**Guideline for Compensation for Reporting Unethical Conduct**

Chapter 1 General Provisions

Article 1 (Purpose)

This guideline stipulates the details of the procedure for reporting unethical acts that may occur in connection with the business of POSCO International (hereinafter referred to as the “company”), payment of compensation to Reporters, and protection of the identity of Reporters and investigators.

Article 2 (Scope)

Compensation for reporting unethical behaviors and protection of the identity of Whistleblowers etc. shall be as stipulated in this guideline.

Article 3 (Definition of Terms)

1. The term “Whistleblower” shall refer to employees of the Company and any of the Company’s business associates including but not limited to suppliers, contractors, vendors, service providers, and consultants who disclose or report in good faith actual or potential ethical misconduct in the workplace or business.
2. "Reporter(s)" means a Whistleblower and a person in the general public reporting from outside.

Chapter 2 Procedure for Reporting

Article 4 (Procedure)

① Duty to report

1. When an executive or employee of the company becomes aware of a violation, he/she shall promptly report it to the Righteous Management Office.
2. If an employee is coerced into an improper job-related act or fails to report a violation of another person which such employee is aware of, the head of Righteous Management Office may refer the matter to the Human Resources Committee.

② How to report and investigate

1. Reporting of an unethical behavior can be made in the most convenient method available, including by online reporting, mail, phone, fax or visit to the Righteous Management Office.
* Website - [www.poscointl.com/reportCenter.html](http://www.poscointl.com/reportCenter.html)
* Visit to - Corporate Audit Division

If Reporter chooses to remain anonymous, the Company may ask the Reporter to provide sufficient detail and factual information so it can effectively follow up on the Reporter’s concern.

1. In principle, the reporting shall include the personal information of the alleged violator and the details of the alleged violation described using the 5W1H approach and this shall be attached with the relevant evidence. However, in cases of urgency such as where an unethical conduct is in progress at the time of reporting, only the facts may be reported without the supporting evidence.
2. Righteous Management Office may request the Reporter to submit materials and other information necessary to verify the reported violation.
3. An investigation on a reported unethical behavior shall be kept confidential in principle and shall be conducted in accordance with the "Guideline for Internal Audit ".

③ Method of Notification

1. The Righteous Management Office shall notify the Reporter of the progress of the audit upon the Reporter’s request to be notified of the audit result.
	1. In principle, notification of (i) receipt of the report, (ii) any transfer of the report to other departments, and other investigation-related matters shall be made after the Office becomes aware of the occurrence of each of the foregoing.
	2. The final investigation result shall be notified after obtaining approval from the head of the Righteous Management Office. However, cases that have been closed without investigations, like where a simple reply or notice confirming that no investigation is necessary is only issued, can be notified after review by the head of the audit team in charge. However, information deemed necessary for confidentiality may be excluded.

Chapter 3 Protection of the identity of the Reporters and cooperators

Article 5 (Protection of Identity of Reporters and Cooperators)

① Prohibition on divulging or tracking down the identity of Reporters and cooperators

1. No executive and employee may divulge the identity of Reporters and the cooperators even if he/she became aware thereof in the course of his/her duties or by chance.
2. Neither the reported person, the department where such person belongs, nor any staff of other departments relevant to the reported matter may engage in any act that may expose the identity of the Reporters and their cooperators, such as asking around to find out their identity.
3. If the identity of the Reporter has been exposed due to the violation of the foregoing 1. or 2. by an executive or employee, the Righteous Management Office may investigate how the identity has been exposed and request the relevant departments to take disciplinary actions against such executive or employee.
4. In the event that their identity is exposed, the Reporter and the cooperators may notify the Righteous Management Office and request that their identities be protected.
5. Upon receipt of the foregoing request for protection from the Reporter and the cooperators, the Righteous Management Office may request the relevant departments to take measures such as reassignment of position if it is determined that the Reporter or the cooperators may be subject to unfair personnel measures and other disadvantages. However, measures such as personnel transfer and change in positions of the Reporter and cooperators shall be limited to take place within the company.

② Prohibition of retaliatory conduct

1. The Reporter and the cooperators shall immediately notify the Righteous Management Office of any retaliatory act, such as disadvantages at work, by the reported and/or relevant third parties due to the reporting.
2. The Righteous Management Office shall take appropriate disciplinary action with respect to the executives and employees involved in the retaliatory act (such as disadvantages at work) in accordance with the relevant policies, for example by referring the matter to the HR committee.
3. The Righteous Management Office shall periodically monitor whether the Reporter and the cooperator are subject to disadvantages at work or other retaliatory conducts due to the reporting, and, if necessary, conduct investigations.

Chapter 4 Compensation and Review

Article 6 (Compensation)

A Reporter may be eligible for compensation in case of reporting any violation of applicable law, regulations, or POSCO International’s Code of Ethics or other compliance policies, including but not limited to acts of corruption, fraud, sexual exploitation and abuse, conflicts of interest, or collusive practices.

Article 7 (Compensation and Review)

① The head of the Righteous Management Office shall determine whether the Reporter is eligible for compensation and determine the compensation amount to be paid to the Reporter in a manner that ensures confidentiality and as requested by the recipient-Reporter.

