Who Acts Wins!

POSCO INTERNATIONAL CORPORATION SUSTAINABILITY REPORT 2021
This is the sixth sustainability report published by POSCO INTERNATIONAL to communicate its performance in fulfilling economic, social, and environmental responsibility. This report serves as a channel to transparently disclose our sustainability management activities for the year 2021 and reach out to varying stakeholders.

**Reporting Principles**
- **Global Reporting Initiative Standards (Core Option)**
- **Reporting Period**
  - (2019 – H1 of 2022 for a portion of the performance data)
- **Reporting Boundary**
  - Economy: On a consolidated basis in accordance with K-IFRS
  - Social & Environment: POSCO International Headquarters and some of its domestic/overseas subsidiaries
    - *Korea (POSCO Mobility Solution),
    - Overseas (Myanmar, Indonesia, Uzbekistan, etc.)
  - Geography where main business is conducted: Republic of Korea
- **Reporting Cycle**
  - Annual (most recent report: 2021)
- **Assurance**
  - Financial data: Ernst & Young
  - Non-financial data: DNV

**Contact Information**
- **Address**: 165 Convensia-daero (POSCO Tower-Songdo), Yeonsu-gu, Incheon, Republic of Korea
- **Tel**: +82-2-759-2861, 2473, 2923, 3717
- **Department**: Corporate Citizenship Bureau, ESG Section
- **E-mail**: sustainability@poscointl.com

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POSCO INTERNATIONAL
CORPORATION
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President's Message
Corporate Citizenship Activity Highlights

"5년"/$&
President’s Message
Dear Respected Stakeholders,

Let me begin by extending my heartfelt gratitude for your unwavering support for and trust in POSCO International amid the challenging business landscape in Korea and abroad.

In the face of the protracted global pandemic, the global community experienced an unprecedented level of unpredictability. As uncertainties prevail with climate change looming large against the whole of community and disruptions to the global supply chain aggravating further, each and every one at POSCO International remains steadfast to our course to push ahead towards a prosperous future of solid growth.

Over the past year, we reached an all-time high with our sales amounting to KRW 33.95 trillion, reinforcing our robust business portfolio backed on the balanced growth of trading, resource development, and investment business. We attribute such a remarkable achievement to our global business capabilities we have built in tandem with our employees throughout the world for the past 55 years and to our enterprising spirit to transform crisis into opportunity.

Our priority this year is to prepare for a sustainable future as we adventurously journey into new industries and continue expanding our growth base for existing core businesses. To this end, we will build a broader market dominance through the integration of steel sales channels of POSCO Group affiliates, and establish a reliable supply system for raw steel and rechargeable battery materials. Our aim is to secure additional reserves to reinforce our energy business and advance eco-friendly energy with a particular focus on the LNG business, while expanding a value chain of our agro-business in anticipation of becoming a globally integrated agro-company. Meanwhile, we will explore eco-friendly business opportunities, including but not limited to traction motor cores to invigorate our trajectory towards future-oriented industries, and identify new growth drivers.

All over the world, numerous businesses go to great lengths in their efforts to improve corporate value through ESG innovation. The term ESG allegedly first appeared in the <Who Cares Wins> report published by the UN Global Compact in 2004. As the title of the report implies, ESG management has become the essential groundwork from which all companies survive and grow.

Who Acts Wins!
POSCO International vows to be the one to “act first” to shape a sustainable future. True to the spirit of ESG management, we will boldly step ahead and persevere to emerge as a sustainable centennial company. Backed by POSCO Group’s management philosophy ‘Corporate Citizenship: Building a Better Future Together’, we will set ESG management strategies and goals from the long-term perspective as required by the global community, and manage our performance indicators each step of the way. Specifically, we will spare no effort in proactively responding to climate change issues and managing our supply chains to ensure human rights are respected along the entirety of our operations.

Each and every one of us at POSCO International remains fully committed to our given roles and responsibilities and wholeheartedly do our part to see it through that the future is sustainable. We look forward to your sincere encouragement and support in our journey ahead.

We wish all our stakeholders, along with their nearest and dearest, health and happiness.

Thank you.

Si-Bo Joo
President, POSCO International
$PSQPSBUF$JUJ[FOTIJQ"DUJWJUZ]HIMJHIUT

To gain greater trust from all stakeholders, POSCO Group declared a new vision of ‘With POSCO’ and established a new management philosophy of ‘Corporate Citizenship: Building a Better Future Together’ in 2018. A ‘corporate citizen’ refers to a company that has its own rights and duties as a member of society and fulfills its role and responsibility for co-existence and co-prosperity to promote social development. To act on this corporate citizenship philosophy, we engage in corporate citizenship activities under five brand pillars across the areas of Business, Society, and People in a way that relates to all stakeholders. To join in the effort to resolve social challenges and make our world a better place, we explore and assume our role as a company and continue with our sustainability journey to evolve into a great work place and a respected centennial company.

$PODFQUPG$PSQPSBUF$JUJ[FOTIJQ

We engage in fair and transparent business conduct with all our business partners – shareholders & investors, customers, and suppliers – to increase economic and social value. We also vow to abide by international norms as a member of the global community and respect the laws, customs and cultures of countries where we operate.

We are keenly aware of social issues, and closely communicate and cooperate with varying stakeholders to resolve such issues. We protect the human rights of members of society and strengthen our social and environmental responsibility.

We recognize employees as the most important stakeholder for our sustainable growth and support their growth into global talent. We also endeavor to provide a safe and pleasant workplace for all workers including partners engaging in our business.
A company you want to work with

We develop eco-friendly future business in line with POSCO Group's 2050 carbon neutrality declaration and move ahead to create a low carbon society.

A company you protect

We pursue sustainable growth that delivers both economic and social value in conjunction with stakeholders based on fair business conduct.

A company you want to grow with

We pave the way for new growth through win-win partnerships with SMEs and startups, and create quality jobs to contribute to improving economic vitality.

A company you build a future together with

We take a step forward to resolve pending social issues and present a model that enables shared growth of businesses and society.

A company you engage with for the local community

We support programs to nurture future generations, and put employees' health and safety first to create a thriving society for all.
In November 2021, POSCO International Textile became the first company in Uzbekistan to simultaneously achieve the Global Recycled Standard (GRS) and the Recycled Claim Standard (RCS) by the Control Union Certifications. These two standards apply to blended yarn containing recycled content. The RCS is a standard for verifying the presence and amount of recycled materials in finished products. The GRS is a standard to verify the recycled content of their products and to verify responsible social, environmental and chemical practices in their production. The objectives of the GRS are to define requirements to ensure accurate content claims and good working conditions, and that harmful environmental and chemical impacts are minimized. POSCO International Textile will build upon this achievement to respond to the needs and trends of the international community concerning recyclable and renewable materials to further expand its market and pursue growth.

PT. BIA, an oil palm plantation company in Indonesia, achieved RSPO (Roundtable on Sustainable Palm Oil) Certification in September 2021. Based on this, PT. BIA has been recognized for strictly complying with RSPO P&C (Principles and Criteria) in the areas of business transparency, sustainability, and responsible plantation management as well as protecting the environment at all stages of palm business - production, distribution, and processing. PT. BIA became a member of RSPO in 2018 and announced the No Deforestation, No Peat, No Exploitation (NDPE) policy in March 2020 as the first Korean business to do so. PT. BIA will implement the 25-year environmental protection and community development plan, which is approved by the RSPO.

To respond to the rapid paradigm shift of future mobility to EVs and hydrogen vehicles, POSCO International has chosen Traction Motor Core (TMC) business as our strategic business and continued to actively invest in this key part for low-emission vehicles. While expanding our TMC plant in Pohang, we also invested in China and North America, each constituting global top 3 eco-friendly vehicle markets, to expand our TMC production bases in Korea and overseas. We will also establish a TMC plant in Eastern Europe to increase the annual production capacity from 690,000 units in 2020 to four million units in 2025. With TMC business playing a pivotal role, we are also diversifying our green mobility parts business into battery module cases, industrial motors, motor magnets and others.
Commitment to SDGs

[12.2] By 2030, achieve the sustainable management and efficient use of natural resources.

[12.4] Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

The global community pursues circular economy in order to solve environmental issues such as depletion of resources, climate change, and ecosystem destruction. To this end, businesses are required to practice sustainable consumption and production and minimize adverse environmental impact generated from the process of mining and manufacturing to use and disposal.

POSCO International continues to expand business that helps mitigate environmental impact across steel, energy, agro, parts & materials and other diverse areas. We also improve our processes and bolster our environmental impact management in the workplace to achieve global green certifications and earn greater trust from stakeholders.

- Identify business opportunities in eco-friendly energy/materials business
- Mitigate environmental impact in the workplace
In December 2021, POSCO International was rated AA, the highest rating among the participating companies, under the Compliance Program 2021 supervised by the Fair Trade Commission. This recognizes our achievement to establish a system for employees to consult with the supervising department prior to making subcontract-related transactions, provide all employees with on/offline fair trade training, and publish and upload a mobile handbook on the Fair Trade Act and the Subcontracting Act for employees to easily refer to. This is also attributable to our efforts to prevent non-compliance risks by developing an internal audit system and performing self-directed reviews, including the appointment of compliance managers as well as management committee members at the business group level.

In February 2021, POSCO International signed an MOU for payment support to facilitate online steel trading with Hyundai Commercial. Under this program, small/mid-sized customers are able to trade with us on the condition that they make a fixed amount of advance payment. While this is currently available for members of Steeltrade, our steel e-commerce platform, we plan to extend its scope to offline customers once the system stabilizes. This is expected to reinvigorate the online steel product distribution market and to serve as a business model for shared growth by facilitating financing for customers and help them become competitive in procurement.

In November 2021, to resolve the domestic DEF (Diesel Exhaust Fluid) shortage due to supply chain crisis, POSCO International actively participated in overcoming national material challenges by securing DEF in Australia, Mexico and so on by leveraging the global network. To increase our business stability, we also organized a supply chain management TF to preemptively review our system to respond to supply chain emergencies and to ensure the supply of essential items that are highly dependent on imports. We are diversifying our supply chains by building close partnerships with the government and identifying items that require swift response. We also analyze region/country-specific characteristics to develop emergency scenarios and perform regular tests mainly on items with increased uncertainty to bolster our response capabilities.
[16.5] 
Substantially reduce corruption and bribery in all their forms

[16.6] 
Develop effective, accountable and transparent institutions at all levels

Global companies need to abide by anti-monopoly and fair competition laws and regulations in the countries and regions where they operate. Stakeholders also demand that these companies pursue social value in addition to economic value in making transactions along the supply chain. This urges companies to establish fair and transparent business practices and a sustainable supply chain management system.

POSCO International thoroughly honors the Fair Trade Act to prevent regulatory risks, and establishes a corporate culture of compliance by reviewing the signing of private contracts in advance and taking stock of subcontractor transactions to reinforce internal Compliance Program activities.

- Bolster the fair trade compliance system
- Prevent fair trade risks from occurring
In October 2021, POSCO International was named a ‘voluntary win-win partner’ by the Ministry of SMEs for presenting a best practice in promoting win-win partnerships by helping SMEs and startups tap into overseas markets. Leveraging our global network, we assist SMEs and startups in building overseas business infrastructure, including buyer arrangement and office establishment while moving ahead to develop future businesses. We also contributed KRW 30 billion to win-win cooperation funds to continuously explore a range of win-win partnership opportunities to drive the growth of promising SMEs and startups into global innovators. Going forward, we plan to scale up our support through field assessment and performance analysis.

POSCO International’s in-house venture program ‘Poventures’ aims to give employees startup opportunities and pursue new growth pathways. Neptune Cloud, the venture team selected as Class 2 of this program in December 2020, received eight-month incubation to eventually become a successful spin-off startup, and was honored with the Grand Prize at the K-Global Startup Competition hosted by the Ministry of Science and ICT. In December 2021, i-ESG1) was launched as Class 3 venture team and plans to become an independent startup following its incubation period. In addition, we also host the PIC-NIC(Posco International Creative New Idea Contest) to facilitate employees’ diverse ideas and build a corporate culture of challenge and creativity.

1) i-ESG is developing ESG-themed B2B SaaS(Software as a Service) solutions. It aims to help small/mid-sized businesses, who often face difficulties in responding to various stakeholders’ ESG requirements with ESG assessment and reporting automation software and the sustained integration of ESG management into business operations.
[8.2] Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors

[8.3] Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

Global companies strive to facilitate their industry ecosystem to create sustainable value in the 4th Industrial Revolution era characterized by hyper connectivity and convergence. Their aim is to nurture outstanding SMEs and startups to provide new growth opportunity and partner with them to explore new business opportunities, pursuing open innovation in the process.

POSCO International leverages its global network and business development capabilities as a Globally Integrated Corporation to identify and support exceptional SMEs and startups as well as in-house ventures. In tandem with this, we engage in strategic collaboration to secure new growth drivers and create a virtuous cycle of creating new value.

- Support the growth of SMEs and startups, and in-house ventures
- Establish new business strategies by creating opportunities for mutual growth
Amid mounting concerns over inflation, POSCO International supplied high-quality edible corn to the Korean market through the overseas grain export terminal owned by the Company. On July 1, 2021, 50,000 tons of edible corn was imported through the Gunsan and Incheon Harbors and was supplied to the domestic food companies of Daesang, Samyang Corporation and C.J. The supplied corn is processed and sold as starch sugar products. Out of the total imports, 23,000 tons were delivered through the MMW Grain Terminal in Ukraine. In the face of uncertainties in the supply and demand of foreign-grown grain, we remain committed to further expanding our agro-business to contribute to the nation's food security while attaining our vision of joining the league of global top 10 agro-companies.

POSCO International was named a Best Labor-Management Culture Enterprise in 2021 by the Ministry of Labor and Employment. This certification program recognizes and supports companies who set win-win partnership between labor and management to promote cooperative culture and bolster the business competitiveness. This is attributed to our achievement in reflecting employees' satisfaction and difficulties in our business decision-making and preventing confrontations and conflicts between labor and management, through proactive communication via varying channels including townhall meetings and ‘Letters to the CEO’. It was also widely recognized that we helped create a fair online trading environment for partners through the operation of our steel e-commerce platform ‘Steeltrade’ while providing steel market information to resolve information inequalities and contribute to mutually-beneficial partnership between contractors and subcontractors.

POSCO International was certified against the international health and safety management system standard ISO 45001 as the first in the Korean trading industry. To respond to changing domestic/international conditions in the field of health and safety, we have recognized H&S management as one of the key factors for business operations, and have bolstered our H&S management system to prevent injuries across our major operations in Korea and abroad. Efforts have been made at all levels in this regard: we created a dedicated H&S organization in August 2021, announced our H&S management policy, and established and amended our H&S procedures. Our plan is to achieve ISO 45001 for our major overseas operations to develop a H&S management system that engages all our employees and reduce injuries to zero in the workplace in so doing.
[2.1] By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.

[2.c] Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility.

Global disasters including COVID-19, droughts and wards have elicited a surge in food prices, ultimately leading to global food crisis. In the face of mounting threats over food security, companies need to fulfill their social responsibility to enable sustainable farming and ensure the stable supply of agricultural products by identifying new agro business opportunities or reinforcing alignment across different distribution phases.

POSCO International is establishing an integrated agro-business management system spanning from production to logistics, and are pursuing the expansion of sustainable, future-driven food business. In so doing, we will help countries and communities resolve their food security issues and build a reliable and sustainable food supply system.

- Invest in sustainable farming and food technology while reinforcing cooperation with relevant stakeholders
- Maintain responsible procurement practices and improve product traceability to make the agricultural supply chain more transparent
POSCO International operates Pro Bono volunteer corps to match our employees of expertise and knowledge from their own fields of finance, strategy, law, and sales, to social enterprises to solve the issues faced and seek a path to shared growth. The volunteers conduct various mentoring activities such as legal and financial counseling as well as supporting the preparation of marketing proposals through regular communication with social enterprises. We ensure the Pro Bono activities produce substantial outcomes for beneficiaries by constantly sharing the achievements made. We aim to create more opportunities for mutual growth and live by our ‘Corporate Citizenship’ philosophy.

Based on the characteristics of our business, POSCO International operates the POINT (Posco International Trading) volunteer corps that connects employees, college students, and children aiming to provide educational opportunities for underprivileged children. Our 12 employee volunteers mentored 10 students attending universities based in Incheon to provide trading-related education and career counseling. Following this, these student volunteers participated in POINT Class to provide board game-based trade/economic education to 178 children at 15 local children’s centers in Incheon. We plan to continue the virtuous cycle of sharing and creating cases of social contribution where beneficiaries reciprocate by becoming donators themselves.

Deeply sympathizing with the difficulties amid the COVID-19 pandemic, POSCO International pursued win-win partnerships with local communities. In 2021, we donated medical equipment in light of local conditions and the needs of medical institutions in the countries we operate. POSCO International Textile in Uzbekistan provided respirators to a specialized hospital for COVID-19, and MMW Grain Terminal in Ukraine donated defibrillator-monitors and electrocardiographs to local hospitals. In response to the increasing refugees amid the on-going domestic situation in Myanmar, we provided emergency medical support such as first aid equipment and quarantine/healthcare supplies. Also, we supported the training of surgeons and donated surgical laparoscopic equipment to the DR Congo, which faced the double whammy of volcano eruptions along with the pandemic.
[4.4]
By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

[4.5]
By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

SMEs form the foundation of our economy, and social enterprises specifically play a role in resolving social issues. Businesses need to harness their capabilities and knowledge to assist these companies in grappling with their pending issues concerning finance, networking, and lack of infrastructure in order to create a wholesome industrial ecosystem. They also need to provide much-needed education for children and teens in communities.

POSCO International’s Pro Bono volunteer corps utilize their work expertise to support social enterprises in facilitating their business operations as they pursue the betterment of communities. In addition, our employees provide career counseling and employment mentoring to community members based on their experience and expertise.

- Contribute to creating a local ecosystem of social economy
- Leverage our domestic/overseas network to engage in activities for SMEs’ capacity building
Bioapp and POSCO International forged a strategic partnership for shared growth and have been reaching meaningful milestones along the way. In 2020, we signed an MOU to tap into global markets, and this allowed us to leverage POSCO International’s overseas network and sales knowledge to supply samples to overseas markets and develop local partners. In 2021, we signed a tripartite cooperation agreement with PlantForm, a Canadian bio-pharmaceutical company for the export of our CSF vaccine. We are in charge of research and development for commercialization and procurement of vaccines, while POSCO International is in charge of exporting vaccines. PlantForm is responsible for vaccine approval and distribution in Canada, the United States, Brazil, Mexico, and Argentina. Starting with the new drug application submitted in Canada in August 2022, we are planning to proceed with exports to North America in earnest. In addition, we are working together to create business opportunities such as supporting experiments on developing new vaccines and exporting new Asian markets and establishing a local joint venture.

Based on POSCO International’s win-win cooperation funds and overseas marketing support, we were able to focus more on our professional capabilities in vaccine development. This is evolving into a strategic partnership. We are expanding business opportunities while POSCO International is growing together as a global business partner by strengthening its eco-friendly bio business portfolio. We will continue to solidify our cooperative relationship and make efforts to expand the green vaccine that protects the health of the ecosystem worldwide. Furthermore, just as we were able to grow through cooperation with POSCO International, we would like to contribute to the creation of a sound industrial ecosystem by supporting the growth of other SMEs and startups in need.
It was meaningful to support social enterprises in the community by utilizing my expertise. I will actively participate in Pro Bono volunteer corps for building a better future together.

Pro Bono volunteer corps is one of POSCO International’s representative social contribution programs whereby employees leverage their job expertise to understand and resolve community issues. In July 2021, Class 2 of this program was launched with five partner companies and 15 volunteers joining. Employees who are experts in their own fields - HR, planning, finance, law, and marketing – were matched to social enterprises to provide consulting to solve their pending issues. In so doing, POSCO International is leading the practice of ‘Corporate Citizenship’ philosophy by creating the value of win-win partnership with social enterprises.

I was matched with a social enterprise called ‘Haggyone’ in the field of education. This company was established in 2018 as a social enterprise candidate developing content for teenage education, and has been supported by POSCO International Pro Bono volunteer corps for two years. Haggyone had a problem of intellectual property rights infringement in which content was used by others without authorization, and as a result, this company was in a situation of suspending business temporarily. Working as a Pro Bono volunteer for nearly six months, I supported the company with seeking remedies and taking specific responses, which eventually enabled this company to reach a mutually agreeable agreement and resume its business.

Furthermore, I teamed up with other Pro Bono volunteers matched to Haggyone to consult on tasks, priorities and improvement directions for online marketing development. In recognition of the possible reoccurrence of such issues, we identified preventive measures while discussing issues on child safety certification to develop content for children. Using my expertise to help the partner company grow further and resolve its pressing issues was truly a memorable experience for me.
### Material Issues and Reporting Boundaries

1. **Material Issue**
2. **Stakeholders**
   - Shareholders/investors
   - Customers
   - Suppliers
   - Employees
   - Local communities/Non-governmental organizations (NGOs)
   - Governments/international organizations

#### GRI Standards
- Index
- SASB
- 2) Index
- TCFD
- 3) Framework

#### Expansion and Shifting Industrial Structure
- Eco-friendly energy and materials industries

#### Economic Performance
- Strategy, Risk Management
- Core Business
- p.21-40

#### Response to Climate Change
- GHG Emission, Energy Management
- Environment
- p.41-43

#### Bolstering Employee Health and Safety
- Workforce (Employee)
- Health & Safety
- Social
- p.55-58

#### Proactive Stakeholder Engagement
- Local Communities
- Community Relations
- Social
- p.59-61

#### Establishing an Integrated Risk Management System
- Strategy, Risk Management
- Governance
- p.66-68, 93

#### Securing Sustainable Suppliers and Reinforcing Fair Trade
- Supply Chain Management, Material Sourcing
- Other Sections
- p.89, 90

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1) Material issues were classified into Most Significant(■), Significant(■) and Less Relevant(■■) according to their impact on stakeholders.
2) Material issues defined by the SASB (Sustainability Accounting Standards Board) reporting standards
3) Disclosure recommendations proposed by the TCFD (Task Force on Climate-related Financial Disclosures)
The global economy recovered quickly amid the fiscal expansion and easing of monetary policies of major countries and the development and distribution of vaccines. Nevertheless, the prolonged trade conflict between the US and China, along with surging raw material prices, disruptions to the global supply chain, and COVID-19 variants pose significant challenges both in the domestic and international industrial landscape. In the face of this all, the Company harness its know-how accumulated over the years and its broad overseas network to push the business territory into multiple areas, expanding the agro/energy business value chain in connection with trading business and nurturing future-driven growth drivers including green and carbon neutral businesses.

RISKS
• Exacerbating conflict between the US and China and the resulting uncertainties increasing in the trade environment and the restructuring of global supply chains
• Weakening multi-lateral trade system led by the WTO, and deepening regional trade blocs
• Tightening import regulations including the EU’s Carbon Border Adjustment Tax (CBAM) and carbon regulations adopted by the major countries
• Increasing volatility in raw material prices amid the protracted Russo-Ukrainian War

OPPORTUNITIES
• Booming raw materials markets and recovering global demand in the wake of COVID-19
• Improving E&P investment conditions amid high oil prices
• Increasing business opportunities for green mobility/hydrogen economy business in line with countries and companies implementing their carbon neutrality initiative
• Continued growth in demand for natural gas as an eco-friendly energy source

OUR APPROACH
POSCO International is evolving into a Globally Integrated Corporation by sharpening the competitiveness of its strategic business while tapping into new markets and businesses. Building upon years of know-how gained through trading and our extensive global network, we increase investments in building the value chain of our key businesses, from steel, rechargeable battery and energy to hydrogen, agro, and eco-friendly parts/materials.
**Mid-term Strategy**

**Align Trading and Investment across the 7 Core Businesses to Lead the Globalization of POSCO Group**

**As a Partner**

**Connect the dots by advancing into untapped areas within the midstream of the value chain of seven key businesses**

**As a Leader**

**Take the lead in creating, connecting, and completing the value chain to solidify our position**

**As a Trailblazer**

**Lead the effort to identify and commercialize Group’s future new growth drivers outside the realm of seven key businesses for Group affiliates**

**Rechargeable Battery**

- Review mine investments and recycle business for the reliable procurement of raw materials

**Hydrogen**

- Review follow-up joint investments in line with POSCO’s hydrogen procurement strategy, including blue hydrogen procurement through CCS business

**LNG**

- Secure assets and expand businesses to stabilize procurement for Group affiliates

**Steel**

- Generate synergy through the integration of sales channels for Group affiliates and establish a reliable raw materials supply system in line with POSCO’s carbon neutrality roadmap

**Agro**

- [Grain] Expand the value chain into up-stream/down-stream sectors through procurement assets and captive demand
- [Palm oil] Solidify the value chain through plantation acquisitions and down-stream investments

**E&P (Exploration & Production)**

- Ensure the reliable production of the Shwe Project and secure additional reserves to stabilize the basis for up-stream business, and play a leading role as the Group’s cash cow

**Eco-friendly Materials**

- Establish 7 million global traction motor core production capacity by 2030
- Move ahead in bioplastic and other eco-friendly chemical material markets

**Areas with Potential for New Platform Business**

- Discover business opportunities based on our global network in overseas retail business and other areas that could serve as future business platforms

**Based on creative ideas, venture-type areas**

- Pursue early-phase market entry: petrochemical-based medications → biomaterial-based medications
- Consider waste-to-eco-friendly resource business and the development of alternative protein and carbon composite materials
POSCO International harnesses its worldwide network to engage in the trading of a variety of products – steel, agro resources, eco-friendly parts & materials, rechargeable battery materials – with top-tier customers in Korea and abroad. We are also conducting business in developing resources and undertaking overseas projects.

**Number of overseas corporations and offices per locations (including minority shares)**

- Trading Corporations and Affiliated Branches (locations)
  - Trading Corporation: 15
  - Affiliated Corporation: 1
  - Affiliated Branch: 16
  - Affiliated Office: 2

- Trading Offices and Liaison Offices (locations)
  - Representative Office: 25
  - Liaison Office: 3

**Mid-term Strategy**

- Global Network and Business Operations

**2021 Business Performance**

- Statements from the Heads of Groups
- 7 Core Businesses
- Strategic Business
- Win-Win Partnership with SMEs and Startups

**Sales Breakdown by Region in 2021**

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales (KRW billion)</th>
<th>Ratio of Sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>5,192</td>
<td>15.3</td>
</tr>
<tr>
<td>Asia (excluding China)</td>
<td>15,203</td>
<td>44.8</td>
</tr>
<tr>
<td>China</td>
<td>4,832</td>
<td>14.2</td>
</tr>
<tr>
<td>Europe</td>
<td>3,415</td>
<td>10.1</td>
</tr>
<tr>
<td>North America</td>
<td>2,793</td>
<td>8.2</td>
</tr>
<tr>
<td>Others</td>
<td>2,506</td>
<td>7.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>33,941</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Notes**

- 3MPO: (as of Dec. 31, 2021, unit: KRW billion)
- 3MFT: 3BUPG48MFT

1. This is based on net sales, and excludes KRW 7,234 million generated from property investments as leased income.
4. *Subsidiary not consolidated in 2021: POSCO International POWER(PNGPOM) LTD.
**Country** | **Business** | **Core Business**
--- | --- | ---
EU | EU | Increase the number of processing export items and their volume for PV structural materials and parts.
| | | Establish a stable supply system for key customers including large-size distributors and steel pipe companies.
| | | Expand the supply of core EV traction parts for major car OEMs and parts companies.
| | | Promote hydrogen vehicle parts packages supply.
| | | Expand the purchase and supply of bioplastics (PBAT, PLA) and recycled plastics (PC and others).
| | | Expand the purchase and supply of synthetic fiber intermediates and synthetic resins.

Turkey | Turkey | Make equity investments (10%) in a Turkish STS cold rolling mill and expand the third-party materials supply and engage in cross trade sales.
| | | Expand the supply of plates from POSCO and other mills to CS WIND.

Ukraine | Ukraine | Expand the sourcing and trading of corn, wheat and other major grains through MMW Grain Terminal in Ukraine.
| | | Develop eco-friendly steel business and expand sales in alignment with EU’s 2050 carbon neutrality initiative (low-emission cars, wind power, and PV).

Germany | Germany | Develop eco-friendly steel business and expand sales in alignment with EU’s 2050 carbon neutrality initiative (low-emission cars, wind power, and PV).
| | | Expand the purchase and supply of synthetic fiber intermediates and synthetic resins.

Russia | Russia | Expand the purchase and supply of synthetic fiber intermediates and synthetic resins.

Poland | Poland | Source recycled rechargeable battery materials produced by PLSC and promote supply to P-HYCM.
| | | Build a processing business system for major PV tracker companies.
| | | Expand the sales of high-end steel sheets and other products for major car OEMs manufacturing low emission vehicles.
| | | Bolster the sales of eco-friendly steel from POSCO/POSCO Steeleon for strategic customers.
| | | Expand the purchase and supply of synthetic fiber intermediates and synthetic resins.
| | | Enhance the supply of core EV drive parts for major car OEMs and parts companies in North America.
| | | Assemble drive parts at local plants and expand the sales to new EV OEMs.
| | | Promote liquefaction plant investment business in North America.
| | | Expand US-grown grain (corn, soybean, and wheat) sourcing.

US | US | Build a processing business system for major PV tracker companies.
| | | Expand the purchase and supply of compounding resins for home appliances.
| | | Expand the purchase and supply of synthetic fiber intermediates and synthetic resins.
| | | Enhance the supply of core EV drive parts for major car OEMs and parts companies in North America.
| | | Assemble drive parts at local plants and expand the sales to new EV OEMs.
| | | Promote liquefaction plant investment business in North America.
| | | Expand US-grown grain (corn, soybean, and wheat) sourcing.

Mexico | Mexico | Build a processing business system for major PV tracker companies.
| | | Expand the purchase and supply of synthetic fiber intermediates and synthetic resins.
| | | Expand the sales of STS steel produced by POSCO to re-rolled steel/automotive exhaust system/ sync companies in Mexico.
| | | Expand major grains (corn, soybean, and wheat) sourcing.
| | | Develop new IPP business for the lithium-mining salt lake project in Argentina.
| | | Promote the purchase and supply of medications.
| | | Construct 4 power plants.
| | | Connect natural graphite off-take deals with toll processing.
| | | Operate the power plant corporation in the LAE region.
| | | Acquire Senex Energy.
| | | Consult on the supply of reducing agents for the Roy Hill PJT HBI (Hot Briquetted Iron) Plant.
| | | Conduct joint study on CCS business in Western Australia with Santos.
**Country** | **Business** | **Core Business**
--- | --- | ---
China | Expand the sourcing of STS steel products in China and supply of raw materials to POSCO's overseas STS cold rolling mills | ●
| Advance the sales of POSCO products and expand the P-CORE-aligned value chain in the Chinese green mobility industry | ●
| Source carbonic acid and lithium hydroxide as rechargeable battery materials produced in China and expand the supply to POSCO Chemical | ●
| Expand the purchase and supply of bioplastics (PBAT, PLA) and recycled plastics (PC and others) | ●
| Expand the supply of core EV traction parts to Geely and other major car OEMs | ●
| Expand the purchase and sales of major grains including soybean, corn and rice | ●
| Source carbonic acid and lithium hydroxide as rechargeable battery materials produced in China and expand the supply to POSCO Chemical | ●
| Expand the certification and supply of next-generation green mobility materials - high strength steel/electrical steel - for car OEMs | ●
| Expand the supply of core EV traction parts for major car OEMs and parts companies in Japan | ●

Japan | Expand the sourcing of STS steel products manufactured by POSCO to meet actual consumption needs including re-rolled steel, automobiles, steel pipes in Japan | ●
| Expand the sales of steel coils for the global locations of Japanese home appliances companies | ●
| Bolster the sourcing of Japanese products to facilitate cross trade business | ●
| Expand the sales of STS steel products manufactured by POSCO to meet actual consumption needs including re-rolled steel, automobiles, steel pipes in Japan | ●
| Expand the certification and supply of next-generation green mobility materials - high strength steel/electrical steel - for car OEMs | ●
| Expand the supply of core EV traction parts for major car OEMs and parts companies in Japan | ●

Myanmar | Continue rice processing business through RPC operations | ●
| Continue engaging in gas production and sales at the Shwe Project | ●
| Implement Phase 2 & 3 developments of the Shwe Project | ●
| Engage in gas transport business through the pipes connected to the border areas of China | ●
| Develop Mahar prospects offshore Myanmar | ●

Vietnam | Continue rice processing business through RPC operations | ●
| Continue engaging in gas production and sales at the Shwe Project | ●
| Implement Phase 2 & 3 developments of the Shwe Project | ●
| Engage in gas transport business through the pipes connected to the border areas of China | ●
| Develop Mahar prospects offshore Myanmar | ●

Malaysia | Explore the PMS24 block | ●
| Explore the PMS24 block | ●
| Explore the stable cross trade sales of copper materials for Iljin Materials in Malaysia | ●
| Conduct joint offshore CCS study with Petronas | ●
| Conduct a joint study project with Bunga | ●

Indonesia | Explore the PMS24 block | ●
| Explore the PMS24 block | ●
| Explore the stable cross trade sales of copper materials for Iljin Materials in Malaysia | ●
| Conduct joint offshore CCS study with Petronas | ●
| Conduct a joint study project with Bunga | ●

Uzbekistan | Continue manufacturing and sales of cotton yarn and fabric | ●
| Promote the cultivation of cotton and process by-products (cotton seed oil, lint, etc.) | ●
| Continue making equity investment in KOLNG of Oman | ●

Oman | Continue making equity investment in KOLNG of Oman | ●
| Continue making equity investment in KOLNG of Oman | ●
| Explore the PMS24 block | ●
| Explore the PMS24 block | ●
| Explore the stable cross trade sales of copper materials for Iljin Materials in Malaysia | ●
| Conduct joint offshore CCS study with Petronas | ●
| Conduct a joint study project with Bunga | ●

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In 2021, the global economy turned around to recover quickly as major countries implemented fiscal expansion and quantitative easing, along with vaccine development and distribution. Meanwhile, the continued US-China trade conflict, combined with skyrocketing raw material prices, disruptions to global supply chains, and emerging COVID-19 variants, added to heightened uncertainty across overall economies. In the face of this all, we solidified the foundation for sustainable growth by exploring future business opportunities while making large-scale investments in core business areas. Our profitability increased as our subsidiaries improved their performance and trading profits, and we bolstered our ESG communications and reinforced our internal management system.

**We solidified the basis for sustained growth for our three key business areas of steel, energy and agro.**

In steel business, we integrated Group-wide export channels, increasing the sales and profit of POSCO's steel products by completing market transfers for nearly 4.6 million tons of steel and 7.5 million tons of raw steel across Asia and Americas. We sharpened our competitiveness in the domestic distribution market based on e-Sales, which immensely increased our profitability. In response to the growing demand for steel scraps entailed by the carbon mitigation policy, we preemptively developed our mid/long term strategy to secure steel scraps and established a reliable supply chain, expanding our y-o-y sales of POSCO Group by 20%. In energy business, we secured additional reserves by discovering 'Mahar' prospects in Block A-3, offshore Myanmar, and are working to develop promising new gas fields by acquiring Senex Energy in Australia. In line with the sustained growth in global LNG demand, we endeavor to raise our captive trading volume and expand value chain aligned with our growth roadmap. In agro business, we expanded the third-party volume handled through our MMW Grain Terminal in Ukraine and supplied non-GMO corn to Korea starch sugar companies to stabilize its operations, and achieved the international food safety management system certification, establishing competitiveness in line with global standards. We broadened our value chain based on the successful operation of our palm business and achieved the international sustainability certification of RSPO in recognition of its business sustainability. Meanwhile, we established a holding company in Singapore for our agro business, and aim to expand our palm plantation business.

