

ESG STORY 2 – SOCIAL

Striving toward happy participation, happy coexistence, and a happy transformation for all.

SK has grown with the love and support of numerous stakeholders. Beyond the commitment and efforts shown by SK employees, it is thanks to the opportunities provided by customers, business partners, and local communities that SK has been able to achieve its successes, both small and large. Now, SK will return the favor by delivering happiness.



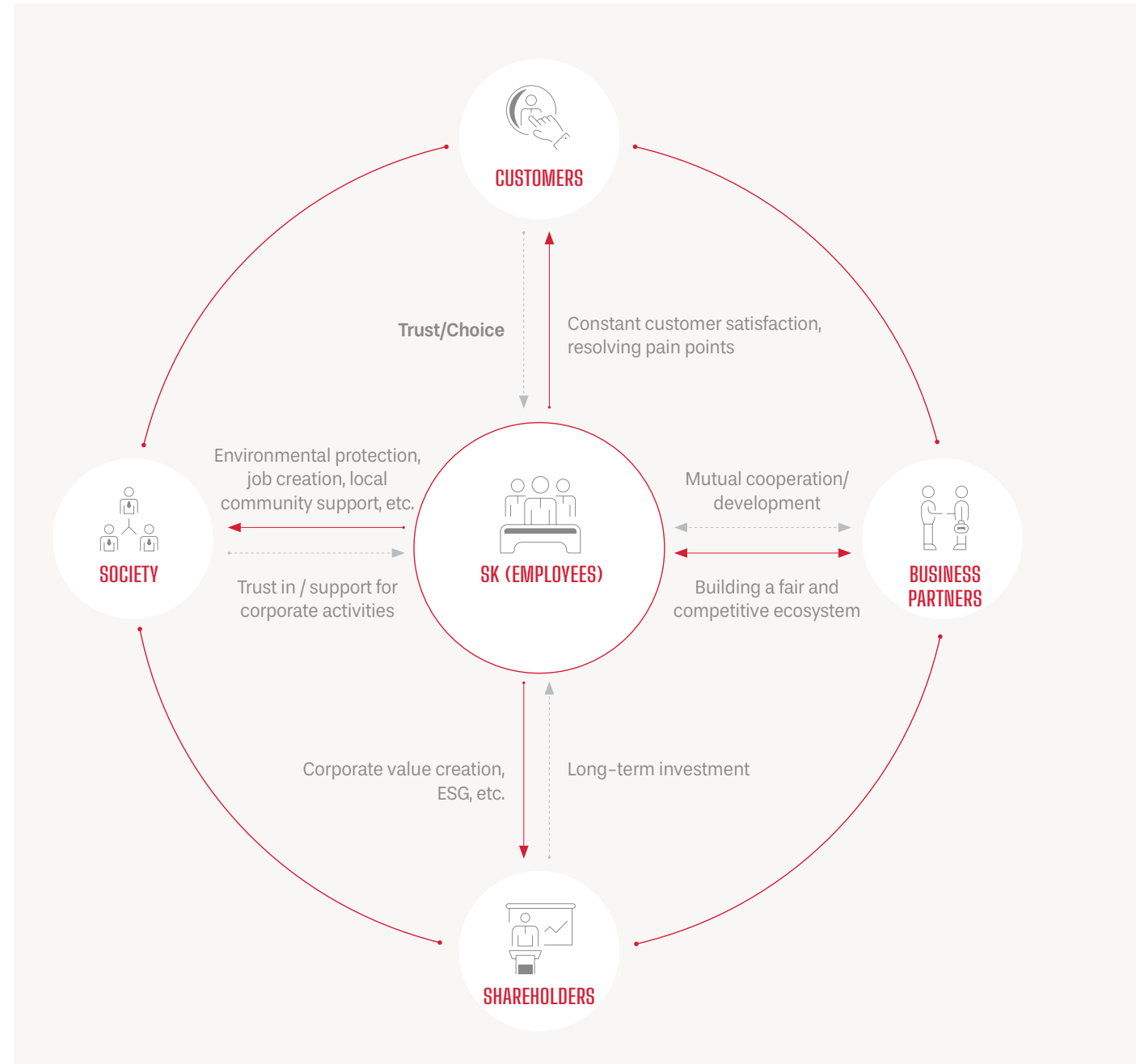
Sustainable happiness FOR ALL

SUSTAINABLE HAPPINESS

SK pursues sustainable happiness for all employees and stakeholders.

SK's purpose is to facilitate the creation of a happy society by happy employees. The SK Management System (SKMS), established in 1979, considers happiness to be the greatest value. Based on a common understanding of the essence of corporate management, the SKMS has been the foundation for coalescing employees and raising the caliber of business management.

SK conducts "happy management" based on its human-centered management philosophy, following the principles of SKMS. We strive for the happiness of all stakeholders, including employees, business partners, customers, and local communities. Recognizing that sustainable happiness cannot be attained alone, we aspire to create happy changes through participation by all. In the future, SK will continue our amazing journey toward a happier tomorrow by fostering the values that promote happiness.



01. CREATING A HAPPY WORKPLACE

A happy workplace for employees, where human rights and diversity are respected



SK cherishes the happiness of employees, who are the core constituents of SK. Based on the belief that building a happy and mature community is the prerequisite for generating profit and social value, SK fine-tunes its various systems to maximize the happiness of employees. SK respects the dignity and human rights of all employees, preparing and strictly abiding by global codes of conduct and guidelines. Furthermore, each member company endeavors to manage the health and safety of employees according to specific circumstances and needs, fostering a sustainable workplace where employees can maintain their work-life balance and feel secure in their work.

