



POSCO Written Statement

Bali Process Government and Business Forum

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As a proud member of UN global compact, we, POSCO, show infinite respect for global standards of human rights including but not limited to anti-slavery.

POSCO enacted the 'Code of Ethics' in 2003, which establishes the ethical values and behavioral standards including workplace equality, health and safety, that must be preserved and developed by all POSCO Group employees. This code is credited with being the first standalone ethics regulation ever documented by Korean business entity.

To make sure our effort is not petered out, we constantly monitor and encourage our employees around the globe to comply with the code by conducting annual education sessions. In 2017, we achieved 100% completion rate for online sessions and ran numerous sessions to educate 9,633 employees face-to-face.

Let's move on to something more practical, a case study. POSCO Daewoo Corporation (PDC), a diversified trading subsidiary of the POSCO Corporation, operates textiles business in Uzbekistan. As you may aware, the use of child and forced labour in the Uzbekistani cotton industry has been, and remains, a significant problem. Our business has been no exception.

PDC is, however, limited in its capacity to prevent the use of forced labour by its position as a consumer, rather than a producer, of raw cotton. Hence, more indirect path has been taken. In 2013, PDC wrote a letter to the Government, asking to invite the International Labour Organisation (ILO) to monitor the working conditions of the cotton harvest in Uzbekistan. Through an extensive monitoring program with over 12,000 interviews from 2013-2016, ILO confirmed that there had been meaningful reductions in the rates of child and forced labour during the period. This program will be in place until December this year.

The values of integrity, fairness and trust have been the greatest assets that made POSCO what it is today, and they also embody the greatest value criteria that will sustain and open up a new future for POSCO.

Thank you.