflect such standards. We also established our Ethics Charter, employee code of conduct, employee conduct guidelines, and other internal regulations to advance ethical management. Our human rights management policy is anchored on eight basic principles including humanitarian treatment, non-discrimination, and ban on child labor, and makes doubly sure that we do not tolerate any discrimination on the grounds of gender, age, race or social status under any circumstances. This applies to our business transactions with suppliers and other partners as well as to employees to Jeju Air and our subsidiaries to ensure we respect the human rights of all stakeholders. Apart from policies, we established internal action guidelines in line with domestic/overseas standards and pertinent laws to proactively identify and manage human rights risks that may arise across our business operations, and in so doing, aim to continuously advance human rights management.

8 Principles of Jeju Air’s Human Rights Management



Human Rights Management Implementation System

In line with the basic principle of respecting human rights of all stakeholders – suppliers, local communities and their members as well as employees, we set our mid/long-term strategic goals and 13 strategic tasks for human rights management. We established a human rights management system in 2022, and will advance this system by 2026 to identify, mitigate, and prevent human rights-related risks that may occur across our operations. In so doing, Jeju Air vows to faithfully drive human rights management and grow into a company disseminating best practices of the aviation industry and taking the lead in human rights management.

Strategic Goals and Tasks for Human Rights Management

Category	2022 ~ 2023	2024 ~ 2025	2026 ~
Strategic Goal	Establish a human rights management system	Regularize the human rights management system	Advance the human rights management system
Strategic Task	<ul style="list-style-type: none">Establish a human rights management policy and its management processRe-establish the human rights management governance operating systemBolster program activities in relation to human rights managementImprove disclosure on employee diversitySet goals to improve employee diversityEstablish a supply chain code of conduct and guidelines	<ul style="list-style-type: none">Provide training support and set guidelines to disseminate a culture of human rights management across supply chainsConduct human rights impact assessmentStrengthen human rights training content (on/offline) and disseminate training across own employees and supply chains	<ul style="list-style-type: none">Upgrade the human rights policy and establish relevant operational regulationsExtend the scope of human rights risk managementPursue effective improvement of risksEstablish our status as a leader in human rights management in the aviation industry and disseminate best practices

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Human Rights Risk Management

Human Rights Training

Jeju Air provides all employees with human rights training to create a corporate culture that respects human dignity and value and prevent human rights violation and discrimination in the workplace. Such training addresses topics including prevention of sexual harassment and bullying and improvement in perceptions on disability on an annual basis. Under the theme of ‘creating a healthy workplace,’ our onboarding program for new hires and company-wide communication workshops also serve to inform employees of the definition and types of sexual harassment and bullying in the workplace and the proper actions to take to respond to relevant incidences, raising awareness on human rights as a result. We ensure such training is completed by supplier employees as well as our own employees to disseminate human rights management across our supply chains.

2023 Human Rights Training Completed – Persons & Percentage

Category	Training	Persons and Percentage ¹⁾
Regular training	Prevention of sexual harassment at work	2,835 persons (100%)
	Prevention of workplace bullying	2,638 persons (99.7%)
	Improvement in perceptions on disability at work	2,835 persons (100%)
Refresher training	Creating a healthy workplace	295 persons (-)

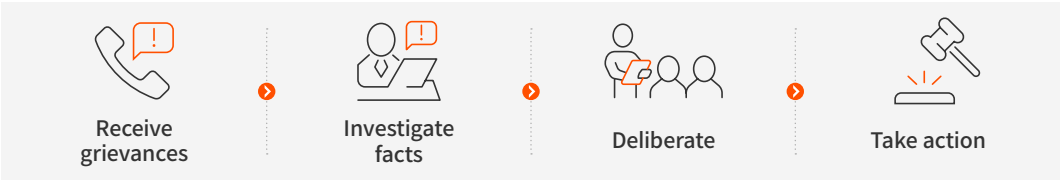
1) Completion rate: Completion rate of employees required to complete the training excluding employees who left or took absence of leave during the month of conducting training

Grievance Mechanism

Jeju Air’s grievance mechanism is up and running to gather and address various grievances raised by employees, including proposals for working environment improvement and complaints as well as human rights violation that occurs while conducting business. Our employees may seek counseling for their grievances through a range of channels, from the in-house bulletin board to counseling calls and e-mail and are informed of the actions taken and handling outcomes with full confidentiality guaranteed.

They may receive counseling and blow the whistle on human rights-related issues, including harassment, bullying and sexual harassment in the workplace. Counseling is made available either through our in-house HR personnel (male/female) or third-parties, and various whistleblowing channels are made accessible, such as CEO Hot-line, counseling calls, and e-mail. We strictly adhere to the principle of confidentiality throughout the entire grievance handling process and do our utmost to provide protection and prompt remedies to those affected. In tandem, we provide separate external specialized psychological counseling programs on the topics of workplace, psychology, and family to ensure all our employees feel satisfied and thrive in the workplace.

Grievance Handling Process



Grievances Handled



Talent Management

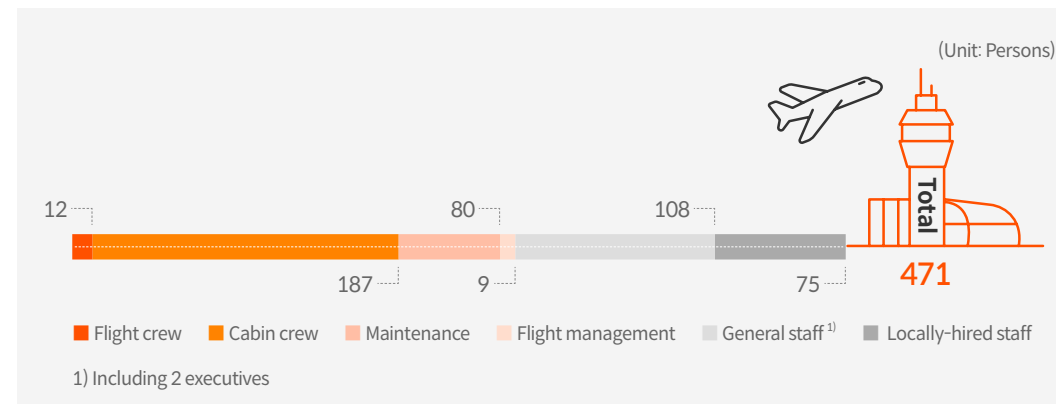
Talent Recruitment and Retention

Talent Recruitment

Fair Recruitment

Jeju Air's recruitment process is driven by the principle of 'rigorous and fair recruitment' to acquire talented individuals with high growth potential. Even when the staffing needs are urgent, we make sure we bring in new members who give us the confidence in their ability to contribute to the whole team. We establish effective recruitment procedures for different job functions to ensure fairness and align candidate assessments with our core values and required job competencies. To provide interview applicants with equal opportunity, we apply clear and shared criteria to selecting successful candidates, and do not discriminate on the grounds of gender, age, race, nationality, religion, disability, or cultural backgrounds in the recruitment process. We also ensure our interviewers develop professional, exceptional skills to bolster fairness and expertise of our recruitment process, acquiring top-notch talent and promoting our organizational diversity in the process.

2023 Recruitment by Job Function



Acquiring Top Talent

Jeju Air maintains an appropriate level of workforce by analyzing job duties, workforce status, and organizational capabilities, and operates a diversified recruitment process to ensure timely acquisition of necessary talent and bring in talented individuals. We engage in large-scale open recruitment in the first and second half of the year, and also hire on an as-needed basis. For some job functions such as flight crew, cabin crew, and maintenance staff, our recruitment plans align with aircraft operation plans and staffing needs.

Jeju Air's recruitment process largely consists of five steps of paper screening, personality test, 1st and 2nd interview, physical examination, and final acceptance. When additional competency verification is required according to job characteristics, we conduct presentation interviews as well as practical and written examinations. For overseas locations, we directly hire local staff for airport station manager, transport, sales, and administrative support, and these locally-recruited staff complete our onboarding programs and trainings in Korea to strengthen their skills to communicate with the Headquarters. We also operate personnel exchange programs among affiliates and support our employees wishing to transfer to other departments with reassignments through internal job postings and job satisfaction surveys. In addition, our experience-based internship program provides applicants with the hands-on opportunity to gain work experience and working-level departments with the opportunity to nurture talents who meet their organizational needs.

Talent Recruitment Process



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Talent Management

Employee Welfare & Benefits

Welfare & Benefits Programs

Jeju Air provides welfare & benefits programs to help employees fully engage in their work and become long-serving employees. We support flexible work arrangements through staggered work hours and flexible work hours, and reward long-term employees with sabbatical leave. We make separate break rooms available for female employees and provide access to AK Holding’s employee shopping mall to bring added convenience to their everyday routine, along with various programs operated for the benefit of employees.

Key Welfare & Benefits Programs

Working hours	Leave	Others
 Staggered work hours	 Sabbatical leave for long-term employees	 Airfare discounts for employees
 Flexible work hours	 Splitting half-day off	 Tuition support for employees’ children
 PC-Off system	 Leave for new/returning expatriates	 Financial support for family events
	 Leave for relocation	 Welfare points
	 Leave for moving	 Health checkups

Working Arrangements Promoting Work-Life Balance

Jeju Air allows for staggered work hours for general staff to improve their work satisfaction and help them achieve a better work-life balance. This enables them to flexibly adjust the time they start and end work on a monthly basis to spend a quality time after work and take care of their children and family. The PC-Off program turns off company PCs after the set time to help alleviate stress stemming from extended working hours and ensure our employees take appropriate rest. As part of our efforts to provide necessary institutional support, we allow overtime work within up to 12 hours per week in compliance with the 52-hour workweek system and enable employees to split their half-day off to engage in their work in a way that suits their personal schedules. A wide array of programs are made available for employees to meet their family care needs, ranging from maternity leave, parental leave, and family care leave to support work-life balance. Specifically, expecting female employees (crewmembers) may take a separate leave before taking maternity leave, and are provided with childbirth allowances and reduced work hours for childcare after giving birth to cater to their childcare needs.

2023 Employees Who Took Parental Leave

Category		Unit	2023	Category		Unit	2023
Employees who took parental leave	Male	Persons	16	Employees who returned to work after parental leave and worked 12 months and longer	Male	Persons	12
	Female	Persons	98		Female	Persons	88
	Total	Persons	114		Total	Persons	100
Employees who returned to work after parental leave	Male	Persons	13	Percentage of employees who returned to work and worked 1 year and longer	Male	%	92
	Female	Persons	93		Female	%	95
	Total	Persons	106		Total	%	94
Percentage of employees who returned to work after parental leave	Male	%	81				
	Female	%	95				

Jeju Air’s Family-friendly Programs

Parental leave	Leave or leave of absence for family care	Leave or leave of absence for fertility treatment	Paid leave for childbirth
Paid leave for pre-natal checkups	Leave for miscarriages/ stillbirths	Paid reduced work hours for expecting employees	Reduced work hours for childcare
Celebratory gifts for pregnancy	Celebratory gifts for childbirth	School entrance gifts for employees’ children	

Talent Management

Employee Assessment and Compensation

To encourage employees to develop their competency and improve performance, Jeju Air takes the MBO (Management by Objectives) approach to leaders and the OKR (Objectives and Key Results) approach to individual team members for performance management. Individual goals are set in alignment with organizational goals by taking into account one’s job position and the difficulty level of the job performed through consultations with their supervisors. These goals are set on a quarterly basis and fine-tuned accordingly to ensure efficient management of individual goals and performance. To ensure alignment among company-wide, organizational, and individual goals, quarterly coaching is provided by leaders along with sufficient feedback activities, and HR assessments are made by comprehensively considering annual performance reviews and competency assessments. HR assessments are performed in line with the principle of fairness, and the assessment ratings identified as a result provide the reference in determining individual pay raises, promotions, and other types of compensation as well as in making decisions for staff retention and job rotation.

We take into account internal and external factors, including previous year’s business performance and inflation rates, to ensure appropriate pay raises, and separately operate the pay scale system and the annual salary system in line with our pay system and HR assessment results. In particular, our annual salary system takes basic pay raises into consideration and is tied to our 5-level HR assessment ratings to ensure reasonable compensation.

Annual Performance Management Process

Category	1Q	2Q	3Q	4Q
Performance	Set organizational goals (division/team) Set individual goals (2Q goals)	Set individual goals (3Q goals)	Set individual goals (4Q goals)	-
	-	Register 1Q~2Q organizational performance Register 1Q~2Q individual performance	Register 3Q organizational performance Register 3Q individual performance	Register annual organizational/ individual performance
Other than performance	-	Review employee competencies, grievances, and support issues (year-round)		Provide feedback on individual competency assessments

Performance Assessment Results

(Unit: Persons, %)

Category	2023		
By gender	Male	Female	Total
Employees subject to assessment ¹⁾	905	1,345	2,250
loyees assessed ²⁾	901	1,234	2,135
Assessment Rate	99.6	91.7	94.9

1) Employees subject to assessment: Excluding executives, flight crew, short-term workers (contract), and new hires in the second half year

2) Employee assessed: Employees who worked 180 days or longer

Talent Management

Employee Competency Development

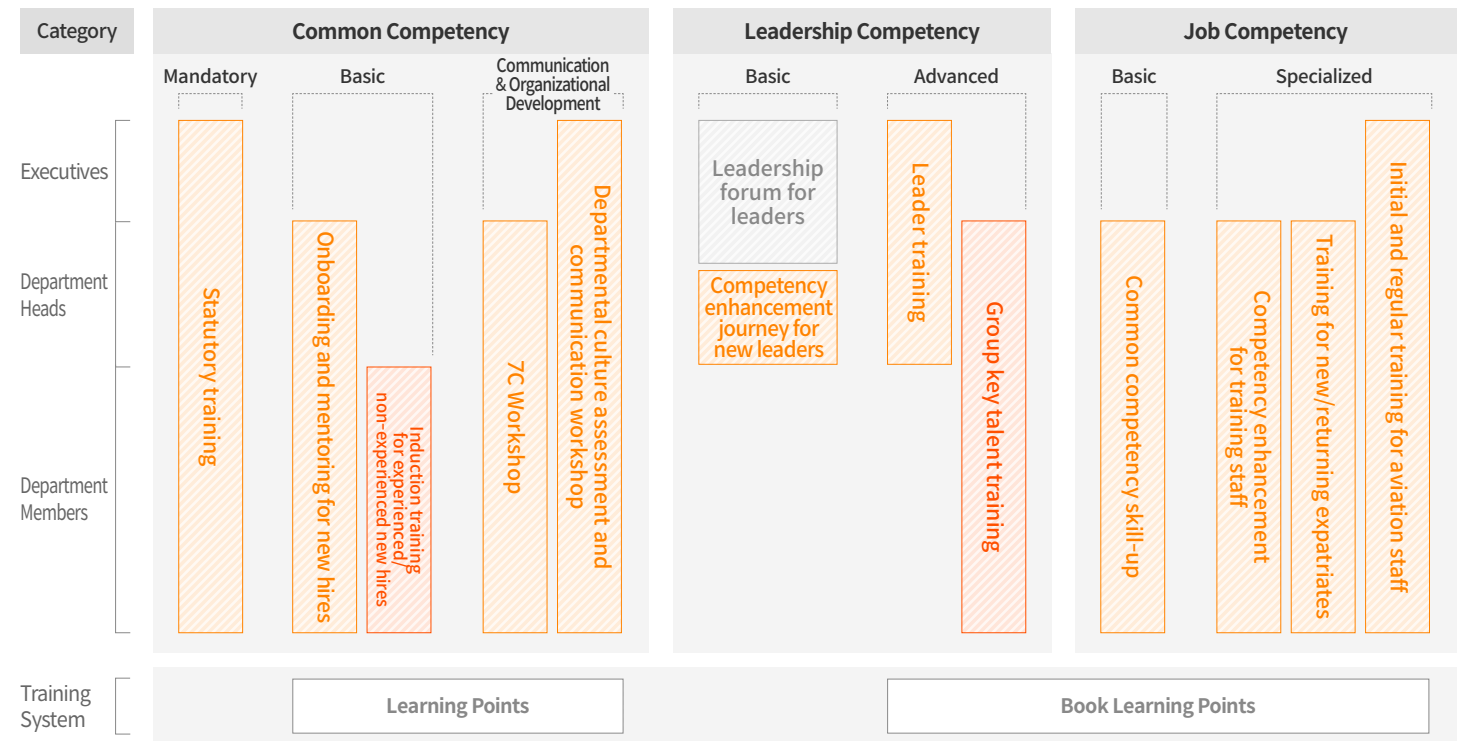
Talent Development

Employee Competency Enhancement Programs

Jeju Air operates a well-structured talent development system to assist employees in evolving into potential leaders driving the growth of the company. This system is subdivided into common competency, leadership competency, and job competency according to different roles and positions. The talent development department responsible for company-wide training operation plans our programs across all areas of common, leadership, and job competencies and conducts on/offline training accordingly.



Jeju Air's Training System



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Enhancing Field Operational Capabilities across the Board

To ensure employees build on-site operational capabilities, Jeju Air engages in communication under the theme of ‘enhancing company-wide training and exercise capabilities’ and provides special lectures on training methods to support employees’ training and exercise capability development. For specialized aviation operations including transportation, operations control, flight, cabin, and maintenance, we offer seminars twice a year to promote regular interactions with personnel responsible for field training. For employees in need of support from the talent development department, we inform them of relevant details and collect their feedback on our talent development system.

