

# Work & Life Balance

Creating a corporate culture that supports the work-life balance of employees and improves the quality of life, enabling them to continue and carry out their work life

## Roadmap

	2023	2025	2030
<b>Target</b>	Full-scale implementation of Work-Life Balance (WLB) priority areas for employees.	Advancing global top tier level WLB policy	Settlement of Employees-led WLB culture
<b>Action plan</b>	<ul style="list-style-type: none"> <li>Enhancing self-led work environment to increase work efficiency and create an immersive environment</li> <li>Establishing action plans considering three perspectives of time/space/work system</li> </ul>	<ul style="list-style-type: none"> <li>Expanding the concept of employees → Establishing a global top-tier employee family care program</li> </ul>	<ul style="list-style-type: none"> <li>Establishing/proliferating self-led work method innovation plans</li> <li>Establishing a self-led corporate culture through a platform to strengthen employee communication</li> </ul>

## Key Point

### Employee WLB Promotion Policy

- Creating a culture of employee WLB (Work & Life Balance)
  - SK Inc. establishes health and welfare policies for all employees (including regular and contract workers) with the aim of ensuring stability in both work and home life. By referring to the feedback from employee voices and survey results, the company selects priority areas for improving the work environment and implements advanced systems to enable employees to work more enthusiastically.
  - Implementing employee-led Work & Life Balance culture creation/proliferation through communication
- Employee WLB 3 priority areas selection/execution in earnest
  - Reinforcing employees' self-led work environment
  - Expanding support for stable living after retirement
  - Reinforcing care for employees' families
- Employee self-led work environment improvement establishment of specific action plan

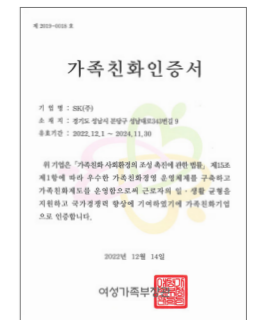
Space	Expanding base/shared office in terms of improving commuting and work environment considering customer location, etc.
Hour	Expanding various work types such as flexible/telecommuting in consideration of business/work characteristics of each organization
Working system	Continuously reinforcing remote work environment through digital environment upgrade

## Achievement

- Operating various welfare programs to improve the work & life balance of employees  
→ Measuring the effectiveness of the support system (2nd Life satisfaction/employment rate), measuring happiness/satisfaction through employee surveys
- SK Inc. promotes various activities with the goal of creating a family-friendly and happy workplace where work and family can balance in harmony, improves the quality of life of employees, and maintains the certification as an excellent family-friendly company since 2013.

### Welfare system

Health	Medical expenses, health checkup, group accident insurance, support for purchase of eco-friendly agricultural products, etc.
Life stability	In-house loans (house purchase/rental, livelihood stabilization funds), communication expenses, lunch point support
Congratulations and condolences support for employees	Supporting for congratulations and condolences, support for congratulations and condolences consumables
Refresh/Leisure	Clubs (sports, hobbies, etc.), resort support, long service reward leave, etc.
Childbirth/Parenting	Baby reception program, operation of breastfeeding room, support for school expenses for children, etc.
Welfare facilities	Daycare center, infirmary, health center, refresh room operation, etc.
Senior support	2nd Life support system, retirement pension system

