

# 2

## Safety and Health



### Key Point

- Company-wide safety and health management system
  - Establishing safety and health system for employees through establishment of safety and health operation system based on group operating principles and creation of safety and health culture
- \* Including all employees of the company (including commissions and contracts), contracts, services, consignment work, and special types of workers
- Establishing a company-wide health and safety management system by applying global standards and setting up risk assessment and performance management process
- Establishing occupational disease management plans
  - Establishing health examination management, occupational disease and disease management, VDT syndrome prevention and management, and job stress prevention and management plans considering the characteristics of office work (low physical injury risk)

Physical Health	VDT*	<ul style="list-style-type: none"> <li>• Mind and body training coaching program (Online real-time training and customized coaching after COVID-19)</li> <li>• Implementation of VDT Syndrome Care Program</li> <li>* Prevention and pain management by major parts such as neck/shoulder hang, hand/back pain, etc.</li> <li>• Reinforcement of muscular endurance through the operation of an in-house gym</li> <li>• Provision of VDT Syndrome Prevention Alert Program</li> </ul>
mental health	Job stress Care Diagnosis and consultation	<ul style="list-style-type: none"> <li>• Job stress relief program through internal communication channels</li> <li>• Operation of psychological counseling room (Site Worker EAP (Employ Assistance Program) Service)</li> <li>• Implementation of 'Job Stress Test' based on mobile App</li> </ul>

\* Visual Display Terminal

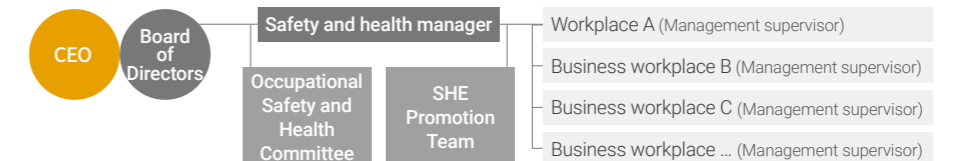


### Achievement

- Continuously maintained after acquiring the first global international standard ISO 45001 certification in 2021
- Establishing/implementing measures to improve hazards and prevent recurrence according to occupational safety risk assessment
- Conducting activities to prevent potential health risks for employees through job stress tests based on employee surveys and external expert opinions

### Management

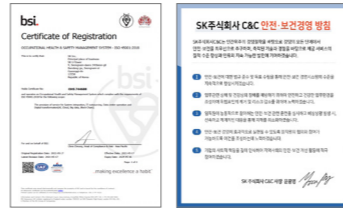
- Strengthening safety/health management organization and safety and health management through the operation of a dedicated safety and health organization determined by the board of directors, appointing a person in charge to oversee/manage the company's safety and health affairs, and place qualified personnel for safety/health management
- The board of directors receives reports on safety and health-related issues, and reviews the status of decision-making and management on major issues
- Under the safety and health management system, the Occupational Safety and Health Committee reviews the safety and health operating system and related issues and implements compensation links by reflecting safety and health performance in ESG KPIs within the company and divisions/centers, including the CEO, on a quarterly basis



## Reinforcing Company-wide Safety and Health Management

### Establishing Safety and Health Management Policy

- Establishing SK Inc.' safety and health management policy in 2021 in line with SK Group's SHE strategic direction established in 2019
- Including guidelines to manage and actively improve safety and health risks that may occur to stakeholders related to safety and health, such as SK Inc. employees, suppliers' workers, consumers, and local communities, by pursuing safety and health as the top priority based on a human-oriented management philosophy



ISO 45001 certificate Safety and health management policy

### Establishing/Operating Safety and Health Management System

- Establishing safety and health management system and maintenance of ISO 45001 certification according to the need to establish safety and health management system and overall processes as a result of company-wide health and safety diagnosis
- Announcing major guidelines through the operation of the Health and Safety Portal, data sharing by organization, and notification of major agenda and contents of the Occupational Safety and Health Committee



Health and Safety Portal

\* Hi-SK → ESG Management → Environment/Safety and Health Portal

### Conducting Safety and Health Education

- Conducting online safety and health education to raise safety awareness among employees and minimize safety risks
- Although it is an industry subject to legal regular training exemption, it implements a customized training course tailored to the characteristics of the IT service industry to strengthen the safety capabilities of employees.
- Implementing member training for special duties (executive officers, etc.)
- In-depth training on safety and health roles for management and supervisors for team leaders
- As of 2022, 2,569 people completed regular safety training and 18 people completed ISO 45001 training