Enhancing Employees’ Job Execution Capabilities

Jeju Air’s Learning Point and Book Learning Point programs aim to support employees’ competency development. Under these programs, employees are given a set amount of points and redeem them to take online job courses and foreign language courses (on/offline) available on our learning platform or learn on their own through reading. In 2023, 683 employees used their Learning Points to attend job-related or foreign language courses, and Book Learning points were used by all employees.

Enhancing Leaders’ Competencies

To strengthen organizational capabilities, Jeju Air provides annual leader training for all leaders, from the CEO to field leaders. This gathers together leaders from various departments to communicate and share the Company’s current management issues and strategic directions to ensure they raise awareness on their roles and responsibilities in sync with their step in the competency enhancement journey and their given mandate. In 2023, 170 leaders attended this leader training. Furthermore, a separate ‘competency enhancement journey for new leaders’ course was provided to 37 newly appointed leaders to communicate them the capabilities they need to acquire as leaders.

2023 Jeju Air’s Competency Enhancement Journey for New Leaders

Step	Duration/ Cycle	Description
Step1. Individual learning	2 months	• Recognize one’s leader role based on understanding of Jeju Air’s set of values *Materials: Jeju Air’s HR philosophy and principles, department operational guides
Step2. Online leader training	1 month	• 365-day organizational management manuals for team leaders
Step3. 1:1 Leader meeting	Within 1 month after assignment	• Raise awareness on one’s leader role • Advise on effective departmental operation and feedback methods • HR philosophy and principles, Q&As on departmental operational guides
Step4. Offline leader training	Annual	• Attend one of the sessions held year-round

Enhancing Capabilities for Retirees

Jeju Air provides ‘reemployment support services’ as mandatory training for future retirees to provide them with the opportunity to plan their retirement life and ease their concerns over reemployment. This is made available each year for employees 50 years old or older leaving the Company soon for reaching the retirement age or for other non-voluntary reasons, and addresses such topics as career design, job placement, reemployment, and starting a new business.

Total training hours



296,886 hours

Total employees who received training



29,245 persons
(including duplicates)

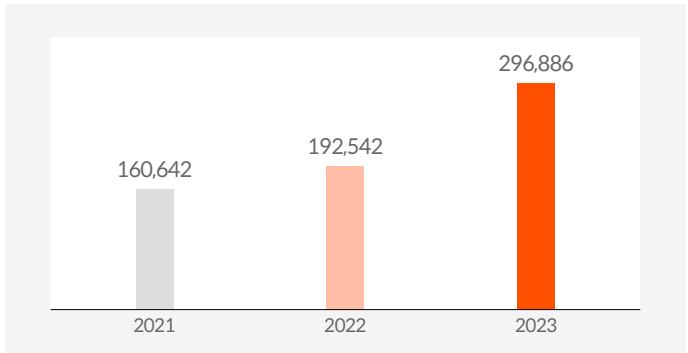
Training hours per person



10.15 hours

Training Provided to Employees

(Unit: Hours)



Talent Management

Corporate Culture Activity

Jeju Air has been committed to provide a great workplace where all employees have a shared set of values, encourage each other, and unite as one team. We encourage our employees to address each other in equal terms to build a culture of cooperation and establish internal systems to ensure they feel free to bring forward their diverse ideas, operating a wide array of programs to create a positive corporate culture. Going forward, we will continue to support our entire team to take initiative in building a wholesome corporate culture and pursue the sustainable development of Jeju Air.

<div>> Equal terms of addressing each other</div>	<div>As the first step to building a horizontal corporate culture, all our employees chose to address each other using 'Mr.' or 'Mrs.' or use common titles to emphasize mutual respect.</div>
<div>> Smart work</div>	<div>We introduced smart work in 2017 as part of our efforts for corporate culture-building and improving work methods to allow employees to use smart workspaces to work autonomously at any time or location.</div>
<div>> Workation</div>	<div>We are the first domestic carrier to adopt this program in September 2023. This is currently in operation in Jeju-do and will be expanded to our overseas operations.</div>
<div>> Imagination Flight</div>	<div>This is our internal suggestion program to help employees take initiative in proposing their creative ideas and offering compliments to each other.</div>
<div>> Junior Board</div>	<div>Composed of young generation employees, Junior Board serves to communicate improvement ideas for corporate culture or issues facing Jeju Air to senior management.</div>
<div>> Anniversary events</div>	<div>We celebrate company anniversaries with employees by promoting new goals and the challenger spirit, encouraging long-serving employees and suppliers, and recognizing employees for their upholding our core values.</div>
<div>> Corporate culture event (7C Days)</div>	<div>We build a thriving corporate culture by sharing information on the Company's operational status, facilitating communication with the CEO, and presenting best practices.</div>
<div>> Newsletters</div>	<div>Our newsletters serve as a communication channel to share Jeju Air's values and approaches as well as employees' achievements and experiences.</div>
<div>> Support for peak-season operations</div>	<div>We have provided snacks during summer and winter seasons each year since 2016 while supporting employees during the winter peak season to express our gratitude for their hard work and offer them encouragement.</div>



Hosting the 7C Day corporate culture event



19th anniversary event

Labor Relations

Win-win Labor Relations

Jeju Air moves towards positive labor relations and promotes the shared interest of labor and management in line with the principles of mutual respect, win-win partnership, and fair treatment. To bolster cooperation and communication between labor and management, we engage in collective bargaining negotiations with the Jeju Air Pilot Union (JPU) every two years. We also make wage negotiations each year and periodically communicate with employees in maintaining and improving working conditions and providing compensation for flight crewmembers. The union membership is available for 634 flight crewmembers (pilots), and 613 of them are union members (as of Mar. 31, 2024).

Labor-Management Council

The Labor-Management Council was established to advance mutual interest and promote cooperation and communication based on mutual trust. The Council regularly convenes every quarter and engages in consultations and efforts to improve working conditions and welfare for employees and prevent labor disputes. We sincerely communicate our overall business plans and performance as well as matters on staffing plans through regular meetings, and details of the consultations made between labor and management are uploaded on the internal bulletin board and made available at all levels of the Company.

Labor-Management Council Meetings Held ¹⁾

Category	2022	2023
Number of meetings held	4	4
Number of agendas addressed	46	77

1) The Labor-Management Council meeting scheduled for 4Q 2023 was held in January 2024, and the Council did not convene between 2020 and 2021 amid the COVID-19 pandemic.

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JEJUair

Website | <http://www.jejuair.net>

E-mail | esg@jejuair.net

Consumer-Centered Management

Protecting Consumer Rights and Interests

Protecting Consumer Rights and Interests and Providing Compensation

Jeju Air discloses passenger transportation terms and conditions on the website to make its air transportation service terms and regulations easily accessible for consumers. We established compensation criteria in accordance with pertinent domestic/overseas laws and the consumer dispute resolution criteria of the Korea Consumer Agency while disclosing our remedy procedures applicable to air transportation users on the website. Jeju Air notifies air transportation users of our available services and our plan to respond to service delays to make good on the promise we make with customers in line with fair and consistent standards. We also regularly analyze customer feedback (Voice of Customer) to take stock of our service operations and vulnerabilities on an ongoing basis and pursue necessary improvements. Going forward, Jeju Air vows to develop a wide array of measures to protect consumer rights and interests to drive consumer-centered management.

Consumer Communication Channel

VOC Operation

Jeju Air actively seeks out the Voice of Customers (VOC) to advance consumer-centered management. Our Consumer Management Team, as a dedicated organization, swiftly identifies and handles the feedback collected from customers. This involves developing measures for top priorities requiring improvement and reporting the major progress made and actions taken for improvement to our leadership on a regular basis. In 2023, 1,775 VOCs were collected, and 1,773 of them were handled, bringing the handling rate to almost 100%. Apart from this, we strive to raise company-wide awareness on customer services and achieve and maintain the consumer-centered Management certification. We will continue to put aviation safety and customer value before all else and contribute to further mainstreaming air travel.

Services Improved Based on VOCs

Incorporating customer feedback collected through VOC channels, Jeju Air launched a sports membership program to deliver tailor made services that align with the shifting tourism trends. Designed to cater to the needs of customers traveling to Southeast Asia to enjoy leisure and sports activities, members of this program may have their sports equipment – up to 20kg of scuba diving gear, skis, and surfboards – as well as up to 25 kg of golf equipment including golf bags and duffel bags transported without additional baggage charges for one year. We also introduced a bicycle carry bag service: passengers traveling with a bicycle are provided with a bicycle carry bag to safely transport their bike to their destination. This service is currently available for our Gimpo-Jeju route and will be expanded to all our domestic routes starting from June 2024.

Social Network Communication

Jeju Air operates Instagram, YouTube, Facebook, TikTok and other social network channels in addition to its official website for customer information and communication. These channels serve to communicate a host of information and essential notices for customers while providing them with information on the routes we operate and available promotions. We specifically offer short-form videos on YouTube and upload a variety of content on our Instagram Story to reach out to customers and keep current with the ever-evolving public trends.

2023 VOC Handling Rate



99.89%

SPECIAL

Achieving the CCM Certification

In December 2023, Jeju Air was certified to the CCM (Consumer Centered Management) standard implemented by the Fair Trade Commission and the Korea Consumer Agency. In conformity with the Framework Act on Consumers, this program evaluates companies for their efforts in putting consumers at the center of their entire operations and taking this consumer-centric perspective in consistently improving their business conduct. The CCM certification program aligns with the Customer-Centered principle which constitutes Jeju Air's 7C principles, and best manifests our consumer-centric philosophy. Following our certification to the CCM program, we set up the Consumer Management Team as a dedicated organization for consumer-centered management, held regular meetings to improve customer services, and launched the VOC (Voice of Customer) committee. Looking ahead, Jeju Air will remain committed to acting on our vision of ambitiously broadening our network of destinations worldwide to bring joyful travel experiences to more people.



CCM Certification Ceremony

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Consumer-Centered Management

Improving the Quality of Services

Meetings Held for Service Quality Improvement

At Jeju Air, transportation VOC meetings and cabin VOC meetings are held each month with a goal of improving customer satisfaction. These meetings are attended by managers from customer-facing departments to regularly update the progress and results of handling key VOCs and identify necessary improvements while sharing information on consumer-centered management and discuss the operation of working groups to resolve potential VOCs. Furthermore, separate status report meetings are held with our CEO and executives in attendance to go over our performance in handling VOCs and develop customer service strategies accordingly. The VOC meetings held in 2023 deliberated on such agenda items as compensation for flight delays, failure to serve in-flight meals, and compensation for damaged checked-in baggage among others to resolve 4 cases of VOC in total.

Service Quality Certifications and Awards

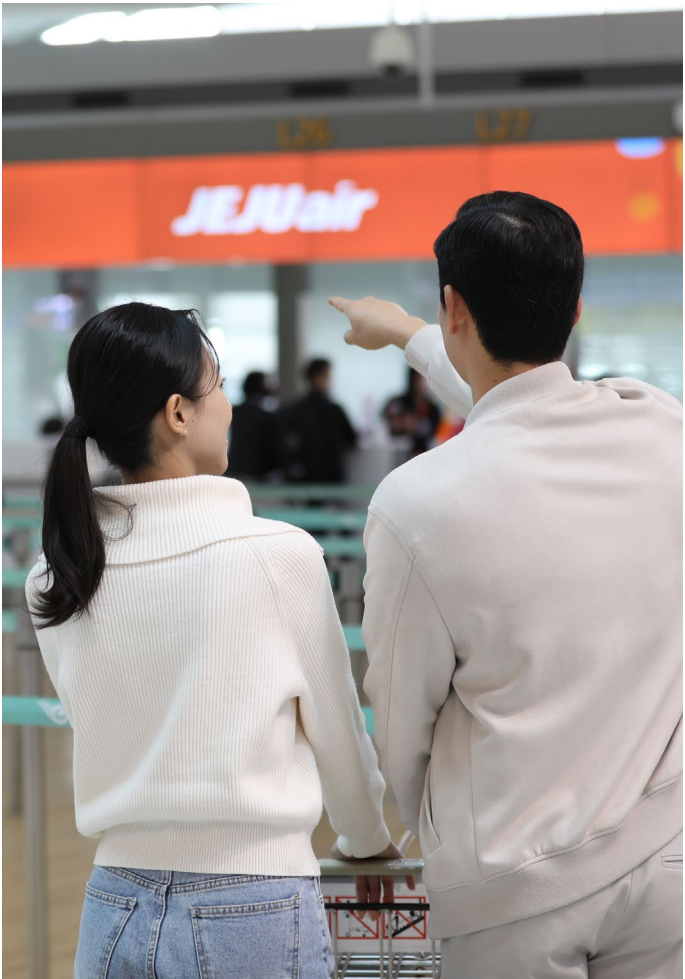
The Korean Ministry of Land, Infrastructure, and Transport has conducted air transportation service assessments since 2013 to encourage the voluntary efforts of air transportation operators to improve their service and provide consumers with useful data to guarantee their right to know and choose. Recognized as the most authoritative air transportation service assessment program in Korea, this program is implemented each year to publish airlines' performance in terms of punctuality, safety, full protection of air transportation users, and user satisfaction. Jeju Air made improvement in 2022 assessments¹⁾ from 2021. The highest satisfaction score was achieved in friendliness of crewmembers, followed by ease of booking and ticketing, and ease of boarding.

1) 2022 data were used as air transportation service assessment results for 2023 are not released yet.

Internal/External Customer Suggestion Program

Jeju Air provides a range of programs for internal/external customers to propose their ideas. Our 'Jeju Air Imagination Flight' program that we launched internally to improve the quality of services is open year-round to receive employee ideas for service improvement and regularly offer encouragement and rewards. For external customers, our VOC program helps us collect the incidences of inconvenience that customers directly experienced and improve our services in each sector accordingly. This also provides inputs for our new product development efforts.

In 2023, Jeju Air introduced a ChatGPT-assisted service to bolster customer-centered services in response to the persistent needs to operate 24/7 communication channels, allowing the company to address customer inquiries beyond regular online and phone counseling hours. This service enables interactions with customers just as human counselors do by understanding, analyzing, and answering customer inquiries based on natural language processing, and supports multiple languages and translation functionality required for global operations. This new service is progressively substituting for our existing counseling systems including FAQs and KakaoTalk that are limited in responding to inquiries that are outside the set parameters. More to the point, we improved our online booking, ticketing, and check-in process for military servicemen using private flights. In Korea, military personnel living in the Jeju Special Self-Governing Province and serving in inland locations or living in inland areas and serving in Jeju are provided with deferred payment certificates to use private aviation services for vacation. Previously, redeeming these certificates required the cumbersome process of calling our customer center for booking and ticketing. The improved system now allows certificate users to access our website or app and enter their certificate number to proceed with booking on their own, greatly enhancing convenience for members of the nation's armed services.



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JEJUair

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Consumer-Centered Management

Customer-Centered Services

Service for the Transportation-disadvantaged

Jeju Air has provided lift cars since 2023 to assist transportation-disadvantaged passengers such as wheelchair users in boarding their flight. Previously, passengers in wheelchairs had to rely on boarding bridges or ground staff when such bridges were not available to board their flights. To prevent potential falls and other safety issues, we introduced lift cars for these passengers with transportation challenges to ensure safe and convenient boarding even when the assignment of boarding bridges is not viable. Apart from this, we launched annual service training for transportation staff on serving the transportation-disadvantaged in April 2022. The 'Customers in Need of Assistance' section of our website informs customers of available services and service application procedures. Going forward, we will commit to improving safety and ease of mobility for our customers facing mobility challenges - seniors, pregnant women, and passengers traveling with infants - to deliver greater customer satisfaction and fulfill our social responsibility.



Service for the Transportation-disadvantaged

Unaccompanied Minor Care Service

Jeju Air provides an unaccompanied minor care service as our distinctive special care service available for unaccompanied minor passengers traveling alone without their parents or adult guardians to care for them from start to end of their itinerary. This is available for passengers aged 5 and 12 for domestic flights, and passengers aged 5 and 11 for international flights excluding the Philippines, Saipan, and Vietnam. They are assigned front seats and provided with special in-flight meals and priority in baggage claim service. While this service was previously made available by calling our customer center or making on-site application at the airport, we became the first Korean carrier to receive online reservations through our website, mobile web, and app in November 2023, making this service readily accessible for customer convenience.



Unaccompanied Minor Care Service

SPECIAL

Refresh Point Program

The Refresh Point program represents Jeju Air's differentiated mileage service. Members may earn points from 5% to up to 10% of their flight value (flight charges only) according to their membership class, and 1 point is equivalent to KRW 1 in cash value. Points are earned when boarding Jeju Air flights or through associated partners and can be redeemed to book flight tickets of all classes, baggage services, and in-flight meals as well as purchasing golf and sports memberships. Any shortfalls can be immediately purchased (issued) without fees, and these points are transferrable to up to four persons designated by members - friends and couples as well as family members - without additional procedures. There are four classes of Silver, Silver +, Gold and VIP determined by the frequency of boarding and accumulated points, and member benefits include bonus points for boarding, seat booking, priority boarding, additional baggage check-in, priority baggage claim, and a member-only counter. As of the end of March 2024, our Refresh Point membership amounted to nearly 6.5 million, with a whopping 1.49 million new members who joined this program in 2023.

