

# MODERN SLAVERY STATEMENT



FY 2025



posco

# Modern Slavery Statement

## Introduction

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This statement has been prepared by POSCO (hereinafter referred to as "the Company" or "POSCO"), a global steel manufacturing company duly organized and existing under the laws of the Republic of Korea and having its registered office at 6261, Donghaean-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do 37859, Korea, in compliance with the requirements of the Australian Modern Slavery Act 2018. The reporting period covers 1 Jan 2025 to 31 Dec 2025.

As the core entity of the POSCO Group's steel business, we submit this statement to provide a transparent disclosure of modern slavery-including human trafficking, slavery, servitude, forced labour, forced marriage, debt bondage, and the worst forms of child labour(hereinafter collectively referred to as 'modern slavery')- risks within our global operations and supply chains, and to detail the measures we have implemented to mitigate these risks.

POSCO is committed to the UN Guiding Principles on Business and Human Rights (UNGPs). Our approach is anchored in the POSCO Group Human Rights Commitment, established in February 2025 as our highest-level human rights policy. This Commitment mandates that we proactively identify and manage human rights risks across our operations, subsidiaries, and the broader supply chain.

Jointly signed by the Group CEO and the CEOs of our major affiliates, this Commitment serves as the foundational policy guideline for our efforts to eradicate modern slavery. It ensures that human dignity and fundamental human

rights are upheld throughout our entire value chain, encompassing the Company, its subsidiaries, and our business partners.

This statement was approved by the POSCO Board of Directors in their capacity as principal governing body on 19 May 2026, and signed by Mr. Lee, Hee Geun in his role as the Chief Executive Officer of POSCO, a responsible member of the Board of Directors of POSCO on 19 May 2026, as reaffirmed at the very end of this statement.

## **1. Identifying the Reporting Entity**

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This statement is submitted by POSCO, a company incorporated and headquartered in the Republic of Korea. It outlines our comprehensive management framework, which encompasses the operations and supply chains of all domestic and overseas entities under POSCO's control.

## **2. Organisational Structure, Operations, and Supply Chain**

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### **2.1 Organisational Structure and Operations**

POSCO is a global steel manufacturing company headquartered in Pohang, Republic of Korea. As a wholly owned subsidiary of POSCO Holdings Inc., the Company operates an integrated steel production system covering ironmaking, steelmaking, and rolling, centered on its Pohang and Gwangyang steelworks, which are among the most competitive steel production facilities in the world.

Our product portfolio includes hot-rolled, cold-rolled, stainless, and electrical steel, as well as steel plates, which serve as essential materials for major global industries, including automotive, shipbuilding, home appliances, and construction.

To enhance management efficiency and responsiveness to global market dynamics, POSCO operates 41 consolidated subsidiaries, comprising 15 domestic and 26 overseas entities. Our overseas subsidiaries, including those in key regions such as Indonesia and India, are integrated into the POSCO Group's human rights management framework, over which POSCO exercises direct oversight. As of 2025, POSCO has a workforce of 17,641 employees across major locations, including Pohang, Gwangyang, Seoul, and Songdo.

POSCO is committed to ensuring that all workers across our global operations and supply chains—including our employees and those within our broader value chain—operate in a safe environment, free from all forms of modern slavery. We strictly adhere to international human rights standards and are dedicated to upholding the value of human dignity through transparent and ethical business practices.

## **2.2 Supply Chain**

POSCO maintains a global supply chain critical to our steel production, spanning raw material procurement, industrial equipment, auxiliary materials, and operational services. As of 2025, we manage business relationships with 1,392 suppliers worldwide.

Our supply chain is structured into the following key stages:

## **Raw Material Procurement**

POSCO sources essential raw materials, such as iron ore and coking coal, from a diverse global supplier base. We recognise that this stage—involving extractive industries and complex, long-distance logistics—carries inherent human rights and labour risks. To address these, we enforce strict risk management protocols through the POSCO Group Supplier Code of Conduct.

## **Production, Processing, and Services**

We engage with a wide range of suppliers to procure industrial equipment, auxiliary materials, and operational services that support our business activities. To proactively mitigate human rights risks across our supply chain, we incorporate mandatory human rights clauses into all supplier contracts, ensuring that our ethical standards are contractually binding.

## **3. Modern Slavery Risks**

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POSCO proactively identifies and assesses risks associated with modern slavery across our global operations and supply chains. We implement management measures to prevent and mitigate these risks effectively.

During the reporting period, the Company analysed its supply chains and operations to identify modern slavery, and no material violations of the Act were identified in the Company's operations or major supply chains over the reporting period. However, POSCO recognises that potential modern slavery risks may exist due to differences in labour environments and industrial structures across countries, given the global nature of its business. Accordingly, the Company continues to conduct ongoing monitoring and management activities.

