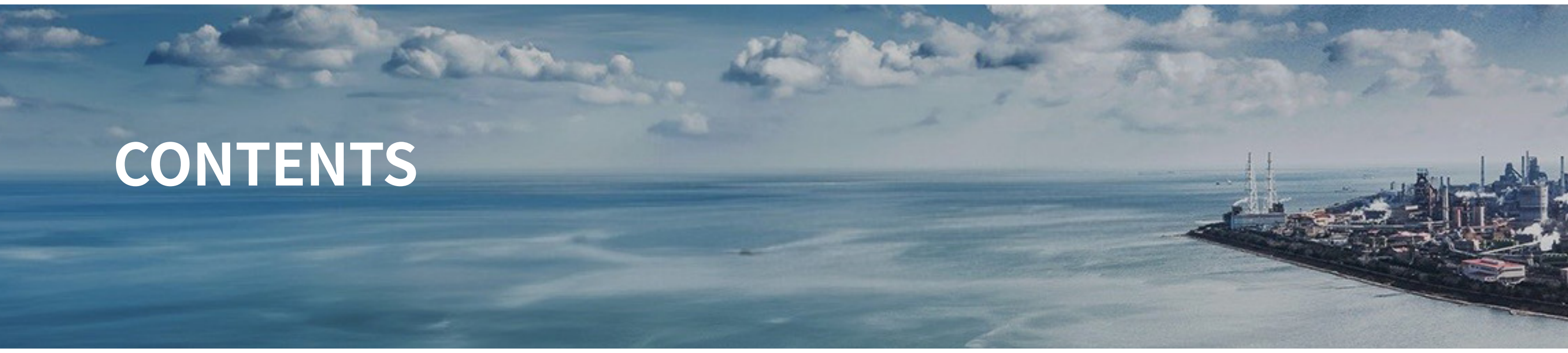
2024

POSCO SUSTAINABILITY REPORT

Path to a sustainable future



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About This Report

Reporting Principles

The POSCO Sustainability Report 2024 has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, a globally recognized framework for sustainability reporting. The double materiality assessment was conducted in alignment with the European Sustainability Reporting Standards (ESRS), and our disclosures reflect the Sustainability Accounting Standards Board (SASB) standards for iron and steel producers.

Reporting Boundary

This report covers POSCO and its domestic worksites,[1] with the exception of the ESG Factbook, which includes data from POSCO's domestic worksites and 11 overseas subsidiaries.[2] Please note that the 2023 data presented in the ESG Factbook is based on domestic worksites and five overseas subsidiaries,[3] while the 2022 data is based on domestic worksites and three overseas subsidiaries.[4]

1) Pohang Works, Gwangyang Works, Pohang Head Office, Seoul Office

2) PT. Krakatau POSCO (Indonesia), POSCO Zhangjiagang Pohang Stainless Steel (China), POSCO Yamato Vina Steel JSC (Vietnam), POSCO Thainox Public Company Ltd. (Thailand), POSCO Maharashtra Steel Private Ltd. (India), POSCO Mexico S.A. DE C.V. (Mexico), POSCO Vietnam (Vietnam), POSCO Mexico Puebla Processing Center S.A. de C.V. (Mexico), POSCO India Processing Center Private Ltd. (India), POSCO China (Fushan) Processing Center (China), POSCO (Suzhou) Automotive Processing Center Co. Ltd. (China)

3) PT. Krakatau POSCO (Indonesia), POSCO Zhangjiagang Pohang Stainless Steel (China), POSCO Yamato Vina Steel JSC (Vietnam), POSCO Maharashtra Steel Private Ltd. (India), POSCO Thainox Public Company Ltd. (Thailand)

4) PT. Krakatau POSCO (Indonesia), POSCO Zhangjiagang Pohang Stainless Steel (China), POSCO Yamato Vina Steel JSC (Vietnam)

Reporting Period

This report primarily covers performance from January 1 to December 31, 2024. It also includes select information on activities carried out during the first half of 2025.

Reporting Cycle

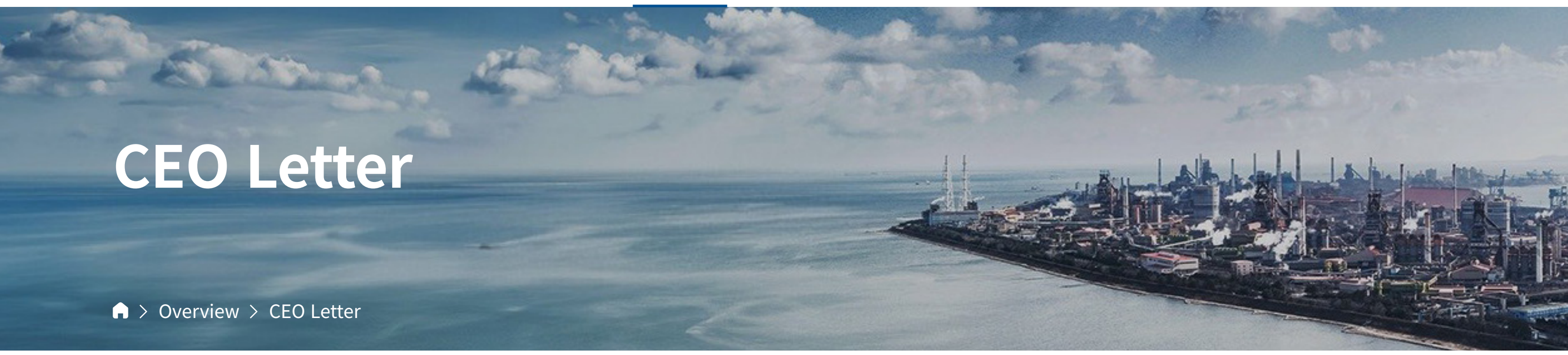
This report is published annually. The previous edition was released in July 2024.

Independent Assurance

Independent third-party assurance was conducted by KPMG Samjong Accounting Corp., in accordance with the International Standard on Assurance Engagements (ISAE) 3000.

Disclaimer

This report is available in both Korean and English. In the event of any discrepancies between the two versions, the Korean version shall take precedence. If significant revisions are required, we will disclose the relevant updates in the revision history section on our website.
This report also contains forward-looking statements reflecting POSCO's current expectations regarding future events and ESG performance. While we believe these statements are based on reasonable assumptions and information available at the time of publication, they are subject to various risks and uncertainties, which may cause actual results to differ materially from those anticipated. These forward-looking statements are made as of the publication date, and we undertake no obligation to update them in response to new information or future developments.



CEO Letter

CEO Letter

**"At POSCO, we are united in the mission of building a sustainable company.
With a firm commitment to making each day better than the last -and tomorrow better than today-
we offer this report as a testament to our ongoing journey."**

It gives me great pleasure to present POSCO's 2024 Sustainability Report. Since becoming the first Korean company to publish an environmental report in 1995, POSCO has continuously worked over the past 30 years to disclose its sustainability performance, efforts, and plans with the utmost transparency.

In response to global trends, the evolving media landscape, and growing demands for accessibility, we transitioned to a digital format last year, enabling stakeholders to access the report anytime, anywhere. This year, we further enhanced both the content and structure to improve readability and navigability.

Through a Group-wide double materiality assessment, we identified our key sustainability issues and reflected them evenly throughout the report, starting from the table of contents. Among these, our top three priorities—climate change, safety, and the supply chain—are highlighted in the POSCO ESG Brief. Major policies and 2024 initiatives are presented in alignment with disclosure standards across the organization, operations, risk management, goals, and performance indicators.

Path to a sustainable future

Our key initiatives in response to these three major issues are as follows:

First, we formulated realistic and actionable decarbonization strategies to address climate change.

We are pursuing the commercialization of HyREX technology in the long term with the goal of achieving carbon neutrality by 2050, while simultaneously developing various carbon reduction technologies that can be applied in the short to medium term. In 2024, we opened the Hydrogen Reduction Ironmaking Development Center at Pohang Works to focus on technological development capabilities such as HyREX processing research, engineering, and trial operations. Through a joint technology development agreement with an engineering company, we are working to construct a demonstration plant and validate the technology at a commercial scale.

Meanwhile, construction has begun at Gwangyang Works on a 2.5-million-ton-per-year electric arc furnace (EAF). By developing advanced steel production technologies based on this large-scale EAF, we aim to respond flexibly and progressively to the diverse needs of our customers. In parallel with these new investments, we continue to develop carbon reduction bridge technologies at our existing facilities, such as off-gas injection, hydrogen-containing gas injection, molten scrap charging, and the adoption of the Oxygen Top and Bottom Blown (OTBB) converter. We are also working to ensure a stable supply of raw materials, including scrap, pellets, and HBI, for an economically viable and efficient transition to a decarbonized system.

Second, POSCO is fostering a field-oriented culture of autonomous safety, with a strong focus on operational fundamentals.

Guided by the belief that safety takes precedence over all other priorities, we are building an autonomous safety management system grounded in on-site "Check and Feedback" activities.

Through organizational restructuring under my direct supervision, we have reinforced the control tower function for safety and health. We also established the Safety Advisory Committee, composed of internal and external safety experts, to discuss the company's safety strategy, educational direction, measures to strengthen autonomous safety management, and ways to improve implementation effectiveness. At our steelworks, safety meetings are held regularly to raise awareness through open communication with employees. We are also strengthening implementation by identifying and addressing high-risk hazards and automating dangerous manual tasks using AI and IoT.

In addition, we operate the Safety Win-Win Certification System and the Safety Reporting System to ensure that all stakeholders, including suppliers, work together to maintain a safe workplace.

Third, we are providing systematic support for supply chain management.

POSCO has established an ESG-based supply chain management system to ensure the sustainable competitiveness of its supplier network while helping suppliers enhance their ESG capabilities. A global human rights management system has also been implemented and is being expanded across the supply chain.

A Supplier Code of Conduct and relevant guidelines are provided to mandate ESG compliance among suppliers, with priority application currently underway for those in the raw materials, equipment, and materials sectors. An ESG perspective is applied throughout all stages of supplier engagement, from registration and evaluation to performance monitoring. We also offer ESG consulting and core job competency training for SME suppliers.

In February of this year, we announced our Group Human Rights Management Declaration to explicitly protect the rights of all stakeholders, including suppliers. We are also working to raise human rights awareness throughout the supply chain. Going forward, we will enhance our core competitiveness by analyzing potential risks across the global supply chain and implementing strategic responses, enabling us to navigate an increasingly uncertain environment.

As we celebrate our 57th anniversary this year, we are proud to have ranked first in the steel company competitiveness evaluation by World Steel Dynamics for 15 consecutive years and to have been named a Sustainability Champion by the World Steel Association for the fourth year in a row. Looking ahead, we will continue to grow as a globally sustainable steelmaker, grounded in our core strengths: fundamentals, field orientation, and execution excellence.

At POSCO, we are united in the mission of building a sustainable company. With a firm commitment to making each day better than the last—and tomorrow better than today—we offer this report as a testament to our ongoing journey.

Your continued interest and support would be deeply appreciated.

Thank you.

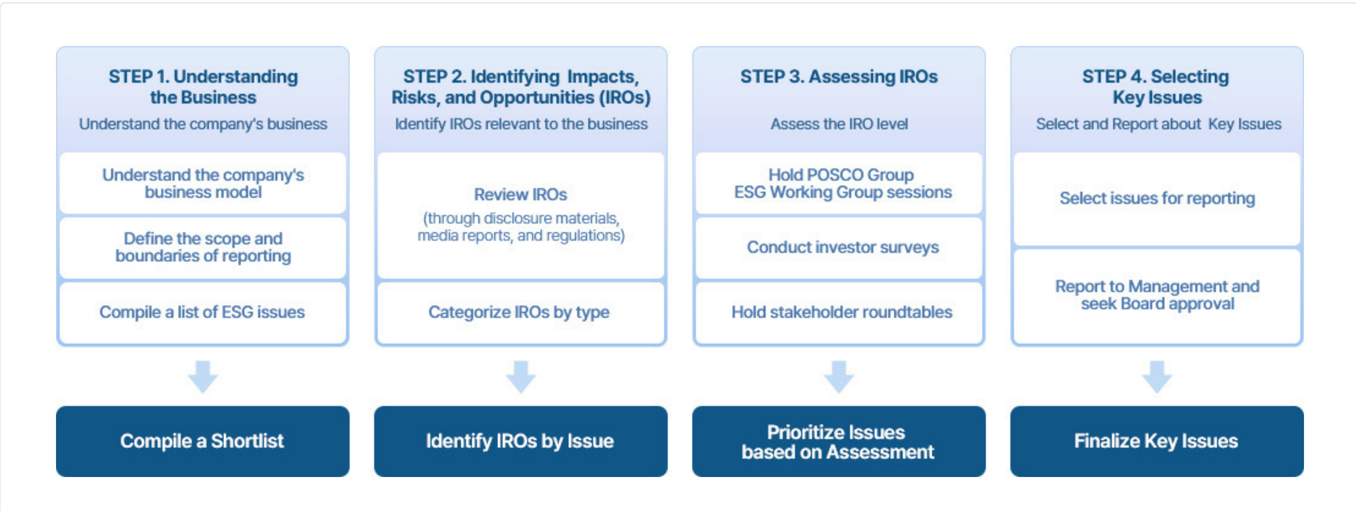
June 30, 2025
Hee-Geun Lee
CEO, POSCO

Double Materiality Assessment

Double Materiality Assessment

POSCO conducts a double materiality assessment in collaboration with POSCO Holdings, in accordance with the European Sustainability Reporting Standards (ESRS). In 2024, the assessment—aimed at identifying and evaluating both impact and financial materiality—was conducted through Group ESG Working Group sessions, investor surveys, stakeholder roundtables, and other relevant channels.

Assessment Process



Top 10 Issues in Steel Sector and POSCO's Response

We identified the top 10 issues in the steel industry through a double materiality assessment and included them in the table of contents of the POSCO Sustainability Report 2024. The relevant details can be accessed via the link below.

Top Ten Issues	Our Response Status
Climate Change Response	Decarbonization Roadmap
Safety and Health	Safety; Health
Supply Chain	Supply Chain
Air	Air Pollutants
Human Rights	Human Rights
Talent Development	Talent Management & Culture
Workplace Environmental Management	Chemicals; Waste
Ethics and Compliance	Ethical Management; Fair Trade
Anti-Corruption	Ethical Management
Water Resources	Water Resources

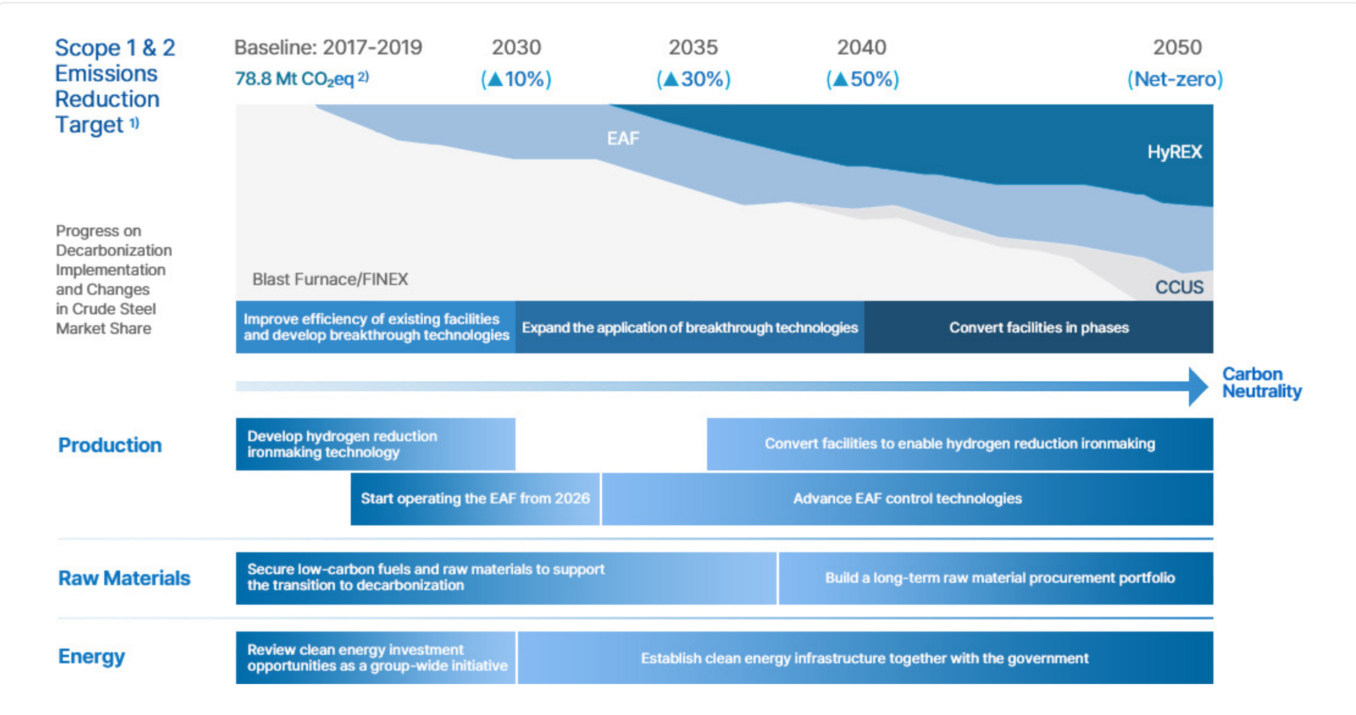
Environmental

Climate Action

Decarbonization Roadmap

Roadmap

POSCO is advancing toward carbon neutrality in line with its 2050 Decarbonization Roadmap, which outlines a comprehensive mid-to long-term strategy encompassing technology development, facility investment, raw material sourcing, and energy procurement.
In the short to medium term, we aim to utilize existing facilities to expand the use of carbon-reduced fuels and raw materials, as well as bridge technologies such as intensifying hydrogen use in blast furnaces, operating at a low hot metal ratio (HMR), and introducing electric arc furnaces (EAF). Building on our hydrogen infrastructure, we aim to achieve carbon neutrality in the long term by gradually adopting HyREX, our proprietary hydrogen reduction ironmaking technology.
In 2024, POSCO set a carbon emissions target of 75.7 million tons, with actual performance recorded at 71.1 million tons.

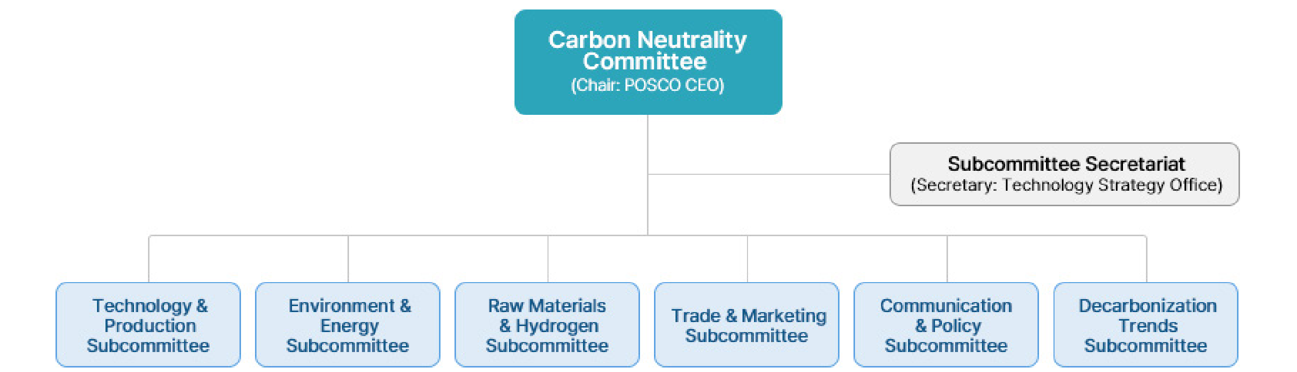


1) The above information is subject to change depending on internal and external circumstances.
2) The baseline figure refers to the average total emissions from POSCO's domestic operations over the period 2017–2019.

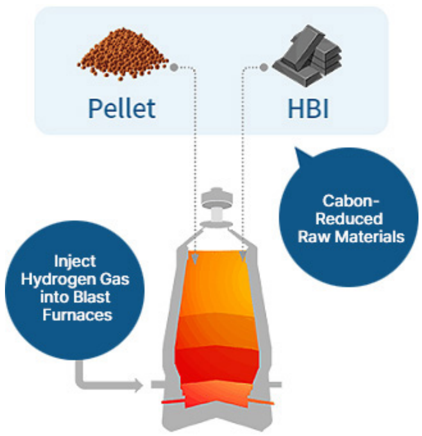
Climate Change Management

POSCO incorporates climate change response into all levels of its decision-making system. Climate-related strategies and facility investment plans are reviewed and deliberated by the ESG Committee, which operates under the Board of Directors. The Carbon Neutrality Committee, chaired by the CEO, oversees departmental implementation of carbon neutrality and coordinates any issues that arise during execution. It serves as the control tower for climate action. At monthly management meetings, greenhouse gas emissions performance is tracked alongside the financial impacts of climate response initiatives.

The Technology Strategy Office, which reports directly to the CEO, serves as the secretariat for the six subcommittees of the Carbon Neutrality Committee, which are responsible for establishing decarbonization strategies, developing related technologies, and monitoring implementation at the Pohang and Gwangyang Works. To support a smooth transition to a carbon reduced steel production system, we are strengthening our execution capabilities through two dedicated teams: the HyREX Project Team, which oversees the hydrogen reduction ironmaking project under the direct supervision of the CEO, and the Electric Arc Furnace Project Team, which is based at Gwangyang Works.



Blast Furnace-Based Technologies



Application of Carbon-Reduced Raw Materials

Iron ore used in blast furnaces can be broadly categorized into sinter and pellets, with sinter accounting for more than 70%. Pellets are raw materials formed into uniform spherical shapes after crushing and sorting iron ore.

Simply replacing sinter with pellets in blast furnace operations can reduce fossil fuel use in the sintering process. Hot Briquetted Iron (HBI) is a pre-reduced form of iron ore from which oxygen has been removed. When used in a blast furnace, HBI reduces the amount of metallurgical coal required for the reduction process. We are advancing HBI production projects in Australia and the Middle East to ensure timely access to HBI for use in the production of our carbon-reduced steel products.

Application of Hydrogen-Containing Gas

Carbon emissions can be significantly reduced by using natural gas (NG), a carbon-reduced fuel, in place of metallurgical coal. When reformed, methane (CH_4), the primary component of NG, breaks down into carbon monoxide (CO) and hydrogen (H_2). The resulting hydrogen-containing gas can be injected into the blast hole at the bottom of the furnace as a reducing agent, thereby lowering the amount of metallurgical coal needed in the reduction process.

In the first half of 2023, POSCO completed a new NG injection facility to establish this technology, and is now working to develop hydrogen injection capabilities. We plan to package this blast furnace-based bridge technology, with the ultimate goal of establishing a carbon reduction steelmaking model based on blast furnace operations.

Converter-Based Technologies

A converter is a large cauldron-like facility that holds molten iron produced in a blast furnace. Oxygen is blown into the molten iron to remove impurities and adjust the composition of molten steel as needed. We estimate that approximately 80% of the total carbon emissions associated with producing one ton of molten steel are generated during the production of molten iron. Accordingly, the converter-based bridge technologies focus on reducing the volume of molten iron used while increasing the proportion of scrap charged into the converter. There are two main approaches to achieving this:

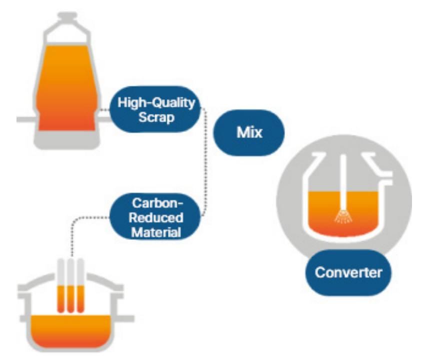
Melted Scrap Charging Method

The first approach is the Melted Scrap Charging Method, which increases the scrap ratio by utilizing pre-melted scrap in a converter. Electric arc furnaces (EAFs) recycle scrap iron to produce molten steel, thereby reducing the amount of coal and iron ore used. However, EAFs technology has limitations in producing high-grade steel products, as the quality of the output depends on the composition and impurities of the scrap. As a result, most high-grade steel—such as automotive steel sheets and shipbuilding plates—is currently produced by converters that refine molten iron made in blast furnaces.
To address this challenge, we are developing a new Melted Scrap Charging Method, which enables the mixing of molten iron from blast furnaces with molten steel from converters. This technology, to be implemented at the Gwangyang Works starting in 2026, is designed to simultaneously reduce carbon emissions and enable the production of high-grade steel.

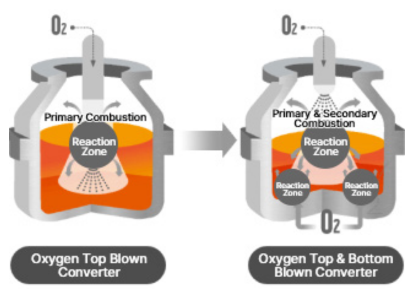
Oxygen Top & Bottom Blown Converter

The second is the Oxygen Top & Bottom Blown (OTBB) Converter technology, which secures an additional heat source to increases the use of steel scrap in the converter by blowing oxygen from both the top and bottom. Without relying on external heat, the converter instead utilizes the heat from the molten iron itself. As more scrap is added, the temperature of the molten iron decreases. The advantage of using an OTBB Converter is that it maximizes secondary combustion and heat transfer efficiency by injecting oxygen from both the top and bottom of the converter.

Melted Scrap Charging Method



OTBB Converter technology



Technologies that enable the use of large amounts of scrap iron in place of molten iron—such as the Melted Scrap Charging Method and OTBB Converter technology—are collectively referred to as “low Hot Metal Ratio (HMR) operation technologies.”

Scrap Usage

(thousand tons)

Category	2024	2030 Target
Scrap Usage	6,879	9,200
purchased scrap	2,052	5,000
self-sourced scrap	4,827	4,200

* Future use of ferrous scrap may be subject to change based on POSCO’s carbon neutrality strategy.

EAF-Based Technology

In February 2024, POSCO began construction of a new electric arc furnace (EAF) facility with an annual capacity of 2.5 million tons at the Gwangyang Works, targeting operational launch in 2026. This initiative aims to meet growing demand for carbon-reduced steel. The EAF method can reduce carbon emissions by up to 75% compared to conventional blast furnace operations, making it a highly effective carbon reduction production system.

CCUS

POSCO is exploring the application of Carbon Capture, Utilization, and Storage (CCUS)[1] technology to reduce CO_2 emissions generated during the steelmaking process.

1) CCUS refers to a technology that captures large volumes of CO_2 emissions and either utilizes them directly for industrial purposes, converts them into high value-added products, or stores them permanently or semi-permanently.

Carbon Capture, Utilization (CCU)

Since 2021, POSCO and the Research Institute of Industrial Science & Technology (RIST) have been jointly conducting a national R&D project to demonstrate carbon capture and conversion technology through a public-private partnership. This technology captures CO_2 from the steelmaking process, injects it into a coke oven, and utilizes it as a heat source for by-product gas power generation. In January 2024, Pohang Works successfully demonstrated the viability of injecting medium-purity CO_2 into coke ovens, confirming that energy-intensive purification to high-purity CO_2 is not necessary. As a result, the amount of coke oven gas (COG) generated increased by approximately 7%. COG is a versatile energy source that can be used as fuel gas, a feedstock for producing by-product hydrogen, or a raw material for high-value-added chemicals. The higher the calorific value of COG, the greater its potential for utilization. In recognition of this innovation, our CO_2 blowing conversion technology utilizing coke ovens was selected as one of the Top 10 R&D Technologies of 2024 by the Ministry of Trade, Industry and Energy (MOTIE).

We are reviewing a project to produce liquid carbonic acid with 99.99% purity and sustainable aviation fuel (SAF) using by-product gases generated from our steelworks. Through this initiative, we aim to gradually expand our industrial gas portfolio. In 2024, we established the Steel Industry CCU Consortium in partnership with LG Chem, the Korea Research Institute of Chemical Technology (KRICT), and the Gyeongsangbuk-do Provincial Government. The consortium is currently participating in the CCU Mega Project led by the Ministry of Science and ICT (MSIT), and has proposed Pohang Works as the demonstration site. Final approval was granted by MSIT in October 2024, and the demonstration is scheduled to begin in 2026 following a preliminary feasibility review in 2025. The CCU Consortium plans to demonstrate a technology at Pohang Works that captures CO_2 from by-product gas generated during the steelmaking process and converts it into syngas—a mixture of carbon monoxide (CO) and hydrogen (H_2). This syngas can either be sold externally as a raw material for chemical products such as sustainable aviation fuel (SAF), or injected back into the steelmaking process to serve as a reducing agent for iron ore, thereby creating an efficient resource circulation system.

Carbon Capture, Storage (CCS)

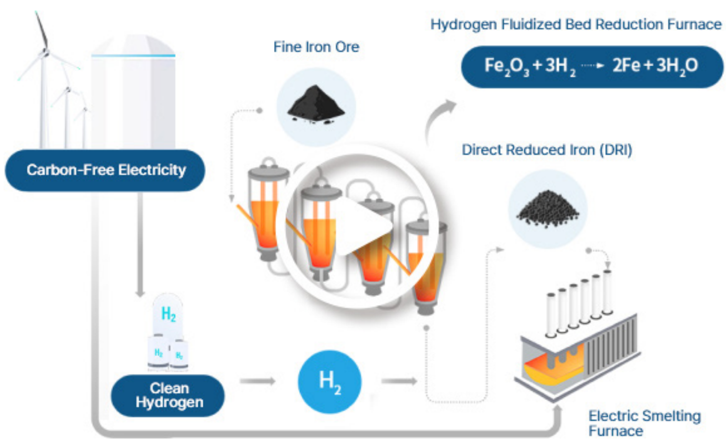
POSCO plans to capture CO_2 in phases using commercially available standalone technologies such as absorption, adsorption, membranes, and cryogenics. The captured CO_2 will be converted to conditions suitable for transportation and storage—specifically, minus 51°C, 5.5 bar, and a purity of 99.9% or higher—through compression, liquefaction, and purification processes. It will then be injected into abandoned oil and gas fields or saline aquifers with sealed geological formations for permanent sequestration. Sealed geological formations refer to layers where impermeable cap rocks cover porous sedimentary formations, effectively preventing gas leakage. We are currently exploring potential storage sites in the Donghae region of Korea, Indonesia and other parts of Southeast Asia, as well as northwestern Australia. In parallel, we are reviewing a plan to react captured CO_2 with slag—a by-product of the steelmaking process—to produce carbonized material for permanent storage, in the form of reclaimed ash in abandoned mines. In 2024, our project was selected as an International Feasibility Study Support Project by the Export-Import Bank of Korea. That same year, we completed a pre-feasibility study for CCS at our overseas integrated mill, PT. KRAKATAU POSCO, located in Cilegon, Indonesia.
In 2025, we plan to conduct a full feasibility assessment to refine our CCS application strategy.

