**Integrity Due Diligence Policy**

# Purpose and Scope

* 1. As a company with broad global operations, POSCO International and its personnel may be subject to a variety of anti-corruption laws, such as the Korean Improper Solicitation and Graft Act, the U.S. Foreign Corrupt Practices Act, and the UK Bribery Act. These laws prohibit corrupt payments to Government Officials (and in some cases other third parties), including payments made indirectly by third parties acting for or on behalf of POSCO International (referred to in this policy as “Third Party Representatives,” as defined below).
  2. This Policy is intended to help reduce potential risks associated with the actions of Third Party Representatives by establishing a process to verify the background and reputation of Third Party Representatives.
  3. This Policy supplements the POSCO International Code of Ethics, Supplier Code of Conduct, and Anti-Corruption Policy.

# Definitions

## “**Government Official**” as used in this Policy includes: any official, employee or agent of a government entity at the national, regional, provincial, local, or other level, including all employees of any executive, legislative, judicial, or other branch of government; any political party or official thereof, or any candidate for political office; any official or employee of a public international organization; any officer, director, or employee of a majority government-owned or government-controlled commercial enterprise, institution, or other organization; any member of a royal family; and any other person performing a government function or acting in an official capacity for or on behalf of any of the foregoing.

* 1. “**POSCO International**” or “**Company**” means POSCO International and all of its majority-owned or controlled subsidiaries and affiliates.
  2. “**Third Party Representative**” means any third party that: (1) is engaged to act for or on behalf of POSCO International and is expected to interact with Government Officials, current customers, or prospective customers in the course of performing services for POSCO International; (2) was mandated or recommended by a Government Official, current customer, or prospective customer; or (3) is fully or partially owned by a Government Official.

Third Party Representatives may include, without limitation: regulatory consultants, lobbyists, distributors, sales agents, accounting firms, law firms, tax consultants, logistics companies, customs brokers, and third parties involved in securing government approvals or permits (e.g., construction permits, visas and work permits).

# Policies

* 1. **Know your Third Party Representatives.** Prior to engagement, all third parties must be screened to identify whether they are Third Party Representatives. It is the responsibility of every POSCO International employee to “Know Your Third Party Representative.” The responsible POSCO International employee must take steps to verify that a Third Party Representative that the Company wishes to engage has a reputation for integrity and does not appear to be involved in illegal or unethical activities. The below Procedures describe the due diligence process for Third Party Representatives.
  2. **Hold Third Party Representatives To Our Ethical Standards.** A Third Party Representative cannot be engaged to circumvent POSCO International’s policies or to take any action that the Company could not lawfully take itself.
  3. **Legitimate Goods or Services Only.** Payments may only be made or promised to a Third Party Representative in exchange for legitimate goods or services, in an amount that is not greater than the fair market value of the legitimate goods or services received.
  4. **No Special Treatment.** Third Party Representatives recommended by Government Officials cannot be given special preference. The Company may not engage a Third Party Representative in exchange for any improper benefit.
  5. **Report “Red Flags.”** While the Company’s relationship with each Third Party Representative must be evaluated on its specific facts, this Policy includes (in Annex 1) several “red flags” that may signal heightened risk and should be reported to Legal Division. In addition to reporting red flags, if at any time you learn or suspect that a Third Party Representative has made an improper payment to a Government Official or other third party, you should contact Legal Division or submit your concerns using any of POSCO International’s reporting channels, including by email to [cp@poscointl.com](mailto:cp@poscointl.com), or by contacting the Corporate Audit Division.

# Procedures

## **Due Diligence on Third Party Representatives.** Any POSCO International employee who wishes to establish a relationship with a Third Party Representative must complete the following due diligence process.

* + - * 1. Step 1: Request Information from Third Party Representative. Each proposed Third Party Representative must complete the Third Party Representative Questionnaire (“Questionnaire”) at Annex 2.

This Questionnaire must also be completed prior to each renewal of an agreement with an existing Third Party Representative, unless the Third Party Representative has previously completed a Questionnaire and certifies that no information has changed.

* + - * 1. Step 2: Conduct Due Diligence. The employee proposing the engagement of the Third Party Representative must submit the Questionnaire to Legal Division, along with an email outlining the following:

1. Name of Third Party Representative.
2. How did POSCO International identify the Third Party Representative?
3. What services will the Third Party Representative provide?
4. What is the anticipated cost/value of the services?
5. Why do you believe that Third Party Representative is best suited to perform the duties described above?
6. Describe the Third Party Representative’s anticipated contacts with Government Officials or current or prospective customers.
7. Describe any red flags that are present, or confirm that you have not identified any red flags (see Annex 1 for guidance).

