

# Enhancing Diversity and Inclusion

SK Innovation recognizes respect for employees' diversity and inclusion is a critical value to promote as its overseas operations expand fast across the world. The company, in that sense, strives to internalize diversity and inclusion in corporate culture and supports employees to adjust easily to their workplace wherever they are, in Korea or overseas.



## 2025 Targets

Establish diversity and inclusion policies meeting global standards.

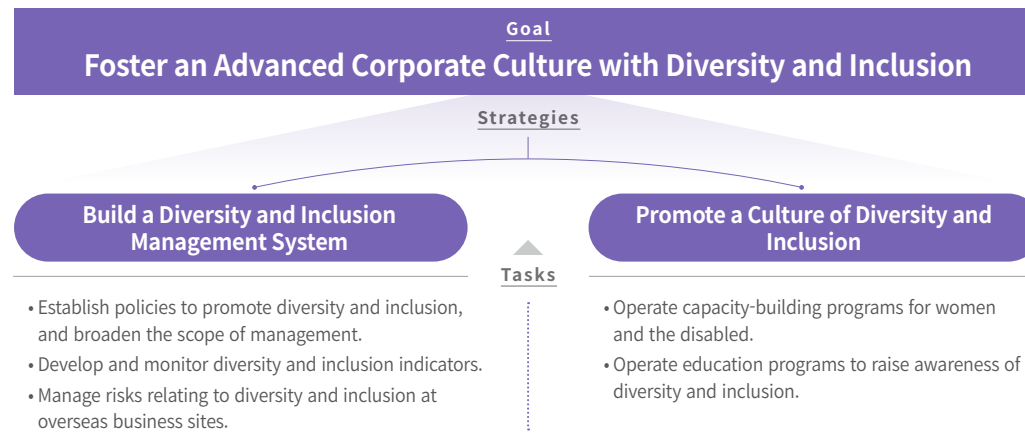
Be included in global Indexes<sup>1)</sup> for diversity and inclusion

1) Specific targets will be set, such as Refinitiv diversity and inclusion index

## Strategies to Achieve Key Tasks (Mid-to Long Term)

SK Innovation will put in place a companywide system to enhance diversity and inclusion at the workplace, preparing policies and programs befitting a global corporation. We will look into current recognition and compensation systems, including evaluation and promotion, to make sure no one will be discriminated against for any reason other than job performance. To solidify our advanced corporate culture further, we will also develop and monitor the indicators of diversity and inclusion.

### Strategies to Enhance Diversity and Inclusion



## Major Activities Planned for 2023

Our strenuous efforts to foster a workplace friendly to people with disabilities and women have earned us a reputation as a company where diversity and inclusion are respected as part of corporate culture. In 2023, we plan to go further from here and advance organizational culture to match our global standing by upgrading the existing education programs and developing new courses for overseas business sites to implement on a pilot basis.



## Progress & Roadmap

	2023	2024	2025
<b>Building and review of global education system to enhance D&amp;I awareness</b>	<ul style="list-style-type: none"> <li>Assess D&amp;I status at overseas business sites.</li> <li>Benchmark overseas laws and policies.</li> <li>Conduct D&amp;I education at one or more sites (pilot).</li> </ul>	<ul style="list-style-type: none"> <li>Expand global D&amp;I education.</li> </ul>	<ul style="list-style-type: none"> <li>Roll out full-scale D&amp;I education across all overseas business sites.</li> </ul>
<b>Review of joining global D&amp;I indexes</b>	Review assessment items to set up a D&I management system meeting global standards and self-diagnosis (e.g., Refinitiv D&I Index).		

SK Innovation and its subsidiaries have made strenuous efforts to promote diversity among employees and foster an inclusive work environment by hiring more people with disabilities and improving female workers’ job security. In 2022, the company implemented companywide education courses specifically focused on diversity.

**Activities and Achievements in 2022**

**Achievement 1 Enhancing Diversity and Inclusion at Overseas Business Sites**

**Expansion of Diversity and Inclusion Policy and Support**

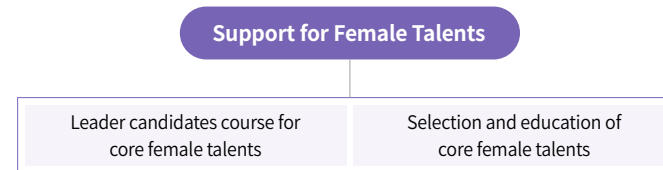
The company has worked on diversity and inclusion at overseas business sites, by setting policies reflecting each site’s situation and newly establishing the “CD&IO” position dedicated to managing diversity and inclusion issues. Providing customized support is so important that we listen and respond to the needs of people of different races, ages, and classes by building communities that embrace diversity

**Management of Diversity and Inclusion Risks**

Human rights surveys that meet global standards are a preemptive move we take to control risks in connection with diversity and inclusion. Customized education will be provided to overseas business sites found to have risks, thereby internalizing diversity and inclusion in our corporate culture.

**Achievement 2 Hiring and Development of Female Talents**

SK Innovation and its subsidiaries have hired an increasing number of female workers to raise the gender ratio. As of 2022, we have 1,669 female employees, up 40% from 1,192 in 2021. We strive to foster a corporate culture friendly to female workers and prevent unfair practices discriminating against female talents. In 2022, the company selected key female talents and provided customized education courses, particularly the female leader candidates program to increase female leaders.