HyREX

Hydrogen reduction ironmaking is a technology that reduces greenhouse gas (GHG) emissions by replacing metallurgical coal—traditionally used as a reducing agent and heat source in the steelmaking process—with hydrogen. In 2024, our HyREX technology was designated as a National Strategic Technology in recognition of its critical importance to national security and its broad economic impact. That same year, the Ministry of Science and ICT (MSIT) selected the Optimized Iron Ore Technology Development for Korean Hydrogen Reduction Ironmaking (Steel) project as a Global R&D Flagship Project. In line with national policy projects, we are currently preparing the Korean-type Hydrogen Reduction Ironmaking Demonstration Project, aiming to complete technological development by 2030.

HyREX Features

HyREX, POSCO's proprietary hydrogen reduction ironmaking technology, is based on the fluidized bed reduction furnace used in the already-commercialized FINEX process. This approach differs from the shaft furnace methods adopted by overseas competitors, both in terms of raw materials and equipment design. In terms of raw materials, whereas shaft furnaces require iron ore to be processed into uniform spherical pellets, HyREX can utilize fine ore directly. This flexibility not only simplifies raw material procurement but also reduces production costs. From an equipment perspective, HyREX offers superior temperature control due to its use of a fluidized bed reduction furnace.



HyREX Deployment Status and Future Plans

In 2021, POSCO began the site permitting and approval process for the construction of a hydrogen reduction ironmaking plant at Pohang Works, covering an area of 1.35 million ㎡ (approximately 410,000 pyeong). The following year, in July 2022, we signed an engineering partnership agreement with Primetals Technologies, a company with extensive experience in designing FINEX facilities. Through this partnership, we are jointly designing the key facilities for the HyREX demonstration plant, with the aim of constructing a 300,000-ton-per-year test facility at Pohang Works.

Building on these efforts, in 2023, POSCO introduced a hydrogen fluidized bed reduction experimental furnace with a capacity of 50 kg per batch at RIST to validate the hydrogen-based reduction technology. This was followed in April 2024 by the completion and successful first test of a 1-ton-per-hour electric smelting furnace (ESF) experimental facility at Pohang Works. These milestones have laid a solid foundation for the development of core element technologies for both the fluidized bed reduction furnace and the ESF and the HyREX process.
In January 2024, we established the HyREX Project Team to lead the development of hydrogen reduction ironmaking technology and launched the Hydrogen Reduction Development Center to bring together experts from across our group companies. Looking ahead, we aim to construct a demonstration plant that will serve as a cornerstone for the implementation and future commercialization of HyREX technology.

At the global level, POSCO is also actively building international technology partnerships to advance decarbonization in the steel industry. In 2021 and 2022, in collaboration with the World Steel Association (worldsteel) and Swedish steelmaker SSAB, we led efforts to launch the Hydrogen Iron & Steel Making Forum (HyIS Forum), which in 2023 was expanded into the Breakthrough Technology Conference organized by worldsteel. Since 2023, POSCO has taken a leading role in organizing and operating the HyREX R&D Partnership as a dedicated platform for building global consensus on HyREX technology. The partnership, comprising 19 related companies—including global steelmakers, raw material suppliers, and energy firms—held its first HyREX R&D Partnership Conference in November 2024. Through this initiative, we aim to accelerate the development of carbon reduction technologies for the steel industry in close cooperation with global partners.

POSCO's HyREX Activities 1 →
POSCO's HyREX Activities 2 →

MOU between POSCO and Primetals Technologies for the Joint Development and Engineering of HyREX (July 2024)

In July 2024, POSCO and Primetals Technologies signed a Memorandum of Understanding (MOU) to jointly design and construct a HyREX demonstration plant. Primetals Technologies brings expertise in FINEX design technology.

Building on this agreement, POSCO will concentrate its efforts on developing a demonstration plant to validate the commercial viability of hydrogen reduction ironmaking by 2030, while also preparing to meet decarbonization targets through an economically viable hydrogen infrastructure.

2021 World's First International Hydrogen Reduction Ironmaking Forum

2022 HyIS Forum

HyREX Development Center (2024)

2024 HyREX R&D Partnership Conference

Decarbonization Deployment

We are establishing internal standards for decarbonization and implementing them in a phased manner.

Green Partnership

Since 2003, POSCO has participated in the Carbon Disclosure Project (CDP) to ensure the transparent disclosure of climate-related information. In 2020, we became the first Korean manufacturer to declare support for the Task Force on Climate-related Financial Disclosures (TCFD) and began disclosing carbon data in line with its recommendations. In 2024, POSCO was rated B for Climate Change and received an A- in the CDP Water Security evaluation.

Scope 3 Management

Since 2022, POSCO has conducted third-party verification of its Scope 3 emissions in accordance with ISO 14064-3[1)] standard, as disclosed in our Annual Sustainability Report. Building on these efforts, in 2024, we established a working group comprising POSCO and POSCO FLOW—our group's logistics company—to enhance the calculation methodology for purchased raw materials and related transportation.

1) ISO 14064-3 is a standard that provides guidelines for the validation and verification of greenhouse gas (GHG) statements.

Internal Carbon Pricing Initiative

In 2024, POSCO introduced and began systematically operating an internal carbon pricing system to manage climate-related business opportunities and risks, and to support the transition to a decarbonized business structure. The internal carbon pricing initiative is used to raise employee awareness of climate change and to assess the economic feasibility of investments and project commercialization. It is managed within a system that enables timely responses to market changes through periodic rolling.

Carbon-Reduced Steel

POSCO is advancing the development of carbon-reduced steel to meet our customers' decarbonization demands.

We aim to reduce carbon emissions per ton of crude steel by approximately 10%[1)] compared to existing blast furnaces, by adopting a dual scrap charging technology that increases the scrap ratio during the steelmaking process. In addition, we are accelerating our efforts to achieve continuous carbon reduction by constructing a new large electric arc furnace (EAF), which can reduce carbon emissions by up to 75%[2)] compared to existing blast furnaces.

1) The target figure is based on the carbon emission intensity defined in POSCO's Environmental Product Declaration, certified by the MOE in 2021.
2) The target figure is based on the 2017–2019 average, POSCO's baseline period for carbon reduction.

POSCO's Carbon-Reduced Steel Product Lineup

Core Technology	Carbon Reduction Target	Production Process
Two-Batch Scrap Charging	↓10%	Increase the scrap usage by charging scrap twice in the steelmaking process
Large EAF	↓75%	Produce steel using scrap in a newly constructed large-scale EAF

Recycled Material Purchasing

POSCO comprehensively manages its annual scrap procurements.
In 2024, the total volume of ferrous scrap imported or purchased domestically amounted to 1,924 thousand tons, with an associated cost of KRW 929.6 billion. Additionally, recycled material purchases —such as increased recycling of used and waste materials—totaled KRW 315.7 billion in the same year.

Steel Scrap Procurement: Domestic and Imported

(Unit: thousand tons, KRW billion)

Year	Quantity	Amount
2023	218.0	1,198.1
2024	192.4	929.6

※ The amount is calculated based on the arrival quantity and excludes VAT.

3R Practices in Equipment and Materials Procurement

(Unit: KRW billion)

Category	Project Name	2023	2024	Calculation
Reuse	Expansion of Used Material Recycling	52.6	59.3	• Unit cost or proportion of new materials used in place of used materials Σ {Usage × Unit cost of new materials × 60% (Class A) or 15% (Class B)}
	Expansion of Repaired Recycling Materials	120.4	111.5	• Amount of recycled material received (with QS code) after repair
Reduce	Expansion of Eco-Friendly Refractory Materials	129.2	132.0	• Amount of eco refractory materials received, containing at least 5% recycled content from waste refractory materials
Recycle	Use Copper Recovery from Waste Cables	5.7	12.9	• Copper recovered from waste cables + copper scrap in waste air vents * Σ (Recovered copper from waste cables, etc. × Purchase price of copper)
Total		**307.9**	**315.7**	-

Climate Action

Energy

Energy Strategy

POSCO has defined a clear energy management strategy to support the transition toward a decarbonized business model and is advancing it through a range of initiatives.

ISO 50001: Energy Management System Certification

In September 2012, POSCO obtained ISO 50001 certification to systematically manage energy use and has maintained the certification through annual reassessments. Each year, we conduct internal audits to evaluate and improve the implementation and standards of our company-wide energy management system. In addition, our energy experts receive ongoing training, including participation in external programs such as the ISO 50001 Internal Auditor Training Course, which was completed by 44 employees in 2024.

Environment-Friendly Motor Vehicle

Since 2022, POSCO has been replacing company-owned and leased vehicles with environment-friendly motor vehicles[1]. As of 2024, a total of 185 vehicles—representing 24.5% of the fleet—have been converted. We are also participating in the Korea Zero Emission Vehicle Conversion (K-EV100) project of the Ministry of Environment (MOE).

1) The term 'environment-friendly motor vehicle' means an electric vehicle, solar-powered vehicle, hybrid vehicle, and hydrogen electric vehicle, as defined in Article 2 of the Act on Promotion of Development and Distribution of Environment-Friendly Motor Vehicles.

Energy Usage Target

POSCO sets annual energy usage targets and systematically monitors performance.
Energy consumption is calculated across all business sites, including steelworks, by aggregating the use of by-product gases, LNG, and electricity—our primary energy sources. In 2024, our energy consumption target was 380,014 TJ, while actual consumption totaled 374,298TJ—exceeding the target by 5,716 TJ.

Metric	Unit	2024 Targets	2024 Results
Energy Use*	TJ	380,014	374,298

Note: Only by-product gas, LNG, and electricity were included in the company-wide total. Electricity usage was calculated based on the national standard for gross calorific value.

Energy Management

Energy Efficiency Management System

POSCO previously managed energy use on a plant-by-plant basis with a primary focus on cost. In recent years, however, we have been shifting to a facility-level, efficiency-oriented energy management system. This transition enables more precise oversight by incorporating environmental indicators and conducting cost comparisons at the individual facility level. Since 2023, we have operated select plants as pilot sites, and starting in 2024, we are expanding the system to cover more plants.

Preparing for the Energy Transition

To ensure a smooth transition to a decarbonized system, POSCO is reducing its reliance on blast furnace operations and shifting toward an ironmaking process centered on electric arc furnaces (EAFs) and hydrogen-based reduction technologies.
As the use of blast furnaces declines, self-generated energy derived from by-product gas will also decrease. Meanwhile, overall electricity consumption at steelworks is expected to rise due to the expansion of power-intensive facilities, such as fluidized bed reduction furnaces used in hydrogen reduction ironmaking. To address this shift, POSCO is actively exploring carbon-free energy sources, including renewables, to support RE100-compliant products for customers and achieve decarbonization. In the short term, we are meeting customer demands by securing Green Premium, Renewable Energy Certificate (REC), and other renewable energy supply-related certificates available under the Korean RE100 system. Over the long term, we plan to expand in-house renewable energy generation by utilizing available land within our steelworks and explore power purchase agreements (PPAs) with renewable energy providers to ensure a stable supply of large-scale green power.

Improving Power Generation Efficiency

POSCO is committed to enhancing overall energy efficiency, particularly by improving power generation within the steel production process.
We utilize by-product gas generated during steelmaking as fuel for both steelmaking process and on-site power generation. In 2024, 85% of the electricity used at our steelworks was self-generated through this method. To further enhance efficiency, we are rationalizing aging, low-efficiency power generation facilities and developing technologies to predict the generation and consumption of by-product gas in real time, thereby minimizing waste emissions. We are also investing in the expansion, replacement, and enhancement of energy recovery facilities, alongside process innovations aimed at reducing energy consumption. In parallel, facility upgrades and R&D are being pursued to increase the recovery rate of by-product gases. Additionally, beginning in September 2023, we launched the Annual Energy Saving Idea Contest to encourage employee participation in improving energy efficiency. Selected ideas are refined and implemented in accordance with each site’s specific conditions.

Managing Energy Saving Targets and Identifying Challenges

Year after year, POSCO builds on its efforts to identify energy-saving opportunities. Through its energy management system, we monitor energy consumption in real time and analyze usage patterns to explore more efficient energy utilization methods. In addition, we have established procedures for reviewing the installation of rooftop solar panels when investing in new facilities with a roof area of 6,000m² or more.

1. Steam Generator Rationalization Project at Gwangyang Works (Units 3 and 4)

As of 2024, Gwangyang Works generates 95.8% of its electricity on-site using by-product gas from the steel production process. This is achieved through three main methods: steam power generation, by-product combined-cycle generation, and natural gas-based LNG power generation. In steam power generation, electricity is produced by turbines driven by steam as the working fluid. By-Product combined-cycle generation uses by-product gas to operate gas turbines and recover heat for additional steam generation, enhancing efficiency. In 2023, we replaced end-of-life components in the boilers and generators of Units 3 and 4 to enhance operational reliability. In addition, outdated turbines were upgraded to the latest models, improving power generation efficiency by approximately 2.5%. As a result, we reduced annual energy consumption by 97 GWh, which translated into lower energy procurement costs and a reduction of approximately 40,000 tons in annual carbon emissons.

2. Temperature Control Optimization Program for Hot Blast Stoves

To produce molten iron from iron ore in a blast furnace, a continuous supply of ultra-high-temperature air exceeding 1,000°C is required. This hot air is generated by passing air through the regenerating chamber of a hot blast stove. Therefore, maintaining sufficient stored heat in the regenerating chamber is essential to achieve the target air temperature and improve thermal efficiency. At Gwangyang Works, the Ironmaking Department and the Electrical, Instrument & Control (EIC) Technology Department are working to optimize hot blast stove temperature control for each blast furnace units 1 through 5, tailoring operations to the specific conditions of each facility. As part of these efforts, ten new control functions have been developed and implemented, customized to the unique needs of each blast furnace. In addition, the flexibility of wind temperature control has been improved by identifying the optimal pressure and calorific value of the mixed gas used to rapidly restore heat storage in stoves where deterioration is detected. As a core facility directly linked to blast furnace operations, the hot blast stove benefits significantly from the development of wind temperature control systems, which help stabilize operations by minimizing wind temperature fluctuations. Improved thermal efficiency also enables a reduction in mixed gas consumption.

3. Completion of an Integrated Fulfillment Center

In April 2024, POSCO completed construction of the POSCO PF Center in the Gwangyang National Industrial Complex. The center is equipped with a 1.4 MW rooftop solar power system—enough to supply electricity to more than 500 households annually—allowing for self-sufficient power generation. Construction of the 50,000 m² center—roughly equivalent to seven soccer fields—began in November 2022 with an investment of KRW 90 billion. It is equipped with 34,000 storage cells capable of accommodating materials of various sizes, from small to large. The POSCO Fulfillment Center has significantly boosted productivity through the use of high-capacity racking systems operated by stacker cranes, cube-shaped automated warehouses with robotic storage, and autonomous mobile robots. Additionally, the application of a Warehouse Management System (WMS)—which predicts material demand and manages inventory based on data—has enhanced system efficiency across all stages, from material storage to delivery tracking.

Climate Action

Climate Risk Management

POSCO has assessed both the physical risks of climate change and the transition risks associated with decarbonization, and has established a response system to minimize the potential financial impacts. We manage these risks across four key areas—governance, strategy, risk management, and metrics and targets—in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). These components are fully integrated into our company-wide risk management framework.

Responsible Organization

The Technology Strategy Office, which reports directly to the CEO, is responsible for developing decarbonization plans for the steel business and advancing the transition to a carbon reduction production system through investments in electric arc furnace (EAF) facilities. The Environmental & Energy Planning Office oversees responses to domestic and international carbon regulations—such as the Carbon Border Adjustment Mechanism (CBAM)—as well as energy policies and third-party greenhouse gas assessments.

Analysis of Climate-Related Risks and Opportunities

Category			Risks and Opportunities	Description	Response Measures
Risks	Transition Risk	Policy and Legal Risks	Strengthening of ETS and Reduction of Gratuitous Allocation	Rising carbon costs from reduced free allocation and higher auctioning ratio	• Introduce an internal carbon pricing system • Establish greenhouse gas forecasting and reduction plans • Develop bridge technologies for blast furnaces
			Full Enforcement of EU Carbon Border Adjustment Mechanism (CBAM)	Steel exports to face CBAM burden from 2026	• Operate a dedicated task force to respond to CBAM • Commence construction of the 2.5 million-ton Gwangyang EAF • Develop advanced ironmaking technologies using EAF-based production
		Market Risks	Increased Demand for Carbon-Reduced Steel Supply	Timely response required to address the rising demand for carbon-reduced steel	• Advance low hot metal ratio (HMR) and melted scrap charging technologies • Develop advanced ironmaking technologies using EAF-based production
			Strengthened Competition in Global Raw Material Supply Chains	Intensifying global competition for pellet and HBI procurement	• Review investment in HBI projects in Australia and the Middle East • Expand scrap collection bases and sorting centers

Risks	Transition Risk	Technology Risks	Risks in the development process of hydrogen reduction ironmaking technology	Rising demand for large-scale investments in HyREX development and long-term technology verification	• Construct a HyREX demonstration plant
			Limitations in High-Grade EAF Steel Technology	Technical limitations in refining for high-grade EAF steel production	• Develop advanced ironmaking technologies using EAF-based production
			Uncertainties in CCUS Process Technologies	Uncertainties in CCUS efficiency and battery process integration	• Expand demonstration capabilities through RIST-KEIT projects
	Physical Risks	Acute Risks	Coastal Flooding and River Overflow Risks	Recurring flood risk in Pohang Naengcheon and Gwangyeong coastal areas	• Strengthen flood resilience with BCP planning, cutoff walls, and drainage infrastructure
Opportunities	Transition	Products and Services	Growing Demand for Eco-Friendly Products	Rising product demand driven by EV and renewable energy industries	• Develop carbon-reduced steel, high-performance cathode materials, and RE100-certified products with expanded global certification
	Resource Efficiency		Enhanced Use of Facility Efficiency, Scrap, and By-Product Gases	Potential for high-efficiency facilities and energy savings	• Optimize power generation and hot blast control, and expand recovery of by-product gases
	Resilience		Reinforcement of Supply Chain and Energy Resilience	Need for systematic response to climate risks	• Accelerate RE100 transition through solar expansion, overseas power PPAs, and LNG-hydrogen co-firing

Physical Risks

Methodology

The climate modeling analysis methodology of S&P Global Climate Economics applies Shared Socioeconomic Pathways (SSP) scenario, a new greenhouse gas pathways used in the Sixth Assessment Report of the IPCC[1)] (AR6, Working Group I). The scenarios incorporate socioeconomic factors such as future population changes, economic development, and urbanization alongside the Representative Concentration Pathway (RCP) scenarios.

1) Intergovernmental Panel on Climate Change

SSP Scenario

Category	Scenario Applicable to Worksites	Global Temperature (at the End of the 21st Century)
SSP 1-2.6	A scenario in which the reduction of social inequality and the rapid development of eco-friendly technologies lead to climate change mitigation and the establishment of a carbon-reduced, sustainable socioeconomic structure capable of adapting to climate change.	+1.9°C
SSP 2-4.5	A scenario that assumes moderate economic growth and a mid-level stage of socioeconomic development.	+3.0°C
SSP 3-7.0	A scenario characterized by imbalances in socioeconomic development and institutional limitations, resulting in a socioeconomic structure that is vulnerable to climate change.	+4.3°C
SSP 5-8.5	A scenario without climate policies, based on fossil fuel-driven growth and high human capital investment—leading to a high-carbon socioeconomic structure with strong adaptive capacity but limited mitigation potential.	+5.2°C

* Source: Korea Meteorological Service (KMA), the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)

Target and Results

We analyzed the Pohang and Gwangyang Works, PT. KRAKATAU POSCO (Indonesia), POSCO Zhangjiagang Pohang Stainless Steel (China), and POSCO YAMATO VINA (Vietnam), and obtained the following results.

Projected Financial Impact of Physical Risks (2040–2049, Based on SSP 5-8.5 Scenario)

* Estimated Annual Average Loss Rate

Worksite	Abnormal Weather	Inland Flooding (Heavy Rain)	Coastal flooding	Fluvial Flooding	Drought	Forest Fires	Typhoons	Water shortages
Pohang Works	1-5%	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower
Gwangyang Works	1-5%	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower
PT. KRAKATAU POSCO (Indonesia)	1-5%	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower
POSCO Zhangjiagang Pohang Stainless Steel (China)	1-5%	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower
POSCO YAMATO VINA (Vietnam)	1-5%	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower	1% or plower

Response Status

In 2022, Pohang Works sustained significant damage due to flooding from the Naengcheon Stream. In 2023, to prevent the recurrence of similar incidents, POSCO established a comprehensive Business Continuity Plan (BCP) encompassing natural disaster prevention, damage recovery, alternative production, and market protection strategies. We established a constant-response system by enhancing physical risk prevention facilities and implementing dedicated response systems.

Current Status of Coastal Flooding Risk Response

Worksite	Response Measures	Site Elevation (Relative to Sea Level)
Pohang Works	· Installed breakwater retaining walls (2.3 km) at the raw material pier in tsunami-prone areas (2012–2017), and reinforced shore protection facilities[1] and breakwaters[2] (2020) · Installed floodgates and flood barriers at 1,853 flood-prone locations within the steelworks and critical facilities · Reinforced external flood walls around the steelworks (1.9 km) and along the Naengcheon Stream (1.7 km) · Developed a monitoring and management system for the steelworks drainage network using water level gauges and CCTV, and improved the drainage infrastructure · Deployed high-capacity engine pumps for emergency flood response	+3.2~4.5m
PT.Krakatau POSCO (Indonesia)	· Constructed drainage facilities and improved drainage channels based on maximum daily rainfall estimates · Installed floodgates and flood walls at critical facilities such as electrical rooms and ironmaking substations (96 locations)	+4.5~5.5m
POSCO YAMATO VINA (Vietnam)	· Elevated major facilities—including electric arc furnaces, refining units, continuous casting lines, rolling mills, equipment rooms, and electrical rooms—to the 2nd or 3rd floor above ground level to mitigate coastal flood risks · Expanded drainage channels near the port pier and product warehouse (March–October 2023), and conducted port dredging every two years	+3.7m

1) A protective structure installed to prevent the erosion of boundary areas of rivers, coasts, and levees.

2) A breakwater constructed offshore to reduce wave energy.

Current Status of Fluvial Flooding Risk Response

Worksite	Response Measures
Gwangyang Works	· Installed floodgates and flood walls in steelmaking and rolling areas (662 locations) · Developed a drainage management system for the steelworks and enhanced drainage capacity · Deployed large engine pumps for emergency flood response

Just Transition

POSCO recognizes that the transition to carbon reduction operations—and the accompanying changes in facilities and processes—may significantly impact our employees, executives, and local communities. We are committed to ensuring a just transition by fostering active communication and enabling all stakeholders to adapt and participate smoothly.

Executives and Employees

POSCO is developing and implementing a workforce transition plan aligned with the 2050 Decarbonization Roadmap. For the Gwangyang Electric Arc Furnace (EAF), which is scheduled to begin construction in 2024 and start operation in 2026, we have established a recruitment strategy to secure production and technical personnel with experience and expertise in EAF operations starting from the equipment investment stage. We also plan to strengthen their capabilities through preemptive job training. HyREX, POSCO's proprietary hydrogen reduction ironmaking process, is based on the existing FINEX process, resulting in a relatively lower need for workforce transition compared to other steelmakers. This allows us to leverage our accumulated operational know-how as a competitive advantage. In preparation for the full-scale implementation of facility conversions, we intend to offer voluntary job transition (reskilling) programs for employees in departments where downsizing or closure is expected, with the goal of reassigning them to new roles. POSCO's Technical Research Laboratories and POSCO Group University, our specialized educational institution, will work together to develop training programs aimed at cultivating skilled technical personnel. We will also maintain open and ongoing communication with employee representative bodies and through multiple channels regarding the job transition process.

Local Communities

We have been working to create a model of mutual growth centered on the regions where our worksites are located. In particular, as we transition toward a decarbonized future, we are actively engaging with local residents and experts through community channels and promoting a just transition by thoroughly collecting and incorporating diverse stakeholder perspectives.

In particular, as part of the permitting and approval process for the development of the hydrogen reduction ironmaking facility, we have conducted joint briefing sessions since May 2023 for residents in nearby areas such as Songdo-dong, Hado-dong, and Cheongnim-dong. During these sessions, we disclosed relevant documents, including environmental, traffic, and hazard impact assessment reports, and gathered feedback from the residents. We also held separate public hearings as part of the environmental impact assessment process to facilitate in-depth discussions on key issues such as seagrass habitat preservation and coastal impacts, striving to build broad consensus through transparent and inclusive communication.

Physical Risk Response Process

POSCO operates a risk management process to minimize physical risks and ensure business continuity, based on the framework developed in collaboration between the Task Force on Climate-related Financial Disclosures (TCFD) and the Committee of Sponsoring Organizations of the Treadway Commission (COSO). We assess regional climate risks and vulnerability levels across our global worksites and respond through two key approaches: Disaster Management and Climate Adaptation. Disaster Management focuses on preventing short-term events such as floods, heatwaves, and typhoons, while also establishing rapid recovery protocols in the event of a disaster. Climate Adaptation involves strengthening our capacity to address medium- to long-term climate risks such as rising temperatures and sea levels. These efforts include enhancing health programs for employees and executives to mitigate heat-related impacts, as well as constructing breakwaters and other disaster prevention infrastructure.

Physical Risk Response Process for Disaster Management

Disaster management is carried out in accordance with the Business Continuity Plan (BCP), with the aim of preventing natural disasters, minimizing their impact when they occur, and avoiding secondary damage. Natural disasters are categorized into five types: typhoons and heavy rain, heavy snow and cold waves, earthquakes and tsunamis, droughts, and lightning. A four-stage management system—prevention, preparation, response, and recovery—is in place to address these risks. During the prevention stage, disaster-specific checklists are regularly reviewed and any deficiencies are promptly addressed. In the preparation stage, we monitor weather and climate forecasts to anticipate potential events, and begin inspections and readiness activities—such as securing emergency equipment and supplies—at least one week in advance. In the response and recovery stages, we issue alerts, activate disaster response headquarters and recovery teams, and take swift action to restore operations while ensuring business continuity. The BCP and related manuals outline response measures not only for natural disasters such as extreme weather and seismic events, but also for social disasters including explosions and fires.

Disaster Types

Type 1	Type 2	Type 3	Type 4	Type 5
Typhoons and Heavy Rain	Heavy Snow and Cold Waves	Earthquakes and Tsunamis	Droughts (Water Shortages)	Lightning

Disaster management system

Category	Definition	Major Activities
Prevention	· Preventive activities conducted annually to prevent disaster-related damage	· Establish and inspect disaster management systems · Inspect and reinforce facilities · Provide disaster safety education and conduct emergency drills
Preparation	· Preparatory activities conducted approximately seven days before a disaster (D−7) to prevent disaster-related damage	· Procure emergency equipment and supplies · Manage disaster response measures by phase
Response	· Response activities conducted on the day of the disaster (D-0) to prevent disaster-related damage	· Issue alerts and activate the disaster response center · Implement initial response operations, including rescue and emergency medical activities
Recovery	· Activities to restore equipment, facilities, and core business functions damaged by a disaster	· Form and operate recovery organizations · Implement recovery activities and activate business continuity plans

Climate Adaptations

POSCO integrates climate risk considerations from the earliest stages of its business and investment strategy development. We are committed to strengthening our capacity to adapt to climate risks across all areas of management, including human resources, infrastructure, and energy systems. In particular, we conduct detailed assessments of the vulnerability and exposure of both new investment sites and existing facilities to climate-related events from the initial stages of investment review. Based on these assessments, we establish proactive measures to address potential challenges such as industrial water shortages, power outages, and disruptions to the supply and sale of raw materials. We are also building a comprehensive disaster prevention system to prepare for medium- to long-term sea level rise, and we are enhancing protective infrastructure at our worksites in collaboration with local communities. To safeguard the health and safety of our employees and executives amid extreme temperatures, we are expanding rest areas and air conditioning facilities and operating workplace improvement programs, including flexible work systems.

