

Company Name POSCO
Industry Extractive
UNGP Core Score (*) 8.0 out of 26

Score	Out of	For indicators
Governance and Policy Commitments		
2	2	A.1.1 Commitment to respect human rights
0.5	2	A.1.2 Commitment to respect the human rights of workers
1	2	A.1.4 Commitment to engage with stakeholders
0	2	A.1.5 Commitment to remedy
Embedding respect and Human Rights Due Diligence		
Embedding respect		
0.5	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
0.5	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
0	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
0	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
Remedies and Grievance Mechanisms		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
2	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
0	2	C.7 Remedying adverse impacts and incorporating lessons learned
8.0	26	

(*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: General HRs commitment: The Company states that 'POSCO is fully committed to protecting human rights to create a non-discriminatory workplace for all and grow together with local communities as a global corporate citizen. As a member of the UN Global Compact, we respect international standards on human rights and labor, and comply with the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises'. [Business Ethic: Code of Ethics, 07/04/2019: posco.co.kr & Corporate Citizenship Report 2019, 04/2020: posco.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: OECD: The Company indicates 'As a member of the UN Global Compact, we respect international standards on human rights and labor, and comply with [...] and the OECD Guidelines for Multinational Enterprises'. [Business Ethic: Code of Ethics, 07/04/2019: posco.co.kr & Corporate Citizenship Report 2019, 04/2020: posco.com]
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: UNGC principles 3-6: The Company states that it supports the Ten Principles of the UN Global Compact in labour, human rights, environment and anti-corruption as a member. [Global Initiatives, 07/04/2019: posco.co.kr] • Not met: Explicitly list All four ILO apply to EX BPs: The Company only states about prohibition of child labour and forced labour, and anti-discrimination in the Code of Conduct for Supplier. The Supplier Code of Conduct 'states fundamental principles which suppliers who supply goods and services to POSCO Group including POSCO, its affiliates and joint venture companies.' Additional evidence was not found in more recent documents. [Business Ethic: Code of Ethics, 07/04/2019: posco.co.kr & Posco Group Supplier Code of Conduct, N/A: steel-n.com:8080] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Explicit commitment to All four ILO Core: The Company states that it prohibits child labour and forced labour in both domestic and overseas business sites based on the code of conduct and aforementioned global standards. It also established anti-discrimination policy. On its Citizenship Report 2019, the Company indicates: 'We guarantee our employees the freedom of association and the rights to collective bargaining in accordance with national or regional labor laws and regulations, and do not cause our employees to be disadvantaged for their involvement with a labor union or attempting to organize one', under the section Detailed Guidelines of Human Rights Management. However, it is not clear whether it is committed to respect these rights in all contexts and locations (i.e. alternative mechanisms for those countries where there are legal restrictions to the exercise of these rights), as the Company indicates that it respects these rights 'in accordance with national or regional labor laws and regulation'. [Corporate Citizenship Report 2019, 04/2020: posco.com & Business Ethic: Code of Ethics, 07/04/2019: posco.co.kr] • Met: Respect H&S of workers: The Company states that it considers safety a top-priority value of management and strives to create the safety culture with self-directed safety activities led by the employees. It makes efforts to create a work environment that can more scientifically and effectively protect employees' safety and health. [Safety & Health Management, 07/04/2019: posco.co.kr] • Met: H&S applies to EX BPs: The Company states in the Code of Conduct for Supplier that suppliers shall provide safe and healthy working environment to employees and take proper measures to prevent employees from being exposed to potential safety hazards. In addition, the Supplier Code of Conduct applies to

