

ESG Policy Book

POSCO MPPC

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1. Environmental (E)

A. Environmental Management Guidelines

POSCO MPPC is responding proactively to environmental issues such as climate change, particulates, waste, and chemicals. In addition, we have established environmental guidelines that are rooted in our corporate rules and regulations, and environmental management policies.

To minimize our negative impact on the environment during business and production processes, we are actively promoting environmental management and expanding it to our supply chains and partner companies. We published POSCO Group Integrated Environmental and Energy Policy, and have since been in compliance therewith. Moreover, we have been certified by internationally recognized environmental standards including ISO 14001 and 50001 and are regularly renewing our certifications.

POSCO MPPC complies with the environmental laws and regulations applicable to domestic and overseas worksites and strives to continuously improve its environmental performance by systematically monitoring environmental impacts and preventing pollution. In addition, we are minimizing the negative impact on the environment during our business and production process and expanding the scope to our supply chains and partner companies.

1. Worksite Environment Management

On its worksites, POSCO MPPC is managing its environmental goals by linking them with the key performance indicators (KPIs) of its environmental departments and officers. We have established the environmental standards for each area of environmental management, such as air, waste, and water quality, and have implemented measures such as education and training, establishment and management of guidelines, and internal auditing. In addition, we are applying eco-friendly production processes and optimal prevention technologies to minimize pollutant emissions at our worksites.

2. Production Operation and Maintenance

POSCO MPPC monitors and manages the environmental impacts that occur during the operation and maintenance of production facilities to make improvements. In addition, for reference at work, we have established an environmental management manual for each production process to comply with related laws and to improve the environment.

3. Waste Management

POSCO MPPC established and applies waste management guidelines from the waste generation stage to final disposal. The guidelines include work scope, organization and responsibilities, separate collection and storage facilities for waste, and necessary measures in the event of environmental pollution.

4. Air Pollution Emission Reduction Policy

To reduce air pollutants, POSCO MPPC has established in-house goals that are stricter than the legal standards, and systematically manages its environmental performances.

5. Water Resources Policy

POSCO MPPC strives to manage water resources by optimizing water management and expanding wastewater recycling. As KPIs, we selected surface water consumption reduction and effluent water quality management indicators to manage our performance. To reduce the amount of wastewater, we are increasing the recycling ratio of wastewater discharged from processing.

Furthermore, we are monitoring the national water resources policies, anticipating regional regulatory changes, and creating response scenarios to evaluate water supply chain risks before they occur.

We operate to contribute to resolving water shortages in local communities and securing a stable supply of industrial water.

B. Our Position on Biodiversity

POSCO MPPC understands the importance of biosphere restoration and biodiversity protection, and sets it out in its Practicing Guidelines for the Code of Ethics. Accordingly, POSCO MPPC investigates the potential outcomes that its projects may have on biodiversity of the adjacent ecosystems and takes actions to minimize adverse impacts.

1. New Projects

In carrying out new projects such as facility expansions, we will prevent and minimize factors and causes that threaten biodiversity and if necessary, repair and offset the damage. We will also try to mitigate biodiversity losses and conduct surveys to monitor potential impacts. We will strive to manifest our stance above not only to our worksites but also to our primary and other supply chains.

We are aware of the international conventions on biodiversity and the protection of land (including, but not limited to, the Convention on Biological Diversity, the Ramsar Convention, and the Convention Concerning the Protection of the World Cultural and Natural Heritage) and the IUCN5) Guidelines (including, but not limited to, the IUCN Guidelines for the Protected Area Management Categories and the IUCN Guidelines for Planning and Monitoring Corporate Biodiversity Performance), and we will comply with the national and local legal requirements at our worksites located in the areas where the conventions are applicable. Should our projects cause a damage, reduction, or degradation in the protected areas covered by the international conventions, we will restrict the reach of our worksites and reconsider the project.

At our worksites that encompass the natural and important habitats, we will prevent and minimize net losses, change our plans, or investigate alternative areas so as not to adversely affect biodiversity.

Prior to implementing new projects, we conduct environmental impact assessments in accordance with the relevant laws and regulations, and identify and prevent factors that threaten biodiversity, including all endangered species. We ensure that our activities do not negatively impact biodiversity values such as ecosystems and critical habitats. In addition, we only proceed with our projects after consulting with the local residents and communities regarding land use.