**We improved our profitability through risk management and increased financial soundness even mid global uncertainties.**

Our green mobility traction motor core business is expected to emerge as one of our core business pillars, which is conducted under the synergies among POSCO's steel materials, the manufacturing technology of POSCO Mobility Solution, and POSCO International's marketing capabilities. We have defined our growth roadmap of production capacity to 4 million units by 2025 and 7 million units by 2030, and thus are investing in overseas production bases in China, Mexico and others. We are also increasing the contracts with global eco-friendly car OEMs and parts makers. Amid the rapidly-shifting global business landscape, our subsidiaries dramatically improved their performance, accomplishing KRW 177.2 billion in operating income and stabilizing portfolio in portfolio in trading, resource development, and investment business. PT. BIA in Indonesia accomplished max profit as its mass-production system stabilized and sales rose, and POSCO Mobility Solution has surpassed KRW 10 billion in operating income since Q2 of 2021. POSCO International Textile in Uzbekistan also improved its profitability amid the booming cotton yarn market, and our hotel business in Myanmar distinguished itself for exceptional safety and disease prevention to elevate its market share and profitability. In trading business, we increased sales while risk management to improve profitability and business stability. We restructured our trading business by exiting from low-profit businesses and reallocated existing human resources for key businesses and future-driven ones.

**We bolstered our ESG communications as a global corporate citizen and tightened our internal management system.**

We adopted the TCFD(Task force on Climate-related Financial Disclosures) recommendations, and are operating the ESG Council created to deliberate on the major ESG decisions. This allows us to preemptively review the impact of ESG risks, including climate change, on our business operations and to integrate ESG perspectives into our long-term management decisions. As a member of the UN Global Compact, we sincerely conduct business to help resolve global issues and attain the UN Sustainable Development Goals(SDGs). As a Globally Integrated Corporation, we made our Modern Slavery Act declaration and are implementing our own responsible minerals management system to protect human rights along supply chains to promote social inclusion while pursuing economic growth through market advancement. Furthermore, we publish corporate citizenship reports to transparently communicate our positions on the ESG issues associated with our overseas investment businesses, communicating with stakeholders to alleviate the concerns they raise. For such endeavors, we were rated A+, the highest rating, for three consecutive years in the ESG assessments made by the Korea Corporate Governance Service(KCGS) on listed companies, and were honored at the Korea Readers' Choice Awards(KRCA) for the second time since 2019 at the Korea Sustainability Conference 2021 hosted by the Korean Standards Association.
In 2022, we will define our growth roadmap guided by the holding company following the launching of POSCO Holdings. Our priority will be promoting eco-friendly business and making investments to solidify our key businesses to elevate our sustainability and shareholder value. While reducing non-insured/unsecured loans for risk management, we will also systemize our overseas workplace safety management to prevent unnecessary losses. Pursuing digital trading by developing trading blockchain platforms and introducing automated processes, we will lay the foundation for company-wide digital transformation. We will remain focused on advancing ESG management in its truest sense by securing financial limits to facilitate ESG business and supporting SMEs that have eco-friendly technology through win-win cooperation funds.

We will practice an earnest ESG management by focusing our investment on eco-friendly business and supporting eco-friendly SMEs.

Min-Young Noh, CFO,
Corporate Strategy & Finance Group

Kye-In Lee, COO,
Steel Business 1 Group

Sung-Su Han, CAO,
Corporate Management Group

We will strive to make a workplace of autonomy and creativity for growth and innovation and provide a safe, great workplace.

We will provide stronger support for employees to unleash their creativity in a safe environment. Our plan is to achieve ISO 45001 for the Headquarters and overseas operations and bolster health and safety training and communication to remain injury-free and establish a health and safety management system. We encourage sales activities through distributed work supported by hub offices, and work to upgrade our smart IT infrastructure by stabilizing the re-established ERP system and improving our CRM and mobile work environment to strengthen our support for field sales operations. We nurture talent for future business to reinforce our human resources as growth drivers, and develop new HR strategies in line with our mid/long-term strategy. Furthermore, we will bolster strategic communications to highlight the future potential of our green mobility and eco-friendly materials business, and perform on-site legal assessments to prevent risks and elevate our corporate value in the process.

Guided by the vision of ‘Global Top Steel Business Maker’, all our employees are fully aligned in their own position towards the goal of reaching 17 million tons in steel handling volume by 2030. Strengthening our role as the direct trading company of POSCO, we are implementing our top strategic priorities of expanding our global market influence, developing consumers in connection with eco-friendly industries, advancing business aligned with combination deals to improve profitability, and establishing global traction motor core production bases. We remain focused on dominating new types of consuming industries to tap into new markets and secure future growth drivers and on investing in promising businesses and advancing into emerging strategic markets. In so doing, our organization will emerge as a global top-notch steel trader on the strength of our global steel marketing platform and expand business in partnership with competitive Korean SMEs to deliver the value of shared growth.

We will will strive to make a workplace of autonomy and creativity for growth and innovation and provide a safe, great workplace.

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We will emerge as a global top-notch steel solution organization fueled by differentiated future growth drivers to conduct sustainable business.

We will will strive to make a workplace of autonomy and creativity for growth and innovation and provide a safe, great workplace.

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We will lay the basis for the future growth of the steel industry by expanding sales in eco-friendly industries to preemptively respond to the carbon neutrality initiative.

As a pillar of Group affiliates’ environmental strategy leading the 2050 carbon neutrality initiative, we will strengthen our eco-friendly business model and expand our energy transition business.

We will leverage the international sustainable palm oil certification to expand our sustainable value chain, and fulfill our role in leading the expansion of the Group’s eco-friendly material business.

We will develop our grain supply chains and expand the value chain to prepare for unstable global food supply/demand and the accelerating climate crisis. We will establish a production and procurement network in main food producing countries such as Ukraine and the Americas and advance into the consumer market such as Korea and other major importers. In palm business, we will pursue both horizontal and vertical expansion by in the value chain through downstream investments and acquiring new plantations, contributing to the nation’s food security. In line with the shifting global industrial paradigm, we will implement new business strategies with a focus on future eco-friendly materials. We aim to lead the Group’s eco-friendly future material business by developing a bioplastic supply chain and new bio business while expanding future mobility business through investments in core EV parts such as traction motor cores, permanent magnets, and flat wires. We will also bolster ESG management at overseas investment corporations just as our Indonesian palm business corporation adopted the NDPE policy and achieved the RSPO certification, and POSCO International Textile in Uzbekistan achieved green certifications. We will support SME suppliers to transition to eco-friendly materials/parts and practice ESG management and the corporate citizenship philosophy.

In line with POSCO Group’s carbon neutrality goal and the era of energy transition, we aim to develop new eco-friendly, low-carbon business models driven by natural gas. We proudly serve as the Company’s cash cow on the back of the successful evaluations made on Mahar prospects, along with the stable operation of the Shwe Project and the uninterrupted implementation of Phase 2 & 3 development, and we will further expand new E&P exploration and development to cement our reliable profit structure. As part of such efforts, we paved the way to broaden our business presence in the strategic country of Australia through the acquisition of a local company Senex Energy. To help implement the Group’s future growth strategy, we are introducing low-carbon LNG and pursuing CCS-based blue hydrogen and green hydrogen business in alignment with renewable energy, and this will surely enable us to play a leading role in Group’s eco-friendly business. We will continue to expand our E&P and LNG business through stable business portfolios and proactively seek energy transition business opportunities to stay focused on future-driven business operations to swiftly respond to the shifting energy landscape of the future.

We serve as a reliable seller of cold/hot-rolled steel coils and plates as well as wire rods, an exporter of STS products, and a contributor to strengthened raw material competitiveness through the supply of raw steel and rechargeable battery materials to POSCO and our overseas production corporations. We focus on the expansion of our supply and value chain in the construction steel market to increase our sales. Through mutually beneficial cooperation with competitive Korean SMES, we expand our processing business and act on the corporate citizenship philosophy. Furthermore, we aim to lay the groundwork for future growth by responding to quickly-changing market conditions head-on and advancing our key businesses. We will bolster our role as a reliable raw steel procurement window for Group affiliates in Korea and abroad. To help attain the 2050 carbon neutrality goal of POSCO Group, we aim to increase our steel sales in domestic and overseas eco-friendly industries and establish a stable steel scrap supply system. Furthermore, we establish the competitiveness of our steel e-commerce platform and reinvigorate this platform to preemptively address the shifting future landscape and expand our future growth engines in so doing.
Under the POSCO Group’s strategic goal, we have leveraged integrated marketing and cooperation with Group affiliates to strengthen our dominance abroad. We also expand our value chain and create added value with tailor-made combination deals to improve profitability and pursue business advancement. Collaborating with Group affiliates in the areas of construction, materials, and IT, we tap into new business territories. Developing diverse yet stable business models through steel e-commerce and processing combination deals, we will cement our leadership in the domestic market.

Under the POSCO Group’s 2050 carbon neutrality goal, we aim to increase sales in clean tech industries - green mobility, wind power, photovoltaics, and hydrogen transport - to proactively cater to their needs. We help conserve resources and reduce CO2 emissions through the supply of steel scraps. Our efforts to pursue win-win partnerships in the industrial ecosystem include supporting SME partners to explore their opportunities in overseas and special sales amid the supply shortage of steel products. We develop sustainable business models to live by the corporate citizenship philosophy.
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CORE BUSINESS

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- Actively respond to market changes, strengthen future core business capabilities, and pave the way for growth
- Strengthen the sales basis in mid/small-sized actual demand and distribution demand markets
- Expand business connected with STS production bases and reinforce strategic alliance with overseas mills

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WB MVFDIBJO

- Expand the construction steel value chain to tap into the construction market which is the largest steel market, and increase both supply and sales

*EOU|GZBOEVSVSU|SFDPG|FOEMZ

HSPXU|OEVTU|FT

- Build competitiveness for and facilitate our steel e-commerce platform to preemptively respond to the future market landscape
- Expand steel sales in domestic and international green energy industry sectors to identify new growth drivers

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- Develop a reliable raw steel procurement system for Group affiliates in Korea and abroad
- Secure a stable steel scrap supply-demand basis through preemptive investment

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- Strengthen the sales basis in mid/small-sized actual demand and distribution demand markets
- Expand the operation of processing centers at domestic hub locations and engage in collaboration for high-added value processing export
- Launch tailor-made marketing for customers through the supply of POSCO product + imported material packages
- Expand business in alignment with overseas STS production bases and develop high-value added actual demand
- Diversify overseas sourcing in relation to Group affiliate business and expand connected business
- Expand high value-added STS markets – mobile and home appliances – and develop demand

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We currently engage in marketing collaboration through the MOUs signed with seven mid/large-sized processing centers across respective regions, including the Kyungbuk Steel in the Seoul metropolitan area and Dong-a Kang Up in the Youngnam region. This allows for reliable material supply for POSCO International while enabling processing centers to provide processing services and loans to strengthen their sales basis, promoting win-win partnership and shared growth as a result. We will identify such collaboration opportunities in other regions including Daegu and Gyeongbuk to expand our local hubs across the four major regions of Korea.
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POSCO INTERNATIONAL CORPORATION

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Rechargeable battery material business is one of the key future growth drivers for POSCO Group. POSCO group is increasing its production capacity in line with the rapid growth of the EV market and strengthening its value chain from raw materials to cathodes & anodes. As a company’s material sourcing capability is emerging as a key competitive determinant, we will focus on the timely sourcing of materials by leveraging our existing non-ferrous metal sourcing capabilities and extensive overseas network.

We supply rechargeable battery materials, the key raw materials for low emission vehicles that are replacing internal combustion engine cars. We help attain POSCO Group’s 2050 carbon neutrality goal and take the lead in mitigating GHG emissions. We thoroughly manage our raw materials through the Group’s Responsible Minerals Consultative Department. In procuring the materials, we ensure that we are not involved in any conflict, respect human rights and environment, and build our supply chain based on sustainable raw materials.

POSCO Group affiliates are business leaders in each major phase of the rechargeable battery value chain. POSCO advanced into high-purity nickel production business through the acquisition of a rechargeable battery nickel mine, and POSCO Chemical has significantly increased its production volume of precursors, cathodes and anodes, three of the four major battery raw materials while engaging in raw material mining and processing business to cement its position in the rechargeable battery market. POSCO Group is also pursuing resource circulation business to extract key rechargeable battery materials – nickel, cobalt, lithium, and manganese among others – out of end-of-life battery scraps to help establish a resource circulation economy. As such, we are leading the market on virtually all fronts of the rechargeable battery value chain, ranging from raw material mining and processing to production and recycling.

Actions

- Secure table supply chains through the vertical integration of natural anode materials (flake graphite/spheroidal graphite)
- Continue with joint investment with Group affiliates to establish battery recycling spoke/hub at each overseas hub
- Invest in overseas lithium mines and processing facilities and pursue off-take material deals
- Pursue the sales of lithium hydroxide manufactured by POSCO-Pilbara LITHIUM SOLUTION, a lithium production corporation of POSCO Group
- Continue to expand material supply volume at each key overseas copper foil industry hub

- Expand the natural anode material business
  - Sign off-take deals for natural anode materials (flake graphite) sourced from Africa
  - Make equity investment in domestic/overseas flake graphite makers or explore joint business opportunities
  - Pursue joint investment in overseas recycling material spoke facilities with Group affiliates and diversify suppliers to ensure stable raw material supply for POSCO HY Clean Metal (P-HYCM), a recycling corporation of POSCO Group
  - Expand lithium suppliers and pursue off-take deals and lithium material processing business
  - Pursue copper foil material off-take deals for the domestic/overseas operations of Korea’s major rechargeable battery copper foil makers

POSCO Group’s Rechargeable Battery Value Chain at a Glance
Additional reserves were secured through development of Phase 3 and exploration of Mahar prospects in Block A-3. The acquisition of Senex Energy will also help to expand our network of resource development and strengthen our growth basis. Backed by Group affiliates’ LNG demand and the stable procurement volume generated from Gwangyang LNG bunkering business, we are bolstering our trading capabilities and expanding our value chain.

As a supplier of LNG, an alternative energy source to conventional fossil fuels, we help mitigate climate change. We perform environmental impact assessments prior to initiating any projects such as gas field exploration & development, and share the results with local communities through consultations. We also distributed cook stoves with high thermal efficiency in Rakhine, Myanmar to reduce GHG emissions and improve the quality of life for locals, pursuing mutual growth with them. Amid COVID-19, we have initiated healthcare CSR activities to meet the pressing needs of people in Myanmar.

We conducted appraisal drilling on Mahar prospects in Block A-3, offshore Myanmar. Our goal is to complete Phase 2 production well development within 2022, and we have signed an EPCIC contract for Phase 3 development. This contract, worth nearly KRW 500 billion, includes the planned installation of gas boosters platforms and additional facilities to maintain stable production under the Shwe Project.

* LNG is classified as transitional energy under the K-Taxonomy, and a proposal was adopted at the EU Parliament in July 2022 to include LNG in the sustainable activity category under the EU Taxonomy.
To emerge as the largest hydrogen consumer and producer in the future, POSCO Group aims to nurture hydrogen business as a key pillar for Group-wide growth business. POSCO is building a value chain spanning the entire life cycle of production-transport-storage-use by combining its capabilities at all levels. POSCO International is taking the lead in hydrogen related business on the strength of its partnership forged with prominent overseas companies. We will render our value chain even more competitive in line with Group affiliates’ hydrogen procurement strategy.

To achieve POSCO Group’s 2050 carbon neutrality goal, the Group needs to shift to hydrogen reduction ironmaking. POSCO Group is building a network and organizational capabilities required to produce blue hydrogen that will be ultimately aligned with CCS1 and green hydrogen. In line with Group affiliates’ hydrogen procurement strategy, we will engage in joint investment and collaboration in building hydrogen infrastructure and contribute to the transition into a low carbon society.
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We conduct grain trading and food resource development to secure sustainable food resources. We are reinforcing our procurement basis by expanding our handling volume in Korea, China, and Southeast Asia, and importing feed corn via our MMW Grain Terminal in Ukraine. We also plan to stabilize our procurement basis by acquiring additional assets and plantations. In our palm business, we increased sales through development of palm oil mass-production system, and plan to promote construction of a third CPO mill for more production capacity and expand portfolio with downstream investments.

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Operating our own grain terminal, we will brace for instability in food market caused by climate change, geopolitical risks and population growth, while contributing to the nation’s food security. To become carbon neutral, we procure low carbon agricultural products and promote regenerative agriculture, and expand into plant-based material business over the long haul. Our palm plantation business achieved the certification of RSPO, and published NDPE implementation plans and reports. As such, we preemptively respond to environmental and social issues and reach out closer to stakeholders.

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| O5MONOE-PMHJUJTGYQPSU15PDFTT|OH |
| SBE|OH*QPSU*JTU|CVUP|OPO |
| *NQPSU15PDFTT|OH |

- Invest in farming companies to secure food resources in major grain producers including Ukraine and North American countries
- Partially resume RPC operations in Myanmar
- Improve productivity through rigorous production history and cost management
- Analyze raw grain purchase performance during harvest to establish an optimal procurement system
- Diversify procurement areas and trading methods to maximize handling volume and strengthen
- Reinforce strategic partnerships with top-performing business partners
- Strengthen cooperation between the Korean government and private sector corporate customers to contribute to national food security

- Build a grain procurement system to advance into the domestic processing industry of exporting countries
- Advance grain processing business that makes the best use of access to materials in exporting countries in alignment with inland procurement hubs to increase added value and strengthen procurement volume sales
- Establish a system to handle 10 million tons of grain globally within five years
- Build strategic partnerships with domestic/international customers to lay the basis to advance into import distribution and processing business (captive market)

- Diversify procurement methods and sources to strengthen the reliable grain sourcing system
- Explore the procurement of grains that meet the needs of actual consumers, including the contract farming of non-GMO grain
- Invest in procurement assets in Latin America and Australia to diversify procurement sources
- Secure additional rice procurement assets in Southeast Asia based on know-how accumulated in operating the RPC in Myanmar and create independent brands to secure domestic captive demand
- Import non-GMO grain secured through contract farming into Korea and sell them to new markets (Philippines, Africa, and Middle East and North Africa)

- Stabilize grain quality and stably secure volume through contract farming aligned with agricultural materials
- Procure low carbon agricultural products, promote regenerative farming, and secure carbon credits
- Build strategic partnerships with domestic/international customers to lay the basis to advance into import distribution and processing business (captive market)

- Relax grain trading and food resource development to secure sustainable food resources. We are reinforcing our procurement basis by expanding our handling volume in Korea, China, and Southeast Asia, and importing feed corn via our MMW Grain Terminal in Ukraine. We also plan to stabilize our procurement basis by acquiring additional assets and plantations. In our palm business, we increased sales through development of palm oil mass-production system, and plan to promote construction of a third CPO mill for more production capacity and expand portfolio with downstream investments.

In July 2021, we bought in 53,000 tons of non-GMO edible corn grown in Ukraine in cooperation with Korean consuming businesses, out of which 23,000 tons were delivered through our grain terminal. This constituted the first-ever delivery of edible corn imported through an overseas distribution facility owned by a Korean company, and the import was successfully completed. Going forward, we will advance into major grain producing/exporting countries across the globe to build procurement infrastructure and expand our role in ensuring reliable food sourcing and import in the event of national food crisis.
"(30"

AT A GLANCE

PART 1

CORE BUSINESS

Mid-term Strategy
Global Network and Business Operations
2021 Business Performance
Statements from the Heads of Groups
DSF in T1Q
Strategic Business
Win-Win Partnership with SMEs and Startups

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ESG FACTBOOK

As our harvest expanded into the entire plantation area in 2021, this raised the need to increase capacity of our extraction plants and we initiated the construction of a 3rd CPO mill in Q3 of 2021. This is expected to enable us to set a new record in annual maximum CPO production earlier than planned.

1°. $0550/7°-6& $)*"/

- Secure 100,000ha in raw cotton cultivation areas to lead the local market and reach 10% in market share in Uzbekistan
- Supply lint for cotton pulp production - Consider the expansion of Global Komisco Daewoo
- Implement the implementation of environmental preservation programs in relation to RSPO and advance the NDPE policy to bolster sustainability management
- Improve productivity through the timely operation of a third CPO mill - Expand processing capacity in line with growing harvest volume
- Simultaneously secure up-stream (plantation) and down-stream assets that hold the potential to maximize synergy
- Pursue partnerships with high-performing business partners that are experienced in operating down-stream assets or have material procurement assets or captive demand in Kalimantan
- Break ground for a refining and BD factory in 2023 and complete the factory in 2024 - Preemptively secure captive demand in Korea and others
- Expand into downstream sectors including biochemicals
- Expand the import of oil and soybean - Expand sales of edible oil and bio diesel fuel and reach 30% in domestic market share - Expand sales of GMO soybean for domestic oil extraction companies

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POSCO INTERNATIONAL Textile in Uzbekistan became the first in the nation to achieve the GRS certification for manufacturing products blended with recycled materials in November 2021 in recognition of its eco-friendly and ethical factory operations. By second half of 2022, we will contribute to the local communities as an ESG leader in Uzbekistan, through manufacturing of GRS-certified blended products.

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Build global production bases & infrastructure in Korea, make phased-in facility investments according to growth.

Focus on ultra-thin products, secure toll processing volume.

Secure traction motor core manufacturing technology.

Strengthen the role of processing centers through the integration of value chain through phased-in investment in bioplastic production and bio materials.

Expand the business territory into eco-friendly recycling to promote resource circulation and mitigate carbon emissions.

Identify biopharmaceutical business opportunities within the Group through strategic investment aligned with POSCO’s venture business (SI, Strategic Investor).

Preemptively make technology proposals through tech councils with customers to create customer value.

Focus on ultra thin products, secure toll processing volume and produce precision materials to increase utilization.

Bolster market dominance by leveraging anti-dumping duties levied on imports in the sheet distribution sector.

Strengthen the role of processing centers through the facility relocation by region and workforce and invest in facilities for future eco-friendly demand.

Make phased-in facility investments according to growth demand.

Create a development organization and bolster capabilities as an eco-friendly parts maker.

Establish a quality management system through reliability testing and manufacturing infrastructure development.

Secure traction motor core manufacturing technology (self-bonding materials, EMFree, etc.)

Increase the sales of precision materials based on core technologies for fuel cell, battery and mobile phone.

Expand applications by developing ultra thin rolling technology and supplying materials for cutting-edge industries.

Increase sales in sheet distribution and establish a profitability maximization system.

We won new long-term supply contracts worth KRW 500 billion with major global car OEMs and parts makers, paving the way to emerge as an organization specializing in future mobility.

Our precision material business reached 20,000 tons in sales in 2021, up by nearly 30% from the previous year. Localizing wide molding materials, we successfully produced ultra thin products (0.01 mm) as the first Korean company to do so, and laid the basis to develop high value-added products such as automotive molding materials and clads. In sheet distribution, our sales also rose by 17% mainly among actual consumers to improve profitability.
### Steel (Group 1 & 2)

#### Rechargeable Battery

- **2021**: 1,310
- **2022E**: 1,466
- **2023E**: 1,559
- **2024E**: 1,667

#### Energy Mobility Solution

- **2021**: Steel sales (unit: 10,000 tons)
  - 4,893
- **2022E**: 5,500
- **2023E**: 6,700
- **2024E**: 8,200

- **2021**: Contracts won for eco-friendly parts (unit: KRW 100 million)
  - 100
- **2022E**: 140
- **2023E**: 170
- **2024E**: 200

- **2021**: Traction motor core sales (unit: 10,000 units)
  - 11,400
- **2022E**: 25,000
- **2023E**: 80,000
- **2024E**:

- **2021**: Anode material sales (unit: ton)
  - 887
- **2022E**: 1,009
- **2023E**: 1,084
- **2024E**:

- **2021**: POSCO product sales (unit: 10,000 tons)
  - 938
- **2022E**: 1,493
- **2023E**: 2,006
- **2024E**:

- **2021**: Owned reserves (E&P) (unit: bcf)
  - 99
- **2022E**: 118
- **2023E**: 124
- **2024E**:

- **2021**: Gas field sales (unit: bcf)
  - 1.5
- **2022E**: 3.0
- **2023E**: 3.5
- **2024E**:

- **2021**: Eco-friendly material sales (unit: 10,000 tons)
  - 2.0
- **2022E**: 3.0
- **2023E**: 3.2
- **2024E**:

- **2021**: Precision material sales (unit: 10,000 tons)
  - 112
- **2022E**: 125
- **2023E**: 135
- **2024E**:

- **2021**: Food imports into Korea (unit: 10,000 tons)
  - 16.3
- **2022E**: 18.8
- **2023E**: 19.5
- **2024E**:

- **2021**: CPO production (unit: 10,000 tons)
  - 74
- **2022E**: 109
- **2023E**: 124
- **2024E**:

- **2021**: Eco-linked sales (unit: 10,000 tons)
  - 23
- **2022E**: 35
- **2023E**: 41
- **2024E**:

- **2021**: Combination deal sales (non-consolidated for Business 1) (unit: 10,000 tons)
  - 7,422
- **2022E**: 15,960
- **2023E**: 24,060
- **2024E**:

- **2021**: Cathode material sales (unit: ton)
  - 2,592
- **2022E**: 2,781
- **2023E**: 2,882
- **2024E**:

POSCO International develops new business areas as next-generation growth drivers, expanding its business territory in so doing. We continue to explore promising sectors to proactively respond to internal/external changes including but not limited to the Group’s declaration of ‘eco-friendly future material company’ vision and the advent of the ESG era. In particular, we pursue strategic collaboration with domestic partners to broaden our eco-friendly business territory while generating synergy with our core agro business, creating new value in the process.

Approach to New Strategic Business

Neptune Cloud, selected as Class 2 of our in-house venture program, is developing Sea Lion as an all-in-one platform which automates the entire raw material transaction process, from international negotiations to contract-signing, shipment and settlement. Following nearly eight months of incubation, the startup successfully raised KRW 500 million in seed investment from third-party organizations including POSTECH Holdings. Neptune Cloud was also ranked first in the 21st POSCO IMP(Idea Market Place) assessments and won prestigious accolades, including the Gold Prize at the Port Authority Startup Contest and the Grand Prize at the K-Global Startup Competition.
Win-Win Partnership with SMEs and Startups

Utilizing its largest global business network, POSCO International operates a marketing collaboration platform for SMEs and startups who wish to enter the global market but lack capabilities in management, quality, and production systems that meet the expectations of customers. We continue to provide support to identify new business opportunities and pursue win-win partnerships in so doing.

Building on our global network and infrastructure that we have developed as a Globally Integrated Corporation, we aimed to establish a system to facilitate exports for SMEs and startups and pursue co-prosperity and create a systemic collaboration process. Therefore, we are operating a global marketing collaboration portal to integrally manage collaboration with SMEs and startups and generate joint synergy based on stable performance.

Supporting Promising Companies through Win-Win Cooperation Funds

In October 2021, we signed an agreement with the Korea Federation of Cooperation of Large & Small Business, Rural Affairs to contribute KRW 30 billion to the Win-win Cooperation Funds and provided KRW 20.7 billion to 57 companies. The funds allowed us to help collaborating manufacturers expand their production line and improve production capacity as a result, expanding business opportunities with overseas customers. In particular, we provide companies engaging in AI, software and other 4th Industrial Revolution sectors with overseas marketing funds, and this contributed to expanding their customer base and boosting marketing competitiveness. In parallel, we operate the semi-annual QSS consulting program to help SMEs improve their productivity, and in 2021, companies such as Sammi Gear, Kwang Sung Steel Pipe Company, and Jeil Steel participated this program. In November 2021, we invited the CEOs of total 33 SMEs which participated in our QSS program and to the a workshop hosted at our Headquarters.
In August 2021, we hosted an export support counseling event for SMEs and startups in conjunction with POSTECH Holdings. This was attended by 26 companies in the fields of AI and bio health among others who own outstanding technology and yet face difficulties with tapping into global markets. These companies were provided with practical consulting required for overseas market advancement including overseas marketing, international taxation, FX transactions, and investment attraction. In October 2021, we attended the Export Voucher Matching Fair hosted by the Korea SMEs and Startups Agency to share our knowledge in dispute settlement with SMEs and startups wishing to advance into export markets. Our employees from the Legal Division gave a lecture on ‘What exporting companies need to know about disputes’ to provide explanations and precautions concerning litigation and arbitration.

Receiving support from POSCO International known for its robust global network, in and of itself, enabled us to benefit in terms of product branding and earn trust.

We attended the Idea Market Place (IMP) hosted by POSCO Group, which helped us elaborate on our business model and moved on to attract investment from the Korea Credit Guarantee Fund. Given the nature of our business that involves pets, overseas marketing plays an essential role and COVID-19 forced us to suspend our overseas marketing efforts. As we signed an MOU for global marketing cooperation with POSCO International, we were able to expand our marketing starting from Romania and other European countries and into CIS countries and Russia. We are also exploring sales routes in Latin America and Southeast Asia today.

In most cases, such organizations or businesses either lack working-level support or are simply performative. Meanwhile, POSCO International provides quite practical assistance such as support for overseas marketing and sales route development. The Company’s London office suggested first that we join the PIF Awards in the UK and we ultimately advanced into the finals, which gave us an opportunity to engage in consultations with a number of new local buyers. Even as we were just a small startup, receiving support from POSCO International known for its robust global network, in and of itself, enabled us to benefit in terms of product branding and earn trust.

Our ultimate goal at UriVet is to launch Urvet Clinic as a total medical platform to provide healthcare services, with a focus on in-vitro medical diagnostic devices, for pet owners who find it difficult to visit veterinary clinics for time and cost constraints. Starting from urine diagnostic kits, we plan to extend to healthcare, in-vitro diagnostics, and pet services. To this end, we are developing liquid diagnostic kits that work on excrements, tears, saliva and genes, and are delivering application-enabled services step by step which span AI counseling and telehealth.
The international community recognizes climate change as a global challenge that threatens the survival of humanity and calls for proactive action on the part of businesses while investors, customers, local communities and other varying stakeholders demand that businesses minimize environmental impact across the entire value chain. As such, POSCO International is elaborating on its targets and action plans for low carbon management, and advancing its eco-friendly management system.

RISKS & OPPORTUNITIES

RISKS
- Mounting issues to respond against tightening environmental regulations
- Growing physical risks at global sites stemming from abnormal weather events such as typhoons, floods and droughts
- Rising cost of facility investment to reduce environmental impact
- Increasing burden to purchase carbon credits

OPPORTUNITIES
- Expanding renewable and other eco-friendly business opportunities to mitigate the climate crisis
- Cost saving by managing environmental performance including energy efficiency improvement
- Building a corporate reputation as a leader in environmental management
- Improving the stability of business operations through environmental risk management
- Generate profit from the sales of carbon credits through CDM (Clean Development Mechanism) projects

OUR APPROACH

In line with POSCO’s 2050 carbon neutrality roadmap, POSCO International is working to calculate GHG emissions from all its business operations in Korea and overseas and set GHG emission reduction goals. Building upon our company-wide environmental management system, we explore climate-related business opportunities and reduce environmental impact from our business operations. Looking ahead, we will continue to implement eco-friendly management through various activities such as acquiring environmental management system certification, expanding environmental investment, and raising awareness of the employees.

- **Business With POSCO International**
  - We will continue to explore and expand eco-friendly business opportunities to reduce greenhouse gas emissions and respond to climate change.

- **Society With POSCO International**
  - We will advance environmental management to reduce adverse environmental impact on society and live up to international standards and stakeholder expectations.

- **People With POSCO International**
  - We bolster our environmental management organization and human resource capabilities, and engage in various environmental protection activities to raise employees’ environmental awareness.
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$SFBUJOH#VTJ0FTTQQPSVU0JUZ03FTQPOTFUPSMJNBUFSJBHOF
&YQB0EJ&H&DPGSJOEMZ*OVTUSZ*OWFTUNFOUOBE#VT TIMM

POSCO Supply EUR Customer

Action for the Climate Crisis

SUSTAINABILITY REPORT 2021

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Mitigation of Environmental Impact

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Environmental Impact

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SUSTAINABILITY REPORT 2021

Expanding Eco-friendly Industry Investment and Business

Creating Business Opportunity in Response to Climate Change

We signed a long-term biodegradable plastic purchase agreement (13,000 tons for 4 years) with the world’s largest bioplastic company, TotalEnergies Corbion. We aim to increase our annual production capacity to 60,000 tons through joint investment in bioplastic plants and become a leader in the eco-friendly material sector.

Advancing into the US PV market with eco-friendly processed PosMAC products

We invested KRW 65 billion to expand our plant and assembly line to manufacture traction motor cores applied to low-emission vehicles. Our goal for 2022 is to reach two million in total annual capacity and seven million by 2030.

SPECIFICATIONS

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POSCO INTERNATIONAL 
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SUSTAINABILITY REPORT 2021

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To support the growth of eco-friendly business, we entered into ESG-linked forward exchange contracts as the first trading company to do so. The aim was to enlarge the scope of ESG financing from conventional loans, bonds and other fund-raising vehicles to increase accessibility to such ESG-linked products. In consultation with financial institutions, we developed ESG-linked forward exchange products that can best meet our needs as a ‘Globally Integrated Corporation’.

The ESG-linked forward exchange contracts have been entered into since 2022 for our eco-friendly energy-aligned operations. While fulfilling their intended role for FX risk hedging, these contracts help us improve our cost competitiveness for their ESG premium and the resulting price reduction. Going forward, we plan to build track records to expand the pool of contract-party financial institutions and continue to leverage such contracts to ‘prime the pump’ for our eco-friendly business.

ESG-linked Forward Exchange Contract

1) Forward exchange: Sell or buy foreign currencies at an agreed-upon rate and at a specific date which is no earlier than two business days after the date of agreement (within 1 year normally)

1) Forward exchange: Sell forward exchange in EUR at an agreed-upon date and at a specific date which is no earlier than two business days after the date of agreement (within 1 year normally)

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We are building partnerships with Shell, Exxon Mobile and other major E&P companies for domestic blue hydrogen business, and will review blue hydrogen production projects which leverage CCS(Capture and Storage) pursued by POSCO Group.

Laying the basis for the reliable procurement of rechargeable battery materials

POSCO Group.

Advancing into the US PV market with eco-friendly processed PosMAC products

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We establish the objectivity and credibility of our energy consumption and GHG emission measurement across all business operations through specialized third-party GHG and energy consulting and our internal calculation system, and systematically manage such measurement data.

**GHG Emissions Reduction**

**Energy and GHG Management**

In May 2021, we distributed cook stoves to a total of 7,000 households in 71 villages on Manaung Island in Rakhine state, Myanmar. Unlike conventional open stoves, these cook stoves trap heat inside to improve thermal efficiency to reduce cooking time as well as smoke and carbon emissions. Local residents depended heavily on traditional cooking methods using firewood and coal, and the highly efficient cook stoves that we distributed help reduce the consumption of firewood, the generation of black carbon\(^1\) and the time taken for cooking, contributing to improving the quality of life for local people. This CDM\(^2\) project also enables us to obtain domestic allowances through the verification of carbon emissions reduced through the distribution of cook stoves. In particular, these stainless steel cook stoves are highly eco-friendly as they are 38% higher in thermal efficiency and can reduce GHG emissions by more than four times compared to conventional clay ones. These cook stoves are expected to reduce carbon emissions by 21,000 tons in total during the monitoring period ending in June 2024, and the reductions verified through monitoring will be converted into offset allowances for external business. The proceeds from selling carbon credits will go to fund Shwe Project’s CSR programs to continuously pursue win-win partnerships with local communities.

### Mitigating GHG Emissions through the Reduction of Energy Use

POSCO Mobility Solution’s STS Division switched to high efficiency LED lights at its plant in 2021 to reduce annual power consumption by 92.7MW. Efforts were made to minimize energy consumption to mitigate GHG emissions generated from the process. To improve the precision of temperature sensing, the temperature sensors were installed for heat treatment facilities. For optimizing energy consumption, variable rotational speeds were applied to the pump process during stand-by time and fans with large capacity were adopted to lower energy consumption. Old lead pipes were replaced for steam production boilers, which resulted in yield improvement to increase daily production from 30 to 40 tons. Furthermore, Core Division improved its facility to reduce oil purchases by nearly 41% from the previous year.