Business Continuity Plan(BCP)

1 Disaster Declaration
Determine the extent of damage and set up a situation room

2 Damage Assessment
Conduct a detailed damage investigation for each department on equipment, facilities, materials, products, and raw materials

3 Recovery Plan Development
Establish recovery methods, priorities, procurement plans, and recovery processes

4 Recovery Resource Acquisition
Secure recovery resources including personnel, equipment, materials, welfare support, and budget by mobilizing directly managed companies, partners, and group companies, with additional support from the public sector, private organizations, and the military

5 Alternative Production Implementation
Launch parallel production at Pohang Works, Gwangyang Works, and overseas subsidiaries

6 Situation Reporting
Communicate the recovery process and normalization plans externally with the government, National Assembly, local communities, and media

7 Recovery Implementation
Restore facilities, systems, and infrastructure while ensuring safety as the top priority in collaboration with partners, group companies, and contractors

8 Process Management
Monitor progress and identify issues related to recovery and production

9 Test Run Execution
Conduct test runs of restored plants

10 Recovery Cost Finalization
Settle emergency recovery costs, process insurance claims, and complete financial reporting

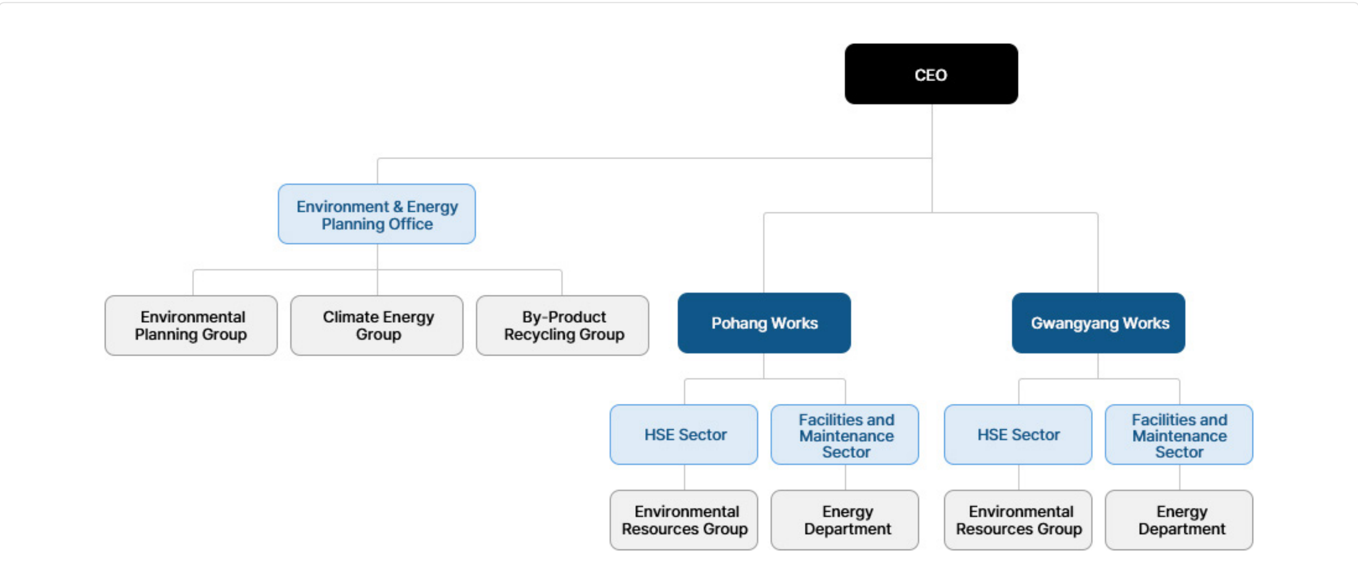
Environmental Management System

Environmental Management System

Organization

POSCO's environmental initiatives are led by the Environment & Energy Planning Office, as well as the Environmental Resources Group and the Energy Department at each steelworks. Updates on environmental and risk management efforts are regularly submitted as reporting items to the monthly management briefing chaired by the CEO. The Environment & Energy Planning Office at POSCO is placed under the direct supervision of the CEO to ensure accountable management and prompt decision-making on environmental issues. The office establishes mid-term environmental management and technology strategies on an annual basis.

At the steelworks level, the Environmental Resources Group is responsible for establishing and operating the environmental management system. Its duties include administering permits and approvals, inspecting emission control facilities, managing chemical safety training and compliance, and overseeing waste recycling operations. The Energy Department is tasked with optimizing facility operations and management to ensure a stable supply of energy resources such as by-product gas, electricity, water, and hydrogen. The department also leads efforts to reduce external energy procurement by enhancing power generation efficiency, maximizing by-product gas recovery, and promoting energy-saving initiatives across operating plants.



Environmental Advisory Committee

Since 2022, POSCO has operated the Environmental Advisory Committee to gather expert insights on the environmental impacts of areas surrounding its steelworks, improve the local environment, and strengthen community engagement. The committee meets quarterly, with additional meetings held as needed. Comprising approximately five internal and external experts, the committee discussed topics in 2024 such as the roles of regional environmental health centers and trends in environmental health policy. POSCO will continue to engage with experts and opinion leaders to proactively address environmental challenges across the organization.

Note: A total of four quarterly meetings were held in 2024.

Performance-Based Remuneration

POSCO's CEO evaluates executives based on a combination of key performance indicators (KPIs) and critical business outcomes, and determines performance-based compensation accordingly. As part of the company's core performance reporting, the Head of the Environment & Energy Planning Office submits monthly updates—such as total air emissions and by-product recycling rates—during the management briefing chaired by the CEO.

Board of Directors

Each year, POSCO submits the mid-term management strategy and business plan for the upcoming year to the Board of Directors for resolution. This submission includes key environmental initiatives—covering air, water, waste, land, and chemicals—as well as performance and plans related to carbon neutrality and environmental budgets (investments and expenditures). In addition, the ESG Committee provides quarterly updates to the Board on improvements in environmental and carbon management systems.

Operational Status

Management Guidelines

In January 2010, POSCO established the first environmental manual, which has since been revised and is currently implemented as the Environmental Management Manual. In addition, we operate under an environmental management policy tailored to the characteristics of the steel industry, in line with corporate regulations and internal guidelines. This policy outlines POSCO's overarching direction and monitoring commitments in the areas of climate change, water, air, waste, and biodiversity.

ISO Certification

POSCO's major business sites are certified to ISO 14001 and ISO 50001, the international standards for environmental and energy management. These sites undergo regular audits—annual inspections by the Ministry of Environment (MOE), internal audits by each business unit, and follow-up or recertification audits by external certification bodies. The audit results are reported to top management and are reflected in updates to the company's environmental strategies and targets, helping maintain an effective environmental management system. To enhance objectivity and consistency in internal audits and compliance assessments, we apply structured checklists aligned with environmental management system requirements and regulatory obligations.

POSCO'S ISO 14001 Certificate → POSCO's ISO 50001 Certificate →

Position on Biodiversity

POSCO assesses the potential impact of its operations on the biodiversity of surrounding areas and implements measures to minimize any negative effects.

New Projects

When initiating new projects—including facility expansions or additions—POSCO is committed to preventing and minimizing threats to biodiversity. Where unavoidable, we will restore affected areas and implement offset measures. We will assess and monitor potential impacts on ecosystems through biodiversity surveys and mitigation efforts. This commitment extends beyond our own operations to include both primary and non-primary supply chains.

We recognize international conventions related to the protection of biodiversity and land,[1] and we commit to complying with all applicable national and local legal requirements at our operational sites within these areas. If our operations result in damage, loss, or degradation within areas protected under international conventions, we will restrict access to the site and conduct a thorough review. For projects involving natural or critical habitats, we will seek to avoid adverse impacts by minimizing net losses, revising plans, or exploring alternative locations.

Before undertaking new projects, we will conduct environmental impact assessments in compliance with applicable laws and regulations, and proactively identify and mitigate risks to biodiversity, including threats to endangered species. We are committed to ensuring that our operations do not compromise biodiversity values—such as ecosystems and critical habitats—and we will engage in consultation with local residents and communities regarding land use.

1) The conventions refer to the Convention on Biological Diversity, the Ramsar Convention, and the Convention Concerning the Protection of the World Cultural and Natural Heritage. We also refer to the guidelines of the International Union for Conservation of Nature (IUCN), including the Protected Area Categories Guidelines and the Guidelines for Planning and Monitoring Corporate Biodiversity Performance.

Worksite Management

For business sites that include key biodiversity habitats, POSCO is committed to achieving “No Net Loss” and striving toward a “Net Positive Impact.”

At the Pohang and Gwangyang Works, we will conduct environmental assessments of marine water and low-quality soil surrounding the steelworks, alongside ongoing monitoring to enhance the local ecosystem. When needed, we will collaborate with expert institutions to carry out specialized studies on potential impacts to biodiversity.

We identify protected areas, zones of high biodiversity value, and the presence of endangered species near our business operations and project development sites. These findings inform the development, implementation, and monitoring of each project’s biodiversity management plan. For areas recognized under international conventions—such as World Heritage Sites, Ramsar Sites, or other designated conservation areas—located within or adjacent to our existing operations, we ensure that our activities do not compromise their ecological value.

Marine Ecosystem Preservation

POSCO is actively engaged in preserving marine ecosystems by identifying and recycling steel and fishery by-products as alternatives to natural resources.

One such initiative is the ongoing project to create a sea forest to restore marine ecosystems. POSCO has developed Triton® artificial reefs made from steel slag, which are rich in minerals such as iron and calcium. These reefs promote the proliferation of marine plankton and the attachment of algae spores, making them effective tools for marine restoration. To date, over 8,000 Triton reefs have been deployed in domestic waters. Furthermore, the Clean Ocean Volunteer Group, a specialized volunteer group of POSCO employees, carries out approximately 60 underwater cleanup activities each year. The company provides systematic support for biodiversity-related volunteer efforts, reinforcing its commitment to marine conservation.

Endangered Species Protection

POSCO is committed to protecting endangered species by supporting biodiversity initiatives at the local, national, and global levels. Near our operational sites, we strive to safeguard one endangered mammal, the otter, and eleven bird species—including the whooper swan, tundra swan, bean goose, brant goose, kestrel, Eurasian sparrowhawk, common buzzard, osprey, Eurasian eagle-owl, Saunders’s gull, and Far Eastern curlew. To minimize disruption to these species and preserve surrounding ecosystems, we implement a range of measures, such as creating alternative habitats, suspending construction activities during wintering periods, and installing temporary soundproof barriers. We also raise awareness and promote participation in biodiversity protection among employees and stakeholders through a range of environmental education programs.

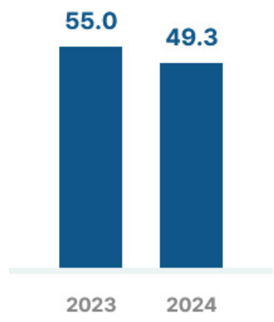
Metrics and Targets

Atmospheric Indicators

In accordance with SPECIAL ACT ON THE IMPROVEMENT OF AIR QUALITY IN AIR CONTROL ZONES, chimney tele-monitoring systems (TMS) are installed for emission sources with emissions exceeding 3 tons of NOx/SOx and 0.15 tons of dust in the previous year.

Air Pollutant Emissions

(thousand tons, based on SEMS)



TMS Installation Status

Metric	Unit	2021	2022	2023	2024	2025 Target
TMS Installation Status[1)]	count	105	245	246	300	318

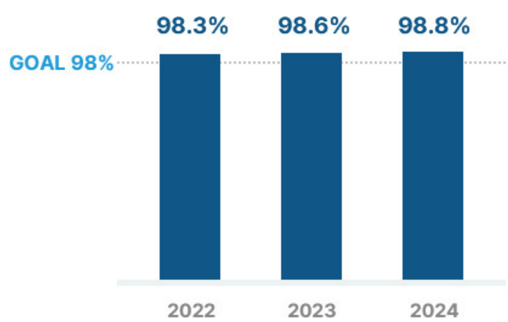
1) TMS refers only to the tele-monitoring systems that transfer data to the MOE. The atmospheric TMS installation schedule is subject to change depending on the progress of investment.

By-Product Recycling Indicators

In 2024, POSCO generated 20,204 thousand tons of by-products and recycled 19,951 thousand tons, achieving a recycling rate of 98.8%. POSCO is committed to maintaining a recycling rate of 98% or higher.

Our By-Product Recycling Target

(Percentage of Waste Recycled)



Water Usage Management

POSCO manages water resources efficiently by setting annual usage targets and tracking performance. We apply these targets to all steelworks with production processes, covering the total volume of water withdrawn for industrial use.

In 2024, our target was 158 million tons, while actual usage amounted to 156 million tons—2 million tons below the target.

Water Usage: Target vs. Actual

Metric	Unit	2024 Targets	2024 Results
Water Usage	tons	158,148,304	156,026,930

Air Pollutants

Air Pollutants

POSCO promotes air quality improvement initiatives by complying with environmental regulations such as the Total Air Pollutant Emissions Management System and the Seasonal Fine Dust Management System, while proactively reducing fugitive dust emissions. Total emissions subject to control are designated as key management indicators. We apply stricter internal standards to maintain stable emission concentrations and monitor compliance 24/7 through the Environmental Control Office. To assess the environmental impact of air pollutants—including fugitive dust generated by steelworks—we install and operate environmental monitoring equipment and share real-time data with local communities via electronic display boards.

Air Pollutant Reduction

Despite external challenges such as unstable fuel supply and demand due to trade sanctions, POSCO is committed to reducing air pollutant emissions through the operation of pollutant control facilities and improvements in combustion efficiency.
Since 2004, we have been operating sulfur oxide(SOx) removal systems at our sintering plants using medium-density sintering and activated carbon adsorption. To reduce nitrogen oxide(NOx) emissions, we have installed Selective Catalytic Reduction(SCR) and Selective Non-Catalytic Reduction(SNCR) equipment at major emission sources, including sintering facilities and power plants. In addition, we operate over 1,500 dust collectors across the steelworks to minimize dust emissions. In 2022, we introduced two-stage dust collectors at eight blast furnaces(three in Pohang and five in Gwangyang) to treat residual gases generated during blowdown(temporary shutdown) and blow-in(restart), further reducing pollutant emissions.

Fugitive Dust Reduction

We are actively working to reduce fugitive dust emissions and improve the living environment for residents near our steelworks.
At open yards, we are progressively enclosing facilities, taking into account for the properties of fuels and raw materials, as well as operational efficiency. In addition, we are enhancing dust control through the use of dust covers, automated watering systems, and surface hardeners. In December 2019, POSCO signed a voluntary agreement with the Korean government to reduce fine dust emissions during the four-month high-concentration period from December to March. Under this agreement, the Ministry of Environment (MOE) has assigned us annual reduction targets that are stricter than those under the previous seasonal management system. We are fulfilling these targets by increasing the capacity utilization ratio and operational efficiency of our air pollutant reduction facilities. Notably, during the fifth implementation period of the Seasonal Management System (December 2023–March 2024), Gwangyang Works was recognized as the top-performing site in the voluntary agreement evaluation for its outstanding contribution to reducing fine dust in the southern region.

Silo

Yard Dust Cover

Surface Hardner Application

Chemicals

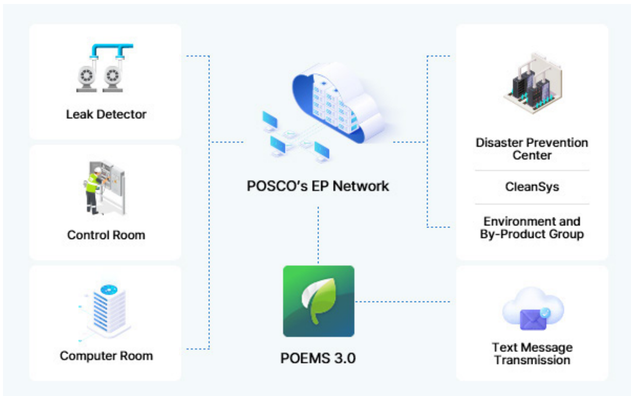
Chemicals

Systemic Improvements

POSCO has established and operates a comprehensive monitoring system at each steelworks to ensure the safe transportation, use, and disposal of chemicals throughout the entire process.

In accordance with the Act on the Registration and Evaluation of Chemical Substances, we have completed the registration of all chemicals currently manufactured or imported in quantities of 100 tons or more per year. We also plan to register and manage chemicals handled in quantities below 100 tons per year by the statutory deadline. In addition, we comply with safety standards for chemical handling facilities and are continuously enhancing safety through facility improvements, including the installation of leak detection systems. Since 2016, we have implemented a location tracking system for chemical transport vehicles tailored to the specific conditions of our steelworks, enabling rapid response in the event of an accident.

Chemical Substance Transportation Monitoring System

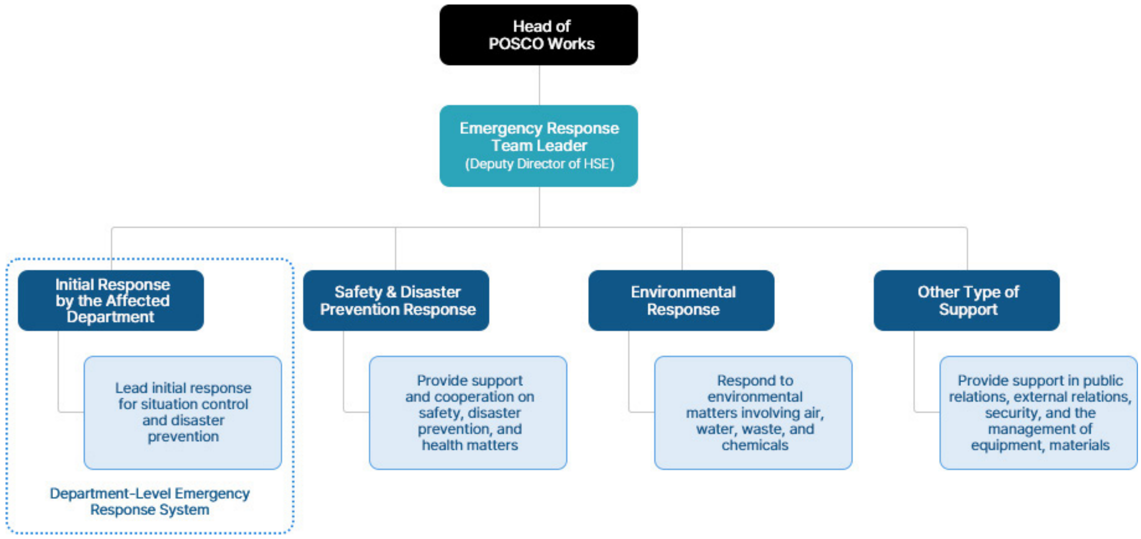


Chemical Substance Facility Leak Detection System

Chemical Accident Prevention

POSCO implements a range of measures to prevent chemical accidents and minimize their potential impact.
We have established a comprehensive emergency response system to ensure the safety of facilities handling hazardous chemicals and to respond promptly in the event of an incident. To further enhance our preparedness, we conduct regular chemical accident drills and safety training for employees. At the Pohang and Gwangyang Works, dedicated chemical management departments oversee site-level safety, with more than 50 appointed chemical managers. To strengthen early response capabilities, we operate specialized disaster prevention vehicles and a Safety and Disaster Prevention Center staffed with trained professionals. We also conduct joint drills with public authorities and hold regular internal fire drills to ensure readiness. As a leading member of the local chemical safety network, we support the safety efforts of small and medium-sized enterprises(SMEs) and actively participate in regional chemical safety committees to promote local safety governance.

Emergency Response System for Chemical Accidents at POSCO Works



Chemical Emergency Response Vehicle


Public-Private Joint Drill for Chemical Accident Response

Waste

Waste

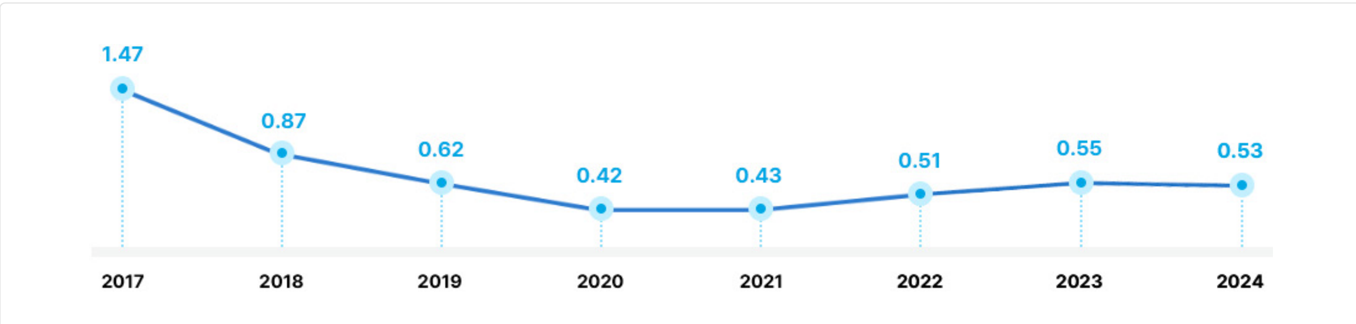
POSCO has established Waste Management Guidelines to systematically manage waste from generation to final disposal. These guidelines define the scope of responsibilities, roles of relevant departments, definitions of waste categories, and procedures for proper handling and disposal.

Designated Wastes

Wastes containing hazardous substances are classified as “designated wastes” under the ENFORCEMENT DECREE OF THE WASTES CONTROL ACT of Korea. POSCO ensures full compliance in handling such wastes, and all disposal records are monitored through the Ministry of Environment’s electronic management platform (Allbaro System). Any violations are subject to penalties in accordance with the WASTES CONTROL ACT.
In 2024, POSCO achieved 100% lawful disposal of designated waste, with no spills or incidents reported. Moreover, the proportion of designated waste has steadily declined from 1.47% of total waste in 2017 to 0.53% in 2024.

Annual Volume of Designated Wastes

(Unit : % of total waste)



Resource Circulation

POSCO promotes a circular economy by recycling various by-products generated during the steelmaking process—including slag, dust, and sludge—to the greatest extent possible.
Since 2018, POSCO has been designated as a Resource Circulation Performance Management Target Site by the government and has steadily achieved the annual recycling targets. To minimize landfilling and incineration of unused by-products, we are developing resource utilization technologies and expanding end-use applications. As a result, POSCO has consistently maintained a by-product recycling rate of over 98%.

Blast Furnace Slag

Slag accounts for more than 75% of the total waste generated by steelworks and is classified into blast furnace slag and steelmaking slag. Blast furnace slag is produced during the ironmaking process and, when rapidly cooled with high-pressure water jets, forms a sand-like granulated slag. Most blast furnace slag is discharged as granulated slag. Its primary components, calcium oxide and silicon dioxide, can serve as substitutes for cement clinker[1], helping to reduce GHG emissions during the calcination of traditional cement raw materials like limestone. In collaboration with RIST and POSCO E&C, we developed PosMent[2], an eco-friendly cement that contains up to 58% more blast furnace slag than conventional slag cement, significantly contributing to GHG reduction and industrial waste recycling.

Blast furnace slag is also utilized as a raw material for siliceous fertilizers, as it contains high levels of silicic acid, an essential nutrient for rice growth. Silicic acid strengthens rice stalks—making them up to three times more robust—and improves rice quality, including flavor and resilience. Additionally, iron ions(Fe^{3+}) in the slag reduce the activity of methane-producing bacteria, lowering methane(CH_4) emissions during rice cultivation by approximately 14%. In partnership with Korean universities, POSCO quantified the methane-reduction effect of silicate fertilizer. In January 2022, this outcome led to its recognition as a Korean-type GHG Correction Factor by the government. Subsequently, in May 2024, the technology was officially designated as a carbon reduction agricultural practice by the Ministry of Agriculture, Food and Rural Affairs(MAFRA).

1) Cement clinker is produced by calcining raw materials such as limestone at high temperatures. When this clinker is ground into a fine powder, it becomes the main component of cement.

2) PosMent is a type of slag cement developed by POSCO. It improves performance by incorporating a chemical activator and increasing the granulated blast furnace slag content to up to 58%, compared to conventional slag cement.

Steelmaking Slag

Steelmaking slag is generated during the refining process, where impurities are removed from molten steel and the chemical composition is adjusted to meet the specifications of each steel product. Once produced, steelmaking slag is crushed and magnetically separated to recover valuable iron(Fe), which is then reused in the steelmaking process. The remaining residual slag is repurposed as a construction aggregate, thanks to its chemical and physical similarity to natural rock. At civil engineering sites, the use of slag aggregate may result in leachate when exposed to water. To ensure environmental safety, POSCO adheres to the Slag Management Guidelines issued by the Korea Iron and Steel Association.

Korea Iron & Steel Association (KOSA) →

To minimize environmental impact, steelmaking slag is increasingly used in non-media contact applications, such as asphalt road paving, where the risk of leachate is lower. Compared to natural aggregates, steelmaking slag offers more uniform particle shape and higher strength, extending asphalt road lifespan by approximately 2.2 times and helping to reduce fine dust emissions. Additionally, by-products such as dust and sludge from dust collectors and water treatment facilities—often rich in iron—are either reused in their raw form or processed into pellets and briquettes, and reintegrated into the ironmaking and steelmaking processes.

Magnetic Fine Iron Ore

MOU on Promoting Steelmaking Slag-Based Asphalt Applications

High-Iron Briquettes

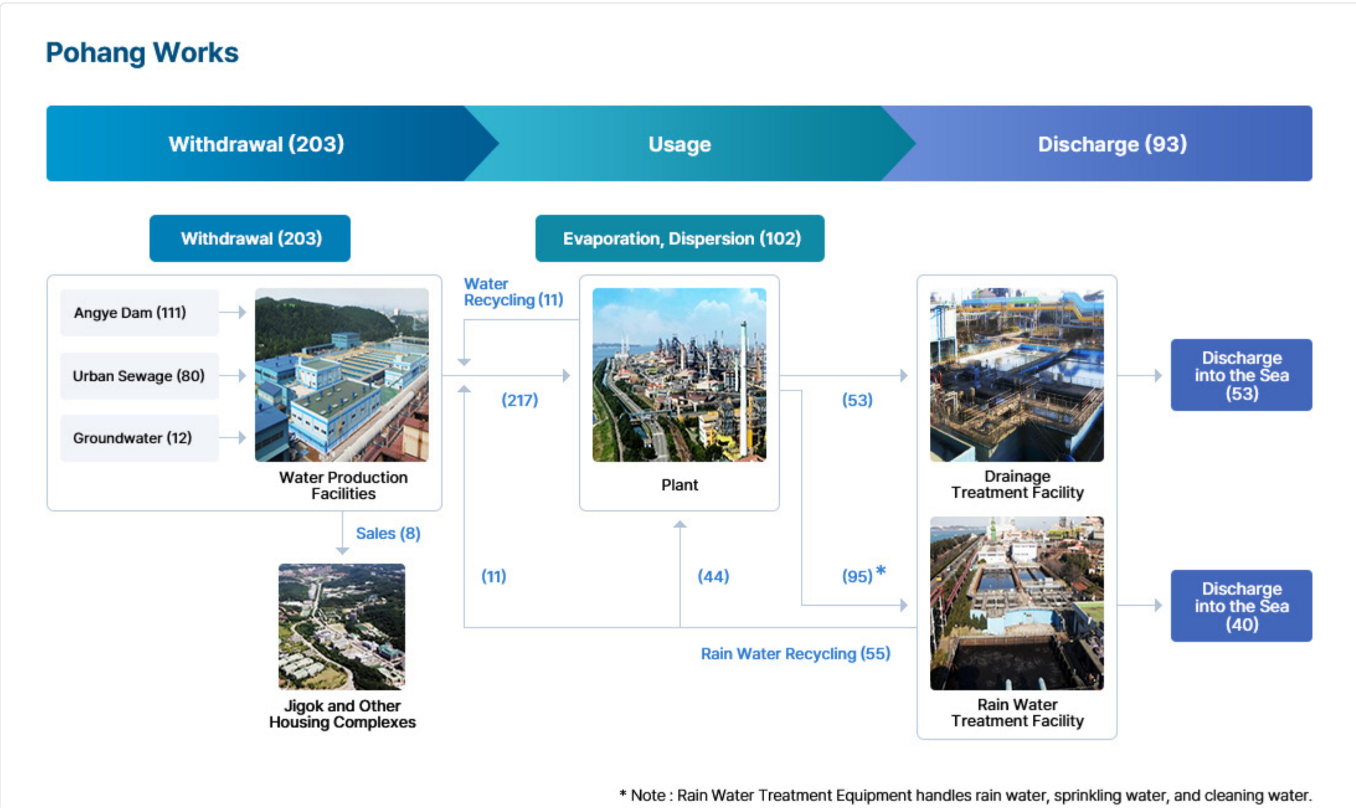
Water Resources

Water Resources

POSCO strives to minimize the risk of water shortages by optimizing resource management and expanding recycling efforts. We also rigorously monitor and control the quality of discharged water to minimize environmental impacts on surrounding water bodies near our steel plants. Through our Manufacturing Execution System(MES), we manage real-time data on energy and water consumption by source and conduct monthly monitoring of water usage across all facilities.

Water Usage Process

(Unit: thousand tons/day, based on 2024 data)



Gwangyang Works

* Note : Rain Water Treatment Equipment handles rain water, sprinkling water, and cleaning water.

Water Conservation

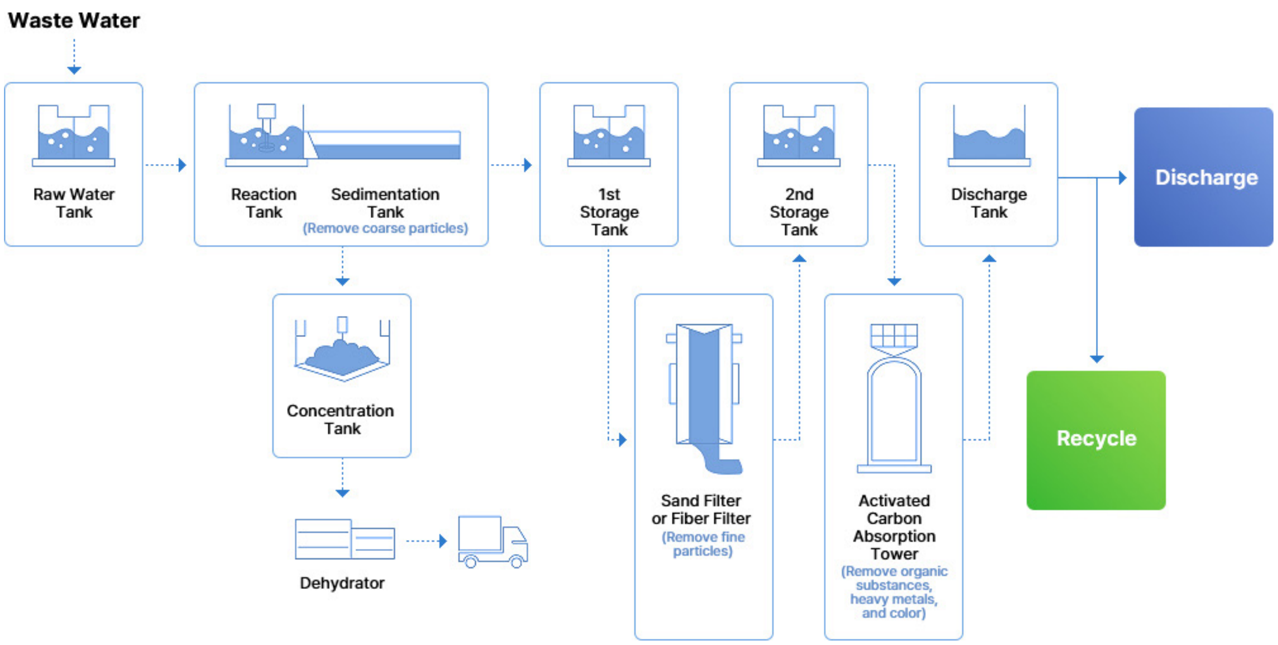
POSCO's environmental policy commits to minimizing resource use—including water—and reducing environmental impact through effective management of wastewater.