2. Worksite Management

At worksites that harbor critical habitats, POSCO MPPC will strive to achieve no net loss and net positive impact in terms of biodiversity. We will regularly monitor the adjacent ocean water quality and sediment pollution level, and at the same time, we will conduct monitoring activities to improve the local environments. If necessary, we will collaborate with professional agencies to launch a professional investigation to measure the impacts on local biodiversity.

We identify the protected areas, regions with high biodiversity value, and endangered species in the vicinity of our business and project developments, and use this information as important sources for developing, implementing, and monitoring each project's biodiversity management plan.

If a conservation area recognized under the international standards such as the World Heritage or the Ramsar Convention on Wetlands, or a protected area governed by an international convention is established within, around or adjacent to one of our existing worksites, we will verify that our activities in the worksites do not adversely affect the value of such protected areas.

C. Our Position on No Deforestation

1. Overview

POSCO MPPC, as a leader in the prevention of deforestation, will continue to implement policies intended to protect the earth by expanding the recycling of industrial by-products and expanding the investment in GHG reductions. Through our sustainable environment policy, we will try to achieve zero net deforestation by 2050 as we keep our Promise of Compensation through Reforestation.

- POSCO MPPC will not build any new worksite that destroys a forest, and upon termination of the existing projects, will try to restore green space including forests.
- At POSCO MPPC's worksites, we will increase the recycling rate of by-products and expand investment in GHG reduction.
- If necessary, POSCO MPPC will team up with the professional agencies to restore forests and green space near its worksites.
- To minimize our negative impacts on the environment during our projects and production processes, POSCO MPPC will promote diverse activities and endeavor to expand the scope of such activities to our supply chains and business partners.

2. Monitoring

To respond to forest risks, we will establish and implement plans for forest formation and greening within our worksites, and continue to monitor all related performances through environmental impact assessments. In addition, we will continue to inspect and supplement our suppliers' forest protection activities through regular supplier relationship management (SRM). If necessary, we will secure a budget for cooperating with professional agencies and strengthen our related in-house capacities.

2. Social (S)

A. Safety and Health Policy

POSCO MPPC considers safety its top priority in management. We create a culture that prioritizes safety based on rigorous and sustainable safety management systems, and foster top-notch safety experts. In addition, in line with our philosophy that 'a company is only as healthy as its employees,' we mainly promote our occupational health-related obligations in following three areas: health improvement, workplace environment, and disease treatment.

POSCO MPPC has set up an in-house communication system that allows all employees to readily participate and is trying to build the world's finest safety culture through employee-led autonomous safety and health activities. To this end, POSCO MPPC applies new smart technologies such as the Internet of Things (IoT) and strives to create a workplace environment that can scientifically and effectively protect its employees' safety and health. In addition, to promote the health and safety of our stakeholders, including our business partners, we encourage their participation in safety and health activities.

To effectively implement our safety and health policy, POSCO MPPC establishes and implements goals and action plans, and operates an in-house review system that evaluates them regularly. On the basis of our compliance with safety and health laws, we set and operate even more rigorous standards of our own to ensure safety during the installation, operation, and maintenance of the facilities, machinery, and equipment.

1. Safety and Health Guidelines

POSCO MPPC prevents disasters and improves the health and quality of life by creating a safe and pleasant workplace environment for all of its employees. To this end, we

established the following basic safety and health guidelines for all POSCO MPPC actions, and operate a safety and health management system to achieve them.

- Safety takes priority over production, quality, and speed; we strive to create an environment in which all POSCO MPPC employees can work safely and comfortably.
- In order to prevent the risk of disasters and diseases for all employees of POSCO MPPC and its business partners, we identify hazards and risk factors in advance and seek continuous improvement.

2. Operation of Safety and Health Management System (ISO45001)

POSCO MPPC has autonomously and systematically operated all safety and health control-related actions and obtained the ISO45001 certification, which is the international standard for safety and health management system. Together with the ISO45001 certification, we establish safety and health strategies and goals based on the PDCA Cycle, and maintain a systematic and continuous safety and health management system.

3. Safety and Health Education and Training

Every year, to raise awareness and to minimize risks of safety of its employees and related suppliers, POSCO MPPC conducts legally mandatory safety and health training sessions to its employees and supports training programs of the related suppliers. Furthermore, we conduct customized training sessions to foster safety and health capabilities requisite of each position and duty.