Indicator Code	Indicator name	Score (out of 2)	Explanation
			'suppliers who supply goods and services to POSCO Group including POSCO, its affiliates and joint venture companies.' [Sustainability Report 2017, 06/04/2019: posco.co.kr & Posco Group Supplier Code of Conduct, N/A: steel-n.com:8080]
A.1.4	Commitment to engage with stakeholders	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Regular stakeholder engagement: The Company reports that it expended the frequency of its questionnaire survey to expose violations of human rights to three times a year. The questionnaire survey target was expended to all group affiliate staff, and also included the local employment workforce located overseas in countries, including China and Vietnam. Moreover, it conducted a questionnaire twice a year aimed at eradicating abuses of power by employees towards outsourcing partners. [Sustainability Report 2017, 06/04/2019: posco.co.kr] Score 2 <ul style="list-style-type: none"> Not met: Commits to engage stakeholders in design: The Company states that it has been implementing the improvement in terms of human rights by the reflection of stakeholders' voice into the management through various channels. It operates the grievance mechanism on its website to receive and address stakeholders' questions and grievances. However, evidence seems to be related to accepting and addressing stakeholders' grievances. No evidence found of active participation of affected stakeholders in de development or monitoring of the Company's human rights approach. Additional evidence was not found in more recent documents. [Sustainability Report 2017, 06/04/2019: posco.co.kr] Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Commits to remedy: The Company states that the Ethics counselling centre and sexual harassment counselling centre provide counselling services on human rights. It will take prompt actions for human rights issues raised by executives and employees through the company grievance procedure. However, no specific evidence found of a commitment to remedy any adverse impact that it has caused or contributed to. Additional evidence was not found in more recent documents. [Sustainability Report 2017, 06/04/2019: posco.co.kr & Business Ethic: Code of Ethics, 07/04/2019: posco.co.kr] Score 2 <ul style="list-style-type: none"> Not met: Not obstructing access to other remedies Not met: Collaborating with other remedy initiatives Not met: Work with EX BPs to remedy impacts

Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Commits to ILO core conventions: See indicator A.1.2 [Business Ethic: Code of Ethics, 07/04/2019: posco.co.kr & Sustainability Report 2017, 06/04/2019: posco.co.kr] Not met: Senior responsibility for HR [Business Ethic: Code of Ethics, 07/04/2019: posco.co.kr] Score 2 <ul style="list-style-type: none"> Met: Day-to-day responsibility: The Company states that the ethics counselling centre and sexual harassment counselling centre provide counselling services on human rights. For serious cases, it investigates and takes action promptly. The Company states that the compliance department will handle overall management of the Code of Ethics, which covers human right issues, while operation of the detailed terms will be managed by the relevant department responsible therefor. Executives and department heads should frequently provide education and advice to employees under their control to help them fully understand the Code. [Sustainability Report 2017, 06/04/2019: posco.co.kr & Business Ethic: Code of Ethics, 07/04/2019: posco.co.kr] Not met: Day-to-day responsibility for EX BRs

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B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifying risks in own operations: The Company states that it follows the Human Rights Due Diligence process to 'identify, prevent and mitigate any adverse impact on human rights and hold concerned parties accountable to fulfil the responsibility for respecting human rights. This includes assessing potential and actual human rights impacts, documenting responses, and communicating with stakeholders about how the impacts are being addressed'. The Human Rights Due Diligence process presented includes the following steps: Status review; Integration and summary; On-site due diligence; Follow-up measure, and there is a description of each step. [Corporate Citizenship Report 2019, 04/2020: posco.com] • Not met: identifying risks in EX business partners: See above. It is not clear whether the due diligence process covers relevant business relationships. [Corporate Citizenship Report 2019, 04/2020: posco.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders: The Company indicates: 'To fulfil its responsibility to respect human rights, POSCO performs annual human rights due diligence on its domestic/overseas worksites and business partners as a way to identify, prevent and mitigate any adverse impact on human rights [...] To protect the human rights of our employees and business partners in a tangible and practical manner, we periodically implement the human rights due diligence process suggested by relevant international guidelines and faithfully report its outcomes to our stakeholders'. However, the evidence regarding its human rights due diligence process does not contain information related to the process happening in consultation with affected or potentially affected stakeholders. [Corporate Citizenship Report 2019, 04/2020: posco.com] • Not met: In consultation with HR experts • Not met: Triggered by new circumstances • Not met: Explains use of HRIAs or ESIA (inc HR)
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context): The Company states that 'Material issues' refer to the most important issues and areas for POSCO's business and its stakeholders from the ESG standpoint. To identify material issues, we perform annual materiality analyses based on stakeholder interest and business significance. This represents a process to identify the economic, environmental, and social issues that concern POSCO as a company and its stakeholders the most, and enables us to gain insights on future trends and business risks & opportunities'. In addition, POSCO describes its process, which consists on: Create a pool of issues, Verify the materiality of issues, Identify key issues and Establish a reporting format. The Company discloses Key Considerations of the 2019 Materiality Analysis and indicates: 'As a result of the materiality analysis performed in 2019, 'workplace health & safety' was identified as the key ESG issue'. However, it is not clear if the company is assessing the saliency of the human rights impacts, beyond materiality of the topics. Indicator looks for human rights risks and impacts that have been confirmed to be salient, including how relevant factors are taken into account, such as geographical, economic, social or other factors. [Corporate Citizenship Report 2019, 04/2020: posco.com] • Not met: Public disclosure of salient risks: The Company publicly discloses its material issues identification: 'We gather stakeholder feedback and proactively respond to the eight key ESG issues identified as a result of the materiality analysis'. However, as mentioned above, it is not clear that the material issues identification process includes a saliency assessment to determine what considers to be its salient human rights issues. The indicator looks a disclosure of the specific human rights issues that are not only identified as potential issues, or material issues, but also salient. [Corporate Citizenship Report 2019, 04/2020: posco.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met

