



Modern Slavery Statement

This Modern Slavery Statement, made by Posco Australia Pty Ltd, is the third statement to be made in compliance with the *Modern Slavery Act 2018* (Cth) (the "Act") and has been prepared in respect to the financial year ending 31 December 2022.



Modern Slavery Report

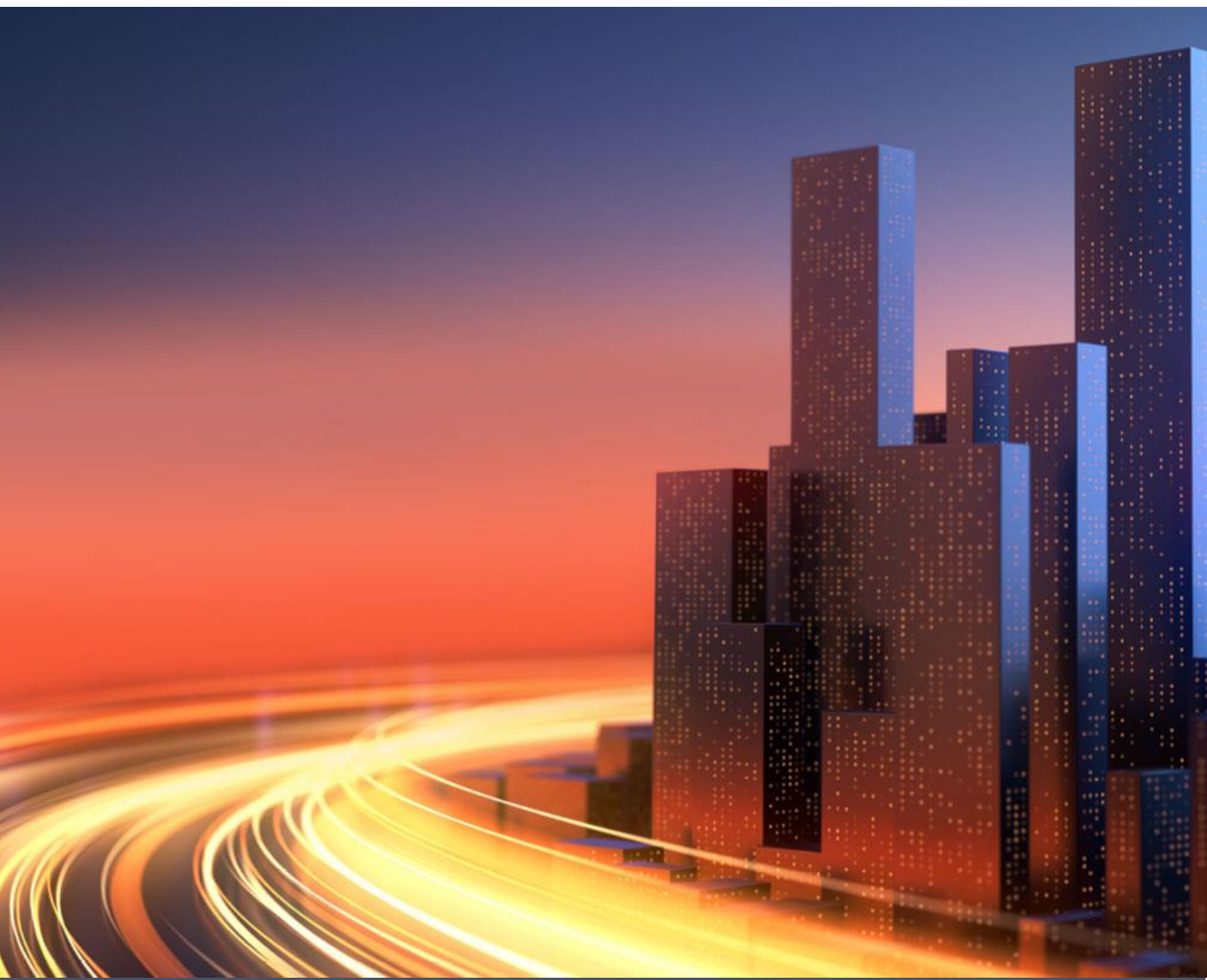
As part our commitment to minimising the risk of modern slavery POSCO Australia Pty Ltd has continued to discuss details of the *Modern Slavery Act 2018*'s reporting requirements with other members of the global POSCO group.

Further, we have undertaken a number of actions to address these requirements and worked with the POSCO group in updating this Statement.

