posco
포스코퓨처엠

환경 정책
(Environmental Policy)

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Managed by	**Environment Planning Group**		
Reviewed by	**Head of Environment Planning Group**		
Approved by	**CEO (Chairman of BOD)**		

Purpose

The purpose of this policy is to establish a sustainable management and environmental management system and improve its ability to respond to environmental risks, and contribute to protecting the environment and overcoming climate crisis through cooperation among POSCO FUTURE M and its all affiliates and stakeholders.

Scope of Application

This policy applies to all POSCO Future M workplaces and investing corporation. We encourage our partner and contract companies who transact with POSCO Future M to comply with this policy or a similar policy that meets the same standards. In addition, employees are encouraged to ensure compliance with this environmental policy when dealing with business partners involved in all aspects of the business process, including partner companies, contract companies, suppliers, and service providers.

Basic Principles

1. **Compliance with Environmental Laws and Mitigation of Environmental Impacts**

   - We shall comply with international conventions and applicable laws on the environment and energy and endeavor to mitigate environmental impact throughout our entire process of development, production, use, and disposal of products..

   - We shall minimize emissions of pollutants by implementing the best available technology for environmental prevention.

2. **Response to Climate Change**

   - We shall establish a risk self-assessment framework in response to climate change, set achievable goals, and self-evaluate performance.

   - We shall endeavor to reduce greenhouse gas emissions by reducing our dependence on fossil raw materials, improving energy efficiency, and developing and using renewable energy.

3. **Air pollutant**

   - To minimize the air pollutants generated by business activities, including gases and particulate matter, and to construct optimal control facility for the generated air pollutants to minimize their impact on the environment.

4. **Raw and Subsidiary Materials and Water**

   - We shall take into account the amount of resources used to manufacture finished products and endeavor to replace traditional materials with substances, such as raw materials that are renewable or with fewer impurities. We shall also endeavor to reduce the amount of resources used in production activities by adopting new facilities that consume less resources, such as water saving machines, and by implementing technologies.

5. **Waste and Wastewater**

   - We shall minimize waste and wastewater generated during the production process and reuse inevitably generated waste and wastewater as much as possible. We shall also establish wastewater treatment facilities required to minimize the impact that waste and wastewater from our workplaces may have on the environment.

6. **Hazardous Chemicals**

   - We shall systematically manage hazardous chemicals to prevent chemical accidents, such as chemical leaks or spills, and endeavor to use and release less hazardous chemicals.

   - We comply with international standards related to chemicals and systematically manage chemical substances.

Action Plans

1. **Operation of Environmental Management system**

   - We aim to obtain ISO 14001 certification for all of our company facilities, which is an international standard for environmental management. To achieve this, we continuously improve our internal management system and conduct annual third-party audits and internal audits for compliance. The results of these audits are reported to top management and are reflected in our environmental strategy and objectives.

   - We disclose environmental strategies and policies through the website and collect stakeholders' opinions.

2. Establishment of Environmental Management System

- We shall establish an environmental management system (“EMS”) to assess and respond to environmental risks unique to our business activities, set specific environmental performance targets, and continually improve such targets.

- The board of directors and the executive management shall actively participate in the decision-making and management/supervision of the EMS and provide ample support in both human and material resources, such as assigning dedicated working level employees, to ensure that the EMS is fully installed and operated.

- We shall discuss the importance of environmental protection and response to climate change with stakeholders, such as contractors, suppliers, and counterparties, and provide support so that they can establish their own EMS.

- The officers and department heads shall provide training to the officers/employees under their supervision so that they can recognize the importance of environmental management and comprehend the EMS.

3. Response to Climate Change

- We shall integrate transition and physical risk related to climate change into company-wide risk assessments and business strategies and document and manage such risk.

- We shall ensure that risks, strategies, and assessments related to climate change are properly reported to the board of directors and executive management.

- We shall identify stakeholder demands related to climate change and establish and implement management strategies.

- We shall establish and implement concrete and feasible plans to mitigate greenhouse gas emissions and achieve carbon neutral goals.

- We shall apply environmental certification and disclosure frameworks related to climate change (e.g. the TCFD), or establish a comparable reporting framework to disclose to a reasonable extent our ongoing efforts and achievements in responding to climate change.

4. Management of Production and Workplace Environment

- We shall ensure that the production and workplace environment is properly managed through processes including KPIs and other performance management indicators, education/training, establishment and management of guidelines, internal inspections, etc..

- We shall apply the best available technology to minimize the amount of pollutants and the impact of pollutants on the environment.

- We provide training to our members to raise awareness of environmental impacts from business activities and to ensure the stable operation and management of environmental facilities.

- We shall establish and operate environmental management manuals tailored to the specific needs of production facilities and workplaces and continually monitor and strive to improve the environmental impact of our operating facilities.

5. Development and Distribution of Products and Services

- We shall identify the challenges and opportunities in the process of responding to climate change, increase the supply of environmentally impact-reducing products and high value-added and by-products, and assess environmental risks in the transportation and logistics process. By doing so, we shall minimize the environmental impact throughout the entire process of developing and providing goods and services.

- We shall enhance our competitiveness by developing carbon emission reduction, impact minimization, and new and renewable energy products.

6. Supply Chain Management, and Selection and Evaluation of Suppliers

- When selecting our partners (suppliers, contractors, service providers, etc.), we shall evaluate their level of environmental management to minimize environmental impact.

- We shall provide support to suppliers and contractors so that they can establish their own EMS at a superior level and preemptively manage environmental risks throughout the entire supply chain by conducting performance evaluations regarding suppliers' environmental management levels.

- We shall procure materials and equipment in compliance with the green procurement policy.

7. New Projects and M&A

- We shall review environmental management plans and environmental impact assessments when reviewing new projects/investments to minimize environmental risks that may arise from projects.

- We shall conduct due diligence when reviewing potential M&As to identify and respond to environmental risks in advance.

8. Waste Management

- We shall manage the process from waste generation to disposal in accordance with legal

management standards and our waste management guidelines. We shall provide education on appropriate waste storage, transportation, and disposal methods for employees and waste management and transportation companies.

Environmental Management Policy

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POSCO Future M is committed to achieving sustainable growth and fulfilling its social responsibility through environmental protection and response to climate change. To this end, we have established the following environmental policy and faithfully implement it as the foundation of our environmental management activities.

1. We consider the impact on the environment and climate change throughout all stages of business activities, recognize environmental management for ESG practices as a core corporate value, and fulfil out responsibilities accordingly.
2. We comply with domestic and international environmental laws and the stakeholder requirements, and strive to minimize environmental impact in all stages of product production, use, and disposal.
3. We set goals for reducing environmental pollution and greenhouse gas emissions and establish a production system through the use of clean energy and best available technologies.
4. We identify and improve risks for sustainable environmental management and climate change response and promote environmental awareness among all members through education and training.
5. We transparently disclose environmental information, actively communicate with the community and stakeholders, and proactively respond to changing conditions.

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POSCO FUTURE M Co., Ltd.

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