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B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks • Not met: Including amongst EX BPs • Not met: Example of Actions decided Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks: See indicator B.2.1 • Not met: Comms plan re assessing risks: See indicator B.2.2 • Not met: Comms plan re action plans for risks: See indicator B.2.3 • Not met: Comms plan re reviewing action plans: See indicator B.2.4 • Not met: Including EX business partners Score 2 <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Channel accessible to all workers: In its Sustainability Report, the Company states: 'POSCO has been implementing the improvement in terms of human rights by the reflection of stakeholders voice into the management through various channels. The "Sinmungo," or grievance mechanism, which is currently operated on our website(posco.com) and the e-commerce website(steeln.com) has been developed to receive and address stakeholders' questions and grievances. It serves as an online channel to connect between the company and our stakeholders. Through this mechanism, we can receive reports on human rights abuses and ethical violations as well as requests for improvement of unfair practices and consultation in regards to business-related difficulties.' [Sustainability Report 2017, 06/04/2019: posco.co.kr & Report and Counseling center - Sinmungo, 04/2019: poscoenc.com] Score 2 <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Met: Channel is available in all appropriate languages: The Company indicates that the 'reporting/consultation services' are available in 'six languages including English, Chinese, Vietnamese, Iranian, Thai and Indonesian' [Sustainability Report 2017, 06/04/2019: posco.co.kr] • Not met: Expect EX BPs to have equivalent grievance system • Met: Opens own system to EX BPs workers: See above.
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Grievance mechanism for community: In its Sustainability Report, the Company states: 'POSCO has been implementing the improvement in terms of human rights by the reflection of stakeholders voice into the management through various channels. The "Sinmungo," or grievance mechanism, which is currently operated on our website(posco.com) and the e-commerce website(steeln.com) has been developed to receive and address stakeholders' questions and grievances. It serves as an online channel to connect between the company and our stakeholders. Through this mechanism, we can receive reports on human rights abuses and ethical violations as well as requests for improvement of unfair practices and consultation in regards to business-related difficulties.' [Sustainability

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Report 2017, 06/04/2019: posco.co.kr & Report and Counseling center - Sinmungo, 04/2019: poscoenc.com Score 2 <ul style="list-style-type: none"> Met: Describes accessibility and local languages: The Company indicates that the 'reporting/consultation services' are available in 'six languages including English, Chinese, Vietnamese, Iranian, Thai and Indonesian'. The channel is available online. [Sustainability Report 2017, 06/04/2019: posco.co.kr] Not met: Expects EX BPs to have community grievance systems Met: EX BPs communities use global system: See above. [Sustainability Report 2017, 06/04/2019: posco.co.kr]
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Describes how remedy has been provided Not met: Says how it would remedy key sector risks Score 2 <ul style="list-style-type: none"> Not met: Changes introduced to stop repetition Not met: Approach to learning from incident to prevent future impacts Not met: Evaluation of the channel/mechanism

Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> Headline: Posco accused of slash and burn practices and conflict with the local community by Greenpeace Area: Land rights and FPIC Story: In a report published on 17 January 2017, Greenpeace, the environmental group, said HSBC, the UK-based bank, had extended financial support to companies "associated with the most unsustainable aspects of palm oil development" Among the controversial companies HSBC is accused of financing, is Posco Daewoo. Greenpeace accuses Posco Daewoo through its subsidiary PT Bio Inti Agrindo of carrying out actions in Papua New Guinea and Indonesia which include deforestation for plantation development, clearance of HCV forest, apparent use of fire for land clearance and violation of the rights of local communities through failure to abide by the principles of "Free prior and informed consent" (FPIC). <p>According to Greenpeace, the company's sole palm oil plantation, of which POSCO Daewoo owns an 85% stake in, is located in the Merauke district of Papua New Guinea. Greenpeace says that PT BIA is one of six large oil palm plantations in this part of Papua that have started clearing forest since 2011, causing a major upheaval in the lives of the indigenous Marind community in the area. This has also caused conflict between the community and the companies. There have been allegations that PT BIA did not obtain the free, prior and informed consent of the entire community before starting work, sacred places have also reportedly been cleared and conflict has broken out between different clans. The 31,406ha concession was expected to start producing palm oil in 2015-2016. According to the report, POSCO Daewoo stated to the Council on Ethics for the Norwegian Government Pension Fund Global in 2015 that it planned to obtain Indonesian Sustainable Palm Oil (ISPO) certification by 2016 and RSPO certification thereafter. However, as of December 2016 it was still not a member of the RSPO. Greenpeace notes this is a breach of HSBC's policy deadline of RSPO membership by June 2014.</p> <ul style="list-style-type: none"> Sources: [Greenpeace report - 17/01/2017: greenpeace.org][Financial Times - 17/01/2017: ft.com][HSBC response - 20/02/2017: hsbc.com][Greenpeace press release - 21/02/2017: greenpeace.org.uk]
E(1).1	The Company has responded publicly to the allegation	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Public response available: The company said Greenpeace's details of loans from HSBC were inaccurate and it also refuted claims of slash and burn practices and conflict with the local community. [Financial Times article, N/A: ft.com] Score 2 <ul style="list-style-type: none"> Not met: Response goes into detail: The company's response given to the Financial Times doesn't provide sufficient detail.
E(1).2	The Company has appropriate policies in place	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Company policies address the general issues raised: The company says "POSCO respects and supports globally recognized sustainability standards such as the UN Global Compact, OECD Guidelines for Multinational Enterprises, and ISO26000." Under its 'Business Ethics' it says "We will endeavour to listen to the opinions of the community and resolve issues of violation of human rights caused

