posco
포스코퓨처엠

포스코퓨처엠 공급사 행동규범
(POSCO FUTURE M Supplier Code of Conduct)

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POSCO FUTURE M operates its business in compliance with applicable national and international laws, essential regulations, and guidelines.
POSCO FUTURE M requires all suppliers of raw materials, equipment, and materials, in-house partners, labor suppliers, and agents that have direct transaction relationships related to the supply of goods, manpower, and other services (collectively, "Supplier") to share and comply with POSCO FUTURE M's Supplier Code of Conduct ("Code of Conduct").

The Code of Conduct sets out the basic principles that Suppliers must comply with when conducting business activities, including commitments to creating a safe working environment, treating workers with dignity and respect, and managing business in a moral and ethical manner.

The Code of Conduct encompasses eight areas, including Labor, Health and Safety, Environment, Ethics, and Management System, and is based on the Responsible Business Alliance (RBA) Code of Conduct ver.8.0. All Suppliers of POSCO FUTURE M must comply not only with the laws of the country in which their headquarters are located, but also with the laws of all countries where they conduct business or dispatch personnel.
In the event of a conflict between this RBA-based Code of Conduct and the laws of an individual country, the more stringent standard will apply. POSCO FUTURE M requires compliance with this Code of Conduct in all contracts with Suppliers and may regularly monitor such compliance.

If any non-compliance with the Code of Conduct is identified during this process, POSCO FUTURE M may issue a corrective action request to the Supplier. The Supplier receiving such a request must implement corrective actions within 90 days. Failure to implement corrective actions may result in disadvantages such as suspension of transactions or termination of contracts.

LABOR RIGHTS

Supplier shall protect and respect the human rights of all workers throughout the entire process of their business activities. This applies to all workers, including temporary workers, migrant workers, trainees, short-term contractors, and those that are directly employed. Workers must be guaranteed lawful employment and labor rights under local laws and regulations.

Prohibition of forced labor

- All work shall be performed voluntarily. Workers shall be free to leave work at any time or terminate their employment without penalty, and this shall be clearly stated in their contracts. Suppliers must legally manage documentation for all departing workers
- Supplier shall not compel or engage their workers in forced labor (i.e., all and any involuntary labor, including slavery and human trafficking) or cause the workers to become unreasonably indebted and use this as an excuse to compel them into forced labor. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services.
- Supplier, along with staffing agencies and subcontractors, shall not withhold any identity and immigration-related documents, such as government-issued identification, passports, or work permits, from their foreign workers, and must allow them to retain those documents themselves. These documents must not be destroyed, concealed, or confiscated. However, documents may be retained if necessary to comply with local laws, but workers must always have access to them.
- Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.
- Foreign workers must receive a written employment agreement, including terms and conditions, before leaving their country of origin. Additionally, upon arrival in the receiving country, no substitution or change in the employment agreement is allowed unless these changes are made to comply with local law and provide equal or better terms.
- When hiring or changing an employment contract, the employment contract must be written in a language and manner that the employee can understand and provided in writing, and documents related to the employment contract must be easily accessible to

the employee.

- Suppliers must not unreasonably restrict access to company-provided facilities, including worker dormitories or accommodations, nor unreasonably restrict the freedom of movement of workers within these facilities.

Prohibition of child labor

- Child labor is strictly prohibited and shall not be used in any stage of manufacturing. The minimum age for employment shall comply with the requirements under applicable laws and regulations at the Supplier's location or internationally recognized standards, such as those set by the International Labour Organization ("ILO"), whichever is more stringent.
- If a child worker is identified, the Supplier shall immediately terminate the employment of such child worker and improve their age verification system in the hiring process by implementing an appropriate process to verify age.
- Workers below the age of 18 shall not be assigned to tasks that are hazardous to their health or safety, including night shifts and overtime work.
- The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. If operating internship programs or similar, appropriate support and training shall be provided to all student workers, distinguishing them from regular workers. If the term 'student workers' includes workers under the age of 18, it must be clearly stated that 'student workers' include such individuals.
- In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

Working hours

- Working hours shall not exceed the maximum working hours set by local law, and all overtime work must be performed voluntarily with overtime pay. However, except in emergency or unusual situations, a workweek shall not exceed 60 hours, including overtime.
- Supplier shall guarantee workers at least one paid holiday per week.