### Energy Consumption

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Energy (Fuel)</td>
<td>236</td>
<td>240</td>
<td>297</td>
</tr>
<tr>
<td>Indirect Energy (Electricity, Steam)</td>
<td>1,013</td>
<td>996</td>
<td>987</td>
</tr>
<tr>
<td><strong>SUM</strong></td>
<td>1,243</td>
<td>1,236</td>
<td>1,283</td>
</tr>
</tbody>
</table>

* Based on HQ (domestic worksites) and POSCO Mobility Solution (HQ data for 2021 were calculated by applying the ratio of leased office floor areas)

### GHG Emissions

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>13,631</td>
<td>12,835</td>
<td>15,616</td>
</tr>
<tr>
<td>Scope 2</td>
<td>48,979</td>
<td>47,611</td>
<td>46,726</td>
</tr>
<tr>
<td><strong>SUM</strong></td>
<td>62,604</td>
<td>60,446</td>
<td>62,342</td>
</tr>
</tbody>
</table>

* Based on HQ (domestic worksites) and POSCO Mobility Solution (HQ data for 2021 were calculated by applying the ratio of leased office floor areas)

### Energy Consumption Intensity

<table>
<thead>
<tr>
<th>Year</th>
<th>Intensity (TJ/KRW billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.05</td>
</tr>
<tr>
<td>2020</td>
<td>0.06</td>
</tr>
<tr>
<td>2021</td>
<td>0.04</td>
</tr>
</tbody>
</table>

### GHG Emissions Intensity

<table>
<thead>
<tr>
<th>Year</th>
<th>Intensity (tCO(_2)e/KRW billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2.75</td>
</tr>
<tr>
<td>2020</td>
<td>2.82</td>
</tr>
<tr>
<td>2021</td>
<td>1.84</td>
</tr>
</tbody>
</table>
**Environmental Investments**

In 2021, the Headquarters and POSCO Mobility Solution invested a total of KRW 416 million to improve the work environment and to reduce resource consumption and environment-related benefits. In 2021, SPM recycled paper accounted for 11% of total consumption. In addition, steel scraps generated from its stainless processing and reusing them as materials. In 2021, SPM recycled paper accounted for 11% of total consumption.

**Eco-friendly Workplace Operations**

- Landscape maintenance in the vicinity of the HQ
- Supplement air pollution control facilities
- Rationalize electric control devices
- Boost the purification capacity of the washing tower
- Automatic control measurement devices installed at the smoke stack
- Environmental improvement at the scrap yard

**Recycling Raw and Subsidiary Materials**

- The STS Division is stepping up its effort to recover raw and subsidiary materials by fully recovering the scraps generated from its stainless processing and reusing them as materials. In addition, steel interleaving paper used as a subsidiary material at the cold mill was replaced with SPM(Skin Pass Mill) recycled paper. In 2021, SPM recycled paper accounted for 11% of total consumption.
When a company fulfills its social responsibility and contributes to resolving social issues, this does not merely serve to raise its public profile but constitutes a highly essential component for sustainable management. As such, businesses are required to lend an attentive ear to the needs of their key stakeholders including employees and local communities and to work to pursue shared growth with them. In addition to supporting the capacity building of their employees as a source of competitiveness, companies should also provide a work environment where human rights are respected and safety is guaranteed. As POSCO International’s business presence covers a number of nations and geographies, it is imperative that we take a proactive approach to engaging and contributing to local communities.

RISKS & OPPORTUNITIES

RISKS
• Risk occurring due to change in country-specific labor regulations
• Tightening global human rights regulations including human rights due diligence mandates
• Strengthening safety management obligations and punishment standards in line with the enforcement of the Serious Accidents Punishment Act
• Losses of human/physical resources due to safety incidents

OPPORTUNITIES
• Building corporate competitiveness by global talent recruitment and nurturing
• Improving corporate reputation through preemptive response to tightening employment/human rights/safety regulations
• Improving the work environment for productivity gains and employee satisfaction
• Increasing the stability of business operations through maintaining close relationships with local communities

OUR APPROACH

POSCO INTERNATIONAL recognizes employees as its most important stakeholder, and strives to create an environment where employees can unleash their potential to the fullest extent possible by nurturing talent, ensuring diversity, and improving work methods. To manage and prevent human rights issues, we conducted paper-based human rights due diligence and bolstered our health and safety management system. Furthermore, we undertake CSR programs in alignment with the UN Sustainable Development Goals to pursue shared growth with local communities.

- **Business With POSCO International**: We will conduct business responsibly by analyzing and managing the potential impact of our operations on employees and local communities.
- **Society With POSCO International**: We undertake CSR programs aligned with our business characteristics and capabilities to proactively help resolve local community issues.
- **People With POSCO International**: We nurture talent, improve our corporate culture and bolster safety management in accordance with the internationally-recognized principles of respect for human rights to create a great workplace.
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-8Z|OHUIF|BT|TUR|PFSV|JU|QP|MBFOU|JS|PT|EFSVU|UJOP|PSV|OU|SST|QFD|DS|B|DF|FS|TU|DT

To maximize our performance as a global trader, we need to recruit and retain exceptional local talent within our overseas organizations. As such, we standardized our company-wide HR operation systems to improve their effectiveness, spanning the career level system, compensation, pay raise standards and recruitment. This involved consultations with all overseas organizations to consider their regional specificities. For instance, a performance-based compensation system was introduced, pay raise criteria were developed by reflecting organizational performance and competitor’s pay levels, and personality/aptitude testing was introduced in the recruitment process. This led to the production and circulation of tailormade HR management guidelines including specifics of the HR operational systems of each overseas office.

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Job Rotation Program

We operate our two-track job rotation program. We give junior level employees precedence in selecting expatriates for their voluntary participation in and acceptance of the job rotation program, and offer relocation opportunities to returning regional experts to incentivize this program. For employees working in a specific organization for four years and longer, we interview them to build consensus on the job rotation program while proposing appropriate job functions individually. For managers and senior managers, they are assigned to a new group or section considering their current job function to prevent any disadvantages due to internal/external secondments or job rotations. Returning expatriates are assigned to divisions other than their previous one in principle to help them experience new job functions.

Job Rotation Onboarding

While our onboarding program had been available for new hires only, this was extended to newly-relocated employees. This onboarding program consists of ‘On-the-Job Training’ where seniors who have better understanding on the work and culture of the new organization engage in one-on-one interactions to transfer work knowledge as well as ‘Mentoring’ where seniors support networking within the new organization.

Global Mobility Program

We provide exceptional global staff to serve as key future pillars with an opportunity to work at the Headquarters. This allows selected global staff to broaden their social network and better understand our overall business. While this program was discontinued since 2020 following COVID-19, we will select participants in H2 of 2022 and resume the program in 2023 as the pandemic subsides.

&6|QPSL|F|WFS|UZ|PG|PSL|G|QFS|F

Talent Pipeline Strategy

Promoting the Diversity of Talent

with proven organizational fit. We provide new hires who join us following their university graduation around to hire diverse talent. We also hire individuals with professional career experience to bolster our steel, agro and other key businesses while expanding the employee referral program to select talent with proven organizational fit. We provide new hires who join us following their university graduation with one of the best-paying jobs in the industry, and both men and women are paid equally.

13PN|OH|F|WFS|UZ|PG|8BFOU

We created a 4-week experience-based internship program to support men of national merit, low-income individuals and other groups disadvantaged in the labor market and preemptively secure exceptional talent. To act on the corporate citizenship philosophy in the communities, we also operated a 3-month mentoring program to pair 34 undergraduates in Incheon with our employees to assist them in exploring career paths and improving their competitiveness as job seekers.

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Employee Data

Recruitment Data

As of Dec 31, 2021, unit: persons

<table>
<thead>
<tr>
<th>Worksite</th>
<th>Professionals*</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>881</td>
<td>159</td>
<td>4</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,264</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas</td>
<td>765</td>
<td>43</td>
<td>7</td>
</tr>
<tr>
<td>Subtotal</td>
<td>816</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Employees in professional positions are cultivated into management by performing a range of work including sales, marketing and business management while employees in expert positions are primarily assigned to supporting work including trade operation support (such as LC negotiations), and sales/administrative support to develop into skilled players in their own field. Employees, however, may cross over these two job categories depending on their competency and career goal.

3FDSV|JU|OH|MBFOU|B|TEP|OSIF|6G|QFSU|TFBQ|EFS|POBM|UZ

The recruitment-aligned internship was initiated in 2020 and expanded by 50% in 2021 for the in-depth verification of candidates for their personality and job competency. Interns experienced our work processes to understand the Company and better adapted when they became permanent employees. We will extend the scope of this program to replace or supplement our open recruitment system. For resource development and other business areas requiring professionals, we recruit year-round to hire diverse talent. We also hire individuals with professional career experience to bolster our steel, agro and other key businesses while expanding the employee referral program to select talent with proven organizational fit. We provide new hires who join us following their university graduation with one of the best-paying jobs in the industry, and both men and women are paid equally.

15PN|OH|F|WFS|UZ|PG|8BFOU

-AT A GLANCE-

-3FDSV|JU|OH|SBFOU|B|TEP|OSIF|6G|QFSU|TFBQ|EFS|POBM|UZ

-3FDSV|JU|OH|SBFOU|B|TEP|OSIF|6G|QFSU|TFBQ|EFS|POBM|UZ

-AT A GLANCE-
We operate our basic appraisal policy under the principles of objectivity and fairness so that individual employees are evaluated for their own work performance and competency. Employees are assessed separately in small groups to ensure fairness and prevent undue disadvantages while appraisal grades are segmented to better differentiate employees. We also operate development-driven appraisal programs to promote employee’s competency development. We operate the promotional point program that quantifies addition/deduction factors through the comprehensive job competency test to motivate junior employees to reach a predetermined level of points and get promoted accordingly. Such program that produces quantifiable numerical data aims to improve employees’ acceptance of assessment outcomes and further motivate them to advance into higher positions and fully engage in their work.

We implemented separate group appraisals for relocated employees to ensure they are not disadvantaged in the appraisal process due to relocation. The goal setting session was introduced to ensure sufficient communication between appraisers and appraisees from the MBO (Management by Objectives) setting phase and the development of reasonable goals. The appraisal cycle was shortened from the annual to the half-yearly basis to minimize any appraisal-related errors and promote objective, performance-based assessment. We will create HR Value-Up TF to perform bottom-up reviews on our overall HR systems spanning appraisal, promotion, and performance pay and identify ways to improve the acceptance of such systems led by employees.

We operate a performance-based annual salary system so that fair appraisal outcomes are directly translated into compensation. Employee wages consist of fixed pay(60%) and variable pay(40%), and variable pay is made differently by individual and organization according to HR assessments, organizational performance and the Company’s business outcomes under the compensation principle that ‘Compensation is Fully Aligned with Performance’.

We have introduced compensatory leave for night work to help employees relieve their fatigue caused by unavoidable night work and increase their work engagement. Employees who worked between 10 p.m. and 6 a.m. the following day are given corresponding time off so that they sleep and rest well prior to returning to work. This program is actively used by our sales organization where night work occurs frequently to work with partners operating in different time zones.

We overhauled our overseas compensation system so that our expatriates enjoy an equal level of living as they do in Korea irrespective of their location to render our overseas compensation more equitable. We reflected the feedback from expatriates that our previous policy, which provided identical, fixed-amount of financial support across all locations, caused economic burdens and failed to reflect local living conditions, and referred to the overseas compensation criteria of Korea’s leading large businesses as well as global standards in designing a new system. Under the new system, our expatriates are compensated differently according to local price levels and living conditions, and are eligible for expanded benefits for tuition and housing rental fees paid on an actual cost basis. We hosted interviews and consultations with expatriates multiple times to help them recognize and understand the renewed system, and continue to stabilize and fully establish the new system. We will work harder to collect feedback and pursue institutional improvements to help expatriates resolve their difficulties and lead a stable life.

We work to realign our operational standards and improve treatment for expatriates assigned to remote countries with substandard living conditions to tap into new markets and motivate these employees. We created a working-level deliberation committee while realigning and segmenting remote overseas location grading scheme. We also expanded relevant allowance and living support programs and offer greater HR benefits for promotion, assignment, and appraisal to motivate expatriates working in areas with substandard conditions. Recently, we extended the definition of remote countries to include less-preferred locations. To ensure expatriates duly recognize the grades given to the remote location where they are assigned, we developed internal criteria based on credible global standards to objectively grade overseas locations for their work and living conditions. We will continue to identify necessary institutional improvements and strengthen support criteria to ensure employees working in remote overseas areas fully engage in their work.
**5BMFOU%FWFMQPNFOU**

We provide training to nurture employees who fit our new definition of an ideal POSCO International employee – Undaunted Challenger, Creative Entrepreneur, and Empathetic Leader. We support new hires, prospective and returning expatriates, newly-promoted employees, and new leaders to understand their new roles and responsibilities and fully unleash their potential as expected. We also provide training that meets the practical needs of hopeful employees at any given time and space concerning job competency, language skills and leadership. We plan to conduct professional courses in AI and other specific areas to nurture employees with growth potential into specialists. In opening new courses, preliminary surveys and interviews are conducted on employees to reflect their requirements to the fullest extent possible. Training is followed by another round of survey to identify and make necessary improvements for new programs. In 2021, 2,071 courses (108 offline training / 1,963 e-learning courses) were operated at the HQ.

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- Stay fearless in the face of change, and tirelessly move forward through audacious experimentation and challenge
- Identify and seize business opportunities through strategic thinking and planning, and attain the set target through execution
- Demonstrate empathy to recognize individuals’ role as a social being, and set an example in contributing to social development

**55SFUJHBSVMUVSFG4FMEGJSFDFUE-FBOSJ**

We created ‘employee training guides’ which outline the operational direction of our training department and the specific training curriculum to assist employees with self-directed capacity building. These guides serve to provide the annual timeline of training courses supervised by POSCO International and POSCO Group and specifics of each course so that employees are able to develop their capacity building plans in consideration of their individual schedules. The navigator function also helps employees find and take their desired courses depending on their career level and areas of interest. Our e-learning content was regularly introduced on the HRD platform of Group affiliates, and paid content provided by MOOC, Coursera and other domestic/international educational institutions was made available free-of-charge to fully support our employees in their self-directed learning journey.

**6N0BUFUFJ-4BFE**

We operate the regional expert/overseas internal transfer programs to nurture globally competent talent. The regional expert program sends talent to areas where we do not operate yet or such key industrial locations as Silicon Valley and Shenzhen. For the period of 6 to 12 months, participants improve their language skills and cultural understanding in their assigned area and engage in regional research projects to become professionals with business development expertise. This program has selected 16 employees and sent them to 9 countries including China, Ukraine, the US, Chile and Hungary since its initiation. The overseas internal transfer program is for junior level employees to work at overseas locations (3-12 months) to improve their global competency while developing new business and expanding our business operations with these working-level employees. This program selected 9 employees in 2019, 5 in 2020 and 3 in 2021. As COVID-19 subsides, we will resume this program and send our employees to overseas locations with working-level needs.
As we engage in global trading business, we recognize global staff as our core assets. To systematically manage our global staff, we select P-grade positions and operate the Global Mobility Program as our talent development programs. To boost our local competitiveness, we have increased the number of global staff assuming leader positions (16 persons in 2019 → 25 persons in 2020 → 29 persons in 2021), and will continue to do so to reinforce our talent development. In addition, we conduct one-on-one individual interviews with employees in leadership positions to support their career development.

As COVID-19 continued since 2020, we fully shifted to real-time online training for global staff. Training programs were operated by region, and a total of 313 employees completed four courses (46 new hires, 36 newly-promoted managers, 5 newly promoted general managers, and 226 employees subject to global leadership training). To create loyalty among global staff and improve their leadership capabilities, we provide lectures and discussion programs understanding the Company (management philosophy, POSCO International’s vision and strategy, Global HR strategy, etc.) and global leadership (understanding Korean culture, career vision).

We plan to resume the Global Conference launched to select and invite outstanding global staff from our global corporations and offices to provide motivation and improve their understanding of the Company. This program was discontinued in the wake of the spread of COVID-19 in 2019, and we will host the 2022 conference in Korea to elevate understanding on POSCO International and different cultures and to conduct training. Through the program, we will share our management strategy and global HR policy to strengthen loyalty among global staff, and bolster networking relationship with the Headquarters. Furthermore, the event will include leadership and career coaching training to assist participants in building capacity to evolve into leaders. Going forward, we will host the Global Conference each year in reflection of the needs of our locally-based global staff.
AT A GLANCE

POSCO International strives to carefully respond to the issues affecting the countries where it operates and fulfill its social responsibility. PT.BIA, our palm business corporation in Indonesia, endorses the Universal Declaration of Human Rights and the UN’s international human rights norms, and strictly prohibits child labor and compulsory labor across all its operations in accordance with the Company’s Code of Conduct and international human rights standards. Upholding the NDPE (No Deforestation, No Peat, No Exploitation) policy, we protect and respect the rights, including human rights, of all workers involved in PT.BIA’s palm oil business. A labor union is under operation pursuant to applicable laws and the collective agreement reached to strengthen organizational communication, and consultations are made on pending management issues and issues related to the promotion of employees’ rights. In 2021, the labor union met 8 times in 2021, and is committed to promoting employee communication and the rights and interest of employees.

POSCO International Textile conducts regular human rights training and due diligence to make sure its operations remain free from any human rights issues. Employees were trained on human rights management in accordance with internal ethical norms, and human rights-related training was also provided by third-party specialized organizations. We perform due diligence on employees at POSCO International Textile to identify actual and potential human rights violations, and verify the cases raised to take immediate action.

On the 4th of November 2021, Day of Labor Unions in Uzbekistan, Ergasheva Mohigul, a member of labor union in POSCO International Textile was honored with the Best Representative of Labor Protection in Factory Award at a celebratory event presided by the governor of Fergana. The awardee contributed to the organic cooperation between the labor union and the company in improving employees’ safety and labor issues.

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POSCO International remains committed to respecting and protecting human rights in conformity with international standards across all its domestic and global operations. We specified UN’s human rights management in our Code of Ethics in 2014, joined the UN Global Compact in 2019, and declared the NDPE policy in 2020 as the first Korean business to do so. In 2021, we publicly committed to preventing modern slavery and human trafficking to publish our activities and future plans to address the risk of human rights violations across our operation sites and supply chain.

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All our employees are required to attend a variety of human rights training to respect and protect human rights. The completion rate of training provided to prevent sexual harassment and improve perceptions on disability amounted to 100%, and training was provided on possible cases of human rights violation in the workplace in line with the enactment of the Workplace Bullying Prevention Act. The training was also attended by partner employees to improve human rights awareness along the supply chain.

#PMTUFSJOHUIF-BCPS.BOBHNFOUUPVODJM

To respond to challenging business conditions brought on by COVID-19 which continued to spread in 2020 and 2021, Labor Management Council assumed a stronger role in improving work engagement and building consensus among employees. While the pandemic posed tremendous limitations on in-person and external activities, we leveraged such virtual channels as video conferences and surveys to reinforce communications and pursuit institutional improvements.

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(as of Dec 31, 2021)

| BPSEL4U | 1045040UFSOBUJ|PBM |
|----------|----------------|
| STS Division | Labor Management Council |
| Ansan: 5 members from labor and management respectively |
| Pohang: 3 members from labor and management respectively |
| Labor Union (2units) | Ansan: 240 employees(76.7%) |
| Pohang: 31 employees(83.8%) |
| Core Division | Labor Management Council |
| 4 members from labor and management respectively |
| Labor Union (2units) | Cheonan: 61 employees(58%) |
| Pohang: 84 employees(73%) |
| Plate Division | Labor Management Council |
| 3 members from labor and management respectively |

<table>
<thead>
<tr>
<th>Date of Meeting</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 15, 2021</td>
<td>Achieve the Best Labor-Management Culture certification</td>
</tr>
<tr>
<td>Jul. 14, 2021</td>
<td>Allow casual attires on any workday</td>
</tr>
<tr>
<td>Sep. 13, 2021</td>
<td>Implement compensatory leave for night work</td>
</tr>
<tr>
<td>Nov. 29, 2021</td>
<td>Install breastfeeding rooms for female employees</td>
</tr>
</tbody>
</table>
POSCO International is operating a human rights management process established in accordance with the OECD Due Diligence Guidance to take stock of its internal human rights management and to supplement and improve vulnerable areas. We developed a human rights due diligence checklist meeting the global standards, which guides our efforts to make human rights impact assessments on overseas operations. In 2021 when COVID-19 continued, human rights due diligence was postponed in overseas operations for health and safety concerns. As cross-border mobility restrictions were partially lifted from the first half of 2022, we resumed due diligence mainly on major investment sites. We will always consider the protection and promotion of human rights for employees as our top priority and do our utmost to operate a field-driven, systemic human rights management process.
We analyzed the results of due diligence conducted on PT.BIA in Indonesia and cotton factories in Uzbekistan in the first half of 2022 and reviewed survey items with relatively low positive responses (below 90%). Tasks defined to manage identified human rights issues and risks are classified into short-term improvement tasks and mid/long-term management risks based on their urgency and importance. Each site develops and executes implementation plans, and the HQ will regularly review the progress made. We will also engage in continuous coordination and clarification based on communication with employees and stakeholders in relation to human rights impact assessment results and management plans.

**Improvement Task Identification and Implementation Process**

1. **Conduct anonymous, paper-based due diligence**
   - Provide the checklist and the questionnaire in local languages
   - Analyze due diligence results

2. **Prioritize improvement tasks**
   - Analyze vulnerable areas in terms of respect for human rights (positive response below 90%)
   - Identify human rights issues and risks
   - Identify management and improvement tasks

3. **Set improvement directions and implementation plans**
   - Classify tasks depending on management and improvement directions (Reinforcing training, creating programs, establishing and reviewing systems, etc.)
   - Develop implementation plans that suit the characteristics of each site (business type, local culture, etc.)

4. **Stakeholder Communication**
   - Make transparent disclosures through sustainability reports
   - Coordinate tasks in line with employee/stakeholder communication and review outcomes

**Task Timeline**

- **2023**
  - Mid-term
  - Long-term

- Conduct regular human rights/safety training
- Engage in regular wage negotiations
- Identify any experience of workplace harassment
- Transparently communicate on grievance handling procedures, handling period and submission results
- Systematically provide information on work conditions and descriptions in the recruitment process
- Provide regular training, manage training records
- Review and improve the wage negotiation process
- Bolster anti-workplace harassment training and protection for victims
- Review the grievance handling process and bolster protection for whistleblowers
- Strengthen the recruitment fair and onboarding programs
- Review and improve the wage negotiation process
- Strengthen anti-sexual harassment training and protection for victims
- Review the grievance handling process and bolster protection for whistleblowers
- Improve the resignment process by reviewing the labor contract and systemize interviews with resigners
We create a culture that respects diversity to ensure our employees from diverse backgrounds are given an equal and fair opportunity to unleash their full potential. To this end, we do not discriminate nor place limitations in the recruitment and appraisal process on the grounds of race, nationality, gender, religion or disability. We are increasing the employment of local managers for the smooth business execution of our overseas operations, and will raise the ratio of female managers and new female hires at domestic operations. Furthermore, we provide greater opportunity to job seekers with disabilities and our ratio of employees with disabilities amounted to 3.5% in 2021.

Improving Maternity Protection and Childcare Support Programs

We operate a range of programs to support pregnancy, childbirth and childcare to actively join in the government’s childbirth encouragement policy to overcome the national challenge of low birth rates. In line with the amendments made on the Labor Standards Act and the Equal Employment Opportunity Act in 2021, we created programs to enable expectant mothers to adjust their work schedules and to take parental leave during pregnancy. In addition, we opened the ‘Mom Relax Lounge’ in reflection of the feedback from employees that pinpointed the need to create separate spaces for female employees before, during and after childbirth to ensure their stability and support breastfeeding. Going forward, we will fully responsibility in protecting the health of female employees and their newborns and in extending social support for childbirth and childcare.

In-house Daycare Center

In March 2019, we opened a second daycare center at POSCO Tower-Songdo, our office building, to help our employees meet their childcare needs. Presently, we operate two in-house daycare centers and are able to accommodate all employee children wishing to attend these facilities with total capacity of 202 persons.
4PV OEOHBBO[BU]POBM VM UVSF

**0SHBO[BU]POBM VM UVSF**

Each year, we conduct online P-GWP surveys and Focus Group Interviews on all employees to assess our organizational culture in general. A range of factors are identified for their impact on our organizational culture and then analyzed for their interrelations and factor-specific causal relationships. Analysis results are used as basic data to inform our organizational culture improvement activities.

**F0VM BM(6HBO[BU]POBM VM UVSF)*TTFTNFOU**

- Perform regular GWP surveys and factor/level/organization-specific analyses
- Develop hypotheses and perform cause-and-effect analyses on wide-ranging organizational culture factors

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- Conduct organizational culture interviews on 20% of total workforce
- Engage in organizational culture discussions with leaders, the Labor Management Council and Young Board members
- Conduct verification analyses following job category/function/level-specific interviews and discussions

**0SHBO[BU]POBM VM UVSF**

- Elaborate on policy/institutional improvements and action guidelines to deliver core values
- Share with employees improvement directions
- Provide and review directions for each improvement task to relevant organizations, and support their implementation

**-FBEFSFT**

In generating organizational performance and creating an organizational culture, leaders play a pivotal role with their competency and influence. As such, we perform assessments to identify the leadership level of our group leaders and section leaders. Anonymous surveys are performed to identify leadership levels in each area (organizational management, instruction, reporting, meeting, communication), and leaders participate in leadership training courses provided in action-learning format to work on those areas identified as requiring improvement as a result of assessments. We will also provide card-news information to help them gain leadership-related insights.

**OBU(S)OH6&NQPZFF**

We lend an attentive ear to the voice of employees to substantially reflect their feedback in our business operations and institutional improvements. We support the activities of labor members of the Labor Management Council, and include collected employee feedback in the council meeting agenda. Such efforts resulted in effective institutional improvements – achieving the Best Labor-Management Culture Enterprise certification, creating breastfeeding room for female employees, introducing compensatory leave for night work, and increasing the limit for loan support provided under the internal labor welfare funds. In addition, we implemented distributed work arrangements in Seoul in reflection of employee feedback that raised the need for more flexible work conditions. We also endeavor to gather feedback from our global staff. As part of the online training provided to newly promoted employees and new hires across all our overseas organizations, we hosted a Q&A session to address their questions and difficulties. As the pandemic comes to an end, we will resume business travels to local corporations and offices and host the Global Conference to listen to the voice of global staff and fully support them accordingly.

**-SFU(OHBSVMV MUVSF**

We engaged in a range of communications to shift from a vertical organizational culture and encourage our employees to freely present their ideas in a more horizontal corporate culture. Our top management lends an ear to the voice of all employees through remote communication meetings, townhall meetings held at the business group level, and reverse mentoring. We promote collaboration among organizations to increase synergy and productivity and explore new business opportunities.

Online training content is developed through the talent donation made by in-house experts, and employees attend training courses that touch upon the specific areas that interest them. Furthermore, events were held to deliver gifts and letters in recognition of the collaboration extended by members of other departments. Going forward, we will support inter-organizational communications and introduce cross-organizational mentoring to expand collaboration and communication among different organizations.

**-BFMFT**

Our Wireless Live Class intended to support our employees and their families in coping with their emotional isolation and leading a flourishing life amid COVID-19. Through preliminary surveys, 10 classes were chosen and provided for four weeks, including cooking, handicraft, and walking tour of Barcelona. This program was positively welcomed by participating employees (207 persons) and their family members (87 families).

**-FQFOFSBFUJP**

We have introduced hub offices to create an optimal work environment and bolster our sales activities and improve productivity in the process. These offices were located across key areas in Seoul to increase flexibility from the spatial aspect. A total of five hub offices are under operation in Gangnam (POSCO Center in Seolleung, POSCO Tower Yeoksam) and Gangbuk (Grand Central at the Seoul Station, Parc One in Yeouido, and Geumsegi Building near the City Hall). In May 2022, we relocated one sales organization into Seoul for distributed work. In so doing, we eliminate inefficiencies in our existing work methods and provide the necessary drive for productivity gains to create work conditions that best suit our needs.
Health and Safety Management System Certifications Awarded Expected to be awarded in 2022

ISO 45001

Headquarters

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1) Criteria: Our employees and employees from associated domestic subcontractors (business partners and outsourcing companies) who were injured (3 or more days of lost work)

2) Leading KPI: Leading indicators including performance and records related to training, safety check, safety inspection, and communication.

Health and Safety Management Goal and Strategy

To establish an organized health & safety management system and achieve zero in occupational injuries, we defined the following strategies of ‘establishing a safety and health management system’, ‘improving health and safety communication and capability’, and ‘bolstering the safety management of overseas operations’.

The CEOs of POSCO International and POSCO Mobility Solution declared the company’s health and safety policy, developed health and safety goals, plans, organizations & workforces, and budgets to implement the policy, which were reported and approved at their regular Board of Directors meetings. Monthly management strategy meetings (POSCO International) and company-wide health and safety meetings (POSCO Mobility Solution) supervised by respective CEOs serve to report the progress made in achieving the goals and strategies and to generate feedback.

The health and safety management goals developed by the CEO are reflected into executive goals, and the health and safety management system is operating through the health and safety performance assessments made on executives, establishing a self-reinforcing process. At the Energy Group, achieving zero in lost time incidents accounts for 10% of the performance assessments made on the group head. At the Agro & Industrial Materials Group, work is underway to establish a health and safety management system and achieve international certifications to reinforce the health and safety management system of major overseas operations. Such performance assessments drive the commitment and goals of management towards bolstering health and safety management.

Implement Strategy

KPI - Quantitative

1. Develop and establish an organized health and safety management system.

2. Goal: Achieve zero in the number of occupational injuries. 

Leading KPI: Achieve 100% of goals set for leading indicators (% cases).

3. Improve health and safety communication.

4. Achieve 100% of goals set for leading indicators (%, cases).

5. Bolster the safety management of overseas operations.

6. We engaged Lloyd’s Register Quality Assurance (LRQA), a world-renowned certification body, to perform audits to analyze major safety risks across our business operations and continuously improving their outcomes.

7. In January 2022, we achieved the ISO 45001 occupational health and safety (OH&S) management system certification in accordance with the requirements set out by this global standard as the first Korean trading company to do so. This has resulted in the creation of a self-reinforcing Plan-Do-Check-Act process whereby both management and labor participate in developing, implementing and reviewing health and safety management plans and continuously improving their outcomes.

8. We engaged Lloyd’s Register Quality Assurance (LRQA), a world-renowned certification body, to perform audits to analyze major safety risks across our business operations and continuously improving their outcomes.

9. A self-reinforcing Plan-Do-Check-Act process whereby both management and labor participate in developing, implementing and reviewing health and safety management plans and continuously improving their outcomes.

10. It is expected to be certified in 2022.

To establish an organized health and safety management system and achieve zero in occupational injuries, we defined the following strategies of ‘establishing a safety and health management system’, ‘improving health and safety communication and capability’, and ‘bolstering the safety management of overseas operations’.

The CEOs of POSCO International and POSCO Mobility Solution declared the company’s health and safety policy, developed health and safety goals, plans, organizations & workforces, and budgets to implement the policy, which were reported and approved at their regular Board of Directors meetings. Monthly management strategy meetings (POSCO International) and company-wide health and safety meetings (POSCO Mobility Solution) supervised by respective CEOs serve to report the progress made in achieving the goals and strategies and to generate feedback.

The health and safety management goals developed by the CEO are reflected into executive goals, and the health and safety management system is operating through the health and safety performance assessments made on executives, establishing a self-reinforcing process. At the Energy Group, achieving zero in lost time incidents accounts for 10% of the performance assessments made on the group head. At the Agro & Industrial Materials Group, work is underway to establish a health and safety management system and achieve international certifications to reinforce the health and safety management system of major overseas operations. Such performance assessments drive the commitment and goals of management towards bolstering health and safety management.

Implement Strategy

KPI - Quantitative

1. Develop and establish an organized health and safety management system.

2. Goal: Achieve zero in the number of occupational injuries.

Leading KPI: Achieve 100% of goals set for leading indicators (% cases).

3. Improve health and safety communication.

4. Achieve 100% of goals set for leading indicators (%, cases).

5. Bolster the safety management of overseas operations.

6. We engaged Lloyd’s Register Quality Assurance (LRQA), a world-renowned certification body, to perform audits to analyze major safety risks across our business operations and continuously improving their outcomes.

7. In January 2022, we achieved the ISO 45001 occupational health and safety (OH&S) management system certification in accordance with the requirements set out by this global standard as the first Korean trading company to do so. This has resulted in the creation of a self-reinforcing Plan-Do-Check-Act process whereby both management and labor participate in developing, implementing and reviewing health and safety management plans and continuously improving their outcomes.

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9. A self-reinforcing Plan-Do-Check-Act process whereby both management and labor participate in developing, implementing and reviewing health and safety management plans and continuously improving their outcomes.

10. It is expected to be certified in 2022.
We appointed the Chief Safety & Health Officer (CSO) and created a dedicated health and safety organization under the CSO in August 2021 to respond to domestic and international health and safety laws and regulations. We also reinforced our health and safety professionals to bolster our organizational capability and operational basis. POSCO Mobility Solution created its own company-wide health and safety organization in January 2022, and reinforced health and safety workforce to strengthen its health and safety organizational system at the business division level. These dedicated health and safety organizations will serve as the control tower to develop health and safety systems and prevent incidents in line with varying business conditions across our domestic and international operations. Worksite-specific organizations will be responsible for strengthening our organizational capabilities to create a safe workplace in alignment with the set health and safety goals.

Creating Health and Safety Management Indicators

As a Globally Integrated Corporation, we face the risk of encountering a range of incidents that may occur across our wide-ranging business condition. To bolster our risk management, we have set company-wide health and safety management indicators (KPIs) and monitor our performance on a monthly basis. These indicators are categorized into leading indicators that are preemptively managed and follow-up management indicators. Leading indicators include risk assessment, training, safety check, safety inspection, and communication, and we set health and safety activity goals that are essential for incident prevention while developing worksite-specific plans and monitoring their implementation. Follow-up indicators include fatal incidents, fires/explosions, and near miss incidents, and losses are managed accordingly. The management scope of all health and safety KPIs covers the Headquarters, overseas operations, subsidiaries and business partners, and improvement measures are developed to address areas failing to meet the set standards based on performance results to manage these indicators in accordance with global top-tier standards.

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of Injuries</th>
</tr>
</thead>
<tbody>
<tr>
<td>HQ</td>
<td>-</td>
</tr>
<tr>
<td>Employees</td>
<td>-</td>
</tr>
<tr>
<td>Partners/contractors</td>
<td>-</td>
</tr>
<tr>
<td>Overseas operations</td>
<td>57</td>
</tr>
<tr>
<td>Employees</td>
<td>2.81</td>
</tr>
<tr>
<td>Partners/contractors</td>
<td>3.03</td>
</tr>
<tr>
<td>Plate Division SHE Section</td>
<td>57</td>
</tr>
<tr>
<td>Employees</td>
<td>2.81</td>
</tr>
<tr>
<td>Partners/contractors</td>
<td>-</td>
</tr>
</tbody>
</table>

1) Including the number of fatalities in the number of injuries. The number of fatalities was zero.
2) LTR (Lost Time Incident Rate): Number of incidents per every 1,000,000 hours worked in total per year
3) 6 major overseas operations (Shwe Project in Myanmar, MMW Grain Terminal in Ukraine, POSCO International Textile in Uzbekistan, power plant in LAE, Papua New Guinea, PT Bio Inhi Agnus in Indonesia, and Golden Lace POSCO International in Myanmar)
4) Tier 1 partners/contractors working at our operations
Activities Undertaken by Health and Safety Councils

- Subcontractor health and safety council
- Health and safety exchanges with overseas investment corporations
- Health and safety exchanges with domestic investment corporations
- Occupational health and safety Committee
- Occupational health and safety Committee (company-wide)
- Safety whistleblowing
- Health and safety councils at Group affiliates
- Corporate citizenship activities
- Practical health and safety coaching for undergraduates

POSCO Mobility Solution discusses pending health and safety issues and engages in communications through safety review and analysis meetings, occupational health and safety committees, and safety councils operated at the business division level. Since 2022, company-wide health and safety meetings have been led by the CEO for senior management to directly gather and generate feedback.

POSCO Personnel Development

- Subcontractor health and safety council
- Health and safety exchanges with overseas investment corporations
- Health and safety exchanges with domestic investment corporations
- Occupational health and safety Committee
- Occupational health and safety Committee (company-wide)
- Safety whistleblowing
- Health and safety councils at Group affiliates
- Corporate citizenship activities
- Practical health and safety coaching for undergraduates

MMW Grain Terminal in Ukraine hosts weekly Technical & Safety meetings attended by all managers and performs monthly safety patrols to share pending technical issues and gather health and safety feedback. PT. BIA in Indonesia is operating a safety management committee composed of department-level safety management personnel while analyzing workplace risks and monitoring the implementation of field management plans.