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>by our management activities in the community." However there is no clear commitment to respecting ownership of land. [Code of Conduct, N/A: steel-n.com & Business Ethics Practice Guidelines, 07/04/2019: posco.co.kr]</p> <ul style="list-style-type: none"> • Not met: Policies apply to the type of business relationships involved: The company's 'Supplier Code of Conduct' says "Suppliers shall follow laws and regulations related to protection of the environment and understand that protection of the environment is the fundamental social responsibility of enterprises. They also comply with public health and safety in the course of manufacturing process, and minimize negative effects on the environment of the local community and natural resources." However the company doesn't have a clear commitment to respecting ownership of land. [Posco Group Supplier Code of Conduct, N/A: steel-n.com:8080] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Policies address the specific rights in question: The company doesn't have a commitment to respecting FPIC, nor does it describe how it identifies the legitimate rights of tenure
E(1).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Denies allegations, but has engaged affected stakeholders: The company denies being in conflict with the local community but fails to provide any evidence of engagement with local community members and stakeholders in Indonesia or Papua New Guinea. [Financial Times article, N/A: ft.com] • Not met: Denies allegations, but reviewed systems to prevent such impacts: The company denies the allegations against it, however it does not provide any evidence of having reviewed its systems to ensure its sourcing practices and development of palm oil plantations are effective and ensure the respect of local land ownership. [Financial Times article, N/A: ft.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Denies allegations, but implements review recommendations: The company denies the allegations against it, however it hasn't provided any public information of having reviewed its systems for sourcing palm, nor that it has implemented any recommendations from a review. [Financial Times article, N/A: ft.com] • Not met: Denies allegations, and ensures systems prevent such impacts: The company denies the allegations against it, however it hasn't provided any public information about how it ensures its systems will prevent future impacts of its palm oil sourcing on local communities. [Financial Times article, N/A: ft.com]
E(2).0	Serious allegation No 2		<ul style="list-style-type: none"> • Headline: 80 workers fired from Posco Assan steel plant for joining union in Turkey, 40 detained after a march • Area: FoA&CB - Sacking union workers • Story: On December 26th, 2017, around 40 workers of Posco Assan in Turkey and leaders of IndustriALL' s affiliate Birlesik Metal-Is were detained after they had started a march to demand that the Ministry of Labour issue a legal certificate that the union had already waited 42 days for, contrary to the usual practice of a couple of days. <p>IndustriALL Global Union affiliate Birlesik Metal has applied to the Ministry of Labour for a majority certificate that would give them the legal right to represent the 420 workers. After being beaten by security forces, the marchers were taken to hospital, and eventually to the Security Department at the Kocaeli Governorship. They were all released later the same evening and started again to march the following morning. As the Ministry of Labour and Social security then promised to issue the certificate by December 29th, the union has temporarily halted the march,</p> <p>80 union members have been fired over the previous months. Company managers were allegedly attempting to intimidate workers by telling workers on the factory floor they will never accept or meet with the union.</p> <ul style="list-style-type: none"> • Sources: [IndustriALL Global Union - 27/12/2017: industrial-union.org][IndustriALL Global Union - 06/12/2017: industrial-union.org][BHRRC - 05/01/2018: business-humanrights.org]
E(2).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response available: The company provides a response on the BHRRC website denying that the dismissals of workers were related to union activity. In its response the company says "The [Labor] Ministry of Turkey concluded that it was righteous to dismiss workers who harmed the company's operation and work peace by persuading other workers to join the illegal actions such as stopping work, slow down etc. The dismissals of employees are not based on union reasons.

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			<p>In fact, it is not technically possible for company to know which employees are unionists. The reasons for the dismissals are violation of the discipline of the workplace with threats and pressures towards our employees." [Posco response to allegation: business-humanrights.org]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail: The company does not provide sufficient detail on the details surrounding the dismissal of the employees.
E(2).2	The Company has appropriate policies in place	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised: The company in its '2017 Sustainability Report' says "POSCO, as a member of the UN Global Compact, respects the freedom of association and the right of collective bargaining specified in the international guidelines and complies with international standards that are related to the labor acts of each country where we operate our business." [Sustainability Report 2017, 06/04/2019: posco.co.kr] • Not met: Policies apply to the type of business relationships involved: The company in its '2017 Sustainability Report' says "POSCO Assan TST, located in Turkey, is also operated in compliance with local laws, and the case of dismissal that took place last November was legitimately handled in compliance with labor laws of Turkey. As for the lawsuit on the case of dismissal currently under way, we are waiting for the court's final decision". However this only specifies POSCO Assan TST's (Turkey) compliance with local laws, not with international standards. [Sustainability Report 2017, 06/04/2019: posco.co.kr] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Policies address the specific rights in question: The company doesn't have any publicly identifiable measures in place prohibiting intimidation or retaliation against trade unionists.
E(2).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Denies allegations, but has engaged affected stakeholders: The company (POSCO Assan TST) says in response to the BHRRC, "We certainly conducted an investigation into this issue. The Labor Ministry of Turkey also visited POSCO ASSAN TST and investigated the case by meeting the employees who were involved". However there is no details provided as to which employees were met with or what the purpose of the meeting was. [Posco Assan TST response (BHRRC), N/A: business-humanrights.org] • Not met: Denies allegations, but reviewed systems to prevent such impacts: The company says "The Ministry concluded that it was righteous to dismiss workers who harmed the company's operation and work peace by persuading other workers to join the illegal actions such as stopping work, slow down etc...We already secured the evidences and testimonies about such illegal activities like threats, prosecution of Kocaeli/Turkey District Attorney's investigation is now opened". There is no information or evidence available of the review. [Posco Assan TST response (BHRRC), N/A: business-humanrights.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Denies allegations, but implements review recommendations: There is no publicly available evidence of the findings of the review that was conducted by either POSCO Assan TST or the Labor Ministry of Turkey. [Posco Assan TST response (BHRRC), N/A: business-humanrights.org] • Not met: Denies allegations, and ensures systems prevent such impacts: There is no publicly available evidence of the findings of the review that was conducted by either POSCO Assan TST or the Labor Ministry of Turkey, nor that the current system will prevent the same impacts occurring in the future. [Posco Assan TST response (BHRRC), N/A: business-humanrights.org]
E(3).0	Serious allegation No 3		<ul style="list-style-type: none"> • Headline: OECD complaint filed against Posco over deforestation and loss of biodiversity in Papua • Area: Lack of FPIC • Story: On December 12th, 2019, human rights and environmental NGOs KTNC Watch, PUSAKA, SKP-KAMe, and WALHI Papua filed a specific instance against POSCO International at the Korean National Contact Point. The complaint argued that the company has breached the OECD Guidelines by causing deforestation and loss of biodiversity, lack of Free, Prior and Informed Consent (FPIC), and infringement on the right to water for its operation of the palm oil plantation in Papua. <p>The complaint also claimed that environmental and social policies and measures taken by POSCO were not sufficient to the due diligence standards under the Guidelines. It added that the company's continuation of its business without</p>

