

POSCO FUTURE M ESG POLICY BOOK

 With POSCO

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POSCO Charter of Corporate Citizenship

Companies achieve lasting growth and sustainability by pursuing harmony within the society where businesses operate.

As a member of the social community, companies who have benefitted from resources provided by the society should look beyond profit, engage in addressing social issues and contribute to the prosperity of mankind and to making the world a better place.

We believe that this is the right way to move forward.

POSCO, under its management philosophy of 'Corporate Citizenship: Building a Better Future Together', will engage and communicate with all stakeholders including customers, employees and shareholders, and continually seek changes and innovation in pursuit of sustainability by ultimately creating greater value for the company.

Accordingly, POSCO that embraces Corporate Citizenship complies with the following principles when conducting business.

01
We nurture a robust business ecosystem with business partners.

- We practice the values of fairness, transparency and ethics across all business activities
- We pursue collaboration and mutual growth with partners and suppliers based on a culture of consideration and respect
- We support customer success by providing the finest products and services

02
We are at the forefront in addressing social issues and making society better.

- We take a leading role in confronting social challenges at the corporate level with a sense of empathy
- We carry out activities for the common good for the development of local communities and environmental protection
- We actively participate in philanthropy as part of our commitment to sharing with our neighbors and the society

03
We foster a happy and fulfilling workplace by creating a corporate culture based on trust and creativity.

- We create a safe and pleasant working environment to promote the health and well-being of our employees
- We pioneer a corporate culture of trust and harmony through fair HR management practices and stable labor relations
- We create a great workplace where diversity is respected and a healthy work-life balance can be realized

July 25, 2019 POSCO

posco

Environmental Policy

Managed by : Safety & Environment Planning Group

Revision

Version

1

Last edited

'23.4.28

Revised content

New

Established

Purpose

The purpose of this policy is to establish a sustainable management and environmental management system that can fully realize the company's business philosophy of "Corporate Citizenship: Building a Better Future Together", improve its ability to respond to environmental risks, and contribute to protecting the environment and overcoming climate crisis through cooperation among POSCO FUTURE M and its all affiliates and stakeholders.

Scope of Application

This policy applies to all POSCO FUTURE M workplaces and investing corporation. We encourage our partner and contract companies who transact with POSCO FUTURE M to comply with this policy or a similar policy that meets the same standards. In addition, employees are encouraged to ensure compliance with this environmental policy when dealing with business partners involved in all aspects of the business process, including partner companies, contract companies, suppliers, and service providers.

Basic Principles

1. Compliance with Environmental Laws and Mitigation of Environmental Impacts

- We shall comply with international conventions and applicable laws on the environment and energy and endeavor to mitigate environmental impact throughout our entire process of development, production, use, and disposal of products.
- We shall minimize emissions of pollutants by implementing eco-friendly production methods and the best available technology.

2. Response to Climate Change

- We shall establish a risk self-assessment framework in response to climate change, set achievable goals, and self-evaluate performance.

- We shall endeavor to reduce greenhouse gas emissions by reducing our dependence on fossil raw materials, improving energy efficiency, and developing and using renewable energy
-

3. Air pollutant

- To minimize the air pollutants generated by business activities, including gases and particulate matter, and to construct optimal control facility for the generated air pollutants to minimize their impact on the environment.
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4. Raw and Subsidiary Materials and Water

- We shall take into account the amount of resources used to manufacture finished products and endeavor to replace traditional materials with eco-friendly ones, such as raw materials that are renewable or with fewer impurities. We shall also endeavor to reduce the amount of resources used in production activities by adopting new facilities that consume less resources, such as water saving machines, and by implementing clean technologies.
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5. Waste and Wastewater

- We shall minimize waste and wastewater generated during the production process and reuse inevitably generated waste and wastewater as much as possible. We shall also establish wastewater treatment facilities required to minimize the impact that waste and wastewater from our workplaces may have on the environment.
-

6. Hazardous Chemicals

- We shall systematically manage hazardous chemicals to prevent chemical accidents, such as chemical leaks or spills, and endeavor to use and release less hazardous chemicals
-

Action Plans

1. Operation of Environmental Management system

- We aim to obtain ISO 14001 certification for all of our company facilities, which is an international standard for environmental management. To achieve this, we continuously improve our internal management system and conduct annual third-party audits and internal audits for compliance. The results of these audits are reported to top management and are reflected in our environmental strategy and objectives.
-

2. Establishment of Environmental Management System

- We shall establish an environmental management system ("EMS") to assess and respond to environmental risks unique to our business activities, set specific environmental performance targets, and continually improve such targets.
- The board of directors and the executive management shall actively participate in the decision-making and management/supervision of the EMS and provide ample support in both human and material resources, such as assigning dedicated working level employees, to ensure that the EMS is fully installed and operated.

- We shall discuss the importance of environmental protection and response to climate change with stakeholders, such as contractors, suppliers, and counterparties, and provide support so that they can establish their own EMS.
 - The officers and department heads shall provide training to the officers/ employees under their supervision so that they can recognize the importance of environmental management and comprehend the EMS.
-

3. Response to Climate Change

- We shall integrate transition and physical risk related to climate change into company-wide risk assessments and business strategies and document and manage such risk.
 - We shall ensure that risks, strategies, and assessments related to climate change are properly reported to the board of directors and executive management.
 - We shall identify stakeholder demands related to climate change and establish and implement management strategies.
 - We shall establish and implement concrete and feasible plans to mitigate greenhouse gas emissions and achieve carbon neutral goals.
 - We shall apply environmental certification and disclosure frameworks related to climate change (e.g. the TCFD), or establish a comparable reporting framework to disclose to a reasonable extent our ongoing efforts and achievements in responding to climate change.
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4. Management of Production and Workplace Environment

- We shall ensure that the production and workplace environment is properly managed through processes including KPIs and other performance management indicators, education/training, establishment and management of guidelines, internal inspections, etc..
 - We shall apply eco-friendly production processes and the best available technology to minimize the amount of pollutants and the impact of pollutants on the environment.
 - We shall establish and operate environmental management manuals tailored to the specific needs of production facilities and workplaces and continually monitor and strive to improve the environmental impact of our operating facilities.
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5. Development and Distribution of Products and Services

- We shall identify the challenges and opportunities in the process of transitioning to a low-carbon economy, increase the supply of eco-friendly products and by-products, and assess environmental risks in the transportation and logistics process. By doing so, we shall minimize the environmental impact throughout the entire process of developing and providing goods and services.
- We shall enhance our competitiveness by developing low-carbon, eco-friendly, and new and renewable energy products.

6. Supply Chain Management, and Selection and Evaluation of Suppliers

- When selecting our partners (suppliers, contractors, service providers, etc.), we shall evaluate their level of environmental management to minimize environmental impact.
- We shall provide support to suppliers and contractors so that they can establish their own EMS at a superior level and preemptively manage environmental risks throughout the entire supply chain by conducting performance evaluations regarding suppliers' environmental management levels.
- We shall procure materials and equipment in compliance with the green procurement policy.

7. New Projects and M&A

- We shall review environmental management plans and environmental impact assessments when reviewing new projects/investments to minimize environmental risks that may arise from projects.
- We shall conduct due diligence when reviewing potential M&As to identify and respond to environmental risks in advance

8. Waste Management

- We shall manage the process from waste generation to disposal in accordance with legal management standards and our waste management guidelines. We shall provide education on appropriate waste storage, transportation, and disposal methods for employees and waste management and transportation companies.

Environmental Management Policy

POSCO Future M is committed to achieving sustainable growth through eco-friendly, low-carbon management and fulfilling its social responsibility through environmental protection and climate change response. To this end, we have established the following environmental policy and will faithfully carry out environmental management activities as its foundation.

1. We recognize the responsibility of considering the impact on the environment and climate change throughout all business activities and make eco-friendly, low-carbon management a core value of the company.
2. We establish processes to comply with domestic and international environmental laws, regulations, and requirements, and strive for continuous improvement of environmental impact in all stages of product production, use, and disposal.
3. We set goals for minimizing environmental pollution and reducing greenhouse gas emissions and establish an eco-friendly production system through the use of clean energy and green technologies.
4. We identify and improve risks for sustainable environmental management and climate change response and enhance execution power through systematic education and training.
5. We transparently disclose environmental information, actively communicate with stakeholders, and proactively respond to changing conditions.

March 20th 2023
POSCO FUTURE M Co., Ltd. CSEO Jin Chul Kim



Biodiversity Policy

Managed by : Corporate Citizenship Bureau

Revision

Version	Last edited	Revised content
1	'23.4.28	New Established

Purpose

The purpose of this policy is to fully fulfill the management philosophy of 'Corporate Citizenship : Building a Better Future Together' and to establish a system whereby POSCO FUTURE M can protect and promote biodiversity while performing its business activities and establish a code of conduct and action plans in order to develop a business model that can promote sustainable growth with the natural environment. This biodiversity policy was developed with reference to international agreements such as the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and the International Union for Conservation of Nature's Guidelines for Applying Protected Area Management Categories.

Scope of Application

This policy applies to all POSCO FUTURE M workplaces and investing corporation. We also recommend that our partners and contractors who do business with POSCO FUTURE M comply with this policy or similar policies at the same level. However, if there are local laws and regulations regarding the promotion of biodiversity, management of wild animals, conservation of natural habitats, and other issues related to the use of forests, soil, and water resources, they must be prioritized and complied with it.

Code of Conduct

1. We shall shift away from a linear economy where we exploit resources to produce and use products only to eventually discard them, and move instead toward a business model based on a circular economy which is decoupled from the consumption of finite resources and promotes recycling and sustainability.
2. We shall identify the potential impact on biodiversity at each stage of our business, endeavor to prevent or minimize such impact, and in cases of damages to biodiversity, strive to recover previous levels of biodiversity through restoration, closure, etc. of affected habitats and land areas.

3. When the loss of biodiversity is inevitable, we shall endeavor to minimize the loss of biodiversity, such as creating alternative habitats in other places, and shall not operate in areas of high biodiversity value.

 4. We shall designate areas where our business activities directly or indirectly affect biodiversity, monitor designated reservation areas inside and outside of workplaces and other areas of high biodiversity value, and evaluate and manage the impact on biodiversity.

 5. We shall identify factors that may threaten endangered animals and plants discovered in our workplaces as well as partners' workplaces and develop strategies to protect such species.

 6. We shall carry out ecosystem restoration projects in areas where our business activities directly or indirectly affect the biodiversity and disclose the process of establishing and implementing plans, local communities' participation efforts, and the results of the projects.

 7. We shall actively participate in research and development using biological resources, projects to promote biodiversity and protect animals, and international initiatives related to biodiversity.
-

Action Plans

1. We shall establish procedures and governance where biodiversity issues are considered in our business strategies, decision making process, and long-term risk analysis, and the board of directors shall monitor the above.

2. We shall integrate biodiversity management into the EMS and set goals and standards to control and monitor the EMS.

No Deforestation Policy

Managed by : Corporate Citizenship Bureau

Revision

Version	Last edited	Revised content
1	'23.4.28	New Established

Purpose

This policy aims to concretely fulfill the business philosophy of "Corporate Citizenship: Building a Better Future Together" and establish principles and implementation measures to prevent potential forest destruction in POSCO FUTURE M's overall business activities and protect local community forests. This Forest Conservation Policy was developed with reference to international agreements such as the UN Strategic Plan for Forests and GFGs, the UN General Assembly's Forest Initiative, and the IUCN Guidelines for Applying Protected Area Management Categories.

Scope of Application

This policy applies to all POSCO FUTURE M workplaces and its investing corporation. Suppliers and contractors who do business with POSCO FUTURE M are encouraged to comply with this policy or similar policies at a comparable level. Employees should also be encouraged to comply with this policy when dealing with partners in all business processes such as cooperation, contracts, supply, and services. However, if there are local laws and regulations regarding forest conservation, forest protection, logging, and the use of forest products, they should be given priority.

Code of Conduct

1. We shall shift away from a linear economy where we exploit resources to produce and use products only to eventually discard them, and move instead toward a business model based on a circular economy which is decoupled from the consumption of finite resources and promotes recycling and sustainability.
2. We shall identify and minimize the impact of potential forest destruction at every stage of our business operations and make efforts to restore damaged forests when necessary.

3. In cases where forest destruction is unavoidable, we shall make efforts to minimize the loss of forests by creating replacement forests in other locations and avoiding operations in areas with high forest values.

4. We shall designate areas that are directly or indirectly impacted by our business operations as well as protected areas and other high-value forest areas both inside and outside our workplace, and monitor and manage the impact on forests.

5. We shall identify threats to endangered plant species found in our workplace and in the locations of our partners and establish conservation strategies for those species.

6. We shall implement ecosystem restoration projects in areas where our business operations directly or indirectly impact forests, and publicly disclose the planning and implementation process, community participation efforts, and project results.

7. We shall actively participate in research and development using plant resources, projects aimed at promoting and protecting plant species, and international initiatives related to forest conservation.

Action Plan

1. We shall establish procedures and governance where deforestation issues are considered in our business strategies, decision making process, and long-term risk analysis, and the board of directors shall monitor the above.

2. We shall integrate forest management into the EMS and set goals and standards to control and monitor the EMS.

Occupational Safety and Health Policy

Managed by : Safety & Environment Planning Group

Revision

Version

1

Last edited

'23.4.28

Revised content

New

Established

Purpose

The purpose of this policy is to fully fulfill the management philosophy of 'Corporate Citizenship : Building a Better Future Together'. This policy ensures that POSCO FUTURE M complies with domestic and international laws and standards for occupational safety and health and continuously improves the occupational safety and health management system, and ultimately create a safe working environment that is optimized for the physical and mental health and safety of workers in terms of occupational safety and health.

Scope of Application

This policy applies to all POSCO FUTURE M workplace and its investing corporation. Suppliers and contractors who do business with POSCO FUTURE M are encouraged to comply with this policy or similar policies at a comparable level. Employees should also be encouraged to comply with this occupational safety and health policy when dealing with partners in all business processes such as cooperation, contracts, supply, and services.

Code of Conduct

1. Workplace

- We shall identify hazards and risks associated with all facilities and operations of workplaces, prioritize the identified hazards and risks, and establish and implement plans to address such hazards and risks. We shall set quantified goals for performance evaluation so that hazards and risks can be managed on an ongoing basis.
- We shall establish and strictly comply with workplace safety rules and ensure that workers can work in a safe and pleasant workplace.

2. Product and Services

- We shall make safety a top priority in the process of producing and delivering goods and services to consumers.

- We shall regularly identify issues that may harm the safety of our products and services, find solutions to those issues, and set goals. We shall transparently disclose the above issues and goals to our stakeholders, including consumers.

