

POSCO YAMATO VINA STEEL

FY 2023

MODERN SLAVERY STATEMENT



posco Yamato
VINA STEEL

Posco Yamato Vina Steel JSC

Phu My 2 IZ, Ba Ria Vung Tau Province, Vietnam

www.pyvina.com

INTRODUCTION

This Modern Slavery Statement 2023 has been prepared by POSCO YAMATO VINA JOINT STOCK COMPANY (PY Vina) in respect of the period ended 31 December 2023 and is made pursuant to the Modern Slavery Act 2018 (Act).

We are committed to combating modern slavery, respecting human rights across our business practices and supply chains. We recognize its diverse forms, including human trafficking, forced labor, servitude, deceptive recruitment, and child labor. We actively require and evaluate our consultants, suppliers, and contractors to ensure they share our values.

Currently, PY Vina aims to be in line with the sustainability development era. Our first step is to focus on Minimizing the impact on the Environment and protecting Human Rights.

This statement describes the actions that PY Vina have taken during FY2023 to identify, assess, and address modern slavery risks. It was approved by the PY Vina Board of Directors on 26 June 2024 and is signed by Mr. SEO KYEONG CHEOL (GENERAL DIRECTOR).



Seo Kyeong Cheol

General Director of Posco Yamato Vina Steel JSC

26 June 2024

Criterion 1:

IDENTIFY THE ENTITY

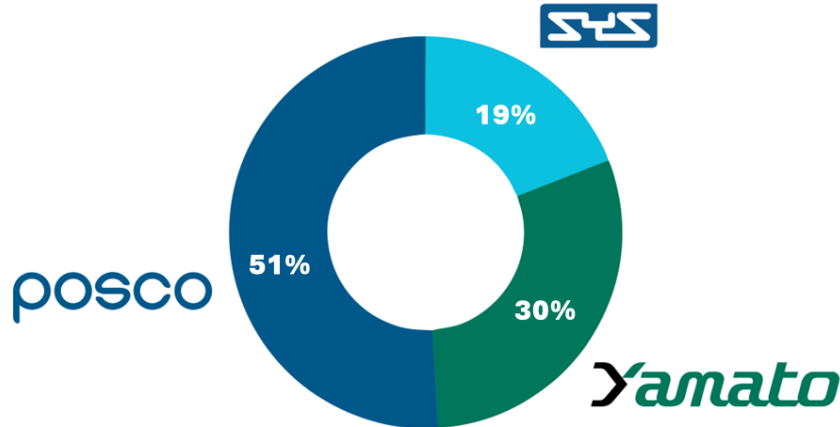
The reporting entity is Posco Yamato Vina Steel Joint Stock Company (PY Vina), we don't own or control any other entities, either in Vietnam or abroad.

Criterion 2:

DESCRIBE THE ENTITY STRUCTURE, OPERATIONS AND SUPPLY CHAINS

OUR STRUCTURE

PY Vina is a hot-rolled structural steel manufacturer in Vietnam. We are a joint venture of POSCO Corporation, Yamato Kogyo Co., Ltd, and Siam Yamato Steel Co., Ltd.



PY Vina specializes in section steel such as H-Section, Equal/Unequal angle, Sheeppile, and Parallel flange channel.

PY Vina is head-quartered in Ba Ria Vung Tau province with the main factory including a steelmaking and section rolling mill. To promote sales and customer service, we have established 2 sale and representative offices in Ho Chi Minh and Hai Phong city.

PY Vina is governed by a Board of Directors. The Directors are responsible for ensuring that PY Vina has an appropriate corporate governance structure to grow and develop for the advancement of the steel manufacturing industry.

OUR OPERATIONS

The employees of PY Vina are working together as one to provide comprehensive local support for the local manufacture and sale of steel products and export the products around the world, especially Korea, Australia, Taiwan market.

We directly employ approximately 700 people across steel manufacturing, distribution, sales channels, and functional teams.

Our steel business consists of two processes: "Steelmaking" and "Rolling", with the main material for production is scrap.

In the steelmaking process, semi-products are made using an electric arc furnace and continuous casting machine. Then, in the rolling process, the semi products are processed and formed into various types of products by machinery such as a reheating furnace and rolling mill.

OUR SUPPLY CHAINS

PY Vina's supply chain includes overseas and local Vietnamese suppliers, consists of:

- Raw material (Scrap, Ferro alloys);
- Consumables (Energy, PPE, stationary, ...);
- Employee (Staff, Officer);
- Transport (Shipping);
- and other Supporting services.