According to the Water Resources Institute (WRI), Pohang Works is located in a Medium High Water Stress area(20–40%), while Gwangyang Works was designated as a High Water Stress area(40–80%) as of August 2023. In response, we are exploring the use of high-quality wastewater discharged from unit plant water treatment systems and conducting research on recycling final discharges—such as end-of-drainage water—through reverse osmosis(RO) treatment. The treated water is intended to be reused as industrial water replacing road and yard sprinkling, thereby reducing water withdrawal and increasing resilience against water stress.

To reduce reliance on surface water and groundwater, POSCO is securing alternative water sources. Since 2015, Pohang Works has utilized treated sewage reuse water, reducing the use of 80,000 tons of fresh water per day. Since 2014, Gwangyang Works has operated a seawater desalination facility, saving up to 30,000 tons of fresh water per day. We also strive to minimize steelwork wastewater generation and maximize water recycling by collecting and treating reusable sources such as cooling water, rainwater, and yard and road sprinkling water at stormwater treatment facilities. As a result, POSCO reused 19% of its water in 2024, contributing to local water conservation efforts and reducing community-level water shortage risks.

Non-recyclable wastewater is subjected to rigorous end-of-pipe treatment. After undergoing primary(physical and chemical) and secondary(biological) treatment to remove organic contaminants, the water is further processed in a final treatment stage to eliminate suspended solids(SS), total organic carbon (TOC), total nitrogen(T-N), and other pollutants. Discharge concentrations are controlled in accordance with internal standards that are more stringent than regulatory requirements.

Wastewater Treatment System



Seawater Desalination

POSCO produces industrial water by collecting warm drainage water from power plants and processing it through pretreatment and reverse osmosis. We collect seawater with temperatures ranging from 20–30°C, discharged as warm cooling water from power plant multiplexers, and pretreat it using methods such as Dissolved Air Flotation(DAF) and Ultrafiltration(UF) to remove particulate matter. The pretreated water is then subjected to reverse osmosis(SWRO + BWRO) with high-pressure pumps to remove ionic substances and generate clean water.

The seawater desalination facility at Gwangyang Works helps reduce freshwater withdrawal and improve energy efficiency. We process up to 30,000 tons of seawater per day for industrial use, replacing conventional sources such as dam water. By utilizing warm water discharge instead of raw seawater, we minimize energy consumption, and further enhance efficiency through an Energy Recovery Device(ERD) that recovers pressure energy from the high-pressure pumps.

Seawater Desalination Facility

CDP Water Security Assessment

POSCO has participated in the CDP Water Security program—a global water disclosure initiative—since 2016 and received a Leadership rating of A− in the 2024 assessment.

Biodiversity

Biodiversity

POSCO is working to minimize the impact of its operations on ecosystems and fulfill its responsibility for environmental restoration by preserving and restoring marine ecosystems. We carry out initiatives such as water pollution monitoring, the creation of sea forests, and the removal of marine debris. We have also established a company-wide biodiversity policy, which is being implemented at key domestic and international sites.

TNFD

POSCO recognizes global conventions and guidelines on biodiversity and land protection, including those of the Taskforce on Nature-Related Financial Disclosures (TNFD)[1]. We conduct ecological surveys around our business sites to prevent biodiversity loss and minimize environmental impact. At our Pohang and Gwangyang Works, we carry out pollution surveys on water quality and sediment conditions in nearby marine areas, and when necessary, engage third-party experts to conduct specialized biodiversity assessments. When developing new business sites, we identify protected areas and endangered species in surrounding regions and use this information to establish, implement, and monitor biodiversity management plans for each project.

We do not operate in protected biodiversity areas or wetlands. When offsetting or restoring nature affected by our operations, we seek to apply Best Available Techniques (BAT) or other recognized best practices.

1) The Taskforce on Nature-related Financial Disclosures (TNFD) is a global initiative that promotes the quantification and disclosure of financial impacts—both risks and opportunities—related to natural capital, such as biodiversity, air, water, and minerals.

In April 2024, we signed a public-private agreement with the Ministry of Oceans and Fisheries (MOF) to create a sea forest aimed at restoring the ecosystem in a coastal area affected by sea desertification. Together with the MOF, we installed triton reefs in the waters of Gupyeong 1-ri and Mopori, creating a sea forest spanning approximately 229 hectares—equivalent to 320 soccer fields. We plan to monitor the forest's impact on mitigating sea desertification, restoring coastal ecosystems, and enhancing blue carbon absorption. We will also continue collaborative research to pursue international certification for blue carbon derived from seaweed and other marine vegetation.

Reference News Article 1 → Reference News Article 2 →

In June 2022, we joined the TNFD Forum as a member, publicly affirming our commitment to biodiversity management. Based on the TNFD framework, we will continue to enhance our capabilities to address natural capital issues by establishing biodiversity management metrics, proactively managing risks, and preventing biodiversity loss. These efforts will be integrated into our business operations to minimize our environmental impact.

Assessment and Management

POSCO has established a biodiversity risk assessment and management system based on guidelines from international organizations, through which we evaluate our dependency and impact on natural capital, conduct biodiversity surveys around our business sites, and evaluate associated risks. Based on the findings, we implement preventive and mitigation measures and conduct post-monitoring to ensure continuous improvement in biodiversity performance.

Biodiversity Risk Analysis Procedure

	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Steps	Industry-Specific Biodiversity Dependency and Impact Analysis	Identification of Biodiversity Status Near Worksites	Assessment of Site-S pecific Biodiversity Risks	Identification of Natural Capital Risks	Monitoring of Biodiversity Status
Activities	Analyze the steel industry's dependency on and impact to biodiversity using the ENCORE[1] tool	Identify IUCN-designated endangered species, UNESCO World Heritage sites, and nearby habitats adjacent to the worksites	Assess biodiversity risks near the worksite using the WWF's Biodiversity Risk Filter (BRF)	Produce a comprehensive analysis of biodiversity risks	Monitor, report, and review biodiversity Status

1) ENCORE is a tool that analyzes the types of natural capital businesses rely on and assesses the degree to which industry-specific activities impact the environment.

Steel Industry's Dependency and Impact on Natural Capital

POSCO conducted a preliminary analysis of the steel industry's dependency and impact on biodiversity-related natural capital using the ENCORE tool. Among the 20 items analyzed, 11 were identified as having medium or higher levels of dependency and impact[1].

1) ENCORE classifies industry-specific dependencies and impacts on natural capital across five levels: very low, low, medium, high, and very high.

Biodiversity Dependency and Impact Analysis

Category		Metric	Level
Dependency	Supply Service	Water supply	High
	Mitigating and Adjusting Service	Rainfall pattern regulation	Medium
		Water purification	Medium
		Water flow regulation	High
		Flood mitigation	Medium
Impact	Pressure	Disturbance	Very High
		Emissions of GHG	High
		Emissions of non-GHG air pollutants	High
		Generation and release of solid waste	Medium
		Emissions of toxic pollutants to water and soil	Very High
		Volume of water use	Medium

* Source: ENCORE(Exploring Nature Capital Opportunities, Risks and Exposure)

Status of Endangered Species Near Worksites

Based on the IUCN Red List, POSCO identified endangered species within a 5-kilometer radius of the Pohang and Gwangyang Works. The Red List categories—Vulnerable(VU), Endangered (EN), and Critically Endangered(CR)—represent species at risk of extinction. Among the species identified, fish accounted for a significant proportion of the endangered species found near both worksites.

Analysis Timing
- POSCO updates its IUCN Red List database every year in April and May. The list is filtered by Red List categories—VU, EN, and CR—and is classified by species group.

Analysis Method
- [Red List Category] Select VU(vulnerable), EN(Endangered), CR(Critically Endangered)
- [Land Region] Select East Asia > Republic of Korea

IUCN Red List →

Number of Endangered Species (IUCN Red List)

Worksite	Vulnerable(VU)	Endangered(EN)	Critically Endangered(CR)	Total
Pohang	34	20	1	55
Gwangyang	43	31	4	78

Worksite	Mammals	Birds	Reptiles	Amphibians	Fish	Mollusks	Plants	Fungi	Others
Pohang	5	16	2	-	25	1	4	1	1
Gwangyang	6	20	2	1	39	1	3	1	5

As shown above, POSCO annually updates its biodiversity dataset between April and May, using ENCORE analysis results to identify and disclose key factors aligned with WWF's Biodiversity Risk Filter (BRF). Based on the dependency and impact indicators identified through ENCORE, we assess biodiversity risks in areas surrounding our business sites. The BRF is applied to regions where the steel industry demonstrates a medium or higher level of dependency on and impact to natural capital.

To comprehensively evaluate the health of local ecosystems and the effects of our business activities, we analyzed risks from two perspectives: Pressures on Biodiversity[1)] and Regulating & Supporting Services[2)]. These assessments guide our efforts to mitigate risks and enhance the delivery of ecosystem services.

1) "Pressures on Biodiversity" refers to indicators that reflect ecosystem health, including risks to air, water, soil, and humidity. Lower risk levels represent a more stable ecosystem.

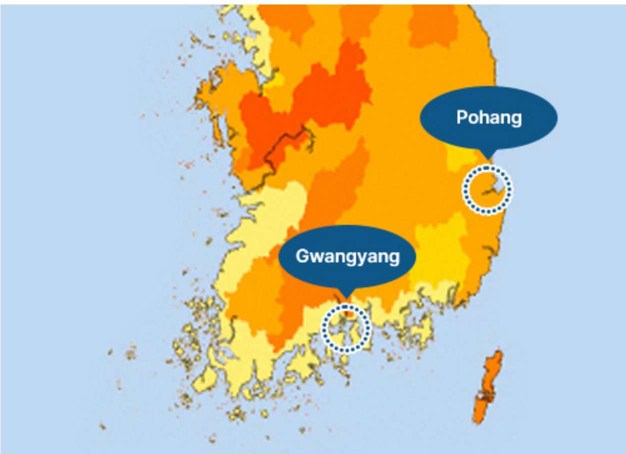
2) "Regulating & Supporting Services" are benefits derived from natural capital, including clean air, water, and mineral resources.

WWF →

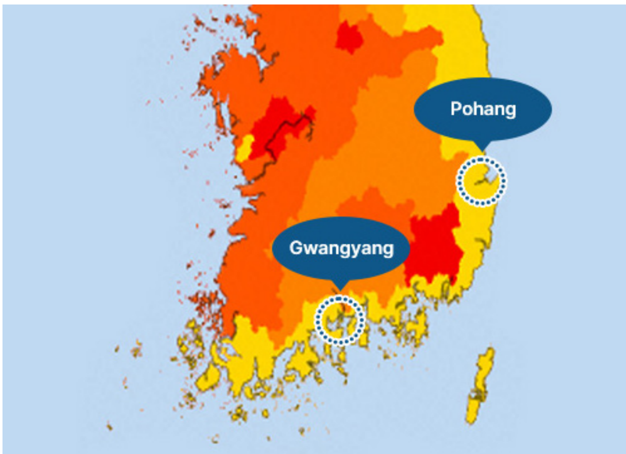
Regional Biodiversity Risk Factors

Very Low Low Medium High Very High

BRF Indicators		Risk Level (by Region)			
		Pohang		Gwangyang	
Pressures on Biodiversity	Land, Freshwater and Sea Use Change	Very Low	Medium	Very Low	Low
	Forest Canopy Loss	Medium		Low	
	Invasives	Low		Low	
	Pollution	Medium		Medium	
Biodiversity Risk Reduction and Ecosystem Service Enhancement	Soil Condition	Very Low	Low	Very Low	Low
	Water Condition	Very Low		Very Low	
	Air Condition	Medium		Medium	
	Ecosystem Condition	Low		Very Low	
	Pollination (Pollen Vector)	High		High	



Pressures on Diversity



Biodiversity Risk Reduction and Ecosystem Service Enhancement

To study the marine ecosystems near our business sites, POSCO conducts annual surveys focusing on the lower tiers of the ecosystem pyramid, including zooplankton and phytoplankton, attached macroalgae, and benthic animals, which play a vital role in ecosystem health. In 2024, the number of species surveyed was expanded from four to eight.
As a result, 392 and 320 species were identified in the waters near Pohang and Gwangyang, respectively.
The surveys are conducted twice a year—in winter and summer. However, due to higher variability in summer data, we report the number of identified species based on the winter survey, which provides more consistent and reliable results.

Ecological Survey Results of Marine Species Near Steelworks (2024)

Area	Phytoplankton	Zooplankton	Fish Roe	Larval Fish	Seaweeds	Attached Benthos	Macrozoobenthos	Nekton	Total
Pohang	30	30	0	0	51	63	207	11	392
Gwangyang	29	18	1	0	39	44	185	4	320

Risks and Mitigation by Environmental Impact Factors

We conducted a risk analysis for each environmental impact factor—GHG emissions, air, water, and waste—to evaluate potential environmental risks. The primary risk factors identified were those that contribute to climate change and cause odor-related issues. Based on the analysis, we are implementing targeted mitigation activities for impact factors that pose high risks to biodiversity, with the goal of minimizing overall environmental impact. The evaluation is conducted annually, and in conjunction with the results from ENCORE and WWF, we identified and prioritized high-risk items and initiated responsive measures accordingly.

Environmental Impact Assessment at Major Business Sites

Site status		Biodiversity Risk Factors					Status Near Worksites (Within 5 km Radius)
Region	Area	Land Use	Overfishing	Pollution	Invasives	Climate Change Acceleration	UNESCO World Heritage Sites
Pohang	9.5km^2	Site prepared for facility expansion	-	[Air] Pollutant emissions [Water] Wastewater and pollutant discharge [Chemicals] Handling of hazardous substances	4 invasive species observed near Pohang Works 8 species near Gwangyang Works	[GHG emissions] 71,065,170 tCO_2e (2024)	None
Gwangyang	21.4km^2						None

Activities to Reduce Negative Biodiversity Impacts

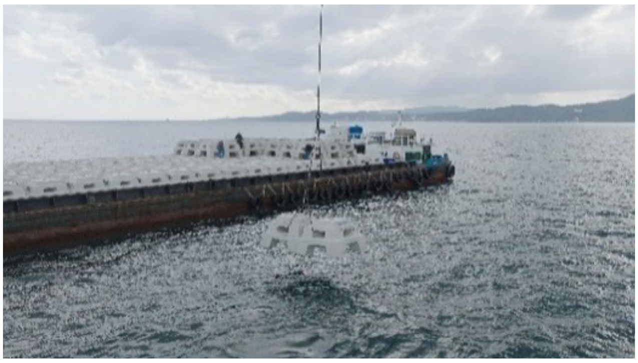
Category	Impacts and Risks	Major Mitigation Activities
Biodiversity Mitigating impacts	Greenhouse gas emissions	• Reduced fossil fuel use in sinter production by increasing the ratio of pellets and hot briquetted iron (HBI) as blast furnace feedstock • Utilized by-product gases from the steelmaking process as fuel for in-house steel operations and power generation
	Atmosphere	• Signed a voluntary agreement with the Ministry of Environment to reduce emissions during the high-particulate matter season (December–March) • Installed dust breathers on eight blast furnaces across the steelworks, reducing pollutants in residual blast furnace gas by approximately 90%
	Water Quality and Shortage	• Collected, treated, and recycled rainwater as well as yard and road sprinkling water through stormwater treatment facilities • Desalinated seawater (30,000 tons/day) and reused municipal sewage (80,000 tons/day) as industrial water
	Waste	• Prevented soil acidification and reduced methane emissions by approximately 14% by applying silicate fertilizer made from steel by-products • Recovered slag through magnetic sorting for use as a scrap metal substitute, and reused non-magnetic slag as a replacement for natural aggregate

Conservation and Enhancement

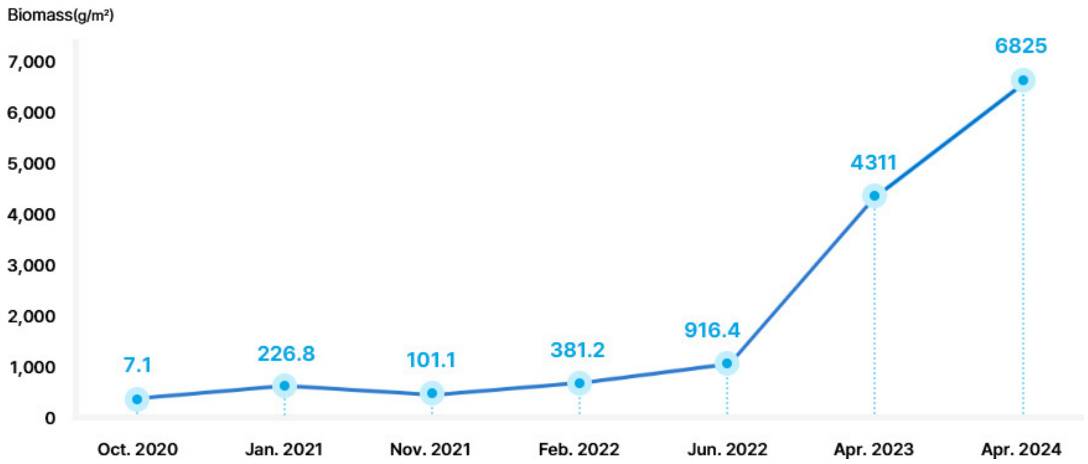
To restore marine ecosystems and promote the circular use of by-products, POSCO has been producing Triton reefs—artificial seaweed structures made using steelmaking slag—for over 10 years. These reefs are applied to areas affected by sea desertification to create sea forests and support ecological restoration. Triton reefs are rich in minerals such as calcium and iron, which are beneficial to marine ecosystems and effective in promoting algae growth, thereby helping prevent ocean desertification. To date, POSCO has installed approximately 8,000 Triton reefs along Korea's coastal regions where sea desertification is in progress. Post-monitoring of sea forests established in Ulleungdo and Pohang subsequently confirmed an increase in ecological species, demonstrating the reefs' effectiveness in biodiversity restoration. POSCO's marine ecosystem restoration efforts have gained international recognition. In 2023, POSCO became the first company from Asia to receive the Environmental Innovation Award at the International Corporate Citizenship Conference (ICCC).

In April 2024, POSCO signed a public-private agreement with the Ministry of Oceans and Fisheries(MOF) to restore a severely desertified marine area near its project site. Subsequently, in November, POSCO and MOF installed Triton reefs in the waters near Gupyeong 1-ri and Mopori, creating a sea forest covering approximately 229 hectares—the size of 320 soccer fields. POSCO plans to continue follow-up monitoring to evaluate the impacts on desertification reversal, coastal ecosystem recovery, and blue carbon absorption. In parallel, we aim to collaborate on research initiatives to pursue international certification of blue carbon from seaweed and other sea forests.

Ulleungdo Triton Sea Forest and Deployment of Triton Fish Reef



Changes in Seaweed Biomass in the Ulleungdo Triton Sea Forest



Risk Management

Risk Management

Environmental Risk

POSCO identifies rapidly evolving market conditions and environmental regulations—both domestic and international—as potential risks and opportunities, recognizing their impact on corporate operations. These factors are reflected in our mid- to long-term business strategies and investment decisions. To address policy risks, we continuously monitor relevant regulations and policies, proactively identify potential threats, and actively participate in policy discussions to support rational and effective policy development.

We also conduct environmental impact assessments to determine key influencing factors and their level of impact, and implement appropriate mitigation measures to minimize environmental harm. In addition, environmental diagnostics are conducted by each plant's environmental team to prevent risks such as environmental accidents or legal violations, and findings are regularly reported to the CEO through management meetings and executive briefings. Each steelworks also conducts daily environmental patrols to further reduce environmental impact and ensure rapid response to potential risks.

Water Risks

POSCO conducts annual reviews to assess whether its business sites are located in water-stressed or high-risk areas, and categorizes water risks to prioritize management at sites with high water stress or significant water withdrawal volumes.

In March 2024, POSCO signed a business agreement with the Ministry of Environment(MOE) to enhance joint responses to climate change and the water crisis, aiming to raise mutual awareness of water-related risks.

Gwangyang Works (High Water Stress)

As of August 2023, Gwangyang was confirmed to be located in a "High Water Stress" area according to the WRI's 2023 Water Stress analysis. To mitigate risks such as reduced plant utilization due to water shortages, we have established a comprehensive response plan and maintain emergency measures in the event of supply restrictions.

Status Analysis

- As steelmaking operations run continuously year-round, it is critical to mitigate risks of unplanned shutdowns in core equipment such as blast furnaces and electric arc furnaces, which handle high-temperature materials.
- A water supply reduction of 5% or more from standard operating levels may lead to production bottlenecks and decreased throughput in downstream facilities, ultimately disrupting stable steel output and supply continuity.

Emergency Response to Water Shortages

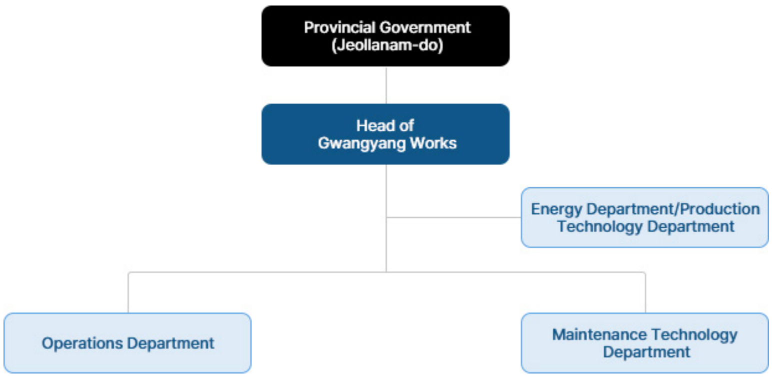
• Based on projected water supply-to-capacity utilization scenarios, POSCO activates a phased emergency response when water supply falls below 10%. Measures include operating the seawater desalination facility at full capacity (30,000 tons/day) and maximizing the use of the freshwater reservoir (260,000 tons) to ensure a stable alternative water source.

【 Projected Water Supply-to-Capacity Utilization Scenario 】

Water Supply	100%	95%	89%	84%	79%
Capacity Utilization	100%	75%	50%	25%	0%

* Figures are based on the utilization rates of cold rolling, plating, and pickling facilities. For hot rolling facilities, the minimum required water supply rate is 79%.

【 Emergency Response Organization Chart 】



Department	Roles
Energy Department	- Share real-time updates on water supply status
Production Technology Department	- Activate the emergency task force upon implementation of water restrictions
Operations Department & Maintenance Technology Department	- Optimize the operation of water-intensive facilities

Response Plan vs. Performance (2024)

• POSCO has established a water conservation plan to prepare for emergencies such as droughts and is building a cooperative framework with relevant government agencies to ensure water security.
- Water Conservation Measures: In the event of a drought or other emergency, we aim to maximize the operation of seawater desalination facilities—from 20,000 to 30,000 tons/day.
- Public-Private Partnership: Interagency Collaboration: In June 2024, POSCO Gwangyang Works signed a business agreement with the K-Water(Yeosu) to secure a stable supply of industrial water. In the same month, we participated in a Water Sector Consultative Group led by the MOE.
  In December 2024, we reached an agreement on the establishment of a regional water supply network for the Gwangyang Bay area, to be led by the Yeongsan River Authority.

Pohang Works (Medium High Water Stress)

Although Pohang, home to POSCO's Pohang Works, is classified as a Medium High Water Stress area, it records a relatively high level of water withdrawal. Accordingly, we are proactively implementing measures to reduce water-related risks.

Water Storage-Based Response Plan for Yeongcheon Dam, POSCO's Water Source

Emergency Response System for Water Supply Shortages

We have developed contingency plans for alternative water supply and consumption reduction based on water level scenarios at Yeongcheon Dam.

Water Retention Rate	Response Plan
28.0% or Less (Drought at a "Critical" Level)	• Adjust water pressure valves at plants and gradually reduce supply • Minimize cooling water blowdown and replace freshwater with recycled water • Implement water-saving measures for domestic use across steelworks
12.5% or Less (Water retention at a "Supply Restriction" Level)	• Adjust supply per facility to reduce usage • Provide alternative water sources in cooperation with K-Water

Labor-Management Joint Committee

POSCO operates a regular joint committee composed of plant leaders and managers, employee representatives, and supervisors from partner companies to proactively identify and prevent environmental risks.

- 2024 Results: Environmental issues were discussed biweekly, addressing a total of 23 cases.

Integrated Environmental Manager

As an important measure for sustainable development and environmental protection, POSCO has established an integrated environmental manager system and appointed managers for each sector. The Integrated Environmental Managers specialize in managing various environmental issues that may arise within the steelworks and oversee strict compliance with laws and regulations in each field. They monitor various environmental issues such as air pollution, water pollution, and waste disposal, and establish strategies to effectively manage them. They also receive training to keep up with the continuous changes and updates in environmental laws and regulations, and ensure that the latest environmental standards are applied to steelwork operations.

Pro-Environment Consulting Section

In February 2021, POSCO established the Pro-Environment Consulting Section to lead comprehensive odor mitigation initiatives at Pohang Works.
This team conducts full-cycle improvement efforts—ranging from identifying odor sources to proposing technical solutions—leveraging POSCO's expertise in facility operations and environmental enhancement technologies, in collaboration with Pohang City. Since its launch, the team has identified primary odor sources at facilities such as fertilizer manufacturers and steel subcomponent producers, assessed the performance of odor control equipment (e.g., scrubbers), and developed tailored improvement plans. Notably, to address odors at the source, we collaborated with the Research Institute of Industrial Science & Technology (RIST) to develop technologies that replace odor-generating raw materials with low-odor POSCO by-products, and to substitute conventional binders used in fertilizer manufacturing with odorless alternatives. The results of odor diagnoses and tailored improvement plans were shared with relevant companies and the City of Pohang through formal briefings. Based on these findings, each site upgraded its prevention systems—such as installing new scrubbers—and continues to test and adopt alternative low-odor raw materials.
Among the improvement measures proposed by the Pro-Environment Consulting Section, items requiring capital investment are being implemented at each site in conjunction with Pohang City's SME-scale prevention facility support program. In 2024, POSCO entered into an agreement with Pohang City and local steelworks to encourage voluntary participation in odor reduction initiatives across steelmaking sites.

Voluntary Odor Improvement Agreement Ceremony for Pohang Steel Industrial Complex Worksites

Odor Diagnosis for Each Worksite

Odor Diagnosis Results Briefing

Environmental Education

POSCO offers tailored environmental educational programs aligned with the specific functions and responsibilities of each department to strengthen site-led environmental management.
In 2024, we conducted group training for ISO 14001 managers on environmental management system requirements and internal auditing techniques. Additionally, specialized training was provided to on-site personnel—including plant managers, steelwork team leaders, and staff in environment-related, investment, and maintenance departments—covering topics such as applicable environmental laws and regulations, prevention and response strategies for key environmental risks, and POSCO's environmental management systems.
To further promote environmental awareness across the company, we also utilize the Labor-Management Joint Committee as a platform for sharing major management issues by environmental category. Through this, site managers, employees, and partner companies are empowered to enhance their practical capabilities in environmental management.

2024 Environment Education Results

(Unit: persons)

Programs	Participants	2024 Training Results
ISO 14001 Internal Auditor and Working-Level Staff Training	Department personnel in charge	May (134)
Environmental Education for Operations Departments	On-site operations department leaders, Plant leaders, Dedicated environmental personnel	February, April, September (408)
Environmental Education for Maintenance Departments	Part leaders, Foremen	June (372)
Environmental Education for Investment Departments	Responsible personnel	November (165)
Environmental Education for Environmental Departments	Responsible personnel	December (35)
Environmental Training for New Hires	New hires	As needed

Environmental Investment

Over the past six years(2019–2024), POSCO has invested approximately KRW 2,269.4 billion in environmental improvement initiatives. These efforts have focused on reducing air pollutant emissions and enhancing by-product recycling. Key investments include the installation of chimney tele-monitoring systems(TMS), facilities to reduce nitrogen oxide(NO_X) and sulfur compounds, and upgrades to dust collection systems.

