

1 February 2023

We, POSCO STEELEON, formerly POSCO Coated & Color (POSCO C&C), want to first appreciate your understanding and patience for our request for extension of response deadline. With regard to the situations that took place in Myanmar, we sufficiently understand your concerns. We have made our utmost effort to provide our response to your inquiry as below.

Regarding our business in Myanmar (Question 1)

POSCO STEELEON operates MPCC (Myanmar POSCO C&C) in Yangon, Myanmar, to produce coated and color steel primarily used as roofing materials that help improve residential conditions for local people in the country. When MPCC was established in Myanmar in 1997, it was legally required that we form a joint venture with local state-owned companies. This led to our decision to partner with MEHL (Myanma Economic Holdings Ltd.) who owned the plant site, with POSCO STEELEON having a 70% stake and MEHL the remaining 30%. As of 2022, MPCC produced around 9,000 tonnes of steel and posted nearly USD 3 million in operating profit.

Regarding human rights due diligence (Question 2)

POSCO STEELEON is keenly aware of the severity of the human rights issues that occurred following the attempted coup of the military junta in Myanmar in February 2021, and is keeping a close watch while taking all necessary measures to ensure that its operations in Myanmar are not associated with these human rights issues. While instable local conditions and the spread of COVID-19 in Myanmar prevented us from conducting human rights due diligence for the past two years, we plan to initiate the due diligence process this year and to look into the impact of MPCC – both its workers and operations – on its surrounding communities as part of this process.

In the process of conducting the due diligence, representatives of MPCC employees will participate to reflect the opinions of local employees, and related information will be transparently disclosed later through the POSCO STEELEON Sustainability report.

Regarding the actions our company has taken to (Question 3)

POSCO STEELEON is not in any business relationship with MEHL other than the equity ownership established as part of the joint venture formed between the two companies. When human rights issues were raised concerning MEHL, POSCO STEELEON decided to halt subsequent dividend payments at the Annual General Meeting of Shareholders of MPCC held in January 2021, and no dividend has been paid since the military coup accordingly. This decision remains valid until these human rights issues are resolved properly.

Regarding the land rent that was incurred as MPCC is located in the site owned by MEHL, its payment has been suspended following the sanctions imposed by the US in March 2021, which is expected to continue as long as the sanctions are maintained. As such, POSCO STEELEON is currently not engaged in any financial transaction with MEHL. Last but not least, POSCO STEELEON suggested in 2021 to acquire the 30% stake owned by MEHL of MPCC as a fundamental solution. The official letter to announce the intention to purchase the MEHL stake was submitted in March 2021 and the second official letter was sent in September 2021. And at the 2022 MPCC shareholders' meeting and the board of directors, POSCO STEELEON requested MEHL to transfer its stake to POSCO STEELEON. While this offer remains effective, no response has been made by MEHL to date.

Regarding any other actions to promote respect for humanitarian law, human rights, democracy, and peace in Myanmar (Question 4)

MPCC is facing difficulties with normal business operations due to volatile situations and sanctions imposed in the country. Still yet, MPCC has not dismissed any employee and has duly fulfilled its role as a responsible employer even under such circumstances to support its employees and their families to make a living.

The UN Special Rapporteur on the situation of human rights in Myanmar commented during his visit to Korea in November 2022 that it was critical for businesses operating in Myanmar to prevent the flow of any profits to the military junta while ensuring that the livelihood of local workers is not negatively affected. POSCO STEELEON fully concurs with this viewpoint and is thus taking necessary action to halt financial transactions all while maintaining employment in Myanmar.

In tandem with this, POSCO STEELEON has engaged in a wide array of corporate citizenship activities for local people amid the aggravating economic conditions in the wake of the coup and the spread of COVID-19. In October 2020, we donated USD 50,000 to fund the purchase of COVID-19 test kits. We also manufactured kits containing 6-month worth daily necessities for poor people in Yangon for one year and have distributed them to nearly 80 households since 2021.

In 2022, we helped install a well water filtration system to provide drinking and residential

water to 200 households and 1,100 people in poverty-stricken neighborhoods.

Going forward, POSCO STEELEON will continue to undertake activities to support the people of Myanmar.

As explained above, we take very seriously the human rights related concerns. It is our earnest hope that through our collective effort and dialogue, we can restore peace to the lives of the people of Myanmar.