#### Training Contents

- |  |   |
|--|---|
| 1 Actions in case of an accident such as cardiac arrest              | 6 Understanding Musculoskeletal Disorders             |
| 2 Code of Conduct Basic Principles                                   | 7 Work environment and health care for office workers |
| 3 Countermeasures by Accident Type                                   | 8 Prevention of health problems caused by job stress  |
| 4 First aid  | 9 First aid measures by disaster type                 |
| 5 Understanding of the Act on Punishment for Serious Disasters, etc. |   |

## Reinforcing Safety and Health Inspection Activities

### Safety and Health Internal Inspection Activities

- Operating the Occupational Safety and Health Committee: The Occupational Safety and Health Committee, including employee representatives, is held regularly once a quarter, deliberating/deciding safety-related matters for employees (4 times in 2022)
- Operating safety accident reporting system: Utilizing mobile app 'Happ' and hot line, operating safety and health accident reporting system such as near-miss accident, and regular employee self-inspection
- Reinforcing safety and health inspection activities in 2023
  - 2023 Safety and health performance measurement (monitoring) and data center field safety inspection plan established and progressed (enforced once a year in 2023, regular implementation semi-annually thereafter)
  - Inspection through performance evaluation of safety and health manager, etc. (half-yearly)
  - Inspection of compliance with safety and health related laws (half-yearly)
- Supporting advancement of safety and health activities of subsidiaries and suppliers

### Subsidiary/Partner Safety and Health System Inspection Items

Areas	Inspection activities
Safety and health management system	<ul style="list-style-type: none"> <li>An organization dedicated to safety and health</li> <li>Safety and health goals</li> <li>Safety and health management policy</li> <li>Establishment of safety and health management system</li> </ul>
Safety and Health Implementation Capabilities	<ul style="list-style-type: none"> <li>Safety and health budget</li> <li>Safety inspection and risk assessment conducted</li> <li>Safety and health education</li> <li>Safety and health operation management</li> </ul>
Safety and health operation management	<ul style="list-style-type: none"> <li>Whether emergency evacuation drills are planned and implemented</li> <li>Safety Accident Action Manual</li> <li>Supplier safety and health level evaluation procedure</li> </ul>
Accident occurrence level and external certification	<ul style="list-style-type: none"> <li>Industrial accident rate for 3 years</li> <li>Safety and health certification</li> </ul>

## Reinforcing Safety and Health Inspection Activities

### Safety Management System Operation

- Complying with statutory obligations under the Industrial Safety and Health Act and the Severe Accident Punishment Act through an organization dedicated to safety and health

#### Main Content

- Establishing safety and health management goals and policies
  - Conducting risk assessment inspection (once a year)
  - Managing safety/health budgets
  - Evaluating the performance of safety management managers, etc. (half-yearly)
  - Inspecting safety and health communication for workers (half-yearly)
  - Inspecting measures for imminent risks (half-yearly)
  - Inspecting qualified subcontractor evaluation (half-yearly)
  - Mandatory inspection of safety/health related laws (half-yearly)
- Improving workplace safety hazards and risk factors
    - Periodically implement risk assessment for all workplaces (once a year)
    - Performing occupational safety risk assessment based on its own capabilities, discover new harmful/risk factors through regular risk assessment, establish improvement plans, and implement implementation management on a regular basis
      - Identifying harmful and risk factors that may be exposed during work inside/outside the office building at each business site
      - Classifying and prioritizing according to risk estimation, identifying acceptable and acceptable/unacceptable risk factors
      - After confirming the effectiveness of harmful/risk factors in the previous year, reflecting them as current measures
      - Evaluating/reviewing the effectiveness of measures to improve harmful and risk factors
      - Measuring and evaluating improvement for risk assessment