Environmental Investment Performance (2019~2024)

(Unit: KRW billion)

Category	Highlights	Performance
Air Quality Improvement	• Introduced or upgraded denitrification systems (SCR, SNCR) in sintering, power generation, and rolling areas • Expanded dust collector capacity and improved deteriorated equipment	1,994.1
Water Environment Improvement	• Upgraded sewage treatment systems and installed facilities to reduce non-point source pollution • Expanded the capacity of biological wastewater treatment (BET) facilities	224.0
By-Product Recycling	• Increased capacity of slag, dust, and sludge recycling facilities • Newly constructed or expanded by-product storage units	21.9
Others(Chemicals, soil, etc.)	• Enhanced facility management for hazardous chemicals, including spill prevention systems and alarm installations	29.4
Total		**2,269.4**

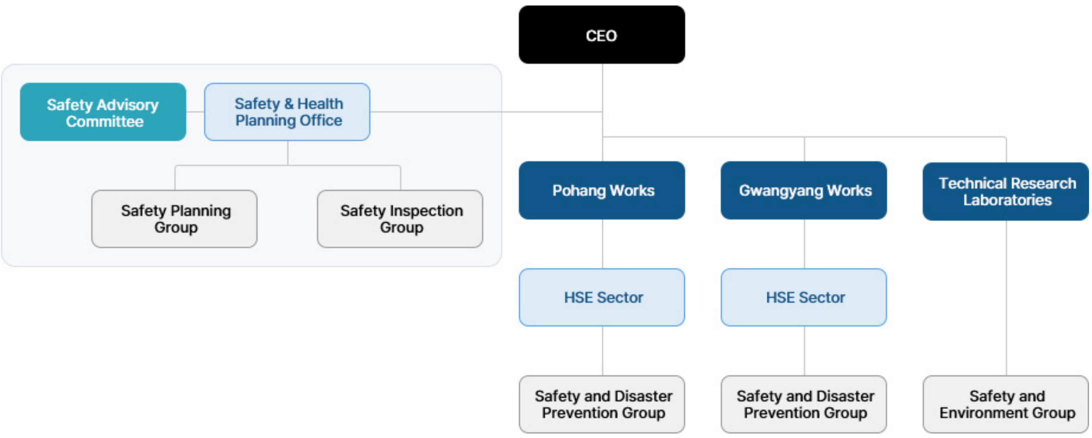
Social

Safety

Organization

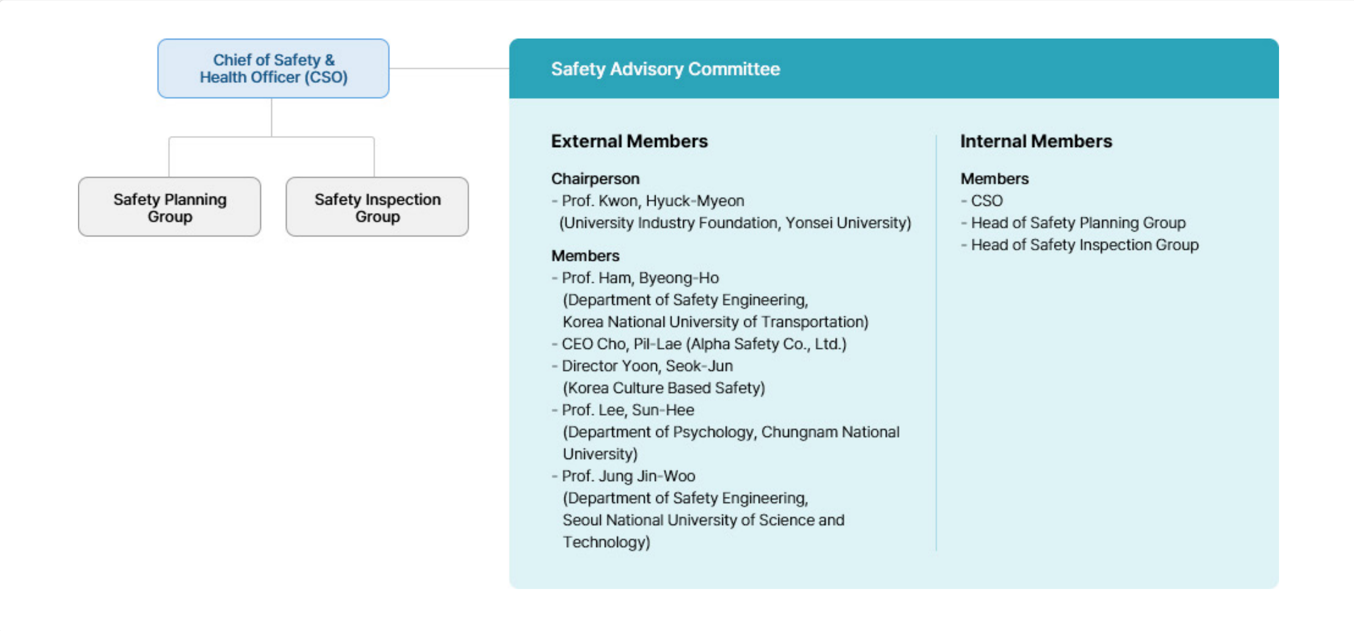
POSCO's Safety & Health Planning Office serves as the central control tower for company-wide safety and health management. At both the Pohang and Gwangyang Works, a dedicated Disaster Prevention Group is established to oversee site-specific safety operations. Each steelwork is staffed with professional safety management personnel, in addition to on-site safety supervisors and part managers. To further enhance safety oversight, Life Keepers[1)] are deployed to monitor and manage high-risk tasks separately.

1) Life Keepers are support personnel assigned to six types of high-risk tasks—such as entrapment and falls—to ensure the implementation of safety measures and guide workers away from unsafe behaviors.



Safety Advisory Committee

Since May 2022, POSCO has operated the Safety Advisory Committee, which consists of the Chief Safety and Health Officer (CSO) and nine internal and external safety experts. In 2024, the committee met three times to review our safety strategies, set directions for safety training, and explore ways to promote autonomous safety management. In 2025, the committee will place greater focus on strengthening supervisory accountability and enhancing the safety performance of contractors.



Group Safety Council

Since April 2022, the POSCO Group has convened the Group Safety Council on a semi-annual basis, bringing together major domestic and overseas business companies and overseas subsidiaries to assess safety and health risks not only at POSCO, but across key business sites worldwide. POSCO aims to raise overall safety standards through the Group Safety Council by establishing a unified group-wide safety strategy and risk management system, and by promoting safety benchmarking across its affiliates. The 2024 Group Safety Council addressed key topics such as contractor safety management, hands-on safety training, and strategies to enhance executive and employee engagement in safety initiatives.

Group Safety Council Operating Framework

Category	Participation		Major Activities
	Group Companies	Overseas Subsidiaries	
Steel Sector Sustainability Council	CEO	Representative President	Share and respond to ESG issues in the domestic and global steel industry
Group Safety Council	Safety Executive	Safety Executive	Share the POSCO Group's safety and health performance and review relevant monitoring systems
POSCO Safety Council	Safety Executive	-	Share POSCO's Safety and Health Achievements and Reviewing the Management System

Meeting History and Key Agenda Items of the Group Safety Council

Date	Key Agenda Items
Mar. 26, 2024	· Current Status and Plans for Supporting Safety Systems at Contractors with Fewer than 50 Employees · Plans for Safety Education and Training Focused on Practical Exercises, Hands-On Experiences, and Group Discussions · Current Status of POSCO's Mental Care Initiatives
Oct. 23, 2024	· Enhancing Safety Management for High-Risk Operations Under the Leadership of Plant Managers · Progress of POSCO Safety and Health Platform Expansion to Group Companies · Outcomes of Practical, Task-Specific Training Programs and Safety Operation Competitions

Operational Status

10 Must-follow Safety Rules

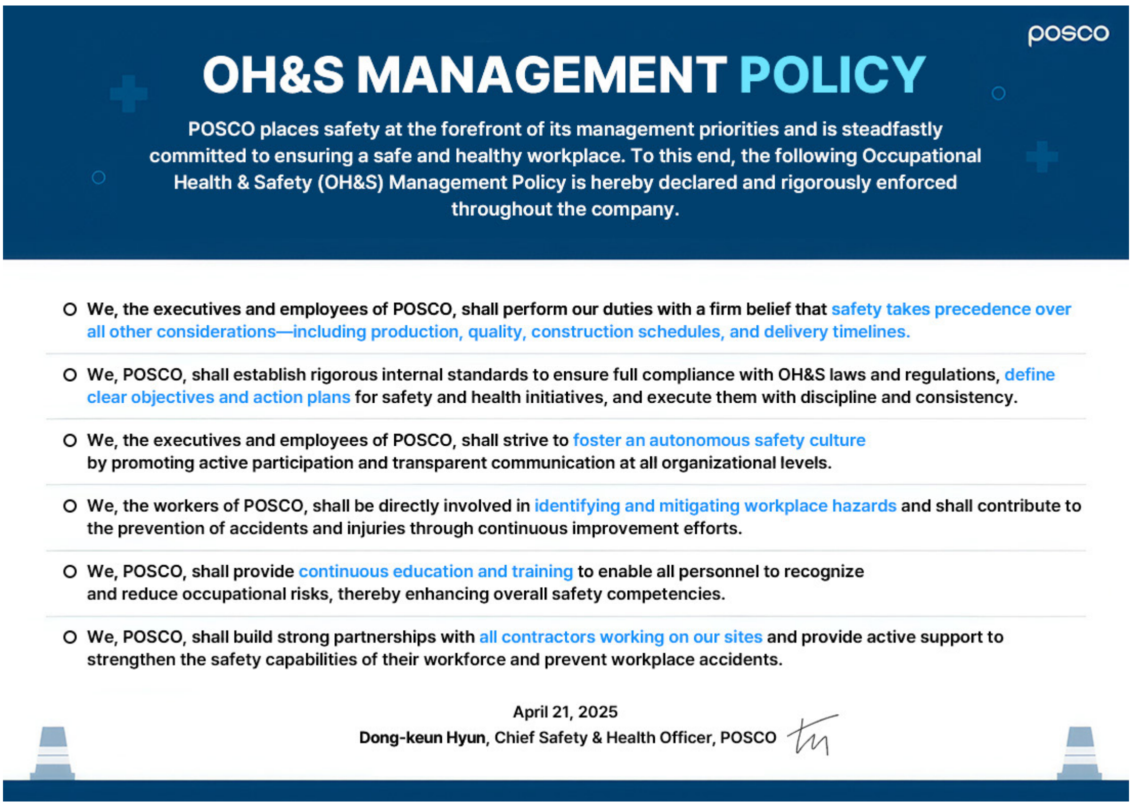
Since 2004, POSCO has implemented the "10 MUST-FOLLOW SAFETY RULES" In July 2023, POSCO announced a revised version of these rules, reflecting changes in the work environment and feedback from stakeholders, including employees. The revised "10 Major Safety Rules" are applied to both domestic and overseas workplaces, and have also been shared with group companies to serve as a reference for establishing safety rules suitable for each company.

Nine Elements of the OH&S Management

To ensure systematic compliance with the Serious Accidents Punishment Act and build a world-class safety system, we have established and implemented nine core elements within our Occupational Health and Safety (OH&S) Management System.

1. Management Commitment and Goals

POSCO has appointed a Chief Safety and Health Officer (CSO) to ensure accountable and strategic oversight of all safety and health matters. Also, POSCO has established OH&S Management Policy to clearly affirm that safety takes precedence over all other priorities—including production, quality, construction schedules, and delivery deadlines.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OH&S MANAGEMENT POLICY

POSCO places safety at the forefront of its management priorities and is steadfastly committed to ensuring a safe and healthy workplace. To this end, the following Occupational Health & Safety (OH&S) Management Policy is hereby declared and rigorously enforced throughout the company.

- We, the executives and employees of POSCO, shall perform our duties with a firm belief that safety takes precedence over all other considerations—including production, quality, construction schedules, and delivery timelines.
- We, POSCO, shall establish rigorous internal standards to ensure full compliance with OH&S laws and regulations, define clear objectives and action plans for safety and health initiatives, and execute them with discipline and consistency.
- We, the executives and employees of POSCO, shall strive to foster an autonomous safety culture by promoting active participation and transparent communication at all organizational levels.
- We, the workers of POSCO, shall be directly involved in identifying and mitigating workplace hazards and shall contribute to the prevention of accidents and injuries through continuous improvement efforts.
- We, POSCO, shall provide continuous education and training to enable all personnel to recognize and reduce occupational risks, thereby enhancing overall safety competencies.
- We, POSCO, shall build strong partnerships with all contractors working on our sites and provide active support to strengthen the safety capabilities of their workforce and prevent workplace accidents.

April 21, 2025
Dong-keun Hyun, Chief Safety & Health Officer, POSCO

2. Organization, Staff, and Budget

POSCO's Safety & Health Planning Office, operating under the direct supervision of the CEO, serves as the company-wide control tower for safety, enabling responsible management and swift decision-making. Through close communication with each business site, the office promptly identifies safety issues and formulates effective response measures. It also contributes to enhancing overall safety standards by monitoring safety activities and sharing best practices to support the achievement of company-wide safety goals.

3. Two-Way Communication

We have established a variety of safety communication channels for employees, directly managed companies, and contractors. Through these channels, company representatives—including the heads of steelworks and plant managers—actively listen to the voices of both POSCO employees and contractor workers to help shape our safety and health goals and policies.

Category	Participants	Frequency	Key Activities
POSCO Safety Council	Head of the Safety & Health Planning Office·Executives of the Pohang and Gwangyang Works, Representative of the POSCO Representative Body·Representative of Contractors	**Semi-annually**	Share POSCO's Safety and Health Achievements and Review the Management System
Group Safety Council	Safety Executives of Group Companies and Overseas Subsidiaries	**Semi-annually**	Share POSCO Group's Safety and Health Achievements and Review the Management System
Industrial Safety and Health Committee	Head of Works (Chair), Representatives of Labor (including the POSCO Representative Body), Representatives of the Company	**Quarterly**	Deliberate on and resolve major on-site safety and health issues (including the establishing of accident prevention plans and employee safety and health training)
Business Unit Safety Council	Deputy Head of Works·Head of Departments (Presiding at each sector level), Representative Directors of Contractors	**Monthly**	Share Analysis of Safety and Health Performance and Improve Activities by Plant
Labor-Management Joint Committee	Plant Managers of Each Plant (Presiding), Safety Personnel of Contractors, Labor Representative Employees	**Weekly**	Share Safety and Health Issues by Plant and Listen to VOE (Voice of Employee)

4. Hazardous Risk Factors Management

To enable proactive risk management, we identify potential hazards in advance through our Hazardous Risk Identification and Safety Reporting System, and implement appropriate improvement measures to address the identified risks.

- Analyze and identify frequently occurring safety incidents at the plant level
- Conduct company-wide analysis of high-risk and hazardous conditions, and provide monthly feedback
- Hold hazardous risk management performance review meetings: semi-annually at the company level, quarterly at the site level, and monthly at the plant level

Category	User Target	Number of Findings		Major Improvements
		2023	2024	
Safety Reporting System	All personnel entering steel works	1,024	1,125	Improve unsafe conditions related to safety installations and equipment around worksite, unsafe work practices, and hazardous risk factors, with a focus on high-risk categories
Hazardous Risks Identification	POSCO employees and contractor workers	41,564	39,556*	

※ In 2024, focusing on identifying and improving high-risk and hazardous factors

5. Contractor Management

We operate the Safety shared growth Certification System to pre-assess safety compliance among external contractors, provide support for addressing any deficiencies, and grant workplace access only to those who meet our standards. In addition, through the "Mobile Safety Bus" program, we provide safety training and personal protective equipment (PPE) wearing practice for affiliates with insufficient safety training conditions.These buses also serve as on-site heat shelters. In 2024 alone, a total of four buses provided training to more than 13,000 personnel.

6. Compliance with Laws, Regulations, and Standard Procedures

We conduct semi-annual compliance checks on the fulfillment of obligations under the Serious Accidents Punishment Act at our worksites, continuously identifying and addressing areas for improvement. In addition, at Pohang and Gwangyang Works, the safety management departments take the lead in fostering a safety-oriented culture that strictly adheres to basic safety guidelines and standards by conducting continuous and thematic safety audits and diagnostics.

In 2024, we identified approximately 3,430 non-conformities across our steelworks through ongoing safety patrols and implemented corrective actions. An additional 200 issues were identified and resolved through safety diagnostics conducted prior to the restart of long-term maintenance sites. We also conducted special inspections of entrusted facilities and electrical rooms, as well as assessments of safety management processes for maintenance investment projects, to ensure full compliance with legal and institutional requirements and to continuously enhance overall safety management standards across the steelworks.

7. Accident Investigation and Management

In the event of an accident, POSCO informs all employees of the relevant facts, investigates the case, and develop and implement measures to prevent recurrence. We have a dedicated helicopter and a system linked with medical institutions for the transport and treatment of emergency patients. More specifically, in emergencies, response actions are taken in accordance with the Rapid Response Guidelines for Serious Accidents, available via the top navigation menu under SAFETY > RISK MANAGEMENT.

8. Education and Training

POSCO provides a safety education program that emphasizes hands-on training, interactive discussion, and practical application. We also support the enhancement of safety training systems at our partner companies. To further strengthen our capabilities in process safety management, we are reinforcing our Process Safety Management (PSM) system through the Plan–Do–Check–Action (PDCA) cycle. This includes hiring external PSM experts and cultivating internal instructors—355 of whom had been trained as of 2024. Additional efforts to prevent serious industrial accidents include upgrading the development and management of Piping and Instrumentation Diagrams (P&IDs) at our steelworks and implementing an Isolation and Locking System (ILS) based on P&IDs.

Pre-Entry Training for Worksite Access

We operate a pre-entry training system that grants worksite access only to individuals who have completed the required training. This ensures a thorough understanding of key safety protocols and potential work-related hazards. Workers are encouraged to proactively identify risks and establish appropriate countermeasures to prevent injuries. Key safety procedures include compliance with the ILS, obtaining a Safe Work Permit, participating in Toolbox Meetings (TBMs), and assigning Life Keepers to monitor site safety.

9. Evaluation and Improvement

POSCO holds monthly management briefings to assess whether the goals set under our OH&S Management Policy are being achieved as planned. These meetings also review and analyze the causes of accidents, major near-miss incidents, and occupational injuries, along with the effectiveness of subsequent safety and health initiatives. The Pohang and Gwangyang Works undergo regular external safety inspections as part of our ISO 45001 (Occupational Health and Safety Management Systems) certification. In 2024, we implemented improvement measures based on inspection findings, addressing key issues such as port safety management and access control to electrical rooms. These actions have been integrated into our company-wide risk management framework.

SmartSafe Tech

POSCO deploys AI, IoT, and other smart technologies to reduce safety blind spots at worksites and secure the safety of workers. Through the introduction of smart safety inspection and monitoring technologies, we proactively identify hazardous risk factors and replace human workers with robots in high-risk tasks—aiming to eliminate the potential for serious workplace accidents.

Smart Safety Ball

In 2021, POSCO introduced the Smart Safety Ball —an innovative device designed to detect three types of hazardous gases in confined spaces. Once thrown into the area, the device measures concentrations of oxygen, carbon monoxide, and hydrogen sulfide, transmitting real-time data to a dedicated app on the inspector's smartphone or tablet. By 2024, we had deployed a total of 2,187 units across our worksites, as well as at public institutions and private-sector facilities.

Smart Wireball

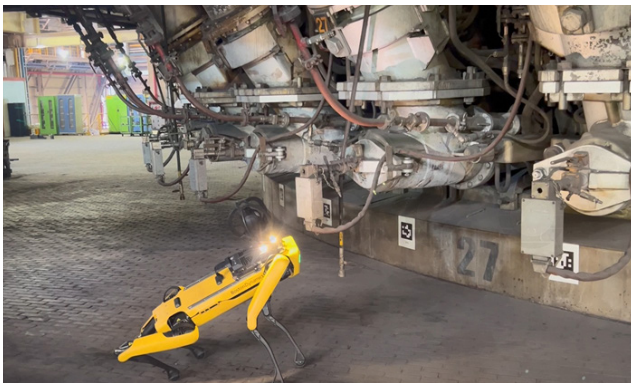
At POSCO's steelworks, over 700 kilometers of belt conveyors are used to transport raw materials—traditionally inspected through labor-intensive manual checks. To transform this process, we are deploying AI-powered Smart Wireball robots that travel along fixed wires above the conveyors, using acoustic analysis, thermal imaging, and video monitoring to detect and report abnormalities in real-time. In 2025, pilot operations are already underway at the Pohang Works, with full-scale deployment scheduled to begin at both the Pohang and Gwangyang Works in the second half of the year.

Gas Sealing Robotics Solution

In October 2024, POSCO developed a commercialized robotics solution that automates gas leak sealing in coke oven doors using multi-joint industrial robots. Designed to replace manual labor in high-altitude, high-temperature environments, we use the system to perform safe and precise sealing operations without exposing workers to hazardous conditions. Pilot operations are currently underway at the Gwangyang Works, where we are conducting interoperability tests with existing equipment and infrastructure. Based on the results, full-scale deployment is planned at both the Gwangyang and Pohang Works starting in the second half of 2025.

POSCO continues to develop and implement various safety solutions incorporating smart technologies. In 2024, we deployed a quadruped robot to the blast hole of a furnace at Gwangyang Works. The blast hole is a critical piece of equipment that requires constant monitoring due to the potential risk of gas leaks. The remotely operated autonomous quadruped robot conducts real-time inspections along pre-programmed routes and enables operators to monitor conditions without the need for direct access to the furnace. Additionally, it enhances safety through continuous monitoring by analyzing inspection data in real time and issuing alerts when abnormalities are detected.

Meanwhile, a wheeled robot was developed and deployed in the underground electrical room of the Gwangyang No. 4 Hot-Rolling Mill to conduct unmanned equipment inspections. Due to the presence of high-voltage currents, operators in electrical rooms are constantly exposed to the risks of electric shock and explosion. In 2024, we developed and deployed an autonomous wheeled robot at the site, as it is better suited than a quadruped robot for areas with sloped access roads. The robot enables real-time monitoring and data analysis without requiring workers to be physically present. To further reduce the operational burden on operators, an on-site charging station was also installed. Looking ahead, we will continue to develop and implement smart technologies to create a safer work environment.



Quadrupedal inspection robot for unmanned facility monitoring

Autonomous wheeled robot

Risk Management

Emergency Response Plan

POSCO has put in place a robust Emergency Response Plan to minimize loss of life and property in the event of major industrial accidents or natural disasters. Conducted on a regular basis at the plant and section levels are emergency drills covering four critical scenarios—fire, PSM incidents, confined space accidents, and chemical spills. These drills serve to reinforce and validate POSCO's response systems. For each scenario, clear protocols are in place—from emergency declarations and operational shutdowns to evacuation procedures—and these are rehearsed through periodic simulations. In cases where nearby communities may be affected, POSCO operates a separate response plan guided by a clear set of principles to ensure the protection of local residents.

Emergency Response Procedures

POSCO operates the Serious Accident Rapid Response Guidelines to ensure swift and structured action in the event of an emergency. These guidelines outline clear emergency response procedures, including the formation and operation of a Rapid Response Taskforce led by the CSO, who reports directly to the CEO during such events. To further strengthen emergency preparedness, we maintain an emergency medical transportation system utilizing our company helicopter and partner with medical institutions to ensure patients receive timely and optimal care.

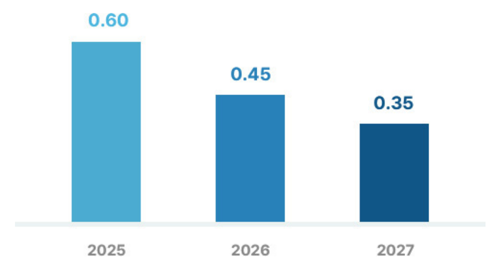
Goals

POSCO Safety Management Goals

POSCO operates both the Total Recordable Injury Frequency Rate (TRIFR) and the existing Lost Time Injury Frequency Rate (LTIFR) to enhance employee awareness of safety and health. This dual-metric approach fosters a culture of transparent reporting—even for minor incidents—and reinforces preventive safety management practices. We incorporate quantitative safety indicators into the KPIs and apply safety incentives to non-executive employees. This framework sets clear targets and performance standards, directly linking safety outcomes to compensation policies and encouraging both executives and employees to achieve measurable results.

Category	2024 Performance	2025 Goals
LTIFR	0.83	0.60
TRIFR	1.81	2.12
Number of Serious Accident Victims	0	0

LTIFR Mid- to Long-term Goals



Safety KPIs for Executives

- 25% of the CEO's KPI is tied to the number of serious accident victims at domestic worksites.
- 25% of each head of steelworks' KPI is tied to the number of serious accident victims at their respective steelworks.

Employee Safety Awards Program

POSCO operates various programs to recognize outstanding safety practices across the organization. In 2024, a total of 176 awards were presented, including the Safety Grand Award, Accident-Free Plant Award, Excellent Safety Organization Award, and Individual Safety Award.

Safety Performance

Performance and Goals

2024 Achievements	2025 Action Plans
• Promoted innovative implementation of safety management systems, standards, and procedures • Strengthened safety management practices focused on execution to prevent serious accidents • Conducted thematic inspections of vulnerable areas, reestablished process safety management systems, and enhanced safety training programs	• Reinforce practical actions focused on the essence of accident prevention and establish a self-directed safety management system. • Improve the effectiveness of on-site safety management systems and build an autonomous and accountable implementation framework • Enhance employee acceptance and internalization of safety practices through the practical and efficient operation of safety systems.

Key Safety Improvement Performance

Course Name	Number of Participants	Target Classification				
		Directly Managed Companies	Group Companies	Partner Companies	Service Vendors	Subcontractors
Executive Safety Leadership Program	165	●				
Safety Leadership Program for Employees (by Stage in Career Cycle)	1,481	●				
PSM Professional Training Program	2,032	●				
Safety Competence Training for Contractors (by Tier)	18,785		●	●	●	●
On-Site Safety Bus Program	13,182	●	●	●	●	●
Pre-Entry Training for Worksite Access	66,246				●	●

POSCO's Four Major Emergency Drills

Category	Safety and Disaster Prevention Group									Environment and By-Product Group		
	Firefighting (Annually)			PSM (Semi-annually)			Confined Space (Semi-annually)			Chemical Spills (Annually)		
	Target	Performance	Rate	Target	Performance	Rate	Target	Performance	Rate	Target	Performance	Rate
Pohang Works	68	68	100%	78	78	100%	127	127	100%	32	32	100%
Gwangyang Works	69	69	100%	65	65	100%	122	122	100%	46	46	100%
R&D Center	6	6	100%	(N/A)	-	-	4	4	100%	1	1	100%
Administration Support Group	3	3	100%	(N/A)	-	-	3	3	100%	(N/A)	-	-

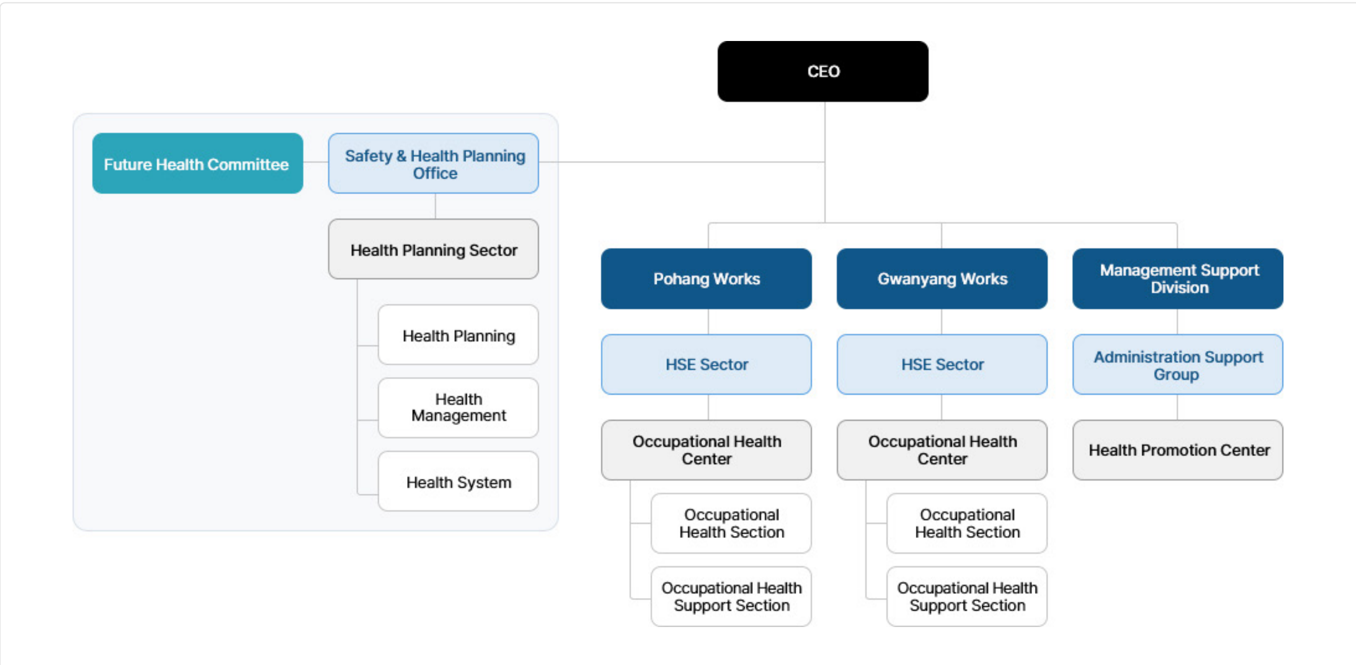
Health

Health

Organization

POSCO is committed to supporting all employees in working under safe and comfortable conditions, preventing occupational illnesses, detecting health issues early, and ultimately leading healthy and fulfilling lives. We also promote healthier lifestyles to help improve employees' overall quality of life.