We worked with 316 suppliers (including materials and services) in 2023, more than 98% of our material value and 87% of our service value came from suppliers in Vietnam and Korea. Quoc. Most of the main and important suppliers have cooperated and worked with us for many years.

Criterion 3:

MODERN SLAVERY RISK

PY Vina is not aware of any modern slavery practices occurring in our operations or supply chains in this reporting period. However, we recognize that there may be a risk of potential modern slavery practices occurring in our operations and supply chains and that we must ensure our practices and procedures are such as to recognize and deal with any possible instance of modern slavery.

The Act provides eight types of exploitation that meet the definition of modern slavery.

They are:

- 1. Trafficking in persons
- 2. Slavery
- 3. Servitude
- 4. Forced marriage
- 5. Forced labour
- 6. Debt bondage
- 7. Deceptive recruiting for labour or services; and
- 8. The worst forms of child labour

RISK IN OPERATION

The risk of modern slavery in our own operation was assessed as low for the following reasons:

PY Vina takes pride in offering competitive compensation and a positive work environment. We have a thorough onboarding process for new hires, which includes verifying their residency status and ensuring they understand our company policies. We also regularly review employee wages and salaries to ensure they are fair and competitive. In fact, PY Vina pays its experienced and skilled workers above market value, with all employees receiving salaries that significantly exceed the minimum wage. This commitment to fair compensation, combined with our strong onboarding and verification processes, contributes to our very high employee retention rate.

The staff that PY Vina employs are typically experienced highly educated professionals (mostly college qualified for office staff and vocational intermediate for workers).

RISK IN SUPPLY CHAINS

All importation & purchasing set-up is centralised through the purchasing procedure. All suppliers must be approved and evaluated before set-up for purchasing activities.

Product/Service	Supplier	Source	Risk Class
Raw Material	Local	Local	Low
Raw Material	Oversea	Imported	Low
Sub Material	Local	Local	Low
Sub Material	Local	Imported	Low
Sub Material	Oversea	Imported	Low
Tools/Machinery	Local	Local	Low
Tools/Machinery	Local	Imported	Low
Tools/Machinery	Oversea	Imported	Low
Service	Local	Local	Low
Service	Oversea	Imported	Low

With 98% of our material suppliers and 87% of our services suppliers are from Vietnam and Korea:

In respect of goods and services suppliers are from Vietnam, PY Vina notes that Vietnam is classified as a low-risk jurisdiction according to the 2023 Global Slavery Index.

In respect of goods and services suppliers from outside Vietnam, the majority of those goods and services suppliers are from South Korea. Similarly, South Korea was classified as a low-risk jurisdiction in the 2023 Global Slavery Index.

Criterion 4:

ACTION TAKEN

GOVERNANCE FRAMEWORK

The company's leadership ensures each department follows established policies. These policies guide how we identify and report potential risks of modern slavery.

- Code of Conduct
- Workplace Health & Safety Policy
- Purchasing Policy and Procedure

SUPPLIER RISK MANAGEMENT FRAMEWORK

This is our first modern slavery statement, so PY Vina's focus is on education and awareness within the organization.

Key actions taken include:

- Established PY Vina Supplier Code of Conduct that provides the basic rules that suppliers that supply materials and services to PY Vina should follow.
- Updated PY Vina Responsible sourcing policy that outlines the expectations we require all of our suppliers to meet to protect human rights, helping the business operate stably and grow sustainably.
- We trained all of our members in the purchasing department to raise awareness of modern slavery risks.
- We uploaded our supplier code of conduct and policy on our website and informed all of our suppliers to be aware of it before we conduct business with them

Criterion 5:

ASSESSING EFFECTIVENESS

We have spent this time learning where these risks might exist within our company and supply chain. At this early stage, we are unable to adequately assess the effectiveness of the measures we have undertaken. PY Vina is always looking for ways to improve how we combat modern slavery and protect human rights. We will keep checking to see if our methods are working by:

- Checking current suppliers and assessing any new ones to see if they might be involved. If so, we will work to reduce the risk
- Reviewing and updating our training documents to ensure it is still effective.

Conclusion:

In this 2023 Modern Slavery Statement, PY Vina reaffirms its dedication to fighting modern slavery and human rights abuses. We pledge to actively assess risks, collaborate with stakeholders, address any issues found, and monitor progress.