POSCO Mobility Solution discusses pending health and safety issues and engages in communications through safety review and analysis meetings, occupational health and safety committees, and safety councils operated at the business division level. Since 2022, company-wide health and safety meetings have been led by the CEO for senior management to directly gather and generate feedback.
POSCo International performed safety checks on domestic and overseas worksites in order to prevent potential safety and health incidents that may occur across its global supply chains and production sites. This begins with independent checks made by each subsidiary: the results are evaluated by the dedicated organization at the HQ, and annual on-site in-depth safety audits are conducted. To ensure that such checks are not made in a routine manner, we characterize each worksite for its unique issues so that these checks are performed in an autonomous and organic way by considering local conditions, laws, and social norms. We will further upgrade check items and the process.

**Emergency Management**

In the event of civil war, coup, or any other local emergencies or natural disasters, we define the affected country as a ‘temporary remote area’ and provide stronger support. In 2021, we designated Myanmar as a temporary remote area following the emergency and supported our employees accordingly: expatriates and their families were offered flights and accommodations for their temporary return to and residence in Korea. As local conditions aggravated, we separately paid relocation expenses for global staff in Myanmar to help them temporarily move to safe places. As the Russo-Ukraine War broke out in 2022, we supported our expatriates and their families in Ukraine with temporary evacuation while providing emergency financial support to global staff to help pay for evacuation and buy daily necessities amid the prolonged war. In case similar emergencies ever occur, we will fully support our expatriates, their families and global staff for their safety.

**Health and Safety Management**

We perform internal safety audits each year to prevent safety incidents, and take stock of our safety system operation. In December 2021, regular health and safety audits were conducted on all our sites and offices in Myanmar to check the operational status of our safety system. A total of 38 audit issues were discovered, including best practices, and all these issues were registered on our CAR(Corrective Action Register) system for follow-up management and case dissemination. In addition, the implementation of the Permit to Work system was verified as safe incident prevention and response measures including emergency system checks for the robust management of our safety system. Employees were rewarded for their contribution to preventing safety incidents to motivate their participation. Such endeavors enabled us to post 2,746 zero-injury days as of December 2021 on a cumulative basis.

**Bolstering Support for Temporary Remote Areas**

We developed an incident management system to efficiently manage health and safety incidents through prompt notification and investigation and have operated the system since December 2021. This system supports all employees to notify, report, review and approve incidents, and is expected to develop our health and safety strategy and prevent further incidents through systematic case analysis.

**ESG FACTBOOK**

We establish and manage an emergency response process in consideration of the geographical characteristics and work conditions of offshore platforms and onshore terminals. This process specifically stipulates situation-specific response processes, the roles and responsibilities of managers, and types of damage caused by incidents as well as their mitigation plans and response strategies. Weekly emergency drills are conducted to enable prompt response, along with monthly emergency scenario exercises. To ensure swift response to emergencies in the office environment, an emergency contact list was created and emergency drills are performed.
CSR Implementation System

Nurturing Future Talent

POSCO International primarily draws on three types of financial resources to implement a range of CSR programs in Korea and abroad. We donate to the Community Chest of Korea at the end of every year to help the less privileged and 50% of the donations go to CSR programs that we designate. Furthermore, ‘Employees 1% Sharing Funds’ and the matching amount of grants offered by the Company are donated to the POSCO 1% Foundation, out of which 50% are used to fund our internal CSR programs. In addition, volunteer programs and company-wide CSR programs are operated through the donations made by the Company.

Talent Management
Respect for Human Rights

POSCO International

We lead the way of education for children and adolescents to develop future talents based on the core value which puts talents as the top priority.

We aid medically underserved communities to improve access to and equality and fairness of healthcare services while enhancing the safety net for people in medical blind spots.

We protect the social rights and aspire to improve the quality of life for the less privileged by providing systematic assistance.

Educational Support to Nurture Future Community Talent in Countries Where We Operate

We continue to improve the educational environment of local communities in countries where we operate. To contribute to the Uzbek government’s policy to nurture science and technology workforce and help foster future talent, we have been providing scholarships to undergraduates majoring in science and engineering recommended by the Tashkent State Technology University and the Tashkent Chemical-Technological Institute since 2018. We have also chosen eight libraries located in Avalon, Kyiv in Ukraine to donate computers and printers to support their digitalization. In so doing, local residents were given a chance to easily access visual/audio media materials, including pictures, videos and sound to contribute to improving their community educational environment.

Supporting Teens from Multicultural Families and Immigrant Youth

Given that Incheon has a higher ratio of multicultural families than other regions, we have been sponsoring New Dream School, an alternative school for youth from immigrant backgrounds, since 2015. Operated by the Incheon Women, Immigrant, Children), the school provides Korean language class, Korean citizenship acquisition and meal support programs for these immigrant youth while engaging in diverse activities to help them improve their historical and cultural understanding and stably settle in their new home and grow into responsible members of society.

Traffic Safety Campaign in School Zones for Future Generations

Core Division of POSCO Mobility Solution has teamed up with ChildFund Korea to launch the school zone safety campaign. Traffic safety kits personally package by employees were provided to lower school students who are relatively more vulnerable to safety hazards in school zones. The campaign also served to promote necessary precautions to make school zones safer for both children and drivers. As such, we provide multi-faceted support to keep our future generations safe in their school commutes.

Social contribution Expenses

(unit: KRW 100 million)

Digitalization support for libraries in Ukraine
Presenting gifts to immigrant youth on Korean Thanksgiving Day
School zone safety campaign
Donating medical supplies to Papua in Indonesia

Blood drive joined by employees

Providing snack boxes to support healthcare professionals amid COVID-19

Relief aid for Myanmar

Canopy installed at the multicultural center in Ansan-si

Supporting the creative activities of artists with disabilities

We donated USD 1 million to the Korean Red Cross to provide healthcare support and essential goods to refugees in Myanmar, and are directly engaged in emergency relief aid for refugees in need of assistance amid the spread of COVID-19 on top of the local situation unfolding in the country. In particular, we are donating emergency relief supplies including blankets, sanitation items, and personal hygiene kits in areas witnessing a surge in internally displaced people. In line with the growing local needs for emergency medical services such as first aid and mobile clinics, we are supporting the distribution and maintenance of ambulances.

In June 2021, POSCO Mobility Solution communicated the messages of gratitude and encouragement to healthcare professionals and volunteers who are working at the forefront of preventing the spread of COVID-19 and treating patients in local communities. Snacks and cool beverages were provided to help relieve their fatigue caused by wearing face masks and protective suits. We will continue to work with local communities to combat this global pandemic.

We have operated CSR programs to improve the healthcare environment in Papua, Indonesia since 2016. In 2021, we donated blood analyzers, vaccine storage devices, and expired drug treatment devices among others at the request of local healthcare professionals. The Korea University Ansan Hospital, our partner, has published a report on the health survey and the medical treatment conducted on local people in Ulilin, Papua, Indonesia based on the healthcare data collected through years of program activities. The report is expected to contribute to the sustainable health promotion of local people in Ulilin.

To help resolve the shortage of blood that exacerbated amid the prolonged pandemic, we launched a blood drive 8 times in total in conjunction with the Incheon Blood Center of the Korean Red Cross. A total of 190 employees joined the drive, and the 129 blood donation certificates donated by employees were provided to Inha University Hospital. In overseas, all 10 employees of our São Paulo Branch donated their blood to Banco de Sangue de São Paulo, a local blood bank in the capital city. More than 150 employees at PT.BIA in Indonesia also joined hands with local residents living in the vicinity of the palm plantation to donate their blood and save lives in the true spirit of win-win partnerships.

In June 2021, POSCO Mobility Solution communicated the messages of gratitude and encouragement to healthcare professionals and volunteers who are working at the forefront of preventing the spread of COVID-19 and treating patients in local communities. Snacks and cool beverages were provided to help relieve their fatigue caused by wearing face masks and protective suits. We will continue to work with local communities to combat this global pandemic.
Do-Dream Volunteers in activity
Making alleys safe in crime-prone areas
Event held by the Multiculture ON Family Volunteers
Installing green curtains for a local community school
Eco-Plogging relay campaign
Signing a contract to support academic research on biodiversity

POSCO Mobility Solution launched the ‘Eco-Plogging Relay Campaign’ for nearly three months between June and September of 2021 across all its operations to protect the environment of local communities. A total of 440 employees, their family members and acquaintances joined the campaign to improve environmental awareness across local communities. As a nomination-based activity, this campaign invited employees’ voluntary participation through the nominations made by employees who joined the plogging campaign first to share the opportunity to protect the environment. We will continue with such environmental campaigns to take the lead in safeguarding the environment of local communities.

Supporting the Research on Endangered Silvery Gibbons to Protect the Earth Ecosystem

We signed a contract with a research team at the Department of EcoScience, Ewha Womans University, to aid in their academic study of biodiversity to research on silvery gibbons in Java, Indonesia, for three years. Studying silvery gibbons could be highly challenging but our support will surely bring benefits in protecting the habitats of this endangered species and increasing their population. Our support for academic research is also significant for its contribution to preserving biodiversity in Indonesia where we operate.
GOVERNANCE

Increasing the long-term value of a company is made possible when a systemic decision-making system is established and operated efficiently within the company. To this end, the company needs to advance management transparency through sound governance and bolster its risk management system including ESG considerations. It is also needed that ethical management is embedded into its day-to-day work so that all employees abided by the principles of anti-corruption and fair trade. The company is also required to regularly operate wide-ranging channels for stakeholder communication and reflect their feedback in its business operations.

RISks

• Increasing stakeholder demand for improved governance transparency
• Tightening laws and regulations on ethical management and fair trade in Korea and abroad and heightened risk of paying penalties and suspending business as a result
• Introducing global supply chain due diligence laws in the EU and Germany among others
• Decreases in product quality and sales as a result of substandard supply chain management
• Growing complexity in interests due to exposure to various ESG issues

opportunities

• Advancing the ESG management implementation system for improved execution
• Reinforcing ethical/transparent management for greater investment opportunity
• Improved supply chain competitiveness for shared growth
• Proactive communication with stakeholders to build trust-based relationships

our approach

POSCO International transparently discloses all decisions made for efficient business operations to serve the interest of the Company and its shareholders. Guided by the 3 core values of ethical management - integrity, fairness and honesty, we build a corporate culture of transparency and integrity. We continuously reach out to stakeholders, including shareholders, customers, employees, and local communities across wide-ranging business areas to act on our management philosophy ‘Corporate Citizenship: Building a Better Future Together’.

Business With
POSCO International
We will elevate our corporate value by advancing our business decision-making system through transparent BOD operations and systemic risk management.

Society With
POSCO International
We comply with the laws and regulations of regions where we operate, and promote interactive communication through heeding the voice of local communities and sharing the impact our business has on the society and environment.

People With
POSCO International
We embed anti-corruption awareness into our entire operations to disseminate a culture of ethical management and wholesome communication across the company.
As of March 2022, our Board of Directors (BOD) consisted of seven directors in total, including two inside directors, one non-standing director, and four outside directors. All our directors fully meet the criteria set by Article 382 of Korea’s Commercial Law and our Articles of Incorporation to strengthen the independence of the BOD and the transparency of BOD operation. In order for the BOD to make balanced decisions based on diverse backgrounds without representing any specific interests, outside directors are appointed for their expert knowledge and qualifications across wide-ranging areas including business administration, accounting and environment. Additionally, a support organization is under operation to help outside directors perform their duties efficiently.

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Name</th>
<th>Gender</th>
<th>Position</th>
<th>Career</th>
<th>Date of Initial Appointment</th>
<th>Committee</th>
<th>Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Si-Bo Joo (Male)</td>
<td>CEO</td>
<td>Chair of the BOD</td>
<td>Chair of the Outside Director Candidate Recommendation Committee</td>
<td>Curr. President, POSCO International</td>
<td>2020.3.30</td>
<td>BOD</td>
<td>Outside Director Candidate Recommendation Committee</td>
</tr>
<tr>
<td>Min-Yong Noh (Male)</td>
<td>Head of Corporate Strategy &amp; Finance Group</td>
<td>Curr. Head of Corporate Strategy &amp; Finance Group, POSCO International</td>
<td>Fmr. Head of Corporate Audit, POSCO</td>
<td>Head of Finance, POSCO</td>
<td>MBA, Korea University</td>
<td>BOD</td>
<td>Outside Director Candidate Recommendation Committee</td>
</tr>
<tr>
<td>Jung-Son Chon (Male)</td>
<td>Curr. President, Head of Corporate Strategy, POSCO Holdings</td>
<td>Fmr. Head of Global Infra Business Unit, Head of Corporate Strategy &amp; Planning Division</td>
<td>Head of Corporate Strategy &amp; Finance Group, POSCO</td>
<td>MBA, Korea University</td>
<td>2019.3.18</td>
<td>BOD</td>
<td>Outside Director Candidate Recommendation Committee</td>
</tr>
<tr>
<td>Soo-Young Kwon (Male)</td>
<td>Chair of the Audit Committee</td>
<td>Curr. Professor, Business School of Korea University</td>
<td>Fmr. Dean of Business School, Korea University, 33rd President of the Korean Accounting Association</td>
<td>PhD in Accounting, University of Washington</td>
<td>2019.3.18</td>
<td>BOD</td>
<td>Outside Director Candidate Recommendation Committee</td>
</tr>
<tr>
<td>Heung-Soo Kim (Male)</td>
<td>Curr. Standing advisor to Kim &amp; Chang (law firm)</td>
<td>Fmr. Head of Dongfang CJ in Shanghai</td>
<td>CEO of SMG-CJ Home Shopping</td>
<td>MBA, KAIST (Korea Advanced Institute of Science and Technology)</td>
<td>2019.3.18</td>
<td>Audit Committee</td>
<td></td>
</tr>
<tr>
<td>Jong-Ho Hong (Male)</td>
<td>Curr. Professor, Graduate School of Environmental Studies, Seoul National University</td>
<td>Fmr. President, Asian Association of Environmental and Resource Economics (AAREE)</td>
<td>Director, Institute for Sustainable Development, Seoul National University</td>
<td>PhD in Applied Economics, Cornell University</td>
<td>2020.3.30</td>
<td>General Shareholder Meeting in 2024</td>
<td></td>
</tr>
<tr>
<td>Haeng-Hee Lee (Female)</td>
<td>Curr. President &amp; CEO, Coming Korea Advisor, Korean CEO's Association of Multinational Corporations</td>
<td>Fmr. Chair, Korean CEO's Association of Multinational Corporations</td>
<td>PhD In Business Administration, Sookmyung Women's University</td>
<td>2022.3.21</td>
<td>General Shareholder Meeting in 2024</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
BOD meetings are arranged on an annual basis, and the meeting agenda is announced 7 business days prior to the meeting in accordance with BOD regulations. If the set meeting schedule is changed for any reason, this is immediately communicated. In 2021, our BOD met 10 times in total to decide on 34 agenda items. Director attendance amounted to 100% in 2021.

### #%FFUHOHT/FME

To support professional and efficient decision-making at the BOD, the Outside Director Candidate Recommendation Committee and the Audit Committee were established under the BOD and are operated in accordance with relevant regulations. These committees are delegated by the BOD to perform part of its functions as stipulated in applicable laws and the Articles of Incorporation, and assist the Company in efficiently making key decisions. At the Audit Committee, outside directors account for more than 2/3 of all members to ensure fairness and transparency. [as of Mar. 2022]

**Outside Director Candidate Recommendation Committee**
- Review qualifications and competency
- Decide to nominate outside director candidates

**Shareholders**
- Provide opportunity to nominate outside director candidates holding shareholder proposal rights

**BOD**
- Decide to convene the General Shareholder Meeting

**General Shareholder Meeting**
- Appoint outside directors
As of the end of December 2021, the total number of issued common shares amounted to 123,375,149, and the number of outstanding shares was 123,374,891, excluding 258 treasury shares. The largest shareholder is POSCO Holdings with 62.91% of the total, and other minority shareholders own 28.95% of the total.

<table>
<thead>
<tr>
<th>Shareholder and Investor Communication</th>
</tr>
</thead>
</table>

We provide financially-critical ESG information to shareholders and investors in accordance with the standards presented by the SASB(Sustainable Accounting Standards Board). We also engage in regular(4 times per year) and year-round(10 times per month) IR activities to raise awareness and understanding on the part of shareholders and investors. In the face of limitations placed amid the continued pandemic in 2021, we hosted virtual conferences and uploaded information to reach out to shareholders on an on-going basis. In particular, we published newsletters and ESG reports on our website to make ESG data more accessible, and held corp-day events in partnership with securities firms to expand communication with domestic responsible investing institutions. In addition to financial performance, we also proactively communicated on controversial issues that arose across our diverse business areas to promote information equality among shareholders and investors. In 2022, our aim is to continue with communications on our key businesses and engage in joint IR activities with POSCO Group to share the Group’s growth strategy and bolster communications.

<table>
<thead>
<tr>
<th>Shares and Dividends</th>
</tr>
</thead>
</table>

As of the end of December 2021, the total number of issued common shares amounted to 123,375,149, and the number of outstanding shares was 123,374,891, excluding 258 treasury shares. The largest shareholder is POSCO Holdings with 62.91% of the total, and other minority shareholders own 28.95% of the total.

<table>
<thead>
<tr>
<th>Dividends Paid</th>
</tr>
</thead>
</table>

### As of Dec. 2021

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends per Share</td>
<td>KRW</td>
<td>700</td>
<td>700</td>
<td>800</td>
</tr>
<tr>
<td>Total Dividends</td>
<td>KRW million</td>
<td>86,362</td>
<td>86,362</td>
<td>98,700</td>
</tr>
<tr>
<td>Dividend Yield Ratio</td>
<td>%</td>
<td>3.75</td>
<td>4.81</td>
<td>3.56</td>
</tr>
<tr>
<td>Stock Price</td>
<td>KRW</td>
<td>18,650</td>
<td>14,550</td>
<td>22,450</td>
</tr>
<tr>
<td>Con. Dividends to Net Income</td>
<td>%</td>
<td>41.20</td>
<td>36.20</td>
<td>27.40</td>
</tr>
<tr>
<td>Con. Net Income of Owners</td>
<td>KRW million</td>
<td>209,404</td>
<td>238,557</td>
<td>360,789</td>
</tr>
<tr>
<td>Sep. Dividends to Net Income</td>
<td>%</td>
<td>45.00</td>
<td>42.30</td>
<td>49.00</td>
</tr>
<tr>
<td>Sep. Net Income</td>
<td>KRW million</td>
<td>191,704</td>
<td>203,975</td>
<td>201,231</td>
</tr>
</tbody>
</table>

**POSCO Holdings**

62.91%

77,616,018 shares

**VANGUARD**

1.03%

1,275,644 shares

**National Pension Service**

6.66%

8,216,664 shares

**BlackRock**

0.45%

553,486 shares

**Minority Shareholders**

28.95%

35,713,137 shares

41BSFIPMEFST

41BSFTBOE%JWJEFOET

We provide financially-critical ESG information to shareholders and investors in accordance with the standards presented by the SASB(Sustainable Accounting Standards Board). We also engage in regular(4 times per year) and year-round(10 times per month) IR activities to raise awareness and understanding on the part of shareholders and investors. In the face of limitations placed amid the continued pandemic in 2021, we hosted virtual conferences and uploaded information to reach out to shareholders on an on-going basis. In particular, we published newsletters and ESG reports on our website to make ESG data more accessible, and held corp-day events in partnership with securities firms to expand communication with domestic responsible investing institutions. In addition to financial performance, we also proactively communicated on controversial issues that arose across our diverse business areas to promote information equality among shareholders and investors. In 2022, our aim is to continue with communications on our key businesses and engage in joint IR activities with POSCO Group to share the Group’s growth strategy and bolster communications.
In January 2020, we launched the Corporate Citizenship Bureau as a dedicated corporate citizenship organization to engage in various activities to practice the management philosophy ‘Corporate Citizenship: Building a Better Future Together’. To encourage sustained engagement of employees, we have included corporate citizenship strategic project performance in our executive/organizational performance appraisal indicators since 2020 to generate substantial outcomes in the areas of Business, Society, and People. In addition, departments and individuals are selected for their exceptional corporate citizenship performance and awarded with Presidents’ commendations. At the POSCO Group level, best awards are given Group affiliates to recognize their outstanding achievements in Corporate Citizenship. POSCO International was honored in 2019 and 2020.

**Progress Made on Corporate Citizenship Strategic Projects**

In 2021, 46 executives in division head positions were engaged in corporate citizenship strategic projects. Each of them selected their own relevant projects to act upon the corporate citizenship philosophy, and this was supplemented by the Corporate Citizenship Bureau, considering the adequacy and social impact of key performance indicators. The outcomes of these projects were jointly assessed by the Bureau and the Corporate Citizenship Office and reported to top management at POSCO International and Group affiliates.

**Factors for the Successful Implementation of Project**

- Collaborate with SMEs and startups to jointly advance into global markets
- Explore win-win business opportunities with SMEs and startups facing difficulties in tapping into export markets
- Recycle and commercialize steel waste into silicate fertilizers
- Verify the feasibility of silicate fertilizer business by leveraging the Company’s overseas operations (RPC in Myanmar, PT.BIA in Indonesia)
- Provide management consulting to business partners and competitive SMEs
- Transfer the Company’s knowledge to business partners and competitive SMEs to support their capacity building
- Provide employees with legal counseling service
- Support employees to resolve their grievances caused by legal issues with the help of talented Legal Division employees

In July 2020, POSCO produced and circulated the Corporate Citizenship Management Standards (CCMS). The CCMS consist of a total of 13 modules in the Business, Society, and People areas, and provide theoretical explanations and illustrations for employees to easily refer to for their work. In April 2021, the Corporate Citizenship Bureau produced and distributed POSCO International’s edition of the CCMS: the CCMS intended for POSCO’s use was customized to meet our own needs and make them accessible for our employees. The circulation of the CCMS was followed by a range of events from discussions, best practice contests, and mandating the inclusion of the CCMS in major reports to encourage the application of the CCMS to employee’s daily work routine.

Since 2021, we have granted additional points in the organizational appraisal process to employees for their participation in corporate citizenship activity contests and donation to the POSCO 1% Foundation among others, in addition to their generation of management performance, to encourage corporate citizenship initiatives. In 2022, we will take one step further to include corporate citizenship performance as a formal assessment category to motivate all our organizations to take the lead in translating the corporate citizenship philosophy into action.
In September 2021, a company-wide ESG Council was created to deliberate on major ESG management decisions concerning the environment, climate change and society in line with our ESG management strategy. The Head of the Corporate Citizenship Bureau serves as the Chair and the Bureau as the assistant administrator, and members of the Council include leaders assuming division head, president and above positions at the HQ and overseas subsidiaries. Since its first meeting in September 2021, the Council has discussed diverse agenda – the amendment of our ESG-related regulations, the development of management strategies, and response to stakeholder questions. The outcomes are reported to the Management Committee and the BOD depending on the nature of the agenda. The ESG Council will serve to establish governance for our overall ESG management from the long-term viewpoint in line with the expectations and concerns raised by shareholders & investors and other varying stakeholders to help us systematically respond to climate-related issues.

**ESG Issue Response Process**

We pursue the ‘One Voice’ approach by establishing an ESG issue response process to address the questions raised at any given time by wide-ranging stakeholders. The submitted ESG issues, through analysis and status identification, are communicated to senior management and the Board of Directors through the ESG Council. Based on the discussions, the direction of the ‘One Voice’ approach is determined and actions take place accordingly. The ESG Council then comes in to report action outcomes to management to verify the actions implemented and review follow-up action when necessary.
Our company-wide Investment Committee addresses a range of risk factors concerning the undertaking and management of investment business. The committee performs business feasibility reviews by investment type and conducts assessments to minimize potential risks while monitoring approved investments for their compliance with the set business plan and their risk likelihood. In accordance with applicable guidelines, the committee consists of one chairperson, 5 standing, and 3 non-standing members (from business implementation and sales organizations). The chairperson and standing members are appointed for their work experience on finance, accounting, and legal affairs.

Prior to proposing any agenda items to the Investment Committee, business opportunities are reviewed through multiple meetings for systemic verification. In the initial identification phase, management meeting serves to verify candidate investments for their strategic alignment along with business departments. When a pool of candidate projects is finalized, the Pre-Investment Consultation Group validates these projects for their fit with our vision and strategic directions, and Investment Committee-Head of Group performs in-depth analyses on their economic feasibility and relevant major risks.

In 2021, we raised the bar on ESG risk assessments within our investment review process. In establishing a palm business holding company in Singapore, the importance of partner negotiations was considered in making investment review decisions, and responsible supply chain management and environment/labor issues were examined in relation to the environmental and social impact assessments made on mines in Indonesia.
The Corporate Audit Division, which is under the direct leadership of the CEO, is responsible for our company-wide ethics management operations. The Division consists of the Corporate Audit Department I and the Corporate Audit Department II that are tasked with business assessments, ethics management, and fair trade, and with work audits and internal controls respectively.

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69
Strengthening Ethics Management Capabilities

Ethics Training for All Domestic and Overseas Operations

A wide array of ethics training is provided to raise employees’ ethical awareness and prevent relevant issues from ever occurring. In 2021, a total of 28 courses were conducted including on/off-line trainings and campaigns for employees at the Headquarters and overseas organizations as well as contract employees.

Reinforced Communication on Ethics Management

We provide counseling to help employees cope with ethical dilemmas that may occur during business conduct to support their ethical practices while performing monitoring to eradicate any unethical practices and establish a culture that respects human dignity across the board. The frequency of our ethics surveys was increased from once a year to twice a year, and their scope was extended to include global staff at overseas organizations to cover all our operations in Korea and abroad.

Junior Counseling Center Operation

We opened the Junior Counseling Center for employees in Manager and below positions to prevent unethical practices and disseminate a culture of ethics. The center serves to provide counseling on workplace-related grievances and ethical dilemmas and, explain our ethics-related internal regulations and guidelines, and guide employees with applicable how-tos and investigation procedures. All counseling details remain strictly confidential, and the identity of the counselees and those who help these counselees is thoroughly protected.

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Ethics Management Training Provided in 2021

Monitoring Performance of the Ethics Counseling Center

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PART 1
AT A GLANCE

CORE BUSINESS
ENVIRONMENT
SOCIAL
GOVERNANCE
ESG ISSUE PAPER
OTHER SECTIONS

PART 2
ESG FACTBOOK
POSCO INTERNATIONAL CORPORATION
SUSTAINABILITY REPORT 2021

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Governance

Anti-corruption

Stakeholder Communication
Unethical Behavior Reporting System

Our Clean POSCO International System documents and manages all recommendations made and favors asked in relation to employees to establish a corporate culture of integrity and fairness. When an employee registers the requests he/she received on the system, we guide them on the process to refuse such requests, follow the set step-wise procedures and verify the outcomes to closely monitor these requests made in relation to the Company. This system encourages employees to voluntarily report such occurrences of seeking favor as the primary mechanism to establish a culture of fair trade. To create a corporate culture of transparency and ethics that is void of any unethical practices, we are also strengthening our internal whistleblowing mechanisms. In accordance with provisions on the prevention of conflict of interest, data on former POSCO International employees is uploaded on the system, and in case we do business with entities hiring these employees, decision-makers are re-alerted to this prior to granting their approval to take a second look at relevant issues to establish transparent transaction practices. Through such endeavors, we will surely become a corporate citizen trusted by stakeholders for its fair business conduct.

Workplace Harassment Report Center

We operate the Workplace Harassment Report Center for all stakeholders, including employees of our business partners, to report any unreasonable treatment they experienced due to workplace harassment related to POSCO International. When a submitted report is confirmed to be valid, this is briefed to the Head of the Corporate Audit Division and the CEO in principle, and the whistleblower may receive its handling outcomes if he/she wishes to do so. While it typically takes one month to handle such cases, this is shortened to 14 days for special issues such as sexual harassment, and we ensure that the offender signs the confidentiality and non-retaliation agreements following the notification of handling outcomes.

Protection of Whistleblowers

Handling Procedures of the Workplace Harassment Report Center

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<td>If whistleblowers or those collaborating in investigation are believed to suffer any disadvantage on HR or other matters, they are eligible for change in positions or assignments.</td>
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<tr>
<td>Even when whistleblowing is recognized in connection with one's business conduct or by accident, the identity of whistleblowers and those collaborating in investigation should remain strictly confidential.</td>
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<tr>
<td>Any work-related retaliatory actions against whistleblowers and those collaborating in investigation are prohibited, and such actions are reprimanded in accordance with applicable regulations.</td>
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Visit our official website (www.poscointl.com), go to Business Ethics and click on Reporting Center.

Corporate Audit Division, POSCO International, 165, Convensia-daero, Yeonsu-gu, Incheon, Korea, 21998

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Stakeholder Communication

Communications by Stakeholder Group

Communication with Employees

We collect employee feedback with the help of labor representatives appointed at the Labor Management Council and labor unions, and make necessary improvements accordingly. In addition, we perform employee satisfaction surveys (P-GWP) each year to identify their satisfaction with work life and reflect their feedback. Our official employee communication channel POINT serves to share our major activities and events and to host diverse participatory events in order to create a culture of wholesome communication.

Communication with Local Communities

We actively engage in communication with local residents in the vicinity of our operations to manage the impact of our business operations on local communities. These efforts include both regular communications such as public consultation meetings as well as grievance mechanisms made available year-round.

Myanmar

Public Consultation Meeting

We host public consultation meetings attended by the heads of villages located in the vicinity of Shwe Project in Myanmar and central/local government officials to share information on the project and its progress and to gather information and feedback on those areas affected by our business. In addition, we utilize shopfronts set up in affected villages to regularly post the goal of the project and its status of progress and to share information on our community support activities, including the status of our CSR programs and the recruitment of scholarship beneficiaries, in order to transparently communicate with locals. While we could not engage in public consultations and other in-person communications due to the spread of COVID-19 and the state of emergency in 2021, we will resume such interactions as the global pandemic subsides.

Grievance Mechanism

We endeavor to develop effective communication channels that meet local conditions in Myanmar to establish sound relationships based on trust with community members. In order to understand and actively resolve the grievances raised by residents living near the Shwe Project site, we have established a grievance mechanism and are operating various communication channels such as grievance boxes and counseling. For instance, grievance boxes were set up at six locations in the vicinity of the Shwe Project along with village notice boards for all local residents to easily access and use. When a grievance is submitted, it is handled within three days in principle to expedite its resolution.

Grievance Mechanism Procedures

STEP 1
Receive grievances

STEP 2
Notify relevant departments of the grievances submitted

STEP 3
Investigate to verify facts

STEP 4
Notify the measures to be taken (Corporate Audit Division) and take such measures (HR Division)

Grievance Mechanism for Internal/External Stakeholders

We operate the grievance mechanism for both internal and external stakeholders to freely raise their grievances on unjustified business practices on the part of our employees, unreasonable requests which take advantage of one’s dominant position, corruptive practices, and verbal or physical violence. Such grievances can be submitted both anonymously and under one’s real name through our website, and their specifics remain strictly confidential according to robust security procedures under the principle of confidentiality. In particular, the identity of those who raise grievances under their true name remains strictly anonymous to protect them from any disadvantages that may occur. Once a grievance is submitted, the relevant department takes proper measures and provides feedback to the whistleblower.

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To mitigate potential environmental and social impact in the plantation operation process, PT. BIA is committed to preserving HCVs (High Conservation Value) and monitoring water quality in nearby streams. The company teams up with locals to keep nearly 6,700ha of HCV areas intact. Public consultations help reach out closer to community members. In 2020 and 2021, PT. BIA continued to host meetings on a regular basis to brief participants on its management policy and plans to manage environmental and social impact stemming from plantation operations. These meetings served to collect opinions and requirements from locals and fully reflect them in the company’s policy decisions.

PT. BIA operates grievance mechanisms to resolve the grievances raised by stakeholders including employees and indigenous peoples. Grievances can be submitted by anyone according to the procedures disclosed on the website, and whistleblowers remain completely anonymous. Once grievances are submitted, the Labor Department Team and the Community Assistance Team investigate pursuant to relevant regulations and precedents, and interview whistleblowers and stakeholders to fully reflect their opinions. Reasonable solutions are identified based on investigation outcomes to resolve grievances, and handling outcomes are communicated to whistleblowers.

To preserve the local environment and promote the local economy, education, and healthcare, we include such key stakeholder groups as indigenous peoples, local government agencies and NGOs while engaging in consultations on specific prior to implementing programs. Discussions took place on various local challenges and necessary suppletions and improvements, and discussion outcomes will form the foundation to pursue mutual growth with local communities.

We have interviewed stakeholders who each represent our sustainability management focus areas on an annual basis to proactively collect their feedback and have disclosed their outcomes through our sustainability reports. We will continue to ensure that the invaluable feedback from our stakeholders is integrated into our business operations from the long-term perspective.
Q. What ESG capabilities should POSCO International have as an electric vehicle supply/trading company in terms of ESG supply chain management? Please explain.

A. We have seen rapid growth in the electric vehicle market in the last few years. With more preference for sustainable transport, increasing government incentives, investments in charging infrastructure, and enhanced technologies, we are expecting exponential growth in the coming years. This provides considerable opportunities for OEMs such as VinFast, promoting complete switch to producing electric vehicles by the end of 2022. Outside Vietnam, VinFast responds to where demand is by prioritizing the North American and European markets. We are also working with the top charging service providers to ensure sufficient charging infrastructures in target markets.

Q. From the perspective of VinFast, how is the prospect of the electric vehicle market, including continual improvements in eco-friendly practices such as reducing emissions and enhancing energy efficiencies in manufacturing; enhancing the use of recyclable and renewable materials; reducing high-risk substances; and systematic compliance with local environmental laws and regulations. We oblige suppliers to human rights, labor rights and anti-corruption practices. VinFast puts in place compliance assurance measures for both suppliers and subcontractors, including specifications in contracts, auditing to ensure compliance, and right to end business relationships in case of breach of COC. POSCO International is expected to comply with or go beyond standard ESG measures including in place policies and procedures to ensure compliance. The company is also expected to minimize GHG emissions and maximize the use of renewable energies and recyclable materials in its sourcing and manufacturing process.

Mrs. Le Thi Thu Thuy - Vice Chairwoman of Vingroup and Global CEO of Vinfast

ST-F5|IS|SV|SVZ

Q. What would be most noteworthy ESG activities of POSCO International from the viewpoint of investment banks? Please advise necessary improvements for the company.

A. In Asia Pacific, ING performs wholesale banking business across 11 markets, namely Australia, China and South Korea etc. ING has been present in Korea for more than 30 years and has helped many Korean companies to export and expand overseas. We have a strong business relationship with POSCO International by offering various corporate banking services.

Mrs. Le Thi Thu Thuy - Vice Chairwoman of Vingroup and Global CEO of Vinfast

ST-F5|IS|SV|SVZ

Q. What are the key ESG activities that POSCO International should focus on in the mid/long-term from corporate loan assessment aspects?

A. The environment is the most important ESG risk for POSCO International as a global integrated corporation. Please continue with your proactive communication with stakeholders on action plans and implementation to minimize environmental impact.

Caris Gawon Lee, Corporate Sector Lending Vice President of ING Bank

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Q. What is the most significant ESG activity that POSCO International should focus on in the mid/long-term?

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Health and safety management constitutes an essential component that should be embedded in business operations and managed as such. I hope that the Company recognizes health and safety as an integral part of sustainable management and design and implement its health and safety management system in a way that caters to organizational needs.

POSCO International has established a global health and safety management system that spans six overseas production corporations as well as the President's health and safety policy and strategy. The Company is differentiated from its peers in developing health and safety KPIs and action plans for each worksite and pursuing improvements accordingly. Going forward, I expect that the Company’s health and safety management system bring positive impact to health and safety of the entire global supply chain in addition to its own operations in Korea and abroad.

To effectively respond to increasingly tightening global health and safety regulations and diversifying stakeholder needs, it is critical that the Company identifies relevant internal/external issues and performs materiality analyses to set and implement implementation tasks. Besides, relevant risks and opportunities need to be included and managed as part of its health and safety management plans. To this end, POSCO International is recommended to raise employees’ health and safety awareness at all levels and continue to bolster its capabilities to predict and manage health and safety risks.

Operating the ESG Council, we will share and consult on our ESG risks and opportunities, and serve as a bridge to facilitate interactive communication so that ESG management is embedded into top management’s decision-making and employee’s day-to-day work.