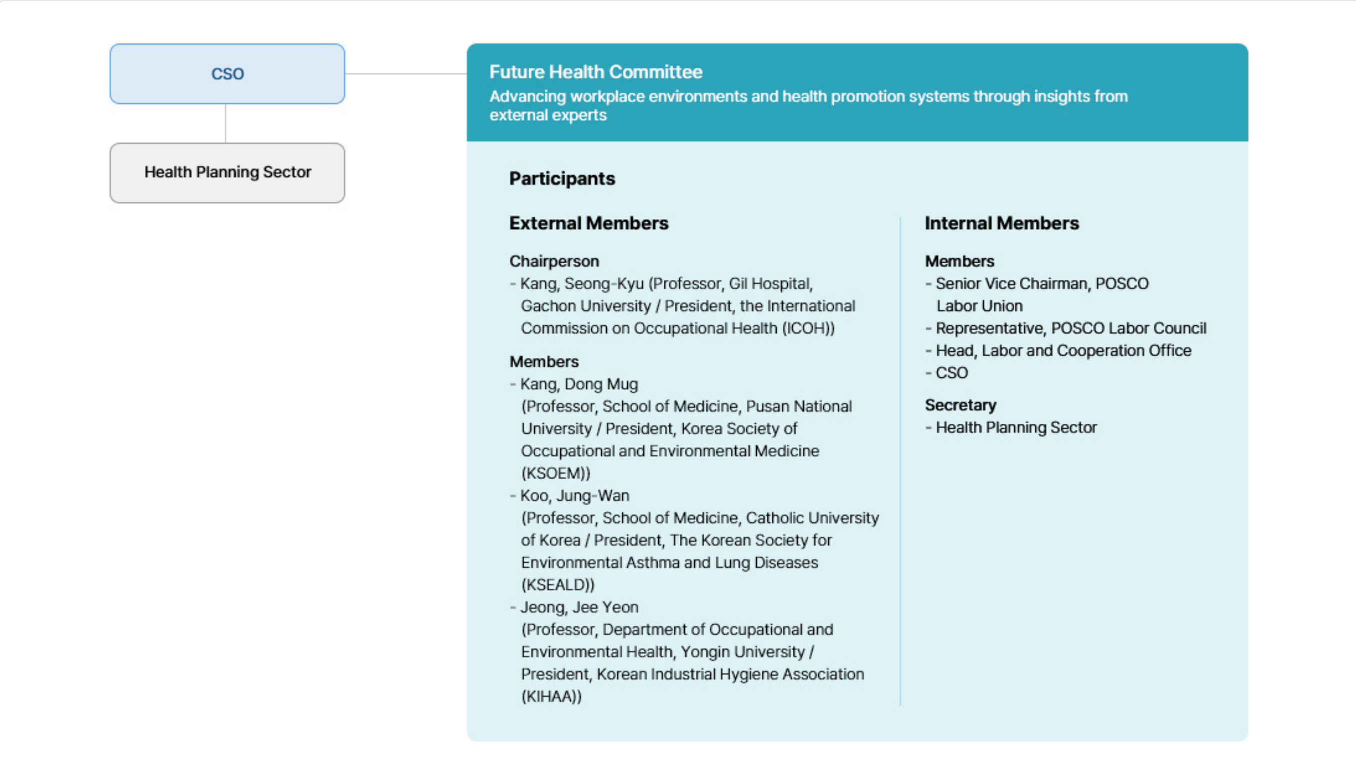
The Health Planning Sector within the Safety & Health Planning Office functions as the control tower for company-wide health management. Specialized health organizations operate across three locations, including Occupational Health Centers at the Pohang and Gwangyang Works and a Health Promotion Center under the Administration Support Group in Seoul. All plans, performance, and key issues related to POSCO's health management activities are reported to the ESG Committee under the Board of Directors.



Future Health Committee

In July 2021, POSCO established the Health Advisory Committee to provide expert guidance and strengthen its occupational health management system. In August 2024, the committee was expanded and restructured into the Future Health Committee, with a renewed focus on proactive strategies for promoting employee health from a preventive perspective.

The Future Health Committee supports improvements in workplace environments and advances in health promotion systems and programs by drawing on insights from experts across multiple fields. Its members include representatives from employee organizations—such as the Labor Union and Labor Council—as well as the heads of the Labor & Cooperation Office and the Safety & Health Planning Office. The committee plays a key role in ensuring that expert and employee perspectives are reflected in the company's decision-making on occupational health.



Operational Status

Employee Health Checkup Program

POSCO fully subsidizes health checkup costs for all employees, including contingent employees with at least one year of service. In 2022, we launched a health screening program in partnership with designated tertiary hospitals, offering one of the most advanced comprehensive checkup services available in Korea. Since 2013, we have also covered the full cost of health screenings for employees' spouses, with a cumulative total of 37,077 beneficiaries as of 2024. In addition, we provide cost discounts for parents and children through health check-up discount agreements.

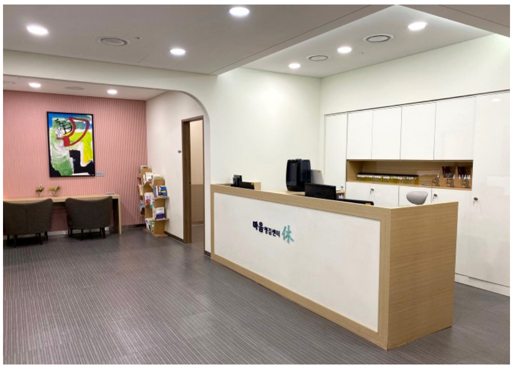
Mental Well-Being & Counseling Programs

POSCO operates the Mindfulness Center, an in-house counseling facility staffed by certified mental health professionals. The center provides one-on-one counseling and tailored programs based on psychological assessments and EEG results. In addition to in-center services, counselors visit worksites to deliver workshops on topics such as MBTI-based communication, TKI-based conflict resolution, and stress management. To foster a culture where employees feel safe and supported in seeking help, POSCO maintains strict confidentiality in all sessions and engages external counselors when necessary. In 2024, the center conducted a total of 3,641 one-on-one counseling sessions, including 2,521 for POSCO employees, 773 for their dependents, and 347 for partner company employees. In the same year, POSCO also launched company-wide mental health awareness initiatives, such as the Respect-for-Life Culture Training for all employees and Gatekeeper Training for supervisors to promote early identification and intervention in mental health crises.

Employee Wellness Activities

POSCO launched a personalized one-on-one blood sugar management program to help prevent chronic conditions such as diabetes, hypertension, and hyperlipidemia. This 12-week program targets employees diagnosed with diabetes or identified as high-risk through routine health checkups. Participants wear a continuous glucose monitoring (CGM) device that tracks real-time blood sugar levels 24/7. Data is automatically synced to a dedicated mobile app, where participants also record exercise, diet, and other lifestyle factors. Medical specialists and clinical nutritionists then analyze this data to provide personalized health guidance and support. In 2024, 251 out of 255 participants completed the program, with 86.9% showing improvement in their chronic health indicators—57% in diabetes, 56% in hyperlipidemia, and 67% in obesity.

Employee Testimonials



Mental Well-Being & Counseling Programs

There is a comfortable and pleasant counseling room within the company, making it easily accessible. Talking with a professional counselor has been very helpful for my healing. What I felt most during the counseling process is that people and their thoughts can change in a positive direction. However, since it is difficult to find the right way alone, the counselor's help is necessary, and because change comes gradually, it requires time and patience. I hope that many people will see cases like mine, where I have changed positively, and seek help through counseling.

Blood Sugar Improvement Program

"I can now clearly tell the difference between foods that help regulate my blood sugar and those that raise it. The one-on-one expert coaching has been instrumental in helping me take better control of my health."

Risk Management

Management of Work Environment

POSCO is committed to providing a safe and comfortable work environment by investing in health-related projects and initiatives and conducting thorough monitoring of confined spaces, personal protective equipment (PPE), and chemical management practices. We strictly comply with the standards set by the government, including the Industrial Safety and Health Act and notifications from the Ministry of Employment and Labor.

To prevent heat-related illnesses during heatwaves, we have implemented temperature-specific work protocols, adjusted break schedules, and provided tailored guidance for vulnerable groups. Special heatwave monitoring reports and site patrols are also carried out, alongside active distribution of supplies such as sunshades and bottled water. In addition, we promote awareness of heat-related illness prevention through on-site medical visits, informational postings, banners, and posters across work locations.

Management of Hazardous Risk Factors and Chemical Substances

As designated monitoring sites by the Ministry of Employment and Labor (MOEL), the Pohang and Gwangyang Works conduct biannual assessments of hazardous substance exposure levels. Based on these findings, we implement targeted reduction measures to mitigate workplace risks. To strengthen our response, we have established internal control standards set at 50% of the legal exposure limits for chemical substances.

We are carrying out facility upgrades and other necessary improvements based on comprehensive chemical risk assessments. Additionally, we operate a prohibited substance management system to prevent the introduction of high-risk chemicals into the workplace. Before initiating any work, employees are provided with information on the health impacts of relevant chemicals, required personal protective equipment (PPE), and control procedures. Where applicable, task-specific chemical handling training is conducted to ensure safe and informed operations.

Metrics and Goals

Key Outcomes

Employee Wellness Programs – Key Outcomes

Category	Participants	Key Activities	2004 Performance
12-Week Blood Sugar Improvement Program	Employees of directly managed companies	Personalized one-on-one coaching based on continuous blood sugar trend analysis	255 participants
8-Week Workout Program	Employees of directly managed companies	Strength-building program guided by professional trainers for employees with weight management needs	Average weight loss: 2.3 kg Maximum loss: 11 kg
On-Site HealthPlus	Employees of directly managed companies	On-site health education provided by visiting nurses	1,189 participants
On-Site Fitness – "Gosim Tapa"	Employees of directly managed companies	Personalized exercise sessions guided by visiting fitness professionals	77 participants
Online Health Classes	Employees of directly managed companies	Video lectures on various health topics via Youtube, featuring external health influencers	10 sessions conducted

Mindfulness Center – One-on-One Counseling Performance

(Units: Cases)

Category	2022	2023	2024	Total
Employees of directly managed companies	2,433	2,528	2,521	7,482
Dependents of employees of directly managed Companies	575	636	773	1,984
Employees of partner companies	196	149	347	692
Total	**3,204**	**3,313**	**3,641**	**10,158**

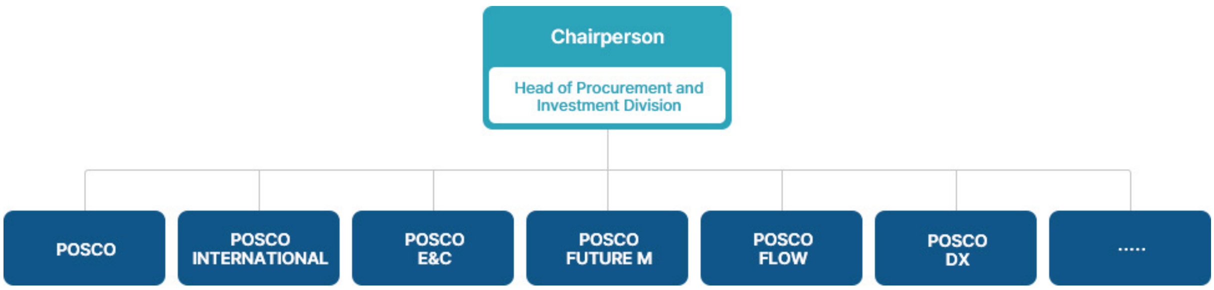
Supply Chain

SCM

Organization

Supply Chain Management Council

POSCO operates the Group Supply Chain Management Council to ensure a sustainable supply chain. The council is chaired by the Head of POSCO's Procurement and Investment Division and brings together purchasing executives from POSCO and its group companies to discuss supply chain strategies, emerging issues, and risk management measures.



- Participating Companies: 11 companies, including POSCO, POSCO INTERNATIONAL, POSCO E&C, and POSCO FUTURE M
- Attendees: Executives responsible for procurement at each company
- Meeting Frequency: 1–2 times per year *2024 Meeting Date: October 15, 2024
- Major activities: Formulating a Group-wide ESG supply chain management strategy and coordinating joint response measures

Activities

1. SCM Strategies: Develop group-wide strategies to enhance the sustainability of the supply chain by coordinating and aligning supply chain initiatives across all affiliated companies
2. ESG Risks: Identify and assess potential ESG risks within the supply chain and implement measures to mitigate them
3. ESG Supply Chain Trends: Disseminate the latest trends and best practices in SCM to enhance overall efficiency and effectiveness
4. Sustainability Goals: Define strategic goals for building a sustainable supply chain aligned with global ESG standards, and establish detailed plans to achieve them
5. Training and Capacity Building: Offer a range of training programs to strengthen ESG supply chain management capabilities
6. Group-Wide Collaboration: Promote partnerships among POSCO Group companies to enhance the sustainability and competitiveness of the collective supply chain
7. Monitoring & Reporting: Conduct regular monitoring of ESG performance in the supply chain and report on progress toward established targets.

Operational Status

Supplier Code of Conduct

POSCO has outlined the fundamental principles that all suppliers conducting business with the company must follow through the Supplier Code of Conduct. The Code comprises 42 provisions across five areas—labor, health and safety, environment, ethics, and management systems—based on the Responsible Business Alliance (RBA) Code of Conduct and POSCO's internal regulations. We distribute detailed guidelines to promote understanding. In response to the growing need to enhance ESG practices across the external supply chain, we have been collecting suppliers' signed commitments to the Code of Conduct through our e-procurement portal since 2024.

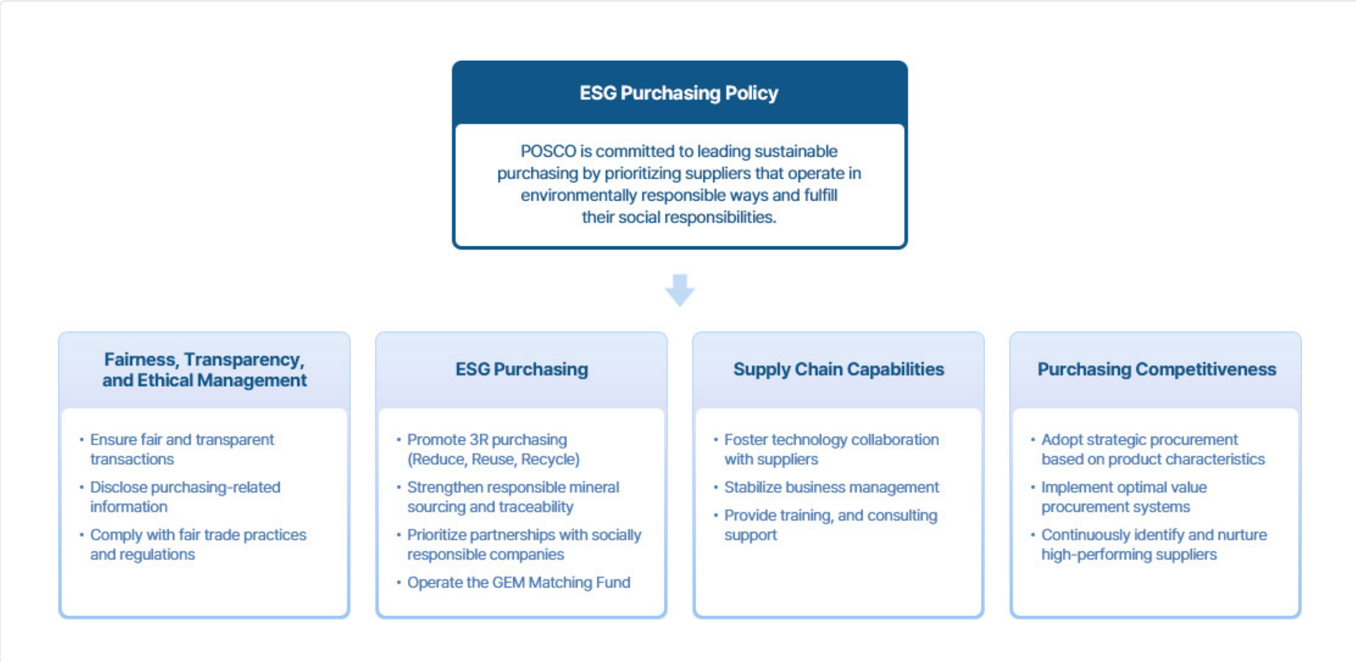
Supplier Code of Conduct →   Supplier Code of Conduct Guidelines →

Key Provisions of the Supplier Code of Conduct

Labor	- Prohibit forced labor, child labor, discrimination, and harassment - Ensure humane treatment - Protect the rights to freedom of association and collective bargaining
Safety Health	- Ensure occupational safety - Prevent occupational accidents and diseases - Manage industrial hygiene, hazardous equipment, and safety risks
Environment	- Manage hazardous substance, waste, and air pollution emissions - Minimize energy consumption and greenhouse gas emissions
Ethics	- Uphold business integrity and prohibit unjust enrichment - Disclose information - Responsible Minerals Management and personal information
Management System	- Manage the roles and responsibilities of management, - Evaluate, manage and provide training on relevant risks - Ensure participation and accountability in the supply chain

ESG Purchasing Policy

POSCO promotes sustainability throughout its supply chain by implementing a purchasing policy grounded in ESG principles.



Fair, Transparent, and Ethical Management Practices

POSCO accepts supplier registration applications at any time from companies seeking to do business with the company. In accordance with our fair trade policy, we ensure full transparency by disclosing all information related to Sourcing Groups (Purchasing Item Groups). The Internal Transaction Review Committee, established to prevent unfair internal transactions, reinforces POSCO's commitment to ethical procurement.

Sustainable Purchasing

POSCO collaborates with global suppliers of raw coal and iron ore to develop raw material technologies to minimize environmental impact. We implement structured supply chain management practices to mitigate potential social risks associated with mineral extraction. In addition to our efforts to establish a responsible mineral sourcing system, manage ESG risks, and enhance communication with both internal and external stakeholders, we create social value through the Go Extra Mile (GEM) Fund—a one-on-one matching program with raw material suppliers—and give priority to companies with strong social responsibility practices.

Strengthening Supply Chain Capabilities

POSCO recognizes that the sustainable growth of small and medium-sized suppliers is critical to maintaining a stable procurement system. We promote technical collaboration with our suppliers, support their business operations through various programs, and help strengthen their capabilities through training and consulting initiatives.

Enhancing Purchasing Competitiveness

POSCO enhances its purchasing competitiveness by adopting a Total Cost of Ownership (TCO) approach that optimizes value across environmental, quality, and logistics considerations. We identify high-performing suppliers and offer incentives such as priority negotiation rights to strengthen supply chain resilience. We also apply item-specific sourcing strategies tailored to business impact and procurement complexity.

Risk Management

ESG Risk Management

POSCO operates a comprehensive ESG risk management system throughout the entire supplier lifecycle—from registration and performance evaluation to post-contract oversight—to prevent environmental, human rights, and other ESG-related risks within the supply chain.

Supply Chain ESG Management Guidelines →

Vendor management process

Step 1. New Supplier Registration

Receive Supplier Registration Application > Conduct ESG Qualification Assessment > Document Review > Screening and Final Determination

ESG Assessment Items

- Compliance with environmental laws and regulations
- Overdue wage payments
- Child labor or forced labor practices
- Compliance with the Fair Trade Act

Screening Method

- POSCO reviews Information provided by credit rating agencies and news articles

※ Applicants found in violation of ESG standards are disqualified and removed from the registration process. (Re-registration is permitted after corrective actions have been completed and verified.)

Step 2. Performance Assessment

SRM Assessment (Quarterly and Annual)

Creditworthiness
Valid credit ratings issued by certified credit rating agencies

Delivery Performance
Number of days delayed and Price

Pricing
Competitiveness of bid prices

Quality
Quality defect rates and possession of Proof of Quality Control (PoQC) certification

ESG
Participation in environmental and safety training and anti-corruption initiatives

※ Weight of evaluation: 20%–30%, 5% additional points are not included

Additional ESG Points
Certifications such as Compliance Program (CP), Occupational Health and Safety (OH&S) management system, etc.

Deductible ESG Points
Records of safety incidents, human rights violations, or other compliance-related issues

※ **Assessment Process:**
The evaluation begins with a review of contract fulfillment and delivery performance. Objections raised by suppliers regarding their evaluations will be reviewed, and final scores will be confirmed accordingly.

※ **Assessment Rating:**
Excellent (95 points and above), Good(85 points and above), Average (70 points and above), Weak (60 points and above), Poor (below 60 points)

Step 3. Follow-up Actions

Follow-Up Actions Following Assessment

Criteria for Excluding Underperforming Suppliers from Bidding

Semi-Annual Evaluation

1. Weak: Warning issued
2. Poor: Bidding participation suspended for 3 months

Annual Comprehensive Evaluation

1. Weak: Bidding participation suspended for 3 months
2 Poor: Deregistration from the supplier list or suspension from bidding for 1 year

※ Follow-Up Actions After Supplier Assessment Based on the evaluation results, top-performing suppliers will be designated as POSCO Honored Partners (PHPs), while underperforming suppliers may face restrictions on future bidding opportunities.

Always-on risk management

- **ESG Risk Management**
  Management of risks related to unethical practices, safety incidents, child labor, human rights violations, etc.
- **Supply Risk Management**
  Follow-up actions after assessment, including monitoring changes in credit ratings relative to registration standards, bidding participation performance, etc.

Step 1 New Supplier Registration

POSCO categorizes its purchases into Sourcing Groups, with registration criteria publicly available at all times on SteelN.com. We require all prospective suppliers to agree to the Supplier Code of Conduct and Special Ethics Terms.

For new applicants, we verify compliance with environmental laws and regulations, check for records of major incidents, and review any overdue wage or tax payments. We also evaluate basic qualifications such as credit rating, financial stability, and supply capacity. A site visit is conducted to assess actual operations, and quality tests are performed as needed to ensure product reliability.

SteelN.com →

Step 2 Performance Evaluation

POSCO conducts Supplier Relationship Management (SRM) evaluations on a quarterly or annual basis for all suppliers with an existing transaction history. We classify evaluation results into five grades—Excellent, Good, Average, Weak, and Poor—and apply tailored supply chain management strategies based on these results.
Since 2023, we have also conducted ESG due diligence across the supply chain to identify and mitigate risks related to environmental compliance, human rights, and other ESG concerns.

Step 3 Follow-up Actions

POSCO shares performance evaluation reports with suppliers on a quarterly or annual basis, offering feedback on strengths and areas for improvement. We provide various benefits to suppliers rated as Excellent, including priority negotiation rights and exemptions from deposit requirements. Suppliers rated as Poor are encouraged to make voluntary improvements; however, if progress remains insufficient, bidding restrictions may be imposed for a period of three months to one year.

Supply Chain Risk Assessment

POSCO continuously monitors registered suppliers to strengthen supply chain resilience and mitigate potential risks. We may suspend transactions with suppliers found to have ESG-related issues, such as violations of environmental or safety standards. We also deregister suppliers whose credit ratings fall below the minimum threshold for Sourcing Group registration (below grade B), or those with no bid participation in the past year or no business transactions with POSCO for two consecutive years.

ESG Due Diligence

In 2023, POSCO established “The Supply Chain ESG Due Diligence Process” by incorporating the ESG rating agencies and conducted the initial round of due diligence. In 2024, we revised and distributed the Supplier Code of Conduct to reflect updated external requirements, including those related to customers and assessment cycles.

In March 2024, we selected 356 suppliers—with annual transaction volumes exceeding KRW 500 million and a transaction history spanning the past three consecutive years—for ESG due diligence, and completed assessments for 331 of them. In collaboration with a third-party rating agency, we conducted on-site due diligence for companies flagged as high-risk during document-based reviews or those that underperformed in the previous year’s on-site assessments. For suppliers receiving improvement recommendations, we provide tailored support through one-on-one solutions delivered by specialized consulting firms.

Supply Chain Due Diligence Process

Planning

Scope
Audit items are finalized based on global ESG standards and benchmarking against domestic and international peers.

Methodology
- Paper audit is conducted using POSCO’s e-procurement system (e-Pro).
- On-site audit for suppliers classified as high-risk is conducted by an independent third-party agency

Audit Requirements
- Establishment of a supply chain management strategy
- Establishment and implementation of audit process
- Verification of compliance with codes of conduct
- ESG risk assessment and evaluation by category

Paper Audit

On-Site Audit

Audit Targets
- **Paper Audit**
  Regular suppliers with either three consecutive years of transactions or annual sales of KRW 5 billion or more (356 companies)
- **On-site Audit**
  Suppliers identified as ESG high-risk based on written audit results or those with poor ESG performance in the previous year’s on-site audit (50 companies)

+

Inspection Items
100 items across five key ESG areas:

Environment	Labor/ Human Rights	Health/Safety	Ethics
Compliance with permits and licenses	Prohibition of forced labor	Compliance with safety regulations	Operation of grievance handling systems
Biodiversity protection	Prohibition of child labor	Mandatory safety training	Provision of ethics training
Carbon emissions management	Anti-discrimination measures	Health check-up implementation	Conducting regular ethical audits

Improvement/ Monitoring

Improvement Requests
Purchasing managers request ESG risk improvement plans from identified suppliers and coordinate the implementation schedule.

Implementation Timeline
Suppliers must address the identified ESG risks within 180 days of submitting the improvement plan, with purchasing managers overseeing progress throughout the implementation period.

Information Disclosure

Common Disclosure
Results of ESG audits for the supply chain are disclosed through the Sustainability Report and the official POSCO website.

Raw Materials Disclosure
Information on the supply chain for Disputes, responsible minerals (tin, tungsten, cobalt) and critical minerals (nickel, aluminum, copper, etc.) is disclosed to customer companies.

Responsible Minerals

POSCO has established a robust policy and operational framework for responsible mineral[1] sourcing, aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals. We are committed to strengthening our capabilities in responsible purchasing and supply chain oversight. All newly registered suppliers are required to sign a consent form agreeing to POSCO's Responsible Minerals Policy. If any minerals are identified as originating from Conflict-Affected and High-Risk Areas (CAHRAs[2]),* we engage exclusively with smelters certified under the Responsible Minerals Assurance Process (RMAP), a globally recognized third-party validation program. To enhance traceability, we collect detailed supply chain data using our own supplier and smelter survey templates, along with the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) provided by the Responsible Minerals Initiative (RMI). Suppliers identified as high-risk through internal assessments are subject to enhanced monitoring and management in accordance with POSCO's established risk response protocols. Since 2021, POSCO has published its Responsible Minerals Report annually, ensuring transparency in disclosing all related management activities.

1) Minerals mined in a way that does not cause issues such as human rights violations, environmental destruction, and inflow of funds to conflict organizations and fulfills social responsibilities

2) CAHRAs (Conflict-Affected and High-Risk Areas) refer to regions where issues such as conflict, child labor, and human rights abuses are prevalent—for example, the Democratic Republic of the Congo.

Responsible Minerals Report →

Responsible Minerals Use

Since 2020, POSCO has expanded its responsible minerals management beyond tin and tungsten—two of the four key conflict minerals (tin, tungsten, tantalum, and gold, collectively referred to as 3TGs)—to include cobalt, due to its association with serious human rights issues such as child labor in mining operations. As of 2024, we source minerals from conflict-affected and high-risk areas exclusively through smelters certified under the Responsible Minerals Assurance Process (RMAP).

Minerals	RMI Smelter ID	Name of Smelter	Country of Origin	RMAP Certification
Tin	CID001477	PT Timah Tbk Kundur	Indonesia	Certified
Tin	CID001482	PT Timah Tbk Mentok	Indonesia	Certified
Tin	CID001463	PT Sariwiguna Binasentosa	Indonesia	Certified
Tungsten	CID002315	Ganzhou Jiangwu Ferrotungsten Co., Ltd.	China	Certified

Responsible Minerals Management Process

Step 1
Establish a Robust Responsible Minerals Policy and Implement the System

Organization Structure
- Since 2020, POSCO's Raw Materials Office 1, under the Purchasing and Investment Division, has overseen responsible minerals management, leading the Responsible Minerals Council in collaboration with group affiliates such as POSCO INTERNATIONAL and POSCO FUTURE M.
- In 2023, the council was restructured and renamed the Group Supply Chain Management Council.

Employee Training
- We offer e-learning courses and digital e-cards to raise awareness among employees in departments that purchase or handle relevant materials.

Training Completed (Unit: persons)

2022	2023	2024
16,464	17,713	17,740

Strengthened Registration Criteria for New Suppliers
- New suppliers must submit a signed declaration of compliance with POSCO's responsible minerals policy.
- A clause has been added requiring that supply contracts be signed only with RMAP-certified smelters that have obtained certification through third-party audits, if the country of origin is confirmed to be from a high-risk country.

Responsible Minerals Policy
- A comprehensive responsible minerals policy is required at the group level.

Step 2
Collection and Evaluation of Qualitative Supply Chain Information

Identify Supply Chain Information
- POSCO collects information on the country of origin, mine/smelter location, transportation routes, and more, using its own supplier and smelter survey template.
- Suppliers are required to complete the CMRT and EMRT provided by the Responsible Minerals Initiative (RMI).

Grievance and Appeal Handling Procedure
- A grievance handling and appeal mechanism has been established to allow stakeholders across the supply chain to voice concerns. Grievances can be submitted through a form, via E-mail, or raised during on-site audits.

Risk Assessment
- To identify potential risks associated with suppliers, POSCO conducts a comprehensive evaluation based on factors such as mineral sourcing from conflict-affected and high-risk areas (CAHRAs), supplier survey response rates, and the intentional submission of false information.
- Suppliers are categorized into Red, Yellow, or Green Flag levels according to their assessed risk level, and those designated as Red Flag are managed through a dedicated risk response mechanism.

Step 3
Identify Risks and Develop Mitigation Plans

Step 4
Audit Response Mechanism

Response Mechanism
- For Red Flag suppliers, a tailored response is applied based on risk level. Measures include revisions to the supplier code of conduct, training, buyer audits, and independent third-party audits.
- Raw material suppliers from CAHRA-designated origins are required to contract exclusively with RMAP-certified smelters.