3. Promotion of Officer/Employee Health

- We shall promote the health of our officers/employees by providing learning programs on personal health management and routines. We shall provide programs for mental health improvement and therapy/counseling in order to prevent and manage work-related stress. We shall also provide assistance to officers/employees so that they can get treatment and counseling, if necessary.

Action Plan

1. We shall evaluate hazards and risks related to occupational safety and health, establish a safety and health management system that can respond to the above hazards and risks, set specific performance goals, and endeavor to continuously improve them.
2. The board of directors and the executive management shall actively participate in important decision-making and management/supervision regarding the establishment and operation of the safety and health management system and discuss with workers or workers' representatives, if necessary.
3. Executives and department heads shall recognize the importance of the safety and health of their officers/employees and provide appropriate training to them so that they can understand the safety and health management system.
4. We shall make a plan to prepare for and respond to emergencies.

Occupational Safety and Health Management Policy

POSCO FutureM strives to create a safe and pleasant work environment for all employees, including our business partners, as a corporate citizen that develops together. Everyone does their best to protect their own safety and that of their colleagues. To this end, we establish a health and safety management policy and faithfully carry out health and safety activities based on the following principles.

1. We prioritize health and safety as the top value and reflect it in all stages of corporate activities through active participation and consultation with all employees and stakeholders.
2. We establish and strictly implement standards and processes that meet legal and regulatory requirements related to health and safety and confirm compliance to ensure continuous improvement.
3. We cultivate capabilities and enhance on-site execution through enhancing safety awareness and systematic education and training.
4. We evaluate the impact of health and safety in advance, set goals, and faithfully execute them based on the participation of all employees.
5. We continuously discover and improve potential hazards and risk factors in the field under the responsibility of management supervisors.
6. We establish an organic health and safety cooperation system by actively communicating and supporting our business partners.

March 20th 2023
POSCO FUTURE M Co., Ltd. CSEO Jin Chul Kim



Human Rights Management Policy

Managed by : Business Ethics Management Office

Revision

Version

1

Last edited

'23.4.28

Revised content

New

Established

Purpose

The purpose of this policy is to fully fulfill the management philosophy of 'Corporate Citizenship : Building a Better Future Together'. This policy aims to ensure that POSCO FUTURE M complies with international human rights standards such as UN Guiding Principles on Business and Human Rights, UN Global Compact, Universal Declaration of Human Rights, and OECD Guidelines for Multinational Enterprises and implements human rights management based on respect for labor principles recommended by the International Labor Organization and ratified by the government.

Scope

This policy applies to POSCO FUTURE M and its employees. POSCO FUTURE M recommends that all its workplaces, investing companies, employees, and contractors who conduct business with POSCO Future M also adhere to this policy or policies of a similar level.

Scope of Application

1. General Principles

- We shall respect the UN Guiding Principles on Business and Human Rights and acknowledge that all human beings have the right to dignity, including the following related rights: right to life and physical safety; freedom of thought, expression, and religion; freedom of association; freedom of family life and privacy; right to food and water; freedom from torture, slavery, or forced labor; right to fair and decent working conditions; and anti-discrimination.
- To this end, we shall prevent infringement on the human rights of others and take appropriate measures to prevent and address negative impacts on human rights that may occur in the course of our business activities.
- To meet the expectations of stakeholders by fulfilling our responsibility to respect human rights, our officers/employees shall comply with the following recommendations regarding human rights management:

- ① We shall comply with applicable laws and internationally recognized global human rights standards wherever we operate our business.
 - ② When faced with conflicts with local regulations, we shall pursue ways to comply with global human rights standards; and
 - ③ We shall treat the risk of serious human rights violations as an important management issue of the company.
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2. Major Human Rights Issues

- We shall manage human rights risks that may occur in the following areas of human rights at the company-wide level and fulfil its responsibility to respect human rights.

① Anti-discrimination

We shall not discriminate or harass anyone on the ground of race, nationality, gender, age, educational background, religion, region, disability, marital status, gender identity, etc. We shall provide equal employment opportunities to those with appropriate qualifications and abilities to perform the duties assigned to them and respect cultural diversity. We shall not discriminate against people on the ground of gender and employment type. We shall provide equal wages to workers for equal work to prevent disparities in wages and working conditions without reasonable reasons. We shall fairly evaluate officers/employees' individual capabilities and performance and systematically reflect the evaluation results to provide appropriate compensation.

② Prohibition of Forced Labor and Child Labor

We shall not coerce anyone to work against his/her free will by means including human trafficking, intimidation, confinement, and other unreasonable restriction of mental or physical liberties. We shall not sign a labor contract that requires the other party to pay a penalty if he/she fails to perform the labor contract. In addition, we shall prohibit child labor and comply with labor conditions for minors and minimum working age standards under national labor laws and international standards.

③ Guarantee of Freedom of Association and Collective Bargaining

In accordance with the basic labor rights under domestic laws and regulations and as defined by the International Labor Organization, we shall recognize workers' freedom of association and membership, including the freedom to unionize. We shall not penalize workers for joining labor unions or engaging in union activities. In addition, we shall not reject collective bargaining without reasonable grounds and shall respect and fully implement the results of collective bargaining.

④ Guarantee of Occupational Safety

Under the principle that all kinds of accidents and work-related diseases must be prevented, we shall establish a company-wide health and safety policy, fully comply with international safety rules and regulations, and take appropriate measures for any identified occupational hazards.

⑤ Prevention of Workplace Harassment

We shall strive to strictly prevent any cases of employees taking advantage of their positions or relationships at work to cause unwarranted physical or mental distress to another employee or cause harm to the work environment. We shall prevent any employee from violating the human rights of others or engaging in verbal, physical, or visual behavior that is offensive to others, including sexual harassment, and create a workplace culture in which everyone is respected.

⑥ Responsible Supply Chain Management

In order to monitor and manage forced labor and violations of children's rights in

our supply chain, we shall manage human rights risks of our suppliers, subcontractors, subsidiaries, and other key partners under our influence. In addition, we shall ensure fair trade with our partners based on mutual respect and equality and support partners to comply with fair trade laws and regulations.

⑦ Anti-corruption and Anti-bribery

In order to maintain fair trade in all areas, we shall comply with all domestic and international anti-bribery and anti-corruption laws and regulations, including the Improper Solicitation and Graft Act, the UN Convention against Corruption, the Foreign Corrupt Practices Act, and the Act on Combating Bribery of Foreign Public Officials in International Business Transactions.

⑧ Guarantee of Environmental Rights

We shall endeavor to reduce greenhouse gas emissions by reducing the use of fossil fuel and fossil fuel-derived raw materials and improving energy efficiency. We shall strive to restore the natural ecosystem and protect the biodiversity by using natural resources and by-products in an efficient manner. In addition, we shall establish an EMS, improve our ability to respond to environmental risks, and conduct eco-friendly management through open communication.

⑨ Protection of Human Rights of Local Residents

If a human rights violation occurs in the local community due to the company's business activities, we shall collect opinions and endeavor to resolve such human rights issues. In addition, we shall minimize and prevent human rights risks as we may have a social and environmental impact on local residents and the region in the process of running our business. We shall also evaluate the impacts on the safety, health, food, and economic activities of the local environment and local residents and take into account protection of the local culture and biodiversity issues in the region.

⑩ Protection of Human Rights of Consumers

We shall operate a customer-centric business in which we listen to and respect our customers. We shall actively accept customers' legitimate requests and reasonable suggestions. We shall not provide products and services that threaten their safety and health based on considerations for the safety and health of customers in our business activities. We shall also protect customer-related information.

3. Establishment of Policies and Procedures

- We shall prepare the following policies and procedures to fulfill our responsibility to respect human rights.
 - ① Implementation of appropriate policy regimes, including enactment of rules containing the company's responsibility to respect human rights.
 - ② Human rights due diligence procedures to identify, prevent, and mitigate any negative impact on human rights and inspect and investigate any activities that affect human rights
 - ③ Procedures to remedy the negative impact on human rights that the company has had

Action Plan

1. Human Rights Management Governance

- The overall policy and direction setting related to human rights management and monitoring of human rights management implementation are carried out by the dedicated department for human rights management. The department for human rights management performs tasks such as human rights education, information disclosure, human rights investigation, and victim relief, and reports the relevant content to the board of directors in the event of important issues arising.

2. Human Rights Due Diligence

A) Key Considerations

- Officers/employees shall identify, prevent, and mitigate any negative impact on human rights and conduct human rights due diligence when considered necessary to fulfill their responsibilities. Such due diligence shall include identifying and evaluating any actual and potential impact on human rights, responding to problems identified, recording response activities, and communicating with stakeholders. Human rights due diligence shall consider the following:
 - ① Include negative impacts on human rights that may be directly or indirectly triggered in the course of the company's business activities;
 - ② Consider the location and size of workplaces, human rights risk exposure, characteristics and features of business, and other various matters depending on the political and economic conditions and characteristics of the host country; and
 - ③ Recognize that human rights risks gradually change as the company's activities and business environment change, and continue to conduct due diligence.

B) How to Conduct Due Diligence

- We shall endeavor to identify and inspect any actual and potential negative impact on human rights related to their business activities at home and abroad according to the following process.
 - ① If human rights risks are identified in major domestic and foreign workplaces, we shall conduct human rights due diligence, analyze the situation, and make improvement plans;
 - ② In principle, due diligence shall be carried out by internal experts, and if necessary, it may be conducted with the support from external experts;
 - ③ In some cases, groups and stakeholders who may be potentially affected may be interviewed;
 - ④ We shall identify any potential and actual impact during due diligence, share the evaluation results at the company-wide level regarding the potential impact, take measures to prevent or mitigate such impact by carrying out relevant procedures, and endeavor to remediate and resolve any existing impact; and
 - ⑤ We shall conduct due diligence using a checklist that identifies key elements related to human rights management.

C) Response and Follow-up

- We shall establish a response system and take follow-up actions based on findings from human rights due diligence to prevent and mitigate any negative impact on human rights.
 - ① Establishment of Internal Response System
 - i. We shall clarify roles and responsibilities with relevant departments to solve identified problems.
 - ii. We shall apply internal decision-making, budget allocation, and monitoring procedures to effectively respond to the above impact.
 - iii. We shall accurately explain the problems identified through human rights due diligence to the relevant departments and respond to the problems by managing them as important issues.

② Follow-up and Remedies

- i. We shall take the necessary steps to prevent or mitigate any potential or existing adverse impact on human rights.
- ii. In cases of unexpected negative impact on human rights despite our best policies and procedures, we, alone or in collaboration with other entities, shall endeavor to address such negative impact.
- iii. When we have not directly contributed to negative impacts on human rights but the negative results are related in a complex way to our operations, production, and services through our relationship with other entities (e.g., suppliers), while we are not directly responsible for devising plans for systematic improvement, but we shall play a certain role.
- iv. We shall use the influence that the company has to prevent or mitigate the negative impact on human rights, and otherwise may strive to strengthen our influence by collaborating with the relevant entities to protect human rights.
- v. We shall operate a grievance mechanism that shall serve as an effective remedy for potentially affected stakeholders.

D) Communication with Stakeholders

- When stakeholders raise concerns about human rights impacts, we shall take responsibility in communicating with them.
 - ① We shall communicate responsibly and transparently with our stakeholders, including affected groups, individuals, and investors. To facilitate stakeholders' access to information, we may consider various forms of communication, such as face-to-face meetings, publication of official reports, and online channels (e.g., the company's official website and Helpline).
 - ② We shall include actual and potential negative impacts in the official reports we publish and may consider independent verification procedures to enhance the credibility of the reports.
 - ③ We shall provide stakeholders with information so that they can better assess whether the company is responding appropriately to specific human rights impacts.

E) Internalization and Program Improvement

- Based on the results of human rights due diligence, we shall contribute to the actual improvement of human rights management through internalization of organizational culture and activities for improving programs.
 - ① We shall carry out activities to internalize human rights management into the organizational culture by providing training on rapport-building and human rights management norms to all officers/employees and sharing successes and failures.
 - ② We shall continue to improve the human rights management system by consulting with experts, communicating with stakeholders, and discovering areas for improvement through implementing programs.

3. Grievance Mechanism

A) Key Considerations

- We shall operate a grievance mechanism for negatively affected individuals and communities so that their grievances can be promptly discussed and addressed.
- We shall endeavor to address grievances swiftly and reasonably by using existing methods such as the Ethics Counseling Center (Helpline) and the Unethical Conduct Reporting Center (Hotline). We shall not penalize those who file a complaint, victims, and cooperators on the ground that they apply for counseling or investigation and provide cooperation.

- The grievance mechanism shall perform the following important functions in relation to the company's responsibility to respect human rights:
 - ① Facilitation of the identification of negative impacts on human rights and acceptance of concerns raised by those directly affected or likely to be affected. Affected persons may report their human rights concerns to the ESG team in person, by mail, by phone, or by email and apply for grievance handling;
 - ② Collection of grievances and provision of early relief to victims in order to prevent the spread of human rights violations; and
 - ③ Analysis of operations progress to identify and solve problems in human rights policies and procedures.

Diversity, Equity, and Inclusion Policy

Managed by : Corporate Culture & Innovation Group

Revision

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1	'23.4.28	New Established

Purpose

The purpose of this policy is to fully fulfill the management philosophy of 'Corporate Citizenship : Building a Better Future Together' and to prevent discrimination, harassment, and sexual harassment in the workplace by improving diversity, equity, and inclusion for all officers/employees of POSCO FUTURE M and its all affiliates and to create a healthy working environment where officers/employees can reach their full potential.

Scope of Application

This policy applies to POSCO FUTURE M and its employees. It is recommended that all of POSCO FUTURE M's workplaces, investment corporations, employees, and business partners who engage in transactions with POSCO FUTURE M comply with this policy or a similar policy.

Code of Conduct

1. Diversity and Inclusion

"Diversity" means respecting the characteristics of each employee, including culture, gender, nationality, race, religion or belief, social and economic status, and abilities. "Inclusion" means enabling all officers/employees to carry out their duties with a sense of belonging to the organization for which they work so that they can reach their full potential. "Diversity and inclusion" means creating a work environment in which members of an organization respect one another without unreasonably discriminate against others. Particularly, diversity can be achieved by doing the following:

- Respect cultural diversity and maintain an inclusive work environment;
- Create an environment in which all officers/employees can contribute to the company's business operations by utilizing their abilities, experiences, and knowledge to the fullest;
- Support officers/employees to achieve their personal goals and allow them to work flexibly in terms of time, place, and method;

- Remove barriers to communication between organizations and pursue an open corporate culture that promotes open communication and mutual cooperation;
- Provide diverse networking groups where officers/employees can interact with one another;
- Recognize that some officers/employees may have difficulties in working due to physical or mental disabilities and do not alienate or exclude them from the company on the ground of their disabilities;
- Recognize that the company is a place where officers/employees from different generations, with different abilities, backgrounds, nationalities, and races, gather together and work together;
- Create an environment in which all officers/employees with different family relationships such as marital status, divorce status, and children can coexist;
- Introduce a performance-based promotion system; and
- When artificial intelligence (“AI”) is used in the hiring, HR management, and training process, avoid using algorithms that may fuel prejudice against specific groups and be careful not to produce any discriminatory results.