We have identified the following key areas where potential modern slavery risks may arise:

○ **Domestic Operations:** Our core production facilities, including the Pohang and Gwangyang steelworks, operate within a stable employment environment underpinned by systematic labour management. Consequently, the risk of modern slavery remains low. We ensure worker safety through ISO 45001 (Occupational Health and Safety Management System) certification and conduct regular human rights impact assessments. Furthermore, we operate online and offline grievance channels to prevent all forms of modern slavery.

○ **Global Operations:** Our overseas subsidiaries may face elevated risks—such as excessive working hours, restrictions on freedom of association, and potential violations of migrant workers' rights—stemming from diverse local labour laws, employment practices, and cultural contexts. To mitigate these risks, we mandate the consistent application of our group-level human rights management guidelines across all overseas operations. We also conduct regular human rights impact assessments to verify compliance with local regulations and implement corrective measures where necessary.

○ **Supply Chain:** The procurement of certain raw materials is recognised as a high-risk area due to the nature of extractive industries, which often involve migrant labour, complex subcontracting structures, and long-distance logistics. In these specific segments, risks such as wage withholding, substandard working conditions, and child labour may persist.

To manage these risks, we require all suppliers to adhere to the POSCO Group Supplier Code of Conduct. Furthermore, we conduct ESG due diligence on key

supply chains using a risk-based approach to systematically verify that ethical sourcing standards are effectively implemented in practice.

## 4. Risk Assessment and Response Measures

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POSCO manages modern slavery risks across our operations and supply chains in strict alignment with the POSCO Group Human Rights Management Framework, which is anchored in the UN Guiding Principles on Business and Human Rights (UNGPs). During our reporting period, we have put in place several measures to assess and address modern slavery risks.

Our response framework follows the structured process outlined below.

### 4.1 Risk Identification and Assessment

POSCO utilises a data-driven system to proactively identify and assess modern slavery risks. By leveraging real-time data and analytical insights, we maintain a proactive stance in identifying vulnerabilities across our global footprint.

○ **Human Rights Impact Assessments:** We conduct regular human rights impact assessments across all domestic and overseas operations to evaluate critical areas, including the prohibition of forced and child labour, and the protection of freedom of association. These assessments are designed to identify potential gaps and facilitate the development of targeted corrective measures. Findings are formally reported to the POSCO Board of Directors and relevant committees to ensure executive-level oversight. In 2025, we completed human rights impact assessments across all domestic operations and performed comprehensive risk reviews and remediation for selected overseas entities.

○ **ESG Supply Chain Due Diligence:** POSCO has established an ESG supply chain due diligence process that aligns with the requirements of the EU Corporate Sustainability Due Diligence Directive (CSDDD) and the standards of global ESG rating agencies. We integrate human rights compliance checks into our supplier registration process and conduct risk-based on-site audits as necessary.

In 2025, we performed written assessments for 457 suppliers, prioritised by transaction volume and ESG risk profiles. Following these assessments, we identified high-risk suppliers and conducted rigorous on-site audits in collaboration with independent third-party assessment organisations to ensure objective verification.

## 4.2 Risk Mitigation and Response

POSCO implements practical, stepwise measures to address risks identified through our assessment processes, ensuring that our human rights commitments are translated into tangible actions.

○ **Labour Condition Management:** We strictly uphold the principle of voluntary labour. We guarantee the right of all employees to resign freely in accordance with applicable laws and employment contracts, and we ensure that all statutory payments, including severance, are settled within legally mandated timeframes.

Furthermore, we ensure that wages are paid in full and on time, strictly prohibiting exploitative practices such as wage withholding, unjust deductions, or excessive penalty-based deductions. POSCO remains committed to full compliance with legally prescribed working hours and overtime limits, thereby preventing labour rights violations stemming from excessive working hours.

○ **Follow-up Management of Human Rights Impact Assessments:** For potential risks identified through our human rights impact assessments, we establish site-specific remediation plans for each workplace, including our subsidiaries. We maintain rigorous monitoring to ensure that corrective actions are effectively implemented. In 2025, we successfully executed and monitored remediation measures for all major issues identified during our human rights impact assessments.

○ **Follow-up Management of Supply Chain Due Diligence:** When human rights issues are identified within our supply chain, our primary approach is to strengthen the supplier's human rights capabilities through targeted guidelines and training, rather than relying merely on punitive measures.

However, for high-risk suppliers that persistently violate the POSCO Group Supplier Code of Conduct or fail to demonstrate meaningful improvement, we apply stepwise sanctions, which may include the termination of business relationships.