In line with the growing impact of climate change on the global economy and business management, we created the ESG Council to deliberate on issues related to our major ESG activities in line with our company-wide ESG management strategy. As the Chair of the Council, I serve as a pilot to help the Company navigate this ESG journey, managing ESG management risks and opportunities to ensure the Company becomes more sustainable and evolves as such. I also make sure that ESG management is better understood and deeply woven into our business operations among management and employees.

One of our key focus areas for 2021 was to bolster the roles and responsibilities of our governance against the TCFD recommendations. A system was established to fully reflect the commitment of top management across wide-ranging ESG agenda by setting our ESG management directions and taking stock of ESG issues. This year, we will provide support to reinforce the management and oversight function of outside directors for ESG management.

In the ESG Council, we consider stakeholder communications and employee discussions and communications and what is its future operational approach?
We report our achievements in fulfilling economic, social and environmental responsibility each year. Such reports assist us in transparently disclosing our sustainability management activities and communicating our sustainability management in general to wide-ranging stakeholders.

This environmental and social impact assessment report is prepared to study the potential impact of Phase 3 development of the Shwe Project in Myanmar on the surrounding environment and local communities and to develop plans and measures to prevent and mitigate such impact.

PT.BIA provides regular safety training on major facilities, equipment and vehicles to prevent fires and safety incidents through the creation of its own safety management committee(P2K3), and publishes reports to disclose the outcomes of such activities.

PT.BIA publishes Environmental Management Plan(RKL) and Environmental Monitoring Plan(RPL) reports to disclose its achievements in environmental management performance, concerning plantation water quality, air, soil erosion, biodiversity and local CSR activities.
POSCO International has been undertaking the Shwe Project for over two decades since 2000 in Myanmar regardless of regime change in the country pursuant to the Production Sharing Contract (PSC) concluded with the state-owned Myanma Oil & Gas Enterprise (MOGE) under the Ministry of Electricity & Energy (MOEE) and foreign investors. This gas field project enabled us to secure a reliable supply of overseas resources to eventually serve the interest of our nation, and to build trust-based relationships through our continued commitment and CSR programs for local community development. As the global community is tightening sanctions in relation to the military regime in Myanmar in the wake of the emergency that occurred in February 2021, we aim to fully disclose the status of our Shwe Project undertaking to promote transparent communication with stakeholders.

The US, the EU, the UN, the ASEAN and the wider global community are all deeply concerned about the crackdown committed on protestors in Myanmar, and are imposing sanctions on the military government in the country. In February 2021, the US government seized US-based properties associated with the Myanmar situation, included companies and leaders affiliated with the military government in its sanctions list, and declared an administrative order to ban sanctioned parties from entering the country. The US Department of Treasury then reviewed possible sanctions on MOGE but no sanctions have been adopted yet to date. The EU, since declaring its suspension of all development cooperation support for Myanmar in March 2021, has announced sanctions on companies and public officials associated with the military government, including asset freezing and a ban on visa issuance. In February 2022, the EU included MOGE in its sanctions list, reasoning that MOGE accounts for a significant portion of funding for the military regime. This essentially prohibited all corporations established within the EU and individuals as well as all corporations and individuals who entered into transactions with those on the sanctions list in the EU zone from providing financing and services to MOGE. In March 2021, the UN Security Council issued its statement to express concerns over the suppression of demonstrators in Myanmar, and the UN General Assembly adopted a resolution in relation to the situation in Myanmar. The ASEAN, at an emergency summit held in April 2021, declared a joint statement to call for an immediate end to crackdown on protestors in Myanmar and prohibited the attendance of the nation’s military government at the summit hosted in October. These two international organizations have since expressed their concern over the continued emergency in Myanmar and engaged in discussions to urge a peaceful resolution to the situation.

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The US, the EU, the UN, the ASEAN and the wider global community are all deeply concerned about the crackdown committed on protestors in Myanmar, and are imposing sanctions on the military government in the country. In February 2021, the US government seized US-based properties associated with the Myanmar situation, included companies and leaders affiliated with the military government in its sanctions list, and declared an administrative order to ban sanctioned parties from entering the country. The US Department of Treasury then reviewed possible sanctions on MOGE but no sanctions have been adopted yet to date. The EU, since declaring its suspension of all development cooperation support for Myanmar in March 2021, has announced sanctions on companies and public officials associated with the military government, including asset freezing and a ban on visa issuance. In February 2022, the EU included MOGE in its sanctions list, reasoning that MOGE accounts for a significant portion of funding for the military regime. This essentially prohibited all corporations established within the EU and individuals as well as all corporations and individuals who entered into transactions with those on the sanctions list in the EU zone from providing financing and services to MOGE. In March 2021, the UN Security Council issued its statement to express concerns over the suppression of demonstrators in Myanmar, and the UN General Assembly adopted a resolution in relation to the situation in Myanmar. The ASEAN, at an emergency summit held in April 2021, declared a joint statement to call for an immediate end to crackdown on protestors in Myanmar and prohibited the attendance of the nation’s military government at the summit hosted in October. These two international organizations have since expressed their concern over the continued emergency in Myanmar and engaged in discussions to urge a peaceful resolution to the situation.

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**AT A GLANCE**

**PART 1**

**CORE BUSINESS**

**ENVIRONMENT**

**SOCIAL**

**GOVERNANCE**

**ESG ISSUE PAPER**

**OTHER SECTIONS**

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**PART 2**

**ESG FACTBOOK**

**POSCO INTERNATIONAL CORPORATION**

**SUSTAINABILITY REPORT 2021**

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In accordance with our One-Voice policy to address ESG issues, we have transparently disclosed fact-based information to answer questions raised by stakeholders, and will continue to share relevant information through our official communication channels including sustainability reports.

Some third-party organizations raise allegations that proceeds from the Shwe Project go to fund the military government through MOGE and demand that we suspend the transfer of such proceeds. The project has been implemented for the past 22 years since 2000 irrespective of regime change in the country, and is not in any direct contractual relationship with the military junta and its members who caused the current emergency. The Shwe Project is operated under the consortium contract for the section spanning the offshore platform where gas drilling is performed and the onshore gas terminal. In short, this unincorporated project stipulates that all consortium participants have their respective ownership in production outputs in proportion to their equity ownership from the point of production in conformity with the Production Sharing Contract. This is different from the incorporated business structure whereby the largest shareholder has a say in the distribution of profits. As such, POSCO International is not the principle agent in transferring proceeds from the project to MOGE nor has any legal right to suspend such transfers.

Operating the onshore pipeline from the onshore gas terminal to Chinese border areas is the responsibility of the joint venture SEAGP (South-East Asia Gas Pipeline). It is CNPC-SEAP (China National Petroleum Corporation - South-East Asia Pipeline Company Limited) that has a 50.9% equity ownership in SEAGP and thus holds the right to operate this pipeline. As an ordinary shareholder owning 25.04% of SEAGP, POSCO International cannot solely determine the suspension of shareholder dividend payments.

Our greatest concern is any damage done to people in Myanmar due to the shortage of power. The country’s power market is mainly driven by gas and hydropower; its dependency on gas increases dramatically during dry seasons, and the Shwe Project that we are operating serves as a main gas source in the central-northern region of Myanmar. Even as we inevitably withdraw from the project as third-party organizations demand, MOGE will continue to operate the project as a state-run gas corporation to maintain power supply in the country, and may secure the proceeds and the operational stake that would otherwise be attributable to POSCO International as well as the control over the project assets. We will review issues related to the Shwe Project from multiple angles to ensure no adverse impact occurs for people and local communities in Myanmar.
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Under the vision of ‘sustainable, social-giving palm business’, we have fulfilled our social responsibility and obligation to protect the environment and respect human rights since the initiation of our palm oil business in Indonesia. As an extension of such efforts, we declared the NDPE\(^1\) policy in March 2020 as the first Korean business to do so, and achieved the international sustainable palm oil certification of RSPO\(^2\) in September 2021, doing our utmost to deliver on the promise we made with the global community.

We sincerely illustrated such efforts in the objection procedure initiated by the National Contact Point(NCP) executing the OECD Guidelines for Multinational Enterprises, and will transparently communicate our activities for environment and human rights protection to implement the NDPE policy as well as the RSPO principles and standards.

1) NDPE(No Deforestation, No Peat, No Exploitation) policy: Highly stringent environmental and social policy adopted by global large palm oil businesses to stipulate wide-ranging social responsibilities associated with palm oil business in the areas of environmental preservation and management, protection of and respect for human rights, and stakeholder communication
2) RSPO(Roundtable on Sustainable Palm Oil): RSPO aims to promote sustainable palm oil production in such reasonable ways to meet social needs all while protecting the environment

POSICO International performs proper assessments on the impact of its palm oil business on the environment and human rights by way of PT. BIA, its local corporation in Indonesia, and integrate such assessments in making major decisions and conduct business accordingly.

In January 2007 at early stage of the business, PT.BIA was granted a location permit(Izin Lokasi) from the Indonesia Investment Authority(\(\text{IAA}\)) in the business site selection process, and performed environmental due diligence in accordance with the environmental impact assessment procedure(AMDAL) required by Indonesian law. The assessment demonstrated that the site was mostly composed of bushes, reeds and secondary forests, and that the location permit issued by IIA also confirmed the site is classified as convertible production forests that can be transformed into non-forests. Indonesia’s domestic law stipulates that primary forests are natural preserves and thus no business permit is granted on such areas. This means that our acquisition of the location permit itself constitutes a proof that primary forests do not exist within the site.

This was followed by our acquisition of a farm business permit(IUP) in August 2009, and land use change assessments were conducted in September that year to exclude forest reserves from the approved business site. This process resulted in the issuance of a forest ministry resolution(SKPKH) by the Indonesian Ministry of Environment and Forestry for 36,400ha of land excluding 3,500ha of wildlife preserves. Furthermore, Land Use Registry(HGU), which essentially presumed that the site is intended for development pursuant to Indonesian law, was granted on 34,195ha of land, except for 2,205ha-areas composed of swamps, waterways and other areas requiring protection, to effectively award us a permit to develop plantations. Still yet, we voluntarily excluded additional 6,454ha of land which includes forests and swamps that hold high conservation value to develop only 27,741ha of the approved site, which accounts for nearly 80% of the entire site eligible for development. This testifies to our commitment to minimizing environmental impact even from the palm plantation development phase by exceeding the applicable legal standards conserving forests.

We then moved on to reclaim the business site pursuant to applicable laws in an efficient and environment-friendly way. While there are allegations that the site was burned for reclamation, land clearing by fire is not only strictly prohibited as it may lead to a cancellation of the farm business permit, but also was never employed as it is not effective as a means of lumbering while raising the high risk of loss of life and properties. Rather, we arranged a firefighting system and necessary equipment and engages in regular fire prevention and response drills to keep our operations, employees, and local residents safe from the fires that occur as a result of land clearing by fire practices of indigenous peoples living nearby or fires that naturally occur. As such, we strive to minimize any forest damage in the development process and also set environmental conservation, remediation, and management activity plans covering areas that are larger than our plantation site in the state of Papua. We will implement such plans for the next 25 years from 2022 onwards.
In selecting and operating the palm plantation site in Indonesia, we ensure that we minimize the impact on nearby streams and underground water. River Biak flows along the peripheral edge of our business site which is more than 100 meters away from riparian areas and more than 50 meters away from river tributaries pursuant to the Indonesian Environmental Ministerial Ordinance. Water used for business operations does not flow into the waterways connected to River Biak and its discharge into the River is structurally prohibited. Water consumed at the plantation is primarily withdrawn from the reserve that we independently operate, and the used water goes to the wastewater disposal facility (pond) for the land application of organic substances contained. We manage wastewater to ensure that it does not pollute local streams or underground water sources used for the consumption of community members, contrary to allegations claiming otherwise. In addition to such efforts to protect water quality, we regularly monitor and analyze water quality in nearby streams with local environmental management authorities. We abide by the regulations and technical guidelines of the Indonesian Ministry of Environment and Forestry which elaborate on the sampling methodology and cycle as well as analysis items, and periodically report analysis results to the environmental department of the state government of Merauke. We have engaged indigenous peoples in sampling water for analysis since 2019 to increase credibility of the results, which are fully disclosed via public consultations. In one meeting held in Selli in November 2019, local government personnel confirmed that the results satisfied the legal threshold. The meetings are temporarily paused due to the pandemic, but we will resume the meeting in August 2022 to verify that the quality of water meets the legal standards.

We have continuously communicated with indigenous peoples and pay extra caution to fully protect their human rights. In particular, we sincerely engage in communications with stakeholders, including indigenous peoples, implementing the FPIC (Free, Prior and Informed Consent) principle from the beginning of the plantation development process. In operating the estates, we make doubly sure that we protect the human rights of indigenous peoples and local communities. Prior to plantation development, we cooperated with the indigenous peoples’ institution (LMA) and village offices to identify all indigenous peoples either residing in or using the area for hunting and thus have interest in our plantation site. Following the identification, we held the first public consultation meeting in January 2007, and hosted 10 more prior to initiating the site development in 2012 to explain our palm oil business and its impact while engaging in land compensation consultations with indigenous peoples. During the process, we not only conducted consultations with indigenous peoples but also those residing in Muting, which is outside the affected areas, as our stakeholders. All public consultation and briefings were hosted in Indonesia, and were open to all stakeholders wishing to participate, including local residents, NGOs and media outlets. Pursuant to the customary laws, we engaged the leaders of the tribes with customary ownership of the plantation site for land compensation, and received their signed consent that they understand and agree to the terms of land compensation. We also received confirmation from the Indonesian government prior to initiating business that no regulatory non-compliance nor any issues occurred in the process of reaching an agreement with indigenous peoples. In selecting the development areas, we held meetings held sacred by indigenous peoples for customary and/or religious reasons as HCV areas to exclude from the development while placing signboards to protect these areas from being damaged. We also adopted the FPIC principle for the construction of a CPO mill in 2018. We informed the local indigenous peoples in advance through multiple briefings of our plan and its impact. Our efforts to fully reflect their voices enabled us to receive written endorsement for business execution from the leaders. Since 2007 in operating our palm oil business, we have forged close relationships with indigenous peoples and local communities. We do our utmost to protect the human rights of employees and members of local communities in our plantation operation. While COVID-19 posed difficulties for the past three years, we hired all plantation workers as permanent employees and remain committed to providing them with a safe work environment.

On December 19, 2019, civic organizations in Korea and Indonesia raised issues to the Korean NCP, alleging that POSCO International’s palm plantation business in Indonesia ran counter to the OECD Guidelines for Multinational Enterprises to result in human rights violation and environmental destruction. We sincerely explained in the mediation process arranged by the NCP that we did not violate the guidelines in our palm oil business operations and that we were implementing environmental and social policies including the NDPE, exceeding the expectations of the civic organizations that raised the issues. Following three rounds of mediation meetings, the NCP published its final statement on January 13, 2022. In its statement, the KNCP expressed its regret that both parties did not reach a full agreement on the final mediation proposal, and commented “the situation does not merit any further mediation procedure”. It also stated that there was “some convergence of opinions and the procedure contributed to providing a forum for discussions between the parties on issues in accordance with the Guidelines, and the KNCP believes that both parties recognized the need to listen to the opinions of local people and establish a system for in-depth dialogue with local residents.” The KNCP made their confirmation on the final statement that “POSCO International has compiled best practices of the Guidelines through Standard Operating Procedures (SOPs); Free, Prior and Informed Consent (FPIC); adoption of the NDPE policy including the establishment and implementation of the environmental conservation plan; and the Roundtable on Sustainable Palm Oil (RSPO) certification acquired during the procedure.” We will ensure the continuity of our overall ESG activities, including the implementation of the NDPE policy, and will fully share their outcomes with the NCP, organizations which raised issues, and all other stakeholders.
In March 2020, POSCO International declared the NDPE policy for sustainable palm oil business as the first Korean business to do so. The NDPE policy applies to POSCO International’s subsidiaries, joint ventures and all other corporations over which the Company has management rights that operate in relation to palm oil production and trading. The policy also applies to all suppliers who provide us with FFB (Fresh Fruit Bunches), CPO (Crude Palm Oil) and refined oil. To embed the NDPE policy into our business operations, we set and announce its implementation plan each year and regularly report our progress made. In 2020 and then 2021, we published implementation reports twice and disclosed them on our website. To ensure a more systemic and professional implementation of the NDPE policy, we are developing and executing a range of plans to reinforce employees’ competency and expertise.

**Policy, Systems and Management**

PT. BIA continues with its effort to transparently communicate with workers and stakeholders in relation to the NDPE policy. In April 2021 and February 2022, sessions were held to exchange information on the status of NDPE policy implementation for employees in managerial positions at PT.BIA. Moreover, assessments were also made to review compliance with the NDPE policy along all supply chains.

**Protection of and Respect for Human Rights**

The company continuously provided employees with training on FPIC and grievance mechanisms, and held regular meetings with Plasma Plantation Cooperative to communicate with local communities. The company completed the process of hiring subcontractor employees as full-time employees in 2021 to pursue shared growth with workers and local communities, and provided a total of 31 job training programs to help employees with capacity building.

**Stakeholder Engagement & Communication**

PT. BIA regularly publishes NDPE implementation reports to proactively communicate with stakeholders as it has promised. The company also collects feedback from communities and stakeholders through its grievance mechanisms, and follows the set fair procedures to review these grievances and systematically reflect them for the development of the company and communities.

**Environmental Conservation and Management**

The company developed the RaCP1) and this was endorsed by RSPO in July 2021. The procedure consists of programs to manage areas requiring environmental protection within the estates as well as off-site environmental preservation and community development programs. The company aims to organize a program implementation organization to actively execute these programs.

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1) Remediation and Compensation Plan

In November 2021, PT. BIA supported the village of Kindiki, populated by indigenous peoples in the vicinity of its palm plantation, with water facilities, following the village of Selil in November 2020. The Kindiki village consists of nearly 455 residents from the Marind Tribe, and had faced difficulties with securing water for domestic consumption during the dry season. To resolve such a challenge and improve the quality of life for these indigenous peoples, PT. BIA engaged in a 6-month construction project to build water facilities to provide underground water to each household in the village. Prior to this project, the company provided briefings to the local community and sought consent from village members. The company also conducted on-site surveys and public consultations in advance to verify and fully reflect the detailed requirements of indigenous peoples whom this project intended to benefit.

In addition, PT. BIA will designate a facility manager and provide training so that villagers are able to operate these facilities on their own while performing regular water quality checks. Going forward, PT. BIA will pursue win-win partnerships based on the voice of local communities and proactively live by the corporate citizenship management philosophy of ‘Building a Better Future Together’.

Support for water facilities in the village of Kindiki
<table>
<thead>
<tr>
<th>Issue</th>
<th>Description</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment</td>
<td>Release NDPE Implementation Plan for the year 2022</td>
<td>✔</td>
<td>✔</td>
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<td></td>
<td>Analyze and update our NDPE policy to be more coherent to the global palm oil sustainability initiatives</td>
<td>✔</td>
<td>✔</td>
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<td></td>
<td>Continue to socialize the NDPE policy to plasma smallholders and oil palm outgrowers</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Activity</td>
<td>Continue to adopt RSPO Best Management Practices (BMP) for the application of agrochemicals in the oil palm plantation area and restrict the use of agrochemicals in the riparian areas</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td></td>
<td>Prevent the erosion of rivers and riparian buffers in the concession area by measuring the level of erosion, planting Legume Cover Crops, etc.</td>
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<td>✔</td>
<td>✗</td>
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<td></td>
<td>Continue to conserve the HCV area (6,718ha) inside the concession and disclose its management progress</td>
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<td></td>
<td>Organize a project execution team for the off-site environmental conservation program and conduct baseline studies by surveying and analyzing the current environmental and social status of the area</td>
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<tr>
<td>Environmental Conservation and Management</td>
<td>Continue to assess needs and provide appropriate training for employees for their capacity development</td>
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<td></td>
<td>Set clear performance indicators for employees' occupational health and safety management to ensure that appropriate actions are taken to mitigate OHS risks</td>
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<td></td>
<td>Implement adequate community engagement processes to ensure local residents in off-site conservation area to be fully informed of the conservation plan</td>
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<td></td>
<td>Address the local communities' social-economic issues based on cultural context</td>
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<tr>
<td>Protection of and Respect for Human Rights</td>
<td>Continue to provide information about the grievance mechanism and the resolution progress</td>
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<tr>
<td></td>
<td>Increase collaboration with local stakeholders to minimize negative environmental or social outcomes associated with palm oil production</td>
<td></td>
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</tr>
<tr>
<td>Stakeholder Engagement &amp; Communication</td>
<td>Publish annual progress report</td>
<td></td>
<td></td>
<td></td>
<td>2023.2Q</td>
</tr>
</tbody>
</table>
The Remediation and Compensation Plan (RaCP), endorsed by RSPO in July 2021, is a mid/long-term comprehensive plan created by PT. BIA for environmental conservation and community development. The RaCP consists of the Remediation Program for managing areas in need of environmental protection inside the PT.BIA estates and the Compensation Program for off-site environmental conservation and community development.

The Remediation Program has been designed to restore the environmental functions of riparian zones within the estates through riverbank stabilization, flood protection, prevention of chemical leaks, mitigation of soil erosion, improvement of water quality and preservation of biodiversity. PT. BIA aims to develop Standard Operating Procedures (SOP) to systematically manage river buffers and other environmental protection areas within the estates. The use of fertilizers, agrochemicals, and other chemical substances is prohibited in protected areas, and only manual weeding and specified maintenance activities will be allowed near water bodies. The High Conservation Value (HCV) zones within the estates have been demarcated with HCV signboards, and delineated from the estates for protection. HCV zones are also managed in accordance with the set SOPs.

In conformity with the standards specified in the RSPO Remediation & Compensation Procedure Annex 6, PT. BIA selected program areas that meet 1) Additionality, 2) Long Lasting, 3) Equitable, and 4) Knowledge Based requirements. The company also developed environmental conservation and community development programs that cater to the needs of target areas.

In implementing this program, PT. BIA aims to establish a co-operation system to manage target areas with local communities and ultimately enable its sustainable operation. This will be accomplished through the following five strategies:

1. Improve the management of conservation areas through a co-management approach for environmental conservation and forest monitoring.
2. Improve the welfare of local communities through strengthened livelihoods of indigenous peoples and sustainable natural resource management.
3. Provide indigenous peoples with incentive programs for environmental conservation to raise awareness and encourage continued participation.
4. Implement integrated fire management.
5. Advocate for the implementation and dissemination of Best Management Practices (BMP) for all stakeholders in the compensation area.

This program will be monitored and assessed against the set 18 indicators to measure its efficiency, effectiveness and impact. Furthermore, all specific activities aligned with the above-mentioned five strategies will be reviewed for their progress and managed as such in accordance with these indicators. PT. BIA will document the progress of this program and regularly report to RSPO.

The Remediation and Compensation Plan (RaCP), endorsed by RSPO in July 2021, is a mid/long-term comprehensive plan created by PT. BIA for environmental conservation and community development. The RaCP consists of the Remediation Program for managing areas in need of environmental protection inside the PT.BIA estates and the Compensation Program for off-site environmental conservation and community development.
Since its founding in 1967, POSCO International has spearheaded Korea’s export industry as an integrated corporation. We are primarily engaged in trading, along with resources development, manufacturing & processing, and infrastructure development & operation, and are expanding investments in close alignment with trading operations. Leveraging our overseas network that consists of more than 100 locations, we directly conduct business in the entire process of such varying industries as steel, energy and agrobusiness. In so doing, we aim to emerge as a ‘Globally Integrated Corporation’ to create a sustainable business model.
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Myanmar where we operate. We have partnered with the local NGO MUN (Mangrove Service Network) in Kyauk Phyu since 2011 to create mangrove forests. As of 2021 on a cumulative basis, approximately 2.272 acres (919 ha) of mangrove forests were created. The estimated carbon storage rendered through our mangrove forest program amounts to more than 920,000 tons per year. PT.BIA in Indonesia also initiated its mangrove forest program in 2019. PT.BIA planted nearly 200 trees as of 2021 and will continue with its environmental conservation activities for local communities.

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To disseminate a culture of environmental protection, not only do we engage in company-wide environmental protection activities, but also encourage employees to take action for the environment in their daily lives.

&FUCJOFDPUPFOU

• Introduce eco-friendly consumption trends (e.g. paper saving, waste reduction, etc.)
• Hold contests to award employees’ best practices for environmental protection

&FVYBUCMF DQTVYTFEBUUVIFC PBFST

• Introduce reusable cups at the hub offices through service vendors performing delivery, collection, and cleaning
• Reduce annual carbon emissions by 6.8 tCO₂eq for every 500 persons using such cups

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We have established a safety management accountability system at the HQ office building, and POSCO Mobility Solution to clarify the roles and responsibilities of safety management based on the size of work performed by subcontractors and the level of risk involved. Risks are identified in advance and improvements are made in the early phase to support the safe execution of work. In addition, we set and implement annual operational plans for joint safety inspection, investigation inspection, and the Health and Safety Council. To identify risks that may occur at the HQ office building, we engage professional agencies to conduct risk assessments. The HQ and the Core Division of POSCO Mobility Solution operate the qualified subcontractor evaluation standard by evaluating the performance of safety activities and the appropriateness of the plan.

&NQMPZFFT@Health and Safety

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As a tenant and a main body of management of a high-rise building (6 stories or higher) in Korea, POSCO International is developing and operating disaster prevention and damage mitigation plans to ensure safety management through the well-organized response of employees to emergencies. Such plans cover terrorist attacks as well as fires, earthquakes, storm and flood damages, elevator failures, and gas leaks. We conduct annual emergency response drills under all possible scenarios to build thorough preparedness against real-life situations.

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Guided by a ‘No-Blame Culture’ to point out but not blame mistakes while encouraging rewards, we establish a health and safety culture to promote more proactive improvements. We identify and award employees who submitted best safety observation cards each month and each year, and hosts contests to select safety slogans and posters and exhibit winners across the Company. In the first half of 2022, POSCO Mobility Solution made safety knowledge evaluations on all employees: this was followed by a health and safety campaign to perform re evaluations on those who scored below 70 points and reward high-performers. In addition, we hosted the rally for resolution of safety joined by all employees including those at business partners to raise safety awareness in a more integrated manner.

&OCJOFDPUPFOU

• Introduce eco-friendly consumption trends (eco apparel, zero waste, etc.)
• Hold contests to award employees’ best practices for environmental protection

&NQMPZFFT@Health and Safety

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Recognizing the importance of managing ‘Near Miss’ incidents that have the potential to cause but do not actually result in direct human or physical injuries, we have established a system to respond to such incidents just as we do to real-life accidents. We ensure that employees immediately report near misses through thorough employee awareness building, and develop improvement measures to prevent such close calls from ever occurring in actuality. POSCO Mobility Solution has also established a well-organized near miss reporting system and rewards best practices to incentivize employees to report and take preemptive action.

*EFOUGJZJOHBOE.BOBHJOH*HI3TL*SFBT

POSCO Mobility Solution has defined ‘FATAL 50’ to identify high risk work that may cause fatal injuries and follow up on the management of such work. Respective divisions select 50 fatal risks (being jammed, crash, fall, suffocation), develop improvement plans depending on their level of risk, and take follow-up measures. A total of 31 improvements were made including the development of safety plans for robotic work processes. Our goal is to make improvements on all FATAL 50 risk factors by setting and implementing supplementation plans to create a safer work environment.

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The STS Division renovated its facilities to improve safety and prevent accidents. This began with installing doctor blades to eliminate the risk of being jammed that may occur while cleaning rollers off foreign substances stuck to these rollers. This protected the surface of rollers from damage caused by foreign substances and prevented workers from being jammed. Then, the Division installed dedicated winder insertion devices to minimize the risk of workers developing musculoskeletal diseases caused by replacing rolls weighing 30 to 110kg and the risk of falls of heavy objects. The Division also manufactured carriers designed to transport heavy goods to prevent musculoskeletal diseases caused when transporting nearly 320kg of heavy cargo without the help of electric power and the risk of crashing with surrounding structures and workers being jammed.
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Amid the continued spread of the global pandemic, we strive to safeguard our employees and maintain our business continuity. We first bolstered our emergency response system to operate contingency plans in preparation for the spread of infections, and provided overseas organizations with action guidelines and emergency response manuals for expatriates to respond to COVID-19. As the pathway of this global pandemic and prevention policies constantly change, we promptly updated and communicated employees’ action guidelines and COVID-19 standards. To make our company-wide rotating work-at-home arrangements and non-face-to-face operations more efficient, we have established online communication and collaboration infrastructure. In addition, we engaged in disinfection activities to protect our office building from infections while providing employees with such emergency relief supplies as face masks and self-test kits. Such emergency supplies were also offered to business partners, tenant companies, and local communities to act on our corporate citizenship philosophy.

The Shwe Project implemented robust COVID-19 prevention activities and activated an emergency operation system. In consideration of the characteristics of its operations, more stringent isolation procedures were adopted for visitors and shift workers while patient transfer exercises were conducted to prepare for confirmed COVID-19 cases. In tandem with this, regular temperature checks, infection prevention trainings, and rapid antigen tests for suspected cases were performed to minimize the risk of infections in the workplace, which enabled the project to continually achieve zero occurrences of COVID-19. We also supported vaccination for all our employees in Myanmar to practice the value of respect for employees.

PT. BIA in Indonesia established a COVID-19 response system within the estates, secured isolation facilities for confirmed cases, and provided free meals and medications. With the local government, PT. BIA provided free vaccinations to all of its 5,278 employees. Respective departments also placed thermometers, face masks and hand sanitizers within the reach of employees to doubly make sure that infections do not occur.

POSCO Mobility Solution created and operated a COVID-19 emergency room to monitor the health of infected employees twice a day and perform monthly disinfections. The company invested nearly KRW 54 million in COVID-19 prevention to respond to the spread of the pandemic.

We support all our employees to receive annual comprehensive health check-ups and biennial comprehensive check-ups for their spouse. They may choose from precision check-up programs spanning the circulatory, respiratory, digestive and musculoskeletal systems customized for their individual health conditions. Such check-ups are followed by counseling by healthcare professionals so that those in need of treatment can be referred to hospitals.

POSCO Mobility Solution regularly surveys on risks that put burden on the employees’ musculoskeletal system. Risks are assessed through symptom, preliminary and formal surveys while professional organizations provide their feedback on the high-risk work that may cause musculoskeletal diseases to improve concerned processes. Core Division manufactured unpowered automatic control lifts to improve on work using steps, which requires stand-up work for extended periods of time. POSCO International and POSCO Mobility Solution will continue with such surveys in 2022 to identify risk factors that may cause work-related illnesses and make necessary improvements.

We operate the Safety Whistleblowing program to immediately address and document unsafe practices to identify hazards and risks and prevent near misses. In particular, safety observation cards are made available at our production sites to enable anyone in the shopfloor to identify, report, and swiftly eliminate risk factors. Everyone in the workplace, both as a worker and a supervisor, clearly recognizes that they have the right to suspend work and demand correction when encountering risk situations and takes action accordingly.

Observe factors threatening safety in work and in the workplace
Intervene and take corrective action on the shopfloor
Consult measures to prevent recurrences
Prepare and report observation cards following case closure
&NQMPZFFT@raining

-**FBEFSTI]Q55BJO]OHGPS-FBEFST**

We provide regular leadership training for department/section leaders to help them to effectively influence their members. Based on the results of 360-degree leadership assessment, the improvement areas (communication and respect, organizational management, performance management) are selected, and the special lectures by experts and small group coaching are linked to support practical behavioral changes. The special lectures help to improve leaders' understanding on building a horizontal communication culture, efficiently operating an organization through vision-setting, fair evaluation and coaching methods for performance improvement. Through small group coaching, individual action tasks are identified and continuous inspection and feedback on task performance is provided to develop leadership competency.

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Prior to assignment, our expatriates are provided with training focused on essential competencies concerning early local settlement, discovering new business opportunities, and leadership skills; including working-level OJT, rotation among relevant departments, and discussion with former expatriates. This not only notifies them of preparations for departure and immigration-related issues but also provides systemic training on the strategy of overseas operations, leadership skills, and local languages. In 2021, the ‘spouse training’, which was discontinued amid COVID-19, went online to provide information on immigration and local life tips as well as special lectures offered by experts on children’s education. In addition, training is provided to expatriates who finish their term and return to the Headquarters to help them quickly catch up with the HQ’s work system and overall atmosphere as well as the business environment to facilitate their acclimation early on.

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In order to foster excellent leaders who will lead the company, the Company conducted real-time online training for Global Staff to promote managers. We assisted the middle managers in gaining the knowledge and capabilities required to grow into future leaders across themes including understanding the company (mid/long-term vision, HR system), performance management, and career development.

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As each and every one at POSCO International is a professional in their own work areas, we expanded our leadership training that was previously available for leaders only to include rank-and-file employees. The curriculum was designed to help them not only gain work-related knowledge but also further take the initiative and adopt smarter ways of performing their work in fulfilling their organizational role and pursuing self-development. Such training was categorized into the four areas of ‘understanding older generations’, ‘strengthening (middle level) linkership’, self-branding’ and ‘career path design’ in consideration of leadership exercise components and employees’ feedback.

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Newly hired global staff receive training to become a competent member of POSCO International. In 2021, such training was provided in real-time remote online format to help them develop a stronger sense of community and expedite their on-boarding process. In particular, an ‘online HQ tour’ video was internally produced to provide these new recruits with a glimpse into the HQ environment. In addition, employees from the HQ Counter Part sent their congratulatory training and employees’ feedback.

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Training provided for newly-promoted employees, previously available for professional positions only, was extended to expert positions on a regular basis. This training intends to meet the pressing needs of newly-promoted employees in defining their individual role and growth vision, and to help develop self-leadership for a positive and proactive professional life. In Q1 of 2022, mental care programs were strengthened, including aroma product-making classes, in reflection of employees’ feedback to help them cope with lethargy and stress that stem from COVID-19 blues. We also leveraged the cutting-edge metaverse technology to render virtual training more interactive and entertaining.

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We opened job training courses in 2021 to assist employees in strengthening their job expertise and resolve issues and difficulties that may arise in their day-to-day work. This training was provided both in offline and online format to encourage employees’ participation, and quizzes and other entertaining components were included to improve their engagement. Following training, videos were uploaded so that employees could continuously apply their learnings to work. From 2022 onwards, we will engage employees in surveying training needs from the training content design phase to identify on-demand, learner-focused content and develop tailor-made training.

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We opened online remote training to provide professional training to assist global staff in improving their global leadership skills. This training employs diverse learning methods, including small group discussions, joint documentation, leadership styling, and assessing understanding of different cultures, and is provided twice a day (day/night) in consideration of time differences. In 2021, global leadership was defined under the three modules of performance generation, embracing diversity, and global mindset, and six courses were provided in each of these modules including self-leadership, communication leadership, and understanding myself and others. In particular, courses on ‘global economic trends’ and ‘ESG management updates’ helped global staff understand worldwide management and economic trends and develop their global mindset.

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AI expert courses are provided each year to nurture talented individuals and build our future digital competitiveness. Attendees are selected through internal procedures to complete specialist courses hosted by third-party professional organizations on programming, algorithms, data mining, and machine/deep learning through 20-week camp training provided by professors. As they return to their work, they engage in digital projects associated with their given work and contribute to boosting our digital competitiveness.
&NQM PZFFT@raining and Welfare & Benefits

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As a member of a Globally Integrated Corporation, our employees need to improve their language skills required for their business conduct. As such, we operate quarterly in-house language tests and support our employee in paying for such tests while providing all employees with internal language training including one-on-one phone-based learning and local language training for prospective expatriates. In 2021, a total of 632 employees attended 24 courses addressing 16 languages, and employees benefited from their improved proficiency of local languages spoken in their responsible country.

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To develop talent which will drive the transformation of the future business landscape, we provide congratulatory money and extra promotional points to employees who acquired the licenses designed by the Company. Since 2021, we have doubled the congratulatory money, which previously ranged from KRW 300,000 to KRW 1 million, to encourage employees’ self-development. In addition, we offer between KRW 500,000 and KRW 1 million to employees who reach intermediate or higher levels for the first time in proficiency grades of Chinese and/or other languages designated by the Company. We aim to expand our business in strategic countries.

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As it is increasingly common for people to live beyond 100 years old, we provide reemployment support services to employees over 50 years old leaving the Company either voluntarily or for retirement age to fulfill our corporate social responsibility. They are given a chance to attend lifecycle and career design training to explore their retirement life and career options and develop future plans and to receive job placement and counseling services in consideration of their individual work experience and aptitudes. For those who wish to receive training, we offer them comprehensive support from making applications to paying for training to fully support their journey in opening a new chapter in their life.