2. Equity

“Equity” means providing equal opportunities in promotion, recruitment, and education so that officers/employees can reach their full potential. Particularly, equality can be achieved by doing the following:

- Do not discriminate against anyone on the ground of race, nationality, gender, age, educational background, religion, region, disability, marital status, or gender identity, which is irrelevant to his/her ability;
- Ensure that the company, affiliates, suppliers, and contractors comply with the principle of gender equality;
 - Devise and implement a plan that can effectively promote equality in departments with disproportionate gender representation so that they can achieve a reasonable gender balance;
 - Analyze the gender wage gap and disclose the results every year;
 - Devise and implement a plan to promote gender balance of the company's decision-making body;
 - Ensure that female officers/employees are not discriminated against based on pregnancy, childbirth, and child rearing;
 - Ensure that in no event is an employee's personal and career development impeded because of his/her gender;
 - Provide equal working environment for equal work and work of equal value;
 - Fairly evaluate officers/employees' individual capabilities and performance and systematically reflect the evaluation results to provide appropriate compensation;
 - Ensure that equal employment opportunities are provided to those with appropriate qualifications and abilities;
 - Treat others without prejudice based on social, cultural, or educational background; and

3. Anti-workplace Harassment

- The following activities which take advantage of his/her position or relationship at work to cause physical or mental distress to another employee or cause harm to the work environment beyond the appropriate scope of workplace interactions shall be prohibited:
 - Physical Harassment;
 - Mental Harassment;
 - Work-related harassment; and
 - Personal Harassment.
-

4. Anti-sexual Harassment

- Officers/employees are prohibited from the following: abusing their position and/or workplace context to make sexual remarks/gestures or request sexual favors and thereby making others feel sexual humiliation, disgust, etc.; penalizing a person in terms of his/her employment on the ground that he/she refuses to respond to sexual remarks/gestures or to requests for sexual favors; expressing intention to give benefits to a person on the condition that the person responds to sexual remarks/gestures or accepts requests for sexual favors.
-

Action Plan

1. Improve diversity, equity, and inclusion; provide regular training to prevent discrimination, harassment, and sexual harassment in the workplace; and take necessary precautions.

2. The executive management or the board of directors shall install a dedicated department responsible for monitoring implementation of this policy, receiving reports of violations, providing counselling, conducting investigations, and handling such reports. In particular, the responsible department should operate a separate team dedicated to provide counseling and reporting services regarding sexual harassment.

3. Anyone who becomes aware of a violation of this policy shall report to the responsible department in person, by mail, by phone, or by email. The responsible department shall establish and operate appropriate reporting systems.

4. When the responsible department becomes aware of a violation of this policy, it shall investigate the violation and, depending on the results of the investigation, take necessary measures, such as disciplinary action, transferring the offending party to another department, or providing training to prevent recurrence.

5. Victims and allies shall not be subjected to disadvantages in employment or other discriminatory treatment and information related to victims' cases shall be kept strictly confidential, except as necessary for investigating or handling the case.

POSCO Group Supplier Code of Conduct

The Code of Conduct for POSCO Group Supplier states fundamental principles which suppliers who supply goods and services to POSCO Group including POSCO, its affiliates and joint venture companies. Every Clause of this document is equally important and consists of 7 parts which suppliers should comply with, such as respect for basic rights of employees, safety and health, environment, ethics, protection of business secrets and intellectual property rights, quality management, win-win growth and contribution to the local community.

Respect for basic rights of employees

Suppliers shall protect and respect employee's rights and treat them fairly.

1. Freely Chosen Employment

- Every work shall be voluntary and employees can retire freely if there is a reasonable notification.

Supplier cannot force employees to transfer their ID, passport or work permit that government issued, on condition that supplier hires them.

2. Prohibition of Child Labor

- Suppliers shall follow ILO Convention No. 138 and domestic regulation on the minimum age for admission to employment and work.

In other words, suppliers shall not hire a child under 15 (in case of a developing country that exempt from ILO Convention No. 138, under 14) or minimum age that is regulated by domestic law.

Suppliers shall follow every legislation and regulation about internship program.

Employees under 18 shall not carry out dangerous work in terms of the safety and health.

3. Non Discrimination

- Suppliers shall not discriminate employees based on race, color, religion, gender, sexual orientation, age, physical condition, political view, nationality, nation and marital status and treat them fairly for hiring practices such as employment, promotion, compensation and training opportunities.

4. Working Hours

- Except for an urgent situation, suppliers shall follow working hours; include overtime determined by law.
- And all of overtime work shall be voluntary and awarded as extra pay of appropriate level.

5. Wages

- When suppliers pay wage to employees, suppliers shall follow all the relevant law that is related to wages such as minimum wages, overtime payment and welfare benefits.
-

6. Humane treatment

- There shall not be inhumane treatment that includes sexual harassment, sexual abuse, physical punishment, physical or psychological coercion, and insulting as well as intimidating employees by giving them inhumane treatment.
-

Safety and Health

Suppliers shall provide safe and healthy working environment to employees and take proper measures to prevent employees from being exposed to potential safety hazards.

1. Working Environment

- Suppliers shall follow the relevant law, regulations and orders in order to manage every workplace safely and healthily where producing or working is executed. To achieve this, suppliers shall make the best effort to use an authorized safety management system and provide potable water and hygienic toilet and also furnish minimum facilities of safety and convenience such as a fire and emergency response system, appropriate light and ventilation.
-

2. Occupational Safety

- Suppliers let employees be not exposed to potential safety hazards (ex. electricity, energy source, fire, vehicle and danger of falling) through proper design and engineering, administrative control, preventive maintenance and safe work procedure.
-

Environment

Suppliers shall follow laws and regulations related to protection of the environment and understand that protection of the environment is the fundamental social responsibility of enterprises. They also comply with public health and safety in the course of manufacturing process, and minimize negative effects on the environment of the local community and natural resources.

1. Hazardous Substance

- Suppliers shall comprehend chemicals and other substances that have possibilities to pollute environment and manage to assure of safe handling, moving, storing, using, recycling or reusing and definite discarding.
-

2. Waste water, Solid waste and Air Pollution

- Suppliers shall understand the nature of substances and control and handle them within the legal limits before emitting or discarding the waste water, solid waste, Volatile Organic Compounds, aerosol, corrosive, mercuric oxide, ozone unfriendly substance and byproduct of combustion from facility operation, industrial process and sanitary facility.

3. Pollution Prevention and Reduction of Resource Usage

- Suppliers shall fundamentally reduce or eliminate all kinds of waste including waste water and energy by making an end eavor for improvement such as alteration of production, maintenance and facilities, re placement of raw materials, preservation, recycling and material reuse.

Ethics and Fair Trade

POSCO Group and suppliers shall abide by the following articles to satisfy the social responsibilities and sustainable growth.

1. Business Integrity

- POSCO Group and suppliers shall keep the highest level of integrity in all kinds of business and an inappropriate action is strictly prohibited such as corruption, coercion, intimidation and embezzlement.

2. Observance of the special clause of ethics practice

- Suppliers ought to follow regulations on the Special Clause of Ethics Practice of POSCO Group and will face sanctions under the same clauses when they violate it.

3. Observance of Fair Trade

- Suppliers shall follow laws and regulations related to fair trade and try not to offense against the fair trade order such as unfair practice of trading.
- No retaliation: A contractor shall try not to do any kinds of retaliation such as termination of business and unreasonable sanction by reasons of declaration of unfair trade, consultation of meditation related to subcontract or demurring to contract.
- Consultation prior to visit to suppliers/ on site inspection: Inform the visiting schedule in written or electrical form and get a confirmation before visiting suppliers.

4. Confidence Building

- Suppliers shall not offend against confidence of the whole POSCO supply chain by libeling other people or companies through spreading false information on t he purpose of slandering other interested parties such as members of POSCO Group and competitors.

Responsible Minerals sourcing

Suppliers shall abide by the following articles to source Responsible Minerals sourcing . (* The terms “Armed Group,” and “Adjoining Country” have the meanings ascribed to such terms in the rules and regulations of the U.S Securities and Exchange Commission promulgated under Section 13(p) of the Securities Exchange Act of 1934, as amended.)

1. Establish a policy and system

- Suppliers shall establish and maintain a policy and system to ensure that Conflict Minerals contained in Products do not directly or indirectly finance or benefit an Armed Group in the Democratic Republic of the Congo or an Adjoining Country.

2. Conduct a due diligence in line with OECD Guidance

- Also, suppliers shall exercise due diligence on the source and supply chain of Conflict Minerals and Cobalt contained in Products and make Supplier's due diligence measures available to POSCO upon request. Suppliers shall also respond promptly to POSCO requests for information regarding the results of Supplier's due diligence measures, including but not limited to the country of origin or smelters and refiners used to process Conflict Minerals and Cobalt contained in Products.

Protection of Business Secrets and Intellectual Property Rights

Suppliers shall not reveal or provide any kinds of technical data, information and intellectual properties obtained from business with POSCO Group, to other parties without a prior written consent of POSCO Group.

1. Management and protection of confidential information

- Suppliers shall use technical data, information and intellectual properties obtained from the process of supplying products and services to POSCO Group within permits of POSCO Group, and protect them actively.

2. Protection of intellectual property rights

- Suppliers shall not infringe intellectual property rights or illegally use patents, design, trademark of others when supplying products and services to POSCO Group.

Quality Management

Suppliers shall make the best of realizing the World Best Supply Chain by providing products and services of the best quality to POSCO Group

1. Quality Control

- Suppliers shall try to supply guaranteed products in order for POSCO Group to produce and supply the world class products.

2. Change Control

- When something that influences quality, caused by changing facilities, materials and working methods, suppliers shall inform that in advance and prevent defects beforehand.

3. Mutual quality control by suppliers

- Suppliers shall try to contribute the quality of products and services of other suppliers in business relationship through supporting technology and quality to them.

Win win Growth and Contribution to the Local Community

Suppliers shall actively participate in win-win growth and contribution activity to the society for constructing healthy corporate ecosystem and developing the local community.

1. Win win growth

- Suppliers shall make the best to participate in win win growth for constructing healthy corporate ecosystem and spread to other companies who are in business relationship with them.

2. Contribution to society

- Suppliers shall actively carry out a contribution activity to the local community for continuous job creation and economic development of the region.

POSCO Group hopes for good communication with suppliers in order to run a better business. And POSCO Group expects suppliers to suggest specific ways that POSCO Group can help suppliers perform the Code of Conduct for POSCO Group Suppliers.

2010. 5. 31, Established by the Bureau of Win-Win Growth

Green Procurement Policy

Managed by :

Plant, Equipment and Materials Procurement Group

Revision

Version

1

Last edited

'23.4.28

Revised content

New

Established

Purpose

The purpose of this policy is to fully fulfill the management philosophy of 'Corporate Citizenship : Building a Better Future Together' and for POSCO FUTURE M to prevent the overconsumption of resources and environmental pollution in the entire process of our business activities and comply with relevant laws while implementing sustainable procurement to fulfil our social responsibilities.

Scope of Application

This policy applies to POSCO FUTURE M and its employees. It is recommended that all of POSCO FUTURE M's workplaces, investment corporations, employees, and business partners who engage in transactions with POSCO FUTURE M comply with this policy or a similar policy.

Definition

Definitions of terms used in this policy are as follows.

1. "Green procurement" refers to purchasing activities where we operate purchase contracts and supply chain management in an eco-friendly manner by evaluating the environmental impact of the production, supply, distribution, and post-processing process of products which are necessary for our business activities, such as raw/subsidiary materials, office supplies, and other equipment, at the stage of procuring such products.
2. "Green products" refer to the following products.
 - A. Products that have received a certification for their eco-friendliness in accordance with the relevant laws and regulations of the Republic of Korea and the policies of the government and public institutions or that meet the standards for the above certifications
 - B. Products that meet the green purchasing criteria (GP grade) within POSCO Group

GP Grade*	Summary	Explanation
GP1	products with environmental certification	Certified product with the environmental mark as defined by laws and regulations related to environmental technology development and support.
GP2	GR Mark (Good Recycled Mark) Product	Certified recycled products defined by laws and regulations related to resource conservation and promotion of recycling.
GP3	Energy-saving products.	Energy efficiency grade 1-2 products and energy saving certified products designated by laws and regulations on energy rationalization, energy-saving marks, and high-efficiency energy equipment.
GP4	Products that reduce 6 types of harmful substances	Products that reduce hazardous substances such as lead, mercury, cadmium, chromium, PCBs (polychlorinated biphenyls), asbestos, etc.
GP5	Waste reduction purchasing.	Waste reduction products such as lightweight packaging, refillable containers, and container recycling.
GP6	Others (flame retardant, foreign environmental label)	Flame-retardant products, recycled products using waste materials, and products with foreign environmental labels are other eco-friendly products that are recognized for their eco-friendliness.
GP7	Products that require eco-friendliness	Products requiring consideration of environmental friendliness (such as compliance with environmental regulations)

*GP Grade : Green Purchase Grade, Green procurement recognition criteria within the POSCO Group.

Code of Conduct

1. We shall conduct effective and practicable green procurement activities that consider eco-friendliness and sustainability throughout the entire process of business activities, from the procurement of raw/subsidiary materials, manufacturing, operation, and logistics/distribution to waste treatment.
2. In order to ensure feasible and effective environmental management, we shall implement green procurement not only in purchasing materials for main business activities but also for the company-wide procurement of consumable materials such as office supplies, workplace tools, etc.

Action Plans

1. Strong Recommendation for Green Procurement
 - We shall actively purchase green products, and prepare support programs to ensure that green products can be considered as a priority in the process of purchasing materials, etc.
 - When it is difficult to purchase green products because there is no certification system or certified product in the market, we shall purchase eco-friendly products as much as possible using available information on the impact of products on the environment, taking into consideration whether recycled raw materials are used, whether the products contain hazardous chemicals, the recyclability of products and packaging materials, and the amount of carbon generated in the manufacturing and distribution process.
2. Establishment of Green Procurement System
 - In order to ensure effective implementation of green procurement and continuous improvement of effective green procurement activities, we shall establish a green procurement system whereby we can monitor the status of green procurement, discover and introduce green products and suppliers of such products, evaluate green procurement performance, and establish mid- to long-term goals.
 - We shall prepare measures to share information on green procurement performance and goals with stakeholders.
3. Encourage the Supply Chain to Implement Green Procurement
 - We shall encourage our affiliates, contractors, suppliers, and counterparties to implement green procurement to the extent permitted by law. In particular, we shall consider whether candidates have established and implement their own green procurement policies when selecting contractors.