Legal Division must review the information and assess the Third Party Representative’s reputation for ethics and compliance, the business justification for engaging the Third Party Representative, and the reasonableness of the proposed compensation. Legal Division shall obtain information regarding the proposed Third Party Representative from the following external sources:

1. Publicly available media reports regarding the Third Party Representative, its owners, officers, directors, authorized signatories on bank account(s), key employees, or other persons working on its behalf on POSCO International business;
2. Verification that the Third Party Representative is lawfully organized and registered; and
3. Verification of the ultimate ownership of the Third Party Representative via corporate document and/or public records search and review for any connection between the Third Party Representative and any Government Officials or government entities.

Legal Division may designate any additional due diligence efforts deemed appropriate. These efforts may include, but are not limited to:

1. Interview(s) of the principal owners(s) and/or key employees of the Third Party Representative to gain further insight into the proposed relationship, the qualifications of the Third Party Representative, and/or any red flags identified in the diligence process;
2. Business references; and/or
3. An independent or external review and/or audit of the Third Party Representative (e.g., through the engagement of outside counsel, investigative firm, or due diligence provider).

The Compliance Officer must approve the Third Party Representative before a contract is signed and before the Third Party Representative begins any work for POSCO International. Legal Division may as part of an approval outline steps required to mitigate compliance risks.

* + - * 1. Step 3: Obtain Certifications. Third Party Representatives must agree to comply with POSCO International’s compliance requirements. That agreement must be reflected in a written agreement that includes appropriate compliance clauses, and existing Third Party Representatives should be asked to submit periodic compliance certifications in the form outlined at Annex 3. Such certifications should generally be obtained at least once every three years. The Certification can be found at Annex 3.
  1. **Written Agreements**.

### Any agreement with a Third Party and relevant purchase-related documents (e.g., purchase orders) must contain the appropriate compliance clauses, as determined by the Compliance Officer, and must require compliance by the Third Party with the Supplier Code of Conduct.

### Relationships with Third Party Representatives must be governed by a written agreement that specifies: (1) the services to be provided; (2) the compensation to be paid; (3) a clear obligation to abide by POSCO International’s Ethics and Compliance Program and all applicable laws; and (4) rights of audit and termination for breaches.

## **Monitoring Third Party Representatives.**

### Upon approval of a Third Party Representative, the Legal Division shall identify the appropriate periodic monitoring of the approved Third Party Representative. This monitoring must include, at a minimum, training for the Third Party Representative’s relevant personnel on POSCO International’s compliance expectations. In addition, monitoring shall be tailored to the specific relationship, including, as appropriate:

#### Additional certifications;

#### Periodic activity reports submitted to POSCO International by the Third Party Representative;

#### Performance assessments prepared by the employee or business area responsible for the relationship;

#### Providing information and/or additional training;

#### In-person visits/inspections;

#### Periodic auditing and/or transactional testing; and/or

#### Any other mechanisms identified by the Legal Division, as applicable.

### All Third Party Representatives must be subject to monitoring by POSCO International, and the designated monitoring efforts shall be documented in the contract with the Third Party Representative and/or the due diligence files, as appropriate.

* 1. **Termination of Third Party Representatives.** When terminating a relationship with a Third Party Representative due to compliance concerns, the responsible POSCO International employee must notify the Legal Division and Compliance Officer, who will then ensure that the Third Party is appropriately blocked from receiving future contracts, orders, and payments.
  2. **Review of Third Party Representative Invoices.** Third Party Representativesare required to submit accurate invoices and detailed receipts supporting all disbursements or expenses incurred when performing services for or on behalf of POSCO International. Invoices must be sufficiently detailed to identify the nature and cost of each good or service provided, and must be translated or reviewed by employees with appropriate language capabilities. Employees responsible for reviewing the invoices of Third Party Representatives will receive tailored training to assist in their identification of red flags, which must be reported to Legal Division.
  3. **Retain Records.** Subject to applicable law, Legal Division will retain a record of each Third Party Representative’s due diligence file (including the completed Questionnaire, material generated during the due diligence process, contracts and compliance certifications, and related correspondence), for a minimum of five years following the termination of POSCO International’s relationship with the Third Party Representative.