4. Occupational Safety Management System

Centered around 3 pillars of safety system, culture, and workforce, POSCO MPPC is strengthening a management system for occupational safety..

A. Adopting a vigorous and sustainable safety management system

- Adopting the key measures pursuant to POSCO MPPC's safety management system on site in the early stage
- Strengthening the safety management processes for POSCO MPPC's business partners including partners, contractors, and suppliers

- Systematically managing safety based on a system of operating an integrated safety management platform for employees and contractors
- Operating a safety budget on an 'execution first, settlement later' basis to reduce hazards and risks in the early stage

B. Creating a safety-first organizational culture

- Establishing a workplace culture that prioritizes safety in all on-site works through safety audit measures, etc
- Vitalizing two-way communication with representative bodies and POSCO MPPC's business partners
- Building a workplace infrastructure that prioritizes safety, environment, and health

C. Fostering top-notch safety professionals

- Enhancing the capacity of and recruiting safety management personnel
- Reinforcing safety education and training opportunities for all employees of POSCO MPPC and its business partners

5. Occupational Health Management System

In line with its management principle that 'a company is only as healthy as its employees', POSCO MPPC is promoting its key policies in the following three areas to create a pleasant workplace culture that prevents illness of its employees.

A. Creating a pleasant workplace environment

- Setting up a chemical management system based on an MSDS scheme
- Assessing the workplace environment and reducing hazards and risk factors
- Implementing measures to prevent musculoskeletal disorders
- Enhancing the functions of protective equipment

B. Building an early disease detection system

- Physical examinations
- Disease prevention and treatment
- Establishing and operating a system to prevent and control infectious diseases such as COVID-19

C. Health Enhancement Measures

- Measures to improve lifecycle (no smoking/drinking, exercise, nutrition)
- Managing persons who are prone to chronic diseases, as identified by healthcare providers
- Operating mental health improvement and counselling programs

B. Human Rights Guidelines

POSCO MPPC observes and supports the globally recognized international human rights standards, such as the UDHR, the UN Guiding Principles on Business and Human Rights, the UN Global Compact Ten Principles, the OECD Guidelines for Multinational Enterprises, and the Fundamental Conventions of the International Labor Organization (ILO).

All humans have the right to be treated with dignity. This includes the right to life and physical safety, freedom of ideas/expression/religion, freedom of association, work and home life balance, guarantee of privacy, food and water safety and security, prohibition of torture/slavery or forced labor, the right to fair and decent working conditions, and the right not to be subject to unfair discrimination. Since adopting the Code of Ethics that reflects its human rights policy in 2003, POSCO MPPC has made efforts to prevent human rights violations and to take adequate measures to prevent and address adverse human rights impacts that may occur in the course of its business management activities and business relations.

1. Our Basic Position on Human Rights Management

To fulfill its responsibility of observing human rights and to meet the expectations of its stakeholders, POSCO MPPC takes the following basic positions in relation to human rights management.

- ① Complies with laws in all jurisdictions where POSCO MPPC does business and observes the internationally recognized global human rights standards.
- ② Finds ways to comply with the internationally recognized human rights standards when local regulations conflict with such standards.
- ③ Treats risks that may cause severe human rights violations as critical business issues.

A. Risk management for cultivating a human rights culture

POSCO MPPC respects the human rights of all of its employees, and in order to prevent and mitigate potential risks, we prepare human rights guidelines and a risk management system in line with the international human rights standards and our internal regulations, and share the results with the public.

- ① POSCO MPPC takes preemptive actions against business management activities that may cause adverse impacts to human rights; should a violation occur, POSCO MPPC will implement adequate measures.
- ② Beyond ensuring that it does not directly violate human rights or contribute to human rights violations, POSCO MPPC makes efforts to prevent and mitigate adverse human rights-related impacts that occur or may occur in business relations, such as in supply chains.

B. Obligation to respect human rights

POSCO MPPC's human rights policy applies to all of its employees, and we recommend, and if necessary, support our suppliers and partners to comply with the international human rights standards and our human rights policies. Furthermore, we respect the rights of all of our stakeholders, and try not to cause any potential violation of such rights.

