



# **United Nations Global Compact Advanced Communication on Progress 2019**

**2019 Edition  
POSCO International Corp.**



# Beyond Trade, Pursuing Future Business



## POSCO International, We Make Business!



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# [Chief Executive's Statement of Support]

## 1. CEO Message

Dear Respected Stakeholders,

Let me extend my heartfelt gratitude for your unwavering interest in and encouragement for POSCO INTERNATIONAL. Today, the world is facing an unprecedented challenge amid the rapid dissemination of COVID-19. As it is virtually impossible to predict how the situation may unfold, POSCO INTERNATIONAL is fully committed to swiftly responding to this global emergency with the firm belief that the 'health and safety' of all stakeholders as well as its employees come first before anything else. We take a precautionary approach to curbing the spread of COVID-19 across communities by preventing this infectious disease through stringent control measures and publicizing and observing daily safety guidelines. We also provided policy support for work & life balance to enable our employees to take care of their children while working at home, and improved our IT system and management infrastructure to create a well-functioning virtual work environment for employees.

In line with POSCO Group's management philosophy of 'Corporate Citizenship: Building a Better Future Together', we have come forward to pursue win-win cooperation with our domestic/overseas partners and local communities who are suffering from the protracted COVID-19 outbreak. We rushed to donate diagnostic kits developed by a competent Korean SME venture business to countries where quality healthcare services are barely available, and leveraged our extensive overseas network to donate disease prevention supplies to join hands with business partners in weathering this crisis. Even in the face of deteriorating business conditions, POSCO INTERNATIONAL has not only lasted successfully for the past 53 years but also set new records in operating profit two years in a row in 2018 and 2019 to further solidify its current position. We truly believe that this would not have been possible without our relentless pursuit of challenge and the enthusiastic encouragement extended by our stakeholders.

While we focus on investing in and developing our strategic business in the steel, E&P, agro and LNG sectors, we will also explore and pursue business opportunities and new promising materials in the mobility, chemical, non-ferrous metal and power infrastructure sectors in alignment with POSCO Group. In particular, we aim to harness our global network and marketing capabilities to tap into new markets, translate diverse business ideas into action through flexible thinking, and identify and invest in competitive Korean SMEs to constantly expand shared growth.

In addition, POSCO INTERNATIONAL promotes sound communication with wide-ranging stakeholders to satisfy the standards adopted by the international community. In order to achieve this, we joined United Nations Global Compact last year and will continuously support the UNGC initiative and its principles on human rights, labour, the environment and anti-corruption. In addition, last March, we became the first Korean business to announce our sustainable palm oil business policy (NDPE policy), and we fulfill our social responsibility and obligation in the countries where we operate to fully commit ourselves to resolving global environmental and social issues. To comply with international norms on ethical mining and mineral consumption and take social responsibility in this regard, we established a responsible supply chain management system and practice sustainability management as a key part of our corporate policy in cooperation with POSCO Group. This will undoubtedly allow us to collaborate with stakeholders who surround us and share values with them and to broaden our horizon into the wider global community to address the harsh reality of today as a 'sincere global corporate citizen'.

Dear Stakeholders,

It is in the moment of crisis that we should do our own part sincerely and faithfully to drive the sustainable development of the Company. "Change before you have to" While uncertainties are perceived by businesses as threats that are hard to handle, we are convinced that we can surely generate even more valuable outcomes if we focus on our assets and capabilities accumulated over the years through communication with stakeholders and cope with changes of the future even before they occur. Once again, we would like to thank you for your everlasting interest in and support for POSCO INTERNATIONAL, and vow to emerge as a company fully trusted and beloved in the years ahead. We wish all our stakeholders always stay safe and well.

Thank you.



President and CEO  
POSCO International Corp.

Joo Si-bo

## [The Ten UN Global Compact Principles]

### 2. The Ten Principles of the UN Global Compact

The UN Global Compact asks companies to operate in a manner that meets fundamental responsibilities for human rights, labour, environment and anti-corruption. POSCO International Corp. is committed to making a positive contribution to society while creating lasting benefits for stakeholders in a manner that is responsible, transparent and respectful of the rights of all.