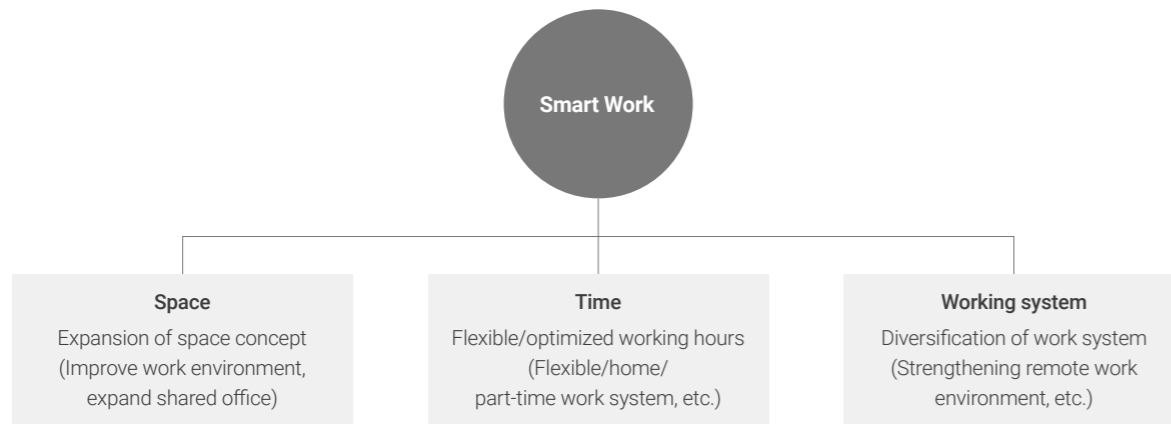


Family Friendly Certificate

## Employee WLB Support Program

### ① Reinforcing Self-directed Work Environment for Employees

- Expanding the need for innovation in employee health management and working methods due to the spread of the pandemic situation caused by COVID-19
- Accordingly, we actively introduce the Smart Work system to increase organizational efficiency and lay the foundation for employees' self-complete work.



<b>Flexible working hours (Optional working hour system)</b>	<ul style="list-style-type: none"> <li>• Supporting employees to manage their working hours according to circumstances by introducing a selective working hour system that allows employees to freely choose their working hours for study, childcare, family care, etc.</li> </ul>
<b>Working-from-home arrangements (Anywhere But Connected)</b>	<ul style="list-style-type: none"> <li>• As a non-face-to-face work method that allows workers to work anywhere efficiently, such as at home, the ABC system, introduced during the COVID-19 period, were used by an average of more than 40% of employees over the three-year period from 2020 to 2022.</li> <li>• Continuously encouraging the ABC System to respect employees' free ways of working even after COVID-19</li> </ul>
<b>Operating an external base office</b>	<ul style="list-style-type: none"> <li>• For employees who wish to work from home but do not have a suitable home office setup, providing workspaces in close proximity to their residences. This initiative supports the balance between work and home life and promotes increased work efficiency.</li> </ul>
<b>Part-time working options</b>	<ul style="list-style-type: none"> <li>• Operating part-time work and recruitment of workers in accordance with the Act on the Protection of Fixed-term and Part-time Workers, etc.</li> </ul>

### ② Strengthen Family Benefits and Care

<b>Operation of an in-house daycare center (childcare facilities)</b>	<ul style="list-style-type: none"> <li>• Operated to prevent employee career interruption due to childcare and to strengthen work engagement</li> <li>- For children aged 1 to 4, full support for daycare center operation costs</li> </ul>
<b>Support for school expenses for children</b>	<ul style="list-style-type: none"> <li>• Support work-life balance for employees by reducing the financial burden for children's education</li> <li>- For children aged 5 to college students</li> </ul>
<b>Elementary school/University/CSAT Entrance gift for examinees children</b>	<ul style="list-style-type: none"> <li>• Paid to celebrate the growth and school entrance of employees' children</li> </ul>
<b>Support for special education expenses for children with disabilities</b>	<ul style="list-style-type: none"> <li>• 100% support for special education expenses for children with disabilities until age 25</li> </ul>
<b>Operation of family care program</b>	<ul style="list-style-type: none"> <li>• Support family care for illness, accidents, etc.; Providing consideration at the company level so that employees' careers can continue</li> <li>- Family care leave (10 days) / Leave of absence (up to 1 year) / Short work (up to 2 years)</li> <li>- Elementary childcare leave (up to 6 months)</li> <li>- Family-related counseling support (parenting, couples, domestic violence, etc.)</li> </ul>
<b>Support for family events</b>	<ul style="list-style-type: none"> <li>• Bonus to celebrate the congratulations of a member's family</li> <li>- Parents' 60th birthday/70th/80th birthday, brother/sister marriage, childbirth/marriage</li> </ul>
<b>Providing consolation for the loss of family employees.</b>	<ul style="list-style-type: none"> <li>• Supporting congratulatory money/consumables for congratulations and condolences, congratulatory and condolence leave, and support for counseling after a family bereavement</li> </ul>