② Conditions for payment of compensation

1. The criteria for the payment of compensation shall be as set forth in ‘Appendix 1’.
2. For the efficiency of investigation of an unethical behavior, penalties against a person who has been involved in the unethical conduct yet actively cooperated with the investigation by the Righteous Management Office may be mitigated.

③ Exclusion

1. if the reported violation turns out to be groundless, or it is difficult to verify the alleged violation due to lack of evidence;
2. When reporting unethical practices not related to the affairs with external interested parties
However, in the event that any act of directly inflicting a loss on the assets of the company, such as embezzlement of public funds or theft of the assets of the company, is reported, or any act of offering a bribe or other entertainment to a person related to the government is reported, compensation may be granted.
3. matters that have already been reported, or matters that are already under investigation by the Righteous Management Office and other related departments and/or external agencies, or cases for which disciplinary procedures, etc. are in progress or have been completed;
4. matters disclosed by media coverage, etc.
5. if the identity of the Reporter cannot be ascertained due to anonymity or use of pseudonym;
6. matters that do not constitute ethical or compliance violations (e.g., reports purely related to improvements in business);
7. if the report is made by an employee of the Righteous Management Office;
8. if the Reporter was involved in the misconduct; or
9. if compensation is deemed inappropriate for other reasons.

④ Review for compensation

1. If deemed necessary for determining whether, and how much, compensation should be paid, the head of the audit team within the Righteous Management Office may request a review by the Reporting Compensation Review Committee, and the meeting for the review shall be held within one week from the date of such request.
2. The foregoing meeting shall be conducted in accordance with the Operation of the Reporting Compensation Review Committee in Appendix 2.

⑤ Recovery of compensation

If it is determined following the payment of the compensation that the relevant report is not eligible for compensation, the compensation may be recovered.

This guideline shall take effect as of July 1, 2013.

This guideline shall take effect as of September 1, 2015. This guideline shall take effect as of January 25, 2016. This guideline shall take effect as of November 24, 2016. This guideline shall take effect as of July 3, 2020.

This guideline shall take effect as of October 16, 2023.

This guideline shall take effect as of June 25, 2024.

※ Appendices

Appendix 1: Standards for Compensation for Reporting

Appendix 2: Operation of Reporting Compensation Review Committee

(Appendix 1)

Standards for Compensation for Reporting

1. Applicable to: the General public and an executive or employee of POSCO Group who has nothing to do with the contents of the report
2. Standards for Compensation

A. Compensation Amount

1. In the event that direct recovery or increase in the company’s income or increase or cost reduction is resulted from the reporting, such as compensation for damages or recovery of unjust enrichment, the amount equal to the amount of such recovery or increase in income or cost reduction shall be the “compensable amount”, and the compensation shall be paid in accordance with the following; provided, that the maximum amount of compensation shall be 10 million KRW.

|  |  |
| --- | --- |
| Compensable amount | Compensation Payment |
| 10 million won or less | No compensation |
| **Over** 10 million won  | 3% of the compensable amount (up to 10 million KRW) |

* The applicable compensable amount shall be (i) the total amount of the actualized compensable amount, if the effect of increase in income or reduction of loss is of a short span of time or (ii) the expected annual compensable amount, if it occurs over a long period of time.
* Any additional compensable amount discovered in the course of the investigation by the Righteous Management Office shall not be factored into.
1. Compensation shall not be paid if it is practically impossible to calculate the compensable amount or if no amount is recoverable by the company based on the report.
2. Other matters

The Reporting Compensation Review Committee may determine the payment and amount of compensation for any reporting related to subsidiaries and overseas corporations of POSCO International Corporation under consolidation.

(Appendix 2)

Operation of Reporting Compensation Review Committee

1. Purpose

This regulation sets out the matters related to the review of compensation for a Reporter of unethical conducts.

1. Composition: The composition of the committee shall be as follows.
	1. Chairperson: Head of the Righteous Management Office.
	2. Members: three (3) members
* a manager-level employee of the Righteous Management Office, the senior auditor who investigated the matter, and the section leader of the ethical and fair trade
	1. Secretary: the section leader of the ethical and fair trade
	2. Observer: the person in charge of audit for unethical behaviors
1. Function: The committee reports, deliberates and decides on the following matters.
	1. Matters concerning compensation for the Reporter of unethical acts
	2. Other matters deemed necessary by the chairperson
2. Convocation

In case the chairperson determines that the review is necessary or if one or more member determines that the review is necessary with respect to the reported unethical behavior.

1. Decision-making
2. The quorum shall be the majority of all members of the committee, and a resolution by the committee shall be passed by a majority of the members present. However, if the chairperson deems it necessary, a written resolution may be made for a minor matter. (The secretary and the observer shall not have any vote.)
3. In case of equal votes, the chairperson shall be entitled to a casting vote.
4. If the chairperson deems it necessary, he/she may require attendance by the relevant employees to share their opinions.
5. The secretary shall notify each member of the agenda one week before the meeting and prepare the minutes of the meeting and keep the same for 3 years.

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