We have a responsibility to take steps to identify the risks of modern slavery within our operations and supply chain. We continued to refine the way we identify these risks and have expanded our set of due diligence processes across POSCO group.

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Introduction

This *Modern Slavery Statement 2022* has been prepared by POSCO Australia Pty Ltd (“**POSCO Australia**”) in respect of the period ended 31 December 2022 and is made pursuant to the *Modern Slavery Act 2018* (Cth) (Act).

We have been committed in mitigating the risk of modern slavery occurring within its own business, in its supply chains and through other business relationships.

We understand that modern slavery can take many forms but fundamentally is a range of exploitive practices including human trafficking, forced labour, servitude, deceptive recruiting and child labour. We do not tolerate modern slavery and will not knowingly engage with any consultants, suppliers or contractors that engage in modern slavery.

Our Commitment

POSCO Australia is committed to having a robust framework and processes in place to minimise the risk of modern slavery in its business operations and supply chains.

POSCO Australia is committed to transparency in relation to modern slavery and addressing any modern slavery risks in its operations and supply chain.

We are committed to:

- Addressing any modern slavery instances when they occur; and
- Seeking to prevent or mitigate any modern slavery instances that are linked (directly or indirectly) to its business operations even where it has not contributed to these any modern slavery instances itself.

During this reporting period, we focused on refining and enhancing our approach to have better control for the modern slavery risks associated with our operations and

supply chains. We have consulted with the POSCO group and developed additional governance, guiding and supporting how we identify, assess, and respond to potential modern slavery risks and how any risks may be present in our business operations and supply chains through our risk management framework.

We are committed to continue working on a risk management framework to ensure we can review the effectiveness of the actions undertaken to assess and address modern slavery risks in our business operations and supply chains.

This included adopting the POSCO Human Rights Protection Operational Guidelines enacted from the UN Guiding Principles on Business and Human Rights (UN Guiding Principles) and expanding on our training across our business, leveraging human rights policies and collaborating with our POSCO group to raise awareness.

Our Structure

POSCO Australia (ABN: 54 002 062 160), based in Sydney, is a wholly owned subsidiary of the POSCO Korea (“**POSCO Group**”) headquartered in South Korea, and has been operating in Australia as an Australian in-bound investment company since 1981.

POSCO Australia continued to focus in the mining sector as its key operating segment during the reporting period. The following diagram illustrates our group structure:



Operations and Supply Chains

POSCO Australia has built a successful business, with investments in Australian commodities across iron ore, manganese, lithium and metallurgical coal.

To date, the POSCO group, through its Australian subsidiaries, has invested A\$4.7 billion in iron ore, manganese, lithium and metallurgical coal projects in NSW, Queensland and Western Australia Australian States. The POSCO Korea purchases over A\$7 billion worth of Australian resources per annum, making it the largest, single, private customer of Australian exports.

Currently, POSCO Australia aims to adjust its investment portfolio to be in line with the low-carbon era, and is promoting investments in clean hydrogen & green, renewable energy.

Our registered address and head office is located at Level 49, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000.

During the reporting period we had 12 employees who were employed in various professional roles such as resources, finance, accounting and human resources.

POSCO Australia's employees are consisted of 10 full-time and 2 part-time employed in Australia, and are covered by industrial instruments including modern awards, Enterprise Agreements, and individual employment contracts. Each of these mechanisms meets or exceeds the minimum entitlements prescribed under the National Employment Standards. The standards set out the 10 minimum employment entitlements that must be provided to all Australian employees.

During the reporting period, we continued to invest in mines in acquiring the purchasing rights for the raw materials produced from the mines. We did not engage any subcontractors during the reporting period

Modern Slavery Risks

POSCO Australia is not aware of any modern slavery practices occurring in its operations or supply chains in this reporting period. However, it recognises that there may a risk of potential modern slavery practices occurring in its operations and supply chains and that it must ensure its practices and procedures are such as to recognise and deal with any possible instance of modern slavery.

During the reporting period, we were committed to identifying any possible modern slavery risks in our business operations and supply chains by considering the following factors in evaluating the risk of modern slavery in our operations and supply chains:

- Industry risks
- Product and service risks
- Entity risks

We have assessed our direct workforce as being of low risk to modern slavery and believe our internal policies and practices further mitigate this risk across our operations and supply chains. We have also put in place various policies and processes to help mitigate potential modern slavery risks relating to our broader operations.

POSCO Australia has developed the risk management framework across our business activities by adopting the POSCO group's Human Rights Management.