Wages and benefits

- Compensation paid to workers shall comply with all applicable wage-related laws, including minimum wages, overtime hours, and legally mandated benefits.
- All workers shall receive equal pay for equal work and qualification. Additionally, workers' overtime pay must be higher than their regular hourly wage.
- Workers shall be provided with an understandable wage statement for each pay period in a timely manner to ensure that their compensation has been paid accurately.
- All use of temporary, dispatch and outsourced labor shall be within the limits of the local law.

Non-discrimination/non-harassment/humane treatment

- Supplier shall respect all workers' human rights. There must be no threat or action of harsh or inhumane treatment, including violence, gender based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor should there be any threat of such treatment.
- Supplier shall establish, implement, and promote policies and procedures relating to discipline that ensure a humane treatment of their workers.
- Supplier shall maintain a workplace that is free from harassment and unlawful discrimination. Supplier shall not engage in discrimination or harassment based on race, color, age, sex, gender identity, sexual orientation, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, nationality, covered veteran status, protected genetic information, or marital status in hiring and employment practices, including wages, promotions, rewards, and access to training.
- Workers and potential workers should not be subjected to medical checkups or physical examinations that could be used in a discriminatory way, unless otherwise required by applicable laws and regulations or for workplace safety.
- Supplier shall provide reasonable accommodations for their workers' religious practices within a reasonable scope and take appropriate measures to offer facilities and accommodations for both religious practices and disabilities.
- This was drafted in consideration of ILO Discrimination (Employment and Occupation)

Convention (No.111).

- Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues.

Freedom of association and collective bargaining

- Supplier shall guarantee workers the right and freedom to associate, including, but not limited to, the right to freely organize and join unions, the right to collective bargaining, and the right to participate in peaceful assemblies under applicable laws and regulations, as well as the right to refrain from such activities. Where the right to freedom of association and collective bargaining is restricted by applicable laws and regulations, workers shall be able to elect and join legitimate alternative forms of worker representation.
- Supplier shall not use private or public security forces to unlawfully interfere with workers' rights to association and collective bargaining.
- Workers and/or their representatives shall be able to openly communicate with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment, and they shall also be able to share ideas and concerns.

SAFETY AND HEALTH

Supplier shall recognize that a safe and healthy work environment not only minimizes work-related injuries and illnesses, but also enhances the quality of products and services, the consistency of production, and worker retention and morale. Moreover, Supplier shall establish appropriate safety and health policies and provide safety and health training and education to the workers.

Occupational health and safety

- Supplier shall design, develop, and implement safe processes, technical and administrative controls, preventive maintenance, safety regulations, and safety measures. Supplier shall also conduct regular training sessions for workers who may potentially be exposed to health and safety hazards (e.g., chemical, electrical and other energy sources, fire, vehicles, and fall hazards).
- Where such hazards cannot be adequately controlled, Supplier shall provide workers with educational materials about such hazards, as well as personal protective equipment, and

manage and supervise its proper wearing.

- Additionally, Supplier shall take reasonable steps to remove pregnant women or nursing mothers from highly hazardous working conditions, remove or reduce workplace health and safety risks to those women, and provide accommodations for nursing mothers at work.

Emergency preparedness

- Supplier shall minimize harm to life, environment, and property by identifying and assessing potential emergencies and incidents in advance and implementing emergency plans and response procedures, including emergency reporting, employee notification and evacuation procedures, worker training, and drills.
- Emergency plans and response procedures shall include emergency monitoring and reporting, notification and evacuation procedures for workers, training and emergency evacuation drills for workers, evacuation facilities, fire detection, fire extinguishing equipment recovery, and recovery plans.
- Emergency plans shall also include appropriate fire detection and suppression equipment, clear and unobstructed exits, contact information for an emergency response officer, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.
- Emergency drills shall be conducted at least annually or as required by local law, whichever is more stringent.

Occupational injury and illnesses

- Supplier shall establish and follow the procedures and systems to prevent, manage, track, and report occupational injuries and illnesses.
- These procedures shall include regulations to encourage reporting by workers, classify and record injuries and illness cases, provide necessary medical treatment, investigate cases, implement corrective actions upon the occurrence of such occupational injuries and illnesses, and facilitate the return of workers to work.
- Supplier shall allow workers to remove themselves from imminent harm and not return until the situation is mitigated, without fear of retaliation.