## Employee WLB Support Program

### ③ Reinforcing Breast-feeding/Lactation Facilities or Benefits

Parental leave	Leave of absence for childrearing for male/female employees with children under the age of 8 (Major welfare programs such as medical expenses are maintained even during parental leave) <ul style="list-style-type: none"> <li>• Paid parental leave period for the primary caregiver: 1 year</li> <li>• Paid parental leave period for the non-primary caregiver : 1 year</li> </ul>
Spouse maternity leave	Support for postpartum care such as psychological stability and recovery of spouse (up to 10 days)
Infertility treatment support	Leave for infertility treatment (up to 9 days) / Leave of absence (up to 1 year)
Miscarriage leave	Leave for mental stability and recovery support (up to 90 days)
Reduction of working hours	<ul style="list-style-type: none"> <li>• Pregnancy period: Reduced working hours for employees within 12 weeks of pregnancy and after 36 weeks of pregnancy</li> <li>• Parenting and family care: Implementation of reduced work hours for applicants</li> </ul>
Babysitting program	Pink ID card necklace and congratulatory gift provided to pregnant employees
Breastfeeding/ Sparing Facilities	Providing independent breastfeeding lounge, refrigerators and massage machines for breast milk rooms

- Other diverse support for smooth return to work through discussions on the career path of employees after parental leave is in progress.
- Awarded the 2023 Presidential Commendation in the category of excellent companies for equal employment by the Ministry of Employment and Labor
  - Ranked 1st among 150 domestic companies
  - Awarded the Excellent Company Prize that takes the lead in realizing gender equality in employment to spread awareness of gender equality in employment throughout society
  - Public recognition such as expansion of employment of female employees, active promotion of maternity protection activities, and operation of daycare centers to prevent career breaks for female employees



Presidential Award for Equal Employment for Men and Women

### ④ Reinforcing Support for Stable Living after Retirement

- Support system for stable old age and the second stage of life for employees

Support for career counseling and aptitude exploration after retirement	Support for career exploration for retired employees after retirement
Retirement pension system	Deposits at external financial institutions, lump sum or pension payment

- As of the end of 2022, KRW 521.7 billion of the estimated retirement benefit amount was accumulated/managed in an external asset institution, ensuring stable entitlement to benefits by complying with the statutory external accumulation standard of 90%.

Estimated retirement benefit	KRW 521.7 billion
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- 2nd- Life Support
  - Granted 2nd-Life preparation period before retirement: 5 months to participate in the transfer support service (not attending work) + 1 month vacation
  - Support for participation in transfer support services: Selection of participating companies reflecting individual intentions of members and support for participation in programs (reemployment/start-up/lifetime design training, etc.)
  - Operation of a re-employment program for members who need to carry out continuous work due to having excellent competency and retirement age
- Assessing Support Program Performance
  - 40% of retirement participants succeed in finding jobs in 2022

Classification	Performance
Participants	10 based on retirees in 2022
Satisfaction	score of 4.7 (out of 5)
Employment and start-up rate	40% (4 people employed)

