
Human Rights Management Policy

Managed by : Business Ethics Management Office

Revision

Version

1

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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.