We have incorporated The UN Global Compact's Ten Principles into our strategies, policies and procedures

The UN Global Compact's Ten Principles derive from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption.

#### The UN Global Compact's Ten Principles:

Human Rights	<ul style="list-style-type: none"> <li>❖ <b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights; and</li> <li>❖ <b>Principle 2:</b> make sure that they are not complicit in human rights abuses.</li> </ul>
Labour	<ul style="list-style-type: none"> <li>❖ <b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</li> <li>❖ <b>Principle 4:</b> the elimination of all forms of forced and compulsory labour;</li> <li>❖ <b>Principle 5:</b> the effective abolition of child labour; and</li> <li>❖ <b>Principle 6:</b> the elimination of discrimination in respect of employment and occupation.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>❖ <b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges;</li> <li>❖ <b>Principle 8:</b> undertake initiatives to promote greater environmental responsibility; and</li> <li>❖ <b>Principle 9:</b> encourage the development and diffusion of environmentally friendly technologies.</li> </ul>
Anti-Corruption	<ul style="list-style-type: none"> <li>❖ <b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.</li> </ul>

### 3. UNGC Communications on Progress 2019 and GC Advanced COP Self-Assessment

We have complied all of the information in POSCO International's Communication on Progress 2019 from the following publicly available documents and publications:

- Sustainability Report 2019
- Business Ethics
- Supplier Code of Conduct
- Social Contribution Vision
- Group Charter of Corporate Citizenship
- Palm Oil Sustainability Policy(NDPE)

The above contents are available on our website: [www.poscointl.com](http://www.poscointl.com) or can be found in our Communication on Progress attachment.

The Communications on Progress(COP) is an annual disclosure through which a business informs stakeholders about its efforts to implement the principles of the UN Global Compact. Since joining the compact in November, 2019, our COP due date is November 7<sup>th</sup>, 2020 and we submit this COP in order to enhance stakeholder access to inform about our sustainability efforts and performance.

Like other business entities, our publications related to sustainability are not organized or framed exactly according to UN CoP framework. Therefore, we submit this COP 2019 document to help UNGC and stakeholders for easier and faster access to best practices per UNGC criteria.

Since we apply for GC Advanced classification, the following pages are our self-assessment on how we have met the GC Advanced Level criteria and reference our implementations of best practices for each criterion. Based on this, we consider that we have met a criterion when we communicate on its implementations or planned implementation.

## [Criteria, Best Cases and Explanation]

### 4. Implementing UNGC principles into strategies and operations



STANDARDS

For Criterion 1-2:

GRI 102-9, 102-10, 102-11, 102-14, 102-15, 102-18

#### Criterion 1: The COP describes mainstreaming into corporate functions and business units

Best Practices	Reference
Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) ensuring no function conflicts with company's sustainability commitments and objectives	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 4, 24, 60-61</li> <li>*SASB Index RT-IG-440a.1</li> </ul>
Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 25, 27, 36-99</li> </ul>
Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 24</li> </ul>
Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 32</li> </ul>
Other established or emerging best practices	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 26-27</li> <li>☞ We perform materiality analysis each year to review sustainability management issues. Undergoing 4 steps, the issues reflect stakeholder expectations to secure competitive and high-performing suppliers to strengthen our business capabilities and sustainability across the entire business.</li> </ul>



## Criterion 2: The COP describes value chain implementation

Best Practices	Reference
Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 28-29, 36-55</li> </ul>
Communicate policies and expectations to suppliers and other relevant business partners	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 36-55, 78-81, 108, 111, 115</li> </ul>
Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- 20-25</li> </ul>
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 66-69</li> </ul>
Other established or emerging best practices	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 6-7, 82</li> <li>☞ In order to create value of win-win partnership through cooperation with ventures and competitive SMEs, POSCO International created a web based Global Marketing Portal(<a href="https://withyou.poscointl.com">https://withyou.poscointl.com</a>) to provides its vast global networks to our partner and to support all the business making process such as arranging a meeting, contract signing, etc. for the SMEs to expand its business globally.</li> </ul>