POSCO FUTURE M

Responsible Minerals Activity Report

May, 2023
POSCO FUTURE M Co., Ltd.

Responsible Minerals Procurement Policy

POSCO FUTURE M makes efforts to fulfill its responsibility as a global company that thinks of mankind's future and the environment. We strive to build a responsible supply chain to address social problems including violation of human rights, environment destruction, and fund inflow into conflict organizations, which may occur when mining minerals in areas within specific countries such as conflict-affected areas in Africa, Asia, and Middle East.

To this end, POSCO FUTURE M is carrying out the following procedures:

1. POSCO FUTURE M has established a responsible minerals policy and the business process based on Due Diligence Guidance presented by OECD, and it has been focusing on ethical and responsible mineral procurement and supply chain management reinforcement. To realize these, we have conducted responsible minerals recognition enhancement and education of stakeholders including internal employees, and we are performing business under a five-step procedure:
(Firm system construction → Gathering/Assessment of supply chain information → Risk identification/mitigation → Due diligence → Transparent communication)

* RMI (Responsible Minerals Initiative) is a global council tracking and investigating the country of origin of responsible minerals, monitoring producers, and assuring/validating them.

2. POSCO FUTURE M endeavors to perform the following through CMRT (Conflict Minerals Reporting Template) and CRT (Cobalt Reporting Template) for gathering supplier information provided by RMI and the Supplier Questionnaire Survey process developed by POSCO FUTURE M: supply chain tracking targeting tin, tungsten, tantalum, gold, and cobalt (including mines and refiners); and risk pre-identification/mitigation that may occur in the supply process. We are expanding the management scope to nickel, manganese, lithium, and graphite.
3. POSCO FUTURE M recommends receiving due diligence from a third-party institution through RMAP (Responsible Minerals Assurance Program) targeting refiners within the supply chain when entering into an agreement

or registering a new supplier. We purchase raw materials from fully assured refiners by RMI, which targets minerals from CAHRAs (conflict-affected and high-risk areas), as a result of the efforts of top management and employees.

POSCO FUTURE M has also consolidated the code of conduct standard so that its responsible minerals procurement policy can be consistently applied to upstream area including refiners and mines.

- (A) Suppliers should establish a responsible minerals management policy and report improvements to POSCO FUTURE M so that raw materials in the ASM (artisanal and small-scale mining areas), where ethical problems occur within Congo, or POSCO FUTURE M-designated risk areas (285 areas in 28 countries) are not included.
- (B) Suppliers should make efforts in good faith to identify the information of mines and their country of origin and location as well as the status of ethical risk occurrence within the supply chain. Upon signing an agreement with POSCO FUTURE M, suppliers are obligated to agree to its responsible minerals policy and perform the corresponding activities.
- (C) Suppliers should draw up and present the conflict and responsible minerals use report questionnaire in a timely manner at our request. POSCO FUTURE M disseminates its responsible minerals policy targeting upper-level suppliers and strives for all stakeholders within the supply chain to take the initiative in resolving social issues together.

If POSCO FUTURE M does not sufficiently receive information required to embody the responsible minerals policy from a supplier, or if a supplier does not take proper action even though a risk is detected within the supply chain, we will support their improvement through capability fortification such as education, assistance, and due diligence. In case a supplier intentionally offers information different from fact or does not make effort to improve, transactions with the supplier may be suspended.

We will perform continuous management by adding the responsible minerals domain when assessing suppliers in terms of SRM (supplier relationship management).

POSCO FUTURE M is determined to participate vigorously in international efforts to procure minerals responsibly based on the activities above. Through all this, we will fulfill our social responsibility of protecting human rights as well as the environment in conflict-affected areas.

Direction and Procedures of the Responsible Minerals Policy

POSCO FUTURE M has established step-by-step SOP (standard operating procedures) by dividing the procedures into the following steps through the OECD Due Diligence Guidance and our internal framework:

① Firm management system construction → ② Supply chain risk identification and assessment → ③ Establishment and implementation of recognized risk response strategy → ④ Due diligence → ⑤ Communication with internal and external stakeholders

▶ Applied Minerals and Management-Targeted Risk Areas

The target minerals are tungsten and cobalt currently procured by POSCO FUTURE M (gold, tantalum, and tin are not procured). As responsible minerals management emerges as a key issue worldwide, we are expanding the management scope to nickel, lithium, and graphite.

The 141 areas in 17 African countries including Congo, 22 areas in 4 Asian countries such as India and Pakistan, and 77 areas in 3 Middle Eastern countries including Afghanistan, Yemen and Libya, 31 areas in 2 countries in South America such as Colombia and Venezuela, and 14 areas in Ukraine and Türkiye in Europe have been selected as CAHRAs, and we are performing risk management of those areas. The CAHRAs list is updated every six months, specifically every July and January, by gathering external website information and surveying specific countries and detailed areas that are becoming issues internationally.

▶ Current Status of POSCO FUTURE M's Responsible Minerals Procurement(2022)

- Cobalt: 2,700 tons/y (based on Co purity, including Co content of precursor)
- Tungsten: 160 tons/y (based on tungsten oxide)
- Raw materials in addition to 3T1G: Currently procuring nickel, lithium, manganese, graphite, etc.

▶ Composition of the Responsible Minerals Organization

POSCO FUTURE M's Corporate Planning Support Division and Procurement contract Office play the role of overall control, and the council for the management of responsible minerals is also operated with the following relevant departments: Public Relations Group, Human Resources & Innovation Group, Legal Affairs Office, Ethical Management Bureau, Corporate Citizenship Bureau, Global Marketing Group, and CS/Quality Section. If consultation on responsible minerals is necessary, an internal meeting is held at least once a month.

▶ SOP of Responsible Minerals by Step

POSCO FUTURE M complies with activities by five steps under the OECD Due Diligence 5-step Guidance.

Step1. Firm responsible minerals policy/system realization

- Establishment of policy/goal, fortification of process/organization, and internal stakeholders' capabilities reinforcement

Step2. Gathering and assessment of supply chain information

- Conducting the questionnaire survey of POSCO FUTURE M (Target: Tier 1 suppliers, refiners, and mines)
- Evaluating and verifying after gathering information using the CMRT and CRT forms provided by RMI
- Red flags (target for management) classification using detailed standards such as RMAP assurance, due diligence results, and CAHRAs selection based on the gathered information

Step3. Risk identification and mitigation

- Prioritizing the identified red flags and management target after risk identification/assessment
- Establishment of response mechanism, such as systematic education support targeting high-risk suppliers, visits, and performance of due diligence
- Making policy compliance mandatory including insertion of responsible minerals clause within a contract and non-signing of a contract if the POSCO FUTURE M policy is not observed

Step4. Due diligence

- Buyer's due diligence or request for due diligence to a third party to check the status of the identified risk mitigation
- Support for a third party's due diligence targeting unassured refiners within high- risk areas (prevention of raw materials discrimination in conflict-affected areas)
- Monitoring whether findings are improved following due diligence

Step5. Communication with internal and external stakeholders as a result of implementation

- Reinforcement of communication including the transparent opening of activity details to the public, corporate citizenship report publication, and reporting to internal executives
- Transparent opening of the following to the public: status of raw material procurement, status of assurance, due diligence results, improvement effects compared to the previous year's activities

Activity Details by Step (Five Steps)

Step1. Firm responsible minerals policy/system realization

- **[Organization system]** The Procurement Contract Office affiliated with the Corporate Planning Support Division of POSCO FUTURE M is in charge of responsible minerals. At the POSCO Group level, we are organically managing responsible minerals risks by organizing a council for the management of responsible minerals with POSCO and POSCO International. In addition to responsible minerals, the Procurement Contract Office is managing the supply chain for all raw materials.
- **[Education of employees]** Since 2021, we have been executing education by developing e-Card, e-learning contents, and POSCO FUTURE M's education materials for the relevant employees' recognition enhancement including buyers and use departments. The materials are provided to responsible minerals suppliers to let all stakeholders within the supply chain know about our responsible minerals policy. This way, we endeavor to improve stakeholders' capabilities.

Performance between 2021 and 2022 and Plans in 2023 :

- **[Education for employees]** POSCO FUTURE M's offered education on ESG supply chain management including responsible minerals policy targeting all employees in 2022. We conducted education on the basic concepts of responsible minerals/ conflict-affected minerals, responsible minerals management trends of international society, and POSCO FUTURE M's response.
- **[Education for suppliers]** In addition to internal employees, we conducted education for domestic raw material suppliers on POSCO FUTURE M's responsible mineral issues, international trends, and policy direction at least once a year in 2022. We plan to expand the responsible minerals education for suppliers to all raw material suppliers from 2023.

Education Completion Result (Unit: persons)

Classification	2021	2022	2023 (f)
No. of trainees who completed education	All Employees	All Employees	All Employees
Frequency of education per person	Once a year	Twice a year	Twice a year

- **[Consolidation of new supplier registration standard]** We have cemented the new supplier registration standard since 2021 to procure responsible minerals. By presenting a pledge to comply with POSCO FUTURE M's responsible minerals policy, suppliers are to participate in the policy of not using minerals from CAHRAs. Upon supplying and contracting with us, if the materials are confirmed to have originated from CAHRAs, we operate contracts by adding a clause to receive due diligence from a third party and trade with RMAP-assured refiners.
- **[Construction of responsible minerals tracking management system]** Since March 2021, POSCO FUTURE M has been constructing a responsible mineral tracking management system using supply chain blockchain technology to remove responsible minerals risks through cooperation with automakers, battery manufacturers, and raw material suppliers. Once the responsible minerals tracking management system is completed, the responsible minerals risks throughout the supply chain from POSCO FUTURE M's procured raw materials upstream to automakers can be efficiently managed. Furthermore, we have been expanding the management coverage of the system to major battery raw materials such as lithium and nickel since 2022.

Step2. Supply chain information gathering and assessment

- **[Identification of supply chain information]** POSCO FUTURE M is gathering information (country of origin, locations of mines/refiners, logistics flow, status of risks within the supply chain, whether a supplier has a responsible minerals policy) using the questionnaire survey template for suppliers and refiners developed by POSCO FUTURE M. In addition, we verify whether the gathered information corresponds using an international standard document [C(M)RT].

We have been conducting due diligence and annual supplier information surveys since the second half of 2021. According to the survey of suppliers in 2022, 26 out of 27 companies responded to our survey, achieving a 96% response rate.

Current status of responsible minerals refiners and status of assurance

Current Status of Responsible Minerals Refiners in Business with POSCO FUTURE M
(Unit: number)

Classification	2021	2022
Tungsten	2	2
Cobalt (including precursor companies)	2	4
Total	4	6

Current Status of RMAP-assured Refiners
(Unit: number)

Classification	2021	2022
Assurance	5	6
Conformant	4	6
Active	1	-
Non-assured	-	-

POSCO FUTURE M is currently operating 100% RMAP assurance as of 2022

Detailed Information of Refiners

Number	Mineral	RMI Refiner ID	Refiner's Name	Country (of Origin)	RMAP Assurance
1	Cobalt	CID003291	Guangdong Jiana Energy Technology	China Guangzhou	Conformant
2	Cobalt	CID003255	Quzhou Huayou Cobalt New Material	China Changsha	Conformant
3	Cobalt	CID003411	Hunan CNGR New Energy Science & Technology Co., Ltd.	China Changsha	Conformant
4	Cobalt	CID003338	SungEel HiTech	Korea Gunsan	Conformant
5	Tungsten	CID002321	Jiangxi Gan Bei Tungsten	China Xiushui	Conformant
6	Tungsten	CID002082	Xiamen Tungsten	China Xiamen	Conformant

* Conformant (assurance): refiners or refineries that completed the RMAP standard or equivalent cross-recognized assessment

* Active (in progress): refiners and refineries that promised to present RMAP assessment documents and field assessment. In terms of phase, suppliers in the pre-assessment, assessment, or corrective action phases of the assessment are included.

- For reference, RMI RMAP assurance is being carried out centered on 3T1G (Tantalum, Tin, Tungsten, and Gold) raw materials and cobalt raw materials. The responsible minerals management of nickel, manganese, lithium, and graphite raw materials is performed through our own information gathering and assessment (as of December 2022).

Suppliers' Response Rate for the Questionnaire Survey
(Unit: number)

Classification	2020	2021	2022
Whether own survey is conducted	X	○	○
Survey-targeted suppliers and refiners(tungsten, precursor, nickel, manganese, cobalt, lithium raw materials)	Non-execution	17	27
Number of respondent suppliers	Non-execution	16	26
Response rate	-	94%	96%

Executing the survey after 2021

- **[Grievance and appeal procedures]** We have established 24/7 grievance and appeal procedures to listen to suppliers' opinions. We did so to resolve grievances and appeals by formalizing them after encountering grievances following direct receipt and other media use including SNS or due diligence targeting all stakeholders within the supply chain.
- **[Risk assessment]** Based on the identified information such as the country of origin and its CAHRAs (Conflict-Affected High-Risk Areas) standard, POSCO FUTURE M draws up potential risks per supplier. In addition, we comprehensively assess various factors including supplier survey response rate, false international

information presentation, and lack of responsible minerals recognition. Then, we select red flags (target for management) and utilize the risk response mechanism. There is no red flag suppliers in Our supply chain based on result of 2022 risk assessment (Green Flag 25, Yellow Flag 2)

CAHRAs (Conflict-Affected High-Risk Areas) Standard

- Africa: 141 areas in 17 countries such as DR Congo, Central African Republic, Burkina Faso
- Asia: 22 areas in 4 countries including India and Pakistan
- Middle East: 77 areas in 3 countries such as Afghanistan, Yemen and Libya
- South America: 31 areas in 2 countries like Colombia and Venezuela
- Europe: 14 areas in 2 countries like Ukraine and Turkiye

Steps3-4. Risk identification/mitigation and due diligence

- **[Response mechanism]** We have established a response mechanism including education consolidation, increase of business trips, and buyer's due diligence depending on the risk level of the identified red flags.
If repeated problems are found and improvements from high-risk suppliers are insufficient, an independent third-party institution executes due diligence. Raw materials suppliers in the countries of origin belonging to CAHRAs entering into an agreement are limited to RMAP-assured refiners only upon trading with POSCO FUTURE M. If a refiner within a high-risk country is not assured, POSCO FUTURE M provides various types of support so that it can receive RMAP assurance. In case the findings are not improved through education, increase of business trips, or internal and third party's due diligence, or if there is no commitment to respond to responsible minerals issues, we have reinforced regulations to hold off signing an agreement with us.