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			<p>acknowledging the massive destruction of the tropical rainforest and the infringement of the rights of indigenous people amounted to a violation of the Guidelines.</p> <p>The complainants were seeking the Korean NCP's good offices to encourage POSCO International to take several steps, including to:</p> <ul style="list-style-type: none"> - Acknowledge the deforestation they have caused and provide the remediation; - Adopt and publish a comprehensive group-wide cross-commodity "No Deforestation, No Peat, and No Exploitation" (NDPE) policy; - Declare a group-wide moratorium on land clearing and peatland development publicly; and - Implement FPIC in their operations and ensure the right to water of the local communities relying on the Bian River. <p>• Sources: [BHRRC - 12/12/2019: business-humanrights.org][OECD Watch - 12/12/2019: complaints.oecdwatch.org][SuaraPapua.com - 13/12/2019: suarapapua.com][Issuu.com - 12/12/2019: issuu.com]</p>
E(3).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Public response available: The company has not publicly responded to the OECD complaint filed against it by a group of NGO's relating to the Palm oil activities of a subsidiary business in Papua, Indonesia. The company announced in March 2020 that it has developed a new sustainability policy 'No Deforestation, No Peat, No Exploitation (NDPE)' however this is not considered to be a public response to the specific allegations raised against it by the NGO group. [Palm Oil sustainability policy 'No deforestation, No Peat, No Exploitation (NDPE)', 01/03/2020: poscointl.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail: The company has not provided a public response which goes into detail.
E(3).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised: The company's palm oil sustainability 'No Deforestation, No Peat, No Exploitation' policy, which applies to all Posco International operations related to production and trading of palm oil including subsidiary companies, joint ventures, and companies over which it has management control, commits to "Respect and protect the rights of indigenous groups and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold proven legal, communal and customary rights; <p>Conduct participatory community mapping prior to any new development to establish community boundaries and land use decisions" [Palm Oil Sustainability (No Deforestation, No Peat, No Exploitation) Policy, 01/03/2019: poscointl.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies apply to the type of business relationships involved: The company's palm oil sustainability 'No Deforestation, No Peat, No Exploitation' policy applies to all Posco International operations related to production and trading of palm oil including subsidiary companies, joint ventures, and companies over which it has management control. This policy therefore applies to its subsidiary PT. Bio Inti Agrindo (PT. BIA), whose activities the allegations relate to. [Palm Oil Sustainability (No Deforestation, No Peat, No Exploitation) Policy, 01/03/2019: poscointl.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: The company's palm oil sustainability 'No Deforestation, No Peat, No Exploitation' policy includes requirements to "Respect and protect the rights of indigenous groups and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold proven legal, communal and customary rights". [Palm Oil Sustainability (No Deforestation, No Peat, No Exploitation) Policy, 01/03/2019: poscointl.com]
E(3).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders: The company has published a Palm Oil sustainability policy, however there is no further evidence that it has engaged with the affected stakeholders, such as the indigenous groups outlined in the complaint to the OECD NCP. [NCP Specific instance complaint, 12/12/2019: complaints.oecdwatch.org & 'Unhealed Scars in Papua' Report, 12/12/2019: complaints.oecdwatch.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Encourages linked business to engage affected stakeholders: The company has published a Palm Oil sustainability policy, however there is no further evidence that it has encouraged its linked business (PT. Bio Inti Agrindo) to