※ **Conflict and High-Risk Areas** (Updated as of March 2025)

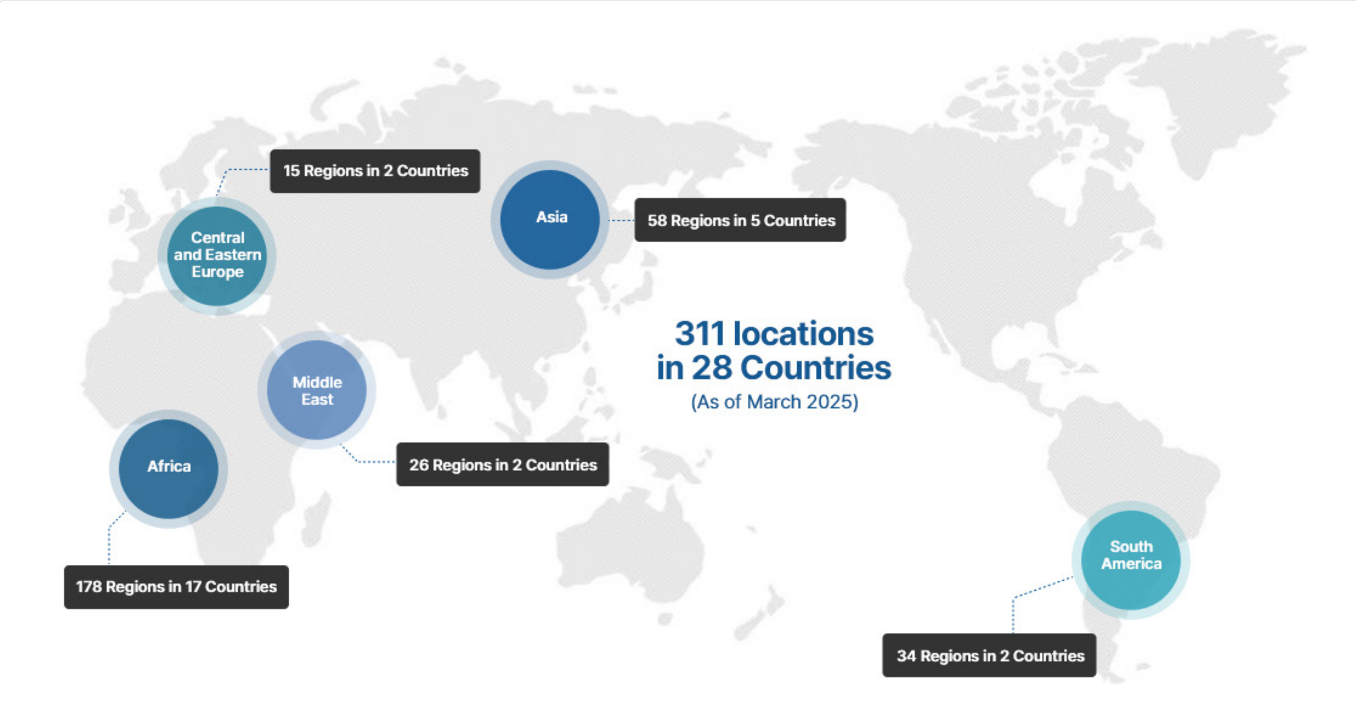
Africa : 178 locations in 17 countries, including DRC and Somalia
Asia : 58 locations in 5 countries, including Afghanistan and Myanmar
South America : 34 locations in 2 countries, including Venezuela and Colombia
Others : 41 locations in 4 countries, including Yemen and Ukraine.

- The policy was strengthened to withhold contracts from companies if training, internal due diligence, and third-party agency due diligence do not result in remediation or a willingness to address responsible minerals issues.

Step 5
Reinforce Communication Through Transparent Disclosure of Activities Undertaken

Disclosure of Responsible Minerals Implementation Progress
- Since 2021, POSCO has published the Responsible Minerals Report annually to promote transparency,
- Information is disclosed through the POSCO website, U.S. SEC filings, and the Sustainability Report.

Conflict-Affected and High-Risk Areas (CAHRAs)



Grievances and Appeals

We operate a dedicated grievance and appeals channel via our Responsible Minerals email account to ensure stakeholders can share their concerns with POSCO(Sending grievances or objections via e-mail without a separate form responsibleminerals@posco.com)

We are also responding to various inquiries and grievances related to supplier registration and performance evaluation with an open attitude. It operates a dedicated staff to communicate with suppliers' difficulties in real time and electronic purchasing system

Through the "Open Purchase Counseling Room" within the "e-Procurement", we listen to the supplier's opinions and give feedback

I have it. (Purchase Division 054-220-5000, Cooperation Division 054-220-7000)

Metrics and Goals

Performance Management

In 2024, POSCO met its annual target by completing on-site due diligence for 50 suppliers. Looking ahead, we aims to expand this effort to 500 suppliers by 2030.

Supplier Due Diligence

Supplier Due Diligence Performance

Suppliers Selected	Suppliers Audited	Completion Rate
356 companies	331 companies	93%

*Conducted for more than three years among transaction suppliers and 500 million won or more

Supplier Due Diligence Goals

2024

50 Companies

identified as high-risk based on written audit results, or those with poor ESG performance in the previous year's On-Site Audit

2030

500 Companies

identified as high-risk based on paper audit results

* Subject to change depending on paper audit outcomes

* Includes a cumulative total of 100 companies audited from 2023 to 2024

Supplier Performance Appraisal Results

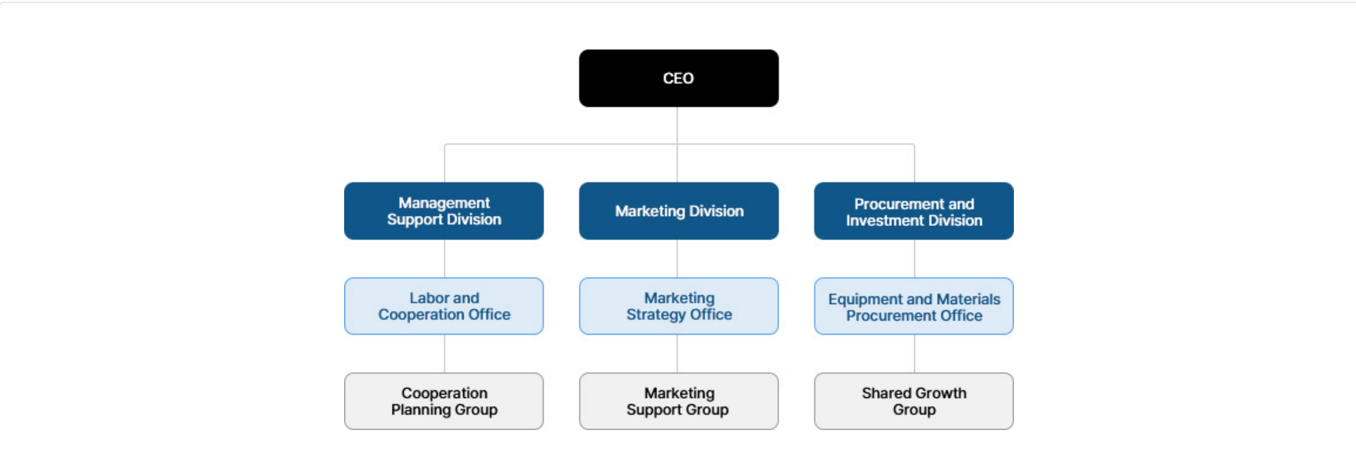
Indicators		Unit	2022	2023	2024
Total Number of Suppliers Evaluated		Count	1,729	1,700	1,663
Total Number of Suppliers Evaluated	Number of Suppliers Rated as Excellent		237	261	309
	Number of Suppliers Rated as Poor		3	1	1
% of Poor-Rated Suppliers with a Corrective Action Plan in Place		%	100	100	100
% of Suppliers Showing Improvement from Previous Year's Evaluation			77	86	83

* Note: Total number of suppliers refers to all suppliers of equipment or materials (including duplicates in the Sourcing Group)

Shared Growth

Organization

POSCO operates a range of programs to strengthen the steel supply chain and promote shared growth with suppliers, led by the Shared Growth Group under the Procurement and Investment Division.



Operational Status

Five Programs on Shared Growth

Benefit Sharing Program

Since 2004, when POSCO became the first company in Korea to implement a performance sharing system, we have carried out joint improvement initiatives with our suppliers and shared the resulting gains. Participating companies receive 50% of the project’s financial outcomes in cash, along with various incentives—such as long-term supply contracts of up to five years—to encourage technology development and business expansion.

Shared Growth Consulting Section

Established in 2021, the Shared Growth Support Group provides dedicated consulting services for SMEs, with in-house experts—each with over 25 years of experience in various POSCO fields—serving as consultants. We offer tailored support by aligning expert capabilities with SME needs in areas such as smart factory implementation, ESG management (including safety and energy efficiency), process and facility optimization, and quality improvement. In particular, through the Ministry of SMEs and Startups' Smart Factory Support Program, we help SMEs integrate advanced IT technologies into their manufacturing sites.

POSCO Honored Partner (PHP) System

POSCO annually selects outstanding suppliers of equipment, materials, and raw materials through a comprehensive evaluation that includes Supplier Relationship Management (SRM), and certifies them as POSCO Honored Partners (PHP). We provide PHP suppliers with a range of benefits, including exemption from warranty bond requirements, preferential access to steelworks during contract signing, and support from the POSCO Group's global network for overseas market entry. In addition, PHP suppliers have formed the POSCO PHP Volunteer Corps and are striving to grow together with the local community through various social contribution activities.

Financial Support for Suppliers

Financial Support for Suppliers POSCO operates the Shared Growth Fund to improve the business environment for its suppliers. Jointly funded by POSCO, partner companies, and financial institutions, the fund comprises two components: the Low-Interest Loan Fund and the Steel ESG Shared Growth Fund, both of which provide loans to SMEs at below-market interest rates. The Low-Interest Loan Fund, totaling KRW 566 billion, was established in partnership with IBK, KDB, Woori Bank, and iM Bank, offering loans of up to KRW 4 billion per SME. The Steel ESG Shared Growth Fund, launched in collaboration with Hyundai Steel and IBK, supports ESG advancement among SMEs in the steel sector. In 2022, the fund was expanded from KRW 150 billion to KRW 200 billion, providing three-year term loans of up to KRW 2 billion per SME to help strengthen their ESG management capabilities.

In addition, POSCO introduced the Subcontracting Win-Win Payment System in 2009, becoming the first private-sector company in Korea to directly pay second-tier suppliers and laborers. This system was designed to reduce payment delays and risks in the supply chain.

Venture and Talent Development

POSCO is committed to fostering technology-based venture companies—not only to support its business partners but also to strengthen future value chains and promote balanced regional development. In Pohang, we established CHANGeUP Ground, a venture incubation hub, through collaboration with the POSCO Group, Pohang University of Science and Technology (POSTECH), and the Research Institute of Industrial Science & Technology(RIST). In partnership with Gwangyang City, we are also constructing CHANGeUP Ground Gwangyang, scheduled for completion in 2025. To support early-stage startups, we operate the POSCO Idea Market Place (IMP), Korea's first nationwide platform for discovering and nurturing promising ventures. We also run an In-House Venture Program, which empowers POSCO Group employees and executives to launch their own startups. In addition, we facilitate business-matching opportunities to support scale-up efforts in areas such as prototyping, investor engagement, and market development.

Moreover, through the SME Consortium Project, we are helping to address youth unemployment and workforce shortages at local SMEs. This initiative leverages POSCO's training infrastructure to equip young job seekers with practical, job-ready skills and directly connects them with SMEs seeking new talent.

Partner Training Program

POSCO operates a training program to develop basic job skills for employees and young people working at suppliers and other SMEs.

- **Content**: Basic job skills for young people and employees of SMEs, including suppliers
- **Target**: Employees of 548 suppliers and subcontractors under signed agreements
- **Performance**: 21,853 participants trained (21,579 through on-site training; 274 via online e-learning)

Category	Training for Consortium Partners (2005-Present)	Tailored Training for MOU Partners (2020-Present)	Training for Work-Learning Dual Program Participants (2015-Present)	Training for Employment Preparation (2014-Present)
Concept	Enhance basic job competencies to establish an industry-led regional foundation for job training	Design and operate training programs based on job analysis of participating companies	Combine on-the-job training (OJT) with off-the-job training (Off-JT) *Consortium Off-JT training	Basic job competency training for young job seekers *Consortium Off-JT training
Target	All employees of consortium partner companies	All employees of MOU partner companies	New employees within 1 year of joining	Young job seekers
Key Contents	· Enhance technical skills in areas such as machinery, electrical systems, welding, and crane operation · Foster competencies in organizational management, leadership, safety, ESG, innovation, and character development	· Conduct core task analysis and support the design of structured training roadmaps · Guide employees in career development planning and provide HRD support	· Offer training in 16 job categories based on the National Competency Standards (NCS), including mechanical components, power machinery, forklifts, and cranes	· Cultivate soft skills such as integrity, communication, and vision planning · Improve understanding of steelmaking processes and equipment through both theoretical and practical instruction in mechanical and electrical domains
Duration	Minimum 4 hours per person (offline or e-learning classes)	Minimum 4 hours per person (offline classes)	200 hours per person over 1 year (offline classes)	50 hours total (over approx. 2 months)

Risk Management

Grievance Management

POSCO operates the Open Purchasing Consultation Office within its e-Procurement System to receive and address inquiries and grievances from suppliers. In 2024, the office responded to 15 such cases. External stakeholders can also report concerns—either anonymously or under their name—through various channels, including the Unethical Conduct Reporting Center on POSCO's official website. All reports are handled with strict confidentiality, and whistleblowers are protected from any form of disadvantage, including identity disclosure or retaliation. Once a case is verified, we take appropriate actions through active monitoring and due diligence to resolve the issue.

Metrics and Targets

Performance of Shared Growth Programs

Programs	Performance
Benefit Sharing	KRW 50.8 billion
Shared Growth Consulting Section	Supported 131 assignments
PHP System	8 Cases (Annual PHP volunteer cases)
Financial Support for Suppliers	KRW 616.4 billion in loans
Low-Interest Loan Fund	KRW 535.4 billion
Steel ESG Shared Growth Fund	KRW 81 billion
Venture and Talent Development	122 companies

Performance of Partner Training Programs

Year	Training Performance (Cumulative, Persons)
2020	632,982
2022	675,410
2023	696,044
2024	717,897

Awarded the highest grade in the Shared Growth Index

POSCO has received the highest grade in the Shared Growth Index[1] for five consecutive years.

1) The Shared Growth Index Index is an evaluation metric established by the Korea Commission for Corporate Partnership to promote a culture of mutual growth between large corporations and small- and medium-sized enterprises (SMEs)

POSCO's Shared Growth Website →

Human Rights

Organization

POSCO has established a Human Rights Center under the Management Support Division to oversee company-wide human rights initiatives. The center is responsible for providing human rights education, handling counseling and investigations related to workplace harassment and sexual harassment, and conducting human rights due diligence at both domestic and overseas business sites. With regard to human rights management, the center reports the human rights management plan—including system operations, due diligence strategies, and implementation results—to the ESG Committee under the Board of Directors. For cases involving workplace bullying or sexual harassment, the center regularly submits internal audit results and follow-up actions to the Audit Committee under the Board of Directors.

Group Human Rights Council

POSCO actively participates in the Group Human Rights Management Task Force led by POSCO Holdings, contributing to the standardization of human rights due diligence methodologies and the development of grievance handling guidelines. As a member of both the Group ESG Working Council and the Group Human Rights Management Council, POSCO plays a key role in discussing human rights issues, identifying potential risks, and formulating improvement measures across its domestic and overseas worksites.

Operational Status

Management Guidelines

POSCO respects and upholds internationally recognized human rights standards, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Ten Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the core conventions of the International Labour Organization (ILO). We believe that every individual has the right to be treated with dignity. This includes the rights to life and physical security; freedom of thought, expression, and religion; freedom of association; work-life balance; the right to privacy; access to safe food and clean water; freedom from torture, slavery, and forced labor; the right to fair and decent working conditions; and protection against discrimination.
Since introducing our Code of Ethics incorporating the Human Rights Management Policy in 2003, we have taken a proactive approach to preventing human rights violations and mitigating any adverse impacts linked to our business operations and relationships. In February 2025, we declared a group-wide commitment to human rights management. To implement this, we are establishing group-level governance structures, formalizing due diligence methodologies, and building an integrated grievance mechanism, among other key systems.

Basic Position on Human Rights Management

POSCO publicly discloses its Human Rights Management Guidelines on the company website to ensure easy access for all stakeholders. The company also adheres to the Guidelines for Implementing Human Rights Due Diligence and the Guidelines for Operating Grievance Procedures as operational standards for respecting and protecting human rights in its daily activities.
All employees are required to make an annual pledge to uphold human rights as part of the company's Code of Ethics. The Human Rights Center provides both online and offline training programs for employees and promotes company-wide campaigns to raise awareness of human rights.

- Pledge of Respect for Human Rights: All employees, including contingent employees, make an annual electronic pledge to uphold ethical conduct and mutual respect.
- Training on Respect for Human Rights: Mandatory for all employees, this training includes online modules on preventing workplace bullying and sexual harassment, along with offline sessions on respect for human dignity.
- Campaigns on Respect for Human Rights: Internal campaigns are held addressing human rights–related issues and are communicated through internal system announcements.

Human Rights Declaration

Through the POSCO Group Human Rights Commitment, POSCO has pledged to uphold human rights management systematically and in alignment with global standards. We aim to grow as a sustainable business by respecting the rights of all stakeholders involved in our operations and fostering harmony with society.

POSCO Group Human Rights Commitment →

Due Diligence

POSCO conducts human rights due diligence across all domestic and international operations, covering both executives and employees. This process is designed to identify and assess actual and potential impacts on human rights, address outstanding issues, document our responses, and engage with stakeholders to proactively prevent and mitigate adverse effects.

2025 Human Rights Assessment Framework: 11 Focus Areas, 44 Key Indicators

Establish a Human Rights Management System (7)	Prohibit Discrimination in Employment (6)	Ensure Freedom of Association and the Right to Collective Bargaining (2)	Prohibit Forced Labor (5)
Prohibit Child Labor (2)	Ensure Occupational Safety and Health (7)	Prevent Workplace Harassment (6)	Promote Responsible Supply Chain Management (2)
Safeguard the Human Rights of Local Residents (2)	Uphold Environmental Rights (3)	Protect Consumer Rights (2)	

Human Rights Due Diligence Process

POSCO conducts human rights due diligence as needed to identify, prevent, and mitigate adverse human rights impacts arising from its business activities, thereby fulfilling its corporate responsibilities. This process includes identifying and assessing actual and potential risks, addressing identified issues, documenting the actions taken, and engaging with relevant stakeholders to communicate how those issues have been managed.

POSCO Human Rights Due Diligence Process →

Since 2023, we have conducted human rights impact assessments targeting locally hired employees at overseas operations. For worksites with low assessment scores, we have carried out on-site inspections and in-depth interviews to identify root causes. Based on these findings, we have recommended improvement measures such as revising internal policies and delivering targeted training and awareness campaigns. Starting in 2025, we will expand the scope of these assessments to include all employees at domestic worksites.

2024 Human Rights Due Diligence Finding at POSCO's Overseas Subsidiaries

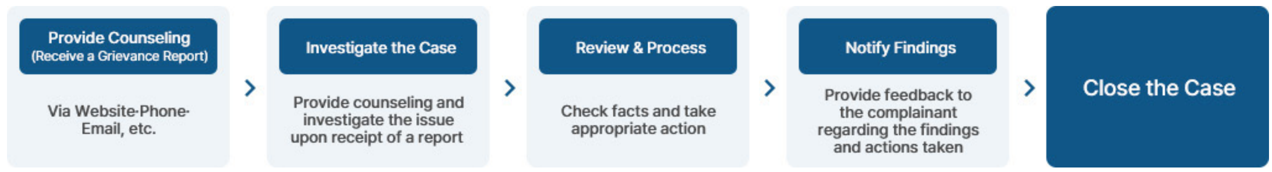
- Assessment Scope: 50 overseas subsidiary managers and global staff
- Period & Methodology: Conducted over two weeks, from August 29 to September 10, 2024, via online and offline surveys
- Assessment Areas: Eight core human rights domains — (1) respect for the human rights management system, (2) respect for the human rights of stakeholders, (3) prohibition of discrimination in employment and the workplace, (4) prohibition of forced labor, (5) assurance of occupational safety and health, (6) guarantee of freedom of association and the right to collective bargaining, (7) prohibition of child labor, and (8) respect for privacy and protection of personal information
- Key Findings: Most entities were found to be operating at a sound level. However, there is room to improve employee awareness through stronger education and communication, as well as more effective implementation of policies at the workplace level.

Risk Management

Grievance Handling

POSCO operates a grievance mechanism to address human rights violations and concerns raised by employees and stakeholders across its business operations. Reports can be submitted anonymously through the Reporting Center, and the Human Rights Center ensures timely responses. Depending on the nature of the case, follow-up actions—such as audits or personnel measures—are taken. Throughout the process, POSCO guarantees anonymity, ensures procedural transparency, and upholds the independence and fairness of grievance resolution.
We strictly protect the rights of complainants and victims by prohibiting any form of disadvantage or secondary victimization. Disciplinary measures are institutionalized for violations of these principles. We also provide multiple reporting channels, including the Ethics Counseling Center (Helpline) and the Unethical Conduct Reporting Center (Hotline), to support individuals and communities affected by our operations. Every effort is made to ensure that grievances are addressed and resolved promptly.

Grievance Handling Process



POSCO Grievance Reporting Center →

Step-by-step Response Process

POSCO has established a structured response process to address violations of human dignity, including workplace bullying and sexual harassment. This process prioritizes victim protection and ensures the prompt resolution of cases requiring immediate support and the prevention of secondary harm.

Steps	Step1	Step2	Step3	Step4	Step5	Step6
Process	Acknowledge the incident	Receive the report	Implement victim protection measures	Conduct an Investigation	Take disciplinary actions	Take follow-up measures
Key Point	Anyone can report	Provide initial counseling within 24 hours	Immediately separate the perpetrator from the victim	Check facts	Convene the HR Committee for a disciplinary review	Monitor signs for secondary harm
Responsible Party	-	Human Rights Center	HR Department	Human Rights Center	HR Department	Human Rights Center, HR Department

Victim Remedies

- Confidentiality Agreement: All parties involved are required to sign a confidentiality agreement.
- Victim Protection Measures: Upon request, victims are provided with legal, medical, and counseling support.

Legal Support: Assistance is provided by in-house counsel, or upon request, by external legal professionals.
Medical Assistance: POSCO covers medical expenses for conditions resulting from violations of sexual ethics.
Counseling Support: Psychological counseling is offered by professional counselors at the Mindfulness Center.

- Company Regulations: Victim remedies and the prevention of secondary harm are stipulated in company regulations.

POSCO imposes strict disciplinary action on individuals who conceal incidents of workplace bullying or sexual harassment, or who inflict secondary harm on victims. Stricter penalties apply when such harm is caused by a supervisor, who has a duty to protect the victim and prevent further harm. Supervisors of individuals who commit secondary harm may also be held accountable for mismanagement.

Metrics and Targets

Mid- and Long-Term Goals

POSCO is committed to sustainable growth by implementing human rights management aligned with global standards.
From 2023 to 2024, we conducted human rights impact assessments for locally hired employees at 50 overseas subsidiaries, using a methodology developed in collaboration with the POSCO Institute of Management. For sites with low assessment scores, we carried out on-site inspections and in-depth interviews to identify root causes and implement corrective measures. Beginning in 2025, we will expand these assessments to domestic sites, including steelworks, the Head Office, and Technical Research Laboratories. Assessments will be conducted using a unified, group-wide methodology developed with input from an external expert organization to ensure alignment with global evaluation standards. Overseas operations will be reassessed in 2026.
All POSCO employees are legally required to complete annual training on sexual harassment prevention and disability awareness. In 2024, we achieved a 100% completion rate and aim to maintain this level going forward, including for a new human rights management training program launching in 2025. In addition, we have addressed 100% of all reported human rights violations to date and remain committed to maintaining this standard of responsiveness.

Mid- and Long-Term Goals for Human Rights Management

<table>
<tr><th colspan="2">Category</th><th>2024</th><th>2025 Goals</th><th>2026 Goals</th><th>2027 Goals</th></tr>
<tr><td rowspan="2">Human Rights Impact Assessment</td><td rowspan="2">Assess the current status of human rights management, and identify and manage key risks</td><td>50 overseas subsidiaries</td><td>Domestic operations (Pohang/Gwangyang /Seoul/Songdo)</td><td>50 overseas subsidiaries</td><td rowspan="2">Evaluate and enhance the effectiveness of the due diligence program</td></tr>
<tr><td>*Applied in-house methodology</td><td colspan="2">*Applies group-wide methodology that aligns with global evaluation standards</td></tr>
<tr><td>Training Completion Rate</td><td>Prevent sexual harassment and workplace bullying, improve disability awareness,
and implement human rights management
(newly introduced in 2025)</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td></tr>
<tr><td>Human Rights Violations Report Handling Rate</td><td>(Resolved Cases ÷ Number of Total Reports) x 100</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td></tr>
</table>

POSCO Human Rights Due Diligence Process

Considerations for Human Rights Due Diligence

Human rights due diligence refers to a series of continuous procedures in which a company identifies and assesses adverse human rights impacts through human rights impact assessments, takes measures to prevent, mitigate, and remedy such impacts, tracks and verifies the effectiveness of these measures, and explains and discloses the assessment process and results to stakeholders.

Human rights due diligence covers both direct and indirect adverse human rights impacts that may arise from the company's business activities and relationships. It takes into account various factors such as the location and scale of business sites, the level of human rights risks, the nature and content of the business, and the political, economic, and cultural conditions of the local country. The company recognizes that the risks to human rights may change as its activities and business environment evolve, and therefore conducts due diligence on an ongoing basis.

Implementation Method

POSCO identifies and examines actual and potential adverse human rights impacts that may arise from its domestic and overseas business activities and relationships, following the process below:

- The company analyzes the current situation and derives improvement measures through human rights due diligence, which includes document reviews, on-site inspections, responses, and follow-up actions.
- As a principle, internal experts conduct the due diligence, but external experts may be involved as needed.
- Human rights due diligence is carried out using a checklist that diagnoses key elements related to human rights management, and substantial interviews are conducted with groups and stakeholders who may be potentially affected, along with the results of the document review.
- Both potential and actual impacts must be identified during human rights due diligence. Potential impacts are shared at the company-wide level, and relevant procedures are followed to take preventive and mitigating actions. Actual impacts that have already occurred should be subject to remedy and resolution.

Response and Follow-up Actions

To prevent and mitigate adverse human rights impacts, a response system is established and follow-up actions are taken based on the findings from human rights due diligence.

1.Establishing an Internal Response System

- The roles and responsibilities of relevant departments are clarified to prevent and mitigate identified adverse human rights impacts.
- Internal decision-making, budget allocation, and monitoring procedures are applied to effectively respond to such impacts.
- Issues identified through human rights due diligence are clearly communicated to relevant departments and managed as important matters.

2. Follow-up Actions and Remedy

- When adverse human rights impacts have occurred or are likely to occur, all necessary measures are taken to prevent and mitigate them.

- Even with the best policies and procedures in place, if unforeseen adverse impacts occur, the company strives to improve the situation either independently or in cooperation with other parties.
- Even if POSCO has not directly caused or contributed to human rights violations, if adverse human rights impacts related to the company's operations, production, or services arise in connection with other parties (e.g., suppliers), the company assumes a certain role to ensure improvement, even if it does not bear direct responsibility.
- If the company has leverage to prevent or mitigate human rights violations, it should exercise it; if not, it should work with relevant parties to strengthen its influence.
- As an effective remedy, a grievance mechanism is operated for stakeholders, and external expert advice may be sought to enhance the effectiveness of response measures.

Stakeholder Communication

The company collects stakeholder opinions throughout the human rights due diligence process, including human rights impact assessments, establishment of response measures, development of monitoring indicators, and remedy procedures. Sufficient information is provided during stakeholder engagement, and efforts are made to ensure participation through continuous interaction.

- Communication with stakeholders, including individuals and investors, is conducted based on accountability and transparency. Various communication methods are considered, such as face-to-face meetings, publication of official reports (e.g., sustainability reports, audit reports), and use of online channels (e.g., the company's official website, helpline).
- Official reports include both actual and potential adverse impacts, and independent verification procedures are considered to enhance the credibility of the reports.
- The company strives to provide information that helps stakeholders assess whether the company is responding appropriately to specific human rights impacts.

Internalization and System Improvement

The results of human rights due diligence are internalized into the organizational culture, and system improvement activities are carried out to achieve substantial progress in human rights management.

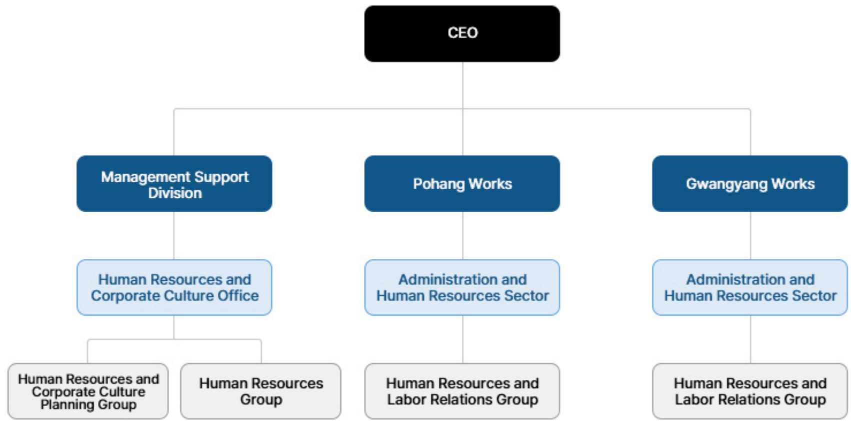
- Activities are conducted to internalize human rights management into the organizational culture, such as education on the necessity of human rights management for all employees, training on human rights-related norms, and sharing of success and failure cases.
- Continuous improvement of the human rights management system is pursued through expert consultation, stakeholder communication, and identification of improvement points through system implementation.

Talent Management & Culture

Talent Management & Culture

Organization

POSCO's human resources management is led by the Human Resources and Corporate Culture Office under the Management Support Division, working in close partnership with the Human Resources and Labor Relations Groups at the Pohang and Gwangyang Works. The head of the office oversees talent management and is responsible for reviewing, approving, and making key decisions on major HR matters.
The office is also responsible for shaping organizational culture and supporting initiatives related to recruitment, talent development, and employee training. In close coordination with the HR & Labor Relations Groups at the Pohang and Gwangyang Works, the office ensures consistent communication and effective implementation of HR policies across both sites.



Operational Status

POSCO has established and operates a strategic recruitment roadmap to secure top talent. We recruit exceptional engineering talent through annual open hiring, industry-academia scholarship programs, and the Steel Bridge program—a recruitment-linked internship initiative. We also identify and support promising high school students early on through the Meister Go referral program, aiming to foster the next generation of master technicians. To promote work-life balance, we offer a range of family-friendly programs, including a Childcare Immersion Period and financial support for fertility treatments.

HR Policies

POSCO implements a comprehensive set of HR policies, company regulations, and guidelines to ensure fair and equitable treatment of employees throughout recruitment, evaluation, and career development processes.