Refresh Point membership

New members in 2023

 Over **6.5**
million persons

 Over **1.49**
million persons

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Mutual Growth Management

Supply Chain Management System

Supplier Code of Conduct

To advance socially responsible management together with suppliers, Jeju Air stipulated and disclosed our supplier code of conduct on our website in July 2023. This code covers 25 specific categories across four areas. In entering into a new contract with suppliers, we specify our demand for compliance with the ethics provisions of the code, and ensure prospective suppliers sign the ethics compliance pledge. We will establish a system to monitor suppliers for their compliance with our code of conduct for robust supply chain management in the upcoming years.

Supplier Code of Conduct

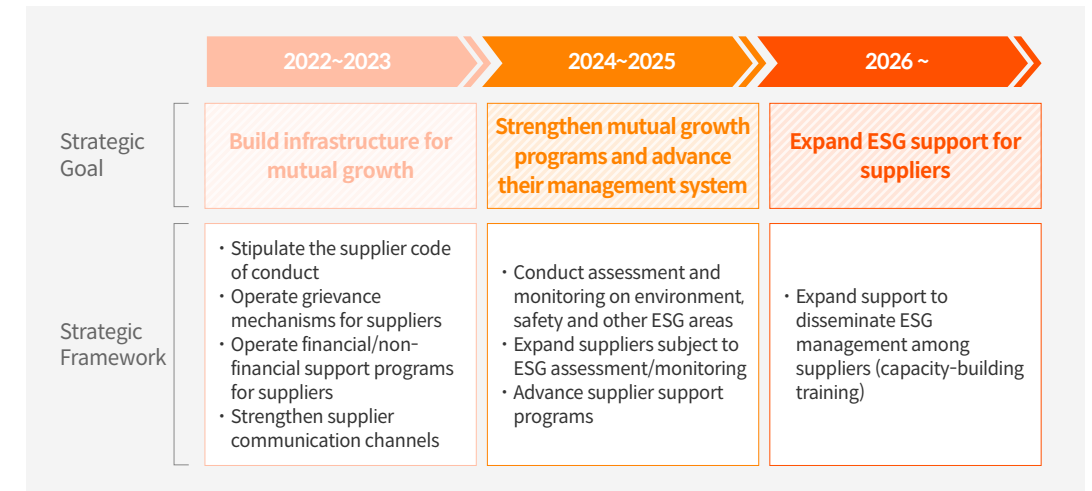


Supplier Code of Conduct

Mutual Growth System

Jeju Air is implementing policies and systems established to strengthen supply chain management while mitigating ESG risks. We set forth our supplier code of conduct covering the four areas of human rights & labor, health & safety, environment, and ethics, and provide a range of financial and non-financial support programs to help suppliers hone their competitive edge. Taking into account the size of sector-specific sales and cooperative relationships, we will progressively expand the scope of our key suppliers and provide support to ensure most of our suppliers establish their own sustainable business environment.

Mutual Growth Management System



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Mutual Growth Management

Mutual Growth with Suppliers

Mutual Growth Programs

Technology and Training Support

Jeju Air provides technology and training support to help suppliers boost their competitive edge and expand cooperation for mutual growth. In 2023, our supplier support programs focused on the three areas of technology support, job competency enhancement training, and ESG competency enhancement training.

Supplier Support Programs

Category	Program	Description	Outcomes
Technology support	Technology support for suppliers	Reviews made on Jeju Air’s technology and program-related support	Support provided on 8 occasions
Training support	Job competency enhancement training for domestic/overseas contractors	Transportation system, services for the transportation-disadvantaged, dangerous goods (DG), Weight & Balance (W&B), safety management system (SMS), etc.	27 specific programs Training provided on 352 occasions 2,337 participants
	ESG competency enhancement training for suppliers	Health and safety risk assessment methods	18 participants

Payment Terms Management

Jeju Air makes full cash payments to suppliers earlier than the statutory period of 60 days to help ensure their financial stability. To support their stable financing, we make early payments for holidays including the Lunar New Year or Korean Thanksgiving. In 2023, we made 100% cash payments to suppliers, all within 60 days.

Supplier Communication Channel

Jeju Air operates multiple meetings and discussions to identify supplier needs and bolster our communication with supplier employees. The co-prosperity committee convenes every month under the leadership of the Safety Health & Environment Team to heed the difficulties facing suppliers and identify necessary improvements to prevent occupational injuries. In December 2023, we disseminated guidelines to prepare for emergencies affecting operational sites as well as occupational safety news and accident cases and offered an opportunity for suppliers to present the health and safety improvements they made. Council meeting materials are used by our suppliers to train their employees and are coupled with the results of satisfaction surveys conducted on suppliers that attended these meetings to pursue improvements in areas falling short of the set health and safety standards. Apart from this, the Ground Service Quality Team convenes monthly meetings to discuss operation-related issues, and the Maintenance Planning Team hosts separate mutual growth discussions, with a total of 28 meetings and discussions held in 2023.

In addition to meetings, we also engage in cheer-up activities for our staff and contractors operating at domestic locations to improve work efficiency and build solidarity. Between 2Q to 4Q of 2023, we provided sports events, winter snack cars, and meal box deliveries for employees working in different functions at eight locations in Korea – Incheon, Gimpo, Jeju, Busan, Cheongju, Daegu, and Muan. Going forward, we will continue with our interaction and support for suppliers to do our utmost in seeking mutual growth with suppliers.

Supplier Grievance Handling Process

Jeju Air operates supplier grievance reporting channels. Our suppliers may raise their grievances through our intranet or e-mail dedicated to whistleblowing, and this e-mail address is specified in the contract we sign with suppliers. Suppliers may use such channels to submit their grievances, improvement ideas, and other feedback on subcontract issues, human rights/environment/health & safety issues, and complaints. Our supplier grievance handling process follows the four steps of VOC submission, review, deliberation, and result notification. In 2023, zero grievances were submitted by suppliers.

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Information Security

Information Security Management System

Information Security Policy and Guidelines

Jeju Air established an information security regulation system to ensure reliable service operations and protect customers' personal data and privacy and made our information security declaration embodying our leadership's commitment to information security. This regulation system consists of information security regulations serving as the highest-level policy and seven guidelines governing general operational security and information security operations. We also defined procedures and document forms to set specific behavioral standards to abide by in conducting business. Our information security policy is regularly established and updated to keep abreast of domestic/global regulations and trends and shared continuously to ensure compliance at all levels of the Company. In conformity with information protection regulations, we disclose our privacy policy on our website to help users understand how and for what their personal data is used and which measures Jeju Air takes to protect their personal data. In particular, this policy provides a more intuitive view of matters associated with personal data for increased transparency and accessibility. We will continue to value the personal data of users and ensure robust personal data management to safeguard consumers' rights and interests.

Information Security Certification

Jeju Air continuously verifies our internal Information Security Management System (ISMS) in line with highly credible information security certification standards. Following our ISMS renewal in 2022, we certified our operations to the ISO 27001 information security management system standard set by the International Standard Organization. We keep our information assets safe in conformity with global standards governing information security policies and organizations and receive annual audits to abide by credit card payment regulations (PCI-DSS) to take a rigorous approach to data privacy.

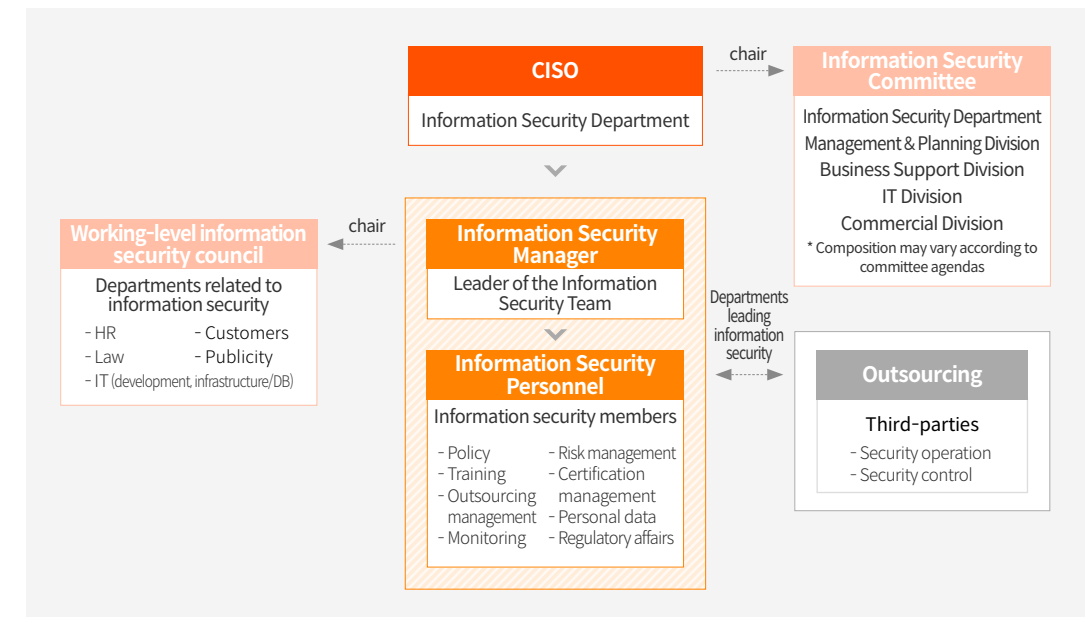
Information Security Certification Marks



Information Security Implementation System

Jeju Air appointed the Chief Information Security Officer (CISO) pursuant to the Act on Promotion of Information and Communications Network Utilization and Information Protection. In accordance with the CISO appointment criteria specified in our information protection regulations, we appoint an executive-level CISO who meets pertinent qualifications, including his/her holding concurrent positions and expertise, and set up a dedicated organization to prevent information leaks and conduct security operations. In accordance with Article 31 of the Personal Information Protection Act, we appointed the Chief Privacy Officer (CPO), and organized a working-level information security council chaired by the CPO to review our data privacy handling, resolve issues, and report on our response to data breaches.

Information Security Organizational Chart



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JEJUair

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E-mail | esg@jejuair.net

Information Security

Information Security Risk Management

Advancing Information Security Performance

Jeju Air defines its IT strategy and vision to effectively support information security operations, and analyzes its current status and requirements concerning business and information technology to establish annual master plans. We also build an integrated security platform to bolster our capabilities to respond to cyber threats and breaches that occur across different operational layers from ID, end-point, e-mail, and data to networks, repositories, cloud, and applications while advancing our systems to enable automated information security responses.

Information Security Awareness-Raising Activity

Jeju Air embeds information security into the fabric of its corporate culture to prevent information security risk that may result in grave losses such as declining trust and degrading corporate reputation. To raise employees' information security awareness, we provide special training tailor made to different functions and roles in addition to annual data privacy training. As part of such efforts, we launched the 'Useful Tips to Keep Your Personal Data Safe' campaign in 2023. To ensure all our employees identify and address data-related risks, we regularly notify key security issues through e-mail and our intranet.

2023 Non-compliance with information security-related laws and regulations



Zero

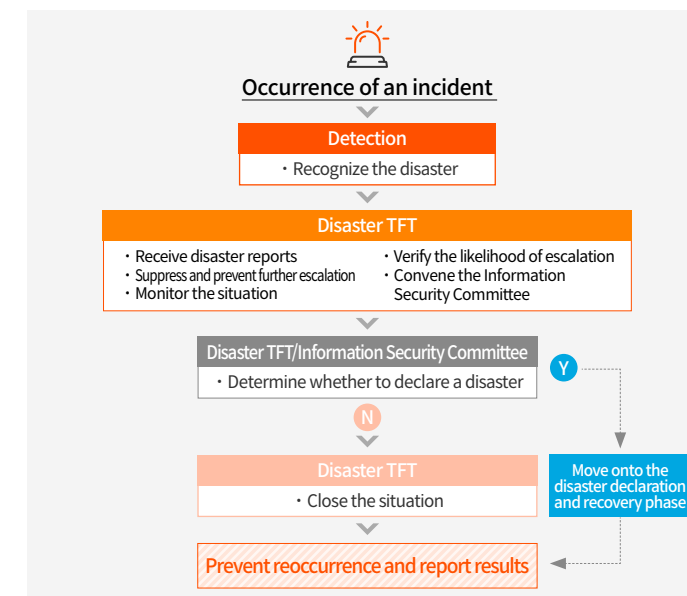


Data Privacy Campaign Poster

Preventing and Responding to Personal Data Breaches

In collecting and using personal data, Jeju Air fully respects the information subject's right to informational self-determination, and does its utmost to take technical, administrative, and physical safety measures to prevent any loss, theft, leaks, falsification, or damage of personal data in their processing phase. To brace for data breaches that may occur in the personal data handling process, we established procedures to respond to personal data breaches, and purchased liability insurance in conformity with Article 39 of the Personal Information Protection Act. In 2023, there were zero incidences of non-compliance with the Personal Information Protection Act.

Personal Data Breach Response Process

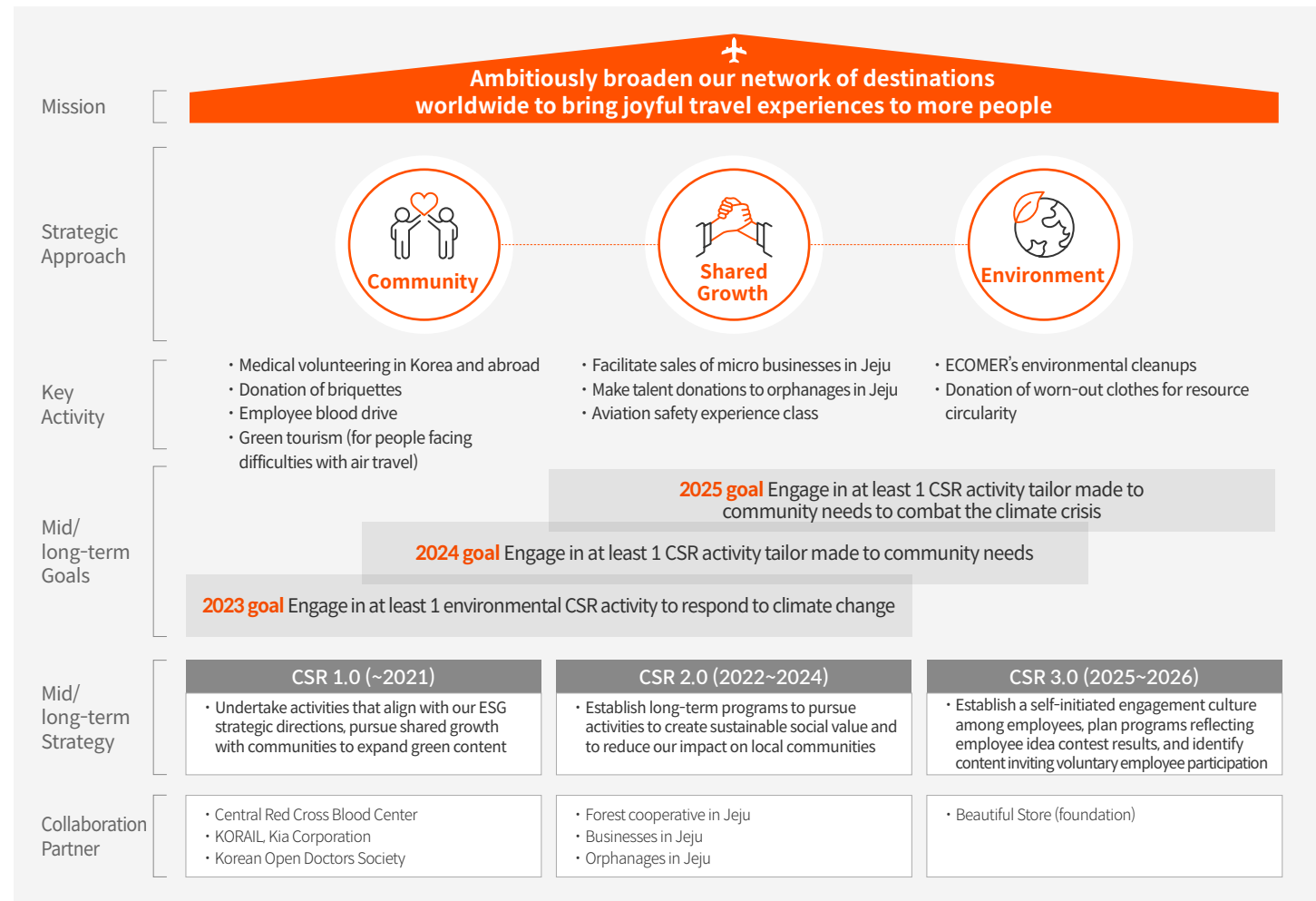


Corporate Social Responsibility

CSR Implementation System

Guided the mission of ambitiously broadening the network of destinations worldwide to bring joyful travel experiences to more people, Jeju Air undertakes community engagement activities along with wide-ranging stakeholders, including local governments, public institutions, and non-profits. Our CSR strategy is anchored on the three key pillars of community, shared growth, and environment, and we launch activities that align with them to achieve our CSR goals. In 2023, we engaged in nine activities in partnership with the Central Red Cross Blood Center, KORAIL, and the Korean Open Doctors Society, with our employees and customers actively participating. Looking ahead, we will set mid-/long-term CSR goals that make best use of our characteristics and strengths to take broader initiatives towards a sustainable society.