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>engage with the affected stakeholders, such as the indigenous groups outlined in the complaint to the OECD NCP.</p> <ul style="list-style-type: none"> • Not met: Provides remedies to affected stakeholders: The company has published a Palm Oil sustainability policy, however there is no further evidence that it has provided remedy to the affected parties involved, such as the indigenous groups outlined in the complaint to the OECD NCP. [NCP Specific instance complaint, 12/12/2019: complaints.oecdwatch.org] • Not met: Has reviewed management systems to prevent recurrence: Although the company has published a Palm Oil sustainability policy, there is no evidence that it has reviewed its management systems following the allegation. The company has provided a high level overview on its website, outlining an implementation plan for major activities that will occur in 2020 which relate to its sustainable palm oil policy, however this doesn't contain any evidence to demonstrate there has been a review into its management systems following the allegation. [Palm Oil Sustainability (No Deforestation, No Peat, No Exploitation) Policy, 01/03/2019: poscointl.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims: The company has published a Palm Oil sustainability policy, however there is no further evidence that it has provided remedy to the affected parties involved, such as the indigenous groups outlined in the complaint to the OECD NCP. Nor is there evidence that any remedy provided has been considered satisfactory by those groups. [NCP Specific instance complaint, 12/12/2019: complaints.oecdwatch.org & 'Unhealed Scars in Papua' Report, 12/12/2019: complaints.oecdwatch.org] • Not met: Has improved systems and engaged affected stakeholders: The company has provided a high level overview on its website, outlining an implementation plan for major activities that will occur in 2020 which relate to its sustainable palm oil policy, however according to the timeline these systems have not yet been implemented yet. Furthermore there is no evidence that the company has engaged with the affected stakeholders, such as the indigenous groups outlined in the complaint to the OECD NCP. [Palm Oil Sustainability (No Deforestation, No Peat, No Exploitation) Policy, 01/03/2019: poscointl.com & 'Unhealed Scars in Papua' Report, 12/12/2019: complaints.oecdwatch.org]
E(4).0	Serious allegation No 4		<ul style="list-style-type: none"> • Headline: Explosions at POSCO's Gwangyang Steel Works injure five workers including researcher from subsidiary RIST • Area: Health and Safety • Story: An explosion at POSCO's facility in Gwangyang injured five people in December 2019. Two explosions allegedly occurred within five minutes of each other, and while the exact cause is unknown, it was reported that the explosion abruptly occurred while testing an unused waste heat generator. The Company and authorities plan to investigate the accident, according to the press. • Sources: [Reuters - 24/12/2019: uk.reuters.com][The Korea Herald - 24/12/2019: koreaherald.com]
E(4).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Public response available <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
E(4).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised: The Company has certified health and safety management systems. [Safety & Health Management, 07/04/2019: posco.co.kr] • Met: Policies apply to the type of business relationships involved: The Supplier Code of Conduct includes policy on health and safety. [Posco Group Supplier Code of Conduct, N/A: steel-n.com:8080] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: The Company releases data on health and safety indicators, including fatalities, and sets related targets for its own operations. [Sustainability Report 2017, 06/04/2019: posco.co.kr]
E(4).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders • Not met: Provides remedies to affected stakeholders • Not met: Has reviewed management systems to prevent recurrence <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims • Not met: Has improved systems and engaged affected stakeholders