To prevent human rights violations and fulfill the company's human rights management, POSCO enacted the POSCO Human Rights Protection Guidelines on April 1, 2014 in accordance with the UN Guiding Principles

on Business and Human Rights and its own Code of Ethics. This was renamed the POSCO Human Rights Protection Operational Guidelines on July 31, 2020, and reflected in the company's regulations.

POSCO Australia also respects the UN Guiding Principles in our operations and supply chains in Australia.

This continuum of conduct approach (see 'Ethical Framework' section) allows us to prevent, mitigate and, where appropriate, remedy modern slavery risks in our operations and supply chains in accordance with the global ESG policies and guidelines across POSCO group,

POSCO Australia's risk assessment processes align with global POSCO group's risk management framework assessing human rights as well as modern slavery risks.

As part of global ESG policies and guidelines across POSCO group, POSCO Australia also respects the UN Guiding Principles on Business and Human Rights (UN Guiding Principles) in our operations and supply chains in Australia. This continuum of conduct approach (see 'Ethical Framework' section) allows us to prevent, mitigate and, where appropriate, remedy modern slavery risks in our operations and supply chains.

The POSCO Human Rights Protection Operational Guidelines reflect the company's determination to protect human rights. It lays out a due-diligence procedure, through which any factor or activity that can violate human rights is investigated, identified, and mitigated.

https://www.ohchr.org/documents/publications/guidingprinciples/businesshr_en.pdf¹

Ethical Framework

In addressing and acknowledging modern slavery risks, we continue to have the following ethical frameworks in place.

Global Core Values

As members of the global POSCO group, our core values are as follows:

- Safety
- Win-win
- Ethics
- Creativity

That's why these core values, in conjunction with a rigorous code of conduct, are the cornerstone for the business decisions that we make.

Global Human Rights Protection Procedure

POSCO has a Human Rights Protection Procedure which has been established to promote the POSCO group of companies, and its business partners' human rights management in light of 'the United Nations Guiding Principles on Business and Human Rights'¹.

The POSCO group of companies have taken appropriate actions to prevent human rights violation and to prevent and remedy adverse impacts on human rights that may occur from its corporate activities.

For this purpose, all our officers and employees comply with the following recommendations regarding human rights management to meet the expectations of interested parties and to fulfil the responsibility to respect human rights:

- complying with applicable laws and internationally recognised human rights

standards where POSCO is conducting business activities;

- seeking ways to comply with the internationally recognised human rights standards when encountered with local regulations that are in conflict with such human rights standards; and
- treating the risks that may result in human rights violation as an important management issue.

Human Rights Due Diligence

Our employees and officers may conduct human rights due diligence as deemed necessary to identify, prevent and mitigate adverse human rights impacts and to properly discharge our duties.

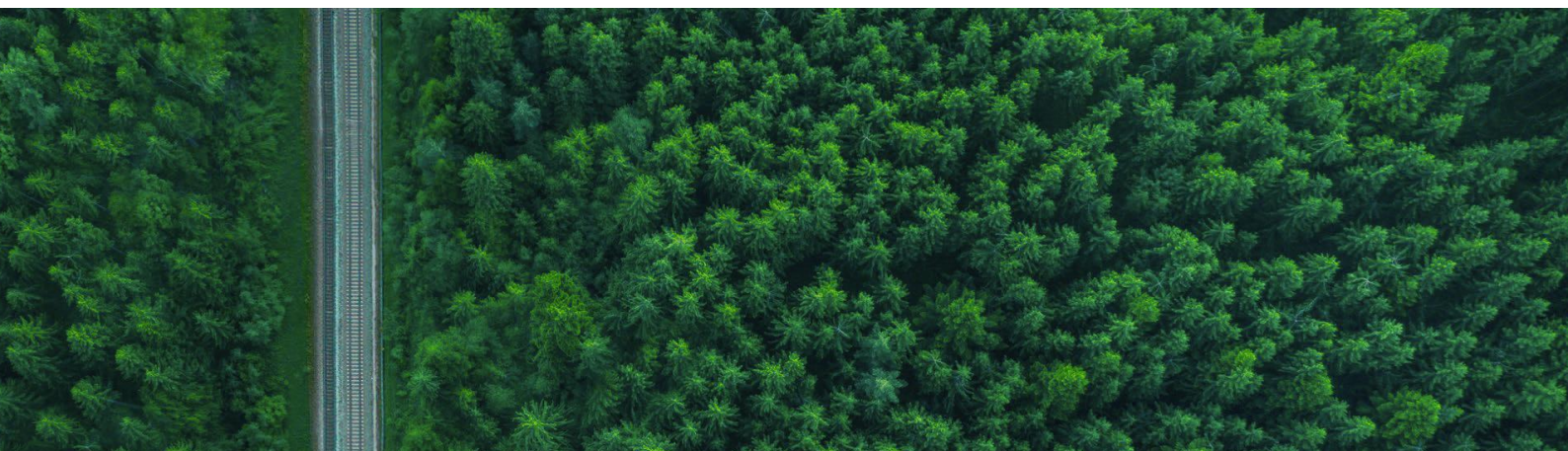
This process includes identifying, assessing, and addressing actual and potential impacts on human rights, making record thereof, and sharing the result with interested parties. Our human rights due diligence will consider the following:

- Adverse human rights impact we may cause directly or indirectly during our management activities;
- Various factors affecting the situation such as location and size of the local site, human rights related risk, characteristics and nature of the relevant business, relevant country's political and economic environment; and
- The need to conduct due diligence continuously, keeping in mind that the human rights risks may change over time as our activity and business environment changes.

We have conducted human rights due diligence in accordance with the following process:

- If human rights related risks are discovered at major domestic and overseas workplaces, we are committed in analysing the situation and establishing solutions by conducting human rights due diligence;
- The human rights due diligence has been conducted by our personnel;
- We will conduct in person interviews with a group or relevant interested parties that may have been affected;
- We will endeavor to identify potential as well as actual impacts through human rights due diligence. With respect to potential impacts, we will share the result of the due diligence with all our members and take necessary actions to prevent/mitigate such impact in due course. With respect to actual impacts that had occurred already, we will take actions that may remedy or resolve the same; and

We will utilise checklists designed to diagnose the core elements of human rights management when conducting human rights due diligence.



Actions Taken to Assess and Address Modern Slavery Risks

During the reporting period, we have been continued to focus on addressing and assessing any modern slavery risks within our operations and supply chains and we are committed to establishing a framework to ensure that modern slavery is considered in our business and supply chain relationships.

Our Approach

During the reporting period we progressed multiple initiatives designed to enhance our understanding of—and responses to—modern slavery risks. POSCO group has made efforts to prevent violation of others' human rights and to take adequate measures to prevent and address adverse human rights impacts that may occur in the course of performing business activities.

Workstream	Our Approach
<p>Policies and procedures</p> <p>Consistent application of policies and procedures across our operations and supply chains is also key in our approach to managing the risks of modern slavery.</p>	<p>As noted in our Modern Slavery Statement, we have a suite of policies that form the foundations of how we manage the risks of modern slavery across our operations and in our supply chain. These policies and the standards applicable to our employees, contractors and suppliers, are set centrally to create a common baseline for expectations and consistency across the POSCO group.</p> <p>The Code of Ethics establishes the ethical values and behavioral standards that must be preserved and developed by all POSCO Group employees. This code of ethics consists of the preamble, followed by the principles of ethics that reflect compliance and responsibilities of employees regarding the code of ethics, and uphold guidelines that set the standard for ethical decision-making.</p> <p>In addition to the Code of Conduct, the following policies and codes set our clear expectations to respect human rights, including in relation to modern slavery:</p> <ul style="list-style-type: none"> ▪ ESG Policies/Guidelines consist of Human Rights Management Guideline, Human Rights Protection Procedure and Diversity Management ▪ Health & Safety Management ▪ Business Ethics ▪ Fair Trade ▪ Sustainable Supply Chain: The POSCO Supplier Code of Conduct (Code of Conduct) provides the basic rules that suppliers and subcontractors (collectively, Suppliers) that supply products and services to POSCO should follow. <p>POSCO Australia establishes the following policies and procedures to fulfill the responsibility to respect human rights.</p> <ul style="list-style-type: none"> ▪ Make firm policy commitment, such as by enacting internal corporate norms to define the Company's responsibility to respect human rights; ▪ Implement human rights due diligence procedures to identify, prevent and mitigate adverse human rights impact and to investigate activities that may violate human rights; and define procedures that can be applied to remedy adverse human rights impact inflicted by the Company.