Industrial hygiene

- Supplier shall identify, evaluate, and control workers' exposure to chemical, biological, and physical factors, and routinely monitor whether such exposure is harming their health.
- When these hazards cannot be adequately controlled by such means, workers shall be provided with appropriate, well-maintained personal protective equipment free of charge, and they must use it.
- Supplier shall provide workers with safe and healthy working environments, maintained through ongoing monitoring. Additionally, Supplier shall provide protective occupational health programs, which include educational materials about the risks associated with exposure to workplace hazards.

Physically demanding work

- Supplier shall identify physically intensive labor, such as repetitive work and handling of heavy objects, and implement relevant measures, such as process improvements, to prevent musculoskeletal disorders and other related issues in workers. This includes identifying, evaluating, and controlling worker exposure to hazards from physically demanding tasks, such as manual material handling, prolonged standing, and highly repetitive or forceful assembly tasks.

Machine safeguarding

- Supplier shall classify dangerous equipment, including production and other machinery, and conduct regular safety inspections. If workers are at risk of injury, the supplier shall provide and maintain physical guards, interlocks, and barriers.

Sanitation, food, and housing

- Suppliers provide clean toilet facilities, clean water, sanitary food preparation and storage, and dining facilities to workers.
- Workers' dormitories provided by suppliers or labor agents shall be kept clean and safe, with adequate lighting, appropriate emergency exits, HVAC systems, hot water for bathing and showering, individual lockers, and reasonable personal space with appropriate entry and exit controls.

Health and safety communication

- Supplier shall provide relevant health and safety information and training about all identified workplace hazards to which workers are exposed, including but not limited to mechanical, electrical, chemical, fire, and physical hazards, in a language that workers can understand.
- If applicable, health and safety information and training shall include content on specific risks to relevant demographics, such as gender and age.
- Training shall be provided to all workers prior to the beginning of work and regularly thereafter.
- Moreover, Supplier shall encourage workers to raise any health and safety concerns at any time.

ENVIRONMENT

Supplier shall comply with applicable laws and regulations on environmental protection and recognize that environmental protection is one of their basic responsibilities as an enterprise. Supplier shall identify environmental impacts and minimize adverse impacts on the community, environment, and natural resources in their business activities and manufacturing operations.

Environmental permits and reporting

- Supplier shall obtain, maintain, and manage all required environment permits, and registrations necessary for business operation. Supplier shall also reflect the latest legal amendments and comply with the reporting obligations.

Pollution prevention resource conservation

- Supplier shall endeavor to minimize or eliminate pollutant emissions and waste discharge by adding pollution control equipment, modifying production, maintenance, and facility process, or by any other applicable means.
- The use of natural resources, including water, fossil fuels, minerals, virgin forest products, land, soil, wetlands, and forests, must be conserved through practices such as modifying production, maintenance, and facility processes, material substitution, reuse, conservation,

or recycling. Forced evictions must be prohibited to protect the human rights and property rights of indigenous peoples.

Hazardous substances

- Supplier shall identify and separately manage all chemicals, waste, and other materials that may potentially be hazardous to humans or environment, in compliance with relevant applicable laws and regulations, specifications and international standards, including the Minamata Convention, the Stockholm Convention, and the Basel Convention. Hazardous chemicals shall be labeled and managed to ensure their safe handling, transport, storage, use, recycling or reuse, and disposal. Supplier shall also track and document hazardous waste data regularly.

Solid waste

- Supplier shall identify, manage, and reduce non-hazardous solid waste and dispose of it in accordance with relevant laws and regulations, while committing to reduce the amount generated. Additionally, Supplier shall track and document solid waste data regularly.

Air emissions

- Supplier shall identify the characteristics of volatile organic chemicals, aerosols, corrosive gases, particulates, ozone-depleting substances, and combustion byproducts in the process prior to discharge, routinely monitor and control them, and dispose of them after treatment in accordance with relevant laws and regulations. Supplier shall also constantly monitor the emission status of the air pollutants.
- Supplier shall regularly monitor the performance and operation of their air emission control systems.
- Ozone- depleting substances shall be effectively managed in accordance with the Montreal Protocol and applicable regulations.

Materials restrictions

- Supplier shall adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

Water management

- Supplier shall implement a water management program to monitor and document their usage and discharge of water resources, seek opportunities for conservation, and control contamination channels.
- All waste water shall be characterized, monitored, and treated as required by the regulations before discharge or disposal. Supplier shall monitor the performance of their wastewater treatment and containment system regularly.