## 5. Implementing the Ten Principles (Criteria 3-14)

### ▣ Robust human rights management policies and procedures

**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.



STANDARDS

For Criterion 3-5:  
GRI 406-1, 407-1, 414-1

### Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights

Best Practices	Reference
Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates	<ul style="list-style-type: none"> <li>• Sustainability Report 2019 <ul style="list-style-type: none"> <li>- Pg. 70-71, 113</li> </ul> </li> <li>• Business Ethics <ul style="list-style-type: none"> <li>- Practice Guidelines III-8-①~⑥</li> </ul> </li> </ul>
Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company	<ul style="list-style-type: none"> <li>• Business Ethics <ul style="list-style-type: none"> <li>- I - CEO Message</li> </ul> </li> </ul>
Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services	<ul style="list-style-type: none"> <li>• Sustainability Report 2019 <ul style="list-style-type: none"> <li>- Pg. 70-71</li> </ul> </li> <li>• Business Ethics <ul style="list-style-type: none"> <li>- Practice Guidelines III-8</li> </ul> </li> <li>• Supplier Code of Conduct 1</li> </ul>
Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties	<ul style="list-style-type: none"> <li>• Sustainability Report 2019 <ul style="list-style-type: none"> <li>- Pg. 70-71</li> </ul> </li> <li>• Business Ethics</li> <li>• Supplier Code of Conduct</li> <li>• Homepage: <a href="http://www.poscointl.com/eng/ethicalNorms.do">www.poscointl.com/eng/ethicalNorms.do</a> </li> </ul>
Other established or emerging best practices	<ul style="list-style-type: none"> <li>• Sustainability Report 2019 <ul style="list-style-type: none"> <li>- Pg. 119, 127</li> </ul> </li> </ul>

#### Criterion 4: The COP describes effective management systems to integrate the human rights principles

Best Practices	Reference
Process to ensure that internationally recognised human rights are respected	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 24-26</li> </ul>
On-going due diligence process that includes an assessment of actual and potential human rights impacts	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 24-26, 56-60, 70-71</li> </ul>
Internal awareness-raising and training on human rights for management and employees	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 58-59, 71, 113</li> </ul>
Operational-level grievance mechanisms for those potentially impacted by the company's activities	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 59-60</li> <li>• Homepage: Unethical Behavior Reporting System</li> <li><a href="https://www.poscointl.com/eng/reportResultCheck.do">https://www.poscointl.com/eng/reportResultCheck.do</a></li> </ul>
Allocation of responsibilities and accountability for addressing human rights impacts	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 58-59</li> </ul>
Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 58-59</li> <li>• Business Ethics</li> <li>- II. Ethics Charter</li> <li>- III-8 Protection of and Respect for Human Rights</li> </ul>
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 70</li> <li>☞ In 2020, we plan to update the human rights due diligence checklist that could be commonly applied to our overseas worksites based on the UNGC's guidance on enterprises and human rights, and apply the checklist in performing due diligence.</li> </ul>
Other established or emerging best practices	-

## Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration

Best Practices	Reference
System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 58 'Ethics Management System'</li> <li>- Pg. 59</li> </ul> </li> <li>☞ Ethics Counseling Center monitors the qualitative and quantitative measures of human rights activities.</li> </ul>
Monitoring drawn from internal and external feedback, including affected stakeholders	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 24, 78-84</li> </ul> </li> <li>☞ Monitoring internal/external feedback is done both ad-hoc and periodically. Especially, stakeholder interview with Chief/Sr. Researcher Eun-kyung Lee of UNGC Network Korea shows our efforts and devotion to internalize 10 principles including human right issues and how we communicate and receive feedback from our stakeholders.</li> </ul>
Leadership review of monitoring and improvement results	-
Process to deal with incidents the company has caused or contributed to for internal and external stakeholders	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 58, 59-60</li> </ul> </li> </ul>
Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue	<ul style="list-style-type: none"> <li>• Homepage: Unethical Behavior Reporting System  <a href="https://www.poscointl.com/eng/reportResultCheck.do">https://www.poscointl.com/eng/reportResultCheck.do</a> </li> </ul>
Outcomes of integration of the human rights principles	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 59</li> </ul> </li> <li>☞ Outcomes can be found through Ethics Counseling Center's monitoring performance for year 2017-2019, Grievance Submitted and Handled under the Grievance Mechanism in 2019.</li> </ul>