	<p>We continue to regularly review and update these policies as required under the guidance of global POSCO group.</p>
<p>Due diligence processes</p>	<p>In an effort to identify and assess potential and actual adverse human rights impact that may result from business activities, POSCO Australia will conduct human rights due diligence including in relation to modern slavery in accordance with the due diligence method (see Human Rights Due Diligence section)</p>
<p>Responses and Follow-up Actions</p> <p>Based on the findings of the human rights due diligence, in an effort to prevent and mitigate adverse human rights impacts, POSCO Australia shall establish a response program to perform follow-up actions.</p>	<p>Establishment of Internal Response System</p> <ul style="list-style-type: none"> ▪ For resolution of discovered issues, the roles and responsibilities of respective departments have been clarified. ▪ An internal decision making, and monitoring process has been established for effective management of the response system. <p>We have not identified any human rights issues as part of our human rights due diligence during the reporting period</p> <hr/> <p>Follow-up Actions and Relief</p> <p>If any adverse human rights impact has occurred or is likely to occur, we are committed to undertaking all possible and necessary measures to prevent or mitigate such impact. These actions include the following:</p> <ul style="list-style-type: none"> ▪ If unexpected adverse impacts occur despite implementation of best policy and procedure, we will endeavour, by itself or in conjunction with others, to remedy the same; ▪ Even if we have not directly contributed to the adverse human rights impacts, if such adverse impacts are intricately related to our business operation, production and services in relation to other parties (e.g. suppliers), we will, although not obligated to establish a systematic method to improve such impacts, try to participate in such improvement activity; ▪ We will utilise our influence to prevent and mitigate adverse human rights impacts when possible; if not possible, we will try to strengthen its influence by cooperating with others; and ▪ In order to provide effective relief, we will implement a grievance mechanism for the interested parties who can be potentially affected. <p>During the reporting period, there has not been any instances where interested parties have raised concerns over human rights impacts.</p> <hr/> <p>Communication with Interested Parties</p> <p>However, if this occurs in any future reporting periods we have established the following processes to be undertaken as follows:</p> <ul style="list-style-type: none"> ▪ Communicating with the affected groups, and interested parties including individuals and investors with responsibility and transparency. For easy access to the information, we will consider various communication forms, such as face-to-face meetings. ▪ Providing adequate information that helps interested parties to assess whether we are properly responding to specific human rights issues.

	<p>Grievance System</p> <p>In order for prompt discussion and resolution of the issue raised, POSCO continues to operate a grievance system for the individuals and communities exposed to adverse impacts.</p> <p>We will pursue prompt and reasonable resolution of the matter by utilising existing system such as Ethics Counselling Centre (Helpline) and Ethics Violation Reporting Centre (Hotline).</p> <p>In connection with our responsibility to respect human rights, the grievance system performs the following important functions to:</p> <ul style="list-style-type: none"> ▪ Enable us to identify adverse human rights impacts with ease and provide a forum where the affected interested parties can directly raise issues; ▪ Prevent exacerbation of human rights violation by listening to the grievances and providing relief at early stage; and ▪ Enable us to understand and improve issues concerning human rights policy and procedure.
<p>Training Activities</p>	<p>Employees are constantly trained to ensure they adhere to appropriate ethical standards. Employee ethics training has been affirmed as part of POSCO's corporate culture.</p> <ul style="list-style-type: none"> ▪ Awareness raising, training and ▪ capacity building are important for both ▪ our employees and our supplier partners ▪ to be better equipped to identify and respond to modern slavery risks. <p>During the reporting period ethics training was rolled out to all our staff including the awareness of modern slavery risks.</p> <ul style="list-style-type: none"> ▪ Employee one-on-one visits and email ethics training ▪ Ethics training for new employees (including career employees) ▪ Overseas ethics training for sojourning and locally recruited employees <p>Training activities also operates mandatory e-learning programs regarding corporate ethics, prevention of sexual harassment, abuse of power, and the Improper Solicitation and Graft Act.</p> <p>We are committed during the next reporting period to implement a fully functioning risk management framework to further identify, mitigate and eliminate any modern slavery risks within our business operations and supply chains. This additional training may cover:</p> <ul style="list-style-type: none"> ▪ key risks surrounding modern slavery ▪ information on how modern slavery can be embedded deep within the extended supply chain ▪ key policies governing our approach to these risks ▪ stories from survivors of modern slavery ▪ modern slavery online learning



Measuring Effectiveness

POSCO Australia assess the effectiveness of our actions to address modern slavery and use feedback from both internal and external sources including employees, suppliers, investors, industry groups and external specialist consultants.