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While casual attire was allowed on every Friday only, we took one step further to allow free dress on any given workday to build a creative and flexible corporate culture. This was welcomed by a majority of employees who responded that wearing causal and comfortable attire help them increase workplace satisfaction and improve their work efficiency while promoting free-flowing communication among members of the organization.

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In partnership with Inha University Hospital, we introduced virtual healthcare for expatriates to proactively respond to the risk of COVID-19 infections among these employees. In so doing, we increased their access to healthcare in overseas locations and promoted both healthcare and psychological stability for expatriates and their families. As of the end of December 2021, a total of 20 cases of virtual healthcare were provided for expatriates.

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We operate the (Hu: Relax) Smile Counseling Center to help our employees alleviate their work-related stress and prevent and manage workplace conflicts. In 2021, we expanded counseling for expatriates assigned to the Shwe Project and their family members in the wake of the emergency that occurred in Myanmar. As the protracted COVID-19 forced people to stay at home and family members have come to spend more time together, this resulted in increases in counseling needs for family relationship and parenting issues. To facilitate counseling provided to employees and their families, Zoom, Kakao Talk video calls, and virtual meeting applications were deployed to provide counseling through virtual means in addition to in-person counseling. Our survey on the users of the (Hu: Relax) Smile Counseling Center revealed that they were ‘highly satisfied’ with the service they received, with 4.8 points on a scale of 1 to 5.
POSCO Group assists all its suppliers of products and services in fulfilling their sustainability responsibility through its Supplier Code of Conduct. The Code consists of 22 provisions in seven categories concerning basic norms on the environment and human rights as stipulated by the UN Global Compact as well as shared growth, fair trade, safety, intellectual property protection and quality management. In 2021, POSCO International added compliance with the Modern Slavery Act and regulations on conflict mineral management.

**Partner Selection and Assessment**

POSCO Group’s responsible mineral management guidelines by reflecting our identity as a Globally Integrated Corporation to operate our responsible mineral management system more effectively.

**Protection of Trade Secrets and Intellectual Property**

We perform annual assessments on all new partners and existing long-term partners. Such assessments are made on their compliance with environmental and safety rules and the occurrence of safety incidents as well as their work execution, on-time delivery and other quality competences. Those who fail to meet the set criteria as a result of assessments may face restrictions in signing contracts. A separate process is arranged for partners to raise objections against assessment results and receive feedback to ensure the fairness of the assessment process. In addition, all partners doing business with us are required to abide by the special provisions on the practice of ethics in order to establish sound and fair trade practices.

**ESG FACTBOOK**

We define the criteria for Conflict Affected and High Risk Areas (CAH-RAs), and select CAH-RAs through investigations into relevant countries and regions. CAH-RAs refer to mining areas currently in a state of armed conflict or experiencing human rights and environmental issues in the mining process. Suppliers operating within the CAH-RAs are subject to more stringent responsible mineral management procedures. To identify responsible mineral risks that may occur even from the supplier registration phase, we examine suppliers for their management data and responsible mineral policy. Smelters aligned with these suppliers are also reviewed for their CAHRA status and verified for their RMI1 conformance through third-party diligence. If they are evaluated non-conformant, they could be de-listed from our supplier registration system. For registered suppliers, we request their consent to ban the use of minerals that raise human rights and environmental concerns and to comply with our responsible mineral policy. We also conduct assessments on our current suppliers: we investigate their responsible mineral data just as we do with new suppliers, and request them to fill out the CJ(MRT)2 and verify their smelters for conformance. Assessment outcomes are used in classifying suppliers into ‘high-risk’, ‘management target’ and ‘general’. For high-risk suppliers, we engage independent third-parties in professional due diligence to review and improve on their risks. We further support them with improvement activities through training content when deemed necessary, and verify their completion within 120 days following the notice of due diligence results. In case these activities were not completed, the concerned supplier could be excluded from the registration pool.

**SCOPE OF APPLICATION**

1) RMI (Responsible Minerals Initiatives): A global consultation body formed to promote responsible mineral sourcing and supply chain management to track down the origin of conflict minerals and perform monitoring and certification of producers using such minerals

2) CJ(MRT) (Conflict Mineral Report Template)/(CRT) (Cobalt Report Template): Standardized templates created by the RMI to identify detailed information on responsible mineral sourcing
**PART 1**

**SUSTAINABILITY REPORT 2021**

**AT A GLANCE**

**OTHER SECTIONS**

**PART 2**

**ESG FACTBOOK**

**ENVIRONMENT**

**GOVERNANCE**

**CORPORATION**

**CORE BUSINESS**

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**SPNQM|BODF1SPHSBN**

We endeavor to comply with the Fair Trade Commission's fair trade compliance regulations. Our independent fair trade compliance program has been developed and operated since 2011. We publish the Fair Trade Compliance Handbook and the Subcontractor Handbook on our website for our employees and other varying stakeholders to easily access, and reflect regulatory amendments in these handbooks each year. A mobile app version of the Fair Trade Compliance Handbook has been made available since 2020 to make it easier for our employees to refer to fair trade regulations in the course of their work.

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We were rated AA, the highest rating, in 2021 by the Fair Trade Commission in its compliance program operational assessments. Such assessments aim to evaluate companies for their compliance with the principle of fair trade and for training and oversight. We had been rated A back in 2017 and 2018. The assessments made in 2021 highly recognized our achievements in engaging in fair trade pre-work consultations with responsible departments in the subcontracting process, making it easier for all our employees to receive training, and establishing an internal audit system by appointing the CP manager and council members at respective groups.

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We operate the Fair Trade Compliance Council that consists of diverse members, including the compliance manager (Head of the Corporate Audit Division), council members (senior department leaders at respective groups), practicing leaders, and assistants. The council is mandated to review the status of our fair trade compliance each year and make necessary improvements. In 2021, the council met twice in total to prevent regulatory non-compliance through the sharing of fair trade policy trends, fair trade counseling and continued self-reviews.

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**1BJS5SBEB**

For employees who often encounter diverse ethical dilemmas in performing work in relation to fair trade and subcontractors, we enable them to engage in pre-work consultations with the department in charge to prevent unethical practices. The Fair Trade Consultation Office is also operated to assist employees in making decisions in real-life situations.

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Agent-mediated trading serves as an effective tool in developing new business partners or undertaking new overseas projects, but face negative risks such as non-compliance with the FCPA of the US or country-specific anti-corruption laws. Therefore, we introduced a preliminary review process on the appointment of agents in 2020 to prevent corruptive transactions.

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Employees advanced level of understanding on fair trade is essential in bolstering a company's fair trade competency. As such, we operate a wide array of fair trade training programs for employees. We also provide regular assistance to fair trade personnel to become Certified Compliance Professionals (CCPs) to elevate their expertise.

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We endeavor to establish fair trade practices with partners. To this end, we share our fair trade know-how with partners, including fair trade-related systems, training, oversight, and other operational plans, and support them in receiving fair trade consulting.

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**1SFBEVJ|UP0IS|WBUPSPOUSDUT**

We perform pre-audits on private contracts to establish fair trade practices. When a subcontractor is selected or purchases are made through private contracts, such transactions are reviewed in advance by the Ethics Management Section under the Corporate Audit Division for their adequacy and validity to promote contractual integrity. In 2021, 369 private contracts were reviewed as such. In signing private contracts, we will stipulate the categorization of private contracts and private contract guidelines as reference information for employees to continuously supplement the pre-audit system for its more efficient operation.

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Sang-Kul Lee, our compliance manager and Head of the Corporate Audit Division, received the Prime Minister's Commendation for establishing and advancing fair trade systems and disseminating a culture of fair trade. He was recognized for his contributions to the Company's earning of a CP grade as the only company in the trading industry and implementing win-win cooperation measures between large and small/medium enterprises.
In line with the increasing severity of data breaches caused by security threats, stakeholders’ demand for information security is also growing. POSCO International appoints the Chief Information Security Officer (CISO) and operates an organization under the CISO to be responsible for company-wide information security operations to bolster its information security management system on an on-going basis. The Information Security Executive Committee convenes under the supervision of the CEO to make strategic decisions on important issues, and the Information Security Working Committee is operated to effectively respond to unexpected issues.

**Information Security Executive Committee**

We operate the Information Security Executive Committee presided by senior management. The committee consists of the CEO (Chair), heads of respective business groups (member) and the CISO (assistant administrator), and is mandated to make company-wide decisions on critical information security issues on a half-yearly basis. In 2021, the committee engaged in in-depth discussions to operate a cyber urgent shelter to preemptively respond to the state of emergency in Myanmar, prevent trade frauds that occur in import/export operations, and bolster information security in relation to work-at-home amid the prolonged pandemic.

**Information Security Working Committee**

The Information Security Working Committee was created to respond to a range of working-level information security issues and closely collaborate with multiple committees. The committee is composed of information security and personal data protection personnel and department-level managers. The committee convenes quarterly to share the outcomes of the Information Security Executive Committee, cooperate in relation to daily security issues, and collect relevant employee feedback.

**Internal Information Security Audit**

We have established response procedures to prevent information security breaches and swiftly respond to such incidents once they occur. We formulate optimal response strategies for respective incident situations by creating a response organization joined by internal/external experts, phased-in incident response manuals, and counter-measures by incident type and grade. We also attend the annual cyber crisis response drills conducted by POSCO Group under real-life scenarios to review our inter-organizational cooperation system and response procedures and make necessary improvements.

**Nationally-certified Information Security Audit**

Each year, internal information security audits are performed to improve our information security management system on an on-going basis. Audit findings are reported to the Information Security Executive Committee and the Information Security Working Committee, with the Working Committee developing improvement plans and taking necessary measures. We also establish the objectivity of our internal information security management system through the ISMS (Information Security Management System) audits supervised by the Korea Internet & Security Agency (KISA).
We provide information security training to raise information security awareness of our employees and partner employees and to prevent information security breaches. All our employees are obligated to complete annual online information security training, and offline training is also offered to new hires and returning expatriates. Partner employees are trained on necessary precautions to take for information security each year, and computer system developers are provided with secure coding courses recommended by KISA. To share latest information security trends and concerns, we regularly publish information security letters for employees. Mock drills against phishing e-mails are also conducted every quarter to prevent cyber security breaches that occur by way of e-mails. Separate training is arranged for those who failed to comply with applicable regulations, and follow-up measures are taken including information security penalties to elevate employees’ information security awareness.

Amid the protected COVID-19, work-from-home has become a new normal, and this has resulted in rapid growth in hacker attacks. This in turn underscores the importance of creating a secure remote work environment. We have introduced an additional layer of authentication (QR code) in the user authentication process, and have reduced programs accessed and utilized by users to the essential minimum to tighten security. A procedure was also established to check if the personal computer is secure prior to use so that only secure ones are used for work. As important meetings that require security maintenance are held and provided in video format, we have bolstered security to ensure only authorized users are able to attend such meetings and play the video while adding watermarks to enable traceability in the event of data leaks.

Customer rights including all inquiries, complaints, remediation or access in relation to personal data, are specified in the personal information handling policy section of our website. Any information security breaches can be reported through the department or staff responsible for personal data operations, and immediate measures are taken for reported issues. In the event of information security breaches occurring internally, the dedicated information security department makes instant responses in accordance with information security regulations. In 2021, there was no regulation non-compliance which occurred in relation to data privacy.
Our risk management system consists of the Enterprise Risk Management (ERM) Department, a dedicated risk management organization under the Corporate Strategy & Finance Group, and the Investment Committee to preemptively respond to diverse company-wide risks that may occur in business operations. In particular, we developed an integrated management system for potential trading-related risks, and such risks are segmented by transaction type to ensure intensive management by relevant departments and to minimize losses through strengthened internal capabilities.

The ERM Department reviews general factors regarding credit transactions and project undertakings, and focuses on the prevention of non-performing loans and the efficient collection of debts. To minimize risks from sales transactions, credit assessments are made on business partners prior to landing an order or signing a contract. Risk factors are segmented for multi-faceted assessments, and risks are minimized through insurance and/or security. Credit review and approval is subject to the arbitrary decisions made by the Head of Corporate Strategy & Finance or the CEO according to applicable guidelines and regulations. The term of credit is up to one year, and approved loans receive re-assessments at least once a year.

Our credit management system grants different credit ratings on credit transaction partners in comprehensive consideration of such information as their national data, credit ratings assigned by external credit rating agencies, and their track records in doing business with the Company. This enables us to minimize and respond better to risks that may occur in the course of making credit transactions. The new credit management system introduced in 2020 has further strengthened our credit assessment criteria to include secured/insured transactions and reduction of the payment period to 150 days. Specifically, nonsecured/noninsured sales loans are separately managed to ensure their stringent operation. Credit is extended only to those affiliates and strategic and top-performing customers aligned with our vision of corporate development, and its approval and operation are subject to rigorous deliberations to carefully analyze potential general risks. This is followed by continuous monitoring on change in customers’ credit status or the occurrence of loans whose maturity has expired to minimize credit risks.

We operate an early warning system to minimize risks from business transactions. This system, aligned with our credit management system, preemptively identifies domestic/international business partners’ appropriate credit limits and signs of insolvency in order to manage risk factors. Our business partners are graded for their signs of insolvency according to the possibility of going bankrupt, and if the system detects a downgrade, relevant departments are immediately alerted to take proper actions.

Strategic items refer to goods and technologies used to develop and produce weapons. We fully cooperate with the Korean government’s strategic item export management policy and were rated AAA, the highest grade granted under the Compliance Program. We have assigned members of strategic item management council to thoroughly verify any non-compliance with applicable regulations governing the illegal export of strategic items and other issues, and not a single incident occurred in relation to strategic items in 2021.
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- Authorized Economic Operator (AEO)
- Approved Exporter
- Compliance Program (CP) of Strategic Export AAA Rating
- Compliance Program (CP) AA Rating
- ISMS
- ISO 9001
- ISO 45001
- GRS
- RCS
- GAFTA (Arbitration)
- GMP Plus B3

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- ISO 14001

15QO1OEPOFTJ8
- ISPO
- RSPO
- ISO 45001

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- Oeko-Tex Standard 100 (cotton yarn/cotton fabric)
- GRS
- RCS
- GAFTA (Approved Analysts)
- ISO 22000

1040PCMJU24PMVUP0
- ISO 9001
- ISO 14001
- ISO 45001
- PED/AD 2000
- RF: Russian Maritime Register of Shipping
- KOSHA: Korean Register of Shipping
- RINA: Registro Italiano Navale
- RCS (Australian Certification Authority for Reinforcing Steel)
- Steel Structure Manufacturer Certification

SBEFNBSTL

Since 1974, more than 3,500 applications and registrations have been made on our DAEWOO trademark across 160 countries. The trademark is used by the Company and its overseas corporations in Korea and abroad across the electronics, automotive components, machinery, construction and transportation industries, and its distinctive value is highly recognized in Asia, Latin America, the Middle East, and CIS countries. We continue to maintain and manage our trademark rights through application and registration, and operate a monitoring system that connects experts across the globe to safeguard our trademark.

- Trade mark application made in 1974
- Nearly 3,500 trademark applications and registrations made across 160 countries
- Trademark management policy and committee under operation

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1 Korea International Trade Association (KITA)
2 Korea Importers Association (KOMA)
3 Korea Defense Industry Association (KODA)
4 Korea Chamber of Commerce & Industry (KCCI Seoul, KCCI Incheon)
5 Korea Automobile Manufacturers Association (KAMA)
6 Energy & Mineral Resources Development Association of Korea (EMRD)
7 The Korea Gas Union (KGU)
8 Korea Overseas Agro-Resources Development Association (Korea OADS)
9 International Contractors Association of Korea
10 GAFTA
11 Korea Enterprises Federation (KEF)
12 Federation of Oils, Seeds and Fats Associations (POSFA)
13 International Gas Union (IGU)
14 Korea Iron & Steel Association (KOSA)
15 UN Global Compact
16 Sustainability Management Research Society, Korean Standards Association
17 Future Leaders Forum
18 Energy Future Forum
19 Federation of Middle Market Enterprises of Korea
20 Korean Society of Petroleum Engineers
21 K-CCUS Association

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POSCO International’s sustainability reports are the result of company-wide collaboration. We would like to extend our deepest gratitude for each and every one who has contributed to the preparation of this report through their proactive support and continued interest.

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Corporate Audit Division, Corporate Citizenship Bureau, Strategic Business Department
Corporate Strategy Department, Finance Planning Department, Global Strategy Planning Department, Overseas Corporate Management, Investment Management Department, Trade & Investment Accounting Department, Treasury Department, Enterprise Risk Management Department, Investor Relations Department
Human Resources Department, Human Relations Department, Corporate Culture & Innovation Department, Administration Support Department, International Legal Affairs, Corporate & Compliance, Safety & Health, Information Security Department, Sales Support, External Relations Department, Public Relations Department
Steel Business Strategy 1 Department
Steel Business Strategy 2 Department, L&B Material
Energy Strategy Department, Gas Production Operation Division
Agro & Industrial Materials Strategy Department
PT Bio Inti Agro in Indonesia, POSCO International Textile in Uzbekistan
Building Management Department
Safety & Health, Corporate Audit, Corporate Planning Division (HR Group), STS Division (Sales Group, Facility Planning Section, SHE Section), Core Division (Mobility Part Sales Group, Management Support Group, SHE Section), Plate Fabrication Division (SHE Section)

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External Relations Department, Public Relations Department, Corporate & Compliance, Safety & Health, Information Security Department, Sales Support, External Relations Department, Public Relations Department
Internal Relations Department, Administration Support Department, Human Resources Department, Human Relations Department, Corporate Culture & Innovation Department, Steel Business Strategy 1 Department
In terms of reliability of the performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate. We believe that the Report adopts the ‘Core’ option of the GRI Standards. Based on non-financial data, sustainability activities and performance data of 2021 generated from the Company, DNV has assessed the adherence to four major principles suggested by the AA 1000 AP (2018). DNV, the material topics which are identified by the Company’s materiality assessment process are linked to relevant topic-specific disclosures of GRI Standards as follows:

Without affecting our assurance opinion, we also provide the following observations:

DNV conducted a review of compliance with the principles of AA1000AP(2018) of the Report as described above (Type 1 verification). The assurance team has sampled data and tested accuracy and reliability of the sustainability performance data of the Company and interviewed responsible people and reviewed the data gathering process with the supporting documents and records. Based on the test, the intentional error or misstatement was not noted. Data owners were able to demonstrate to trace the origin of the data and to interpret the processed data in a reliable manner. The data was identifiable and traceable. The Company reports the sustainability performance of the last three years and can be compared over time. Any errors or unclear expressions found during the verification process were corrected prior to the publication of the Report.

We performed our work using AA1000AS v3, Assurance Standard set for by AccountAbility, and DNV’s assurance methodology VeriSustain™ (Ver. 5.0) which is based on our professional experience, international assurance best practices including the International Standard on Assurance Engagements 3000 (“ISAE 3000”), and the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”). DNV provides Type 1 and the moderate assurance.
The engagement excludes the sustainability management, performance and reporting practices of POSCO International's subsidiaries, associated companies, suppliers, contractors and any third-parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement. Economic performance based on the financial data is cross-checked with internal documents, the audited consolidated financial statements and the announcement disclosed at the website of Korea Financial Supervisory Service (http://dart.fss.or.kr) as well as POSCO International’s website (https://www.poscointl.com/eng/index.do). The review of financial data taken from these sources is not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a ‘limited level’ of assurance. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the company were applied. The baseline data for environmental and social performance are not verified, while the aggregated data at the corporate level are used for the verification.

**Basis of Our Opinion**

The assurance was carried out from June to July 2022. We undertook the following activities as part of the assurance process:

- Challenged the sustainability-related statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls;
- Site visits to POSCO International HQ in Songdo, Korea to review process and system for preparing sustainability data and implementation of sustainability strategy;
- Conducted interviews with representatives from the various departments;
- Conducted document reviews, data sampling and interrogation of supporting databases and associated reporting system as they relate to selected content and performance data;
- Reviewed the process and the result of materiality assessment.

**Responsibilities of the Directors of POSCO International and DNV**

The Directors of POSCO International have sole responsibility for the preparation of the Report. Our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.
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$5,000,
POSCO International undertakes materiality analyses each year to select sustainability management issues based on their impact on the business and the level of stakeholder interest. Material issues are identified by engaging wide-ranging stakeholders and analyzing internal/external conditions, and their activities and achievements related with material issues are transparently reported through our sustainability reports.

**Materiality Analysis Results for 2021**

1. **Building on the pool of issues identified in 2020, we reflected sustainability management trends, key requirements of international guidelines, and POSCO International’s business conditions.**

2. **We analyzed internal/external conditions surrounding the Company to perform the materiality analysis and select material issues.**

   - **Management strategy analysis:** Analyze the agenda items discussed at the meetings attended by the president during 2021
   - **Point content analysis:** Analyze 123 contents uploaded between Jan. 1 and Dec. 31, 2021
   - **Employee survey:** Survey employees to assess the business impact of sustainable management issues

   *In-house communication channel for employees*

3. **To identify material issues, we created the materiality analysis matrix in proportion to business impact and stakeholder interest. Based on analysis results, we selected material issues to take precedence in reporting.**

4. **Selected material issues were reported to management to review their validity and gain approval.**

5. **The materiality analysis performed in 2021 led us to identify six material issues.** 'Expanding and changing the business structure' continued to rank first in 2020 and 2021 to reaffirm its status as the issue of the utmost importance to the Company. ‘Establishing an integrated risk management system’ which was added to the pool of material issues in 2021 refers to going beyond existing finance-centered risk management to identifying and managing risks from the viewpoint of sustainability management by integrating financial and non-financial aspects. This also reflects stakeholder expectations that we consider such non-financial risks as environmental, social, and governance risks in responding to changing business conditions and making decisions.
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We will establish an environmental management system, strengthen our capacity to address environmental risks, and implement environment-friendly management through open communication.

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- We will endeavor to minimize the impact of our business operations on the environment.
- We will jointly carry out environmental protection activities with various stakeholders.

§5PQMOJBDQFX|U6QW|SPONFOUBM.BXTOB4|QSPWFNOPOGQW|SPONFOUBM.BQNBQDBUT
- We will endeavor to comply with environmental laws and to improve on environmental impacts in the entire process of developing, producing, and using products.
- We will minimize the discharge of pollutants by introducing environment-friendly manufacturing processes and applying technology optimized for the prevention of pollution.

§BFTQPTUFSJMBUSIBOHF
- We will endeavor to reduce the consumption of fossil fuels, and to minimize GHG emissions by improving energy efficiency.

§5PUDQJPOPQGIFQOW|SPONFOUBOEUIF&DPTZTUFS
- We will endeavor to restore the eco-system and preserve biological diversity through the effective use of natural resources and byproducts.

The Code of Conduct for POSCO Group Suppliers stipulates overarching principles to be observed by suppliers and their subcontractors (‘suppliers’ hereinafter) who provide products and services to POSCO Group including POSCO, its affiliates, and joint venture companies. Each and every provision included herein is equally important, and this Code of Conduct consists of seven parts concerning respect for employees’ fundamental human rights, health & safety, environment, ethics, protection of trade secrets and intellectual property, quality management, and win-win partnership & social contribution.

§3FTQFDUGPS6NQMPPZFTWOB|NOUBM.VNBDJSMJU|FBMU|¥BGFUZ
%GQW|SPONFOUBU|JDTOB4|JS5B8EF
3SPUDQJPOPQGSGBEF4D5FUTBOE*OUF|MDUDVBM.1|PQSFUSZ|VBMMJU.BOBHNF|POU
|BQDJBMSPOU5JCUJPO

POSCO International, as a corporate citizen building a better future together, values ‘health and safety’ as the foremost priority in conducting its business, and therefore all its employees and stakeholders commit themselves to the following actions.

§5SFU|POPQGIBMUIXSPLQMBDF
We preemptively identify and mitigate risks to prevent injuries and illnesses to ultimately promote the health, safety and better quality of life for all who access our worksites.

§5PBDU|WFQ|SBUDJQBU|POBOEJ|NQSPWFNFOU
We enhance capabilities to undertake health and safety activities through systematic training, and to continuously improve our health and safety management system on the basis of proactive participation and communication.

§W|M|MNFOUPGTDDJBMMSTQD|CMJUZ
We transparently communicate to all our stakeholders our health and safety objectives and the progress made in attaining those objectives, and create a virtuous cycle through which we fulfill our social responsibility by creating win-win partnerships.

Materiality Analysis Results for 2021
- 64(1PMJDZ)
- Commitments & Figures
- GRI Standards Index
- SASB Index
- TCFD Framework
- UN Global Compact CoP
- UN SDGs
- Financial Statement
- Total Impact Measurement and Management(TIMM)
We will respect human rights, support international standards for human rights, and uphold the dignity of all interested parties by improving freedom, safety, and quality of life.

- We will support and respect internationally recognized standards on human rights, such as the Universal Declaration of Human Rights, Guiding Principles on Business and Human Rights, UN Global Compact, and OECD Guidelines for Multinational Enterprises.
- We will establish a clear policy and system for the protection of human rights, and endeavor not to violate human rights in our management activities.
- We will support business partners in complying with internationally recognized human rights standards and regulations, protecting their employees’ human rights, and treating them fairly.

- We may, at our discretion, conduct due diligence on management activities that might violate human rights or cause complaints.
- We will endeavor to find reasonable resolutions if, upon conclusion of the human rights due diligence, we believe our management activities have violated human rights or caused complaints.
- We will communicate with the relevant interested parties regarding human rights related activities and results thereof.

- We will not engage in verbal, physical, or demonstrative acts, such as sexual harassment, that may offend others or infringe an other’s human rights.
- We will respect the privacy of executives and employees, will not slander or defame others, and will protect personal information.
- We will not compel work through mental or physical coercion.
- We will comply with local labor laws and international standards with respect to the age and labor conditions of minors.
- We will strictly comply with safety regulations, and will take appropriate action upon discovery of risk factors.

- We will not discriminate or harass for reasons of race, nationality, gender, age, educational background, religion, regional origin, disability, marital status, or sexual orientation.
- We will provide equal employment opportunity to those who possess necessary qualification and capability.
- We will maintain a work environment that respects cultural diversity.

- We will offer adequate employment opportunity, such as guaranteeing proper working hours, to enable employees to maintain life with dignity.
- We will endeavor to listen to the opinions of the community and resolve issues regarding the violation of human rights caused by our management activities in the community.
**PART 1**

**AT A GLANCE**

**CORE BUSINESS**

- **Recharge**
  - Participate in green IPP business with Group affiliates
  - Diversify the trading portfolio including LNG-linked business with Group affiliates
  - Secure captive LNG volume and expand trading aligned with Group affiliates’ demand

- **Battery**
  - Complete Phase 2 & 3 developments of the Shwe Project for stable production and sustained sales
  - Secure reserves through new exploration and participation in development business
  - Close deals of natural anode material for POSCO Chemical
  - Reached 99 bcf in sales with the stable operation of the Shwe Project
  - Performed production well drilling for Phase 2 as well as EPIC, and initiated timely development for Phase 3
  - Secured an exploration permit for the PM524 block in Malaysia and a joint study permit for Bunga in Indonesia
  - Signed the agreement to acquire Senex Energy of Australia

- **Steel**
  - Secure an advance guard for POSCO products in global markets by expanding the transactions with Group affiliates
  - Pave the way for future growth by investing and developing of eco-friendly business
  - Increase profit margins by diversifying and advancing steel business
  - Preemptively respond to market changes to create a sustainable profit structure
  - Strengthen the basis for steel sales and increase our market share
  - Strengthen expertise as a raw material supplier for Group affiliates by expanding steel scrap sourcing
  - Successfully delivered to 100% of our clients (140,000 tons in sales)
  - Established the role as direct trader to the mills, by reaching 8.87 million tons in sales of POSCO’s Products and 2.34 million tons in sales of high value-added steel(WTP, World Top Premium)
  - Established a sales portfolio linked with new industries – future mobility, wind/PV energy – reaching 740,000 tons in sales
  - Created win-win business through collaboration with Korean SMES (140,000 tons in sales)
  - Focused on market/product-specific sales capabilities and expanded winning contracts
  - Reached 4.02 million tons in cross trade of raw steel and 18.24 million tons in sales to Group affiliates
  - Built a user-friendly platform by introducing new contents and improving convenience of the open market

- **LNG**
  - Signed procurement/sales contracts to replace the suppliers of Tangguh LNG in Indonesia for POSCO
  - Agreed on key terms of the Heads of Agreement(HOA) with suppliers to conclude long-term LNG agreements for POSCO
  - Reached 15K tons per annum in battery copper foil raw materials by developing new deals in Korea and expanding overseas sales
  - Reached 4.02 million tons in battery copper foil raw materials by developing new deals in Korea and expanding overseas sales
  - Completed Phase 2(4 additional wells completed) and initiate gas production
  - Ensure the stable operation and sales of the Shwe Project
  - Continue to achieve zero injuries and strengthen safety capabilities
  - Complete Phase 2/4(additional wells completed) and initiate gas production
  - Complete facility design for Phase 3 and initiate their manufacturing in earnest
  - Engage in 3rd party certification of reserves in Mahar prospects and set gas sales strategy

- **E&P**
  - Secured an exploration permit for the PM524 block in Malaysia and a joint study permit for Bunga in Indonesia
  - Signed the agreement to acquire Senex Energy of Australia
  - Reached 99 bcf in sales with the stable operation of the Shwe Project
  - Performed production well drilling for Phase 2 as well as EPIC, and initiated timely development for Phase 3
  - Secured an exploration permit for the PM524 block in Malaysia and a joint study permit for Bunga in Indonesia
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**ENVIRONMENT**

- Secure an advance guard for POSCO products in global markets by expanding the transactions with Group affiliates
- Pave the way for future growth by investing and developing of eco-friendly business
- Increase profit margins by diversifying and advancing steel business
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**SOCIAL**

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**GOVERNANCE**

- Secure an advance guard for POSCO products in global markets by expanding the transactions with Group affiliates
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**ESG ISSUE PAPER**

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<table>
<thead>
<tr>
<th><strong>SF8</strong></th>
<th>4%TUBSHFU</th>
<th>JEMPOHUPSN(PBM)</th>
<th>533M8BO</th>
<th>BJDO'UJWJFTOESUBFOJO'hbb</th>
</tr>
</thead>
</table>
| • Develop projects in countries with potential for renewable energy  
• Develop suppliers within the region who have LNG and ammonia infrastructure facilities | • Elaborate on business opportunities in Australia  
• Review hydrogen and renewable energy supply opportunities for new HBI(Hot Briquetted Iron) business  
• Develop local projects with existing professional investment companies  
• Develop business in Middle East and new regions  
• Complete the feasibility study on the Oman project and set future directions  
• Develop new business in Saudi Arabia, UAE, South America, Southeast Asia  
• Develop collaboration with Group affiliates  
• Collaborate on the project in Saudi Arabia and study feasibility of the project in North America  
• Review feasibility of domestic blue hydrogen production model  
• Develop blue hydrogen business applied in gas fields | • Built collaboration for promising projects by selecting a short-list of regional partners in strategic countries such as Australia  
• Signed an MOU for joint research with Petronas of Malaysia  
• Pursued participation in integrated CCS demonstration projects in Donghae prospect |

### AT A GLANCE

#### PART 1

**CORE BUSINESS**

- **Environmental**
  - Hydrogen
  - Blue hydrogen
  - Hydrogen-friendly
  - Bioplastic
  - Hydrogen vehicle
  - Hydrogen vehicle key component package

- **Social**
  - Cotton
  - Green agro
  - Blue eco
  - Blue hydrogen
  - Bio-plastics
  - Bio-plastics maker
  - Bioplastic conference

- **Governance**
  - TCFD Framework
  - SASB Index
  - UN Global Compact CoP
  - UN SDGs
  - Financial Statement

#### OTHER SECTIONS

- **ESG ISSUE PAPER**
  - Environmental
  - Social
  - Governance

#### ESG FACTBOOK

- **Materiality Analysis Results for 2021**
- **GRI Standards Index**
- **SASB Index**

### AT A GLANCE

#### PART 2

**ESG FACTBOOK**

- **Main Activities Undertaken in 2021**
  - Established supplier due diligence and life cycle assessment system
  - Strengthened overseas agro procurement options and advance into consuming industries
  - Established a sustainable palm oil value chain
  - Expand palm oil business in Indonesia and enter the downstream sector
  - Secure 100,000 ha of cultivation areas in Uzbekistan by 2030 to lead the local market (achieve 10% of market share)

- **2022 Plan**
  - Built collaboration for promising projects by selecting a short-list of regional partners in strategic countries such as Australia
  - Signed an MOU for joint research with Petronas of Malaysia
  - Pursued participation in integrated CCS demonstration projects in Donghae prospect

- **2023 Plan**
  - Built collaboration for promising projects by selecting a short-list of regional partners in strategic countries such as Australia
  - Signed an MOU for joint research with Petronas of Malaysia
  - Pursued participation in integrated CCS demonstration projects in Donghae prospect

- **2024 Plan**
  - Built collaboration for promising projects by selecting a short-list of regional partners in strategic countries such as Australia
  - Signed an MOU for joint research with Petronas of Malaysia
  - Pursued participation in integrated CCS demonstration projects in Donghae prospect

### 2022 Activities

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  - Established a sustainable palm oil value chain
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### AT A GLANCE

#### PART 1

**Core Business**

- **SDGs Target**
- **Mid/long-term Goal**
- **AT A GLANCE**
- **Materiality Analysis Results for 2021**

**Sustainability Report 2021**

**POSCO International Corporation**

**ESG Issue Paper**

**Other Sections**

**GRI Standards Index**

**Financial Statement**

**TCFD Framework**

**UN Global Compact CoP**

**UN SDGs**

**Total Impact Measurement and Management (TMM)**

### OUR COMMITMENTS - ENVIRONMENT

<table>
<thead>
<tr>
<th>2022 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed additional 29 content modules for global staff training</td>
</tr>
<tr>
<td>Bolstered leadership, followership, and working-level job trainings</td>
</tr>
</tbody>
</table>

### OTHER SECTIONS

#### GRI Standards Index

- **SASB Index**

### OTHER SECTIONS

#### GRI Standards Index

- **UN Global Compact CoP**

### OTHER SECTIONS

#### GRI Standards Index

- **UN SDGs**

### OTHER SECTIONS

#### GRI Standards Index

- **Total Impact Measurement and Management (TMM)**

### OUR COMMITMENTS - ENVIRONMENT

- **3TOP0FF UPSMJNBUF SBOHF**
  - [HQ] Continue to respond to climate change through low-carbon, eco-friendly investment in new and old facilities
  - [Mobility Solution] Respond to climate change making low carbon, green investments in new & old facilities
  - Establish a comprehensive management system including logistics and business partners, and reduce carbon emissions (Scope 3)

- **60W1SPF0B4F 4NQBDU JUIHBJPO**
  - [Mobility Solution] Introduce automatic operation/analysis systems for water treatment facilities to ensure the accuracy and credibility of concentration data
  - [Mobility Solution] Expand the recycling of byproducts from the polishing/rolling processes
  - [Indonesia] Conserve the environment through stakeholder engagement

- **87MFOU .B08HF NFOU**
  - Establish a new performance management system in line with management strategy
  - Operate a compensation system conducive to performance generation
  - Strengthen self-directed career development
  - Nurture global staff and increase the appointment of leaders
  - Support the development of skill-based knowledge workers

### OUR COMMITMENTS - SOCIAL

- **SASB Index**
- **UN SDGs**
- **Total Impact Measurement and Management (TMM)**

### OUR COMMITMENTS - GOVERNANCE

- **SASB Index**
- **UN SDGs**
- **Total Impact Measurement and Management (TMM)**

### OUR COMMITMENTS - ENVIRONMENT

- **3TOP0FF UPSMJNBUF SBOHF**
  - [HQ] Establish a carbon neutrality roadmap
  - [Mobility Solution] Reduce 900 tons of carbon emissions by improving heavy energy consumption/low efficiency facilities
  - Adopt variable rotation for air compressors and cooling water pumps
  - Improve energy efficiency through power stabilizers

- **60W1SPF0B4F 4NQBDU JUIHBJPO**
  - [Mobility Solution] Improve energy efficiency through power stabilizers
  - Switched to high efficiency LED lights in total 115 locations at the plant
  - Reduced annual power consumption by 92.7MW