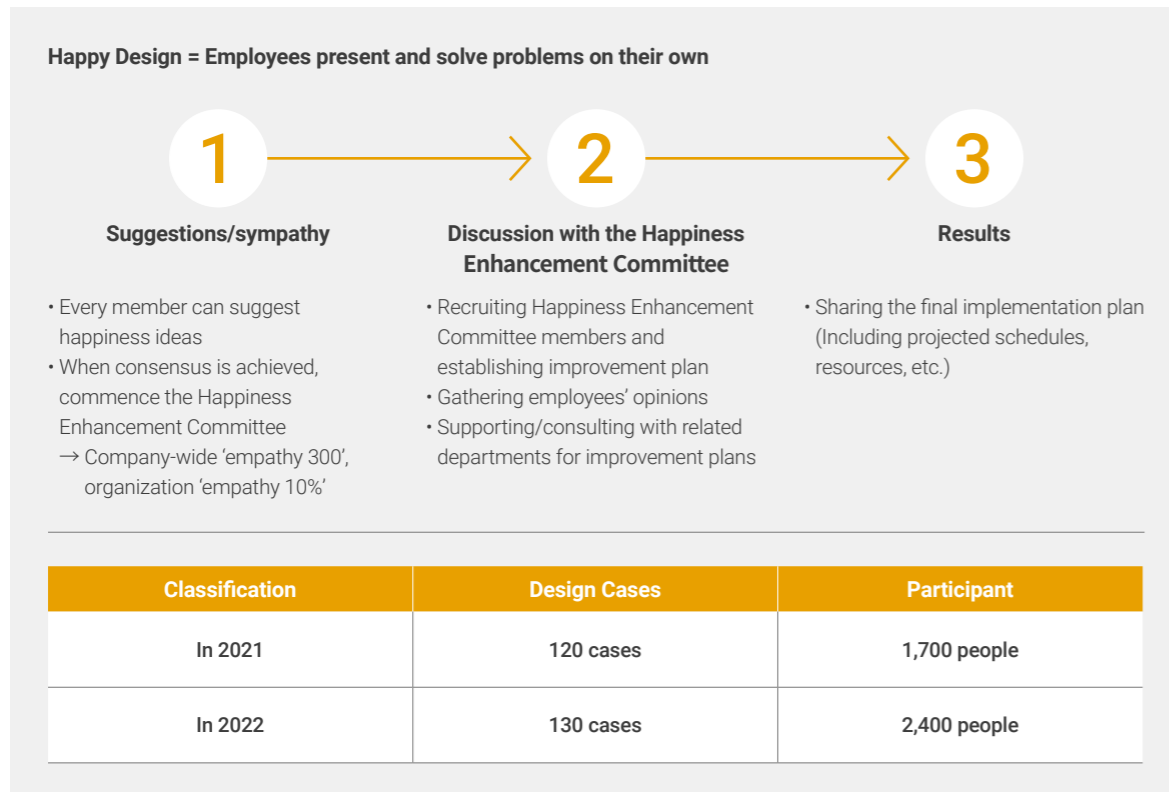


Information on the former support program

## Creating a Culture of Happiness for Employees

### Employee-led Happiness Design

- Operating the employee-led happiness design system to promote happiness, such as innovating the way we work and improving WLB
  - Promoting voluntary participation from employees throughout the proposal to execution phase, based on the needs for innovation in the organization's working methods and not only for their own happiness but also for the enhancement of employee engagement.
- Developed a job stress test for employees and opened in July 2022, linked with internal/external stress counseling upon request from members (A total of 754 stress tests were conducted as of April 2023)
  - Supporting member-led happiness design by revising safety/health related company regulations to reduce job stress



\* In 2022, a total of 97 cases were adopted and happiness design was implemented, including the enactment of ground rules for sending e-mails and organizing book review broadcasting programs.

### Employee-led Organizational Unit Pursuit of Happiness

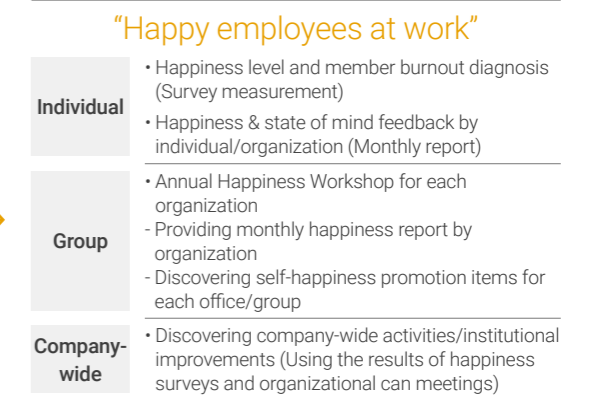
Creating a culture of happiness led by employees creating 'with us'