1. **Forms**
   1. Annex 1: Illustrative Red Flags
   2. Annex 2: Third Party Representative Questionnaire
   3. Annex 3: Compliance Certification for Third Party Representatives

Supplementary Provisions

This Policy shall come into effect as of June 25, 2024.

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| **Annex 1**  Illustrative Red Flags |

* + A Third Party Representative was recommended to POSCO International by a Government Official.
  + A Third Party Representative is a former Government Official or has close ties to a Government Official.
  + A Third Party Representative requests unusual payment arrangements without reasonable explanation (e.g., cash payment, payment to a country other than the country in which the third party is incorporated and/or provides services, payment to a tax haven, payment through a third party, rush payment)
  + A Third Party Representative is a shell company or has an unusual corporate structure.
  + A Third Party Representative lacks the experience or resources (e.g., facilities and staff) that would be needed to perform the contemplated services.
  + A Third Party Representative has an unusually limited public profile (e.g., the Third Party Representative is a newly-incorporated entity or has no website, industry contacts are not familiar with the Third Party Representative).
  + A Third Party Representative requests a “success fee” (i.e., suggests that all or part of its fee should be conditioned on whether business or a Government Approval is obtained).
  + A Third Party Representative seeks payments that are unreasonably high relative to the work to be performed / out of line with the market rate for comparable work.
  + A Third Party Representative requests a payment to “seal the deal” or “get the business” or suggests that it can circumvent or expedite a normal business or bid process.
  + A Third Party Representative has been discontinued as a representative or business partner by other companies for improper conduct.
  + A Third Party Representative or individual associated with the Third Party Representative has been the subject of prior or ongoing allegations, investigations, or proceedings relating to bribery, corruption, fraud, or money laundering.
  + A Third Party Representative objects to or refuses to cooperate with POSCO International’s integrity due diligence process, including the Certification at Annex 3.
  + A Third Party Representative is reluctant to answer questions about its ownership, including the names and addresses of its owners, and their ownership percentages.

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| **Annex 2**  Third Party Representative Questionnaire |

**INSTRUCTIONS**: The following information will assist POSCO International in assessing the qualifications of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Third Party Representative”) to perform services for POSCO International in the country/countries of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Your cooperation in completing this form is important to POSCO International and is greatly appreciated. Please attach additional sheets of paper as needed.

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| **Section A: General Background** |

* 1. Name of Third Party Representative: Click here to enter text.

Name of Principal Contact: Click here to enter text.

Address: Click here to enter text.

Telephone: Click here to enter text.

Email: Click here to enter text.

Website: Click here to enter text.

* 1. Year established: Click here to enter text.
  2. Place of organization and/or registration: Click here to enter text.
  3. Registration number: Click here to enter text.
  4. Type of entity:

Publicly-traded company  Partnership  Individual

Privately-owned company  Government-owned company

Other (describe) Click here to enter text.

* 1. Number of employees: Click here to enter text.
  2. Countries in which Third Party Representative will conduct business for POSCO International: Click here to enter text.

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| **Section B: Business Capabilities** |

* 1. Please describe Third Party Representative’s current business activities: Click here to enter text.
  2. Please describe in detail the experience and the business or professional relationships of Third Party Representative and its officers, directors, and employees that relate to the Third Party Representative’s ability to provide services to POSCO International.

Click here to enter text.

* 1. Please attach copies of brochures or other information reflecting Third Party Representative’s experience and qualifications.
  2. Does Third Party Representative plan to engage any sub-contractors or other third parties for its work on behalf of POSCO International?

Yes  No

If Yes, please list. Click here to enter text.

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| **Section C: Organization and Leadership** |

* 1. Please identify all officers, directors, and owners (individuals and entities) of the Third Party Representative, together with the ownership percentages of all owners. (Owners holding less than a 5% interest in the Third Party Representative may be omitted, unless they are officers or directors.)

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| --- | --- | --- |
| **Name of Individual** | **Position(s) (officer, director, owner)** | **Ownership %** |
| Click here to enter text. | Click here to enter text. | Click here to enter text. |
| Click here to enter text. | Click here to enter text. | Click here to enter text. |
| Click here to enter text. | Click here to enter text. | Click here to enter text. |

* 1. Please identify the persons who you expect will be principally responsible for Third Party Representative’s work on behalf of POSCO International.