- **87MFOU .B08HF NFOU**
  - Strengthen business-specific customized career development
  - Review the improvement of HR systems into ones led by employees
  - Expand recruitment-aligned internships by 100% and introduce year-round recruitment
  - Localize overseas global staff and strengthen their expert capabilities
  - Supplement the expatriate compensation system (housing rental fees, etc.)
  - Bolster re-skilling/up-skilling training
    - In-house entrepreneur nurturing courses
    - Job expertise school
    - Create a global staff trading academy

- **SASB Index**
- **UN SDGs**
- **Total Impact Measurement and Management (TMM)**

### OUR COMMITMENTS - SOCIAL

- **SASB Index**
- **UN SDGs**
- **Total Impact Measurement and Management (TMM)**

### OUR COMMITMENTS - GOVERNANCE

- **SASB Index**
- **UN SDGs**
- **Total Impact Measurement and Management (TMM)**

### OUR COMMITMENTS - ENVIRONMENT

- **3TOP0FF UPSMJNBUF SBOHF**
  - [HQ] Imbedded environmental management in line with TCFD recommendation and raised employee awareness on climate risk
  - [Mobility Solution] Increased steam production by using the waste heat from annealing equipment (daily production increased by 10 tons by replacing old boiler lead pipes)
  - Switched to high efficiency LED lights in total 115 locations at the plant

- **60W1SPF0B4F 4NQBDU JUIHBJPO**
  - [Mobility Solution] Reduced generation of rolling sludge by improving the sedimentation tank in the rolling process
  - Reduced pollutants through real-time concentration management of the TMS (Tele-monitoring System) at the smokestack and control facility supplementation

- **87MFOU .B08HF NFOU**
  - [Indonesia] Earned the PROPER BLUE grade
  - [Uzbekistan] Achieved the GRS (Global Recycled Standard)

### OUR COMMITMENTS - SOCIAL

- **SASB Index**
- **UN SDGs**
- **Total Impact Measurement and Management (TMM)**

### OUR COMMITMENTS - GOVERNANCE

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### AT A GLANCE

#### PART 1

##### CORE BUSINESS

- **Commitments & Figures**
- **UN Global Compact CoP**
- **ESG ISSUE PAPER**
- **OTHER SECTIONS**

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- **Mid/long-term Goal**
- **Materiality Analysis Results for 2021**

#### SOCIAL

- **UN SDGs**
- **POSCO INTERNATIONAL CORPORATION**

#### GOVERNANCE

- **UN Global Compact CoP**
- **ESG FACTBOOK**

### PART 2

#### ESG FACTBOOK

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
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<tr>
<td><strong>SF8</strong></td>
<td>4% TUBSHFU</td>
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<tr>
<td><strong>JEMPohUSn(PBM)</strong></td>
<td>8% WFSTJUZ</td>
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<tr>
<td><strong>b1b3MBO</strong></td>
<td>1b1.dj0JUJFT6OSFLFOJOb1b3</td>
</tr>
</tbody>
</table>

- **Reduce human rights risks in the workplace by continuously implementing human rights due diligence and improvement tasks**
- **Continue to reach 3.5% in inclusive employment by 2025**
- **Conduct paper-based human rights due diligence at major overseas operations**
- **Exceed the mandatory rate of inclusive employment (3.5%, hired five for office positions)**
- **Revised the human rights checklist aligning with frameworks and initiatives as well as local laws and regulations**
- **Reached the target of inclusive employment (3.5%, hired five for office positions)**
- **Reorganized maternity protection programs (allowed employees to choose commute times during pregnancy and created a parental leave program)**

### 4PV0E SPSQP588U 9VMUVSF

- **Create a great work place**
- **Create a performance-driven culture based on trust, communication, and collaboration**
- **Culture of skill learning to prepare for future business**
- **- Respond to business conditions and trends, improve expertise**
- **Pursue smart work through digitalization**
  - Leverage AI to improve work efficiency
  - Pursue new eco-friendly CSR activities
- **Culture of skill learning to prepare for future business**
  - Set and monitor H&S metrics, and achieve ISO 45001
- **Pursue smart work through digitalization**
  - Leverage AI to improve work efficiency
  - Pursue new eco-friendly CSR activities
- **Create a great work place**
  - Create an autonomous and flexible work environment
  - - Flextime, smart office, etc.
  - **Facilitate vertical communication**
  - - Townhall meetings by management, etc.
  - **Strengthen communication among colleagues and organizations**
  - - Virtual communication, co-mentoring, cross-mentoring, event “thank you for collaboration”
  - **Appointed the CSO (Chief Safety & Health Officer) and created a dedicated H&S organization**
  - **Established a health and safety (H&S) management system by stipulating company-wide regulations and receiving professional consulting**
  - **Bolstered H&S communications**
  - - Operate H&S consultation meetings with subcontractors and our investment companies
  - - Reinforce safety management in overseas
  - - Perform and improve workplace safety assessments, set and monitor H&S metrics, and achieve ISO 45001

#### 8PSLQM BDF 48GFUZ

- **Focus on the prevention of fatal injuries**
- **Create a zero-injury work environment through self-directed safety activities**
- **Reflect feedback from the field to prevent injuries**
- **Continue to ensure safe facility operation and improve work methods**
- **Prevent risks from occurring at new processes and machinery**
- **Establish a health and safety (H&S) management system by stipulating company-wide regulations and receiving professional consulting**
- **Bolster H&S communications**
- - Operate H&S consultation meetings with subcontractors and our investment companies
- - Reinforce safety management in overseas
- - Perform and improve workplace safety assessments, set and monitor H&S metrics, and achieve ISO 45001
- **Appointed the CSO (Chief Safety & Health Officer) and created a dedicated H&S organization**
- **Established a health and safety management system**
- - Set H&S guidelines, regulations and 21 detailed procedures
- **Established an injury reporting system**
- **Implemented H&S checks on all domestic and global operations and tightened safety management for high/potential risk factors**
- **Raised employees’ safety awareness**
- - Diversified H&S training content, hosted the POSCO Insight Forum)
- **Achieved ISO 45001 at the HQ and Plate Division (POSCO Mobility Solution)**

#### 4PDJ BM 5POUSJC VUPO

- **Create social value to help resolve social issues**
- **Pursue win-win partnership with local communities through employees’ proactive participation in CSR activities**
- **Strengthen the CSR activities at overseas operations and elevate trust and mutual respect by protecting the rights of locals**
- **Operate a stakeholder-partnership committee joined to pursue mutual growth with communities in Indonesia**
- **Pursue new eco-friendly CSR activities**
- **Operate employee volunteer groups to leverage their talent and hobby**
- **Pursue shared growth with local communities through stakeholder engagement**
- **Undertake CSR programs in reflection of the needs of countries where we operate**
  - - Educational support for teens in Uzbekistan, support for refugees in Ukraine
- **Implemented eco-friendly CSR programs**
  - - Installed green curtains, sponsored research on endangered silvery gibbons in Indonesia
  - **Operated volunteer corps based on employees’ expertise**
    - Pro Bono, POINT
  - **Generated synergy from CSR activities through cooperation among diverse stakeholders**
    - Support artists with developmental disabilities and safe return home in crime-prone areas
  - **Expanded community-based social contribution program incl. supporting pandemic prevention in Myanmar, Indonesia, Uzbekistan**

### ESG ISSUE PAPER

- **ESG ISSUE PAPER**
- **POSCO INTERNATIONAL CORPORATION**

### OTHER SECTIONS

- **Financial Statement**
0V5SPNNJUNFOU(PWFSBODF)

Table: Core Business

<table>
<thead>
<tr>
<th>Part</th>
<th>Core Business</th>
</tr>
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<tbody>
<tr>
<td>0UJ</td>
<td>Core Business</td>
</tr>
<tr>
<td>DPSSVQUP0</td>
<td>Establish a corporate culture of compliance in accordance with global top-tier standards</td>
</tr>
<tr>
<td></td>
<td>Establish a systemic prevention process to ban unjustified requests and raise the bar on anti-corruption</td>
</tr>
<tr>
<td></td>
<td>Create a culture of corporate citizenship to pursue trust and creativity through ethical risk management</td>
</tr>
<tr>
<td>BJ5SSBEF</td>
<td>Implement fair trade risk prevention activities</td>
</tr>
<tr>
<td></td>
<td>- Company-wide subcontract management status reviews, pre-work consultations, pre-audits on private contracts, and preliminary appointment reviews</td>
</tr>
<tr>
<td></td>
<td>Disseminate a compliance culture through diverse fair trade activities</td>
</tr>
<tr>
<td></td>
<td>- Verify prompt disclosures of large businesses and disclosures on large-scale related transactions by the Fair Trade Commission</td>
</tr>
<tr>
<td>JTL</td>
<td>Strengthen risk management capabilities concerning finance and import/export</td>
</tr>
<tr>
<td>.BOBHNFQVO</td>
<td>Expand the scope of ESG risk management and tighten management performance for supply chains, investment business, etc.</td>
</tr>
<tr>
<td></td>
<td>Include corporate citizenship activities in the formal assessment categories in evaluating the performance of overseas investment corporations</td>
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<tr>
<td>4UBLFIPMEMFS</td>
<td>Strengthen the collection of feedback from domestic/overseas employees by hosting the Global Conference among others</td>
</tr>
<tr>
<td>SPNNVJOJB</td>
<td>Implement measures to expand cross-functional collaboration and communication</td>
</tr>
<tr>
<td>UJPO</td>
<td>Continue to reach out to shareholders and investors concerning key businesses and host joint IR events with Group affiliates</td>
</tr>
</tbody>
</table>

Main Activities Undertaken in 2021:

- Hosted Labor Management Council meetings, remote meetings presided by the CEO, and townhall meetings at the business group level.
- Achieved 100% in handling whistleblower reports.
- Hosted virtual conferences for shareholders and investors and disclosed newsletters and ESG reports on the website.
- Held public consultations at Myanmar and Indonesian operations to communicate with locals and central/local governments.

AT A GLANCE

PART 1

CORE BUSINESS

ENVIRONMENT

SOCIAL

GOVERNANCE

ESG ISSUE PAPER

OTHER SECTIONS

PART 2

ESG FACTBOOK

Materiality Analysis Results for 2021

GRI Standards Index

SASB Index

TCFS Framework

UN Global Compact CoP

UN SDGs

Financial Statement

Total Impact Measurement and Management(TIAM)
In 2021, our operating profit rose by KRW 110.9 billion year-on-year to KRW 585.4 billion on a consolidated basis in line with increases in steel trading and the performance improvement of investment corporations, which is attributable to the recovery of major down-stream industries and the resulting booming market. Our cash flow from operations fell by KRW 1.6283 trillion from the previous year due to increased working capital allocations. Our debt-to-equity ratio rose by 43.2% year-on-year due to increases in account payables and borrowings. Meanwhile, growth in net income results in year-on-year increases in such profitability indicators as ROE and ROA.

### Stakeholder

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2019</th>
<th>2020</th>
<th>2020</th>
<th>2021</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder &amp; investor</td>
<td>86,362</td>
<td>86,362</td>
<td>98,700</td>
<td>98,700</td>
<td>98,700</td>
<td>98,700</td>
</tr>
<tr>
<td>Government</td>
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<td>98,488</td>
<td>82,451</td>
<td>82,451</td>
<td>82,451</td>
<td>82,451</td>
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<tr>
<td>Local community</td>
<td>1,098</td>
<td>1,836</td>
<td>32,503</td>
<td>32,503</td>
<td>32,503</td>
<td>32,503</td>
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<tr>
<td>Supplier</td>
<td>22,157,555</td>
<td>19,154,607</td>
<td>30,968,559</td>
<td>30,968,559</td>
<td>30,968,559</td>
<td>30,968,559</td>
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<tr>
<td>Employee</td>
<td>243,125</td>
<td>270,747</td>
<td>325,511</td>
<td>325,511</td>
<td>325,511</td>
<td>325,511</td>
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</table>

* Employee wages data for 2019 and 2020 were restated based on the 'Employee Benefit' criteria in the consolidated financial statements to improve accuracy.
### Facts & Figures

#### Core Business

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel sales</td>
<td>ton</td>
<td>10,000</td>
<td>1,143</td>
<td>762</td>
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<tr>
<td>POSCO product sales</td>
<td>ton</td>
<td>10,000</td>
<td>437</td>
<td>549</td>
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<tr>
<td>Sales aligned with eco-friendly business¹</td>
<td>ton</td>
<td>10,000</td>
<td>74</td>
<td>74</td>
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<tr>
<td>Combination deal sales(Steel Business 1 only)²</td>
<td>ton</td>
<td>10,000</td>
<td>23</td>
<td>23</td>
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<tr>
<td>Raw steel sales(Steel Business 2 only)²</td>
<td>ton</td>
<td>10,000</td>
<td>2,592</td>
<td>2,592</td>
</tr>
<tr>
<td>Cathode raw material sales²</td>
<td>Ton</td>
<td></td>
<td>7,422</td>
<td></td>
</tr>
<tr>
<td>Anode raw material sales²</td>
<td>Ton</td>
<td></td>
<td>11,400</td>
<td></td>
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<tr>
<td>Shwe Project sales</td>
<td>bcf</td>
<td>99</td>
<td>99</td>
<td>99</td>
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<tr>
<td>CPO(Crude Palm Oil) production</td>
<td>ton</td>
<td>10,000</td>
<td>12.3</td>
<td>123.3</td>
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<td>Eco-friendly parts orders awarded²</td>
<td>KRW 100 million</td>
<td>2,950</td>
<td>2,200</td>
<td>4,893</td>
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<td>Eco-friendly material sales²</td>
<td>ton</td>
<td>10,000</td>
<td>1.7</td>
<td>1.7</td>
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<tr>
<td>Traction motor core sales</td>
<td>10,000 units</td>
<td>40</td>
<td>64</td>
<td>100</td>
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<tr>
<td>Precision material sales²</td>
<td>ton</td>
<td>10,000</td>
<td>2</td>
<td>2</td>
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</tbody>
</table>

¹) Sales generated in relation to eco-friendly businesses including wind power/photovoltaic materials, hydrogen/carbon capture, eco-friendly vessels, cold-rolled steel for EV batteries. Selected as new key figures in line with reorganizing our business structure with a focus on seven key industries and data has been collected since 2021

²) Selected as new key figures in line with reorganizing our business structure with a focus on seven key industries and collected since 2021

3) Value of contracts awarded for EV and hydrogen vehicle components

4) Sales of bioplastics, recycled raw materials and chemical materials. Collected since 2020

#### Environment

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption¹</td>
<td>TJ</td>
<td>1,243</td>
<td>1,236</td>
<td>1,283</td>
</tr>
<tr>
<td>Direct energy(Fuel)</td>
<td>TJ</td>
<td>236</td>
<td>240</td>
<td>297</td>
</tr>
<tr>
<td>Indirect energy(Electricity, Steam)</td>
<td>TJ</td>
<td>1,013</td>
<td>996</td>
<td>987</td>
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<tr>
<td>Energy consumption intensity²</td>
<td>TJ/KRW billion</td>
<td>0.05</td>
<td>0.06</td>
<td>0.04</td>
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<tr>
<td>Total GHG emissions(Scope 1+2)³</td>
<td>tCO₂e</td>
<td>62,604</td>
<td>60,446</td>
<td>62,342</td>
</tr>
<tr>
<td>GHG emissions(Scope 1)</td>
<td>tCO₂e</td>
<td>13,631</td>
<td>12,835</td>
<td>15,616</td>
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<tr>
<td>GHG emissions(Scope 2)</td>
<td>tCO₂e</td>
<td>48,979</td>
<td>47,611</td>
<td>46,726</td>
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<tr>
<td>GHG emissions intensity²</td>
<td>tCO₂e/KRW billion</td>
<td>2.75</td>
<td>2.82</td>
<td>1.84</td>
</tr>
</tbody>
</table>

¹) Based on the POSCO INTERNATIONAL Headquarters(domestic operations) and POSCO Mobility Solutions(report on operations accounting for 75% or more of consolidated sales)

²) Discrepancies between type-specific energy consumption and their total sums and between Scope 1 and 2 GHG emissions and their total sums may occur due to rounding down at respective workites, and data from the HQ in 2021 were calculated by taking account the ratio of leased office areas

³) Calculated by dividing total energy consumption and total GHG emissions by consolidated sales/divided by non-consolidated sales for the year 2019 before the split-off of POSCO Mobility Solution

---

*Based on the POSCO INTERNATIONAL Headquarters(domestic operations) and POSCO Mobility Solutions/report on operations accounting for 75% or more of consolidated sales*
<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental investment expenditures</td>
<td>KRW</td>
<td>544,688,449</td>
<td>175,324,639</td>
<td>416,138,723</td>
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<tr>
<td>Water consumption (tap water)</td>
<td>Ton</td>
<td>520,269</td>
<td>503,263</td>
<td>546,657</td>
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<tr>
<td>Sewage/effluent discharge</td>
<td>Ton</td>
<td>406,429</td>
<td>414,961</td>
<td>427,592</td>
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<tr>
<td>General waste generated</td>
<td>Ton</td>
<td>1,966</td>
<td>2,227</td>
<td>3,392</td>
</tr>
<tr>
<td>- General waste recycled</td>
<td>Ton</td>
<td></td>
<td></td>
<td>2,741</td>
</tr>
<tr>
<td>- General waste incinerated</td>
<td>Ton</td>
<td></td>
<td></td>
<td>405</td>
</tr>
<tr>
<td>- General waste landfilled</td>
<td>Ton</td>
<td></td>
<td></td>
<td>246</td>
</tr>
<tr>
<td>Designated waste generated</td>
<td>Ton</td>
<td>573</td>
<td>757</td>
<td>517</td>
</tr>
<tr>
<td>- Designated waste recycled</td>
<td>Ton</td>
<td></td>
<td></td>
<td>456</td>
</tr>
<tr>
<td>- Designated waste incinerated</td>
<td>Ton</td>
<td></td>
<td></td>
<td>61</td>
</tr>
<tr>
<td>- Designated waste landfilled</td>
<td>Ton</td>
<td></td>
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<td>-</td>
</tr>
<tr>
<td>Amount of waste recycled</td>
<td>Ton</td>
<td>1,430</td>
<td>2,446</td>
<td>3,197</td>
</tr>
<tr>
<td>Ratio of waste recycled</td>
<td>%</td>
<td>56.3</td>
<td>82</td>
<td>81.8</td>
</tr>
<tr>
<td>SOx emissions</td>
<td>Ton</td>
<td>0.05</td>
<td>0.08</td>
<td>0.95</td>
</tr>
<tr>
<td>NOx emissions</td>
<td>Ton</td>
<td>24.6</td>
<td>25</td>
<td>32.1</td>
</tr>
<tr>
<td>Dust emissions</td>
<td>Ton</td>
<td>1.7</td>
<td>1.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Stainless steel recycling</td>
<td>Ton</td>
<td>10,141</td>
<td>7,829</td>
<td>10,693</td>
</tr>
<tr>
<td>- Returned to manufacturer (POSCO)</td>
<td>Ton</td>
<td>5,078</td>
<td>3,283</td>
<td>4,895</td>
</tr>
<tr>
<td>- Provided to recycling companies</td>
<td>Ton</td>
<td>5,063</td>
<td>4,546</td>
<td>5,798</td>
</tr>
<tr>
<td>Consumption of SPM recycled paper</td>
<td>%</td>
<td>85.8</td>
<td>55</td>
<td>11</td>
</tr>
<tr>
<td>Ratio of domestic operations maintaining ISO 14001 environmental management system certification</td>
<td>%</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

* Based on the POSCO International Headquarters (domestic operations) and POSCO Mobility Solution (report on operations accounting for 75% or more of consolidated sales)
1) Compiled since 2021 as a new metric
### Figures - Social

*Based on the POSCO International Headquarters and overseas operations and corporations (report on operations accounting for 75% and more of consolidated sales)

1) Including POSCO Mobility Solution

2) Employees in professional positions are nurtured into management by performing a range of work including sales, marketing and business management while employees in expert positions are primarily assigned to supporting work including trade operation support (negotiations), and sales/administrative support to develop into skilled players in their own field. Employees, however, may cross over these two job categories depending on their competency and career goal. Compiled since 2021 as a new metric

3) Turnover ratio is calculated including both permanent and contract (fixed-term) employees

4) Total training hours declined in 2021 due to change in the methods and scope of training hour calculation

5) Total training expenses decline in 2020 and 2021 due to decreases in offline training and increases in virtual online training

<table>
<thead>
<tr>
<th>Metric</th>
<th>JU (60)</th>
<th>bbb (240)</th>
<th>bbb (1,264)</th>
<th>bbb (1,271)</th>
<th>bbb (1,240)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New hires (domestic)</td>
<td>persons</td>
<td>170</td>
<td>192</td>
<td>240</td>
<td></td>
</tr>
<tr>
<td>Total employees in Korea</td>
<td>persons</td>
<td>1,973</td>
<td>1,271</td>
<td>1,240</td>
<td>1,264</td>
</tr>
<tr>
<td><strong>L</strong> Permanent employees (indefinite employment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>Male</td>
<td>persons</td>
<td></td>
<td>881</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>persons</td>
<td></td>
<td>159</td>
<td></td>
</tr>
<tr>
<td>Expert</td>
<td>Male</td>
<td>persons</td>
<td></td>
<td>4</td>
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<tr>
<td></td>
<td>Female</td>
<td>persons</td>
<td></td>
<td>17</td>
<td></td>
</tr>
<tr>
<td><strong>L</strong> Contract employees (fixed-term employment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Male</td>
<td>persons</td>
<td>38</td>
<td>15</td>
<td>17</td>
<td></td>
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<tr>
<td>Female</td>
<td>persons</td>
<td>6</td>
<td>13</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Overseas employees</td>
<td>persons</td>
<td>8,287</td>
<td>8,329</td>
<td>8,816</td>
<td></td>
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<tr>
<td>Turnover (domestic)</td>
<td>%</td>
<td>2.8</td>
<td>2.5</td>
<td>4.8</td>
<td></td>
</tr>
<tr>
<td>Voluntary turnover (domestic)</td>
<td>%</td>
<td>1.3</td>
<td>3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training hours per person (domestic)</td>
<td>hours</td>
<td>62.7</td>
<td>69.4</td>
<td>42.7</td>
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<tr>
<td>Training expenses per person (domestic)</td>
<td>KRW million</td>
<td>1.9</td>
<td>1.4</td>
<td>1.4</td>
<td>2.011</td>
</tr>
<tr>
<td>Training programs (domestic)</td>
<td>programs</td>
<td>1,309</td>
<td>1,134</td>
<td>2,011</td>
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<tr>
<td><strong>L</strong> Offline training courses</td>
<td>courses</td>
<td>84</td>
<td>103</td>
<td>108</td>
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<tr>
<td><strong>L</strong> e-learning courses</td>
<td>courses</td>
<td>892</td>
<td>1,031</td>
<td>1,963</td>
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<tr>
<td>Total training hours for global staff</td>
<td>hours</td>
<td>5,702</td>
<td>1,328</td>
<td>1,427</td>
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<tr>
<td>Global staff who participated in offline training</td>
<td>persons</td>
<td>133</td>
<td>290</td>
<td>313</td>
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<tr>
<td>e-learning content developed for global staff (cumulative)</td>
<td>modules</td>
<td>16</td>
<td>26</td>
<td>55</td>
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</tr>
<tr>
<td>Metric</td>
<td>2019</td>
<td>2020</td>
<td>2021</td>
<td></td>
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<td>------------------------------------------------------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
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<tr>
<td>Overseas operations that conducted paper-based human rights due diligence</td>
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<td>0</td>
<td>0</td>
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<td></td>
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<tr>
<td>Ratio of female employees (domestic)</td>
<td>17.9</td>
<td>27.2</td>
<td>28.4</td>
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<td></td>
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<tr>
<td>Number of female executives (ratio)</td>
<td>2(5.4)</td>
<td>3(2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female managers (in manager and above positions) (domestic)</td>
<td>66(6.8)</td>
<td>91(8.8)</td>
<td>107(10.1)</td>
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<td></td>
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<tr>
<td>Number of socially minor employees (with disabilities and of foreign national) (ratio)</td>
<td>62(4.8)</td>
<td>46(3.6)</td>
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<tr>
<td>Ratio of employees with disabilities (domestic)</td>
<td>1.8</td>
<td>3.2</td>
<td>3.5</td>
<td></td>
<td></td>
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<tr>
<td>Participation in anti-sexual harassment training</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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<td></td>
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<tr>
<td>Employees who took parental leave</td>
<td>7</td>
<td>13</td>
<td>8</td>
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<td></td>
</tr>
<tr>
<td>Female</td>
<td>17</td>
<td>26</td>
<td>28</td>
<td></td>
<td></td>
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<tr>
<td>Employees who will return from parental leave</td>
<td>4</td>
<td>5</td>
<td>10</td>
<td></td>
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<tr>
<td>Male</td>
<td>15</td>
<td>14</td>
<td>22</td>
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<td></td>
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<tr>
<td>Employees who returned from parental leave (ratio)</td>
<td>2(50)</td>
<td>4(80)</td>
<td>7(70)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>12(80)</td>
<td>14(100)</td>
<td>19(86)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees who returned from parental leave and worked one year or longer (ratio)</td>
<td>2(100)</td>
<td>6(100)</td>
<td>4(100)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>12(100)</td>
<td>12(100)</td>
<td>14(100)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee satisfaction survey results (P-GWP)</td>
<td>84</td>
<td>83</td>
<td>88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement pension funds under management</td>
<td>1,330</td>
<td>1,403</td>
<td>1,456</td>
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</tr>
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<td>DB type</td>
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<td>1</td>
<td>50</td>
<td></td>
<td></td>
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<tr>
<td>DC type</td>
<td>1,411</td>
<td>1,453</td>
<td>1,465</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscribers to retirement pension plans</td>
<td>14</td>
<td>21</td>
<td>42</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Based on the POSCO International Headquarters and overseas operations and corporations (report on operations accounting for 79% and more of consolidated sales)
1) Paper-based human rights due diligence was not conducted in 2020 and 2021 due to COVID-19, and has been resumed in the first half of 2022.
2) Compiled since 2020 as a new metric
3) Including POSCO Mobility Solution
4) Denominator of the ratio is the sum of total employees in Korea and registered executives
<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Injuries (accidents)</td>
<td>cases</td>
<td>5</td>
<td>2</td>
<td>64</td>
</tr>
<tr>
<td>Employees</td>
<td>cases</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partners/contractors¹</td>
<td>cases</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost Time Incident Rate (LTIR)</td>
<td>No. of incidents per every 1,000,000 hours worked</td>
<td>-</td>
<td>2.76</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>-</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Partners/contractors¹</td>
<td>-</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Work-related fatalities</td>
<td>persons</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>persons</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partners/contractors¹</td>
<td>persons</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of COVID-19 prevention supplies distributed</td>
<td>KRW</td>
<td>596,180,580</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency response exercises conducted</td>
<td>cases</td>
<td></td>
<td></td>
<td>181</td>
</tr>
<tr>
<td>Hours of emergency response exercises conducted</td>
<td>hours</td>
<td></td>
<td></td>
<td>4,524</td>
</tr>
<tr>
<td>Near Miss Frequency Rate (NMFR)</td>
<td>No. of incidents per every 1,000,000 hours worked</td>
<td>-</td>
<td>44.1</td>
<td>22.1</td>
</tr>
</tbody>
</table>

¹ Tier 1 partners/contractors working at our operations
² Including POSCO Mobility Solution

* Based on the POSCO International Headquarters and overseas operations and corporations' report on operations accounting for 75% and more of consolidated sales

¹¹ Injuries and LTIR are newly compiled as our health and safety management indicators in 2021, while LTIR and severity rate have been disclosed in 2019-2020 (including POSCO Mobility Solution, permanent employees, contract employees and business partners combined since 2021)

³ Including POSCO Mobility Solution
### Figures - Governance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of outside directors</td>
<td>%</td>
<td>57.1</td>
<td>57.1</td>
<td>57.1</td>
</tr>
<tr>
<td>Female directors</td>
<td>persons</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Net income</td>
<td>KRW million</td>
<td>209,404</td>
<td>238,557</td>
<td>360,789</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>KRW</td>
<td>1,697</td>
<td>1,934</td>
<td>2,924</td>
</tr>
<tr>
<td>Total cash dividends</td>
<td>KRW million</td>
<td>86,362</td>
<td>86,362</td>
<td>98,700</td>
</tr>
<tr>
<td>Cash dividend payout ratio</td>
<td>%</td>
<td>41.2</td>
<td>36.2</td>
<td>27.4</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>KRW</td>
<td>700</td>
<td>700</td>
<td>800</td>
</tr>
</tbody>
</table>

### Anti-corruption

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whistleblower reports submitted and handled</td>
<td>cases(%)</td>
<td>20(100)</td>
<td>54(100)</td>
<td>46(100)</td>
</tr>
<tr>
<td>Employees who completed ethical management training</td>
<td>persons</td>
<td>4,291</td>
<td>8,788</td>
<td>13,853</td>
</tr>
<tr>
<td>Attendance in ethical management training</td>
<td>%</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Total reports submitted through the reporting systems (website, phone, e-mail)</td>
<td>cases</td>
<td>60</td>
<td>52</td>
<td>37</td>
</tr>
<tr>
<td>L-Reports submitted by employees</td>
<td>cases</td>
<td>32</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>L-Reports submitted anonymously</td>
<td>cases</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>L-Reports involved counseling on ethical dilemmas</td>
<td>cases</td>
<td>35</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>L-Reports handled with disciplinary and other actions</td>
<td>cases</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

### Fair trade

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair trade training conducted (offline)</td>
<td>sessions</td>
<td>50</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Hours of fair trade training conducted (online)</td>
<td>hours</td>
<td>64</td>
<td>17,680</td>
<td>252</td>
</tr>
<tr>
<td>Fair Trade Compliance Council meetings held</td>
<td>meetings</td>
<td>5</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Preliminary review of agent appointment</td>
<td>cases</td>
<td>51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-audits on private contract</td>
<td>cases</td>
<td>110</td>
<td>119</td>
<td></td>
</tr>
<tr>
<td>Pre-work consultations</td>
<td>cases</td>
<td>24</td>
<td>17</td>
<td></td>
</tr>
</tbody>
</table>

### Privacy violations

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completion of information security training</td>
<td>Permanent %</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Contract %</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

---

1) As of March of the consequential year
2) Net income attributable to the owners of controlling interests
3) Including POSCO International overseas operations
4) Compiled since 2020 as a new metric
5) Compiled since 2021 as a new metric
<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Description</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 101: Foundation</td>
<td>General Disclosures</td>
<td>84</td>
</tr>
<tr>
<td>102-1</td>
<td>Name of organization</td>
<td>29-36</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products and services</td>
<td>2</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>23-25</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>65</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>23-25, 29-36</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>23-25</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organization</td>
<td>109</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>89, 115</td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>69, 99-100</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>No significant changes</td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary Principle or approach</td>
<td>94, 116-124</td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>94</td>
</tr>
<tr>
<td>102-13</td>
<td>Membership of associations</td>
<td>94</td>
</tr>
<tr>
<td>GRI 102: Strategy(2016)</td>
<td>Statement from senior decision-maker</td>
<td>4</td>
</tr>
<tr>
<td>102-14</td>
<td>Key impacts, risks, and opportunities</td>
<td>21, 41, 45, 62, 121</td>
</tr>
<tr>
<td>102-15</td>
<td>Values, principles, standards, and norms of behavior</td>
<td>69, 89, 99-100</td>
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<tr>
<td>102-16</td>
<td>Mechanisms for advice and concerns about ethics</td>
<td>71-72</td>
</tr>
<tr>
<td>GRI 102: Ethics and Integrity(2016)</td>
<td>Governance structure</td>
<td>63-64, 67</td>
</tr>
<tr>
<td>102-17</td>
<td>Composition of the highest governance body and its committees</td>
<td>63-64</td>
</tr>
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<td>102-18</td>
<td>Chair of the highest governance body</td>
<td>63</td>
</tr>
<tr>
<td>102-19</td>
<td>Nominating and selecting the highest governance body</td>
<td>64</td>
</tr>
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<td>GRI 102: Governance(2016)</td>
<td>List of stakeholder groups</td>
<td>76</td>
</tr>
<tr>
<td>102-20</td>
<td>Collective bargaining agreements</td>
<td>50</td>
</tr>
<tr>
<td>102-21</td>
<td>Identifying and selecting stakeholders</td>
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<td>102-22</td>
<td>Approach to stakeholder engagement</td>
<td>76</td>
</tr>
<tr>
<td>102-23</td>
<td>Key topics and concerns raised</td>
<td>76, 98</td>
</tr>
<tr>
<td>GRI 102: Stakeholder Engagement(2016)</td>
<td>Entities included in the consolidated financial statements</td>
<td>Please refer to page 53 of the 2021 POSCO International Business Report</td>
</tr>
<tr>
<td>102-45</td>
<td>Defining report content and topic Boundaries</td>
<td>2</td>
</tr>
<tr>
<td>102-46</td>
<td>List of material topics</td>
<td>98</td>
</tr>
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<td>102-47</td>
<td>Restatements of information</td>
<td>106</td>
</tr>
<tr>
<td>102-48</td>
<td>Restatements of information</td>
<td>98</td>
</tr>
<tr>
<td>102-49</td>
<td>Reporting period</td>
<td>2</td>
</tr>
</tbody>
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| 102-53 | Contact point for questions regarding the report | 2 |
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</table>

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| 201-3 | Defined benefit plan obligations and other retirement plans | 110 |
| 201-4 | Financial assistance received from government | 65, 115 |

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| 205-2 | Communication and training about anti-corruption policies and procedures | |

#### GRI 206: Anti-competitive Behavior (2016)

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| 302-2 | Energy intensity | 43, 107 |
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| 304-3 | Habitats protected or restored | 79-83 |

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| 306-4 | Waste diverted from disposal | 108 |

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#### GRI 308: Supplier Environmental Assessment (2016)

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#### GRI 401: Employment (2016)

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| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 53, 88, 110 |
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<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>403-1</td>
<td>Occupational health and safety management system</td>
</tr>
<tr>
<td>403-2</td>
<td>Hazard identification, risk assessment, and incident investigation</td>
</tr>
<tr>
<td>403-3</td>
<td>Occupational health services</td>
</tr>
<tr>
<td>403-4</td>
<td>Work-related injuries</td>
</tr>
<tr>
<td>403-5</td>
<td>Worker training on occupational health and safety</td>
</tr>
</tbody>
</table>

### GRI 404: Training and Education (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>404-1</td>
<td>Average years of training per year by employee</td>
</tr>
<tr>
<td>404-2</td>
<td>Programs for upgrading employee skills and transition assistance programs</td>
</tr>
</tbody>
</table>

### GRI 405: Diversity and Equal Opportunity (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>405-1</td>
<td>Diversity of governance bodies and employees</td>
</tr>
<tr>
<td>405-2</td>
<td>Ratio of Basic Salary and Remuneration of Women to Men</td>
</tr>
</tbody>
</table>

### GRI 406: Non-discrimination (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>406-1</td>
<td>Incidents of discrimination and corrective actions taken</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>407-1</td>
<td>Operations and suppliers to which the right to freedom of association and collective bargaining may be at risk</td>
</tr>
</tbody>
</table>

### GRI 408: Child Labor (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>408-1</td>
<td>Operations and suppliers at significant risk for incidents of child labor</td>
</tr>
</tbody>
</table>

### GRI 409: Forced or Compulsory Labor (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>409-1</td>
<td>Operations and suppliers at significant risk for incidents of forced or compulsory labor</td>
</tr>
</tbody>
</table>

### GRI 411: Rights of Indigenous Peoples (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>411-1</td>
<td>Incidents of violations involving rights of indigenous peoples</td>
</tr>
</tbody>
</table>

### GRI 412: Human Rights Assessment (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>412-1</td>
<td>Operations that have been subject to human rights reviews or impact assessments</td>
</tr>
<tr>
<td>412-2</td>
<td>Employee training on human rights policies or procedures</td>
</tr>
</tbody>
</table>

### GRI 413: Local Communities (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>413-1</td>
<td>Operations with local community engagement, impact assessments, and development programs</td>
</tr>
</tbody>
</table>

### GRI 414: Supplier Social Assessment (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>414-1</td>
<td>New suppliers that were screened using social criteria</td>
</tr>
</tbody>
</table>

### GRI 415: Customer Health and Safety (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>415-2</td>
<td>Incidents of non-compliance concerning the health and safety impacts of products and services</td>
</tr>
</tbody>
</table>

### GRI 418: Customer Privacy (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>418-1</td>
<td>Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
</tr>
</tbody>
</table>

### GRI 419: Socioeconomic Compliance (2016)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>419-1</td>
<td>Non-compliance with laws and regulations in the social and economic area</td>
</tr>
</tbody>
</table>

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**& NQMPZFF%BUB**

As of March 2022, POSCO International hired a total of 10,080 employees, including 1,264 at the HQ in Korea and 8,816 at overseas operations. This excludes employees working at POSCO Mobility Solution that was split off in April 2020.