In 2025, we required suppliers with identified ESG risks to submit formal improvement plans and engaged in constructive dialogue regarding corrective measures. Additionally, we provided tailored, one-on-one support solutions in collaboration with specialised consulting firms and continuously monitored the implementation of these improvements.

○ **Worker Participation and Communication:** POSCO fully respects the freedom of association and the right to collective bargaining in accordance with applicable laws. We maintain formal communication and consultation mechanisms to ensure

that employee perspectives are institutionally integrated into our decision-making processes.

In 2025, our Labour-Management Councils convened quarterly to gather employee feedback on working conditions and operational matters, ensuring these insights were formally addressed by management. Furthermore, labour unions conducted annual collective bargaining negotiations covering wages, welfare, and other critical working conditions.

○ **Grievance Mechanisms:** We operate both online and offline grievance channels through which stakeholders can report concerns at any time and receive appropriate remedies. The Company strictly ensures whistleblower protection and anonymity to detect potential risks early and strengthen internal self-regulation capabilities.

○ **Embedding Human Rights Management:** POSCO is dedicated to empowering our employees to identify human rights risks and make ethical decisions in their daily operations. Annually, all employees participate in ethics pledges and undergo regular human rights training and awareness campaigns. These initiatives ensure that respect for human rights is deeply embedded in our business practices, transcending mere regulatory compliance.

## 5. Effectiveness Assessment

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POSCO has established an internal monitoring system to systematically verify the effectiveness of our human rights management practices. We continuously refine our risk management processes by tracking performance indicators across key

areas, ensuring that any identified gaps are integrated into our improvement plans for the subsequent year.

○ **Human Rights Training Effectiveness:** We monitor the completion rates of human rights training for all employees and evaluate shifts in awareness levels through post-training surveys. These insights allow us to measure the tangible impact of our educational initiatives and refine our training content to better address evolving human rights challenges.

○ **Supply Chain Management:** Compliance with the Supplier Code of Conduct and ESG risk assessments are mandatory procedures during the onboarding of new suppliers. Key performance indicators include the number of completed assessments, and improvement status of high-risk suppliers.

○ **Risk Improvement Monitoring:** The Company verifies the effectiveness of corrective actions based on the implementation rate of improvement measures and follow-up monitoring results related to risks identified through human rights due diligence. Additional action plans are developed for areas where improvement outcomes are insufficient to prevent recurrence.

## 6. Consultation Process

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This statement is primarily based on our Sustainability Report and the POSCO Group Human Rights Commitment, both of which were developed through extensive consultation with global standards and engagement with internal and external stakeholders.

During the preparation of this statement, we shared our human rights due diligence policies with major subsidiaries and overseas entities, incorporating their

feedback through a structured consultation process. This statement has been formally reviewed and approved by the POSCO Board of Directors and was finalized on 19 May 2026.

## 7. Other Relevant Information

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1. POSCO is a recognised Sustainability Champion of the World Steel Association and an active member of the United Nations Global Compact (UNGC), consistently promoting responsible business practices across our global operations.

2. For further details regarding our human rights policies and frameworks, please refer to the following official documents:

- **POSCO Group Human Rights Commitment**
- **POSCO Sustainability Report**
- **POSCO Supplier Code of Conduct**

3. This statement fulfills the seven mandatory reporting criteria stipulated in Section 16 of the Modern Slavery Act 2018.

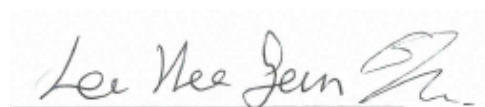
- **Mandatory Reporting Criteria**

(a) identify the reporting entity; and

(b) describe the structure, operations and supply chains of the reporting entity;  
and

- (c) describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls; and
- (d) describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes; and
- (e) describe how the reporting entity assesses the effectiveness of such actions; and
- (f) describe the process of consultation with:
  - (i) any entities that the reporting entity owns or controls; and
  - (ii) in the case of a reporting entity covered by a statement under section 14—the entity giving the statement; and
- (g) include any other information that the reporting entity, or the entity giving the statement, considers relevant.

This statement was approved by the POSCO Board of Directors in their capacity as principal governing body on 19 May 2026, and signed by Mr. Lee, Hee Geun in his role as the Chief Executive Officer of POSCO, a responsible member of the Board of Directors of POSCO as follows.

A handwritten signature in black ink, reading "Lee Hee Geun" followed by a stylized flourish.

19 May 2026

Lee, Hee Geun

Chief Executive Officer, and

as a responsible member of the Board of Directors of POSCO