The key actions that we have undertaken this reporting period to mitigate modern slavery risks include the following:

Workstream	Actions taken to control and assess effectiveness
Reviewing existing and identify new policies, procedures, and practices to better address modern slavery risks	Key documents (Policies and guidelines related to human rights) reviewed and updated. These documents are managed through an internal control documents library and where required, are endorsed and approved at executive or board level.
Drafting and inserting strengthened contractual protections and requirements for new supplier contracts	As part of on-boarding and contracting, POSCO Australia continues to perform due diligence on all new suppliers to determine their risk level and control procedures in relation to ethical sourcing and modern slavery as appropriate for our business.
Evolving in the way we identify and assess risks by considering broader human rights to better understand and explore our potential operation and supply chain risks	Across POSCO group, the Human Rights Center, which is newly created in the Legal Affairs Office is responsible for preventive activities (education, campaigns), risk detection (surveys, consultations, receipt of reports), and responses (investigation of reports, protection of victims) to eliminate any modern slavery risks and human rights.
Implementing a Modern Slavery policy	During the reporting period we implemented a Modern Slavery policy and address to POSCO Australia Human Rights Protection Procedure where it states POSCO Australia Pty Ltd must comply with Australian Modern Slavery Act 2018 under the Modern Slavery Policy.

	<p>Our Modern Slavery policy provides our Modern Slavery risk management process which is outlined as follows:</p> <p><i>“Accountability for modern slavery issues, with an identified risk owner POSCO acknowledges that it is accountable for addressing modern slavery issues in our business operations and supplier contracts. A nominated resource will be responsible for co-ordinating management of this risk. We have also developed a minimum standard expected of our suppliers which address the following:</i></p> <ul style="list-style-type: none"> ▪ No forced or bonded labour ▪ No child labour ▪ Wages, benefits, and transparent record keeping ▪ Working hours ▪ No discrimination ▪ No harassment or abuse ▪ Working conditions
<p>Rolling out training for all our staff</p>	<p>Mandatory training from POSCO Australia ensure that all employees receive adequate training on its Modern Slavery Statement and its Modern Slavery Policy and any supporting processes applicable to their role.</p> <p>POSCO Australia conducted trainings about the complaint mechanism where the employees have an accessible and well-publicised reporting mechanism for concerns or disclosure in relation to modern slavery which allows for confidential and anonymous reporting and provides protection from reprisal. There must be clear processes for investigating and reporting on the issues raised through the reporting mechanism.</p>
<p>Advising any new employees on the risks of modern slavery as part of our employee induction</p>	<p>In this reporting period, POSCO Australia also conducted training to prevent workplace harassment (verbal violence, forcing, mockery and alienating) with case studies. Following mechanisms instructed:</p> <ul style="list-style-type: none"> ▪ Online or office consultations or reports at any time ▪ A third party witness as well as a victim can report concerns or violations ▪ Upon receipt of such report, we launch a quick consultation with a victim and take necessary measures ▪ We apply “no-tolerance policy” to perpetrators if the acts are confirmed.

Consultation

During the reporting period, POSCO Australia consulted with POSCO Group. We discussed details of the *Modern Slavery Act 2018*'s reporting requirements and provided information regarding the actions we intend to take to address these requirements. This statement was prepared in consultation with our Board of Directors under the guidance of the POSCO Human Rights Protection Operational Guidelines. This supports the delivery of our commitment to eliminate Modern Slavery risks from our entire operation and supply chains.

Approval

This *Modern Slavery Statement 2022* has been authorised and approved by the Board of Directors of POSCO Australia Pty Ltd for the purposes of the *Commonwealth Modern Slavery Act 2018* and has been signed on behalf of the Board by Mr. Bo Sung Kim, Managing Director on 30 June 2023.



Bo Sung Kim
Managing Director of POSCO Australia Pty Ltd
30 June 2023



POSCO Management Philosophy

POSCO pursues 'Corporate Citizenship: Building a Better Future Together'. POSCO will become a valued member of society, grow alongside various stakeholders, such as employees, shareholders, customers, suppliers, vendors and local communities, and pursue the values of consideration, coexistence and symbiosis.

Annexure A

Mandatory Reporting Criterion	Reference in this statement
Identify the reporting entity	Introduction Our Commitment
Describe the reporting entity's structure, operations and supply chains	Our Structure Operations and Supply Chains
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	Modern Slavery Risks
Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	Actions Taken To Assess and Address Modern Slavery Risks
Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	Measuring Effectiveness
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 joint statement, the entity giving the statement	Consultation Approval
Include any other information that the reporting entity, or the entity giving the statement, considers relevant	Ethical Framework