In addition, with the belief that an inclusive corporate culture that guarantees diversity empowers businesses to grow and innovate, SK focuses on cultivating a culture that allows individual employees to express the value of diversity. All employees of SK are encouraged to cultivate their work capabilities by utilizing the infrastructures offered by each company and develop timely awareness of external trends. mySUNI is a noteworthy growth platform that helps SK employees to take the initiative in choosing, designing, and revising their own learning paths.

Employees of SK cultivate their own happiness with the conviction that greater happiness can be achieved when they work with the SK community.



FEATURES

HUMAN RIGHTS



- Fulfillment of the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights
- Establishment of human rights regulations
- Publication of human rights management reports
- CEO's announcement of the human rights policy
- Prohibition on the use of conflict minerals

DIVERSITY & INCLUSION



- Expansion of women's leadership
- Establishment of the diversity principles of the Board of Directors
- Corporate culture of inclusivity and respect

HEALTH & SAFETY



- Establishment of the safety, health, and environment (SHE) guidelines
- Formation of safety and environmental management systems
- Enhancing safety using smart technologies

COMPETENCY DEVELOPMENT



- Formation of learning infrastructures for employees
- Operation of mid- to long-term career support programs

02. BUILDING A SUSTAINABLE VALUE CHAIN



Building sustainable supply chains that are fair and competitive

SK grows alongside business partners based on the principles of coexistence and fairness. Grounded in the belief that the sustainability of business partners is necessary for the competitiveness of SK, SK supports business partners in developing technologies through various means, such as financing, joint development, and patent sharing. In addition, SK assists business partners in strengthening their businesses by empowering employees.

Furthermore, SK offers various forms of support for business partners to manage ESG by observing global laws and standards. By establishing guidelines to improve ESG and building an IT platform at the group level, SK helps member companies conduct activities to improve ESG throughout the supply chain. Member companies apply the guidelines according to their management environment and enable business partners to reach the standards of competitiveness that are demanded in this era.

Accordingly, business partners of SK actively participate in improving ESG outcomes and seek measures to grow the pie of sustainable happiness.



FEATURES

WIN-WIN RELATIONSHIP



- Expanding technical and financial support for business partners
- Revitalizing communication with business partners
- Protecting the technologies of business partners
- Sharing welfare benefit systems

ESG MANAGEMENT



- Supporting the ESG management of business partners
- Strengthening safety management throughout the supply chain
- Providing SHE consulting to business partners

03. ENHANCING CUSTOMERS' QUALITY OF LIFE

Delivering a unique customer experience incorporating social values



Customers are people who trust and choose SK's products and services. SK offers unique values to ensure that their choices are economically, socially, and environmentally sound. In the event that customers experience discomfort, SK removes pain points by analyzing them thoroughly and responding adequately, and also provides innovative solutions. SK endeavors to ensure that everyone has safe and convenient access to its products and services, and continually strengthens its cyber security capabilities to protect the personal information of its customers.

Further, SK concentrates on developing technologies that account for their social impact, aiming to deliver products and services that can change the lives of customers for the better and contribute to our society's development. In addition, SK strictly manages its environmental impact to help the value consumption of consumers who desire to reduce carbon emissions.

SK is confident that customers will encourage and support SK for its unique efforts to deliver the best products, services, and social values.



FEATURES

PRODUCTS WITH SOCIAL VALUE



- Creating social values using technologies
- Releasing products that generate social values
- Providing services for the socially disadvantaged

PRODUCTS WITH ENVIRONMENTAL VALUE



- Expanding eco-friendly products with reduced carbon footprints
- Operating eco-friendly business sites
- Introducing eco-friendly processes

CUSTOMER SATISFACTION



- Guaranteeing the safety and quality of products
- Protecting personal information
- Surveying customer satisfaction

04. STRENGTHEN SOCIAL SAFETY NETS

Creating greater happiness in partnership with local communities



SK aims to create sustainable happiness and contribute to the development of local communities in all places where it operates businesses. SK member companies monitor and solve social issues and problems that arise in the local communities where they belong.

Member companies have further strengthened their social safety net in response to the COVID-19 pandemic and are operating programs to enhance social values reflecting the characteristics and knowledge of each company. They also support initiatives to strengthen the autonomy of socially vulnerable groups and strive to serve as a good neighbor in local communities by reinvigorating the local economy and recruiting local talents.

Members of local communities trust and support the corporate activities of SK, and they are progressing together with SK toward a happier tomorrow.



FEATURES

SUPPORTING LOCAL COMMUNITIES



- Supporting the growth of socially disadvantaged groups in local communities
- Disseminating a culture of sharing
- Social contribution activities using business capabilities
- Fostering local community talent
- Voluntary participation of employees
- Disseminating social values

SUPPORTING SOCIAL ENTERPRISES



- Fostering innovative startups
- Supporting small and medium business owners
- Supporting social enterprises and revitalizing the ecosystem
 - Fostering talent for social innovation, KAIST SEMBA
 - Promoting social enterprise financing, SE Fund
 - Social outcome incentives, SPC (Social Progress Credit)
 - South Korea's largest Social Value Open Platform, SOVAC (Social Value Connect)