#### Happiness Map Framework



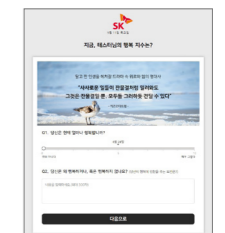
Stable life base

#### Mgmt. System



#### ① Happiness Data Management

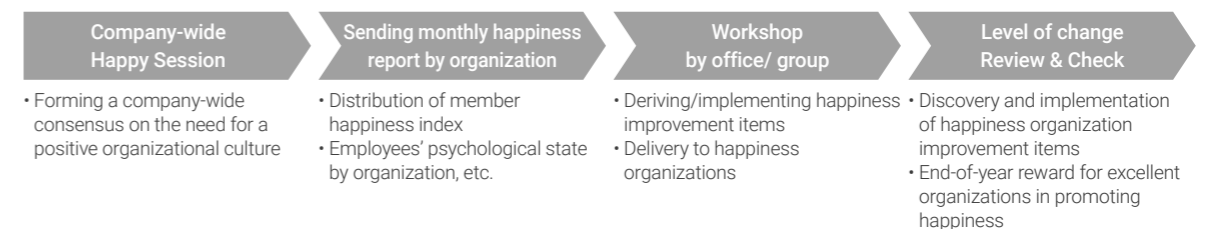
- Since June 2020, all employees have conducted a happiness survey before starting work
- Consisting of questionnaires on happiness influencing factors (subjective) in addition to happiness level (multiple choice)
- Delivering happiness levels and happiness influencing factors to individuals and leaders above office/group heads through the Monthly Happiness & Mind Chart and providing individual feedback and helping them manage the happiness of the organization on their own.



Happiness Survey screen

#### ② Organized Happiness Workshop

Based on the results of the happiness survey, promote group/office happiness enhancement



## Creating a Culture of Happiness for Employees

### ③ Company-wide Activity/Institutional Improvement

- Measuring the importance and satisfaction of all company-wide activities/systems experienced by employees, and identifying the top priority improvement areas with high importance but low satisfaction
- Actual system improvement centered on top-priority areas for improvement and employee training in parallel

<b>Step 1. Measuring company-wide activities/institutions</b>	Measuring regular/irregular activities/systems experienced by all employees
<b>Step 2. Determining top priority areas for improvement</b>	Determining priorities for improvement of activities/systems through IPA* analysis
<b>Step 3. Rebuilding/Promotion/Education</b>	Actual system improvement, member training and promotion

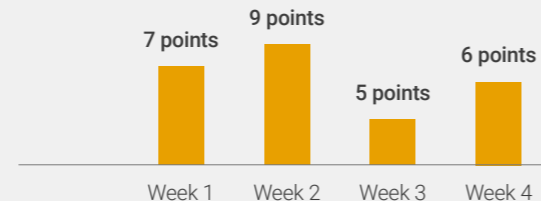
\* Importance-Performance Analysis

### Employee Happiness Chart (Example)

#### Happiness Index in May



#### Happiness Index by Week in May



### Happiness Support Service

Happy MSG	Happy Counsel	Happiness Reference Book
<ul style="list-style-type: none"> <li>• IT service to spread happiness, appreciation, recognition and praise in everyday life</li> <li>• Delivering messages of comfort and support anonymously to employees every morning</li> </ul>	<ul style="list-style-type: none"> <li>• Psychological counseling support with professional counselors who can train employees' mind muscles</li> <li>• Professional counseling available in 4 areas: mental health care/happy family/happy workplace/leadership competency development</li> <li>• Mandatory participation of new team leaders and new transferred/recruited employees</li> </ul>	<ul style="list-style-type: none"> <li>• Applying failure/success stories experienced by happiness leaders in the process of managing organizational happiness to other organizations</li> </ul>

## Employees Communication

### Employee Engagement Impact Measurement

- Diagnosing employees' level of understanding and practice of SKMS management philosophy by conducting an annual employee culture survey
- Employee culture survey includes the following aspects; happiness (positive feelings at work/in the workplace, future expectations), purpose (SUPEX goal, To-be Model), job satisfaction (motivation, employment benefits) and the stress-related questions (Burnout, negative feelings at work),  
After the survey, improvement activities are being carried out based on the results and collected feedback
  - Improving/maintaining the overall scores since 2020, when employees' engagement was promoted in earnest

### Survey Framework

**SKMS Faith/Confidence**

- Pursuit of happiness
- Pursuit of stakeholder happiness, etc.

**SUPEX Co. Realization**

- Setting SUPEX goals
- Establishing To-be Model
- Employee empathy, executive power, etc.