### 2022 Risk Assessment Results and Implementation Measure Results

Deriving risk factors	Measures	Action fulfillment
Risk of accidents due to entry and exit of the welding work space	When the workplace is not in use, lockdown and prohibition of entry except for those concerned have been completed	Action implementation rate 100% (risk level 9 → risk level 3)
Diesel overflow accident due to diesel transfer pump electronic switch failure	Completion of additional measures for a separate shutoff valve in the pipe	Action fulfillment rate 100% (risk level 8 → risk level 4)
Risk of collision when opening the door of the elevator room dedicated to the data center	Attaching collision warning signs and conducting quarterly inspections (reflecting the building management risk checklist)	Conduct regular inspection, 0% crash accident (risk level 8 → risk level 4)
Safety accidents caused by bringing in and taking out heavy items (rooftop facilities)	Implementation of work after prior confirmation/agreement within DCSP (Data Center Service Portal)	Prior confirmation/consent fulfillment rate 100% (risk level 8 → risk level 4)

### Reinforcing Supplier Safety and Health Competency Evaluation

- We have completed the process of evaluating the suitability of suppliers' capabilities in occupational health and safety management and will incorporate it into the procurement system starting in 2023.
- When carrying out subcontracting projects, during the bidding stage, we assess the safety level\* of potential subcontractors to select those with industrial accident prevention capabilities.

\* The safety level assessment aims to fairly evaluate subcontractors' occupational health and safety activities to ensure they possess a minimum level of competency.

## Efforts to Spread Safety and Health Culture

### Response to Safety and Health Accidents

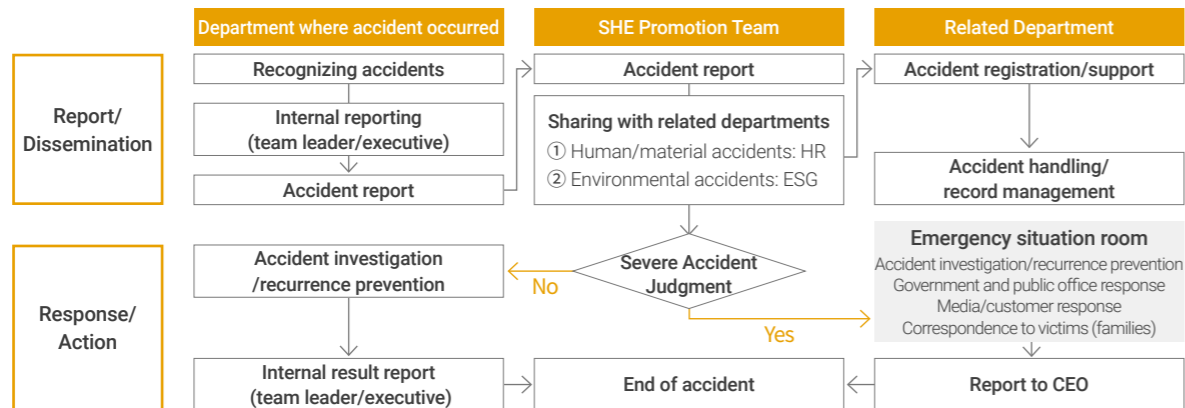
- Establishing a detailed accident manual and rapid response system according to scope and severity to respond safety and health accidents
- Improving the level of emergency response management by adding 'critical material loss' to the safety and health accident criteria and reporting any material loss that is expected to have a significant impact on the company or the customer to the competent department

### Safety and Health Accident Sharing Principle

- All employees immediately share and report the accident to the organization in charge of the accident and to a higher level manager immediately after recognizing the accident.
- Accident sharing and reporting shall comply with as a basic requirement, and in case of violation, disciplinary actions may be taken according to company regulations.

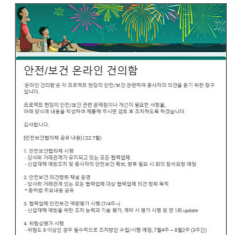
Areas	Target	Serious Accident (Group Propagation)	General accident (in-house transmission)
personal injury	employees, cooperating staff	<ul style="list-style-type: none"> <li>• Occurrence of work-related fatalities</li> <li>• 2 or more injured at the same time for more than 3 months, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Work-related injuries and illnesses that require at least 3 days off work</li> </ul>
Work-related injuries and illnesses that require at least 3 days off work	Headquarters, Pangyo, Daedeok and external business sites	<ul style="list-style-type: none"> <li>• Headquarters, Pangyo, Daedeok and external business sites</li> <li>• Significant losses expected due to fire, explosion, leakage, etc.</li> <li>• Physical loss expected to have a significant impact on business</li> </ul>	<ul style="list-style-type: none"> <li>• Accidents subject to administrative action related to environmental pollution</li> <li>• Accidents with minor losses during fire/explosion/leakage</li> </ul>