Mid/long-term Strategy



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Corporate Social Responsibility

Local CSR Activity

Overseas Medical Volunteering

For the past 14 years from 2011 to 2024, Jeju Air has teamed up with the Korean Open Doctors Society to provide medical volunteering in medically-underserved locations overseas. Our volunteer team consisting of healthcare professionals and volunteers visit areas with poor healthcare infrastructure to provide basic healthcare education and medical services to improve hygiene and healthcare awareness among local people. Not only our own employees but also customers wishing to lend a hand may participate to share the value of volunteering across local communities. In 2023, 11 customers joined our volunteer team to benefit 2,089 people in Malabon, the Philippines and in Luang Prabang, Lao PDR.



Overseas Medical Volunteering

Green Travel Campaign

To make travel readily accessible to people with disabilities who often face difficulties with mobility and to expand the base for tourism culture, Jeju Air supported 67 four-member households to travel across Jeju in partnership with KIA, Hanwha Resorts and KORAIL in 2023. We provided flights at no cost, along with assigning front seats and supporting wheelchairs at the check-in counter and lift cars for boarding, doing our part for making travel a bit more convenient for mobility-challenged individuals.



Green Travel Poster

Blood Donation Campaign

Jeju Air has launched blood donation campaigns since 2019 and provided the blood donation certificates gathered accordingly to the Korea Childhood Leukemia Foundation and others in need of blood donation. We also donated merchandise products bearing the Jeju Air brand to the Central Red Cross Blood Center to be distributed to blood donors for free. In recognition of such efforts, we were awarded the commendation for contribution to blood donation by the Korean Red Cross. Going forward, we plan to expand our blood donation campaign to promote community development and fulfill our social responsibility.

Donation of Briquettes

Since 2018, Jeju Air has donated briquettes once a year. Our employees, along with local volunteer organizations, visit the homes of vulnerable groups to deliver briquettes. In 2023, a total of 26,000 briquettes were donated to less-privileged households in Seoul and Busan.



Volunteers Donating Briquettes

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Corporate Social Responsibility

Shared Growth Activity

Facilitating Sales of Micro Businesses

Jeju Air signed an MOU with local organizations to support micro businesses in Jeju through joint advertising and promotion. In particular, Air Café, our in-flight sales service, supported the sales of Jeju local specialties to help revitalize the local economy. As of 2024, a total of 61 products were made available, almost double the number in 2022. Promoting a wide array of products manufactured by micro businesses in Jeju, ranging from agricultural and seafood products such as silver hairtail, tilefish, tangerines to food products including green tangerine pie and milk sandwiches and beauty products such as horse oil multi-balm and hand cream, we provide an invaluable opportunity to publicize local brands. Our 'Excitement Delivery' service that brings in-flight products free-of-charge to the destination of consumers' choosing also helped expand the sales network of Jeju products across the nation. Jeju Air will continue to support micro businesses to present a win-win model that goes beyond promoting Jeju specialty products to unveil the true value of Jeju.



Jejudo Jeju Air 'LOUNGE J'

Educational Talent Donation for Orphanages

Jeju Air forged sisterhood ties with Jeju Orphanage in 2007 and has since engaged in educational volunteering over the years. Our volunteer group 'Bong Woo Ri' composed of cabin crewmembers visit the facility each week to teach children English, Chinese, Japanese along with special piano lessons. They also provide school supplies, indoor shoes and others to encourage children at the facility to learn and flourish at school.



Jeju Air Employees Engaging in Educational Volunteering

Talent Donation for Teen Education

Since 2014, Jeju Air has visited elementary and junior schools and teen organizations across the nation, one or two places on a monthly basis, to provide aviation safety experience education. We organized 'Hang An Che' as a volunteer team composed of cabin crewmembers for the professional operation of aviation safety education, and these volunteers help students learn how to properly fasten the seatbelt, how to use the life vest and take necessary precautions, and how to wear the oxygen mask onboard. In addition to school visits, they have also participated regularly in the Jeju Safety Festival since 2014 and the Seoul Safety Festival since 2018 to provide aviation safety experience education, offering local communities with a variety of learning opportunities. For middle and high school students, we conduct the 'Tamra is Dream' activity. Our incumbent cabin crewmembers responsible for cabin crew trainings and exercises participate as instructors to provide education and hands-on experience opportunities related with the job duties of cabin crew. In 2023, this activity supported 125 students on five occasions to provide motivation and career discovery opportunities.



Aviation Safety Experience Class

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Corporate Social Responsibility

Educational Talent Donation for Pediatric Cancer Patients

As part of its donation activities, Jeju Air has partnered with the Naeum Pediatric Center Center in Busan to provide aviation safety experience classes, birthday parties, and uniform experience education each month. These activities aim to facilitate the recovery of these pediatric patients and motivate them for receiving treatment so that they grow to become a healthy member of our society. Apart from this, we launched Nanujei as our volunteer team made up of cabin crewmembers for talent donation to continue with our donation activities.



Nanujei Making Talent Donations

Talent Donation to Make Comfort Dolls

Since 2018, Jeju Air has donated comfort dolls¹⁾ on 14 occasions to orphanages and infant care facilities across seven regions in Korea, including Seoul, Jeju, South Jeolla, Busan, and Daegu. These dolls were handcrafted by our employees stitch by stitch, embodying our wish for children's happiness. In 2024, we will donate comfort dolls to children across wider regions, including the Busan Leukemia Association.

1) Comfort doll: Dolls that children often carry with them at all times to help ease anxiety during early childhood



Comfort Doll Donation Ceremony

Environmental CSR Activity

Marine Cleanup

Since 2019, Jeju Air has launched environmental cleanup activities to revive Jeju's coastal areas. In 2023, ECOMER, our special CSR team consisting of cabin crewmembers, cleaned up coastal areas near Eulsuk-do and other regions on a monthly basis. We will continue with our marine cleanup activities to contribute to environmental protection across local communities.



Employees Engaging in Marine Cleanups

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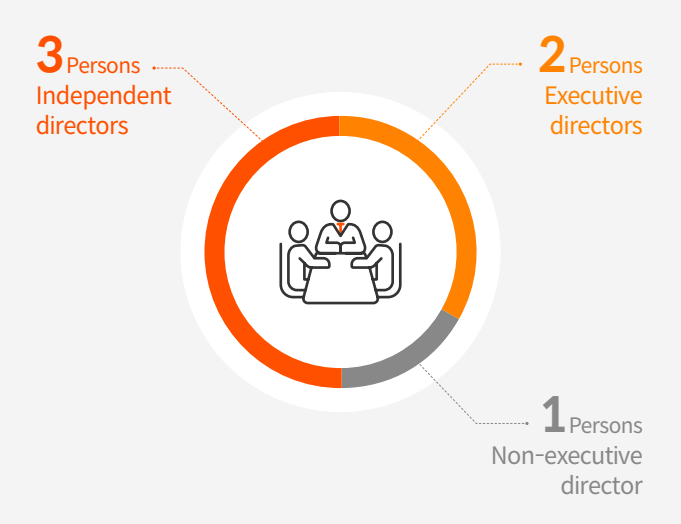
Governance

Composition of the Board

Corporate Governance Charter

In July 2022, Jeju Air stipulated the Corporate Governance Charter illustrating our commitment to establishing transparent and fair governance, promoting sustainable growth of Jeju Air, and protecting shareholder rights and interests. In ensuring fairness and transparency of our governance, we pursue a balanced governance system.

Composition of the Board



Composition of the Board

Members of our Board of Directors are appointed in accordance with the legitimate procedures stipulated by our Articles of Incorporation. As of December 2023, Jeju Air's Board of Directors was composed of six members – two executive directors, one non-executive director, and three independent directors. Executive directors are appointed primarily for their expertise, and independent directors for their extensive experience across various areas in addition to their deep understanding on the aviation industry. We prioritized balanced representation in our director appointment process in terms of their expert knowledge and backgrounds across administration, finance, law, and planning to bolster the expertise and diversity of our Board of Directors. More to the point, there are more independent directors than executive directors to ensure the independence of the Board.

(As of Dec. 31, 2023)

Category	Name	Gender	Position	Major Career	Expertise	Date of Appointment	Tenure
Executive directors	Kim E-Bae (Chairman of the Board)	Male	CEO Chair of the Management Committee	• Current) CEO, Jeju Air • Former) Head of Strategic Planning Division, Asiana Airlines	Management/Strategy	Jun. 26, 2020 (re-appointed)	3 years
	Lee Jung-Suk	Male	Chief Financial Officer (CFO)	• Current) Head of Management & Planning Division, Jeju Air • Former) Head of Management & Planning Division, AK Plaza	Finance/Strategy	Mar. 30, 2021 (newly appointed)	3 years
Non-executive director	Lee Jang-Hwan	Male	Non-executive director	• Current) Head of Finance Team, AK Holdings • Former) Head of Financial Investment Group, Lotte Insurance	Finance/Strategy	Mar. 27, 2022 (newly appointed)	3 years
Independent directors	Kim Heung-Kwon	Male	Chair of the Audit Committee	• Current) Honorary Advisor, Seoul Branch, Korean Red Cross • Former) Chairman, Seoul Branch, Korean Red Cross	Administration/policy	Mar. 27, 2019 (re-appointed)	3 years
	Cho Young-Jo	Male	Chair of the the Internal Transactions Committee	• Former) Auditor, Shinhan Venture Investment • Former) Vice Chairman, Export-Import Bank of Korea	Finance/Accounting	Mar. 27, 2022 (newly appointed)	3 years
	Cho Nam-Kwan	Male	Chair of the Independent Director Recommendation Committee	• Current) Lawyer, Cho Nam-Kwan Law Firms • Former) President, Institute of Justice	Law	Apr. 1, 2024 (newly appointed)	3 years

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Governance

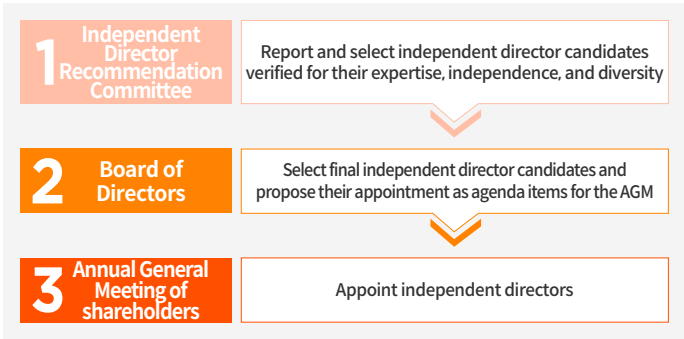
Director Appointment Procedures

All our directors are appointed through the Annual General Meeting (AGM) of shareholders and are verified in advance for meeting the qualifications specified in pertinent laws and regulations and in our Articles of Incorporation. In appointing directors, we provide shareholders with the information on director candidates through our AGM convocation notice, concerning their profile, transactions with the Company for the past three years, penalties imposed for non-payment of due taxes for the past five years, corporate rehabilitation or bankruptcy he/she has been involved in as an executive of the company, employment restrictions, and other reasons for disqualification. In addition, director appointment agenda items are proposed individually for each director candidate and addressed as such at the AGM.

Independent Director Appointment Standards and Procedures

At Jeju Air, our Independent Director Recommendation Committee creates a pool of candidates and engages in in-depth deliberations to finalize candidates, who are then approved by the Board of Directors and appointed at the AGM to ensure their expertise and independence as independent directors. In 2023, Cho Nam-Kwan was recommended by the Committee and was appointed as an independent director through fair and transparent procedures, who is currently chairing the Independent Director Recommendation Committee. We will appoint specialists as independent directors in conformity with global standards in the mid-to long-term.

Independent Director Appointment Process



Board Committees

To ensure expertise of the Board of Directors and improve its operational efficiency, we operate four committees – the Audit Committee, the Internal Transactions Committee, the Management Committee, and the Independent Director Recommendation Committee – under the Board of Directors. Each committee deliberates and decides on important matters related to business operations pursuant to the authorities they were given to fulfill their intended purpose.

Committees under the Board of Directors

(As of Dec. 31, 2023)

Board of Directors				
Committee	Audit Committee	Internal Transactions Committee	Management Committee	Independent Director Recommendation Committee
Composition	3 independent directors	3 independent directors 1 executive director	2 executive directors	3 independent directors, 1 executive director, 1 non-executive director
Members	Kim Heung-Kwon, Cho Young-Jo, Cho Nam-Kwan	Cho Young-Jo, Kim Heung-Kwon, Cho Nam-Kwan, Lee Jung-Suk	Kim E-Bae, Lee Jung-Suk	Cho Nam-Kwan, Kim Heung-Kwon, Cho Young-Jo, Kim E-Bae, Lee Jang-Hwan
Purpose and Role	<ul style="list-style-type: none">Perform audit work pursuant to Audit Committee regulationsAppoint external auditors	<ul style="list-style-type: none">Deliberate and decide on review items requiring prior consultation concerning transactions made with affiliated partiesDeliberate and decide on matters associated with related transactions	<ul style="list-style-type: none">Ensure swift and efficient business decision-makingDeliberate and decide on matters delegated by the Board	<ul style="list-style-type: none">Recommend independent director candidatesRecommend candidates based on expertise and diversity
Meetings Held	6	4	17	1
Agenda	17 reporting items	2 decision items 4 reporting items	40 decision items	1 decision item

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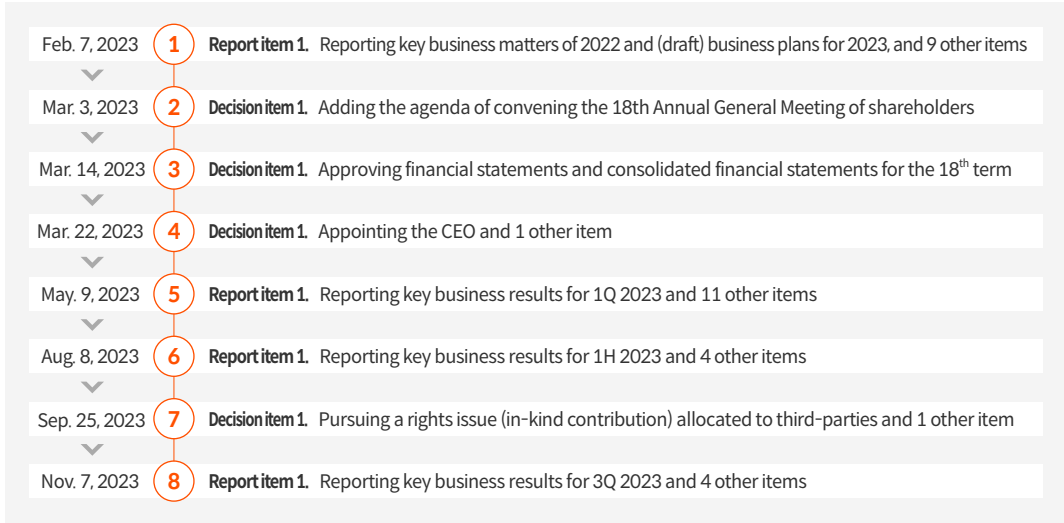
Governance

Board Operation and Activity

Operation of the Board of Directors

Our Board of Directors convenes ordinary meetings every quarter, and also meets more frequently as the need arises. In 2023, the Board met eight times to propose and address 17 agenda items. Board attendance was 98% on average, and our members of the Board actively participate in making important decisions for the Company while providing their feedback on our organizational purpose, strategy, and policy development among others. The Board meetings are convened by the Chair of the Board, who is our CEO, as stipulated in the Articles of Incorporation, and directors may also request the Chair to convene a Board meeting when deemed necessary. The authorities, responsibilities, and operational procedures of the Board are in accordance with the Board of Directors regulations, and the interventions made on Board agenda items are fully documented and retained in Board meeting minutes. Our Board of Directors is mandated to make decisions on matters specified in pertinent laws and our Articles of Incorporation, matters delegated by the Annual General Meeting of shareholders, and key matters concerning the Company’s basic management guidelines and operational execution while overseeing the work of directors and leadership. To ensure professional and efficient Board operations and assist independent directors in performing their duties, we operate the Internal Audit Team to support independent directors.

2023 BOD Activities (As of Dec. 31, 2023)



Improving the Expertise of Independent Directors

Jeju Air supports independent directors with training to enhance their competency. In 2023, the Group-wide Independent Director Seminar hosted by AK Holdings served to provide ESG training on the topics of the climate crisis and net zero. Along with external training on ChatGPT, designed to keep current with emerging trends, we also provided specialized governance training led by Deloitte Anjin to help auditors acquire expertise.

Independent Director Training Provided (As of Dec. 31, 2023)

Date of Training	Provided by	Independent Directors Who Attended	Reasons for Non-attendance	Key Topics
Mar. 17, 2023	Deloitte Anjin	Kim Heung-Kwon, Cho Young-Jo	Attended	• Corporate governance status in Korea • Global trends concerning the Board of Directors
May 19, 2023	Samil PwC	Kim Heung-Kwon, Cho Young-Jo, Cho Nam-Kwan	Attended	• Understanding ChatGPT and taking stock of its impacts
Oct. 13, 2023	AK Holdings	Kim Heung-Kwon, Cho Young-Jo, Cho Nam-Kwan	Attended	• Future of Korean companies in the age of the climate crisis and net zero

Board Compensation

At Jeju Air, the limit of director compensation is set through the decision made by the AGM, and director compensation is paid within the limit approved by the AGM in consideration of the responsibilities that respective directors assume. Total compensation provided each year and average compensation per person are transparently disclosed through our annual reports.