Step5. Communication activity reinforcement

- POSCO FUTURE M has been publishing a Responsible Minerals Activity Report since 2021 to reinforce communication with all stakeholders.
In the POSCO FUTURE M Corporate Citizenship Report, communication has been fortified by allocating some pages for responsible minerals. Starting with POSCO's declaration of corporate citizenship business philosophy of "Developing together" in 2018, POSCO FUTURE M strives to create greater corporate values through communication and sympathy with all stakeholders such as customers, organizational members, and stockholders and continuous change and innovation. We at POSCO FUTURE M promise to publish the report consistently in line with the standards required by international society as well as open information to the public transparently.

(URL of Corporate Citizenship Report :

https://www.poscofuturem.com/resources/file/2021poscochemical_en.pdf)

Stakeholder Engagement Policy

Managed by : Corporate Citizenship Bureau

Revision

Version	Last edited	Revised content
1	'23.4.28	New Established

Purpose

Under the management philosophy of “Corporate Citizenship: Building a Better Future Together,” POSCO FUTURE M declares that if we pursue changes and innovations while communicating and empathizing with all stakeholders, including customers, members, and shareholders, we can ultimately increase our corporate value. This policy sets out the code of conduct and action plans to actively listen to the needs and opinions of stakeholders and communicate with them in order to promote coexistence and co-prosperity.

Scope of Application

This policy applies to all locations and subsidiaries of POSCO Future E&M. Affiliates and contractors who transact with POSCO Future E&M are also encouraged to comply with this policy or similar policies.

Code of Conduct

1. Definition of Stakeholder

- “Stakeholder” means any individual or entity that may influence a company’s business activities, products, services, and decision making or that may be affected by a company’s business activities. Stakeholders can include a variety of groups such as customers, officers/employees, shareholders, partners, local communities, governments, civic groups, and domestic/foreign investors.

2. Stakeholder Engagement and Communication

- We shall put truth, fairness, and honesty as the top priority; recognize that building a trustworthy image for her stakeholders is an immovable value; and encourage the participation of stakeholders and actively communicate with them.
- We shall objectively evaluate the positive and negative impacts that business activities may have on society and the environment from the perspective of a third party through engagement and regular communication with stakeholders. We shall further strive to reflect the demands and expectations of stakeholders regarding corporate social responsibility issues identified in our business activities.

3. Respect for and Participation of Community

- We shall respect and protect the culture and traditions of the local community. We shall also provide support to minimize the negative impact that business activities may have on the local community and the environment and to maximize the positive impact from business activities.
- We shall respect the rights of indigenous peoples in the local community based on the ILO's Convention No. 169 or the UN Declaration on the Rights of Indigenous Peoples, and endeavor to realize the social, economic, and cultural rights of indigenous peoples.

4. Community Development

- We shall endeavor to lay the foundation for sustainable growth by contributing to the development of the local community and to ensure that the local community's active participation can lead to creation of social and economic value.

Action Plans

1. Stakeholder Engagement Management Governance:

- The relevant departments perform tasks related to stakeholder engagement and communication procedures, setting overall policies and directions, and monitoring implementation based on the characteristics of stakeholders. Each department is responsible for operating stakeholder engagement and risk assessment procedures, implementing stakeholder response activities, collaborating with relevant institutions, and operating channels for receiving VOC (Voice of Customer) feedback.
- In the event of a significant issue related to stakeholders, it shall be reported to the board of directors.
- Information on stakeholder engagement activities and performance that have a significant impact on business activities shall be disclosed.

2. Establish Procedures for Stakeholder Identification, Participation and Communication

- We shall establish procedures to identify individuals or groups that are affected by or may affect our business activities and the level of such influence
- We shall establish procedures and methods to efficiently listen to stakeholder opinions to encourage their active participation. The above procedures and methods shall include stipulations on communication channels and those responsible for their operations, frequency of collection of stakeholder opinions, and method of operation.

3. Establish Procedures for Community Protection and Participation

- Where business activities may affect the rights of local residents, we shall have procedures in place to identify and protect the rights of local residents. We shall also provide local residents with sufficient information on whether and how to carry out our project and prepare a mechanism where local residents can freely voice their opinions in advance based on the above information.

- We shall actively identify how business activities affect the issues regarding resettlement and compensation of local residents and endeavor to systematically address such issues.
 - We shall start discussions with the local community from the initial stage of our business activities and endeavor to carry out our business activities through continuous discussions with the local community.
-

4. Community Development Initiatives

- We shall prepare community development initiatives based on discussions with stakeholders in the community. We shall further monitor the progress of the initiatives and regularly share the results with stakeholders throughout the implementation process of the initiatives.
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5. Grievance Mechanism

- We shall operate a grievance mechanism for individuals and communities negatively affected by our business activities. We shall endeavor to address grievances swiftly and reasonably by using existing methods such as the Ethics Counseling Center (Helpline) and the Unethical Conduct Reporting Center (Hotline). We shall endeavor not to penalize those who file a complaint, victims, and cooperators on the ground that they apply for counseling or investigation and provide cooperation.

Corporate Governance Charter

Introduction

POSCO FUTURE M (“POSCO FUTURE M” or “Company”) is committed to becoming a globally respected company by providing valuable goods and services, thereby contributing to its stakeholders and human society. The corporate governance charter (“Charter”) is enacted with firm belief that establishing sound corporate governance serves as the stepping stone to secure trust of all stakeholders and faithfully fulfilling the social responsibility. The Charter aims at promoting transparent, sound, responsible and professional management under the supervision of an independent board of directors (“BOD”) so as to enhance in a balanced manner the rights of all stakeholders , such as shareholders, customers and employees, and etc.

I . General Provisions

- ① POSCO FUTURE M’s business goal is to enhance long-term shareholder value. This is carried out by all its employees under the management of its executives including the CEO. The BOD decides the Company’s key management policy, checks and supervises the management efforts of the executives to enhance shareholder value.
- ② In order to enhance shareholder value and to protect stakeholder interest, POSCO FUTURE M will establish a global professional management (GPM) system for check and balance between the BOD (centering on an independent outside director) and the management.
- ③ POSCO FUTURE M shall disclose key provisions related to management and financial statements promptly and accurately to shareholders and interested parties, and review the accuracy of the financial information through independent and professional audit systems.

II. Shareholders

1. Shareholder Rights

- ① Shareholders, as owners of POSCO FUTURE M, possess the rights including the following which is guaranteed by relevant laws and regulations such as the Commercial Code.
 - Right to participate in profit sharing
 - Right attend and vote at the General Meeting of Shareholders (the “GMS”)
 - Right to propose objectives of the GMS such as nomination of Director
 - Right to obtain relevant corporation information regularly and in a timely manner

- ② To protect the utmost rights of shareholders, any matters causing fundamental changes to the existence of the Company and the shareholders' rights (including mergers, amendments to the articles of incorporation, capital reduction and etc.) shall be decided at the GMS.
- ③ Shareholders should be able to exercise their voting rights as easily as possible and based on their free will. POSCO FUTURE M will provide sufficient information on the GMS's agenda and ensure that the shareholders exercise their voting rights in a written form.

2. Equitable Treatment of Shareholders

- ① Shareholder shall be fairly treated according to the type and amount of shares possessed and the intrinsic right of the shareholder shall not be infringed upon
- ② In any of its business dealings, POSCO FUTURE M shall not provide special treatment for reason of being a shareholder and shall not take unfair action for reason of not being a shareholder.
- ③ The exercise of minority shareholder rights shall be guaranteed to the extent permitted by relevant laws, unless exercising such rights infringes the rights of all other shareholders. POSCO FUTURE M shall seek ways (e.g., adopting the cumulative voting policy) to protect minority shareholder rights such as adopting the Cumulative Voting Policy.

3. Responsibility of Shareholders

- ① Shareholders shall make every effort to exercise their voting right proactively for the development of the Company with acknowledgement of the fact that exercising such rights can affect the management of the Company.
- ② Controlling shareholder shall act in the best interests of the Company and all shareholders, and shall not inflict losses to other shareholders by acting in ways that violate this principle.

III. Board of Directors

1. Function of the Board

- ① The BOD shall have the comprehensive power over the management of the Company within the scope provided by relevant laws and regulations, and shall make key managerial decisions and supervise the management in the best interests of the Company and its shareholders.
- ② The Board shall perform the following functions:
 - Setting business goals and core business strategies
 - Approving the appointment & dismissal, supervision, evaluation, and compensation policy of the management
 - Regular monitoring of the management's accomplishments
 - Approving important investment projects, large-sum loans, yearly business plans and budgets
 - Overseeing provisions stated in other laws, statutes and the Operational Regulations for Board of Directors

2. Board Composition

- ① POSCO FUTURE M shall form the BOD on a scale that enables effective discussion and efficient decision-making of various opinions, and should consist of enough directors to operate the committees under the BOD.
 - ② The outside directors shall perform their duties independently from the management, controlling shareholders and the Company.
 - ③ POSCO FUTURE M shall allow shareholders to exercise their voting rights with sufficient information and time on candidates for directors.
-

3. Qualification of Directors

- ① Directors shall possess an exemplary set of ethics, business sense and integrity, and the ability to enhance long-term value of all shareholders and fairly represent the interest of all stakeholders.
 - ② Standing directors, as a high-level manager of corporation, shall have sufficient experience and knowledge related to the Company's business, and shall be capable of making managerial decisions in a rational and appropriate manner.
 - ③ Outside directors shall have sufficient knowledge and experience in the relevant field such as finance, economics, management, legal, accounting, etc., and shall have no material relationship with the Company and shall be able to make decisions independently from the Company and shareholders.
 - ④ In order to secure diversity in the composition of the BOD, the director candidate shall be appointed in comprehensive consideration of factors such as gender, country, age, educational background, and professional competency etc.
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4. Appointment of Directors

- ① Director shall be appointed at the GMS by recommendation from the BOD
 - ② The candidate for outside director is recommended to the GMS by the Outside Director Candidate Recommendation Committee.
 - ③ In order to select candidates for outside directors transparently and objectively, advice can be obtained from external experts
 - ④ By resolution of the BOD, the Company shall appoint the representative director among the standing directors.
-

5. Role of Outside Directors

- ① Through the BOD activities, the outside director participates in the Company's key decision-making process. As a member of the BOD, the outside director supervises and supports the management through constructive consultation.
- ② The outside director may request information necessary to perform duties. If needed, the outside director can receive consultation from external experts through proper procedures, for which POSCO FUTURE M shall cover any reasonable expense.
- ③ Outside directors shall devote sufficient time for purposes of performing their duties and shall review all related materials before attending a BOD meeting.

6. Responsibility of Directors

- ① Directors shall do their utmost in performing their duties with prudence and faithfulness for the best interests of the company and its shareholders. Directors shall not divulge or use any information obtained during the course for their own or third parties' benefit.
- ② When a director violates the law or the articles of incorporation, or neglects his duties, he may be liable for damages to the Company or a third party. But managerial decisions by the director that are based on good faith and rational judgement shall be respected.
- ③ To mitigate the director's liability and to attract a competent director, the Company may purchase coverage for the director liability insurance.
- ④ A director shall resign if a conflict of interest between POSCO FUTURE M and such director. The director shall not engage in discussions or decision-making processes that may have an effect on one's personal or business interest.

7. Steering of the Board

- ① In order to make the best managerial decision for the best interest of POSCO FUTURE M and its shareholders, the BOD should be operated in an efficient and rational manner.
- ② In principle, the BOD Meeting should be held once every quarter. If there is an emergency agenda that needs to be discussed, an interim meeting of the BOD is held. In order to smoothly manage the BOD, the operational regulations for the BOD should be enacted and implemented which states in detail the BOD's authority, responsibility and management procedure.

8. Evaluation and Compensation of the Management Team

- ① The BOD should design and implement the Evaluation and Compensation System of the Management that can contribute to shareholders' long-term values. The business activity of the Management should be fairly evaluated and the results should be rationally and appropriately linked to the compensation and reappointment.

IV. Audit Systems

1. Audit Committee

- ① The Audit Committee shall be comprised of more than three outside directors and more than one expert who specialize in accounting or financing as specified in relevant laws and regulations.
- ② The Audit Committee shall perform the following functions:
 - Audit appropriateness of the manager's execution of operations
 - Review the soundness and reasonableness of POSCO FUTURE M's financial activity and the accuracy of the financial report
 - Review the adequacy of major accounting standards and changes in accounting estimates
 - Review provisions stated in other laws, statutes and the Audit Committee Operating Regulations

- ③ The Audit Committee is held at least once every quarter and may request the directors, the executive officers or other related employees to attend.

2. External Auditors

- ① External auditors shall perform fair audits independently from the corporation, its management and controlling shareholders
 - ② External auditors shall be appointed by the Audit Committee and shall report key provisions identified during the audit to the Audit Committee.
 - ③ External auditors shall attend the GMS and answer any shareholders' questions on the audit reports.
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V. Stakeholder

- ① POSCO FUTURE M shall endeavor to achieve corporate stewardship which is to efficiently resolve issues related to interested parties (employees, customers, creditors, suppliers and local communities), so as to enhance shareholders' long-term values.
 - ② POSCO FUTURE M shall endeavor to protect the rights of stakeholders by the laws, regulations or contract. In particular, POSCO FUTURE M shall make efforts to faithfully observe the labor-related laws and regulations such as the Labor Standard Act, and maintain and improve its labor conditions.
 - ③ POSCO FUTURE M shall disclose any information that is required to be disclosed under the relevant laws and regulations in order to protect stakeholder interests, and shall support access to relevant information by interested parties.
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VI. Disclosure

- ① POSCO FUTURE M shall regularly prepare and disclose business reports, quarterly reports and semi-annual reports. In addition to the disclosures required by laws, POSCO FUTURE M shall disclose information that may have a significant effect on the decisions made by shareholders and interested parties in a timely and accurate manner.
- ② POSCO FUTURE M shall not prioritize nor unfairly discriminate anyone on the scope or the timing of the disclosure, and the disclosure shall be prepared in a manner that all stakeholders can simultaneously have access to the information.

Board Independence and Diversity Policy

Managed by : Management Strategy Group

Revision

Version	Last edited	Revised content
1	'23.4.28	New Established

Purpose

The purpose of this policy is to fully fulfill the management philosophy of 'Corporate Citizenship : Building a Better Future Together', and in order for the board of directors, the highest decision-making, management, and supervisory body of POSCO FUTURE M, to make objective, efficient, and reasonable decisions that maximize the profits of companies and shareholders and contribute to the development of stakeholders and civil society, it is important to have an independent and diverse structure. Based on the above belief, this policy aims to constitute the board of directors of POSCO FUTURE M with directors from various backgrounds, experiences, abilities, and significant independence.

Scope of Application

This policy applies to POSCO FUTURE M.

