

Modern Slavery and Human Trafficking Statement of 2021-2022

1. Reporting Entity

This is the Modern Slavery and Human Trafficking Statement of 2021 - 2022, issued pursuant to the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018, by POSCO INTERNATIONAL Corporation (hereinafter called 'P-INT'L'). This Statement sets out the steps that P-INT'L has taken and plans to take so as to mitigate the risks associated with human rights violations relating to modern slavery and human trafficking in the operations owned or controlled by P-INT'L and across its supply chains.

2. Structure, Operations and Supply Chains

P-INT'L is a member of POSCO Group, which has been emerging as a world-class steel company through its commitment to constant innovation and technological development. P-INT'L is conducting its business in a broad range of business areas such as steel, energy and agriculture and is rapidly becoming a Globally Integrated Corporation that engages in a wide range of businesses, beyond the scope of traditional trading companies. P-INT'L is also expanding its investments in new business sectors, including the various areas mentioned above, and cooperating with domestic and global suppliers. As of December 31, 2021, P-INT'L has 10,080 employees worldwide, and operates nearly 100 subsidiaries and branches in 45 countries.

3. Risks of Modern Slavery

P-INT'L is primarily engaged in international trading business and the export and import of goods on a B2B basis. P-INT'L also operates several manufacturing facilities including natural gas fields in Myanmar, palm oil plantations in Indonesia, and cotton yarn factories in Uzbekistan. Although there is a potential risk of modern slavery and human trafficking in all of the business areas we partake, special attention and protection measures in relation to potential human rights violations are needed especially in overseas manufacturing facilities.

4. Relevant Policies and Commitments

P-INT'L has added modern slavery policies to its Business Ethics-Practice Guidelines to comply with relevant international policies, guidelines, and laws, thereby highlighting the importance of human rights to all employees. In addition, P-INT'L has also updated its Supplier Code of Conduct by including the modern slavery guideline. Since P-INT'L specified the protection of human rights in its Business Ethics in 2003, it has been promoting human rights management based on international standards such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the OECD Guidelines for Multinational Enterprises. In addition to applying these standards at the headquarters level, P-INT'L shares its Human Rights Guidelines with overseas subsidiaries, investment corporations and partners to build consensus on the protection of employees' human rights.

In accordance with its Human Resources Regulations based on the International Labour Organization (ILO) Core Conventions and the domestic labor law, P-INT'L manages long working hours through compliance with statutory working hours, guarantee of sufficient vacation, fair recruitment and compensation without gender discrimination, and supply chain management which prioritizes the protection of human rights and safety. In the case of the headquarters, it has introduced the 'Working Hours Management System' since 2019 to prevent employees from working long hours by restricting the use of PCs in excess of statutory working hours. In addition, P-INT'L has conducted internal audits on overseas investment entities that operate manufacturing/production facilities to eradicate the possible exploitation of child labor and any harmful work environment for vulnerable groups, including female workers, and to enhance the hygiene management status of employees' accommodations. In doing so, P-INT'L endeavors to respect basic human rights and provide a healthy work environment. P-INT'L also established 'Safety and Health Management Regulations' in 2021 to eliminate any possibilities of modern slavery or human trafficking that threaten safety and health in its business operations and supply chains, and to provide a safe and pleasant work environment.

P-INT'L's 'Regulations on Human Resources Management' and 'The Management Guideline of Global Employees' prohibit recruitment through forced labor and human trafficking in order to respect and comply with internationally-recognized global human rights standards and laws including the Modern Slavery Act.

5. Supply Chain Management

P-INT'L acknowledges that the environmental and social issues of its partners, including human rights violations, may give a huge negative impact on P-INT'L's sustainability. As such, it manages the risks associated with the supply chain on the basis of the POSCO Group Supplier Code of Conduct and supports development of competency and protection of human rights in its supply chains, in order to create a robust industrial ecosystem. P-INT'L's Supplier Code of Conduct ensures that all entities conducting business with P-INT'L fulfill their responsibility towards sustainability and the protection of human rights. This Code consists of 21 provisions in seven categories concerning the basic norms of human rights, labor, environment, and anti-corruption as stipulated in the UN Global Compact. In June 2021, P-INT'L has updated the category on Respect for the Fundamental Human Rights in its Supplier Code of Conduct to be in line with the Modern Slavery Act of UK and Australia.