Board Compensation (Unit: KRW million)

Category	Members	Total Compensation	Average Compensation per Person
Registered directors (excluding independent directors and members of the Audit Committee)	4	500	125
Members of the Audit Committee	4	209	52

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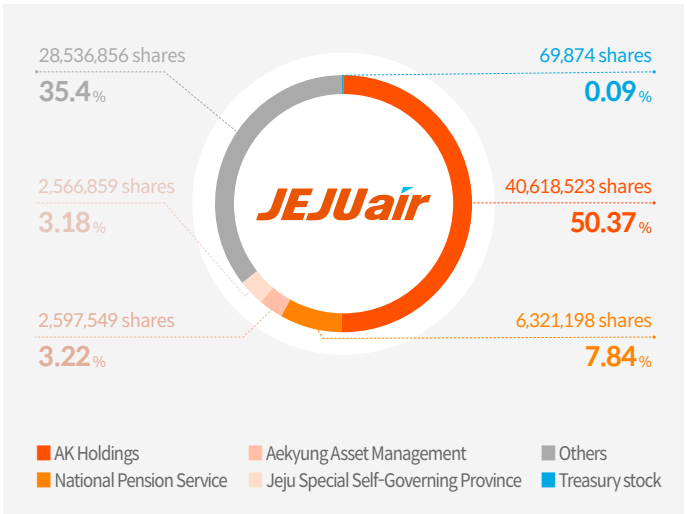
Shareholder-friendly Management

Overview of Shareholders

Overview of Shareholding and Shareholders

Jeju Air is authorized to issue 200,000,000 shares in total (KRW 1,000 in per-share face value), and the total number of shares issued amounted to 80,640,985 common shares as of the end of 2023. The largest shareholder is AK Holdings, the holding company of Aekyung Group with 50.37% ownership. The shares held by the largest shareholder and other affiliated parties represent 53.59% of total. Other major shareholders include the National Pension Service whose shareholding rose from the previous year to 7.84% to become the second largest shareholder. Jeju Special Self-Governing Province invested KRW 5 billion at the time of our foundation and currently holds 3.18% of total. Jeju Air’s treasury stocks account for 0.09% of total, with 1,176,494 shares deposited in the Employee Stock Ownership Association.

Breakdown of Jeju Air Shareholders



Protecting Shareholder Rights

Protecting Shareholder Rights and Interests

Jeju Air maximizes shareholder value and protects shareholder rights as stipulated in the Commercial Act. To this end, we established our Articles of Incorporation and Corporate Governance Charter. Article 1 of our Corporate Governance Charter specifies that the date and venue of the Annual General Meeting of shareholders be set in a way to ensure the participation of the largest-possible number of shareholders, full information be provided to shareholders for the AGM in a timely manner, and shareholders have the right to propose agendas, make inquiries for agendas, and demand explanation. Going forward, Jeju Air will bolster pertinent policies to uphold shareholder rights and interests.

Shareholder Return Policy

Respecting shareholder value and rights, we had paid dividends within the scope of dividendable profits in consideration of business conditions and had implemented share buybacks as decided by the Board of Directors and approved by the AGM between 2016 and 2019. The deteriorating business environment during the pandemic, however, prevented us from executing our dividend policy due to accumulated deficits. Going forward, we will actively pursue our shareholder return policy by comprehensively taking into account our mid/long-term business plans and financial structure as well as dividendable funds. Meanwhile, the AGM held in March 2024 served to upgrade our Articles of Incorporation to determine the dividend amount first before setting the dividend record date in reflection of the dividend procedure improvement plans proposed by the Financial Services Commission, increasing the predictability of our dividend payments for shareholders. Jeju Air will continue to expand our shareholder-friendly policy to enhance shareholder value.

Annual General Meeting of Shareholders

Jeju Air convenes the Annual General Meeting of shareholders through the decision made by the Board of Directors within three months after closing each fiscal year as well as extraordinary shareholder meetings on a as-needed basis. In hosting the AGM, we disclose the decision to convene the AGM detailing its date, venue, and agendas through the Board of Directors six to seven weeks before the meeting, and issue the convocation notice up to two weeks before the meeting. We adopt electronic voting and proxy solicitation to provide broader options for shareholders to exercise their voting rights, and ensure our AGM is held outside the peak dates when such meetings are concentrated each year to make our AGM accessible for even more shareholders. When the AGM is closed, the voting results are disclosed on our website.

Expanding Disclosures and Accessibility

Jeju Air actively heeds the voice of shareholders and investors and communicates key business matters promptly and accurately to protect the interests of our stakeholders and duly assume our social responsibility. Pursuant to pertinent regulations, we appoint one disclosure manager and two disclosure personnel, who regularly complete training required to make their registration on the Korea Exchange and maintain their qualifications in conformity with Article 88 of the Securities Market Disclosure Regulations. In addition to meeting legal requirements, we also disclose quarterly earnings releases on our website to reach out closer to shareholders and investors and engage in external Non Deal Roadshows (NDR) at least once each quarter. Furthermore, we hold conference calls with domestic/global institutional investors, securities firms, and asset managers when deemed necessary to transparently share our business information and performance. We make disclosures in English for foreign investors and also disclose our tentative business results as voluntary disclosure, faithfully fulfilling our responsibility for investor communication.

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Ethics and Compliance Management

Ethical Management System

Ethics Regulations

Jeju Air prioritizes trust that customers and stakeholders place in us as one of our top priority values, and discloses our Ethics Charter, Code of Ethics, and Ethics Regulations on our website and in-house groupware bulletin board to advance ethical management. The Ethics Charter consists of seven principles that illustrate a set of values that we uphold at Jeju Air. The Code of Ethics includes eight principles that outline our attitudes towards customers and stakeholders, responsibilities to employees, society, and investors, and fundamental ethics for employees among others. The Ethics Charter and the Code of Ethics laid the basis for us to establish the Ethics Regulations for our employees and stakeholders to abide by as well as specific procedures and relevant details to handle non-compliance with these regulations. In so doing, we encourage our employees to conduct business honestly and transparently under any circumstances while faithfully adhering to basic principles, building a sound and ethical corporate culture. Our supplier code of conduct also contains ethics-related provisions to engage stakeholders in ethical management.

Ethics Charter

1	We share our ‘business philosophy’ that we pursue as a company and our ‘management value system’ that our leadership set in line with this philosophy and fulfill our obligations and responsibilities as a listed company.
2	We put customer satisfaction and safety before all else and earn trust from customers and stakeholders.
3	We respect the principle of free competition, uphold sound market principles, and abide by pertinent laws and regulations to actively do our part in promoting the sound development of our nation and society and environmental conservation.
4	We take pride in being a member of Aekyung to maintain our individual honor and dignity and continue to build win-win relationships with suppliers based on mutual trust.
5	We respect the dignity of individual employees, provide equal opportunity, and treat them fairly and equally according to their merit and performance.
6	We protect investors’ rights and strive to promote their interests.
7	We stipulate the Code of Ethics that sets the standards for proper value judgement and behavioral principles for all employees to follow, and vow to faithfully honor the Code of Ethics.

Ethical Management Organization

Pursuant to Article 12 of the Ethics Regulations, Jeju Air operates the Ethics Committee, and convenes the HR Subcommittee along with the Ethics Committee which substitutes for the HR Committee when the need arises to deliberate on ethical misconduct and take disciplinary action. The Internal Audit Team under the direct leadership of the CEO serves as our dedicated ethical management organization to encourage Group-level compliance and adherence to internal regulations, working to build a transparent corporate culture. Since 2023, we have surveyed our employees on their ethical management awareness and used the results to assess and improve their ethics awareness. The 2023 awareness survey revealed that our employees were highly satisfied with the ethical management training that we provide, with 96% positive responses, and 91% of them answered that Jeju Air employees outperformed their peers at other airlines in upholding ethical values. All in all, our employees showed an advanced level of understanding on ethical management, and we are making progress to resolve the difficulties our employees face in using ethics whistleblowing channels, which was identified through the survey.

Ethics and Compliance Management

Ethical Management Activity

Ethics Training

Jeju Air provides all our employees with ethical management training once a year. In 2023, 100% of our employees required to attend ethics training did so and signed the ethics pledge. In the second half of that year, we conducted onboarding training for 421 new hires in conjunction with the Anti-Corruption & Civil Rights Commission as a third-party ethical management training institute to highlight the necessity for integrity and ethics management and Jeju Air's core values for ESG management. This helped all our employees and stakeholders raise their ethics awareness.



Onboarding Training on Ethical Management

Operating Ethics Disciplinary System

Our Ethics Committee serves to deliberate on and take disciplinary action against ethical misconduct of our employees. The Chair of this Committee is our CEO: its quorum is met when a majority of its registered members are present, and decisions can be made when a majority of the members attending vote for or against. The Ethics Committee is also mandated to establish clear facts on non-compliance with our Ethics Regulations, make decisions on HR action and other matters, and take action to prevent the reoccurrence of similar issues through departmental relocation or training for offenders. We take stern measures against unethical conduct of our employees and ensure such ethical non-compliance does not occur. In 2023, zero reports were submitted for ethical non-compliance, and thus the Ethics Committee did not convene to take disciplinary action.

2023 Ethical non-compliance



Zero



Operating Whistleblowing Channels

Jeju Air operates whistleblowing channels to resolve grievances raised by our own employees and external stakeholders. Employees may raise concern over a range of illegal and corrupt practices through the whistleblowing channel on our in-house groupware and e-mail. Submitted reports are handled by verifying their factual grounds, making deliberations, taking disciplinary and preventive action, and notifying the handling outcomes in writing. The identity of whistleblowers remains strictly confidential to protect them from any disadvantages. To ensure our whistleblowing channels are more widely used, we issued pop-up card news on our in-house groupware each quarter in 2023 to promote these channels and encouraged the submission of incidences of ethical misconduct to advance ethical management on an ongoing basis.



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Ethics and Compliance Management

Internal Control and Audit

Internal Control

Our internal accounting control system aims to ensure stability in our business operations and increase the credibility of our financial statements. Internal control activities are implemented on control-specific changes, implementation procedures, and risk levels in accordance with the internal accounting control system best practices provided by the Financial Supervisory Service. We also engage independent external auditors in performing audits to verify the appropriateness of our system operations. Furthermore, we assess the effectiveness of our internal accounting control system each year, and report its operational status to the Audit Committee, the Board of Directors, and the Annual General Meeting of shareholders while disclosing relevant details in our annual reports.

Internal Audit

Our Audit Committee serves to oversee the work of our directors and top management to ensure they make reasonable business decisions. We operate a dedicated internal audit organization to play a role as consultant to proactively prevent risks as well as placing controls to follow up on identified financial risks. Each year, we conduct corruption risk assessments in line with the shifting internal/external landscape and operate internal control procedures to prevent the risk of financial corruption and financial risks before they occur. In 2023, we identified potential risks inherent in area-specific work processes and implemented internal audits and improvement activities to ensure financial corruption risks do not arise. Actions taken for each risk factor are monitored for follow-up and are reported to the Audit Committee.

Compliance Management

Compliance Risk Management

To make sure all our employees, including senior leadership, adhere to laws and regulations, Jeju Air appoints the compliance officer and a supporting organization to engage in compliance support activities. The primary role of the compliance officer is to assess compliance of our employees in their business conduct and provide compliance training. In 2023, our compliance officer aligned our overall regulations in this regard. We also established the Legal Service System to respond to legal issues that the Company faces. This system helps us review contracts and conduct legal advisory work to manage legal risks associated with our employees' business operations.

Compliance Management Activity

In 2020, Jeju Air established our compliance control standards pursuant to Article 542-13 of the Commercial Act. These standards aim to ensure all employees, including senior management, abide by laws and regulations to promote fair and transparent business conduct and sound corporate development. We publish the Legal Compliance Letter to all employees outlining various regulatory trends in Korea and overseas and compliance-related issues to raise their compliance awareness. The Legal Compliance Letter issued in January 2024 addressed the topic of compliance with environmental labeling and advertising regulations.

Legal compliance

No.1

January 2024

들어가며

최근 국제적으로 그린워싱에 대한 규제가 강화되고 있고 우리나라도 공정거래위원회, 환경부 등이 행정규칙(환경 관련 표시·광고 심사지침 등)을 개정하고 가이드라인을 만들어 발표하는 등, 그린워싱에 대한 관심과 규제가 커지고 있습니다. 이에 본 레터에서는 국내외 법원의 관련 판결례와 위 심사지침의 주요 개정 내용을 소개하고 향후 우리 회사가 환경 관련 표시·광고를 할 경우의 유의 사항에 대하여 개략적으로 말씀드리고자 합니다.

앞으로도 Legal compliance 레터를 통해 임직원 분들이 회사 업무를 수행함에 있어 준법하실 수 있도록 도움을 드리도록 하겠습니다. 감사합니다.

오스트리아항공, '그린워싱' 광고 금지 판결

오스트리아항공이 특정 노선(2022 Biennale Arte 전시회 향 공편)에서 '지속가능항공(SAF) 100% 사용' 및 '탄소중립 비행'이라는 허위·과장 표현을 사용하여 광고한 것이 오스트리아 지방법원에 의해 소비자를 오인하게 만들 수 있는 그린워싱 광고로 인정되어, 오스트리아 소비자정보보호회(VKI)가 제기한 광고금지가처분(injunctive relief) 및 판결 공표 청구가 인용되었습니다.



'친환경 허위광고' 폭스바겐, 과징금 373억 원 확정



배출가스 저감장치를 조작해 인증시험을 통과한 뒤 친환경 기준(연료효율성, 배출가스 등)을 충족한 것처럼 광고한 폭스바겐 아우디에 대한 공정거래위원회의 373억 원 과징금 부과 처분은 정당하다는 대법원 판결(2019두31815)이 선고된 바 있습니다.

우리를 특징짓는 일곱가지

Confident | Competent | Connected | Cooperative | Consistent | Creative | Customer-oriented

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Website | <http://www.jejuair.net>

E-mail | esg@jejuair.net

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Risk Management

Establishing a Risk Response System

Jeju Air proactively uncovers and manages potential risks that may affect our attainment of business goals as a way to minimize the impact of business risks. We identify and analyze risks from multiple angles that may bring organization-wide impact in financial and non-financial aspects to ensure stability in business operations while developing and systematically operating management procedures and responses by type of risk.

Risk Management System

Jeju Air is bolstering the functions of the Board of Directors and its committees in managing financial risks that have grave impact on our business operations. The Management Committee under the Board makes decisions on important management matters as delegated pursuant to the Board regulations, such as organizational management, new investments, and borrowings. The Related Party Transactions Committee reviews transactions with related parties including the largest shareholder as stipulated by the Commercial Act, the Fair Trade Act and other pertinent regulations. The Audit Committee, composed of two independent directors with expertise on law, management, and administration and one independent director with accounting and finance expertise, identifies risks by area of work associated with financial reporting through risk management performed under the internal accounting control system while reviewing our work procedures established to control these risks to take stock of operational status each year. Committees under the Board regularly report matters on financial and non-financial risks for approval. Going forward, our Board of Directors will ensure systemic management of key non-financial matters related to environmental, social, and governance areas as well as risks that impact financial value.

Risk Management System



Risk Management Process

Jeju Air’s risk management follows the process of risk identification and analysis, the development of risk response plans, risk response, monitoring and reporting of results. We classify potential risks that may occur in relation to our business operations and preemptively identify them through continuous review and management while developing risk response plans according to our internal process, priorities, and urgency and responding to risks accordingly. Risks are prioritized in line with our three-step risk impact identification and analysis process.

Risk Management Process



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Website | <http://www.jejuair.net>









E-mail | esg@jejuair.net

Risk Management

Risk Management by Type of Risk

Jeju Air identifies risks projected to bring significant impact on our business and develop scenario-based strategies to respond to such risks. Risks are categorized into financial risks affecting business operations and liquidity among others as well as non-financial risks including safety risks and information security risks. These risks are assessed for their sizeable business impact over the mid-to-long term horizons and management activities are developed and implemented by type of risk.

Type of Risk and Management Activity

Category	Area of Risk		Risk Management Activity
Financial risks		Business operations	<ul style="list-style-type: none">• Reinforce portfolio reviews based on scenarios at the company-wide level• Strengthen investment reviews and regularly assess the progress made on key investments
		Liquidity	<ul style="list-style-type: none">• Ensure ongoing credit management, maintain financing flexibility, and develop short/mid/long-term financing management plans• Analyze cash flow, regularly monitor F/X risks, and manage F/X fluctuations• Predict interest expenses in line with changing interest rates and ensure appropriate mix and management of fixed/variable interest rates
		Internal accounting management	<ul style="list-style-type: none">• Prevent incidents through internal control activity design• Engage the dedicated organization in ongoing monitoring and control activities• Prevent and review factors undermining credibility in preparing and disclosing accounting information
Non-financial risks		ESG	<ul style="list-style-type: none">• Review mid/long-term ESG strategy directions and implementation issues• Establish an ESG management system in accordance with domestic/global ESG initiative standards
		Safety	<ul style="list-style-type: none">• Improve the safety system and strengthen employee training• Perform safety inspections on the entire operations as well as suppliers
		Labor and human rights	<ul style="list-style-type: none">• Monitor the risk of human rights violation and manage labor practice risks
		Information security	<ul style="list-style-type: none">• Monitor domestic/global data privacy policies and abide by pertinent regulations• Maintain and manage the information security system
		Compliance	<ul style="list-style-type: none">• Operate a dedicated organization and process to prevent legal risks associated with litigation and contracts

Key Financial Risk Management

Risk of F/X Fluctuations

Conducting business globally inevitably entails the generation of income and expenses denominated in foreign currencies other than our functional currency in such regular transactions as receivables and payables, which exposes us to the risk of foreign currency fluctuations. For the financial inflows and outflows denominated in the US dollar, euro, and yen, we employ matching, leading, and lagging techniques for internal management to minimize foreign currency risks, along with developing plans for annual foreign currency flows and outflows to respond to currency fluctuation risk.