## ▣ Robust Labour Management Policies & Procedures

**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 labour;

**Principle 5:** The effective abolition of child labour; and

**Principle 6:** The elimination of discrimination in respect of employment and occupation.



For Criterion 6-8:  
GRI 406-1, 407-1, 409-1

### Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour

Best Practices	Reference
Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 76, 119, 127,</li> </ul> </li> <li>• Business Ethics               <ul style="list-style-type: none"> <li>- I. CEO Message</li> <li>- III-8-③ Protection of Executives and Employees</li> </ul> </li> </ul>
Reflection on the relevance of the labour principles for the company	-
Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide , and engage in dialogue with representative organization of the workers (international, sectoral, national).	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 76, 83</li> </ul> </li> <li>• Business Ethics III-8-③</li> </ul>
Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	<ul style="list-style-type: none"> <li>• Supplier Code of Conduct               <ul style="list-style-type: none"> <li>- 1-1)~6)</li> </ul> </li> </ul>
Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of origin	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 66-67, 70-72, 76-77</li> </ul> </li> <li>*SASB Index EM-IS-430a.1</li> </ul>

## Criterion 7: The COP describes effective management systems to integrate the labour principles

Best Practices	Reference
Risk and impact assessments in the area of labour	• Sustainability Report 2019 - Pg. 76
Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards	• Sustainability Report 2019 - Pg. 76, 83
Allocation of responsibilities and accountability within the organization	• Global HR Standards - Roles and Responsibilities(R&R)
Internal awareness-raising and training on the labour principles for management and employees	• Sustainability Report 2019 - Pg. 58, 66-69
Active engagement with suppliers to address labour-related challenges	• Sustainability Report 2019 - Pg. 80 (Stakeholder Communication)
Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers	• Sustainability Report 2019 - Pg. 59-60, 80, 113, 115
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	-
Other established or emerging best practices	-

## Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration

Best Practices	Reference
System to track and measure performance based on standardized performance metrics	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 58 'Ethics Management System'</li> <li>- Pg. 59</li> </ul> </li> <li>☞ Ethics Counseling Center monitors the standardized performance metrics of labour principles integration</li> </ul>
Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 83</li> </ul> </li> </ul>
Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 60</li> </ul> </li> </ul>
Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 60</li> </ul> </li> <li>(Responsible Supply Chain Management)</li> <li>• Supplier Code of Conduct</li> </ul>
Outcomes of integration of the Labour principles	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 59</li> </ul> </li> <li>☞ Outcomes can be found through Ethics Counseling Center's monitoring performance for year 2017-2019,</li> </ul>
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	-
Other established or emerging best practices	-

## ▣ Robust Environmental Management Policies & Procedures

**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.



For Criterion 9-11:  
GRI 102-11, 305-1, 308-2

### Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship

Best Practices	Reference
Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 4, 9, 51, 96, 119</li> </ul> </li> <li>• Business Ethics               <ul style="list-style-type: none"> <li>- I. CEO Message</li> <li>- III. Practice Guidelines 7</li> </ul> </li> </ul>
Reflection on the relevance of environmental stewardship for the company	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 22-23, 90-99</li> </ul> </li> </ul>
Written company policy on environmental stewardship	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 90-92</li> </ul> </li> <li>• Business Ethics               <ul style="list-style-type: none"> <li>- III. Practice Guidelines 7</li> </ul> </li> </ul>
Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 60</li> </ul> </li> <li>• Supplier Code of Conduct               <ul style="list-style-type: none"> <li>- 3. Environment</li> </ul> </li> </ul>
Specific commitments and goals for specified years	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 26, 92-97</li> </ul> </li> </ul>
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	-
Other established or emerging best practices	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 117 (PT.BIA's Environmental and Social Management Governance)</li> </ul> </li> </ul>