**4YQQMzSbJO**

Trading business is to identify the needs of the buyer and choose the appropriate supplier to deliver products that cater to such needs. POSCO International’s supply chain covers companies who manufacture and/or produce products that meet buyer’s needs. In addition, our supply chain also includes shipment and transportation service companies as they are the ones who deliver products to our customers. With the mergers of POSCO P&S in 2017, suppliers of scraps, nickel, chrome, and steel sheets used for manufacturing have become part of our supply chain. For the year of 2021, the cost of goods purchased from our supply chain amounted to KRW 30.96855 trillion.
As we engage in wide-ranging business such as trading sales in addition to trade, resource development, production & processing, and infrastructure development & operation, we aim to report against multiple industry standards that correspond to our major businesses so that we increase the breadth of information that we share with stakeholders. While our SASB Index is based on the Iron & Steel Producers Standards in the Extractives & Minerals Processing (EM-IS) sector in accordance with the Sustainable Industry Classification System (SICS), we also voluntarily report on the Oil & Gas – Exploration & Production Standards in the EM-IS sector as well as the Industrial Machinery & Goods Standards in the Resource Transformation sector. As to the Oil & Gas – Exploration & Production Standards, we have set the scope of reporting as the Shwe Project of which development has been completed and which is currently under operation.

<table>
<thead>
<tr>
<th>Accounting Metrics (Iron &amp; Steel Producers / Industrial Machinery &amp; Goods Standards)</th>
</tr>
</thead>
</table>
| **EM-IS-110a.1**
| 1. Gross global Scope 1 emissions
| 2. Percentage covered under emissions-limiting regulations 1
| (1) p.43,107
| (2) 97%
| **EM-IS-110a.2**
| Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets
| p.43, p.121-122
| 1) The percentage of our GHG emissions that is covered under emissions-limiting regulations amounts to 97% which corresponds to the emissions generated by POSCO Mobility Solution.

<table>
<thead>
<tr>
<th><strong>Greenhouse Gas Emissions</strong></th>
</tr>
</thead>
</table>
| **EM-IS-130a.1/RT-IG-130a.1**
| 1. Total Energy consumed
| 2. Percentage grid electricity
| (1) p.107
| (2) 69.5%
| **EM-IS-130a.2**
| 1. Total fuel consumed
| 2. Percentage coal
| 3. Percentage natural gas
| 4. Percentage renewable
| (1) p.107
| (2) 0%
| (3) 97%
| (4) Percentage renewable

<table>
<thead>
<tr>
<th><strong>Air Emissions</strong></th>
</tr>
</thead>
</table>
| **EM-IS-120a.1 / EM-EP-120a.1**
| Air emissions of the following pollutants:
| (1) CO
| (2) NOx (N2O excluded)
| (3) SOx
| (4) Particulate Matter (PM10)
| p.108

<table>
<thead>
<tr>
<th><strong>Water Management</strong></th>
</tr>
</thead>
</table>
| **EM-IS-150a.1**
| 1. Total waste generated
| 2. Percentage hazardous
| 3. Percentage recycled
| p.108
### Environment

#### ESG ISSUE PAPER

POSCO International does not own any mine or directly produces steel, but engages in processing and sales as a globally integrated corporation. This indicates that activity metrics of the EM-IS and RT-IG Standards do not apply to the Company. For the scope and size of our business operations, please refer to Key Figures on pages 37 and 107 of this report.

<table>
<thead>
<tr>
<th>Code</th>
<th>Metric</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-IS-320a.1</td>
<td>Total recordable incident rate (TRIR) for</td>
<td>(1)</td>
</tr>
<tr>
<td></td>
<td>Fatality rate for</td>
<td>(2)</td>
</tr>
<tr>
<td></td>
<td>Near miss frequency rate (NMFR) for</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>(a) full-time employees and (b) contract employees</td>
<td></td>
</tr>
</tbody>
</table>


### Supply Chain Management

#### Code

<table>
<thead>
<tr>
<th>Code</th>
<th>Metric</th>
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</thead>
<tbody>
<tr>
<td>EM-IS-430a.1</td>
<td>Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues</td>
</tr>
<tr>
<td>RT-IG-440a.1</td>
<td>Description of the management of risks associated with the use of critical materials</td>
</tr>
</tbody>
</table>

#### Reference

p.89

### Activity Metrics

<table>
<thead>
<tr>
<th>Code</th>
<th>Metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-IS-000.A</td>
<td>Raw steel production, percentage from:</td>
</tr>
<tr>
<td></td>
<td>(1) Basic oxygen furnace processes</td>
</tr>
<tr>
<td></td>
<td>(2) Electric arc furnace processes</td>
</tr>
<tr>
<td></td>
<td>Not applicable</td>
</tr>
<tr>
<td>EM-IS-000.B</td>
<td>Total iron ore production</td>
</tr>
<tr>
<td>EM-IS-000.C</td>
<td>Total coking coal production</td>
</tr>
</tbody>
</table>

#### Reference

p.107

POSCO International does not own any mine or directly produces steel, but engages in processing and sales as a globally integrated corporation. This indicates that activity metrics of the EM-IS and RT-IG Standards do not apply to the Company. For the scope and size of our business operations, please refer to Key Figures on pages 37 and 107 of this report.
We report on the Shwe Project operated by our Energy Business Group at the Headquarters in accordance with the Oil & Gas Standards. The reporting period for such data spans from January 1 to December 31 of 2021.

**Greenhouse Gas Emissions**

<table>
<thead>
<tr>
<th>Code</th>
<th>Metric</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-EP-110a.1</td>
<td>(1) Gross global Scope 1 emissions</td>
<td>188,760.75 tCO₂e</td>
</tr>
<tr>
<td></td>
<td>(2) Percentage methane</td>
<td>1.39%</td>
</tr>
<tr>
<td></td>
<td>(3) Percentage covered under emissions-limiting regulations</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

**Amount of gross global Scope 1 emissions from:**

<table>
<thead>
<tr>
<th>Code</th>
<th>Metric</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-EP-110a.2</td>
<td>Flared hydrocarbons</td>
<td>227.93 tCO₂e</td>
</tr>
<tr>
<td></td>
<td>Other combustion</td>
<td>122,808.27 tCO₂e</td>
</tr>
<tr>
<td></td>
<td>Process emissions</td>
<td>Not applicable</td>
</tr>
<tr>
<td></td>
<td>Other vented emissions</td>
<td>148.98 tCO₂e</td>
</tr>
<tr>
<td></td>
<td>Fugitive emissions</td>
<td>64,113.64 tCO₂e</td>
</tr>
</tbody>
</table>

**Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets**

p.43, 121-122

**Air Quality**

<table>
<thead>
<tr>
<th>Code</th>
<th>Metric</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-EP-120a.1</td>
<td>NOx</td>
<td>268.34 ton</td>
</tr>
<tr>
<td></td>
<td>SOx</td>
<td>0.25 ton</td>
</tr>
<tr>
<td></td>
<td>VOCs</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Particulate Matter (PM10)</td>
<td>5.99 ton</td>
</tr>
</tbody>
</table>

**Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle**

p.58
Our Shwe Project remains committed to systemic environmental management, evidenced in its efforts to establish an environmental management system in compliance with the ISO 14001 international environmental management standard. Since achieving ISO 14001(2015) in 2019, the Shwe Project has received independent internal audits and the surveillance audits conducted by third-party professional organizations each year for sustained environmental management. Environmental impact assessments are also made to develop its Environmental Management Plan (EMP) in consideration of environmental impacts and risks. The EMP elaborates on the measures to mitigate environmental impacts as well as reporting and monitoring requirements to abide by Myanmar’s environmental laws, and ensured the objectivity and credibility of environmental management through third-party audits. Environmental impact monitoring and reports are conducted under the supervision of third-party auditors on a semi-annual basis. The environmental impact monitoring performed in 2021 revealed no significant environmental impact attributable to business operations, and verified that all impacts were appropriately mitigated to sufficiently low levels and managed as such. In addition, the Shwe Project provides environmental awareness training to all its employees including those from business partners. Any and all hazardous and non-hazardous waste generated from the workplace is treated by waste treatment companies licensed by Myanmar authorities. POSCO International attained its one-on-one (production : disposal) goal in 2021, which means that all waste generated was completely disposed of.

### Code: EM-EP-160a.1

**Description of environmental management policies and practices for active sites**

#### Code: EM-EP-160a.2

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.6.15a B</td>
<td>Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI (Environmental Sensitivity Index) rankings 8-10, and volume recovered</td>
</tr>
<tr>
<td>6.6.15a B</td>
<td>Percentage of proved and probable reserves in or near sites with protected conservation status or endangered species habitat</td>
</tr>
</tbody>
</table>

#### Code: EM-EP-160a.3

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.6.15a B</td>
<td>Do not report on this metric as the Company does not conduct business in Arctic locations or shoreline locations ranked high in the ESI</td>
</tr>
<tr>
<td>6.6.15a B</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

### Code: EM-EP-210a.1

Percentage of (1) proved and (2) probable reserves in or near areas of conflict

### Code: EM-EP-210a.2

Percentage of (1) proved and (2) probable reserves in or near indigenous land

### Code: EM-EP-210a.3

Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict p.72-73

### Code: EM-EP-210b.1

Discussion of process to manage risks and opportunities associated with community rights and interests p.72-73

### Code: EM-EP-210b.2

Number and duration of non-technical delays Not applicable

### Code: EM-EP-510a.1

Discussion of the management system for prevention of corruption and bribery throughout the value chain p.69-71

### Code: EM-EP-510a.2

Description of the management system for prevention of corruption and bribery throughout the value chain p.69-71
<table>
<thead>
<tr>
<th>Code</th>
<th>Metric</th>
<th>Reference</th>
</tr>
</thead>
</table>
| EM-EP-540a.1  | Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) | 1) of greater consequence (Tier 1)

<table>
<thead>
<tr>
<th>Code</th>
<th>Metric</th>
<th>Reference</th>
</tr>
</thead>
</table>
| EM-EP-540a.2  | Description of management systems used to identify and mitigate catastrophic and tail-end risks | p.58

1) LOPC: Loss of Primary Containment: An unplanned or uncontrolled release of materials from primary containment, including non-toxic and non-flammable materials (e.g., steam, hot condensate, nitrogen, compressed CO$_2$ or compressed air).
2) Tier 1: LTI (Lost Time Injuries) caused by process leak events, fires, explosion damages of USD 100,000 or more, flammable/toxic materials leaked above the Tier-1 threshold.
POS Co International is keenly aware that climate change is a pressing global challenge. As such, we disclose the actual and potential financial impacts induced by climate change while complying with climate change response regulations and setting our own reduction targets. We also plan to establish governance and address climate change issues from the long-term perspective. Looking ahead, we will proactively join efforts to respond to climate change, and develop a management system that conforms to the TCFD recommendations and make available relevant information step-by-step.

The organization’s governance around climate-related risks and opportunities

How the organization identifies, assesses, and manages climate-related risks

Metrics and targets used to assess and manage relevant climate-related risks and opportunities

- Strengthening sales competitiveness through the reliable procurement of GIGA
  - Steel and other lightweight, high-performance steel from POSCO
- Expanding natural gas/hydrogen business on the basis of the government’s 9th electricity/hydrogen roadmap policy
- Expanding natural gas business for its relatively smaller environmental impact compared to other fossil fuels
- Securing carbon emission credits through the introduction of by-product-based biomass energy sources
- Attracting government incentives based on performance in using-by-products and used oils
- Increasing development of and investment in green automotive components for their sustainable growth potential, and business opportunities for parts, products, and services that meet the needs of the shift in the mobility industry
- Increasing demand for green mobility and parts
- Increasing business opportunities in recycling of end-of-life EV batteries
- Possibility to secure country-level subsidies for hydrogen/electric vehicles

We will strengthen the role of the BOD to manage and oversee all ESG issues including response to climate change at the BOD.

We have identified the risks and opportunities of our core business and future growth businesses being impacted by climate change in developing our strategic risk management system. We have then moved on to predict how identified factors may bring impact from the aspects of sales, expenses, assets & liabilities, and financing.

We will quantify financial impacts in line with future climate change scenarios to develop our organizational strategies and financial plans.
Describe the organization’s processes for identifying and assessing climate-related risks

Describe the organization’s processes for managing climate-related risks

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.

Respective business groups identify climate-related risks each year and set priorities for risks to discuss countermeasures. In addition, we are building a process to identify and manage climate change risks. Those business plans and strategies that are highly relevant to climate change will be reported to the Management Committee through the ESG Council.

To manage climate-related risks and opportunities, we are monitoring the GHG emissions and energy consumption of POSCO Mobility Solution as well as the Headquarters. Our total GHG emissions and total energy consumption amounted to 62,342 tCO\textsubscript{2}e, and 1,283 TJ respectively in 2021.

We will align the climate-related risks and opportunities identified through the above process with our company-wide strategy and reflect them in our short/mid-term business plans, strategies and investment reviews.

We will develop a mid/long-term carbon neutrality roadmap to elaborate on our phased-in reduction goals and measures. We will also gradually expand the scope of measuring and managing GHG emissions and energy consumption to overseas operations.

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>tCO\textsubscript{2}e</td>
<td>15,616</td>
<td>12,835</td>
<td>13,631</td>
</tr>
<tr>
<td>Scope 2</td>
<td>tCO\textsubscript{2}e</td>
<td>46,726</td>
<td>47,611</td>
<td>48,979</td>
</tr>
<tr>
<td>Total</td>
<td>tCO\textsubscript{2}e</td>
<td>62,342</td>
<td>60,446</td>
<td>62,604</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct energy (fuel)</td>
<td>TJ</td>
<td>236</td>
<td>240</td>
<td>297</td>
</tr>
<tr>
<td>Indirect energy (electricity, steam)</td>
<td>TJ</td>
<td>1,013</td>
<td>996</td>
<td>987</td>
</tr>
<tr>
<td>Total</td>
<td>TJ</td>
<td>1,243</td>
<td>1,236</td>
<td>1,283</td>
</tr>
</tbody>
</table>

* Based on the Headquarters (domestic operations) and POSCO Mobility Solution

** The 2021 data represent the first certification outcomes from the Ministry of Environment, and may vary from final certification outcomes.

1) The sum of emissions and consumption each shows discrepancies due to trimming at the last digits.
In November 2019, POSCO International joined the UN Global Compact (UNGC), a voluntary initiative launched on the fulfillment of corporate social responsibility. As a member of the UNGC, we fully endorse the UNGC 10 Principles in the four areas of human rights, labor, environment and anti-corruption while outlining our activities and achievements made in complying with these principles throughout our sustainability reports.

Since 2021, we have disclosed our implementation activities and achievements in accordance with the Communication on Progress (CoP) mechanism designed to demonstrate a company’s progress made on attaining the UNGP 10 Principles and the UN Sustainable Development Goals. In 2022, we enrolled in the CoP Early Adopter Programme, a digital platform launched to streamline the CoP process for participant companies and create added value to these annual disclosure requirements, to outline our sustainability activity data. In line with the improved CoP mechanism, we showcase our sustainability and our efforts and contributions to the Ten Principles and the SDGs along with our CEO’s declaration specifying our continued endorsement for the UNGC with an aim to build trust and brand value.

<table>
<thead>
<tr>
<th>Area</th>
<th>Principle</th>
<th>Reporting Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human</td>
<td>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses</td>
<td>Respect for human rights</td>
<td>50-52, 81-82, 100</td>
</tr>
<tr>
<td></td>
<td>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labor; Principle 5: the effective abolition of child labor; and Principle 6: the elimination of discrimination in respect of employment and occupation</td>
<td>Respect for human rights</td>
<td>50-53, 81-82, 100</td>
</tr>
<tr>
<td></td>
<td>Principle 7: Businesses should support a precautionary approach to environmental challenges Principle 8: undertake initiatives to promote greater environmental responsibility, and Principle 9: encourage the development and diffusion of environmentally friendly technologies</td>
<td>Response to the climate crisis, environmental impact mitigation</td>
<td>41-44, 79-83, 85, 99</td>
</tr>
<tr>
<td></td>
<td>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery</td>
<td>Anti-corruption</td>
<td>69-71</td>
</tr>
</tbody>
</table>
6/4% (T)

The United Nation’s Sustainable Development Goals (UN SDGs) embody the 17 universal goals whose attainment will materialize sustainable development for all. POSCO International fully concurs with the UN SDG’s slogan ‘Leave No One Behind’, and is fulfilling its role as a global corporate citizen in partnership with varying stakeholders. As we conduct business in accordance with our management philosophy ‘Corporate Citizenship: Building a Better Future Together’, not only do we help resolve social issues but also bring positive impact on our business performance. We aim to protect the environment, respect the human rights of our employees and local community members, and to contribute to reaching the UN SDGs through capacity-building of our global staff.

Our Goals and Achievements in Attaining the UN SDGs 2030

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>SDGs Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders·Investors</td>
<td>● ● ● ● ● ● ● ●</td>
</tr>
<tr>
<td>Customers</td>
<td>● ● ● ●</td>
</tr>
<tr>
<td>Suppliers</td>
<td>● ● ● ● ●</td>
</tr>
<tr>
<td>Employees</td>
<td>● ● ● ● ● ● ● ● ● ●</td>
</tr>
<tr>
<td>Local Communities·NGOs</td>
<td>● ● ● ● ● ● ● ● ● ● ● ●</td>
</tr>
<tr>
<td>Governments·International Organizations</td>
<td>● ● ● ● ● ● ● ● ● ● ● ●</td>
</tr>
</tbody>
</table>

- **No Poverty**
- **Zero Hunger**
- **Good Health and Well-Being**
- **Quality Education**
- **Gender Equality**
- **Clean Water and Sanitation**
- **Affordable and Clean Energy**
- **Decent Work and Economic Growth**
- **Industry, Innovation and Infrastructure**
- **Climate Action**
- **Life Below Water**
- **Life on Land**
- **Peace, Justice and Strong Institutions**
- **Sustainable Cities and Communities**
- **Partnerships for the Goals**

2021 performance (cumulative) 2030 goal and our progress rate

**DPVSTFT**

- **Development of e-learning content for global staff**
- **Generation of green electricity**
- **Percentage of human rights due diligence performed on overseas worksites**

*Electricity generated by using by-products from the CPO manufacturing process as fuel

*Not conducted in 2021 amid the COVID-19 pandemic, conducted on two worksites in the first half of 2022 (please refer to pages 51 and 52)
<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7,155,183,542</td>
<td>4,764,575,099</td>
<td>5,032,320,679</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>4,358,489,049</td>
<td>3,894,352,121</td>
<td>3,437,125,452</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>80,977,785</td>
<td>18,708,121</td>
<td>22,892,162</td>
</tr>
<tr>
<td>Current derivative assets</td>
<td>61,539,209</td>
<td>113,410,566</td>
<td>42,073,964</td>
</tr>
<tr>
<td>Other current assets</td>
<td>228,838,961</td>
<td>129,394,050</td>
<td>182,281,463</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>3,615,550,605</td>
<td>3,563,463,637</td>
<td>3,927,004,409</td>
</tr>
<tr>
<td>Long-term trade receivables and other non-current receivables</td>
<td>144,645,619</td>
<td>230,798,203</td>
<td>441,664,877</td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>64,483,565</td>
<td>29,538,903</td>
<td>33,505,850</td>
</tr>
<tr>
<td>Investments accounted for using equity method</td>
<td>359,633,958</td>
<td>342,795,420</td>
<td>367,793,878</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1,353,149,166</td>
<td>1,325,419,228</td>
<td>1,380,434,600</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>93,186,173</td>
<td>75,273,352</td>
<td>75,273,352</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,189,368,831</td>
<td>1,129,384,946</td>
<td>1,249,794,886</td>
</tr>
<tr>
<td>Investment properties</td>
<td>142,991,276</td>
<td>147,593,929</td>
<td>152,168,301</td>
</tr>
<tr>
<td>Net defined benefit assets</td>
<td>9,052,353</td>
<td>9,100</td>
<td>1,182,616</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>1,459,342</td>
<td>65,331</td>
<td>183,462</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>254,864,747</td>
<td>264,796,301</td>
<td>221,083,487</td>
</tr>
<tr>
<td>Total assets</td>
<td>10,770,734,147</td>
<td>8,328,038,736</td>
<td>8,959,415,088</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>2,913,929,277</td>
<td>1,774,106,704</td>
<td>2,091,526,195</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>1,894,385,381</td>
<td>796,037,935</td>
<td>1,024,700,968</td>
</tr>
<tr>
<td>Current portion of bonds</td>
<td>408,876,623</td>
<td>417,041,988</td>
<td>130,042,420</td>
</tr>
<tr>
<td>Current derivative liabilities</td>
<td>76,303,460</td>
<td>90,254,613</td>
<td>33,202,602</td>
</tr>
<tr>
<td>Current provisions</td>
<td>24,342,911</td>
<td>13,082,742</td>
<td>19,704,862</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>24,991,276</td>
<td>65,331</td>
<td>183,462</td>
</tr>
<tr>
<td>Current provisions</td>
<td>254,864,747</td>
<td>264,796,301</td>
<td>221,083,487</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>89,692,563</td>
<td>93,084,192</td>
<td>8,612,844</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,589,255,049</td>
<td>1,769,001,784</td>
<td>2,350,114,722</td>
</tr>
<tr>
<td>Long-term trade payables and other non-current liabilities</td>
<td>1,589,255,049</td>
<td>1,769,001,784</td>
<td>2,350,114,722</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>246,111,217</td>
<td>379,347,256</td>
<td>734,572,710</td>
</tr>
<tr>
<td>Bonds</td>
<td>1,143,577,708</td>
<td>1,107,419,955</td>
<td>1,243,688,371</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>1,531,757</td>
<td>703,693</td>
<td>32,555,975</td>
</tr>
<tr>
<td>Net defined benefit liabilities</td>
<td>5,775,100</td>
<td>11,254,205</td>
<td>9,342,662</td>
</tr>
<tr>
<td>Non-current provisions</td>
<td>64,032,944</td>
<td>72,307,753</td>
<td>84,462,885</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>23,403,084</td>
<td>22,228,204</td>
<td>22,143,177</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>7,258,594,219</td>
<td>5,167,165,003</td>
<td>5,911,354,252</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity attributable to owners of the parent</td>
<td>3,486,401,390</td>
<td>3,158,096,077</td>
<td>3,047,729,156</td>
</tr>
<tr>
<td>Issued capital</td>
<td>616,875,745</td>
<td>616,875,745</td>
<td>616,875,745</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>558,241,696</td>
<td>558,027,142</td>
<td>557,760,234</td>
</tr>
<tr>
<td>Other components of equity</td>
<td>-7,762</td>
<td>-7,762</td>
<td>-7,762</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>18,775,100</td>
<td>-25,032,186</td>
<td>15,955,147</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>2,292,516,611</td>
<td>2,008,233,238</td>
<td>1,857,505,792</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>25,738,538</td>
<td>2,777,656</td>
<td>331,640</td>
</tr>
<tr>
<td>Total equity</td>
<td>3,512,139,928</td>
<td>3,160,873,733</td>
<td>3,048,060,836</td>
</tr>
</tbody>
</table>

(Unit: KRW 1,000)
### Consolidated Statement of Comprehensive Income

<table>
<thead>
<tr>
<th>FY 2021</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>33,948,864,785</td>
<td>21,472,386,358</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>32,814,145,555</td>
<td>20,547,321,165</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>1,134,719,230</td>
<td>925,065,193</td>
</tr>
<tr>
<td><strong>Selling and administrative expenses</strong></td>
<td>549,333,423</td>
<td>450,586,904</td>
</tr>
<tr>
<td><strong>Operating profit(loss)</strong></td>
<td>585,385,807</td>
<td>474,478,289</td>
</tr>
<tr>
<td><strong>Share of profit in associates</strong></td>
<td>69,361,497</td>
<td>58,989,188</td>
</tr>
<tr>
<td><strong>Share of loss in associates</strong></td>
<td>9,263,819</td>
<td>40,191,213</td>
</tr>
<tr>
<td><strong>Financial income</strong></td>
<td>1,243,727,111</td>
<td>1,176,348,953</td>
</tr>
<tr>
<td><strong>Financial costs</strong></td>
<td>1,319,081,694</td>
<td>1,260,551,660</td>
</tr>
<tr>
<td><strong>Other non-operating income</strong></td>
<td>86,047,547</td>
<td>17,592,608</td>
</tr>
<tr>
<td><strong>Other non-operating expenses</strong></td>
<td>167,476,083</td>
<td>99,496,937</td>
</tr>
<tr>
<td><strong>Profit(loss) for the year before tax</strong></td>
<td>488,700,366</td>
<td>327,169,228</td>
</tr>
<tr>
<td><strong>Income tax expenses</strong></td>
<td>132,212,404</td>
<td>97,645,019</td>
</tr>
<tr>
<td><strong>Profit(loss)</strong></td>
<td>356,487,962</td>
<td>229,524,209</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>51,965,768</td>
<td>-40,668,808</td>
</tr>
<tr>
<td><strong>Other comprehensive income to be reclassified to profit or loss in subsequent periods</strong></td>
<td>51,555,289</td>
<td>-32,189,151</td>
</tr>
<tr>
<td><strong>Net loss on valuation of available-for-sale financial assets</strong></td>
<td>13,628,538</td>
<td>-7,798,608</td>
</tr>
<tr>
<td><strong>Capital variation of equity method</strong></td>
<td>8,896,209</td>
<td>-1,534,133</td>
</tr>
<tr>
<td><strong>Negative capital variation of equity method</strong></td>
<td>34,944,955</td>
<td>-22,771,969</td>
</tr>
<tr>
<td><strong>Exchange differences on translation of foreign operations</strong></td>
<td>112,588</td>
<td>-8,441</td>
</tr>
<tr>
<td><strong>Other comprehensive income, net of tax, to be not reclassified to profit or loss in subsequent periods</strong></td>
<td>410,479</td>
<td>-4,679,657</td>
</tr>
<tr>
<td><strong>Gain(loss) on disposal of FVOCI financial assets</strong></td>
<td>27,716</td>
<td>-6,041,661</td>
</tr>
<tr>
<td><strong>Capital variation of equity method</strong></td>
<td>-8,511,682</td>
<td>-3,224,674</td>
</tr>
<tr>
<td><strong>Re-measurement gain(loss) on defined benefit liabilities (other comprehensive income, net of tax)</strong></td>
<td>8,913,085</td>
<td>-551,064</td>
</tr>
<tr>
<td><strong>Exchange differences on translation of foreign operations</strong></td>
<td>-18,640</td>
<td>1,337,742</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income</strong></td>
<td>408,453,730</td>
<td>188,855,401</td>
</tr>
</tbody>
</table>

**Profit(loss) for the year attributable to**
- Owners of the parent: 360,789,119
- Non-controlling interests: -4,301,157

**Total comprehensive income(loss) attributable to**
- Owners of the parent: 412,758,252
- Non-controlling interests: -4,304,522

**Earnings per share**
- Basic earnings(loss) per share (unit: KRW): 2,924
- Basic earnings(loss) per share for income from continuing operation (unit: KRW): 2,924
- Diluted earnings(loss) per share (unit: KRW): 2,924
- Diluted earnings(loss) per share for income from continuing operation (unit: KRW): 2,924

(Unit: KRW 1,000)
## Statement of Financial Position

**Current assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>286,335,171</td>
<td>495,509,424</td>
<td>85,092,442</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>4,605,186,508</td>
<td>2,800,559,212</td>
<td>3,473,836,072</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>32,611,691</td>
<td>310,679</td>
<td>42,073,964</td>
</tr>
<tr>
<td>Current derivative assets</td>
<td>64,951,510</td>
<td>113,384,542</td>
<td>42,073,964</td>
</tr>
<tr>
<td>Inventories</td>
<td>32,611,691</td>
<td>310,679</td>
<td>42,073,964</td>
</tr>
<tr>
<td>Other current assets</td>
<td>806,102,100</td>
<td>418,893,666</td>
<td>599,360,444</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>3,205,968,394</td>
<td>3,280,402,945</td>
<td>3,366,940,287</td>
</tr>
<tr>
<td>Long-term trade receivables and other non-current receivables</td>
<td>155,415,858</td>
<td>262,956,981</td>
<td>489,008,764</td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>58,063,668</td>
<td>24,603,274</td>
<td>28,725,489</td>
</tr>
<tr>
<td>Investments accounted for using equity method</td>
<td>1,019,312,438</td>
<td>1,184,966,310</td>
<td>633,804,332</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>266,412,095</td>
<td>272,111,459</td>
<td>629,892,062</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>31,117,785</td>
<td>40,279,695</td>
<td>20,823,986</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,196,606,276</td>
<td>1,040,537,093</td>
<td>1,146,773,717</td>
</tr>
<tr>
<td>Investment properties</td>
<td>142,991,276</td>
<td>147,593,929</td>
<td>152,168,301</td>
</tr>
<tr>
<td>Net defined benefit assets</td>
<td>7,678,232</td>
<td>10,649,615</td>
<td>18,309,305</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>310,851,189</td>
<td>305,795,249</td>
<td>260,551,920</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>4,721,575</td>
<td>1,478,955</td>
<td>5,182,616</td>
</tr>
<tr>
<td>Total assets</td>
<td>9,144,514,594</td>
<td>7,205,950,900</td>
<td>7,721,111,383</td>
</tr>
</tbody>
</table>

**Non-current liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
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<td>1,146,773,717</td>
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<td>10,649,615</td>
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<td>305,795,249</td>
<td>260,551,920</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>4,721,575</td>
<td>1,478,955</td>
<td>5,182,616</td>
</tr>
<tr>
<td>Total assets</td>
<td>9,144,514,594</td>
<td>7,205,950,900</td>
<td>7,721,111,383</td>
</tr>
</tbody>
</table>

**Equity**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued capital</td>
<td>616,875,745</td>
<td>616,875,745</td>
<td>616,875,745</td>
</tr>
<tr>
<td>Other capital surplus</td>
<td>544,002,741</td>
<td>544,002,741</td>
<td>544,002,741</td>
</tr>
<tr>
<td>Other components of equity</td>
<td>-6,115</td>
<td>-6,115</td>
<td>-6,115</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>-8,380,422</td>
<td>-7,110,068</td>
<td>-1,896,460</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,990,259,639</td>
<td>1,867,951,149</td>
<td>1,750,143,276</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>3,142,751,588</td>
<td>3,021,711,342</td>
<td>2,909,119,187</td>
</tr>
</tbody>
</table>

(Unit: KRW 1,000)

**FY 2021** as of Dec. 31, 2021
**FY 2020** as of Dec. 31, 2020
**FY 2019** as of Dec. 31, 2019
<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>30,527,682,713</td>
<td>19,224,845,261</td>
<td>22,743,722,129</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>29,748,120,055</td>
<td>18,457,485,547</td>
<td>21,771,949,516</td>
</tr>
<tr>
<td>Gross profit</td>
<td>779,562,658</td>
<td>767,359,714</td>
<td>971,772,613</td>
</tr>
<tr>
<td>Selling and administrative expenses</td>
<td>413,999,007</td>
<td>342,806,208</td>
<td>403,606,458</td>
</tr>
<tr>
<td>Operating profit(loss)</td>
<td>365,563,651</td>
<td>424,553,506</td>
<td>568,166,155</td>
</tr>
<tr>
<td>Financial income</td>
<td>1,227,565,013</td>
<td>1,182,984,339</td>
<td>804,991,753</td>
</tr>
<tr>
<td>Financial costs</td>
<td>1,231,574,460</td>
<td>1,158,167,974</td>
<td>843,204,969</td>
</tr>
<tr>
<td>Other non-operating income</td>
<td>83,230,212</td>
<td>10,661,057</td>
<td>45,026,513</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>169,347,026</td>
<td>175,061,834</td>
<td>282,605,878</td>
</tr>
<tr>
<td>Profit(loss) for the year before tax</td>
<td>275,637,390</td>
<td>284,969,094</td>
<td>292,373,574</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>74,406,889</td>
<td>80,991,753</td>
<td>100,669,425</td>
</tr>
<tr>
<td>Profit(loss)</td>
<td>201,230,501</td>
<td>203,975,391</td>
<td>191,704,149</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>6,170,059</td>
<td>-5,018,703</td>
<td>-7,706,021</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax, to be not reclassified to profit or loss in subsequent periods</td>
<td>6,170,059</td>
<td>-5,018,703</td>
<td>-7,706,021</td>
</tr>
<tr>
<td>Gain(loss) on disposal of FVOCI financial assets</td>
<td>-1,227,878</td>
<td>-6,041,660</td>
<td>-529,069</td>
</tr>
<tr>
<td>Re-measurement gain(loss) on defined benefit liabilities (other comprehensive income, net of tax)</td>
<td>7,397,937</td>
<td>1,022,957</td>
<td>-7,176,952</td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>207,400,560</td>
<td>198,956,688</td>
<td>183,998,128</td>
</tr>
<tr>
<td>Earnings per share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic earnings(loss) per share(unit: KRW)</td>
<td>1,631</td>
<td>1,653</td>
<td>1,554</td>
</tr>
<tr>
<td>Basic earnings(loss) per share for income from continuing operation(unit: KRW)</td>
<td>1,631</td>
<td>1,653</td>
<td>1,554</td>
</tr>
<tr>
<td>Diluted earnings(loss) per share(unit: KRW)</td>
<td>1,631</td>
<td>1,653</td>
<td>1,554</td>
</tr>
<tr>
<td>Diluted earnings(loss) per share for income from continuing operation(unit: KRW)</td>
<td>1,631</td>
<td>1,653</td>
<td>1,554</td>
</tr>
</tbody>
</table>
As a corporate citizen, POSCO International endeavors to recognize its positive or negative social and environmental impact in addition to attaining its business goals, and to consider such impact in its business conduct and decision-making process. We adopted PwC’s Total Impact Measurement and Management (TIMM) methodology to evaluate the impact generated from our financial and non-financial performance during the year 2021.

Impact Measurement Framework

‘Impact’ refers to either positive or negative change brought to a company or society as a result of performance (outcomes, corporate or social change concerning activities). Impact assessments are conducted either on business outcomes from the company-wide perspective or outcomes of a single program in the case of such specific areas as CSR. To perform such impact assessments, we used the disclosures published by the Company based on applicable laws and regulations, statistics from governmental/international organizations, and domestic/overseas research findings. Relevant evidence was separately presented in detail to ensure the credibility and objectivity of the assessment process and its results. POSCO International will strive to evaluate its social impact in a more refined manner to consider such impact in its entire business conduct and decision-making process.

2) Myanmar Stoves Campaign VPA 002 Monitoring Report, February 2018
3) Inter industry Relations Table, Bank of Korea(2019)
7) CO2 Emissions From cars, Korea Energy Agency / Automobile Mileage Statistics, Korea Transportation Safety Authority(2020)
8) Air Emissions in the Household Sector(GHG), Korean Statistical Information Service
In 2021, we partially resumed our overseas healthcare CSR activities which were completely suspended amid the COVID-19 pandemic in 2020. As the worldwide spread of this global pandemic subsides, we will fully implement in-person healthcare volunteering across even wider locations. The increased sales of traction motor cores, eco-friendly components mounted on EVs, also helped us significantly expand our contribution to reducing GHG emissions. A rise in corporate taxes and other income taxes and wage for our employees and business partner employees resulted in the increased value of economic impact compared to the previous year.

Meanwhile, our health and safety impacts declined as we extended the scope of calculating lost workdays to include overseas operations and contract employees in an effort to bolster our safety management. As a result of the partial revision of calculation formula intended to improve accuracy of impact measurement, the social impact value fell from 2020 in CSR investment, welfare & benefits, and improved quality of life for local communities.