As a global corporate citizen, we recognize the importance of responsible mineral sourcing, and wish to join the global efforts to promote responsible procurement practices, such as cooperation with customers' policies regarding responsible mineral policies and support for suppliers' management of responsible minerals. In principle, we restrict transactions with suppliers who bring negative impacts on society, and we are making our best endeavors not to use minerals sourced from conflict areas. In 2021, we established our own 'POSCO International Responsible Minerals Management Guidelines' based on the 'POSCO Responsible Mineral Management Guidelines' reflecting our identity as a Globally Integrated Corporation, and we plan to operate our responsible mineral management system more effectively through this Guideline.

In the near future, P-INT'L intends to establish a supply chain ESG management system in order to preemptively respond to the needs of customers and investors and to comply with the relevant legislations of major countries. We plan to identify and manage ESG risks in the entire

supply chain by taking into account the nature of the company's key business areas and industrial characteristics. Considering the protection of human rights, labor and environmental issues in the supply chain and the investment business, we will conduct regular monitoring through ESG surveys and introduce ESG checklists in the decision-making process for reviewing new investments.

6. Due Diligence

In consideration of the risks associated with business activities and supply chains related to modern slavery, P-INT'L is making various efforts to fully comply with international norms and regulations on human rights protection as well as the requirements of each country's labor laws. Each year, P-INT'L conducts human rights surveys at the headquarters and overseas worksites, and performs human rights due diligence to investigate any occurrence of human rights violations, including but not limited to, forced labor, child labor, and human trafficking.

In addition, P-INT'L plans to regularly conduct due diligence on its overseas trading subsidiaries, branches and overseas investment entities. During such processes, P-INT'L will use the checklists to identify whether there is any risk of violating the modern slavery regulations in the employment process of trading subsidiaries and branches and manufacturing process of investment entities, and report the result of the due diligence.

During the annual Business Ethics survey conducted in 2022, P-INT'L newly added and reviewed items relating to modern slavery, such as human trafficking, forced labor and child labor. P-INT'L plans to manage these items separately. If any human right violation is identified, we are set to conduct written inspection first and, if necessary, then conduct on-site assessment to take proper measures. P-INT'L plans to continuously manage human rights issues by conducting the Business Ethics survey, including on modern slavery issues, every year.

In addition, P-INT'L is running a whistle blowing system for all non-ethical behaviors including violation of human rights, anti-bribery and legal working conditions. The reporter may report anonymously or on real-name basis via e-mail, fax, homepage, in writing, etc. in any way he/she prefers. P-INT'L makes its best endeavors to ensure that the investigation is made upon receipt of any complaint in order to address the situation in a timely manner and minimize its reporting line to maintain confidentiality.

7. Raising Awareness and Training

In order to respond to the risks of modern slavery, P-INT'L is promoting activities to raise awareness and educate its employees. Educational videos and booklets related to the Modern Slavery Act are produced and provided to all employees in order to promote understanding of the importance of human rights and this year, we plan to produce related contents as on-line e-learning course and provide training. Such training programs will help the company explore new business opportunities and effectively manage the risks of modern slavery in external networks.

8. Assessing Effectiveness and Consultation Process

During POSCO Group's annual corporate ethics index evaluation period, P-INT'L puts together its performance under the evaluation items, including the operation of business ethics

policies and system, human respect survey results and measures taken to prevent recurrence of violation, and submits it to POSCO for evaluation. Also, P-INT'L plans to internally check whether its system of monitoring all illegal solicitation and bribery in relation to human resources, recruitment and transactions is working properly.

In addition, P-INT'L analyzes the results of due diligence on human rights at major overseas investment sites such as palm oil plantation in Indonesia and cotton factory in Uzbekistan. With the results, we derive improvement tasks, consult and discuss periodically on issues determined to pose high risk, and monitor the implementation of the tasks.

After conducting the ethics evaluation on overseas worksites in 2021, P-INT'L shared the items to be improved with relevant organizations and departments and reviewed whether actions were taken to implement such improvements. Likewise, in 2022, P-INT'L plans to conduct the ethics evaluation on overseas worksites and if there is an organization that needs improvement, notify the relevant organization and department so that measures can be taken.

This statement was approved by the Board of Directors and signed by the representative director of P-INT'L.

POSCO
INTERNATIONAL

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