Code of Conduct

1. Board Independence

- The board of directors shall abide by relevant laws such as the Commercial Act and the Financial Investment Services and Capital Markets Act and perform decision-making and (to establish a fair and transparent corporate governance structure) management/supervision functions independently of the executive management, controlling shareholders, and stakeholders.
- In order for the board of directors to actually maintain independence and supervise and oversee the executive management, the board of directors shall include outside directors under the Commercial Act and other relevant laws.
- Qualifications and independence of outside directors shall be more strictly regulated than that of inside directors. Outside directors shall be independent in accordance with relevant laws and this policy. Stronger independence requirements than the relevant laws and this policy may be set by referring to the global standards to the extent that such requirements do not violate the relevant laws and the articles of incorporation.

2. Board Diversity

- The board of directors shall be composed of people with diverse knowledge, experiences, abilities, and gender so that they can fulfill their roles and

responsibilities and make objective and reasonable decisions based on effective discussions from various perspectives.

Action Plans

1. Selection of Candidates with Expertise and Independence

- A person with the ability, experience, and competency to fulfill his/her role and responsibilities as a candidate shall be recommended and selected as a candidate. More careful consideration shall be given to selecting/appointing a person who is liable for damage to corporate value and infringement of shareholders' rights and interests or those who may have a conflict of interest with the company or shareholders as a candidate.
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2. Securing Independence of Outside Directors

- Outside directors shall be particularly independent and neutral. Therefore, when appointing a person as an outside director, it shall be comprehensively reviewed whether there are any circumstances in which the person cannot actually secure his/her independence. Persons who can neutrally and objectively perform their duties for the benefit of the company and shareholders shall be appointed as outside directors.
 - To verify independence, the board of directors strictly maintains the level of independence of director candidates and serving directors based on compliance with the domestic Commercial Act and the Monopoly Regulation and Fair Trade Act, and forfeits their position if any of the following apply.
 - Directors, executives, and employees of the company's executive officers, and those employed within the last two years, including directors, auditors, executives, and employees.
 - The largest shareholder and his/her spouse and lineal ascendants and descendants
 - If the largest shareholder is a corporation, its directors, auditors, executives, and employees
 - The spouse and lineal ascendants and descendants of directors, auditors, and executives
 - Directors, auditors, executives, and employees of the company's parent or subsidiary
 - Directors, auditors, executives, and employees of corporations with significant relationships, such as transactional relationships, with the company.
 - Directors, executive officers, and employees of the company who serve as directors, executive officers, or employees of another company
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3. Securing Diversity of Board of Directors

- We shall promote gender equality in the board of directors.
- When recommending/reviewing candidates, diversity factors such as gender, nationality, age, professional ability, experience, background, race, religion, and ethnicity shall be fully considered in order to enhance the diversity of the board of directors.
 - Gender : candidates of different genders reflecting the principle of gender equality, without being composed only of directors of a specific gender
 - Age : candidates of various age groups to enhance flexibility and the efficiency of the board of directors
 - Other factors : not discriminating based on reasons such as nationality, race, religion, ethnicity, cultural background, etc.
- In order for the board of directors to make reasonable decisions, people with rich experience and expertise in various fields such as industry, finance, academia, law, accounting, or public sector shall be appointed as outside directors, instead of appointing them all from a single field.

Tax Management Policy

Managed by : Tax Section

Revision

Version

1

Last edited

'23.4.28

Revised content

New

Established

Purpose

The purpose of this policy is to fully fulfill the management philosophy of 'Corporate Citizenship : Building a Better Future Together'. This policy provides the tax policies that POSCO FUTURE M shall comply with so that it can faithfully fulfill tax obligations and comply with tax laws in the Republic of Korea and other countries in which it operates its business.

Scope of Application

This policy applies to POSCO FUTURE M and its employees. POSCO FUTURE M recommends that its workplaces, investment corporations, their employees, cooperative companies and contractors who transact with POSCO FUTURE M comply with this policy or a policy of a similar level to this policy.

Code of Conduct

1. Compliance with Tax Laws

- POSCO FUTURE M is committed to fulfilling its social responsibility by understanding and complying with the tax laws of the Republic of Korea and the countries where it operates, and accurately calculating and timely paying the taxes due as required by each country's tax obligations.

2. Building a Transparent Relationship with Tax Authorities

- POSCO FUTURE M strives to build transparent relationships with tax authorities in each country, fulfill tax obligations based on the principle of good faith as a responsible taxpayer, and contribute to enhancing national competitiveness through the progressive revision of systems and relevant regulations and procedures. We also make every effort to maintain a constructive and cooperative relationship with tax authorities.

3. Compliance with International Trade Obligations

- POSCO FUTURE M complies with international tax regulations in trade and fulfills its tax obligations faithfully. It does not engage in tax avoidance transactions such as unjustified tax reduction or income shifting to low-tax countries without commercial substance and does not use tax havens. In addition, it establishes transfer pricing policies based on the OECD TP Guidelines' "normal pricing method" to prevent transfer pricing issues with domestic and foreign related parties and applies them.
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4. Local Community Development

- POSCO FUTURE M complies with tax laws in a fair and transparent manner and disputes unreasonable taxation through legal procedures such as filing administrative claims and lawsuits. In addition, the company shares its growth profits with society based on legitimate tax-saving measures.
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Action plans

1. Establishment of Tax Risk Management System

- POSCO FUTURE M operates an in-house tax department that monitors the domestic and international business environment, business structure, and transactions to review tax risks in advance and make decisions based on risk assessment. They comply with all tax reporting and payment deadlines and document and retain tax-related information.
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2. Roles and Responsibilities of the Board of Directors and Taxation Specialist

- The Board of Directors is responsible for reviewing and approving this policy, and the tax personnel of POSCO FUTURE M conform to the tax regulations of each country in accordance with the company's tax policy, maintaining transparent relationships with tax authorities, and performing their duties.
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3. Use of External Specialized Agencies

- We shall receive an objective review by an independent agency on major tax-related issues and minimize tax risk with the help of an external professional agency when making important decisions, if necessary.
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4. Transparent Information Disclosure

- We shall transparently disclose the amount of tax we pay in the Republic of Korea and other countries in which we operate our business.

Information Security and Privacy Policy

Managed by : Information Security Bureau

Revision

Version

1

Last edited

'23.4.28

Revised content

New

Established

Purpose

The purpose of this policy is to fully fulfill the management philosophy of 'Corporate Citizenship : Building a Better Future Together' , to protect POSCO FUTURE M's information assets safely and effectively and to set out the compliance requirement that officers/employees shall comply with in order to protect the personal information of customers who use POSCO FUTURE M's services, officers/employees, and contractors.

Scope of Application

This policy applies to POSCO FUTURE M and its employees. All affiliates, invested corporations, and employees of POSCO FUTURE M, as well as partner and contract companies that do business with POSCO FUTURE M, are encouraged to comply with this policy or a similar policy at the same level as this policy.

Code of Conduct

1. We strive to secure and maintain our global competitiveness by complying with international standards for information security and relevant domestic and foreign laws and by protecting information assets such as core technologies and HR, which are the source of our competitive edge.
2. Officers/employees shall recognize that they are the main agents for information security and continuously participate in education and training sessions to improve security levels.
3. Officers/employees make information security part of their daily routine and establish related activities as a corporate culture.
4. The purpose of collecting personal information shall be specified at the time in the context, and the data controller shall process personal information only to the necessary to achieve such purpose may take place to reach.
5. We shall use personal information within the scope of the purpose for which it was collected and select methods to minimize the privacy infringement of data subjects.

Action Plans

1. Information Security Management System

- We shall ensure the stable operation of information systems and establish and operate an information security management system to minimize the industrial losses that may be caused by security accidents.
 - We shall establish and operate procedures to control evaluate risks and monitor and review information security activities.
 - We shall establish methods and standards to identify and evaluate risks to key information assets and regularly conduct risk assessments.
 - We shall provide regular training to all officers/employees and establish a regular management and inspection system to ensure the effectiveness of information security.
-

2. Personal Information Protection Measures

- We shall prepare protective measures for the processing stage, including collection, storage, use, provision, and destruction of personal information, to protect privacy, freedom, and rights of details of the subject throughout the above stages.
 - We shall manage personal information safely through appropriate technical, administrative, and physical protection measures under the degree of risk and possibility of infringement of the subject rights.
 - We shall generally disclose matters related to the processing of personal information, such as the personal information processing policy. We shall also prepare reasonable procedures to ensure that the rights of information principals, such as the right to request access to their information, are guaranteed.
 - The department in charge of personal information shall provide training on personal information protection to raise awareness of personal information handlers, including officers/employees, and to prevent personal information from being misused, abused, and leaked.
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3. Role of the Information Security and Privacy Officer

- The information security and privacy officer shall oversee the information security and privacy policy, and the above officer also establish and manage an information security management system.
 - The competent department shall monitor the implementation of information security and privacy policies and address security vulnerabilities.
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4. Report and Discipline

- Officers/Employees shall immediately report security incidents to the officer or department head in charge of security.
 - The company shall establish a standard of criteria and operation for information security and privacy violations. The company may discipline officers/employees based on such measures.
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5. Related Internal Standards

- Regulations: Information security regulations, Privacy regulations, etc.
- Criteria: Security incident handling criteria, Outsourcing information protection management criteria, Technical data and information management criteria, etc.

Anti-Corruption Compliance Guidelines

Managed by : Legal Affairs Office

Revision	Version	Last edited	Revised content
	Established	'16 04.15	Established
1		'16.05.12	Revised
2		'16.09.29	Revised
3		'19.04.05	Revised
4		'21.11.08	Revised
5		'22.01.13	Revised

Objective POSCO FUTURE M intends to observe the highest legal and ethical standards in all its businesses and operations. The objective of these guidelines is to enforce global anti-corruption laws and standards upon business and operation of POSCO FUTURE M and its subsidiaries around the world.

Procedure

1. Global Anti-corruption Standards

POSCO FUTURE M employees shall observe global anti-corruption legal and ethical standards laid down in the Foreign Corrupt Practices Act, 1977(FCPA) of the United States, the Bribery Act, 2010 of the United Kingdom, the OECD Convention on Combating Bribery of Foreign Public Official in International Business Transactions(OECD Convention) and the UN Global Compact.

FCPA prohibits any company(U.S or non-U.S) listed on a national securities exchange in the United States from making a corrupt payment to any non-U.S foreign government officials and prescribes keeping of accurate records and implementation of adequate internal controls. In Particular, POSCO being a listed company on New York Stock Exchange(NYSE) has to abide by the FCPA. The Bribery Act prohibits the U.K companies and any non-U.K entities doing business in the U.K from making a corrupt payment to any non-U.K foreign government officials, counterparts etc.

The OECD Convention is the first international convention which has made a corrupt payment to foreign government officials a criminal offence. The Republic of Korea has enacted and implemented the Anti-bribery Law against the payment of bribery toward foreign public officials in international business transactions as a national implementing legislation for OECD Convention.

The UN Global Compact regulates all kinds of corrupt practices of corporate entities.

POSCO FUTURE M employees shall observe not only the global anti-corruption laws and standards but also the local anti-corruption laws and regulations of the country where they conduct business. For instance, in the Republic of Korea, some of the local laws and regulations include Penal Code, Additional Punishment Law on Specific Crimes, Additional Punishment Law on Specific Economic Crimes, and Prohibition Law on Corrupt Solicitation and Bribery etc.

In case that a behavior has violated the global anti-corruption laws and standards or local laws, it shall not be exempted from legal obligations, even if it has been done in accordance with the social or business customs.

If there is a conflict or inconsistency between the global anti-corruption laws, standards, local laws and these guidelines, the strictest one shall prevail.

2. Prohibition & Restrictions on Convenience

① Principles

No POSCO FUTURE M employee shall provide or receive anything of value as convenience to or from any interested party, including foreign or local government officials, counterparts etc., with corrupt intention to obtain or retain any business benefits. In this regard, the anything of value includes, but not limited to:

- Securities such as stocks and bonds, real estate, meal, gift, sports, entertainment;
- Transportation, accommodation etc.;
- Any rights to use or discount on goods or services;
- Any political contributions; or
- Any exemptions or concessions for liabilities, employment, privileges, or any tangible or intangible benefits

PROVIDED THAT it may be allowed to provide or receive a generally accepted convenience if it is necessary to conduct the ordinary business for sales promotion, conclusion of a contract or promotion of mutual business understanding etc., subject to the following

- Convenience is ordinary and reasonable;
- Convenience is not frequent within specific time period; and
- Expense for convenience is recorded accurately in the books of account of the concerned company.

It should be noted, however, that even in the situation where it is unavoidable to provide any convenience beyond the reasonable level, the concerned employees of POSCO FUTURE M shall seek clarifications from the Legal Affairs Office before taking any actions.

② Meals, Gifts etc.

Whenever a POSCO FUTURE M employee provides any meal or gift to an interested party as a token of courtesy in order to promote amity, he or she shall ensure that:

- The value of such meal or gift is nominal compared to the salary level of the receiving party,
- The meal or gift is provided only at necessary points of time with clear justification and is not provided frequently within specific period.

- The cost of convenience such as meal does not exceed the value of Korean Won 100,000 and that of the gift does not exceed the value of Korean Won 50,000. If meal or gift exceeds such limits, employees must obtain approval from their department head in advance. And if they have inevitably given or taken meal or gift that exceeds the limits, they must report to the Legal Affairs Office. But when such provision mentioned above is for public officials etc. included in 'The Improper Solicitation and Graft Act', POSCO FUTURE M employees should abide by the related laws and POSCO FUTURE M's code of ethics.

③ Convenience

Whenever a POSCO FUTURE M employee provides any convenience to any interested party, that POSCO FUTURE M employee shall ensure that:

- He or she shall not provide or receive convenience such as transportation, accommodation etc. beyond a generally accepted level except for the convenience which is provided equally to all attendees of an event.
- The convenience is of reasonable level and directly or indirectly related to sales promotion, conclusion and implementation of a contract or promotion of mutual business understanding etc.
- The convenience is not provided to anyone other than interested parties themselves (family, friends etc.)
- The expense for convenience is not paid to the interested parties but is paid directly to the service providers such as airlines, hotel etc.

3. Prohibition & Restrictions on Facilitating Payment

No POSCO FUTURE M employee shall make any facilitating payment to any domestic and foreign government officials in order to gain any favor.

The facilitating payment is relatively small in amount, provided or intended to be provided to a government official who is involved in routine work, in order to expedite a legitimate business decision or other transaction, which may include:

- Collecting and processing administrative documents like registration, visa etc.
- Customs clearance, loading or unloading of products etc.
- Opening telephone line, supply of electricity or water etc.