### Safety/health Accident Sharing System



### Safety and Health Accident Response System and Training

- Fire Safety Inspection and Emergency Response Training
  - Conducting emergency drills on a regular basis every year for employees of tenant companies/partner companies/emergency response centers for rapid emergency response.
  - Offering virtual fire scenario training for fire response training in the data center and establishing emergency room system
    - Derivation/implementation of improvements: frequent inspection of emergency response equipment management status, emergency evacuation course training, etc.
- Emergency patient response system
  - Establishing a hot-line system that enables immediate evacuation in the event of an emergency while working
  - Conducting first aid training for security guards on duty at all times so that they can provide 24-hour first aid
- Suppliers safety and health grievance channel operation
  - Announcement of channels for hearing opinions in the purchase information system
  - Considering the accessibility of suppliers, receiving safety and health-related grievances through the Google Forms, reflecting improvement after review
    - Grievance Channel (<https://forms.gle/i7jgjTydAXfyRdd6A>)
- In 2022, 2 cases of safety and health-related grievances received from suppliers were 100% improved (1 case for customer improvement, 1 case for SK improvement)
  - \* One improvement by our company: Installation of 3 ladder fences to prevent falls in the Daedeok Data Center



Supplier safety and health grievance handling channel

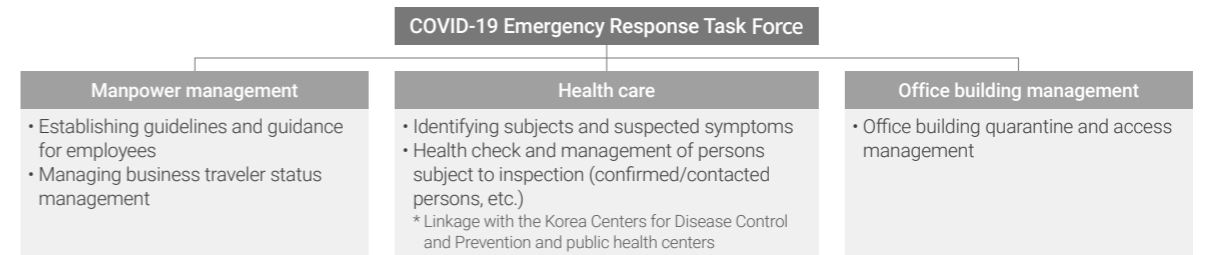
#### Key COVID-19 Response Activities

- Establishing comprehensive guidelines, update and share them regularly
- Procurement/distribution of quarantine/hygiene products (external site emergency, overseas business trip, etc.)
- Access control/inspection target daily monitoring
- Office cleaning in 2022 (140 times), hygiene inspection, chair/carpet washing, etc. (14 sites in total)

### Response to COVID-19

- Continuing response to prolonged COVID-19, linking to national policy, continuously notifying members of safety and health-related matters, etc., and strengthening responses to prevent spread within the office building

### Composing the COVID-19 Emergency Response Task Force



## Health Support Activities

### Health Support Program

- Various Workplace Stress Management, Sports & Health Initiative programs for all employees (including part-time and contracted employees)

Classification	Program	Support content
Prevention & Workplace Stress Management	In-house gym	• Gym and shower room for employees
	Mind & Body Training	• 11 to 13 courses per month, such as stretching, yoga, meditation, etc. (Online real-time training and customized coaching after COVID-19)
	Clubs	• Support for sports activities such as soccer, mountain climbing, and tennis, and club activities such as quilting and movie watching
	Health screenings	• Support for personal and family health checkup using medical expenses • 2 types of support based on age (intensive check-up (400,000 won), comprehensive check-up (250,000 won))
	Health/ Psychological Counseling	• Burnout Diagnosis: Care Program, such as diagnosing the burnout level of employees (once a week) and expert psychological counseling for recovery • Empathy Plus: Employee psychological counseling (work/family problems, etc.), job stress test, etc. • Vitamin Day: Health and psychological counseling service for external site employees and suppliers
Therapy/ Treatment	Medical expenses support	• KRW 1 mn per year, support for self/spouse/children/parents (spouse) • Hospital expenses, pharmaceutical expenses, health examination expenses, vaccination expenses
	Group insurance	• Selecting one from 3 types of A (4th generation loss insurance), B (surgery/hospitalization/diagnosis), C (teeth preservation/prosthetics)
	Sick leave system	• Leave of absence for long-term treatment and recovery (up to 2 years)
	Overseas dispatch/ business trip support	• Support for local treatment, transport, and psychological counseling in case of medical emergency and security situation