Risk of Oil Price Fluctuations

Conducting aviation transportation business requires a constant sourcing of jet fuels, which exposes us to the risk of fluctuating aviation fuel prices. The market prices of aviation fuels and other petroleum products are subject to sizeable fluctuations that stem from multiple factors affecting supply and demand in the global crude oil market. We select jet fuel suppliers by engaging oil refineries in competitive bidding at respective airports, we pursue savings on the margins of oil refining and refueling companies while continuously deploying into-storage and other diverse methods to lower aviation fuel procurement costs.

Risk of Changing Interest Rates

Changing market interest rates may give rise to fluctuations in the fair value of financial products or in future cash flow. We are exposed to the risk of changing interest rates associated with some of our borrowings. Hence, our leadership regularly monitors change in interest rates to maintain the right balance between fixed rate borrowings and variable rate borrowings.

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Key Non-financial Risks Management

Jeju Air identifies and manages the impact of non-financial risks on our business conduct and financial status. Environmental risks are classified into climate change transition risk, physical risk, environmental regulation risk stemming from the Korean Emissions Trading System as well as the CORSIA and other global regulations, and environmental accident risk associated with chemical substances and waste management. Social risks are categorized into aviation and occupational safety risk, human rights risk, and community impact risk. As to governance risk, we identify regulatory risk to keep current with external regulatory changes, ethics risk, anti-corruption risk, and internal control and response risk.

Non-financial Risk Repones Plan

Category		Risk	Potential Impact	Response Plan/Measure
Environment	Climate change response	• 2050 net zero goal	• Increasing costs of carbon credits	• Set net zero goals, ensure efficient resource management
Safety	Serious Accidents Punishment Act	• Regulatory enactment, failure to take safety measures at work, lack of employee awareness on safety	• Injuries affecting employees, disciplinary action for management executives	• Advance the safety management system, strengthen training and prevention
Human rights	Human rights management	• Top-down corporate culture, workplace bullying discrimination	• Increasing employee turnover, declining morale	• Establish and review human rights management policies
Supply chain	Stronger initiative for mutual growth with suppliers	• Unfair practices associated with suppliers	• Occurrence of legal risk, deteriorating corporate credibility and reputation	• Conduct ESG assessment on suppliers and support them with consulting
Employees	Talent development and management	• Lack of employee awareness and willingness for capacity-building	• Weakened employee competency, increasing turnover	• Increase investments in talent development
Customers	Enhanced customer services	• Lack of service mindset internalization among employees, lack of relevant training programs	• Decreasing customer satisfaction, increasing customer churn	• Advance the consumer-centered management system
Communities	Expansion of CSR activities	• Growing demand for community partnerships and cooperation	• Increasing negative issues affecting communities	• Expand CSR budgets and activities
Board of Directors	Increased expertise of the Board of Directors	• Growing external requirements, advancement of Board Operations	• Insufficient financial/non-financial risk management	• Conduct Board assessment, strengthen training, and establish new committees
Ethical management	Non-compliance with business ethics	• Corruption and bribery involving stakeholders	• Deteriorating corporate credibility and reputation, penalties imposed	• Establish an ethics whistleblowing center and monitor compliance with ethics regulations

Tax

Tax Policy

Jeju Air periodically reviews the provisions and interpretations of tax laws associated with us and abides by country-specific laws and faithfully fulfill our tax payment obligations to minimize tax risks. To prevent tax risks that arise due to constantly-changing tax policies, we keep close tabs on domestic/global tax laws and country-level tax trends to ensure regulatory compliance.

Tax Risk Management

Filing Taxes and Fulfilling Tax Payment Obligations

Jeju Air fulfills our tax obligations in a lawful and sincere manner pursuant to country-specific laws. We seek tax advice on the amount of taxes that we pay, review potential risks on an ongoing basis, and conduct audits to minimize uncertainties in abiding by pertinent laws. We engage in proactive reviews and follow-up management to identify amendments to tax laws that are significant to our operations before such amendments are enacted and to prepare for potential tax risks.

Improving Transparency in Tax Operations

To minimize tax risks, we faithfully abide by pertinent laws and regulations and pursue rational and transparent tax policy. In all dealings that occur in respective countries, we regularly review the laws and policies that apply to Jeju Air, including international tax laws and tax treaties while complying with country-specific regulations to improve transparency in our tax operations. We maintain transparent relationships with tax authorities and seek cooperation with external experts when deemed necessary to faithfully conduct business in accordance with relevant laws and regulations.

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Website | <http://www.jejuair.net>
E-mail | esg@jejuair.net

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Environment

GHG Emissions¹⁾

Category		Unit	2021	2022	2023
Direct Scope 1 emissions	Flight (domestic)	tCO ₂ eq	305,563	298,778	227,585
	Flight (international)	tCO ₂ eq	22,584	288,869	1,179,445
	Ground	tCO ₂ eq	392	412	500
	Total	tCO ₂ eq	328,539	588,059	1,407,530
Indirect Scope 2 emissions	Ground	tCO ₂ eq	883	825	892
Total Scope 1 + 2 emissions		tCO ₂ eq	329,422	588,884	1,408,422
GHG emissions intensity		tCO ₂ eq/KRW million	1.21	0.84	0.82

1) Emissions data received third-party verification.

Energy Consumption¹⁾

Category		Unit	2021	2022	2023
Direct energy consumption	Jet fuel	TJ	4,701	8,449	20,288
	Gas/diesel	TJ	3.14	3.45	4.38
	By-product fuel No.1	TJ	0.03	0.02	0
	By-product fuel No.2	TJ	0	0	0
	Gasoline	TJ	0.10	0.15	0.22
	LNG	TJ	3.10	3.00	3.44
	LPG	TJ	0.08	0.10	0.03
	Total	TJ	4,707.45	8,455.72	20,296.07
Indirect energy consumption	Electricity	TJ	16.70	16.39	17.86
	Medium temperature hot water (steam)	TJ	2.00	0.95	0.88
	Total	TJ	18.70	17.34	18.74
Total energy consumption		TJ	4,726.15	8,473.06	20,314.81
Energy intensity		TJ/KRW billion	17.45	12.18	11.95

1) Scope of reporting: Domestic operations

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Environment

Waste Generation¹⁾

Category		Unit	2021	2022	2023
General waste	Incineration	Ton	92.79	211.16	530.66
	Landfill	Ton	0	0	0
	Recycling	Ton	0	0	0
	Others	Ton	0	0	0
	Total	Ton	92.79	211.16	530.66
Designated waste	Incineration	Ton	20.27	26.39	54.86
	Landfill	Ton	0	0	0
	Recycling	Ton	15.22	18.41	28.55
	Others	Ton	0	0	0
	Total	Ton	35.49	44.80	83.41
Total waste generated		Ton	128.28	255.96	614.07
Total waste recycled		Ton	15.22	18.41	28.55
Waste discharge intensity		Ton/KRW billion	0.474	0.368	0.361

1) Scope of reporting: (designated waste) Gimpo/Incheon/Busan/Daegu operations, (general waste) Domestic/international flights

Water Consumption¹⁾

Category	Unit	2021	2022	2023
Total water consumption ²⁾	Ton	5.12	11.84	12.16

1) All water that we consume is sourced from municipal water supply, and our water use equals water withdrawal.

2) Estimated maximum consumption per engine wash

Green Procurement

Category	Unit	2021	2022	2023
Green products procured ¹⁾	KRW 10,000	3,108	10,438	63,831

1) Criteria for green procurement: FSC-certified products, easily reusable or recyclable products, products with reduced impact on the environment or human body (pursuant to Article 4 (2) of Jeju Air's internal green procurement guidelines)

Environment-related Investments

Category		Unit	2021	2022	2023
Total environment-related investments	GHG emissions reduction ¹⁾	KRW million	66,107	176,761	196,466
Ratio of green investments out of revenue ²⁾		%	24	25	11

1) Investments made in reducing GHG emissions through improved efficiency of aircraft energy

2) Based on net revenue

Environmental Training

Category		Unit	2021	2022	2023
Environmental training ¹⁾	Total training hours	Hours	12	48	440
	Total employees who attended training	Persons	3	9	406

1) Statutory/Job training (online training on designated waste, in-person training on hazardous chemical substances) and general environmental training (in-person group training)

Non-compliance with Environmental Laws and Regulations

Category		Unit	2021	2022	2023
Non-compliance with environmental laws/regulations	Monetary sanctions	Cases	0	1	0
	Non-monetary sanctions	Cases	0	0	0
	Penalties and fines	KRW million	0	0.8	0

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Overview of Employees

Category		Unit	2021	2022	2023
Total employees	Total employees	Persons	3,001	2,833	3,070
By gender	Male	Persons	1,621	1,518	1,592
	Female	Persons	1,380	1,315	1,478
By age group	Below 30	Persons	755	523	633
	30 ~ below 50	Persons	2,035	2,100	2,216
	50 and over	Persons	211	210	221
By type of employment	Full-time (male)	Persons	1,481	1,393	1,390
	Full-time (female)	Persons	1,353	1,261	1,226
	Part-time (male)	Persons	140	125	202
	Part-time (female)	Persons	27	54	252
By job position ¹⁾	Manager (male)	Persons	72	89	98
	Manager (female)	Persons	27	32	35
	Non-manager position (male)	Persons	1,549	1,429	1,494
	Non-manager position (female)	Persons	1,353	1,283	1,443
Non-affiliated workers	Male	Persons	14	45	63
	Female	Persons	24	12	25
By region	Domestic	Persons	2,879	2,685	2,870
	Overseas	Persons	122	148	200

1) Manager: Employees in team leader and above positions (in part leader/unit leader and above positions for cabin crew/ maintenance staff)

Employee Diversity

Category		Unit	2021	2022	2023
Female talent	Percentage of female managers ¹⁾	%	27	26	26
Disability and national merit	Employees with disabilities ²⁾	Persons	49	44	51
	Employees of national merit	Persons	46	44	43
By nationality	Korean	Persons	2,922	2,754	2,816
	Foreign national	Persons	79	79	107

1) Percentage of female managers: Employees in team leader and above positions (in part leader/unit leader and above positions for cabin crew/maintenance staff)
2) Employee with disabilities working at Jeju Air and its subsidiary (Modurak) (Jeju Air is employing people with disabilities in combination of its subsidiary Modurak)

New Recruitment

Category		Unit	2021	2022	2023
By gender	Male	Persons	15	21	187
	Female	Persons	17	43	284
	Total	Persons	32	64	471
By age group	Below 30	Persons	20	36	367
	30 ~ below 50	Persons	12	25	98
	50 and over	Persons	0	3	6
	Total	Persons	32	64	471
By region	Domestic	Persons	32	37	396
	Overseas	Persons	0	27	75
	Total	Persons	32	64	471

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Turnover

Category		Unit	2021	2022	2023
Total turnover		Persons	164	242	226
By gender	Male	Persons	80	136	113
	Female	Persons	84	106	113
	Total	Persons	164	242	226
By age group	Below 30	Persons	50	160	135
	30 ~ below 50	Persons	74	49	72
	50 and over	Persons	40	33	19
	Total	Persons	164	242	226
Voluntary turnover ¹⁾	Number of employees who left voluntarily	Persons	99	221	204
	Percentage of employees who voluntarily left ²⁾	%	3.3	7.8	6.6

1) Voluntary turnover: Exclude retirement, voluntary retirement, dismissal as disciplinary action, and relocation to affiliates, based on domestic operations

2) Voluntary turnover rate (%): Number of voluntary departures/total number of employees X 100

Gender-based Pay Gap¹⁾

Category		Unit	2021	2022	2023
Average pay per person	Male	KRW million	50	57	87
	Female	KRW million	28	30	38
Female to male pay ratio		%	56	53	44

1) Excluding executives, including local staff, excluding non-taxable

Employee Performance Appraisal

Category		Unit	2021	2022	2023
Employees required to receive performance appraisal ¹⁾		Persons	2,303	2,128	2,250
Number of employees who received regular performance appraisal	Male (manager)	Persons	124	121	137
	Male (non-manager)	Persons	772	721	764
	Female (managers)	Persons	38	37	39
	Female (non-manager)	Persons	1,200	1,065	1,195
Percentage of employees who received regular performance appraisal	Male (manager)	%	6	6	6
	Male (non-manager)	%	36	37	36
	Female (managers)	%	2	2	2
	Female (non-manager)	%	56	55	56

1) Criteria for employees required to receive performance appraisal: Employees who met the annual minimum working days criterion, and the scope of data calculation excluded executives, flight crew, and dispatched workers.

Flexible Work Arrangement¹⁾

Category		Unit	2021	2022	2023
Staggered work hours	Male	Persons	336	296	354
	Female	Persons	232	230	283
	Total	Persons	568	526	637
Flexible work hours	Male	Persons	485	467	495
	Female	Persons	109	116	140
	Total	Persons	594	583	635

1) The number of employees who used the arrangements as of the end of each year (excluding executives and overseas operations)

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Maternity Protection

Category		Unit	2021	2022	2023
Maternity leave (before and after childbirth) ¹⁾	Employees who took maternity leave	Persons	78	76	63
	Male	Persons	492	500	484
Employees eligible for parental leave ²⁾	Female	Persons	232	286	311
	Total	Persons	724	786	795
	Male	Persons	6	23	16
Employees who took parental leave	Female	Persons	82	104	98
	Total	Persons	88	127	114
	Male	Persons	5	19	13
Employees who returned to work after parental leave	Female	Persons	76	97	93
	Total	Persons	81	116	106
	Male	Persons	83	83	81
Percentage of employees who returned to work after parental leave	Female	%	93	93	95
	Male	%	83	83	81
Employees who returned to work after parental leave and worked 12 months and longer	Male	Persons	4	15	12
	Female	Persons	73	88	88
	Total	Persons	77	103	100
Percentage of employees who returned to work and worked 1 year and longer	Male	%	80	79	92
	Female	%	96	91	95
	Total	%	95	89	94

1) Excluding overseas operations, based on start date of leave

2) Including employees who already took leave

Employee Training and Capacity-building

Category		Unit	2021	2022	2023
Training	Total training hours	Hours	160,642	192,542	296,886
	Total employees who attended training	Persons	32,407	31,685	29,245
	Training hours per employee	Hours	4.96	6.08	10.15

Human Rights Training for Employees

Category		Unit	2021	2022	2023
Human rights training	Anti-sexual harassment	Hours	2,622	2,547	2,835
		Persons	2,622	2,547	2,835
	Improvement in perceptions on disability	Hours	2,625	2,548	2,835
		Persons	2,625	2,548	2,835
	Workplace bullying ¹⁾	Hours	2,623	2,297	2,638
		Persons	2,623	2,297	2,638

1) Workplace bullying training in 2023 was conducted as occupational health and safety training.

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Society

Occupational Health and Safety Training¹⁾

Category		Unit	2021	2022	2023
Occupational health and safety training	1Q	Hours	7,620	12,654	13,482
		Persons	1,506	2,283	2,447
	2Q	Hours	11,463	12,747	13,902
		Persons	2,077	2,296	2,523
	3Q	Hours	11,517	12,957	13,881
		Persons	2,083	2,348	2,579
	4Q	Hours	13,953	13,236	14,175
		Persons	2,502	2,399	2,638

1) Hours: 3 hours/quarter for office positions, 6 hours/quarter for non-office positions

Employee Grievance Handling

Category		Unit	2021	2022	2023
Grievance handling ¹⁾	Grievances submitted	Cases	3	6	3
	Grievances handled	Cases	3	6	3
	Percentage of grievances handled	%	100	100	100

1) Workplace bullying and sexual harassment

Labor Practices

Category		Unit	2021	2022	2023
Labor union ¹⁾	Employees eligible for membership	Persons	638	617	635
	Employees who joined the labor union	Persons	605	591	609
	Percentage of unionized employees	%	95	96	96
Labor practices	Work suspended	Occasions	0	0	0
	Idle days	Days	0	0	0
Labor-Management Council	Meetings held	Occasions	0	4	4
	Agendas handled	Items	0	46	77

1) Based on flight crew

Safety Management

Category		Unit	2021	2022	2023
Employees covered by the occupational health and safety management system	Number of employees	Persons	3,001	2,833	3,070
	Percentage of employees covered	%	100	100	100
Occupational health and safety	Occupational injuries (fatalities caused by work-related injuries)	Cases	0	0	0
	Occupational injuries (fatalities caused by work-related illnesses)	Cases	0	0	0
	Occupational injury rate (injury)	%	0.17	0.15	0.42
	Occupational injury rate (illness)	%	0	0.2	0.96
	LTIFR (Lost Time Injury Frequency Rate)	Injuries per 1 million hours	1.28	2.39	7.83
Aviation safety	Aviation accidents	Cases	0	0	0

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Supply Chain Management

Category		Unit	2021	2022	2023
Technology support	Total support provided	Occasions	35	31	28
Training support	Total programs implemented	Programs	23	29	28
	Total training provided	Occasions	101	204	353
	Total employees who participated	Persons	1,648	1,491	2,355
Win-win discussions	Total meetings held	Occasions	20	28	28

Voice of Consumers

Category		Unit	2021	2022	2023
Voice of Customers (VOC) ¹⁾	VOC submitted	Cases	695	985	1,775
	VOC handled	Cases	693	980	1,773
	Percentage of handling VOCs	%	99.7	99.5	99.9

1) VOC collected through the Company website and externally (excluding simple inquiries)

Consumer Satisfaction

Category	Unit	2021	2022	2023
Customer satisfaction indicators ¹⁾	Point	684.2	726.2	695.1

1) LCC (Low Cost Carrier) category of the Korea Brand Power Index (K-BPI) survey

Information Security Investment

Category	Unit	2021	2022	2023
Information security investments	KRW million	-	1,509	2,782

Information Security Breach

Category		Unit	2021	2022	2023
Data privacy breach	Complaints substantiated for data privacy breaches and loss of customer data	Cases	0	0	0
	Non-compliance with relevant laws and regulations	Cases	0	0	0
	Penalties imposed for non-compliance with relevant laws and regulations	KRW million	0	0	0
Product and service information and labeling	Non-compliance with relevant laws and regulations and voluntary regulations	Cases	0	0	0

CSR

Category		Unit	2021	2022	2023
CSR activity	Programs	Programs	4	7	8
	Participants	Persons	471	428	947

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Governance

Operational Status of the Board of Directors¹⁾

Category		Unit	2021	2022	2023
Composition of the Board	Total	Persons	6	7	6
	Number of executive directors	Persons	2	3	2
	Number of independent directors	Persons	3	3	3
	Number of non-executive director	Persons	1	1	1
	Percentage of female directors	%	0	0	0
	Average tenure	Years	2.1	2.3	2.6
Operation of the Board	Total Board meetings held	Occasions	8	9	8
	Ordinary Board meetings held	Occasions	4	5	5
	Extraordinary Board meetings held	Occasions	4	4	3
	Number of agenda items discussed	Occasions	31	35	38
	Frequency of the Board informed of climate-related issues	Occasion/half-year	-	-	1
	Average attendance of executive directors	%	100	100	100
	Average attendance of independent directors	%	100	100	100
	Average attendance of non-executive directors	%	63	86	88

1) Number of directors and their attendance are on the year-end basis.