Energy consumption and GHG emissions

- Supplier shall make efforts to establish own governance for GHG reduction and implement a system that enables execution.
- Supplier is encouraged to establish and report GHG reduction targets. Supplier shall strive to track and document energy consumption and GHG emissions (Scope 1, 2 and 3) and seek ways to improve energy efficiency and minimize their energy consumption and GHG emissions.
- Supplier shall comply with domestic and international laws and agreements related to GHG emissions and make efforts to fulfill a responsible role in reducing GHG emissions and addressing climate change such as improving energy efficiency, expanding the use of renewable energy, and increasing the use of environmentally friendly raw materials and recycled materials.
- Supplier must submit information within legal limits according to relevant regulations when POSCO FutureM requests information related to GHG emissions, and actively cooperate with on-site inspections for information verification.

Management of other environmental issues

- The supplier shall be able to appropriately and effectively manage other socially significant environmental issues

ETHICS AND FAIR TRADE

Supplier shall comply with the following ethical standards to ensure sustainable growth and uphold their social responsibilities.

Business integrity

- Supplier must maintain the highest standards of integrity in all business interactions. Supplier shall implement a zero-tolerance policy to prohibit all forms of bribery, illicit gain, corruption, extortion, and embezzlement.

No improper advantage

- Supplier shall not promise, offer, authorize, give, or accept bribes or other means of obtaining an unfair or improper advantage.
- This prohibition covers promising, offering, authorizing, giving or accepting any of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage.
- Additionally, continuous inspection, monitoring, record keeping, and enforcement procedures shall be conducted to ensure compliance with anti-corruption laws.

Compliance with special terms and conditions

- Supplier is obliged to comply with the provisions of POSCO FUTURE M's Special Terms and Conditions for Ethical Practice, and if a Supplier violates these provisions, sanctions shall be imposed according to such Terms and Conditions and contract-related regulations.

Disclosure of information

- All transactions of Supplier must be transparent and accurately recorded and maintained in their books of account.
- Information regarding Supplier's labor, health and safety, environmental practices, business activities, governance, financial status, and performance shall be disclosed in accordance with applicable laws, regulations, and prevailing industry practices. Falsification of records or misrepresentation shall not permitted.

Intellectual property

- Supplier shall respect intellectual property rights and protect relevant rights when transferring technology and/or know-how. Supplier shall also safeguard their customers' and suppliers' information.
- Supplier shall safely and actively protect all information (technical data, information, intellectual property, etc.) of POSCO FUTURE M that is acquired through transactions with POSCO FUTURE M. Furthermore, Supplier must not infringe or use intellectual property, such as patents, software, designs, or trademarks of others illegally while supplying products and services to POSCO FUTURE M.

Fair trade, advertising and competition

- Supplier shall adhere to standards for fair trade, advertising, and competition, and must avoid engaging in unfair trade practices that undermine the principals of fair trade.

Protection of identity and non-retaliation

- Supplier shall maintain programs that protect the confidentiality and anonymity of internal whistleblowers, except where prohibited by applicable laws and regulations. Supplier shall also notify their workers of the relevant procedures and enable them to raise concerns without any fear of retaliation.

Privacy

- Supplier shall endeavor to protect the personal information of all stakeholders (including suppliers, customers, consumers, and workers) in their business, ensuring the protection of reasonable privacy expectations.
- Supplier shall comply with applicable privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

MANAGEMENT SYSTEM

Supplier shall adopt or establish a management system with a scope that is related to the content of this Code of Conduct. The management system shall be designed to ensure compliance with applicable laws, regulations, and customer requirements, conform to the Code of Conduct, and identify and mitigate operational risks related to this Code of Conduct. Supplier shall also facilitate continual improvement.

Company commitment

- Supplier shall establish human rights, health and safety, environmental and ethics policy statements endorsed by executive management. These policy statements shall be published and distributed to workers in a language that they can understand via accessible channels.
- Supplier shall establish or implement a due diligence process with appropriate measures and integrate the process to their management policy.

Management accountability and responsibility

- Supplier shall identify senior executives and company representatives responsible for ensuring the implementation of the management systems and associated programs. Management shall review the status of the management system regularly.