### Responding to Potential Health Risks

- Analyzing potential risks of occupational diseases considering the characteristics of office work
  - External experts and members conduct their own surveys, derive health potential risk priorities for members
    - ① VDT syndrome\* ② stress at work

\* Health problems related with using video devices such as computer monitors and smartphones for a long time are collectively referred to
  - Establishing countermeasures for the derived potential risks and implement support programs
    - ① VDT Syndrome: Operating of 'VDT Prevention Stretching Alert Program'
      - Providing an alarming service with Bbogy character who appears on the PC screen at regular intervals to encourage workers to correct their wrong posture during work and relax their tense muscles
    - ② Stress at Work: Mobile app-based 'Job Stress Test' implemented
      - Operating examination items among the major stressors of support under expert advice, analysis of potential health risks for members
      - Results Data-based early detection of high-risk groups, psychological counseling, and monitoring

### Employees Mental Health Management

- We introduced 'Burnout Diagnosis', a regular mental care program in May 2023 to measure and care for the mental health of all employees.
  - Regular mental health measurement targets and cycles: for all employees / once a week
  - Establishment of mental health measurement standards and management indicators (happiness index, three burnout factors in the workplace)
  - Finding ways to support employees through the Burnout Diagnostic Mental Care Process: Based on a Monthly Report on individual mental states, providing solutions such as connecting psychological counseling centers and interviews with leaders to members who wish to improve voluntary/led mental states

Burnout Diagnosis	Identifying audiences and requests for support	Outcome management and follow-up measures
<ul style="list-style-type: none"> <li>• Individual weekly survey                             <ul style="list-style-type: none"> <li>- Use of job burnout scale (MBI-GS)</li> <li>- Survey by burnout factor type every week (emotional burnout, cynicism, job efficacy)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Identifying targets at risk of burnout</li> <li>• Investigating causes and support requests                             <ul style="list-style-type: none"> <li>- Gathering opinions through surveys</li> <li>- Interview (for applicants)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Regular diagnosis report (individual &amp; organization)</li> <li>• Operating a company-level support program                             <ul style="list-style-type: none"> <li>- Providing external in-depth consultation</li> <li>- Interview with leaders, etc. (for applicants)</li> </ul> </li> </ul>

### Example of Job Burnout Scale (MBI-GS) Questionnaire

Classification	Details
Emotional burnout	<ul style="list-style-type: none"> <li>• Psychological and physical energy in the process of performing tasks are in a state of experiencing exhaustion</li> <li>• The most direct relationship with job stress</li> </ul>
Cynicism	<ul style="list-style-type: none"> <li>• Maintaining a sense of distance from others by having a cold/negative and at the same time indifferent attitude toward the job</li> <li>• Defenses against further depletion of psychological/physical energy resources, behaviors to cope with emotional exhaustion</li> </ul>
Job efficacy	<ul style="list-style-type: none"> <li>• Feeling that one's productivity or accomplishments are inadequate, leading to a decrease in self-efficacy</li> <li>• As an issue related to self-evaluation, it exhibits more complex characteristics unlike emotional exhaustion and cynicism</li> </ul>

### Mental Health Management Framework

Measurement data	Subject to management criteria	All employees
	Obligatory status	Obligations
	Measurement method	Survey
	What to measure (in detail)	Burnout
	Measurement period	Weekly
Measuring tool Self-survey tool to assess mental health status	Response rate	to be implemented
	Scale Name	Job Burnout Progress MBI-GS
	Number of questions	6 questions
	Measurement result classification criteria	<ul style="list-style-type: none"> <li>- 40 points or more: Severe burnout</li> <li>- 26-39 points: Mild burnout</li> <li>- 25 points or less: general job burnout</li> </ul>