4. Agents, Joint Venture etc.

① Agents

The agent is a person who works on behalf of the company with regard to obtaining business, customs clearance, license approval, and tax affairs, etc. Global anti-corruption laws and standards prohibit the agent from making any payment of money or providing any valuables to any interested party, including foreign or local government officials, counterparts etc. on behalf of company or its subsidiaries with the corrupt intent. Therefore, all employees while working through such agents shall exercise their duties and responsibilities in such a manner as all business activities shall not result into violation against any global anti-corruption laws and standards.

Before signing a contract with an agent, the concerned POSCO FUTURE M employee shall consider the following items. If at least one item is corresponding to agents, conclusion of contract shall be decided based on the evaluation of Agent Contract Checklist(#1) as attached herein.

- Record of past and present improper practice of the agent (involvement in bribery or suspect of any corrupt practices).
- Relations between the agent and government officials (agent recommended by government, holding agent's shares by government officials) etc.

- Request for unusual and complicated method of payment (prepayment, third party payment, etc.).
- Incompleteness and inaccuracy of information provided by the agent.

When entering into a contract with an agent, the concerned POSCO FUTURE M employee shall incorporate the following items in the contract:

- Roles and responsibilities of the agents with regard to observing global legal and ethical standards,
- Payment standard and method to agents,
- Right of company to terminate the contract with the agent in case that he or she violates the global anti-corruption laws and standards,
- Right of company to initiate investigations in case that there is reasonable concern that the agent may violate the global anti-corruption laws and standards.

After executing contracts with the agents, POSCO FUTURE M employees shall make the agent comply with the global anti-corruption laws and standards, and in case of finding out any violations thereof, POSCO FUTURE M employees shall report immediately to the Legal Affairs Office to make the company take appropriate measures such as rectifying the violations or terminating the contracts with the agent.

Whenever there is any question or concern with regard to the violation of global anti-corruption laws and standards in agent contraction, the concerned POSCO FUTURE M employee shall contact the Legal Affairs Office for clarification.

② Joint Ventures

As global anti-corruption laws and standards prohibit that joint venture companies or partners make any payment of money or provide anything of value with the corrupt intention to any interested parties, i.e. domestic or foreign government officials or counterparts, this guidelines shall equally apply to the joint venture companies or partners of POSCO FUTURE M and its subsidiaries.

③ Others

The guidelines for the agents and joint venture companies or partners shall mutatis mutandis apply to all counterparts (customers, vendors etc.) for each agents and joint venture companies or partners.

5. Accounting Record & Management

The global anti-corruption laws and standards provide keeping a system of accounting controls to record and monitor the execution of business transactions to ensure that all such transactions are accurately recorded. POSCO FUTURE M employees shall keep bills, invoices and other related payment documents that are generated while performing business for proper accounting, and any payment or possession of assets which is not recorded in the books of company is hereby strictly prohibited.

In addition to maintaining books and records, all businesses shall be performed as per the following procedures via internal accounting management system of the company:

- All transactional expenses shall be executed after approval from a person with proper authority,
- All transactions shall be recorded as per internal accounting standard to obtain the approval from a person with proper authority,
- Assets of company shall be utilized only after approval from a person with proper authority,

- Regularly perform due diligence on assets of the company and make appropriate efforts to match with books and records.
-

6. Education Program

POSCO FUTURE M employees shall implement and attend the anti-corruption education programs in accordance with the guide from Legal Affairs Office, and submit records of attendance to the Legal Affairs Office

POSCO FUTURE M employees shall attend the regularly conducted anti-corruption education programs, and a record of attendance shall be maintained and submitted to the relevant department

7. Whistle Blow & Protection for Whistle Blower

POSCO FUTURE M employees shall report to the Legal Affairs Office when they get to know or have a reason to believe that a violation of global anti-corruption laws and standards or these guidelines.

The company shall fully protect such whistle blower who reports violation of global anti-corruption laws and standards or these guidelines to the Legal Affairs Office and hereby prohibit revealing identity, retaliation, tracking of such whistle blower or giving him or her any type of disadvantage.

8. Reward & Punishment

POSCO FUTURE M may reward employees of conspicuous merit in achieving the objectives of these guidelines as per the rules of internal reward and punishment.

POSCO FUTURE M may punish employees who violate global anti-corruption laws and standards and these guidelines as per the rules of employment and the rules of internal reward and punishment, which may including dismissal, discharge, suspension, salary reduction etc.

POSCO FUTURE M shall not be responsible for any fine, cost, etc. if a civil or criminal penalty is imposed on its employee for violation of global anti-corruption laws and standards.

Code of Ethics

Managed by : Business Ethics Management Office	Revision	Version	Last edited	Revised content
		22	'19.03.18	Revised
		23	'20.06.15	Revised
		24	'22.04.19	Revised
		25	'23.04.28	Revised

CEO Message

In 2003, POSCO FUTURE M declared our pledge for Business Ethics. Since then, we have embraced ethical business practices by making multiple revisions to our Code of Ethics.

Recently, we've made another improvement to the Code of Ethics to affirm ethical principles as our highest value in corporate governance, and to induce our employees to conduct responsibly and to lead by example. Integrity, fairness, and trust that stands on these two values have been the greatest asset that made POSCO FUTURE M what it is today. They will remain the backbone of the company as we embark on our journey to shape the future.

Despite dire circumstances in and out of the country, we are expanding our business areas overseas. We have set a vision to become a global leader in the field of chemical and energy materials. The highest level of ethical standard is required for a global leader.

POSCO FUTURE M will place the highest priority on ethics in our management practices and become a top-tier company in the world. To that end, I will focus my attention on Business Ethics and spend ample resources as needed.

Keeping in mind the management philosophy of POSCO FUTURE M to choose ethical values over profit when these two values collide, we will put ethics at the forefront of our decision making process and conduct. We will strictly adhere to the zero tolerance policy which prohibits four major areas of unethical behaviors: bribery, embezzlement, manipulation of information fabrication of information and sexual misconduct violation of sexual ethics.

Fellow employees!, We must firmly establish an ethical corporate culture to be a partner of choice for key customers, a company that shareholders prefer to invest in, and a workplace our employees feel happy to work at. In this way,

we can build a company that grows together with all stakeholders. Let's make every effort to establish a clean management system founded on ethics.

2015. 10.

POSCO FUTURE M CEO

Code of Ethics

1. Preamble

This code of ethics establishes the ethical values and behavioral standards that must be preserved and developed by all POSCO Group employees by inheriting the foundational spirit of patriotism in steelmaking based on sacrifice and service while reflecting the new spirit of the times

It is our unchanging value to establish a corporate image that can be trusted by all stakeholders with the highly prioritized value criteria of integrity, fairness, and honesty. As a result, POSCO enacted the code of ethics in 2003 that must be adhered to by all employees, and explicitly included UN Human Rights that proclaims support and respect for human life and dignity in 2014. At this time, we has amended the code of ethics with tighter ethical standards according to the intent of management innovation that places the highest value on ethics in management

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 the Practice Guidelines that set the standard for ethical decision-making.

All employees of POSCO Group must strictly comply with the Principles of Ethics and uphold the Practice Guidelines set forth by this code of ethics in all aspects of business

2. Principles of Ethics

2-1. Duty of Compliance with the Code of Ethics

- ① We must comply with related rules and regulations in all areas of the world where POSCO FUTURE M is conducting business operations
- ② We must retain our dignity as POSCO FUTURE M employees and make efforts to maintain the company's reputation
- ③ We must preserve integrity, fairness, and trust throughout all jobs and business relations
- ④ We must not become engaged in activities in which there are conflicts of interests between the company and individuals
- ⑤ We must not irrationally discriminate against other employees or stakeholders based on race, nationality, gender, age, educational background, religion, region, disability, marital status, and sexual orientation, and must respect the dignity and diversity of each individual
- ⑥ We must make efforts to create a safe workplace and protect the environment.
- ⑦ We must be devoted to establishing an ethical culture by taking responsibility and upholding ethical conduct.

2-2. Roles and Responsibilities of Employees

Every officer/employee, as a member of a global company, shall fully understand and implement this Code of Ethics and comply with domestic/foreign anti-corruption laws.

① Understanding and Complying with the Code of Ethics

- i We must fully understand and faithfully comply with all aspects of the code of ethics
- ii Regarding situations in which there are conflicts concerning the code of ethics, decisions must be made after consulting with the department head or Corporate Audit Office
- iii We must take responsibility for unethical conduct.

② Reporting and Consulting Unethical Conduct

- i If we find out that our own or others' behavior conflicts with the code of ethics, we must immediately report to and consult with the department head or the Corporate Audit Office
- ii We must be aware of various methods to report or consult on cases in which there are conflicts over the code of ethics

③ Roles and responsibilities of leaders

The leader must perform a key role in ensuring the competitiveness of the company by preventing and eradicating unethical conduct through ethical compliance.

i Decision making

The leader has the obligation to make decisions with ethics being the top priority whenever the company's benefits conflict with ethics

ii Operational accountability

The leader possesses unlimited liability in unethical conduct, and must take supervisory responsibility in cases of unethical conduct by his or her subordinates.

iii Job performance

The leader strictly abides by the law and company regulations, and does not pursue private interests, is devoted to creating corporate values, and does not deal with corrupt stakeholders.

iv Elimination of favors and solicitations

The leader aims to eliminate all forms of favors and solicitations, and to eliminate business influence in relation to outsiders.

v Respect for humans

The leader strives to eliminate conduct that negatively impacts respect for fellow humans, such as sexual harassment and verbal abuse in the organization.

vi Preventing Conflicts of Interest

The leader prevents conflicts of interest with any private interested party who is working for a trading partner and make an effort to eradicate unfair business practices of providing business favors for my private interests

vii Practical activities

The leader makes his or her utmost effort to play a role in raising the level of ethical practice to the highest level in the world by fulfilling the above roles and responsibilities.

The leader must prevent unethical conduct among members of the team and take the following measures in case of such conduct.

① Training and counseling on ethics

- The leader must provide training and counseling on ethics for relevant staff.
- The leader must have relevant staff understand the importance of compliance with the code of conduct and practice of ethical conduct.

② Precautions for unethical conduct

- In cases where unethical conduct occurs habitually, the leader must isolate the cause, improve the process, and fundamentally take preventive measures.
- The leader must report to or consult with the Corporate Audit Office immediately after receiving a report that a member has violated the code of ethics.

2-3. Penalty for Violation of the Code of Ethics

Employees violating the code of ethics may receive certain penalties, including dismissal according to related regulations. In particular, the zero tolerance policy is applied to unethical conduct such as accepting bribes, embezzlement, fabrication of information, and violation of sexual ethics

① Conduct Subject to Penalty

- i If one has violated the code of ethics or demanded others to do so
- ii If one has not immediately reported a violation of the code of ethics that he or she is aware of or is skeptical about
- iii If one does not cooperate with the investigation of the Corporate Audit Office regarding matters that may have violated the code of ethics
- iv If one takes retaliatory action against other employees who reported an issue regarding ethical management

Ethical Practice Standards

1. Purpose

Practice Guidelines lay down the scope of acceptable conduct and practice standards in relations to business execution of employees for efficient application of the Code of Ethics.

2. Scope of application

The Company practices the Code of Ethics according to these standards.

3. Definition of terms

These standards define the terms as follows.

3-1. Stakeholders

Individuals such as executives and employees who may benefit directly and indirectly by the duties they perform; customers, clients, partners, public officers in Korea and abroad, and other related organizations.

3-2. General standards

A universally reasonable standards that other employees and the general public can understand based on sound sense of judgement. A degree of something that the beneficiary can handle fairly without feeling pressured.

4. Responsibility and authority

4-1. Responsibilities of executives and heads of department

- ① An executive or a head of a department must provide training or consultation constantly so that their team members can fully understand these standards.
 - ② An executive or a head of a department must take appropriate precautions to prevent their team members from violating these standards.
-

5. Business procedures

5-1. Ethical Practice and Compliance

As a global company, the Company establishes an ethical corporate culture by complying with the laws and ethics through management activities that strictly follow the basis and the principle.

① Money and valuables

- i Money and valuables refer to money (cash, gift cards, vouchers) and goods that can bring economic benefit
- ii You must not provide or accept money or valuables to/from stakeholders for any reason. However, exceptions are made in the following cases.
 - Gifts for promotional purposes that cost 50,000 won or less. However, agricultural and fishery products and processed products (including flowers) that cost up to 100,000 won are allowed.
 - Gifts displaying a stakeholder's company logo that do not exceed 50,000 won, and gifts given to all attendees in general at events organized by stakeholders are allowed. (Stakeholders: Individuals such as executives and employees who may benefit directly and indirectly by the duties you perform; customers, clients, partners, public officers in Korea and abroad, and other related organizations.)
 - You must not request or receive gifts from overseas offices when traveling abroad for business purposes.
- iii If you have received money or valuables without being aware of this, you must return them, and if it is difficult to do so, you must report the matter to the Corporate Audit Office.
- iv If you earn income (such as instructor fees) by using the company's business knowledge, position, etc. to teach outside of the company, they must donate 50% of the income.

② Entertainment

- i Entertainment means various activities for the purpose of business meetings and exchanges such as meals, drinking, golf rounds, enjoying a performance, and amusement.
- ii You must not provide or accept entertainment to/from stakeholders that exceeds 100,000 won per person. In case you must do so, you need to seek approval from the department head in advance. If the expense exceeds 100,000 won per person due to inevitable circumstances, it must be reported to the Corporate Audit Office. For those subject to the Anti-graft Act, such as public officers, journalists, and school personnel, you may provide meals that don't exceed 30,000 won per person

only for legitimate purposes that are recognized as they are for the smooth progress of a given task, social reasons or the formality. You are prohibited from offering entertainment in bars that offer hostess or host services.

③ Hospitality

- i Hospitality means offering or accepting services including transportation, accommodation, tourism, and event support.
- ii You must not provide or receive hospitality services including transportation and accommodation that exceed general standards. However, hospitality services generally provided to all participants in events are excluded.
- iii If the expense exceeds the permitted amount due to inevitable circumstances, it must be reported to the Corporate Audit Office.

④ Congratulations and condolences allowance

- i You must not notify stakeholders of your own or your colleague's congratulatory and condolatory events; notifying them of these events through a third party is also considered as being a notification from you.
- ii You must use a company forum to provide any notification of congratulatory or condolatory events; you must not inform them of these events by using your company mail or sending an invitation card (wedding invitations and obituaries). When providing information about congratulatory or condolatory events, the scope of relatives are limited to your immediate family: your parents and parents-in-law, grand parents and grand parents-in-law, and your children.
- iii A general standard of 50,000 won is recommended for expenditure for congratulations or condolences. No more than 100,000 won can be provided to stakeholders as a congratulations or condolences allowance, which includes the price of standing sprays and flowers.
- iv You must never receive congratulations or condolences allowance from stakeholders outside the company under any circumstance. If you have inevitably received a congratulations or condolences allowance from stakeholders outside the company, you must return the money or deposit the money to the Corporate Audit Office.
- v When requested by the Corporate Audit Office, executives and employees must submit relevant materials such as a record of returned allowances received from stakeholders.
- vi You must not accept congratulations or condolence flowers from stakeholders. If you have accepted them due to unavoidable circumstances, you must not display them.
- vii Executives and employees must not hold extravagant weddings in luxury hotels, etc.