POSCO HR Regulations and Guidelines

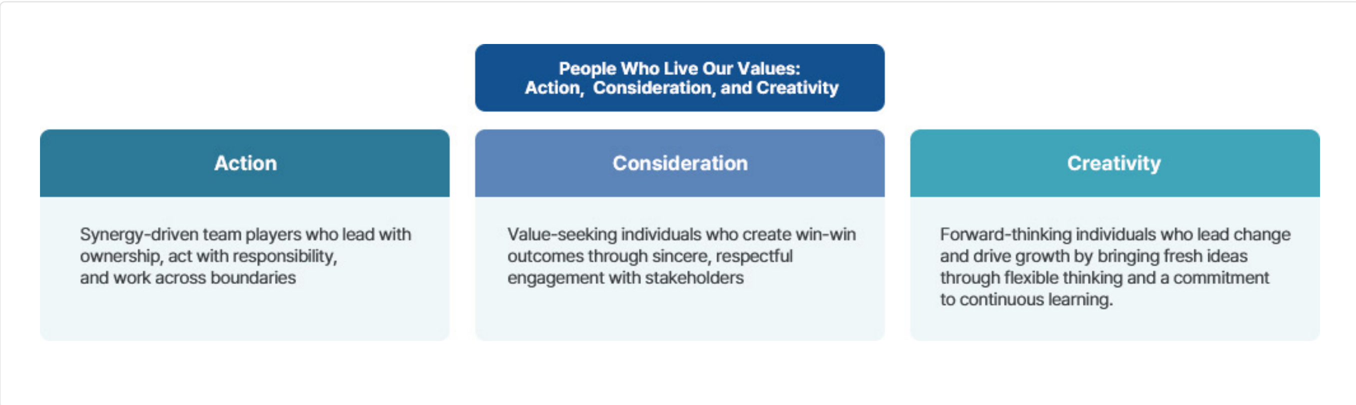
- Employment Rules: Outline provisions related to employment in accordance with the Labor Standards Act
- Salary Regulations: Define compensation terms pursuant to Article 27 of the Employment Rules
- HR Regulations: Govern employee management procedures and practices
- Performance Bonus Guidelines: Specify conditions for profit-sharing-based performance compensation
- Rewards and Disciplinary Guidelines: Establish standards to ensure fairness and consistency in recognition and disciplinary actions, as outlined in Chapter 8 of the Employment Rules

Recruiting & Evaluation - Compensation →

1. Talent Acquisition

POSCO adheres to a principle of open recruitment, selecting creative individuals who demonstrate a mindset of proactive action and empathy in line with our strategic direction and workforce needs. Candidates who pass the document screening stage are evaluated through the POSCO Aptitude Test (PAT), which measures core job competencies and integrity. The first interview assesses applicants' technical knowledge and expertise in their respective fields, while the second interview focuses on character and cultural fit prior to final selection.

POSCO Talent



2. Talent Development

POSCO offers a range of development programs to enhance employees' job expertise. We support each employee's professional growth through field-based technical training, competency-building courses, and tailored learning opportunities. In response to the evolving demands of the workplace, we focus on cultivating experts who can transfer core technologies, while also providing customized leadership training to strengthen managerial capabilities of position holders.

Learning Platform

POSCO's digital learning platform enables employees to learn anytime, anywhere—via PC, tablet, or smartphone. In addition to e-learning modules, the platform offers diverse content such as e-books, audiobooks, and immersive 3D/VR materials. It also includes an AI-powered recommendation engine that analyzes each employee's role and interests to deliver personalized learning suggestions.

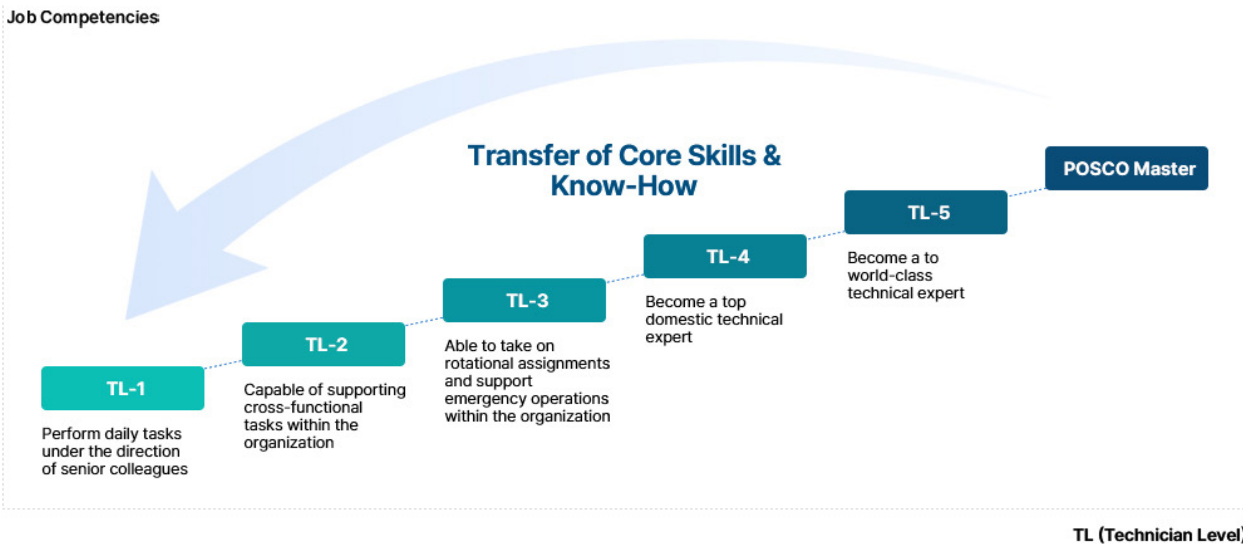
New Collar Certification System

“New Collar” talent refers to employees who harness emerging IT technologies to enhance work processes and create new value. POSCO operates the New Collar Level Certification System, which provides structured online and offline training across four levels of data analysis and application proficiency. Employees who pass the certification exam receive HR benefits—including preferential opportunities for overseas study—to promote participation and strengthen digital capabilities.

New Collar Level	Competency Level	Education Program
4 LEVEL Master	Able to independently perform smart tasks and provide consulting across various fields	AI Doctoral Program at an AI Graduate School
3 LEVEL Expert	Capable of performing smart tasks using AI algorithms	AI Expert or Master's Degree Program at POSTECH
2 LEVEL Semi-Expert	Able to improve work processes using data analysis tools	40-Hour Online Course or 5-Day In-Person Group Training
1 LEVEL Beginner	Understands basic methods for data collection and analysis	24-Hour Online Course or 3-Day In-Person Group Training

TL Certification and POSCO Master Program

POSCO operates the Technician Level (TL) Certification System to cultivate production technicians with world-class expertise. Employees may sit for the certification exam upon meeting the requirements for each level, from Level 1 to Level 5.
Those who attain TL Level 5—signifying the highest level of technical mastery—become eligible for designation as a POSCO Master, the company's highest honor for field technicians. POSCO Masters are selected through a rigorous evaluation process that considers not only technical ability, but also integrity, character, and peer reputation. Recipients are granted special promotions and both monetary and non-monetary rewards. Additionally, their retirement age is extended from 60 to 65, and their names are permanently engraved in the Park1538 Hall of Fame. As of 2024, 28 employees have been named POSCO Masters, with 26 currently active.



Rehiring Program

In line with labor-management agreements, POSCO operates a rehiring program that reemploys approximately 70% of retiring technicians each year. The program facilitates the transfer of knowledge and expertise from senior employees to junior colleagues, fostering talent development and sustaining the company's technological competitiveness.

3. Career Development

POSCO actively supports employees' career development to foster the next generation of insightful business leaders and enhance technical expertise in the field. Employees create their own career paths based on the Career Development Plan (CDP) model applicable to their respective work fields. Upon joining the company, employees are assigned to a specific work area for a designated period, allowing them to build a solid foundation of expertise before expanding into other areas. To encourage self-directed growth, we offer employees annual career development interviews with their department heads and operate an internal recruiting system. Regular job rotations within departments or work fields further strengthen employees' technical expertise and their ability to respond flexibly to changing situations. Outstanding employees are cultivated as future field leaders by enhancing their production process management capabilities. With worksites in over 20 countries, we promote locally driven management by empowering local talent. We are committed to localizing leadership positions—particularly at the department head level and above—to support long-term career development and leadership opportunities for local employees.

Professional Degree Program

Founded in 2014, POSCO Technology University supports the self-development and lifelong learning of field employees. The university is a government-accredited technical college that awards official degrees and is fully funded by POSCO.

- **ligibility**: Permanent employees of 13 POSCO Group companies—including POSCO, POSCO FUTURE M, and POSCO STEELEON—who aspire to become core field professionals
- **Curriculum**: Core subjects such as industrial mathematics, physics, and chemistry, along with major-specific courses including strength of materials, mechanical element design, and control engineering
- **Program Format**: Students attend classes for two days per week and work for three days, completing 80 credits over a two-year period
- **Outcomes:** A total of 402 students have earned degrees from 2014 to 2024

Certificate Acquisition Support Program

POSCO supports employees' efforts to obtain professional certifications through various programs such as e-learning courses, practical training centers, and financial subsidies.

- **Training**: Includes e-learning courses (e.g., safety personnel, Master Craftsmen, engineers, and industrial engineers), training at the POSCO Group University, and support for the establishment of practical training centers. In 2024, 4 employees earned Professional Engineer certificates, and 816 earned Master Craftsman certifications.
- **Subsidies**: Financial support is provided based on certificate type, covering 254 types across 10 categories—including metal, machinery, electrical/electronics, safety/fire/health, environment/energy, and more. In 2024, a total of KRW 2.9 billion was paid to 2,352 permanent employees.

Global Regional Specialist Program

POSCO's Global Regional Specialist Program dispatches employees to key overseas markets to build cultural competency and lay the groundwork for future business development. Participants engage in intensive local language training, gain firsthand exposure to the host country's culture, and complete on-site internships at POSCO's local subsidiaries to acquire practical insights into regional business practices.

- **Target Countries**: Japan, China, Mexico, India, Indonesia, Thailand, and others
- **Program Duration**: Up to 1 year (6 months of language immersion followed by 6 months of local subsidiary placement)

Management in the Steel Industry (MSI): POSTECH Steel Management Course

To reinforce its leadership in the global steel industry, POSCO offers the Management in the Steel Industry (MSI) program in collaboration with POSTECH. This executive training course is designed to cultivate high-potential overseas employees by deepening their expertise in steel production, business management, and cutting-edge technologies of the Fourth Industrial Revolution.

- **Program Format**: One-year, three-semester structure (Spring, Summer, Fall) with on-the-job training
- **Track Record**: 38 participants from 7 countries (as of 2024)
- **Employee Testimonial:**
  "The lectures and capstone workshops on strategy and innovation in the steel industry, market outlook, and the application of artificial intelligence were highly relevant to my work.
  — Hector Romero Del Angel, POSCO Mexico

Global Mobility Program (GMP)

The Global Mobility Program (GMP) invites local employees from overseas subsidiaries to POSCO's headquarters in Korea for 3 to 5 months. During the program, participants gain firsthand experience of POSCO's operational practices, while also engaging with Korean culture. The initiative fosters mutual understanding and strengthens cross-border networks between the headquarters and overseas operations.

- **Participation**: 133 employees from 10 countries (as of 2024)

4. Evaluation and Rewards

POSCO ensures fairness and transparency in its performance evaluation and compensation system. We begin each evaluation cycle with a formal "Pledge for Fair Evaluation" signed by both evaluators and employees. Evaluators receive regular training on assessment criteria and methodologies, and employees are provided with an independent appeals process to challenge results. Following the evaluation, results are monitored to ensure procedural integrity. Appraisal outcomes are directly linked to compensation decisions for the following year, and rewards are based solely on individual performance, with no discrimination based on gender, age, or nationality.

Performance Evaluation

Each year, employees undergo one to three rounds of evaluation based on self-assessments and supervisor reviews. This structured process allows the company to objectively assess individual contributions and position holders to deliver continuous coaching and feedback as needed.

Competency Assessment

In order for employees to self-assess and develop the attitudes and skills necessary for their work, self-assessment and supervisor assessment are conducted annually, focusing on work attitude and job skills. The results are provided as feedback in the form of strengths, areas for improvement, and subjective comments rather than scores, allowing employees to clearly recognize their strengths and weaknesses and work on improvement and development.

360-Degree Evaluation

POSCO conducts 360-degree evaluations in which position holders receive anonymous feedback on their work style and leadership from both colleagues within their department and cross-functional peers. Although this multi-source feedback is not directly linked to compensation, it is utilized in promotion reviews and role assignments.

Organizational Culture

POSCO fosters an inclusive organizational culture where employees from diverse backgrounds are encouraged to express their views freely and respect one another. We strictly prohibit discrimination based on gender, nationality, race, or disability, and strive to create a "happy workplace" where differences are embraced and mutual growth is promoted. To further strengthen organizational health, we conduct regular organizational culture assessments across global sites. The results are shared with each department to support ongoing improvements and cultivate a "great place to work" culture throughout the company.

Horizontal Communication

POSCO promotes open communication through a variety of channels, grounded in trust between executives and employees. These efforts aim to build a horizontal and creative organizational culture in which all members communicate and collaborate to generate greater value.

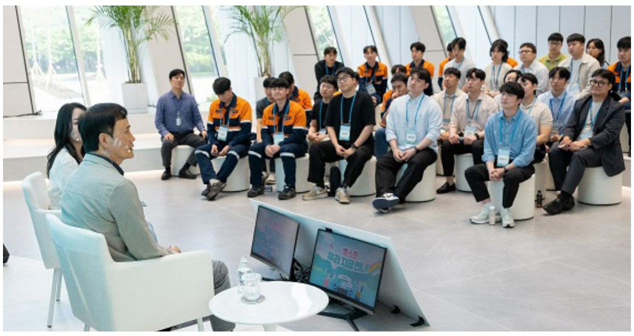
POSCO Communication Program

Young Board

POSCO's Young Board is a program that selects employees through internal competition to engage in direct dialogue with senior management on topics such as organizational culture, work practices, and field-level feedback. The program provides promising junior employees with opportunities to develop leadership and managerial capabilities. In 2024, 24 employees were selected as Young Board members to propose ideas for improving organizational culture, business operations, and systems, and to serve as a voice for employees in the field. In 2025, the program expanded to include competency-building initiatives such as design thinking and presentation skills training.

Town Hall Meetings

POSCO facilitates interactive communication between executives and employees through town hall meetings, where topics such as organizational culture and current issues are openly discussed. We use platforms such as Microsoft Teams Chat and the metaverse in ways that allow employees to share candid feedback without revealing their names, while executives communicate their management philosophy and expectations. These meetings are held regularly at the executive level: twice a year when chaired by the Head of Division, Steelworks, or Research Group, and four times a year when chaired by the Deputy Head of Division.



Direct Q&A (Prompt Responses to Employee Inquiries)

POSCO has established a two-way communication system to collect employee feedback and to respond promptly to questions regarding company policies and benefits. We provide direct answers to inquiries that can be addressed by the responsible department via individual notifications, while broader issues are reviewed by relevant departments and shared on the internal bulletin board. In 2025, we launched an online suggestion platform to enhance the speed and accountability of the feedback process.

- **Frequency**: Biweekly
- **2024 Results**: Out of 3,795 submissions, 131 responses were published on the company-wide bulletin board, and 3,664 were delivered individually.

TongTong Committee & Millennial Committee

POSCO operates the TongTong and Millennial Committees to bridge generational gaps and promote direct communication between management and younger employees, particularly those of the Generation 2030 cohort. While town hall meetings offer a broad platform for large-scale dialogue, we engage smaller groups (typically 6 to 10 participants) through these committees for more focused discussions on organizational culture and workplace issues. To foster open and candid conversations in a more intimate setting, we regularly hold small-group workshops and create environments that encourage free and honest dialogue with management.

POSCO's Flexible Working System

POSCO offers flexible work options that support personal development, rest, and work–life balance. In 2024, we introduced the Biweekly Four-Day Workweek System, enabling employees to focus more during the week and use every other Friday for personal growth, childcare, or family time.

Category	Scheme Description
Selective Working Hours System	Employees can adjust their working hours freely within a four-week settlement period, averaging up to 52 hours per week (40 regular + 12 overtime hours).
Biweekly Four-Day Workweek System	Employees can work an extra hour from Monday to Thursday over a two-week period (averaging 40 hours per week) and take every other Friday off.
8-5 Workday System	Employees can work from 8 a.m. to 5 p.m., allowing them to leave earlier than the traditional 6 p.m. and enjoy a "life that guarantees leisure time in the evenings."

Family-Friendly Incentives and Childbirth & Childcare Support

POSCO has established a comprehensive support system for childbirth and childcare, informed by employees' voices and needs, to address Korea's population decline and fulfill its social responsibilities. In recognition of these efforts, we were selected in 2023 by the Ministry of Employment and Labor (MOEL) as a model company in the Best Company for Childbirth and Childcare Promotion program. We also operate a range of family- and childbirth-friendly initiatives, offering support that spans from marriage to children's education. These programs are designed to help employees continue their careers without interruption due to marriage, pregnancy, childbirth, or parenting responsibilities.

Personalized Support Programs for Different Life Stages

* : Under the Labor Standards Act

Marriage

- **Wedding bonus :** KRW 2 million
- **Marriage leave :** 7 days
- **Wedding wreath :** Provided in the name of the company
- **Free wedding venue rental :** Use of company-owned facility
- **Honeymoon bonus :** KRW 2 million

Pregnancy

- **Fertility leave :** 10 days per year (6 days paid; can be used in installments)
- **Fertility treatment subsidy :** KRW 1 million per session (up to KRW 10 million in total)
- **Fertility treatment support measure :** Option to work from home or take a leave of absence
- **Pregnancy work-hour reduction option* :** On-site work hours reduced to 6 hours per day
- **Pregnancy work-from-home option :** Work hours adjusted to 4-8 hours per day, with full salary paid at the standard rate

Maternity	• **Childbirth bonus :** KRW 3 million for the first child, KRW 7 million for the second, and KRW 10 million for the third • **First encounter with baby gift :** KRW 500,000 voucher • **Pre- and postnatal leave* :** 90 days for single births; 120 days for multiple births	• **Spousal childbirth leave :** 20 days of paid leave for single or twin births, 25 days for triplets (can be used in installments) • **Spousal work-from-home option :** Available in cases of spousal childbirth
Parenting	• **Parental leave :** Up to 2.5 years (full period counted as time of service) • **On-site daycare centers :** Six centers operating in Pohang, Gwangyang, and Seoul	• **Employee housing support :** Interest-free housing provided to employees with three or more children • **Parenting work-hour reduction option *** • **Parenting work-from-home option**
Training	• **Child Scholarship :** No cap on scholarship amount for employees with more than three children	• **Elementary school entry gift :** Provided to employees' children entering primary school

Housing Assistance for New Hires

Employee dormitory

POSCO continues its efforts to enhance the working environment and welfare infrastructure for its employees. In November 2020, we renovated Dongchon Plaza in Pohang into a dedicated employee welfare space. In January 2022, we opened Giga Town, an employee residential complex in Gwangyang, developed through a comparative study of POSCO A&C's modular construction method and conventional reinforced concrete (RC) construction. The complex features 500 private studios, each equipped with a toilet and shower, to improve the comfort and convenience of residents.

Beneficial Labor-Management Relations

POSCO maintains a proud tradition of cooperative and mutually beneficial labor-management relations under the philosophy of "Partners Creating a Better Tomorrow Together." We fully respect the constitutional rights to freedom of association and collective bargaining. POSCO currently has two active labor unions affiliated with the Federation of Korean Trade Unions (FKTU) and the Korean Confederation of Trade Unions (KCTU). The union affiliated with the KCTU has secured collective bargaining rights through a unified bargaining channel and engages in annual wage negotiations and collective bargaining in every two years, in accordance with the Trade Union and Labor Relations Adjustment Act. In addition, we operate the POSCO Labor Council, composed of representatives elected by direct employee vote in accordance with the Act on the Promotion of Employee Participation and Cooperation. The Council convenes quarterly to address employee grievances, gather suggestions, and discuss key topics such as welfare system improvements, while also formulating and implementing corresponding action plans.

Risk Management

DE&I

POSCO is committed to building a workplace where all employees are respected by prohibiting discrimination based on gender, nationality, and race, while recognizing and embracing diversity and cultural differences. We have set goals to gradually increase the proportion of female position holders and are implementing targeted measures to support the development of female employees.
In addition to operating workplace daycare centers and providing legally mandated benefits such as reduced working hours during pregnancy and childcare, we promote work-life balance through additional systems such as conversion to an alternative work schedule, work-from-home arrangements, and the parenthood immersion period. We are also advancing a global growth vision by expanding leadership opportunities for local employees at our overseas subsidiaries.
Since 2024, we have incorporated DE&I-related questions into our Organizational Health Assessment survey to gather employee feedback and continuously enhance relevant policies and systems.

Employment of Persons with Disabilities

POSCO and its group companies are making concerted efforts to expand employment opportunities for persons with disabilities. These efforts include awarding additional points to applicants with disabilities during the hiring process, as well as employing athletes with disabilities to support both their independent living and professional training. As of 2024, our employment rate for persons with disabilities stands at 3.6%, according to the Korea Employment Agency for Persons with Disabilities (KEAD). POSCO HUMANS—a group subsidiary that provides cleaning, call center, and office support services—also plays a key role in empowering individuals with disabilities to fully realize their potential. Beyond job creation, we are committed to fostering a work environment in which persons with disabilities are treated with dignity, valued for their contributions, and protected from all forms of discrimination.

Family-Friendly Company

POSCO is undertaking various initiatives to create a more supportive workplace for women. In 2020, we became the first company in Korea to introduce a Work-from-Home Option for Parenting Without Career Interruptions, allowing all employees with children aged eight or younger—or in the second grade or lower—to work from home while caring for their children. That same year, we launched a Pregnancy Work-from-Home Option to support the healthy pregnancies of expectant employees. In 2021, the program was expanded to include female employees undergoing infertility treatment.
Also in 2020, we opened two Win-Win Daycare Centers in Pohang and Gwangyang, available to children of both POSCO employees and those of partner companies. We currently operate six workplace daycare centers across three regions, including Seoul, to provide high-quality childcare services. Additionally, we offer parental leave of up to two and a half years—longer than the standard set by the Labor Standards Act—and have implemented a Family Care Leave system, which can be used when family members require care due to illness, accident, or aging. These efforts aim to help employees achieve a realistic balance between work and family life.

BOD's Diversity and Expertise

POSCO's outside directors bring extensive experience and expertise across diverse sectors—including industry, finance, academia, law, accounting, and the public sector—enabling them to support management in making rational decisions free from bias toward any particular domain.

No Discrimination or Harassment

- POSCO strictly prohibits discriminatory practices in employment, promotion, training, compensation, or welfare benefits based on race, nationality, sex, age, educational background, religion, region, disability, marital status, or gender identity. We are committed to eliminating discrimination and fostering a culture that respects diversity and inclusion.
- POSCO ensures employment conditions—including appropriate working hours—that enable employees to lead lives with dignity. We also provide fair compensation, access to education and training, and a work environment that embraces cultural diversity.

- POSCO prohibits all forms of sexual misconduct, including workplace sexual harassment and violence, that result in sexual humiliation. We also strictly prohibit any form of bullying that causes physical or psychological harm by exploiting hierarchical or interpersonal power dynamics.
- POSCO has established a formal reporting and response system for cases of workplace bullying and sexual harassment. The system addresses cases in which a superior or colleague causes physical or psychological distress, or deteriorates the work environment by abusing their position or authority—through acts such as violence or verbal abuse.

Metrics and Targets

Training Status

Completion of POSCO's Learning Platform

(Counts)

Training	Regular Courses	On-Demand Courses	E-learning Courses	Total
Learning Platform	85	10	5,842	5,937

Completion of POSCO New Collar & TL Certification Programs

(Persons)

Category	2024 Targets	2024 Results
Level 1	4,296	5,079
Level 2	679	1,258
Level 3	88	87
Level 4	37	42

Category	Number of Certified Employees
TL 1	1,225
TL 2	3,267
TL 3	3,711
TL 4	918
TL 5	361

Flexible Work System

Status of Flexible Work Program Usage

As of 1.May 2025, Persons

Category		No. of Employees
Full-Day Workers	Selective Working Hours System	688
	Biweekly Four-Day Workweek System	8,020
	8-5 Workday System	1,663
	Others	1,014
Shift-Time Workers		6,495

DE&I Goals

Current and Target Representation of Women in Leadership Roles

2024 Results	2027 Targets
7%	7.8%

* Percentage of Women in Manager Positions (P, R) as a Proportion of the Total Workforce

Localization Rate at VP Level and Above

2024 Results	2027 Targets
63.4%	65%

* Percentage of Local Personnel as a Proportion of Total Department Head Positions in Overseas Subsidiaries

Recruitment, Evaluation, and Compensation

Talent Recruitment

POSCO upholds the principle of open recruitment, aligning with the company's strategic direction and hiring conditions to select creative individuals who embody a mindset of execution and consideration. Applicants are objectively evaluated and fairly selected based on their competence and qualifications, following systematic and specialized screening procedures and standards. After document screening, the 'POSCO Aptitude Test (PAT)' is used to objectively verify applicants' basic job competence and personality. The first interview focuses on evaluating job knowledge and expertise in the applied field, while the second interview assesses personality and organizational fit to hire competent personnel that aligns with our talent profile.

Evaluation and Compensation

- POSCO operates a fair and objective evaluation system to provide compensation based on work performance. Before evaluations, both evaluators and those evaluated take a 'Fair Evaluation Pledge,' and those evaluated can appeal the evaluation results through a separate procedure. For managers, 360-degree evaluations from collaborating colleagues and department members help them continuously reflect on and improve their leadership, including their adherence to management philosophy, communication skills, and working methods. Additionally, managers receive regular training on evaluation criteria and methods to ensure they objectively and fairly evaluate employees.
- Salaries are set at an appropriate level, equally for men and women, considering internal and external conditions, and differentiated salary increases are applied based on individual evaluations. Through the 'Variable Performance Bonus System,' the company's collective management performance is shared with employees, and awards are given to those who achieve outstanding performance based on merit.

Evaluation Process

- POSCO conducts a regular evaluation (once a year) for all permanent employees based on fair and systematic standards. Performance evaluations are carried out multiple times, measuring individual job performance systematically, based on self-reported work performance and self-evaluation results. The regular evaluation assesses employees' job performance, competence, qualifications, and ethical awareness. The results of these evaluations are used for promotions, development, and compensation, applying a performance-based differential compensation system.
- Additionally, an evaluation system is in place where employees can input their work performance and managers can provide coaching, ensuring continuous coaching and feedback.

Position on Wages

- POSCO pays wages composed of job-based pay, allowances, and performance-based pay. Job-based pay is determined based on each employee's job performance ability and work performance. Additionally, employee wages are thoroughly managed to ensure compliance with the labor-related laws and regulations of each country or region. The company conducts wage negotiations with the labor union annually.
- Wages are paid entirely in cash, and employees who work beyond statutory working hours receive overtime pay according to the standards set by the labor-related laws and regulations of the respective country or region.

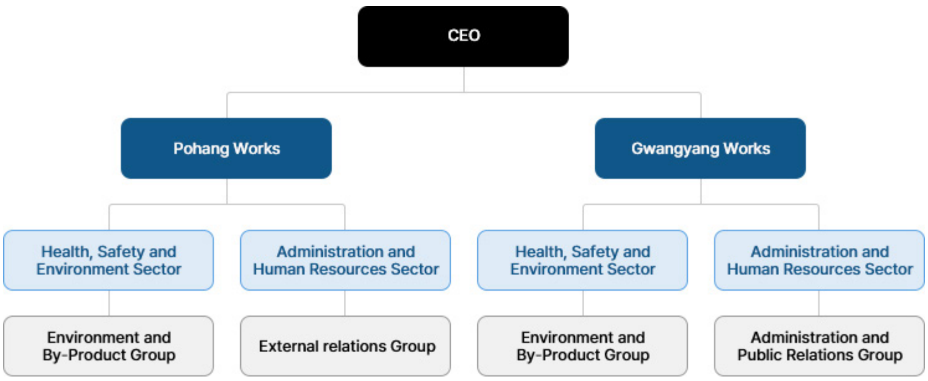
Position on Working Hours

- POSCO adheres to all laws and written agreements with employee representatives regarding standard working hours, the annual paid leave system, and overtime hours included in employment conditions. All overtime work must be voluntary and conducted according to the standards set by the labor-related regulations of the respective country or region.
- To effectively manage fatigue, working hours, shift patterns, and rest periods are determined in accordance with relevant laws, and all employees are provided with adequate breaks for meals and rest. To create an autonomous and flexible working environment, certain roles operate under a bi-weekly four-day workweek or a selective working hours system. Additionally, a work-from-home system is available for employees requiring care, such as those with childbirth or caregiving responsibilities.

Community

Organization

POSCO has established dedicated community engagement teams at the Pohang and Gwangyang Works to address both direct and indirect issues impacting local communities. We have also adopted a human rights management policy to safeguard the human and environmental rights of local residents. We actively communicate with local communities and indigenous groups through various channels—including consultative meetings and grievance resolution mechanisms—to foster meaningful participation and uphold accountability.



Regional Communication Council

POSCO operates regional communication councils in partnership with local governments, environmental organizations, academia, and other stakeholders. We use these councils as platforms to gather diverse stakeholder input, which informs every stage of the process—from identifying key local issues to developing improvement plans and monitoring outcomes.

- **Frequency**: Held 1-3 times per quarter
- **Content**: Analysis of key local issues; monitoring and promotion of environmental improvement efforts; and updates on environmental investment activities at the steelworks

Operational Status

Community Protection Policies

POSCO's human rights management framework includes guarantees for the fundamental rights of local communities. To address community-related issues and explore development directions, we hold both regular and ad hoc meetings to facilitate discussion and implementation of appropriate solutions.

Community Engagement Process

1. Identify Stakeholders

Identify stakeholders who are economically, environmentally, or socially impacted
(e.g., government agencies, civil society organizations, environmental groups, etc.)

2. