posco
포스코퓨처엠

녹색구매 정책

(Green Procurement Policy)

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Managed by	**Win-Win Cooperation Section**		
Reviewed by	**Head of Plant, Equipment and Materials Procurement Group**		
Approved by	**CEO (Chairman of BOD)**		

Purpose

The purpose of this policy is for POSCO FUTURE M to prevent the overconsumption of resources and environmental pollution in the entire process of our business activities and comply with relevant laws while implementing sustainable procurement to fulfil our social responsibilities.

Scope of Application

This policy applies to POSCO FUTURE Mand its employees. It is recommended that all of POSCO FUTUREM's workplaces, investment corporations, employees, and business partners who engage in transactions with POSCO FUTURE M comply with this policy or a similar policy.

Definition

Definitions of terms used in this policy are as follows.

1. **"Green procurement" refers to purchasing activities where we operate purchase contracts and supply chain management in an eco-friendly manner by evaluating the environmental impact of the production, supply, distribution, and post-processing process of products which are necessary for our business activities, such as raw/subsidiary materials, office supplies, and other equipment, at the stage of procuring such products.**

2. **"Green products" refer to the following products.**

   가. Products that have received a certification for their eco-friendliness in accordance with the relevant laws and regulations of the Republic of Korea and the policies of the government and public institutions or that meet the standards for the above certifications

   나. Products that meet the green purchasing criteria (GP grade) within POSCO Group.

GP Grade*	Summary	Explanation
GP1	products with environmental certification	Certified product with the environmental mark as defined by laws and regulations related to environmental technology development and support.
GP2	GR Mark (Good Recycled Mark) Product	Certified recycled products defined by laws and regulations related to resource conservation and promotion of recycling.
GP3	Energy-saving products.	Energy efficiency grade 1-2 products and energy saving certified products designated by laws and regulations on energy rationalization, energy-saving marks, and high-efficiency energy equipment.
GP4	Products that reduce 6 types of harmful substances	Products that reduce hazardous substances such as lead, mercury, cadmium, chromium, PCBs (polychlorinated biphenyls), asbestos, etc.
GP5	Waste reduction purchasing.	Waste reduction products such as lightweight packaging, refillable containers, and container recycling.
GP6	Others (flame-retardant, foreign environmental label)	Flame-retardant products, recycled products using waste materials, and products with foreign environmental labels are other eco-friendly products that are recognized for their eco-friendliness.
GP7	Products that require eco-friendliness	Products requiring consideration of environmental friendliness (such as compliance with environmental regulations

(*GP Grade : Green Purchase Grade, Green procurement recognition criteria within the POSCO Group.)

Code of Conduct

1. **We shall conduct effective and practicable green procurement activities that consider eco-friendliness and sustainability throughout the entire process of business activities, from the procurement of raw/subsidiary materials, manufacturing, operation, and logistics/distribution to waste treatment.**
2. **In order to ensure feasible and effective environmental management, we shall implement green procurement not only in purchasing materials for main business activities but also for the company-wide procurement of consumable materials such as office supplies, workplace tools, etc.**

Action Plans

1. **Strong Recommendation for Green Procurement**

- We shall actively purchase green products, and prepare support programs to ensure that green products can be considered as a priority in the process of purchasing materials, etc.

- When it is difficult to purchase green products because there is no certification system or certified product in the market, we shall purchase eco-friendly products as much as possible using available information on the impact of products on the environment, taking into consideration whether recycled raw materials are used, whether the products contain hazardous chemicals, the recyclability of products and packaging materials, and the amount of carbon generated in the manufacturing and distribution process.

2. Establishment of Green Procurement System

- In order to ensure effective implementation of green procurement and continuous improvement of effective green procurement activities, we shall establish a green procurement system whereby we can monitor the status of green procurement, discover and introduce green products and suppliers of such products, evaluate green procurement performance, and establish mid- to long-term goals.

- We shall prepare measures to share information on green procurement performance and goals with stakeholders.

3. Encourage the Supply Chain to Implement Green Procurement

- We shall encourage our affiliates, contractors, suppliers, and counterparties to implement green procurement to the extent permitted by law. In particular, we shall consider whether candidates have established and implement their own green procurement policies when selecting contractors.