**Employee happiness**

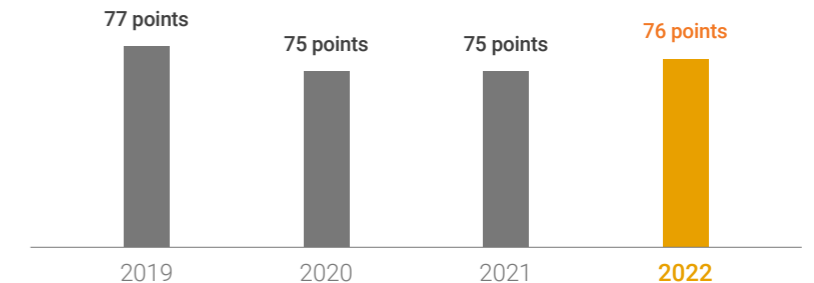
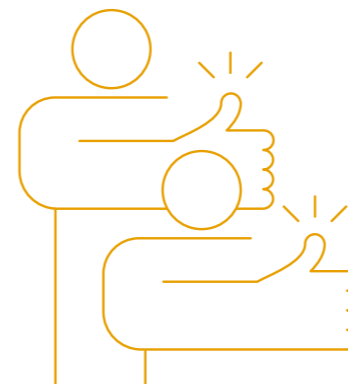
- Happiness in work/life
- Factors affecting happiness

**VWBE\* practice and environment creation**

- Ambition, Challenge, Execution
- Creating an environment to face challenges
- Leaders' example, etc.

\* Voluntarily Willingly Brain Engagement

### Employee Engagement Impact (Culture Survey) Score 4-year Trend (including subsidiaries\* on a consolidated basis)



\* SK Innovation, SK Telecom, SK Networks, SKC, SK Biopharmaceuticals, SK Square, and SK IE Technology



## Employees communication

### Reestablishment and Internalization of Corporate Culture

- Reestablishing corporate culture to create happiness for employees themselves and drive innovation for the successful execution of Financial Story (Completed selection of core attributes 'shared value, organizational culture, leader talent')
- Implementing employee participation diagnosis survey for 'internalization of shared values', 'practice of Winning Culture', and 'reinforcement of ability to execute organizational goals' (55% response out of 3,735, reliability 95%, sampling error ± 1%p)
- Utilizing company-wide notices, in-house broadcasting, PC screen saver distribution, etc., and delivering effective messages for employees' easy understanding and taking actions.
- Each team, conducting workshop and customizing contents to suit the needs of the organization and to internalize the corporate culture



Core attributes of corporate culture 'shared values, organizational culture, leaders' prize

### Employee Communication Platform

SK Inc. plans and operates various communication channels and programs to establish a pleasant organizational culture and activate communication among employees.

#### ① Do Me a Favor Please (Tell the vice president openly)

- Developing member careers and spreading a culture of free communication through 1:1 communication between CEO and employees
- Background: Time to discuss with the CEO about topics desired by employees as a base for member applications
- Method: CEO-employee communication by various subjects

#### ② Jihwaja

- Conducting once a month as a company-wide communication platform
- Sharing company-wide news, external lectures related to work knowledge, Beer Day, dissemination of corporate culture messages, etc.
- Strengthening communication among employees by operating various themes every month

### Organizational Culture Innovation

#### Management Council

- SK Inc. holds a regular management council meeting attended by management and employee representatives on a quarterly basis to discuss major issues of the company and improvement of the working environment, and the proposed agreement is applied to all employees.
- In 2022, members formed a consensus on various agendas, such as <How to utilize a shared office since COVID-19> and <Introduction of a base office>

Classification	Investment Area Key Discussions
1st (March 2022)	Discussion on the way to work after COVID-19
2nd (June 2022)	Policy to utilize Seorin Office after COVID-19 Listening to employees' opinions to promote telecommuting
3rd (October 2022)	Checking the current status of work methods by organization Improving welfare system

Classification	Business Area Key Discussions
1st (February 2022)	Upgrading support for employee competency development, sharing agenda health management reinforcement plan
2nd (May 2022)	Sharing job-based HR system improvement plans, introducing the DC-type retirement pension system
3rd (August 2022)	Discussing welfare system improvement plans
4th (December 2022)	Sharing 2023 company-wide key agenda



Proceeding of the management council