**Achievement 3 Increased Hiring of the Underprivileged**

**Hiring of the Underprivileged (e.g., people with disabilities)**

We take it seriously at SK Innovation and its subsidiaries that more job opportunities should be created for those who are marginalized in the job market. Applicants with disabilities or national merits can get preferential treatment in our recruitment or are offered exclusive job openings. In 2022, for instance, we opened job positions suitable to people with disabilities, such as teaching Korean and foreign languages, to help them seize opportunities to unleash their job competency and lead a stable career. As of 2022, we have 228 employees with disabilities, increased by 11% from 205 in 2021. Going forward, SK Innovation will continue supporting employees with disabilities to gain work experience and develop competency.

**Standard Workplace for Disabled Workers**

SK Innovation and its subsidiaries support the disabled to attain financial self-reliance and lead a stable life as members of society. In 2019, the company established three standard workplaces for disabled persons, as a subsidiary —“Happiness Kium (cultivation)”, “Happiness Didim (step-up)”, and “Happiness Moum (collection)”--and opened “Happiness Midum (trust)” in 2021. Employees with physical challenges or developmental disabilities undertake various duties in the canteen, cafe, car wash, and laundry here.

Workplace	Roles
Happiness Kium	• Manage canteens at the head office and cafes at the Institute of Environmental Science and Technology in Daejeon.
Happiness Didim	• Operate a steam car wash at the Institute of Environmental Science and Technology in Daejeon.
Happiness Moum	• Wash employees’ uniforms at the Ulsan CLX.
Happiness Midum	• Manage canteens at the head office and a cafe at the Seosan complex, and assist in language education.



Workers with disabilities are taking a barista course at a cafe, “Happiness”, operated by “Happiness Kium”, a standard workplace for the disabled established as a SK Innovation subsidiary

Department’s Comments

## ESG SPECIAL PAGE

### Setting Up Strategies for Social Story

#### Background and Purpose

Recently, “social issues” out of ESG have increasingly become the subject of keen interest among stakeholders. Global investors and raters believe social issues will have a decisive impact on the long-term financial performance and competitiveness of businesses and therefore call on them to deal with human rights and social issues with a strong sense of responsibility.

As seen in the supply chain due diligence law of Germany and the Corporate Sustainability Reporting Directive (CSRD) of the EU, governments sharing the same concerns, particularly in Europe, are making moves to mandate human rights due diligence and the disclosure of non-financial information. They enact specific laws and regulations that demand businesses screen human rights risks facing their stakeholders, including employees, and prepare remedies.

While accommodating the demands of stakeholders and the international community, SK Innovation and its subsidiaries have also reflected their own practical needs identified through employee surveys on social awareness when setting more realistic directions for its Social Story.

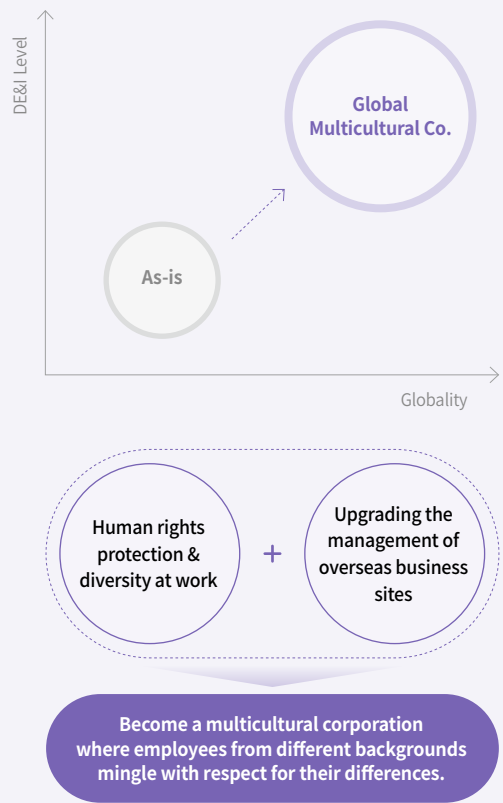
**Overview**

- Purpose:** Assess domestic/overseas employees’ happiness, human rights, and awareness of diversity
- Period:** June 20~30, 2022.
- Participants:** 9,162 employees (8,618: domestic, 544: overseas)
  - Pilot implementation at three global sites (SKEI/SKBA/ SKOH)
- Response rate:** 60% (5,521 employees)
  - Domestic: 63% (5,388), Overseas: 24% (133)
- Questionnaire:** six categories of human rights and diversity (three each) added to the Happiness Survey
  - Scale: 1~10 points (1: not very much, 10: very much)
  - “Other” was added to the gender options for overseas employees.



#### Directions and Vision

SK Innovation and its subsidiaries will rigorously control social factors at their overseas business sites and envision becoming a multicultural corporation that embraces diverse stakeholders with DE&I policies.



#### Priority Tasks

SK Innovation aspires to write the social story of a “Multicultural Corporation Embracing Diverse Stakeholders” and came up with key tasks focusing on policies, programs, and processes to achieve the vision.

SK Innovation is scheduled to publish the Human Rights Management Report delivering its unique approach to human rights management meeting global standards in the first half of 2023 and will roll out human rights due diligence to overseas business sites in phases. Furthermore, our efforts to enhance awareness of and protect human rights and diversity at work will be continued with the preparation of concerned policies and programs.

- Human rights and diversity policies for overseas business sites**
  - Establish principles for managing “Social” factors and specific codes of conduct applicable to all overseas business sites.
- Integrated response system for human rights risks for social factors management**
  - Identify potential human rights risks and establish materiality evaluation and management systems
- Social data management system**
  - Establish a system to collect data on all overseas employees and effectively deliver the mandatory disclosure of non-financial information.
- Capacity-building of overseas business sites for social factors management**
  - Establish processes for spotting in advance and addressing social issues at overseas business sites and prepare systems to support the sites to build capacities on their own.
- Programs for human rights and diversity**
  - Operate programs for promoting human rights and diversity by overseas business sites and employees (e.g., education programs, in-house communities for diversity)