Board Compensation¹⁾

Category		Unit	2021	2022	2023
Registered directors ²⁾	Number of registered directors	Persons	5	5	4
	Total compensation	KRW million	586	504	500
	Average compensation per person	KRW million	117	101	125
Independent directors (Audit Committee)	Number of members	Persons	3	4	4
	Total compensation	KRW million	150	112	209
	Average compensation per person	KRW million	50	28	52

1) Including base pay/performance pay
2) Excluding independent directors and the Audit Committee

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JEJUair

Website | <http://www.jejuair.net>

E-mail | esg@jejuair.net

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Governance

Activities of Board Committees¹⁾

Category		Unit	2021	2022	2023
Management Committee	Number of members	Persons	2	3	2
	Meetings held	Occasions	9	16	17
	Attendance	%	100	97	100
	Decision items	Items	15	25	41
	Reporting items	Items	0	0	0
	Percentage of independent directors	%	0	0	0
Internal Transactions Committee	Number of members	Persons	4	4	4
	Meetings held	Occasions	3	6	4
	Attendance	%	100	100	94
	Decision items	Items	2	4	2
	Reporting items	Items	4	4	4
	Percentage of independent directors	%	75	75	75
Independent Director Recommendation Committee ²⁾	Number of members	Persons	-	-	5
	Meetings held	Occasions	-	-	1
	Attendance	%	-	-	100
	Decision items	Items	-	-	1
	Reporting items	Items	-	-	-
	Percentage of independent directors	%	0	0	60
Audit Committee	Number of members	Persons	3	3	3
	Meetings held	Occasions	6	7	6
	Attendance	%	100	100	94
	Decision items	Items	0	3	0
	Reporting items	Items	18	17	17
	Percentage of independent directors	%	100	100	100

1) Number of members and their attendance are on the year-end basis.

2) The Independent Director Recommendation Committee was established in May 2023.

Anti-corruption (Ethical Management) Communication and Training

Category		Unit	2021	2022	2023
Anti-corruption (ethics) training	Ethics training hours	Hours	469	433	444
	Participants	Persons	2,759	2,547	2,609
	Ethics training hours (onboarding training)	Hours	-	-	89
	Participants	Persons	-	-	59
Compliance training	Fair trade and fair competition training	Hours	-	120	960
		Persons	-	3	24
ESG training	Training on understanding ESG	Hours	-	-	433
		Persons	-	-	405
Operational status of whistleblowing channels	Cases submitted	Cases	0	0	0
	Cases handled	Cases	0	0	0
	Percentage of cases handled	%	0	0	0
Anti-corruption policy (code of ethics)	Suppliers who pledged to abide by the anti-corruption policy (code of ethics)	Companies	9	84	88

Legal Action Taken against Acts of Anti-competition and Monopoly

Category	Unit	2021	2022	2023
Legal action either pending or completed	Cases	0	0	0

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Economy

Non-consolidated Statements of Financial Position

(Unit: KRW million)

Item	2021	2022	2023
Current assets	380,621	558,805	472,716
Cash and cash equivalents	284,891	195,341	186,971
Short-term financial assets	0	169,297	101,273
Trade and other receivables	68,727	92,306	117,774
Current tax assets	373	967	239
Other current assets	13,946	83,785	42,389
Current inventories	12,684	17,110	24,069
Non-current assets	872,902	1,083,120	1,484,454
Long-term financial assets	4,272	10,500	1,849
Long-term trade and other receivables	20,550	38,064	89,700
Property, aircraft and equipment	237,086	415,448	561,697
Intangible assets	32,030	23,257	17,254
Right-of-use assets	290,508	285,229	492,055
Deferred tax assets	213,054	234,343	205,244
Other non-current assets	6,266	1,580	1,580
Total assets	1,253,523	1,641,925	1,957,170
Current liabilities	482,461	851,808	1,108,997
Short-term borrowings	175,810	232,193	315,600
Current lease liabilities	101,275	102,615	107,285
Trade and other payables	81,894	134,632	189,735

(Unit: KRW million)

Item	2021	2022	2023
Current tax liabilities	1,397	-	2,672
Current contract liabilities	33,215	215,641	294,324
Other current liabilities	3,060	11,912	17,223
Provisions	85,809	154,816	182,158
Non-current liabilities	588,510	496,278	538,886
Long-term borrowings	213,937	150,015	-
Long-term lease liabilities	186,737	177,618	361,806
Contract liabilities	1,942	1,265	2,210
Provisions	166,511	163,236	141,599
Net defined benefit liabilities	19,384	3,491	32,425
Other liabilities	0	653	846
Total liabilities	1,070,971	1,348,087	1,647,883
Equity	49,760	76,994	80,641
Capital surplus	448,948	715,913	633,612
Other components of equity	-2,108	-2,101	-2,101
Accumulated other comprehensive loss	-1,033	-1,033	-1,407
Fair value loss on available-for-sale financial assets	-1,033	-1,033	-1,407
Retained earnings	-313,015	-495,934	-401,458
Total equity	182,552	293,839	309,286
Total liabilities and equity	1,253,523	1,641,925	1,957,170

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Economy

Non-consolidated Statements of Comprehensive Income (Loss)

(Unit: KRW million)

Item	2021	2022	2023
Revenue	270,776	695,616	1,699,321
Cost of sales	498,649	760,625	1,373,601
Gross profit (loss)	-227,873	-65,009	325,720
Selling and administrative expenses	86,652	109,942	163,938
Operating profit	-314,525	-174,951	161,782
Other non-operating income	15,274	30,917	48,429
Other non-operating expenses	45,862	52,148	26,999
Financial income	10,322	13,734	19,673
Financial costs	23,055	27,161	38,725
Profit (loss) before income tax	-357,846	-209,609	164,160
Income tax expenses	-82,633	-37,326	40,132
Profit (loss) for the year	-275,213	-172,283	124,028
Other comprehensive income (loss)	4,973	13,183	-22,866
Other comprehensive income (loss) not to be reclassified to profit or loss	4,973	13,183	-22,866
Remeasurements of net defined benefit liabilities	4,973	13,183	-22,491
Loss on valuation of FVOCI	0	0	-375
Total comprehensive income (loss) for the year	-270,240	-159,100	101,162
Earnings per share	-	-	-
Basic earnings (loss) per share (unit: KRW)	-6,827	-3,446	1,517
Diluted earnings (loss) per share (unit: KRW)	-6,827	-3,446	1,461

Non-consolidated Statements of Cash Flows

(Unit: KRW million)

Item	2021	2022	2023
Cash generated from operations	-83,080	123,351	373,576
Profit (loss) for the year	-275,213	-172,283	124,028
Adjustment to reconcile profit (loss) for the year to cash flows from operating activities	207,760	236,560	241,006
Changes in operating assets and liabilities	-7,787	82,739	31,787
Interest received	425	4,711	13,530
Interest paid	-8,624	-25,862	-33,932
Income tax paid	359	-2,513	-2,844
Cash generated from investing activities	65,392	-380,138	-82,582
Decrease in financial assets	435,297	824,589	530,930
Decrease in guarantee deposits	18,760	8,276	17,623
Decrease in loans	1,071	240	1,137
Proceeds from disposal of property, aircraft and equipment	8	6	73,416
Gain on settlement of derivative financial instruments	319	2,231	9,669
Increase in financial assets	-355,034	-993,402	-461,093
Acquisition of property, aircraft, and equipment	-22,541	-207,692	-244,245
Acquisition of intangible assets	-1,612	-99	-53
Increase in guarantee deposit	-9,778	-14,284	-9,724
Increase in loans	0	0	-180
Loss on settlement of derivative financial instruments	-1,098	-3	-62
Cash generated from financing activities	214,875	168,010	-298,255

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Non-consolidated Statements of Cash Flows

(Unit: KRW million)

Item	2021	2022	2023
Proceeds from borrowings	200,000	0	30,000
Paid-in capital increase	205,576	215,861	0
Cost of stock issuing refund	4	5	3
Issuance of hybrid securities	29,995	78,333	0
Repayment of borrowings	-89,370	-10,210	-96,630
Repayment of lease liabilities	-130,090	-108,026	-104,752
Dividends paid	-1,240	-7,953	-7,844
Cost of stock issuing	0	0	-32
Repayment of hybrid securities	0	0	-119,000
Net foreign exchange difference	357	-773	-1,108
Net increase in cash and cash equivalents	197,544	-89,550	-8,369
Cash and cash equivalents at the beginning of the year	87,347	284,891	195,341
Cash and cash equivalents at the end of the year	284,891	195,341	186,971

Creation and Distribution of Economic Value¹⁾

(Unit: KRW million)

Category		2021	2022	2023
Economic Value Created				
Other income		15,274	30,917	48,429
Financial income		10,322	13,734	19,673
Economic Value Distributed				
Employees	Employee wage paid	115,783	138,786	231,132
	Welfare & benefits provided	17,700	18,020	23,221
Partners	Partner expenses	19,408	31,890	60,599
Local communities	Donations made	5	58	160
Governments	Income taxes paid	-82,633	-37,326	40,132

1) Based on non-consolidated financial statements

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UN SDGs Commitments

Jeju Air endorses the UN Sustainable Development Goals and commits to advancing sustainable development for all and the international community. As such, we identified our three focus areas of sustainability management that align with the UN SDGs targets and keep track of our performance in contributing to achieving the UN SDGs.



Category	UN SDGs	Target	Our Performance and Key Activity	page
Environment	 7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all 7.3 Double the global rate of improvement in energy efficiency	<ul style="list-style-type: none">Establish Jeju Air's environmental management guidelines (respond to the circular economy transition and reduce energy consumption)Introduce next-generation aircraft to reduce the use of aviation fuelsPrepare for the transition to Sustainable Aviation Fuels	p.29, p.32, p.34
	 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation 9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes 9.5 Encourage innovation and increase the number of research and development workers and spending	<ul style="list-style-type: none">Participate in the emerging UAM (Urban Air Mobility) business	p.12
	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns 12.5 Substantially reduce waste generation through prevention, reduction, recycling, and reuse	<ul style="list-style-type: none">Upcycle used uniforms/worn-out life vests into products, reuse milk cartons for resource circularityOperate waste management guidelines and processes pursuant to the Wastes Control Act and the Framework Act on Resources Circulation	p.37, p.39
	 13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.2 Integrate climate change measures into national policies, strategies, and planning	<ul style="list-style-type: none">Develop response strategies and ensure risk management through climate change materiality assessmentOperate strategies and organizations through the environmental management implementation systemAchieve the ISO 14001 environmental management system standard certificationStrengthen ESG (environmental) training for all employees	p.23~27
	 14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources for sustainable development 14.2 Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, and take action for their restoration in order to achieve healthy and productive oceans	<ul style="list-style-type: none">Preserve the endangered species of Indo-Pacific bottlenose dolphinsEngage ECOMER, a CSR team made up of cabin crewmembers, in marine environmental cleanups	p.40, p.69
	 15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss 15.5 Reduce the degradation of natural habitats, halt the loss of biodiversity, and protect and prevent the extinction of threatened species	<ul style="list-style-type: none">Operate environmental conservation programs including environmental cleanups	p.69
Social	 1 NO POVERTY	End poverty in all its forms everywhere 1.5 Build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social, and environmental shocks and disasters	<ul style="list-style-type: none">Engage in employee volunteering (briquette donation and others)	p.67~69

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JEJUair

Website | <http://www.jejuair.net>
E-mail | esg@jejuair.net



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Category	UN SDGs	Target	Our Performance and Key Activity	page
Social	3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages 3.4 Reduce premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being 3.8 Achieve access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	<ul style="list-style-type: none">Strengthen occupational safety management in the workplace and response activities to prevent high-consequence injuriesSupport comprehensive health checkups for employees and provide various health promotion programsAchieve the ISO 45001 health and safety management system standard certificationEngage in overseas medical volunteering for medically-underserved areas along with the Korean Open Doctors Society	p.47~50, p.67
	4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all 4.4 Increase the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship 4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all	<ul style="list-style-type: none">Operate competency enhancement programs for employeesProvide supplier employees with technology and training supportEngage in educational volunteering through talent donation for teens and orphanages in Jeju	p.56~57, p.63, p.68
	5 GENDER EQUALITY	Achieve gender equality and empower all women and girls 5.1 End all forms of discrimination against all women and girls everywhere 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family	<ul style="list-style-type: none">Provide maternity/parental/family care leave and reduced work hours for childcareAllow expecting cabin crewmembers to take a separate leave before taking maternity leave	p.54
	8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation 8.9 Devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products	<ul style="list-style-type: none">Advance into the aviation cargo and accommodations business to diversify revenue streamsCreate jobs by ensuring the diversity of employees (people with disabilities)Help micro businesses in Jeju expand their local specialty sales network through Air Café	p.10, p.68
	10 REDUCED INEQUALITIES	Reduce inequality within and among countries 10.2 Empower and promote the social, economic, and political inclusion for all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status 10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies	<ul style="list-style-type: none">Operate a fair talent recruitment systemSupport tourism for people with disabilities through the Green Tourism campaignContribute to facilitating tourism by providing mobility/transportation/accommodation	p.53, p.67
Governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels 16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all 16.5 Substantially reduce corruption and bribery in all their forms 16.b Promote and enforce non-discriminatory laws and policies for sustainable development	<ul style="list-style-type: none">Establish compliance control standards and publish compliance lettersOperate stakeholder communication channels and the internal/external customer proposal systemEstablish a company-wide non-financial risk management system	p.16, p.77~80
	17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development 17.14 Enhance policy coherence for sustainable development 17.16 Enhance the Global Partnership that mobilizes and shares knowledge, expertise, and financial resources	<ul style="list-style-type: none">Establish an ESG strategic framework and organizationJoin domestic/international organizations and associations in the areas of aviation, information security, and breach incidents	p.14~15, p.105

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Statement of Use	The GRI Standards apply to our sustainability reporting that spans between January 1, 2023 and December 31, 2023 (including some 2024 performance).
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable as the GRI Sector Standards for the passenger aviation sector is not released yet as of June 2024.

