

Coupang Friends To Receive Four Weeks' Paid Leave and Free Personal Health Services in an Industry First

2021. 5. 25.

- Coupang launches Coupang Care, the first paid health promotion program in the industry
- Company's delivery drivers to receive four weeks' paid leave to take time off and focus on personal health through free individualized programs offered by the company
- Yet another industry standard set by Coupang, along with direct employment, full insurance benefits, and a five-day workweek

SEOUL, May __, 2021 — Coupang today announced the launch of Coupang Care, a program that provides its delivery drivers ("Coupang Friends") four weeks' paid leave to enroll in free personal health services offered by the company. This is the first such program for the Korean logistics industry, and marks yet another industry standard established by Coupang.

Under the program, which the company has developed together with physicians, medical advisors, and other healthcare experts, Coupang Friends exhibiting risk factors such as high blood pressure or blood sugar will be paid to take time off and focus on their health. During their four weeks of paid leave, Coupang Friends will receive training and personalized plans from experts on topics such as healthy diets, exercise, and stress management, while continuing to receive full salary and benefits.

Coupang Care is the company's latest initiative in its commitment to creating an exemplary work environment for its employees, whose health and safety are the company's top management priorities. Coupang was the first in the logistics industry to establish a five-day, 52-hour workweek for its drivers, as opposed to the industry standard of a six-day workweek of 71 hours on average or more. Coupang Friends are also given a minimum of 15 days of paid leave each year and full insurance benefits, including workers' compensation, which a vast majority of drivers in the industry do not receive. (See attached table for a comparison of benefits at Coupang vs. other major logistics companies.)

The reason for this disparity between working conditions for drivers at Coupang versus drivers at other major companies is the labor structure of the logistics industry in Korea. In general, delivery drivers in Korea work as independent contractors, with major logistics and courier companies outsourcing their delivery work to these drivers. Due to their independent contractor status, most delivery drivers have to provide for their own insurance, as well as their own vehicle, gas, and healthcare costs, and it is very difficult for such drivers to take time off to focus on their own health.

At Coupang, in contrast, all delivery workers are employed directly by the company, not outsourced or contracted. This employment structure is what enables programs like Coupang Care, in which Coupang Friends can take leave for a month without having to worry about being cut off from the payroll.

Coupang began rolling out its Coupang Care program in late April 2021. In a survey of the first participants in the program, 82% of respondents said that their health and their ability to manage it improved after participating in the program, and 87% said that they would recommend the program to their colleagues.

“Our employees’ health and safety are our utmost priority, and Coupang Care is just our latest initiative to provide employees the workplace they deserve,” said Han-seung Kang, Coupang’s Representative Director of Business Management. “Labor standards for delivery drivers are a very important social issue in Korea, and we remain committed to raising these standards as an industry leader. We hope that our direct employment policy, five-day workweeks, and now Coupang Care will set a new bar and help improve working conditions for all drivers in the Korean logistics industry.”

Benefits for Frontline Workers at Coupang vs. Major Logistics Companies

Category	Coupang Friends (Coupang Delivery Drivers)	Couriers at Major Logistics Companies
Health Promotion Program	Coupang Care (four weeks’ paid leave to receive personal health services)	None
Employment Status	Direct employment	Outsourced
Work Time	Maximum of five days, 52 hours per week	Six days, 71 hours per week or more
Sorting Work	4,400 employees dedicated to sorting deployed by company	Partial deployment of sorting staff
Paid Leave	15 days or more	None
Break Times	Guaranteed	None
Insurance (Health, Workers’ Compensation, Pension, and Unemployment)	100% provided/guaranteed	Not provided
Equity	KRW 100 billion worth of shares allocated for frontline workers	None

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