## Criterion 10: The COP describes effective management systems to integrate the environmental principles

Best Practices	Reference
Environmental risk and impact assessments	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 94, 96, 139</li> </ul>
Assessments of lifecycle impact of products, ensuring environmentally sound management policies	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 93, 94, 96-97 139</li> <li>*SASB Index EM-IS-110a.1</li> <li>EM-IS-110a.2</li> <li>EM-IS-120a.1</li> <li>EM-IS-130a.1</li> <li>EM-IS-130a.2</li> <li>EM-IS-140a.1</li> <li>RT-IG-130a.1</li> </ul>
Allocation of responsibilities and accountability within the organisation	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 92</li> </ul>
Internal awareness-raising and training on environmental stewardship for management and employees	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 93</li> </ul>
Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 58, 59-60</li> <li>• Homepage: Unethical Behavior Reporting System</li> <li><a href="https://www.poscointl.com/eng/reportResultCheck.do">https://www.poscointl.com/eng/reportResultCheck.do</a></li> </ul>
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	-
Other established or emerging best practices	-

## Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

Best Practices	Reference
System to track and measure performance based on standardized performance metrics	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 24-25, 30-33</li> </ul>
Leadership review of monitoring and improvement results	-
Process to deal with incidents	-
Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 24-25, 30-33</li> </ul>
Outcomes of integration of the environmental principles	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 133-136</li> <li>☞ GRI Index of the Report shows the main incidents suggested in GRI indicators of Environmental Standards linkage with the contents of the report outcomes.</li> </ul>
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	-
Other established or emerging best practices	-

## ▣ Robust Anti-Corruption Management Policies & Procedures

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.



STANDARDS

For Criterion 12-14:  
GRI 102-16, 102-17, 205-3

### Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption

Best Practices	Reference
Publicly stated formal policy of zero-tolerance of corruption	<ul style="list-style-type: none"> <li>• Business Ethics               <ul style="list-style-type: none"> <li>- I. CEO Message</li> <li>- II. Ethics Charter</li> </ul> </li> </ul>
Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 12, 58</li> </ul> </li> </ul>
Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 5, 57, 76, 103, 134</li> </ul> </li> </ul>
Detailed policies for high-risk areas of corruption	-
Policy on anti-corruption regarding business partners	<ul style="list-style-type: none"> <li>• Sustainability Report 2019               <ul style="list-style-type: none"> <li>- Pg. 60, 63</li> </ul> </li> <li>• Supplier Code of Conduct               <ul style="list-style-type: none"> <li>- 4. Ethics and Fair Trade</li> </ul> </li> </ul>
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	-
Other established or emerging best practices	-

### Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle

Best Practices	Reference
Support by the organization's leadership for anti-corruption	-
Carrying out risk assessment of potential areas of corruption	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 58-59</li> </ul>
Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees	-
Internal checks and balances to ensure consistency with the anti-corruption commitment	-
Actions taken to encourage business partners to implement anti-corruption commitments	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 60</li> <li>• Supplier Code of Conduct</li> <li>- 4-1) Business Integrity</li> </ul>
Management responsibility and accountability for implementation of the anti-corruption commitment or policy	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 56-57</li> </ul>
Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 58, 59-60</li> <li>• Homepage: Unethical Behavior Reporting System</li> <li><a href="https://www.poscointl.com/eng/reportResultCheck.do">https://www.poscointl.com/eng/reportResultCheck.do</a></li> </ul>
Internal accounting and auditing procedures related to anticorruption	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 58</li> </ul>
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	-
Other established or emerging best practices	-



## Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

Best Practices	Reference
Leadership review of monitoring and improvement results	-
Process to deal with incidents	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 58-60</li> </ul>
Public legal cases regarding corruption	-
Use of independent external assurance of anti-corruption programmes	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. SR138-139</li> </ul>
Outcomes of integration of the anti-corruption principle	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 134 (GRI Index linkage)</li> </ul>
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	-
Other established or emerging best practices	-

## 6. Taking action in support of broader UN goals and issues (Criteria 15-18)



For Criterion 15-18:  
GRI 102-12, 102-13

### Criterion 15: The COP describes core business contributions to UN goals and issues

Best Practices	Reference
Align core business strategy with one or more relevant UN goals/issues	• Sustainability Report 2019 - Pg. 6-11, 25-27, 85-89, 137
Develop relevant products and services or design business models that contribute to UN goals/issues	• Sustainability Report 2019 - Pg. 26-27
Adopt and modify operating procedures to maximize contribution to UN goals/issues	• Sustainability Report 2019 - Pg. 25-27

### Criterion 16: The COP describes strategic social investments and philanthropy

Best Practices	Reference
Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy	• Sustainability Report 2019 - Pg. 85-89, 102-127
Coordinate efforts with other organizations and initiatives to amplify—and not negate or unnecessarily duplicate—the efforts of other contributors	• Sustainability Report 2019 - Pg. 80-84, 140
Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups	• Sustainability Report 2019 - Pg. 84, 108-109, 115-116

## Criterion 17: The COP describes advocacy and public policy engagement

Best Practices	Reference
Publicly advocate the importance of action in relation to one or more UN goals/issues	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 5, 26, 60, 70, 85</li> </ul>
Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues	<ul style="list-style-type: none"> <li>• CEO was awarded for the Best CEO award for Sustainability along with Best KSI and Best KRCA awards on October 16<sup>th</sup>, 2020.</li> <li>*The three awards are awarded by Korean Standards Association(KSA) by evaluating 126 companies by 414 professionals and 23,560 stakeholders based on GRI standards.</li> </ul>
Other established or emerging best practices	-

## Criterion 18: The COP describes partnerships and collective action

Best Practices	Reference
Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 5, 42, 96, 140</li> </ul>
Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 5, 85-89</li> </ul>
Other established or emerging best practices	-

## 7. Corporate sustainability governance and leadership (Criteria 19-21)



For Criterion 19-21:

GRI 102-14, 102-18, 102-19, 102-40, 102-42, 102-43, 102-44

### Criterion 19: The COP describes CEO commitment and leadership

Best Practices	Reference
CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact	<ul style="list-style-type: none"> <li>• COP pg. 4 'CEO Message'</li> <li>• Sustainability Report 2019 - Pg. 58</li> <li>• Business Ethics - I. CEO Message</li> </ul>
CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards	<ul style="list-style-type: none"> <li>• COP pg. 4 'CEO Message'</li> <li>• Sustainability Report 2019 - Pg. 58</li> <li>• Business Ethics - I. CEO Message</li> </ul>
CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation	<ul style="list-style-type: none"> <li>• Sustainability Report 2019 - Pg. 24</li> </ul>
Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team	-
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	-
Other established or emerging best practices	-



## Criterion 20: The COP describes Board adoption and oversight

Best Practices	Reference
Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 20-21</li> </ul>
Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	-
Other established or emerging best practices	-

## Criterion 21: The COP describes stakeholder engagement

Best Practices	Reference
Publicly recognize responsibility for the company's impacts on internal and external stakeholders	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 78, 80-84</li> <li>• Business Ethics</li> <li>- I. CEO Message</li> </ul>
Define sustainability strategies, goals and policies in consultation with key stakeholders	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 24, 78-84</li> </ul>
Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 78-84</li> </ul>
Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'	<ul style="list-style-type: none"> <li>• Sustainability Report 2019</li> <li>- Pg. 81</li> </ul>