Legal and customer requirements

- Supplier shall have a process to identify, monitor, and understand applicable laws, regulations, and customer requirements, including the requirements of the Code of Conduct.

Risk assessment and management

- Supplier shall have a process to identify legal compliance, environmental, health and safety, labor, ethical, and human right risks associated with their business operations.
- Supplier shall determine the relative significance of each risk, implement appropriate procedural and physical controls to manage the identified risks, and regularly check regulatory compliance.

Improvement objectives

- Supplier shall prepare written performance objectives, targets, and implementation plans

to improve their social, environmental, health and safety performance, and conduct periodic assessments of their performance in achieving these objectives.

Training

- Supplier shall establish training programs for workers to implement their policies, procedures, and improvement objectives, and to comply with applicable legal and regulatory requirements.

Communication

- Supplier shall establish a procedure for communicating clear and accurate information regarding their policies, practices, expectations, and performance to workers, suppliers, and customers.

Worker/stakeholder engagement and access to remedy

- Supplier shall establish processes for ongoing two-way communication with workers, their representatives, other stakeholders, and communities in relation to Supplier's business activities and operations.
- Supplier shall establish a process, including an effective grievance mechanism, to obtain feedback from workers, their representatives, other stakeholders and communities.
- Supplier shall provide an environment in which workers can provide grievances and feedback without fear of reprisal or retaliation.

Audits and assessments

- Supplier shall conduct periodic self-evaluations to ensure conformity with legal and regulatory requirements, the content of this Code of Conduct, and social and environmental responsibilities.

Corrective action process

- Supplier shall establish a procedure in place for a timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

Documentation and records

- Supplier shall create, keep a record of, and maintain documents to ensure regulatory compliance and conformity with their own requirements along with appropriate confidentiality to protect privacy.

Supply chain participation and responsibility

- Supplier shall establish a process of communicating the requirements of the Code of Conduct to their suppliers and monitor their compliance with the Code of Conduct.

Management of other managing issues

- The supplier must be able to appropriately and effectively manage other socially significant managing issues, such as export controls, economic sanctions, etc, beyond those mentioned

SHARED GROWTH AND SOCIAL CONTRIBUTION

Supplier shall actively participate in developing the local community as well as creating a sound corporate ecosystem through shared growth and social contribution.

Shared growth

- Supplier shall make best efforts to implement fair trade and proliferate shared growth to their own secondary and tertiary suppliers by actively participating to create and build a sound corporate ecosystem.

Social contribution

- Supplier shall actively carry out social contribution activities to continuously create jobs and develop local communities and the economy.

QUALITY MANAGEMENT

Supplier shall strive to create the World's Best Supply Chain by providing the highest quality products and services to POSCO FUTURE M.

Quality control

- Supplier shall endeavor to supply products of self-proven quality, through methods such as verifying counterfeit parts, so that POSCO FUTURE M can produce and supply world-class products.

Change management

- Suppliers shall notify POSCO FUTURE M in advance and prevent defects if there are factors that may affect the quality due to changes in equipment, materials, and work methods.

Mutual quality control between suppliers

- Supplier shall provide technical and quality support to their suppliers, to contribute to securing the quality of their products and services.

MANAGEMENT OF RESPONSIBLE MINERALS

Supplier shall comply with the following in order to ensure responsible sourcing of raw materials.

Establishment of policies and systems

- Supplier must establish a policy of not using raw materials acquired through illegal and unethical means (e.g., minerals mined in mines occupied by armed groups).
- Supplier must include a conflict minerals provision in their relevant policies to reasonably assure that they are sourced in a way consistent with the Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas or an equivalent and recognized due diligence framework.
- Supplier shall establish a system that can guarantee that the raw materials, components, and products supplied to POSCO Future M do not directly or indirectly provide financial support or benefits to armed groups violating human rights in the Democratic Republic of Congo or neighboring countries, specifically for tin, tantalum, tungsten, gold (collectively referred to as 3TG), and cobalt.

Conducting audits in accordance with OECD Guidance

- Supplier must conduct inspections on the origin and supply chain of 3TG and cobalt raw materials, components, and products supplied to POSCO Future M, and must be able to provide inspection data upon request from POSCO Future M.
- Upon request from POSCO Future M, supplier must promptly provide inspection results including the origin, smelters, and refining companies information of 3TG and cobalt raw materials, components, and products supplied to POSCO Future M.