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(5).0	Serious allegation No 5		<ul style="list-style-type: none"> • Headline: Posco: UN report details use of Myanmar Economic Holdings, Myanmar Economic Corp, and others to carry out gross violations of human rights • Area: Right to security of persons • Story: In August 2019, the UN Independent International Fact-Finding Mission on Myanmar called on the international community to to impose targeted sanctions and arms embargoes on the Myanmar military. The Tatmadaw military has allegedly carried out extensive and systematic human rights violations against civilians since 2016. The military, according to the mission, has strong ties with two companies, Myanmar Economic Holdings Limited (MEHL) and Myanmar Economic Corporation (MEC). International human rights and humanitarian law violations, including forced labour and sexual violence, have, say the report's authors, been perpetrated by the Tatmadaw in northern Myanmar in connection with their business activities. Among the foreign companies with contractual ties to MEHL and MEC are two POSCO joint ventures: Myanmar Posco C&C Company Ltd and Myanmar Posco Steel Company Ltd. • Sources: [UN News - 05/08/2019: news.un.org][UN Human Rights Office of the High Commissioner - 05/08/2019: ohchr.org][UN Human Rights Council - 05/08/2019: ohchr.org]
E(5).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Public response available <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
E(5).2	The Company has appropriate policies in place	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Company policies address the general issues raised: The Company is committed to the Universal Declaration of Human Rights, which includes security. [Business Ethic: Code of Ethics, 07/04/2019: posco.co.kr] • Not met: Policies apply to the type of business relationships involved <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Policies address the specific rights in question
E(5).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders • Not met: Encourages linked business to engage affected stakeholders • Not met: Provides remedies to affected stakeholders • Not met: Has reviewed management systems to prevent recurrence <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims • Not met: Has improved systems and engaged affected stakeholders
E(6).0	Serious allegation No 6		<ul style="list-style-type: none"> • Headline: Report criticizes Samsung C&T, LG International, and others for environmental and social problems at their palm oil plantations in Indonesia • Area: Right to Land • Story: A report released in May 2019, written by the Korean Federation for Environmental Movements and Advocates for Public Interest Law, revealed that several South Korean companies had benefitted from unethical palm oil sourcing. Among the companies was POSCO, which operates a palm oil plantation (PT. Bio Inti Agrindo, or PT. BIA) in Gunullillin, Merauke, Papua. The report accuses PT. BIA of deforestation, land clearing by fire, and deprivation of the rights of local communities. According to a 2017 article from SisalN, the land occupied by the Company is land where the Mandobo tribe has customary rights. The Company paid a tribe in 2010 for the rights, however, it was the Marlin tribe, and not the Mandobo tribe. The Mandobo's rights were acknowledged via a traditional dispute resolution process, but, according to the report, efforts to return the land have yet to be made. Residents allegedly staged protests for this issue as well as water pollution. • Sources: [Korean Federation for Environmental Movements - 05/2019: kfem.or.kr]
E(6).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Public response available <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
E(6).2	The Company has appropriate policies in place	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Company policies address the general issues raised: The Company has a specific policy about palm oil sustainability, where it states 'Respect and protect the rights of indigenous groups and local communities to give or withhold their

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold proven legal, communal and customary rights'. However, it is unclear if this policy applies to operations beyond palm oil in Indonesia. [Palm Oil Sustainability Policy No Deforestation, No Peat, No Exploitation Policy Update 2020, N/A: poscointl.com]</p> <ul style="list-style-type: none"> • Not met: Policies apply to the type of business relationships involved: This policy also applies to 'All third-party suppliers at group level. A supplier group is a group of palm oil-related companies from which we purchase fresh fruit bunch (FFB), crude palm oil (CPO) and refined palm oil.' However, it is unclear if this applies to the whole supply chain. [Palm Oil Sustainability Policy No Deforestation, No Peat, No Exploitation Policy Update 2020, N/A: poscointl.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Policies address the specific rights in question
E(6).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders • Not met: Provides remedies to affected stakeholders • Met: Has reviewed management systems to prevent recurrence: The Company has implemented a No Deforestation policy in Indonesia. [South Korea's POSCO vows zero deforestation in Papua palm oil operation, 5/3/2020: news.mongabay.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims • Not met: Has improved systems and engaged affected stakeholders

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

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