C. Fundamental principles

① Prohibition of Discrimination and Harassment

- POSCO MPPC does not discriminate in terms of employment terms and conditions, such as employment, promotion, education, compensation, or benefits based on race, nationality, sex, age, educational background, religion, region of origin, disability, marital status, or gender identity.
- POSCO MPPC guarantees the conditions of employment that observe statutory working hours, maintain appropriate working hours, and provide reasonable remuneration for overtime work for a lifestyle that maintains human dignity.
- POSCO MPPC provides educational opportunities to all its employees, respects their cultural differences, and maintains a proper workplace environment for them to focus on their work.
- POSCO MPPC does not permit verbal, physical, or visual behaviors that are offensive to

others, including sexual harassment that violates individual human rights, and protects privacy and personal information of others.

- POSCO MPPC conducts disciplinary actions by establishing the facts of an employee's misconduct through procedural fairness on the grounds of relevant regulations, such as its employment rules, personnel regulations, and reward and punishment guidelines.

③ Prohibition of Forced and Child Labor

- POSCO MPPC is committed to ensuring that work is not performed involuntarily through psychological or physical coercion.
- With regard to the working conditions for minors and the minimum age requirements, POSCO MPPC observes the labor laws of applicable countries and international labor standards.

④ Freedom of Association and Guarantee of Right to Collective Bargaining

- POSCO MPPC abides by the Constitution and the Trade Union and Labor Relations Adjustment Act (Labor Relations Act), which are the basis of our human rights policy; strives to observe and guarantee the rights of its employees; and protects their freedom of association, their right to organize, and their right to collective bargaining.

⑤ Occupational Safety Guarantees

- POSCO MPPC builds a culture that is committed to workplace safety by ensuring that all of its employees work in a safe environment and takes adequate measures to address any safety risk that has been identified. In addition, we support our partners establish safety management systems.

⑥ Environmental Right Guarantees

- POSCO MPPC acknowledges that the environment and energy are core elements of its business activities, and strives to establish a sustainable, low-carbon, eco-friendly economy.
- By making efficient use of natural resources and promoting the reuse of its by-products, POSCO MPPC makes efforts to restore natural habitats and preserve biodiversity..

⑦ Protection of Local Residents' Human Rights

- POSCO MPPC manages its business activities to ensure that the human rights of local residents, such as their environment, safety and health, and freedom of residence, are not violated. Moreover, POSCO MPPC collects opinions in compliance with the relevant

laws and regulations to observe freedom and the traditional values of a local community.

- Workplace security personnel should not engage in an offensive behavior, including those that violates human rights, and should comply with local laws and international standards.

⑧ Protection of Customers' Human Rights

- To preserve the life, health, and safety of its customers, when offering its products and services, POSCO MPPC exercises due caution based on the statutory standards.

⑨ Responsible Supply Chain Management

- POSCO MPPC supports all of its suppliers and partners to comply with the human rights protection obligations.

2. Human Rights Due Diligence (HRDD) Process

POSCO MPPC identifies human rights violations to prevent and to mitigate their negative impact, and if necessary, conducts an HRDD to fulfill its commitment to human rights protection. The due diligence procedure includes identifying and evaluating an actual/potential human rights impact, responding to the identified issues, documenting the response measures, and communicating with the stakeholders about how it was handled.

An HRDD takes the following into consideration:

- ① POSCO MPPC includes, in its HRDD, adverse impacts related to human rights that may occur directly or indirectly in our business management activities and business relations.
- ② POSCO MPPC considers, in its HRDD, various factors, such as the size and location of a worksite, human rights related risks, nature and substance of the business, and local political and economic circumstances and cultures.
- ③ POSCO MPPC perceives that with the changing corporate actions and business operation environment, the human rights risks will gradually be affected, and POSCO MPPC continuously applies this belief in real life.

A. Due diligence method

POSCO MPPC endeavors to identify and examine any actual and potential negative impacts on human rights in domestic and overseas business management activities and business

relations according to the following processes:

- ① When a human rights risk is detected at a major worksite in Korea or abroad, an HRDD will be conducted to assess the situation and to generate corrective measures.
- ② In principle, a due diligence will be conducted by an in-house professional, but if necessary, it may be conducted with an assistance of a third-party professional.
- ③ Depending on the circumstances, practically, the interviews will be conducted with groups that may potentially be exposed to the impact at issue and with the stakeholders.
- ④ An HRDD will identify potential and actual impact. With regard to potential impact, the results of assessment will be disclosed company-wide and based on the relevant procedures performed, the prevention and mitigation measures will be taken. Remedies and solutions should be identified against the actual impact that has already taken place.
- ⑤ An HRDD will be conducted by using a checklist that diagnoses the essential elements of human rights management.

B. Response and follow-up

In order to prevent and mitigate potential adverse impact on human rights, a response system will be established and follow-up measures will be implemented based on the factual findings of an HRDD.

1) Establish an Internal Response System

- ① For the purpose of resolving the identified issues, to clearly outline the roles and responsibilities of the relevant departments.
- ② To properly apply the internal decision-making, budget allocation and monitoring procedures to effectively respond to the identified impact.
- ③ To ensure that the relevant departments understand the HRDD-identified issues and to manage and address them as critical issues.

2) Follow-up Measures and Remedies

- ① When there is an actual or potential adverse human rights impact, necessary and feasible measures will be taken to prevent and mitigate it.
- ② Even with the best policies and procedures in place, when there is an unforeseen adverse impact, efforts should be made, either alone or in collaboration with other entities, to correct

the adverse impact.

- ④ Even if POSCO MPPC is not directly responsible for the human rights violation, when an adverse human rights impact caused by other entities (i.e., supplier) is associated with its operations and productions, and services, POSCO MPPC will perform its prescribed role to remedy the impact.
- ④ If we have the power to prevent and mitigate a human rights violation, we will make a use of it; otherwise, we will collaborate with other relevant entities to reinforce our power.
- ⑤ As an effective means of remedy, a grievance handling system will be open to the stakeholders.

C. Communication with the stakeholders

POSCO MPPC collects the stakeholders' opinions on whether its actions to address human rights violations were appropriate and takes responsibility for explaining the results of its human rights impact assessment and responsive measures.

- ① To communicate with the stakeholders (including individuals and investors) on the basis of responsibility and transparency, and consider various means of communication, such as in-person meetings and online channels (e.g., official company website, helpline), to make information easily accessible to the stakeholders.
- ② To try providing information that will be helpful to the stakeholders in their evaluation of whether our responses are appropriate in connection with certain human rights impact.

D. Integration and system improvement

Practical improvements to the human rights management will be induced by actions to integrate the HRDD results in the organizational culture and system improvement.

- ① To engage in activities designed to integrate human rights management into the organizational culture by conducting a training on the necessity of and the norms related to human rights management for all employees, and sharing the successful and unsuccessful human rights management practices with them.
- ② To engage in activities that will continuously improve the human rights management system, such as seeking professional advice, communicating with the stakeholders, and spotting the areas that need improvement through the implementation of the system.

3. Human Rights Grievance Handling Process

As an effective means of remedy, POSCO MPPC offers a grievance handling program for its stakeholders. The grievance handling program performs the following important functions in connection with our commitment to observe human rights:

- ① To facilitate the identification of adverse human rights impact and to provide a channel that allows the directly affected stakeholders to raise concerns
- ② To control a proliferation of human rights threats by collecting grievances and directly offering remedies in the early stage
- ③ To identify and addresses weaknesses in human rights policy and procedures by analyzing their status quo

We have channels such as the Ethics Counseling Center (helpline) and the Center for Reporting Unethical Behavior (hotline) for the adversely affected individuals and local communities, and we try to promptly address and remedy any issues raised. We strictly adhere to the system of protecting those who file a grievance so that none of our employees and stakeholders will be subject to any disadvantage.

[File a grievance to: humanrights@posco.com]

C. Our Position on Human Resource(HR) and Labor Management

I. Recruitment, Appraisal, and Compensation

A. Recruitment

In principle, POSCO MPPC hires through open recruitment, and in consideration of our strategic directions and the hiring situation, we select 'creative talents with a practical and caring mindset.' In accordance with our systematic and professional screening procedures and standards, we evaluate the applicants' competence and skills objectively and treat all applicants fairly.

B. Appraisal and reward

POSCO MPPC has a fair and objective appraisal system in place to compensate personnel based on their performance. Prior to conducting an appraisal, both the appraisee and the appraiser pledge a 'fair appraisal', and the appraisee may raise an objection to the results

of his/her appraisal through separate procedures. For supervisors, these multi-source appraisals with colleagues and teammates allow them to reflect on and improve their leadership skills, including their practice of the management's philosophy, communication abilities, and work methods. To assure objective and fair appraisals of employees by supervisors, we conduct regular training sessions on the appraisal criteria and methods.

In consideration of the internal and external factors, without any discrimination based on gender, wages may be differentiated according to the employees' individual appraisals. We also offer bonuses to outstanding employees.

C. Appraisal process

POSCO MPPC conducts regular appraisals (once a year) for all permanent employees based on its fair and systematic standards. Based on the work performance and self-appraisal results prepared by the employees themselves, appraisals are carried out several times to systematically measure the performance of each employee. Regular appraisals rate the employees' work performance, competence, qualifications, and ethical awareness, and the results are used in their promotions and trainings, as well as their compensation, which applies the differentiated compensation system based on performance.

Furthermore, by operating an appraisal system that allows our employees to input their work performance and supervisors to provide coaching, we provide support so that the coaching and feedback on work is available at all times.

D. Our position on wage

POSCO MPPC's wages consist of base salary, benefits, and incentives, and a base salary is determined by each employee's work-related competence and performance. In addition, our employees' wages are thoroughly managed to ensure compliance with the provisions stipulated in the labor relations laws and regulations of each country or region.

Wages are fully paid in cash, and overtime pay is provided to the employees who exceed their statutory working hours pursuant to the standards set by national or local labor laws.

E. Our position on working hours

POSCO MPPC observes all laws regarding the conditions of employment, including base hours, annual paid leave, and overtime hours, and complies with the written agreements made with the workers' representatives. All overtime work is voluntary and should be performed in accordance with the standards set by the national or local labor laws.

To effectively manage worker fatigue, the working hours, shift patterns, and break hours are determined in accordance with the relevant laws and regulations, and all workers are

provided with appropriate break hours for meals and rest. To create an autonomous and flexible workplace environment, we have a flexible part-time work and work-from-home programs in place for certain positions.

D. Human Capital Development System

POSCO MPPC operates various programs aimed at strengthening its employees' professional skillsets. These programs help each employee to grow through work, networking, and learning..

A. Career Development

POSCO MPPC fosters the next generation of insightful business leaders, and to improve the field technical expertise, actively supports its employees' career development. Based on the Career Development Plan (CDP) model for each area of practice, the office staff members and the engineers devise career development plans themselves. New hires first gain experiences in the same practice area for a certain period of time, then they may expand their careers to other practice areas. To promote this self-led career development for its employees, POSCO MPPC encourages the employees to have interviews with the department heads every year and takes a quarterly company-wide survey on work-related factors. Technical field staff members, by regularly rotating within their departments and positions, strengthen their technical expertise and ability to respond to an emergency. Outstanding employees are trained in the production process management to eventually become field supervisors.

B. Competence Strengthening Program and Customized Training Support

POSCO MPPC focuses on nurturing professionals to transfer technological knowledge in line with changes in the workplace environment, and it offers customized leadership training programs to strengthen the supervisors' leadership skills. To develop future talents, POSCO MPPC offers position-customized education programs, including class learnings and e-learning courses.

E. Our Position on Diversity, Equity, and Inclusion (DE&I)

At POSCO MPPC, we believe that diversity, equity, and inclusion are essential to our culture, and strive to promote them in all of our worksites. We give all our employees an opportunity to express their opinions freely and implement an efficient and flexible organizational system by continuously identifying and resolving problems. Also, by prohibiting discrimination

based on gender, nationality, race, and disability, and acknowledging and understanding the diversity and cultural gaps, we are making a workplace where everyone is respected.

F. Information Security Policy

A. Information Security Principles

At POSCO MPPC, we are striving to secure and maintain our global competitiveness by complying with the international standards for information security and relevant domestic and foreign laws, and to protect information assets such as core technologies and HR, which are the source of our competitive edge. In that regard, we are preparing fair and reasonable policies and standards for information security, and all our employees are striving to maintain the highest level of protection as they attain execution power by making information security a part of their daily life. To this end, we are operating the following five strategic directions to secure execution:

- ① POSCO MPPC recognizes information security as one of its management activities and establishes an information security management system to respond to changes in the business environment in a timely manner.
- ② POSCO MPPC employees recognize that they are the main agents for information security, and that they can improve the level of security by continuously participating in education and training sessions to nurture information security experts.
- ③ POSCO MPPC employees make information security part of their daily routine and establish related activities as a corporate culture.
- ④ POSCO MPPC forms a systematic information security organization and defines and applies clear roles and responsibilities.
- ⑤ POSCO MPPC establishes and operates procedures to identify security vulnerabilities and to manage them continuously.

B. Information Security Policy Operations Cycle

POSCO MPPC's information security regulations and guidelines are based on data security principles. These are amended each year to reflect the latest laws and systems and changes in the internal and external environments. When regulations and guidelines are enacted, amended, or repealed, they are reviewed by our Information Security Officer or Information Security Committee, and reported to the top management to be approved and finalized.

The information security policy system consists of four layers: principles, regulations, guidelines, and operating procedures. The regulations specify activities such as information security policies, organization, management of change, and responding to security breaches, together with the operation standards for each field, such as assets, personnel, and document security. In addition, information protection policies for each sector have been established as sub-guidelines of the regulations and are implemented under the supervision of each executive department.

G. Our Position on Stakeholder Engagement Framework

POSCO MPPC pays attention to the opinions of our various stakeholders, and we reflect their feedback in our business operations through our Stakeholder Engagement Framework. In running our business or when promoting new projects in particular, POSCO MPPC considers the economic and physical impacts on local communities.

A. Stakeholder Engagement Framework

1) Identification of Community and Stakeholders

POSCO MPPC defines and categorizes stakeholders according to their general functions, scale, importance, and the degree of influence they receive from business activities. This includes employees, customers, partners and suppliers, local communities, and shareholders and investors. POSCO MPPC also identifies local communities and stakeholders that may be affected economically, environmentally, and socially before starting any business in the region.

2) Analysis of the Impact on Community and Provision of Information

In the process of operating worksites and implementing new projects, POSCO MPPC takes an in-depth look at its physical and economic impacts on local communities. While ensuring its compliance with relevant laws and regulations throughout the project area, POSCO MPPC supervises its environmental and social impacts, including assessing the environmental influences of our projects. The contents thereof are reflected in the Code of Ethics Practice Guidelines. We also hold discussions with the local community about the effects our projects can have through public hearings.

3) Project Execution

POSCO MPPC carries out projects with the aim of preserving local cultural heritage and minimizing economic, environmental, and social impacts. If a business or a project is deemed

as having an adverse effect or is likely to have an adverse impact, POSCO MPPC reviews and monitors measures to minimize them. To this end, we consult with the local community through community engagement and feedback mechanisms.

4) Collection and Analysis of Opinions from the Community

POSCO MPPC collects and analyzes community opinions from the early stages of project development. POSCO MPPC supplies transparent and specific information during the process and provides opportunities for those related to the issues at hand in addition to the local community and major stakeholders to communicate their impressions and thoughts. Furthermore, we strive to provide comprehensive information on how to manage and respond to issues and to provide appropriate timing for participation to help local communities in making decisions.

5) Grievance handling mechanism

POSCO MPPC operates a mechanism for handling grievances from a local community, such as preservation of cultural heritage, and a process for collecting opinions. Grievances of the local community can be filed through various channels, including POSCO MPPC's website (Center for Reporting Unethical Behavior), telephone, fax, mail, and e-mail. If the grounds for the grievance are confirmed, the relevant departments will take appropriate actions after conducting a monitoring and a due diligence. POSCO MPPC rigorously protects complainants, and strictly prohibits disclosure of the complainants' identity and any acts of searching for and retaliating against the reporting person. In addition, we ensure that complainants are not subject to any ill treatment, including in employment relationships. After processing the complaint according to the procedure, the results are notified directly in person or in writing.

B. Human Rights Protection and Job Policy in the Local Community

In our business activities and relationships, POSCO MPPC's controls its management activities and business relations so that human rights such as the environment, safety and health, and freedom of residence of local residents are not violated. POSCO MPPC also collects opinions in accordance with relevant laws and regulations, and respects the autonomy and traditional values of local communities. In addition, by creating and maintaining stable jobs and diligently paying taxes in compliance with the Code of Ethics, POSCO MPPC fulfills its responsibilities and obligations in the local community.