⑤ Solicitation/Recommendation

- i Do not make solicitation or recommendation related to the following through an acquaintance within the company or an outsider. If you receive such solicitation or recommendation, you must register the case on the Company's Clean POSCO FUTURE M System.
 - Any requests for preferential treatment for the purchase of equipment and materials, and for diverse contracts.
 - Any requests for preferential treatment for personal matters including employment, promotions, rewards and penalties, and transfers.
 - Any requests for preferential treatment for excessive preferential treatment that goes beyond normal practices.
 - Any requests to neglect management and supervision tasks, such as inspections and examinations.
- ii You must not make any illicit solicitation directly or through a third-party regarding tasks subject to the Anti-graft Act.

⑥ Pecuniary transactions

- i You must not be involved in pecuniary transactions with stakeholders, such as lending money, offering loan guarantees, and leasing real estate.
- ii If you engage in pecuniary transactions with a stakeholder due to unavoidable reasons, you must report the case to the Corporate Audit Office.

⑦ Event contributions

- i You must not accept event contributions or donations from stakeholders in events sponsored by the Company, such as department events or club activities.
- ii If you use a vehicle/venue/service provided from a stakeholder for your convenience, you are deemed as having accepted donations or contributions.
- iii If you get these donations or contributions in inevitable circumstances, you must report it to the Corporate Audit Office.

⑧ Unfair use of company budget

- i You must not use the Company budget, such as budget allocated to meetings and project implementation, for personal purposes.
- ii For business expenses, you must use a corporate card; the card must be used only to serve the purpose, pursuant to relevant laws.

⑨ Protection of information and properties

- i You must strictly safeguard confidential information or other important information.
- ii If you find out important information, you must inform a person in charge of it.
- iii You must not manipulate information or disseminate false information.
- iv You must not use Company's equipment or facility for purposes that are not directly related to work.

⑩ Fair Trade

- i You must comply with international standards, laws and regulations related to fair trade in order to not engage in unfair trade practices, including collusion related to production, price, bidding and market sharing, etc; you must compete in the market in a fair manner.
- ii You must not take advantage of a superior position to demand any form of rewards or other unreasonable gains from customers or companies you are trading with.
- iii You must respect the rights and properties of others, including intellectual properties, and not violate them to win in a trade or gain profit from it.
- iv Corporate information including that of competitors must be acquired and used by fair means.

⑪ Prevention of conflicts of interest

- i Conflict of interest refers to situations when executives and employees of a company you are trading with have personal interests with you, which puts a negative impact on the performance of duties by POSCO executives and employees.
- ii You must completely exclude inappropriate requests from executives and employees of companies you are trading with, if they have private interests with you. The same applies to retired POSCO executives and employees.

- iii Do not make unofficial contact with executives and employees of companies you are trading with, if they have private interests with you. In case you have contacted them unintentionally, report it to the senior officer in your department or the Ethics Officer at the Corporate Audit Office.
- iv Do not attend meetings of retired POSCO executives and employees that are not approved by the Company.
- v Do not join a group for retired POSCO executives and employees before you retire. If you are already a member, report to a senior officer in your department and leave the group.
- vi If you have private interests with executives and employees of companies you are trading with, consult your senior or the Ethics Officer, and follow the actions to be taken, such as job reassignment.
- vii Do not engage in unfair trade, including signing of an unfair trade contract, purchasing products at a higher price, favoring certain companies in biddings, and leaking of trade information in advance by giving preference to a specific individual or a company for reasons of private interest.
- viii Prevent conflicts of interest with POSCO and the POSCO Group even after retirement.

⑫ Accounting Process

- i Financial statements must not be prepared by violating accounting standards.
- ii If an employee engages in accounting irregularities or becomes aware of such conduct, they must report it to the Corporate Audit Office.

5-2. Work-life balance

The Company seeks the development of both individuals and the Company through work-life balance. The Company creates a happy workplace by establishing a corporate culture of respect towards one another.

① Pursuit of work-life balance

- i We promote improved quality of life by offering welfare benefits that help stabilize the living conditions of employees.
- ii We support employees by helping them to achieve their goals and assist them to work flexibly in terms of time, place, and means.

② Provision of opportunities for education and growth

- i We create a work environment and systems that promote creative thinking.
- ii We support employees with training programs to improve their capabilities and foster self-development.

③ Fair assessment and compensation

- i the Company conducts fair assessment based on the capabilities and performance of each employee and reflect them systematically to ensure the provision of appropriate compensation.

④ Creation of Healthy Organizational Culture

- i Executives and employees will work towards open corporate culture through open communication.
- ii Executives and employees will remove barriers between departments, and pursue a cooperative atmosphere.

5-3. Creating customer value and securing trust

Recognizing that customer trust and success is our future, we respect customer opinions at all times, understand customers, and create value that promotes their development.

① The realization of customer satisfaction

- i We listen carefully to the voice of the customers and conduct our duties in a customer-centric fashion.
- ii We readily accept legitimate customer requests and reasonable suggestions.

② The creation of customer values

- i We meet customer needs by providing the best products through continuous technological development.
- ii Our employees understand the market trend in Korea and abroad and develop a service mindset that respects the customer's culture and customs.

③ Securing customer trust

- i We certainly consider customer safety and health, and don't provide products or services that threaten them.
- ii We protect each customer's information and comply with the laws and regulations regarding information protection.
- iii We provide accurate information to customers in a timely manner.

5-4. Duty of good faith to investors

We maximize investor value by making profit on the basis of transparent decision making and efficient management activities.

① Pursuit of increased shareholder values

- i We make profit on the basis of transparent decision making and efficient management activities and enhance both corporate value and shareholder value.

② Fair provision of investor information

- i We do not provide information that may affect the investment decisions of shareholders to only some shareholders, or offer select information.
- ii We do not directly trade stocks and securities using inside information acquired at work, or solicit trade to others.

③ Calculation and provision of transparent financial information

- i Financial information must be calculated using an appropriate process or control based on precise trade facts.
- ii Financial reports must be made according to generally recognized accounting standards.
- iii A sufficient amount of correct management information must be provided to help investors to make investment decisions based on free will and responsibility.

5-5. Building mutually beneficial relations with business partners

We must establish a fair business order based on mutual trust and build a corporate ecosystem where we coexist and develop with our stakeholders.

① Building mutual trust

- i We must ensure that we do business fairly on an equivalent relationship with partners on the basis of mutual respect.
- ii We protect information acquired from doing business with our partners according to the related laws, regulations, and provisions in contracts.
- iii We support our business partners to observe fair trade laws and regulations.

② Co-prosperity with our business partners

- i We share accomplishments with our business partners and seek mutual prosperity.
- ii We support our business partners to provide high-quality products and services through smooth communication and cooperation with them.
- iii We offer equal opportunities and ensure reasonable business requirements for our business partners to develop relationships into companionships.

③ Supporting the continued development of business partners

- i We offer technical and financial support to our business partners to help them build a stable supply chain.
- ii We expand the scope of our growth partners for the comprehensive prosperity of the entire business ecosystem.

5-6. Contribution to the country and the society

We fulfil our responsibility and duty as a corporate citizen to contribute to national and social development.

① The role and attitude of a corporate citizen

- i We strive to achieve mutual development with local communities and respect their respecting local laws, regulations, culture and customs.
- ii We strive to communicate with stakeholders by involving them in our management activities that are related with the local society
- iii We strive to support our business partners to participate in the activities aimed at the development of the local society.

② Commitment to the country and the society

- i The Company fulfils its duty in the local community by creating and maintaining jobs and by faithfully paying taxes.
- ii The Company participates in charities including volunteer activities and disaster relief, and engage in pro bono activities in different areas, such as culture, art, sports, and academia.
- iii The Company assists local residents to improve their quality of life.

5-7. Preservation of the environment and the ecosystem

We build a sustainable management system, strengthen our capabilities to respond to risks and implement sustainable management through open communication.

① Building a sustainable management system

- i We operate a sustainable management system efficiently to evaluate the impact and risk of our activities, manage and analyze our sustainable management performance systemically, in order to, ultimately, reach our sustainability goals.

- ii We share accomplishments and issues with various stakeholders and engage in sustainability activities together.
 - iii We form a consensus with partners regarding environment protection as a social obligation, and support them to comply with environment laws and regulations.
 - iv We assist our business partners to safeguard public health and safety when producing products or services. At the same time, we help them minimize any negative impact on local environments and natural resources.
- ② Compliance with environment laws and improvement in environmental impact
- i We abide by environment laws and try to improve the impact on the environment in all processes, including development, production, and use of products.
 - ii We minimize emissions of harmful substances by introducing environmentally friendly process and applying the optimum technology that prevents environmental pollution.
- ③ Response to climate change
- i We strive to reduce greenhouse gas emissions by using fewer fossil fuels or raw fossil materials and improving energy efficiency.
 - ii We strengthen our competitiveness by developing innovative low-carbon technology.
- ④ Protection of the environment and the ecosystem
- i Through the efficient use of natural resources and by-products, we work to restore the natural ecosystem and preserve biodiversity

5-8. Protection and respect for human rights

We uphold human rights, endorse international human rights standards, and establish human dignity of all stakeholders through enhancement of the quality of life.

- ① Respect for international human rights standards
- i We respect and support the internationally accepted human rights 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.
 - ii We have established clear human rights policies and systems and strive not to violate human rights in the course of our management activities.
 - iii We support our business partners to observe human rights laws as required by international human rights standards. We help them protect the human rights of their employees and treat them fairly.
 - iv We respect the International Labour Organization (ILO) conventions and conventions ratified by the Republic of Korea, especially the convention on the prohibition of child labor and forced labor, and the convention on the abolition of forced labor.
- ② Obligation to perform due diligence to respect human rights
- i We may conduct due diligence as needed for management activities that violate human rights or cause complaints.
 - ii We seek reasonable solutions if, as a result of due diligence, the Company is considered to have violated human rights during the course of management activities.
 - iii We communicate with stakeholders regarding the result of human rights-related activities.

③ Protecting executives and employees

- i Company executives and employees do not engage in verbal, physical, or visual behavior that is offensive to others, including sexual harassment, which infringes on human rights of an individual.
- ii We respect privacy of our individual employees. We do not slander others nor leak personal data.
- iii We prevent people from working involuntarily due to mental or physical coercion.
- iv We observe the labor law of each country we operate in and international standards for employment standards and the minimum age of employment for minors.
- v We strictly follow safety rules and take appropriate measures for all risks identified.

④ Respect and equality

- i We do not discriminate or harass people on the basis of race, nationality, gender, age, academic background, religion, region, disabilities, marriage status, gender identity or any other reasons.
- ii We provide equal employment opportunities to people who meet job qualifications.
- iii We maintain the work environment by respecting various cultural differences.

⑤ Guarantee of legal and humane employment requirements

- i We take prompt action on human rights issues raised by our employees through our complaints support system.
- ii We guarantee employment requirements, including appropriate working hours so our employees can live a life of dignity and a life that is worthy of a human being.

⑥ Efforts to respect human rights in the community

- i In case a human rights violation in the community is committed in the course of the Company's management activities, we gather opinions and take measures to resolve the human rights issues.

6. [Supplementary rules] Management and operation of the Code of Ethics

6-1. Compliance with the Code of Ethics

- ① We must abide by the Code of Ethics as a standard for our behavior and judgement of values.
- ② Corporate Audit Office is responsible for general management of the Code of Ethics, while management departments of respective areas take responsibility of detailed operation of the Code of Ethics. (Management departments for different areas: Departments responsible for risk management, reporting, and evaluation in eight different areas when practicing the Code of Ethics.)
- ③ We can set a separate set of standards for efficient operation of the Code of Ethics.

6-2. Responsibilities of executives and heads of department

- ① An executive or a head of a department must provide training or consultation constantly so that their team members can fully understand these standards.
- ② An executive or a head of a department must take appropriate precautions to prevent their team members from violating these standards.

6-3. Obligation to report and confidentiality

- ① If you find out about a violation of the Code of Ethics, you must report the case to the Corporate Audit Office in the fastest and the most convenient way possible.
- ② Upon receiving a report that an employee in your team or department has violated the Code of Ethics, you must immediately report the case to the Corporate Audit Office.
- ③ Corporate Audit Office may verify the facts as needed about the reported case, and all employees involved must cooperate readily with the verification.
- ④ Executives and employees must not put the person who reported the case or an informant at a disadvantage or disclose his/her identity.
- ⑤ In case there is a risk that the reporter or an informant may become subject to adverse personnel actions, personnel measures may be taken, such as position change at his/her desire.
- ⑥ In the case that an executive or an employee finds out about the report, he/she must keep it confidential. He/she may become subject to disciplinary action when revealing it.
- ⑦ Standards for reporting of unethical behavior, such as receiving bribes from stakeholders, and rewards for reporting such behavior, will be set separately.
- ⑧ Ensure confidentiality, anonymity and protection of informants, except to the extent prohibited by law. There must be a communication process in place for employees to raise concerns without fear of retaliation.

6-4. Rewards and penalties

- ① The Company can provide reward or appropriate compensation to executives and employees who have contributed in achieving the goal of the Code of Ethics according to relevant regulations.
- ② The Company strictly reprimands executives and employees who have violated the Code of Ethics according to relevant regulations.
- ③ The Company may restrict access or trade by executives and employees who have retired by violating the Code of Ethics.

6-5. Interpretation

- ① If a family member, a relative or a personal acquaintance of an executive or employee has violated the Code of Ethics using his/her name, this is also considered to be an action taken by the executive or the employee.
- ② For things that have not been specified in the Code of Ethics or things that cause dispute over its interpretation, consult the Corporate Audit Office and follow their interpretation of the case.

6-6. Revisions

- ① Corporate Audit Office, when necessary, may revise the Code of Ethics. For cases that Corporate Audit Office deems important, the revision must be made after getting an approval from the CEO.

7. Records and management

Form number	Records and attachments	Retention period	Department that stores the standards
	Report on the implementation of the obligation to report the Ethical Practice Standards	Permanent	Corporate Audit Office

8. Document

8.1 Guidelines for Reporting Rewards and Exemption for Unethical Behavior

8.2 Criteria for Reporting Rewards and Exemption

8.3 Operation of Reporting Reward and Exemption Review Committee

POSCO FUTURE M ESG POLICY BOOK