



Supplier Code of Conduct

The Code of Conduct for POSCO Group Suppliers stipulates overarching principles to be observed by suppliers and their subcontractors ('suppliers' hereinafter) who provide products and services to POSCO Group including POSCO, its affiliates, and joint venture companies.

Each and every provision included herein is equally important, and this Code of Conduct consists of seven parts concerning respect for employees' fundamental human rights, health & safety, environment, ethics, protection of trade secrets and intellectual property, quality management, and win-win partnership & social contribution.

1. Respect for Employees' Fundamental Human Rights

Suppliers shall protect and respect employees' human rights and treat them fairly.

1) Freely chosen employment

All work must be voluntary, and employees shall be free to terminate their employment after giving reasonable notice. Suppliers may not force employees to hand over their government-issued identification, passports or work permits as a condition of employment.

2) Prohibition of child labor

Suppliers should comply with the ILO Convention concerning Minimum Age for Admission to Employment C138 as well as the minimum age for employment set by local law. This implies that suppliers should not hire young workers below 15 years old (14 years old in developing countries excluded in the aforementioned ILO convention) or the minimum working age stipulated by law in the countries where they are based. Suppliers shall abide by all applicable laws and regulations in operating workplace apprenticeship programs, and ensure that workers below 18 years old are not engaged in any work that may jeopardize their health and safety.

3) Non-discrimination

Suppliers shall treat employees equally concerning such employment practices as recruitment, promotion,

compensation and training opportunity without any discrimination on the grounds of race, skin color, religion, gender, sexual orientation, age, health condition, political affiliation, nationality, ethnicity, or marital status.

4) Working hours

Suppliers shall observe applicable laws and regulations on working hours including overtime work except for emergencies. All overtime work should be voluntary and compensated at appropriate pay rates.

5) Wages

Employees should receive wages in full compliance with all applicable laws and regulations with respect to minimum wages, overtime work rates and other legally mandatory welfare and benefits.

6) Humane treatment

Sexual harassment & abuse, corporal punishment, psychological or physical coercion, verbal violence and any other forms of inhumane treatment of employees as well as any intimidation alluding to such treatment should not be tolerated.

2. Health & Safety

Suppliers shall take proper measures to provide employees with a safe and healthy work environment and protect them from any exposure to potential safety hazards.

1) Work environment

Suppliers should employ appropriate designs, engineering and administrative controls, preventive maintenance, and safe work procedures to prevent any exposure of employees to potential safety hazards (e.g. electricity and other energy sources, fires, vehicles, and falls from height). In the event that the aforementioned means of protection are not sufficient to control risk factors, supplier shall provide employees with proper personal protection equipment.

3. Environment

Suppliers shall comply with laws and regulations on environmental protection and recognize its fundamental corporate social responsibility to preserve the environment. Suppliers are expected to safeguard public health and safety in the manufacturing process while minimizing adverse impact on the

environment of local communities and natural resources.

1) Hazardous substances

Suppliers should clearly identify chemical and other substances that may cause environmental pollution, and manage them in a way that guarantees their safe handling, transport, storage, use, recycling, reuse and disposal.

2) Effluents, solid waste and air pollution

As to effluents, solid waste, Volatile Organic Compounds, aerosol, corrosives, micro-sized powder, ozone-depleting substances, and combustion byproducts generated from manufacturing process, suppliers should identify their characteristics and control and handle them within the legally-permissible limits prior to their discharge or disposal.

3) Pollution prevention and reduction of resource use

Suppliers should fundamentally reduce or eliminate the generation of all forms of waste, including effluents and waste energy, through endeavors to modify their production, maintenance and facility processes, adopt alternative materials, preserve resources, and recycle and reuse materials.

4. Ethics and Fair Trade

POSCO Group and suppliers shall abide by the following provisions to fulfill their social responsibility and promote sustainable growth.

1) Business integrity

The highest-possible integrity standards should be upheld in any and all transactions made, and corruption, coercion, intimidation, embezzlement and any other inappropriate practices are strictly prohibited.

2) Compliance with the Special Clause of Ethics Practice

Suppliers are obligated to comply with the 'Special Clause of Ethics Practice' stipulated by POSCO Group, and could be subject to disciplinary actions in accordance with the Clause and contract-related provisions in the event of violation.

3) Fair trade compliance

Suppliers shall comply with fair trade laws and regulations, and should not engage in any practices, such

as unfair transactions, that may disrupt the principles of fair trade.

4) Trust-based culture

Suppliers shall not engage in any practices that undermine trust along the entire POSCO Group supply chain, including but not limited to libeling other individuals or companies by publicly disclosing false information for the purpose of slandering employees of POSCO Group, competitors and other stakeholders.

5. Protection of Trade Secrets and Intellectual Property

Suppliers shall not disclose or provide technical data, information and intellectual property obtained from their transactions with POSCO Group to third parties without prior consent of POSCO GROUP.

1) Management and protection of confidential information

Suppliers shall use technical data, information and intellectual property acquired in the course of providing products and services to POSCO Group within the boundary approved by POSCO Group and ensure their full protection.

2) Protection of intellectual property

Suppliers, in providing products and services to POSCO Group, should not engage in any infringement or illegal use of intellectual property including patents, software, designs, or trademarks of other parties.

6. Quality Management

Suppliers shall make their best efforts to realize the World Best Supply Chain by providing POSCO Group with products and services of the highest-possible quality.

1) Quality control

Suppliers shall endeavor to provide products proven for their quality to assist POSCO Group in manufacturing and delivering world-class products.

2) Change management

With respect to any factors that may affect quality due to change in equipment, materials and work

methods, suppliers should inform POSCO Group in advance and prevent defects from occurring.

3) Mutual quality control among suppliers

Suppliers shall support their suppliers through technology and quality assistance to contribute to ensuring the quality of their products and services.

7. Win-Win Partnership & Social Contribution

Suppliers shall fully commit to playing their due part in promoting community development as well as in creating a sound business ecosystem through win-win partnership and social contribution.

1) Win-win partnership

Suppliers shall not only engage in win-win partnerships to establish a sound business ecosystem but also do their utmost to extend such mutually-beneficial cooperation to those companies who do business with them.

2) Social contribution

Suppliers shall actively undertake social contribution initiatives for the sustained creation of employment and the development of local communities and economies.

POSCO Group hopes to promote interactive communication with suppliers to further its business dealings with them. POSCO Group also welcomes any feedback from suppliers on detailed actions that could be taken by POSCO Group to assist suppliers in implementing any and all provisions stipulated in this Code of Conduct for POSCO Group Suppliers.

<Established on July 9, 2020 by Ethics Management and Fair Trade Section, Corporate Audit Division>