GRI 2: General Disclosures 2021

Topic	No.	Core Disclosure	Page	Notes
The organization and its reporting practices	2-1	Organizational details	p.7	
	2-2	Entities included in the organization’s sustainability reporting	p.2	
	2-3	Reporting period, frequency and contact point	p.2	
	2-4	Restatements of information	-	Not applicable as this is the inaugural sustainability report
	2-5	External assurance	p.2	
Activities and Workers	2-6	Activities, value chain and other business relationships	p.7	
	2-7	Employees	p.84	
	2-8	Workers who are not employees	p.84	
Governance	2-9	Governance structure and composition	p.71~73	
	2-10	Nomination and selection of the highest governance body	p.71~73	
	2-11	Chair of the highest governance body	p.71~73	
	2-12	Role of the highest governance body in overseeing the management of impacts	p.15, p.23	
	2-13	Delegation of responsibility for managing impacts	p.15	
	2-14	Role of the highest governance body in sustainability reporting	p.71~73	
	2-15	Conflicts of interest	p.74	
	2-16	Communication of critical concerns	p.15	
	2-17	Collective knowledge of the highest governance body	p.71~73	
	2-18	Evaluation of the performance of the highest governance body	-	Not disclosed in this report as lack of information made disclosure unfeasible

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GRI 2: General Disclosures 2021

Topic	No.	Core Disclosure	Page	Notes
Governance	2-19	Remuneration policies	p.73	
	2-20	Process to determine remuneration	p.55	
	2-21	Annual total compensation ratio	-	Not included in this report due to sensitivity for public disclosure
Strategy, Policies, and practices	2-22	Statement on sustainable development strategy	p.4	
	2-23	Policy commitments	p.28~33, p.51, p.64	
	2-24	Embedding policy commitments	p.28~33, p.51, p.64	
	2-25	Processes to remediate negative impacts	p.76~77	
	2-26	Mechanisms for seeking advice and raising concerns	p.52	
	2-27	Compliance with laws and regulations	p.75~77	
	2-28	Membership associations	p.105	
Stakeholder Engagement	2-29	Approach to stakeholder engagement	p.16	
	2-30	Collective bargaining agreements	p.58	

GRI 3: Material Topics 2021

Topic	No.	Core Disclosure	Page	Notes
Material Topic	3-1	Process to determine material topics	p.17~18	
	3-2	List of material topics	p.17~18	
	3-3	Management of material topics	p.19~21	

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Topic Standards Disclosures

Topic	No.	Core Disclosure	Page	Notes
Topic 1: Accident and safety management	3-3	Management of material topics	p.19	
Occupational Health and Safety 2018	403-1	Occupational health and safety management system	p.47~50	
	403-2	Hazard identification, risk assessment, and incident investigation	p.47~50	
	403-3	Occupational health services	P.47~50	
	403-4	Worker participation, consultation, and communication on occupational health and safety	p.48	
	403-5	Worker training on occupational health and safety	p.87	
	403-6	Promotion of worker health	p.47~50	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.47~50	
	403-8	Workers covered by an occupational health and safety management system	p.87	
	403-9	Work-related injuries	p.87	
	403-10	Work-related ill health	p.87	
Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p.87	
Topic 2: Climate change response	3-3	Management of material topics	p.20	
Emissions 2016	305-1	Direct (Scope 1) GHG emissions	p.82	
	305-2	Energy indirect (Scope 2) GHG emissions	p.82	
	305-4	GHG emissions intensity	p.82	
Topic 3: Customer satisfaction	3-3	Management of material topics	p.21	
Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	P.87	

Marked as Non-Core Topics

Topic	No.	Core Disclosure	Page	Notes
Economic Performance 2016	201-1	Direct economic value generated and distributed	p.93	
	201-2	Financial implications and other risks and opportunities due to climate change	p.23~25	
Tax 2019	207-1	Approach to Tax	p.80	
Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	p.66~69	

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Topic Standards Disclosures

Topic	No.	Core Disclosure	Page	Notes
Energy 2016	302-1	Energy consumption within the organization	p.82	
	302-3	Energy intensity	p.82	
Water and Effluents 2018	303-5	Water consumption	p.83	
Biodiversity 2016	304-3	Habitats protected or restored	p.40	
Waste 2020	306-1	Waste generation and significant waste-related impacts	p.83	
	306-2	Management of significant waste related impacts	p.8	
Employment 2016	401-1	New employee hires and employee turnover	p.53, p.84-85	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	p.54	
	401-3	Parental leave	p.54	
Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	p.58	
Training and Education 2016	404-1	Average hours of training per year per employee	p.57	
	404-2	Programs for upgrading employee skills and transition assistance programs	p.56~57	
	404-3	Percentage of employees receiving regular performance and career development reviews	p.55	
Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	p.71~p.84	
	405-2	Ratio of basic salary and remuneration of women to men	p.85	
Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p.58	
Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	p.66-69	
Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.88	

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Sustainability Disclosure Topics & Accounting Metrics

Topic	Metric	Code	Notes	Notes
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-AL-110a.1	1,407,530 tCO ₂ eq	
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions emissions reduction targets, and an analysis of performance against those targets	TR-AL-110a.2	p.27	
	(1) Total fuel consumed	R-AL-110a.3	20,288 TJ	
	(2) percentage alternative		0 %	
	(3) percentage sustainable		0 %	
Labour Practices	Percentage of active workforce employed under collective agreements	TR-AL-310a.1	96 %	Percentage of cockpit crew who joined the labor union, Employees other than cockpit crew engage in labor-management communication through the Labor-Management Council
	(1) Number of work stoppages	TR-AL-310a.2	0	
	(2) total days idle		0	
Competitive Behaviour	Total amount of monetary losses as.a.result.of legal proceedings associated with anti-competitive behaviour regulations	TR-AL-520a.1	0 KRW	
Accident & Safety Management	Description of implementation and outcomes of a Safety Management System	TR-AL-540a.1	p.43	
	Number of aviation accidents	TR-AL-540a.2	0	
	Number of governmental enforcement actions of aviation safety regulations	TR-AL-540a.3	2	For non-compliance with the Aviation Safety Act in 2023 only

Activity Metrics

Actimity metric	Code	2023	Notes
Available seat kilometres (ASK)	TR-AL-000.A	21,193,428 km	Based on ASK
Passenger load factor	TR-AL-000.B	87.59 %	Based on RPK (Revenue Passenger Kilometers) /ASK (Available Seat Kilometers)
Revenue passenger kilometres	TR-AL-000.C	18,562, km	Based on RPK
Revenue tonne-kilometres (RTK)	TR-AL-000.D	43,178 km	Based on RTK, cargo transport performance
Number of departures	TR-AL-001.E	74,668	
Average age of fleet	TR-AL-001.F	14 years	

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	TCFD Recommended Disclosure	page
Governance	a) Describe the board’s oversight of climate change risks and opportunities.	p.23
	b) Describe management’s role in assessing and managing climaterelated risks and opportunities.	p.23
Strategy	a) Describe the climate change risks and opportunities the organization has identified over the short, medium, and long term.	p.23~25
	b) Describe the impact of climate change risks and opportunities on the organization’s businesses, strategy, and financial planning.	p.24~25
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	p.25
Risk Management	a) Describe the organization’s processes for identifying and assessing climate related risks.	p.26
	b) Describe the organization’s processes for managing climate related risks.	p.26
	c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization’s overall risk management.	p.26
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	p.27
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	p.27
	c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	p.27

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Statement of GHG Emissions Verification

‘Jeju Air’s’ Greenhouse Gas Emissions Verification Statement

Background

Korea Testing & Research Institute (hereinafter referred to as the KTR)conducted a third-party verification on Jeju Air’s 2023 greenhouse gas emissions. KTR is responsible for presenting the verification statement independently in accordance with the terms and standards agreed with Jeju Air, and will not be responsible for decisions such as investment based on this verification statement.

Verification Standard and Scope

This verification is based on the “Guidelines for Reporting and Certification of Emissions from Greenhouse Gas Emissions Trading System (Ministry of Environment Notification No. 2023-279)” and “Verification Guidelines for the Operation of Greenhouse Gas Emissions Trading System (Ministry of Environment Notification No. 2021-112)” standards. The greenhouse gas emissions covered in this verification include direct (Scope 1) and indirect (Scope 2) emissions from domestic businesses under the operational control of Jeju Air’s headquarters.

Verification Method

In this verification, the sampling method was applied in accordance with the Greenhouse Gas Emissions statement and monitoring plan report and related data and information verification plan provided by Jeju Air. KTR established and conducted verification in order to obtain the information and data necessary to present the verification opinion on the greenhouse gas emissions reported by Jeju Air. KTR has confirmed the following as part of the verification process.

- 2023 Jeju Air Greenhouse Gas Emissions and Energy Usage Statement
- Jeju Air’s Greenhouse Gas data management and collection, emissions calculation and reporting process

Assurance Level

This verification was conducted based on 5% of the materiality evaluation criteria as a reasonable level of assurance.

Verification Limitation

This verification contains limitations on detection errors due to the application of verification guidelines, statement preparation manuals, and decisions made by the verification body itself, which apply criteria and methods not explicitly specified in the prescribed guidelines.

Verification Result

Information related to Jeju Air’s declaration of greenhouse gas emissions has been appropriately described without errors, omissions or false statements in compliance with the above verification criteria. Jeju Air’s 2023 greenhouse gas emissions have been confirmed as follows.

(Unit: tCO₂-eq)

Jeju Air	Direct emission (Scope1)	Indirect emission (Scope2)	Emissions Total
Domestic place of business	228,085	892	228,974

KTR

March 21, 2024
Korea Testing & Research Institute President
Hyuncheol KIM



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Statement of GHG Emissions Verification

‘Jeju Air’s’ CORSIA Emissions Verification Statement

Background

Korea Testing & Research Institute (hereinafter referred to as KTR) conducted a third-party verification of Jeju Air’s total CO₂ Emissions for 2023 under ICAO CORSIA scheme at a reasonable assurance level. KTR is resp KTR is responsible for presenting the verification statement independently in accordance with the terms and standards agreed with Jeju Air, and will not be responsible for decisions such as financial investment based on this verification statement.

Verification Standard and Scope

This verification is based on the ‘Annex 16, Volume IV (CORSIA), ‘ETA (Doc 9501), Volume IV’ according to the ICAO CORSIA reporting criteria, approved emission report (V.1) and ISO 14064-3:2019 standard. The total CO₂ emissions include CO₂ emissions from international flights as specified by ICAO, within domestic businesses under the operational control of Jeju Air’s headquarters.

Verification Method

The verification applied sampling method in accordance with the CORSIA emissions report and related data and information verification plan provided by Jeju Air. KTR established and conducted verification in order to obtain the information and data necessary to present the verification opinion on the greenhouse gas emissions reported by Jeju Air. KTR has confirmed the following as part of the verification process.

- 2023 Jeju Air CORSIA Emissions Report
- Jeju Air’s greenhouse gas data management and collection, emissions calculation and reporting process

Assurance Level

This verification was conducted based on 2% of the materiality threshold as a reasonable level of assurance.

Verification Limitation

This verification contains limitations on detection errors due to the application of verification guidelines, statement preparation manuals, and decisions made by the verification body itself, which apply criteria and methods not explicitly specified in the prescribed guidelines.

Verification Result

Information related to Jeju Air’s declaration of greenhouse gas emissions has been appropriately described without errors, omissions or false statements in compliance with the above verification criteria. Jeju Air’s 2023 greenhouse gas emissions have been confirmed as follows.

(Unit: tCO ₂ -eq)		
Jeju Air	Total number of international flights from 01/01/2023 to 31/12/2023	Total CO ₂ emissions from International international flights (in tonnes)
	47,132	1,179,445.89

KTR

April 26, 2024
Korea Testing & Research Institute President
Hyuncheol KIM



SUSTAINABILITY
ON BOARD

Jeju Air 2024 Sustainability Report

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Third-party Assurance Statement

Control Union Sdn Bhd (hereafter, Control Union) was commissioned by Jeju Air Co., Ltd. (hereafter, Jeju Air) to conduct an independent assurance of the ‘Jeju Air 2024 Sustainability Report (hereafter, the report)’. The information in the report is the exclusive responsibility of Jeju Air. Control Union was not involved in the preparation of any material included in this document. The responsibility of Control Union is to express an opinion concerning the information including graphs, tables and statements included in the report, within the assurance scope mentioned below, with the purpose to inform all the Interested parties.

Assurance Scope

The assurance engagement has been planned and performed in accordance with AA1000AS v3 and the assurance criteria below to a “Moderate level of assurance” where the scope was Type 1 and 2 engagement. The report is developed using the Global Reporting Initiative (GRI) standards. The assurance process involves evaluation of adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact. Confirming that the report is in accordance with GRI Standards and evaluating the accuracy and reliability of data and information for only the indicators listed below:

- | | |
|--|---|
| - GRI 1: Foundation 2021 | - Water and Effluents: GRI 303-5 |
| - GRI 2: General Disclosures 2021 | - Biodiversity: GRI 304-3 |
| - GRI 3: Material Topics 2021 | - Waste: GRI 306-1~2 |
| - Occupational Health and Safety: GRI 403-1~10 | - Employment: GRI 401-1~3 |
| - Emissions: GRI 305-1~2, 4 (Type 2) | - Labor and Management Relations: GRI 402-1 |
| - Consumer Health and Safety: GRI 416-2 | - Training and Education: GRI 404-1~3 |
| - Economic Performance: GRI 201-1~2 | - Diversity and Equal Opportunity: GRI 405-1~2 |
| - Taxes: GRI 207-1 | - Freedom of Association and Collective Bargaining: GRI 407-1 |
| - Indirect Economic Performance: GRI 203-1 | - Local Communities: GRI 413-1 |
| - Energy: GRI 302-1, 3 (Type 2) | - Consumer Privacy: GRI 418-1 |

Inclusivity

Engagement with stakeholders in the report development process and their involvement in organizational decision making. Jeju Air has defined the stakeholders by dividing them into executives and employees, shareholders, investors, consumers, partner companies, local society/NGO, government/ municipal government/initiatives and reflects their opinions in decision-making. The verification team did not find any important stakeholder groups excluded from the process of communicating with stakeholders.

Materiality

Identification of issues in the report that are relevant and significant to the organization’s stakeholders, the presence of and the extent to which these material issues are disclosed in the report. Jeju Air identified the material issues using the stakeholder communication channel and their own materiality assessment process. The outcome is a materiality matrix which shows Human Resource Management as the most prioritized topic by the stakeholders of Jeju Air.

Responsiveness

Acting on stakeholder issues and provision of feedback through decisions, actions, performance and communication. In order to establish an ESG-friendly management system, Jeju Air has established a system that allows transparent communication with stakeholders by connecting and expanding the distributed activity values of each ESG field to the ESG management platform. It was also confirmed that Jeju Air was communicating with various stakeholders through corporate value reflecting non-financial performance.

Impact

Monitoring, measurement and providing accountability for how the actions of the organization affect the economy, the environment, society, stakeholders or the organization itself. Jeju Air conducted surveys to identify material issues and to communicate with stakeholders continuously. Additionally, Jeju Air performed monitoring for their impact on material topics. As a result, it was confirmed that Jeju Air is making effort to a positive impact on the local community.

Level of Assurance

The level of Assurance is used to determine the depth of detail that an assurance provider uses to identify if there are material errors, omissions or misstatements. The level of assurance for the report is moderate.

Methodology

- Review of internal and external documentary evidence presented by Jeju Air
- Review of approach to data collection at company level
- (Type 2) Audit of data presented in the Report including a detailed review of a sample of data
- (Type 2) Review of a selection of internal performance documents

Independence and quality control

Control Union Certifications is accredited according to ISO 17021-1:2015/ ISO 17065:2012 covering our global scope and operations. This includes the need to maintain a comprehensive system of quality control including documented policies and procedures on compliance to ethical and legal requirements as well as objectivity throughout our operations. The auditors were selected appropriately based on our internal qualifications, training and experience. It is also reviewed by management to ensure that the applied approach and assurance are strictly followed and operated transparently..

Conclusions

Based on our moderate assurance process, nothing has come to our attention that causes us to believe that the scope (subject matter) as detailed above and presented in the report is not presented fairly in accordance with the criteria. Hence, our work confirms that the information included in the report is reliable and objective and is presented clearly and understandably. We provide the following recommendations to the extent that it does not affect the results of the assurance:

- Jeju Air is one of the largest LCC (Low Cost Carrier) in Korea, that conducts various businesses in the passenger, cargo, and hotel sectors. In the process of verifying the report, it was confirmed that issues are being treated with sufficient importance, such as accident and safety management, climate change response, customer satisfaction, employee safety and health, local community relations, human resource management and development, information security and customer privacy, human rights/diversity and integration, employee welfare, compliance, integrated risk management, environmental impact reduction, sound governance, ethical management, labor-management relations, and supply chain management. We also confirmed that, as a domestic LCC, Jeju Air is strengthening community-based social contribution activities.
- The ‘Jeju Air 2024 Sustainability Report’ is the first sustainability report of Jeju Air. In addition, Jeju Air is planning to establish ESG committee in the near future. It is necessary to accumulate, manage, and report related data to respond to impact measurement, internalization of ESG management, and ESG-related performance reporting issues that will be more emphasized in the future. With regard to this, it is necessary to steadily publish the sustainability reports to track and manage Jeju Air’s ESG performance.



Zulkarnain Ishak
Manager Sustainability Assurance

14 June, 2024

JEJUair

Website | <http://www.jejuair.net>

E-mail | esg@jejuair.net

Associations & Awards

Associations

Category	Association
Aviation	IATA (International Air Transport Association)
	Korea Civil Aviation Association
	Aviation Management Society of Korea
Information security	Korea Chief Privacy Officers’ Forum
	Korea Council of Chief Information Security Officers
	Consortium of CERT
Others	Visit Korea Committee

Awards

Year of Award	Awards	Award
2023	25 th Korean Brand Awards	Minister of Trade, Industry and Energy Award
2023	Korea Digital Advertising Festival (KODAF)	Golden Award in the integrated marketing category
2023	Consumer-Centered Management (CCM) certification	-
2023	National Service Awards	Grand Prize in the low cost carrier category
2023	Korea Brand Power Index (K-BPI)	Ranked 1 st for 10 straight years in the low cost carrier category
2023	Aviation Management Society of Korea	Grand Prize for aviation industry development
2023	Commendation for blood donation granted by the Korean Red Cross	-
2023	Korea CEO Hall of Fame	Grand Prize in the aviation category
2023	Green Star green product certification program	Ranked 1 st for 6 straight years in the low cost carrier category
2023	National Customer Satisfaction Index (NCSI)	Ranked 1 st for 2 straight years in the low cost carrier category
2023	7 th Incheon Airport Awards	Named an Excellent Carrier in 2022

JEJUair