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| --- | --- | --- |
| **Name of Individual** | **Position/Title** | **Role/Responsibilities** |
| Click here to enter text. | Click here to enter text. | Click here to enter text. |
| Click here to enter text. | Click here to enter text. | Click here to enter text. |
| Click here to enter text. | Click here to enter text. | Click here to enter text. |

* 1. Has Third Party Representative, any of its officers, directors, or owners identified in Question #12 above, any persons identified in Question #13 above, or any of its affiliates or sub-contractors:

1. Been involved or named in any litigation, arbitration, criminal investigation or proceeding, internal investigation, or allegation in the last five years relating in any way to bribery, fraud, money laundering, or similar conduct?

Yes  No

If you answered Yes to any of the above, please provide a detailed explanation.

Click here to enter text.

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| **Section D: Government Affiliations** |

*For purposes of the following questions, the term “Government Official” means all of the following:*

* + *any official, employee or agent of a government agency e.g., regulators, inspectors, mayors, customs agents and the police;*
  + *any political party or official thereof, or any candidate for political office;*
  + *any official or employee of a public international organization e.g., WHO, UN;*
  + *any officer, director, or employee of a majority government-owned or government-controlled commercial enterprise, institution, or other organization;*
  + *any member of a royal family; and*
  + *any other person performing a government function or acting in an official capacity for or on behalf of any of the foregoing.*
  1. Does any government entity or Government Official have any ownership interest (direct, indirect, beneficial, or otherwise), other financial interest, or act as an officer or director of the Third Party Representative, any of its affiliates or any of its sub-contractors?

Yes  No

If Yes, please describe. Click here to enter text.

* 1. Are any of the persons listed in this questionnaire current or former Government Officials?

Yes  No

Yes  No

If Yes, please indicate their current or former positions and their affiliations.

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| **Name** | **Relationship to Third Party Representative** | **Title/Organization** |
| Click here to enter text. | Click here to enter text. | Click here to enter text. |
| Click here to enter text. | Click here to enter text. | Click here to enter text. |
| Click here to enter text. | Click here to enter text. | Click here to enter text. |

* 1. Certification: I certify that the information above is correct and complete.

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| Signature: |  |  | Date: | Click here to enter text. |
| Name: | Click here to enter text. | | | |
| Position: | Click here to enter text. | | | |

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| **Annex 3**  Compliance Certification |

I \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ certify on behalf of myself and my company \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Company”) that:

1. I am authorized to make the representations and warranties contained herein and to execute this certification on behalf of Company.
2. I have carefully reviewed the previously completed and submitted “Third Party Representative Questionnaire” (“Questionnaire”). Except as noted in the attached sheet, all of the information in the Questionnaire is **correct** and **unchanged** as of this date. (If any information needs to be updated, please attach a separate sheet noting any changes.)
3. Company has complied with and will continue to comply with all applicable laws and regulations, including laws prohibiting bribery, money laundering, and other corrupt practices.
4. In carrying out its responsibilities to POSCO International, neither Company nor any of its owners, partners, officers, directors, employees, representatives, affiliates, sub-contractors, or other agents will, directly or indirectly, offer, pay, promise to pay, or authorize the payment of any money, financial or other advantage or anything else of value to:

(a) any official or employee of any government, or any department, agency, or instrumentality thereof;

(b) any employee of a government-owned or government-controlled company;

(c) any political party or official thereof, or any candidate for political office;

(d) any official or employee of a public international organization;

(e) any officer, director, or employee of any other organization; or

(f) any agent or representative of any of the foregoing; or

(g) any person employed by a company or organization in the private sector

in each case for the purpose of (i) influencing or inducing any act, decision or omission in violation of a lawful duty; (ii) inducing the recipient to violate his or her duty of loyalty to his or her employer; or (iii) securing any improper advantage for POSCO International or Company.

Further, neither Company nor any of its owners, partners, officers, directors, employees, representatives, affiliates, sub-contractors, or other agents has engaged in the foregoing actions in the course of performing services for or on behalf of POSCO International.

1. Company has not received any notice from any governmental authority, received allegations or been involved in any investigations regarding Company’s actual, alleged, possible or potential violation of, or failure to comply with, any laws or regulations prohibiting bribery, money laundering, or other corrupt practices.

**Signature**: **Date**:

**Name**:

**Position**: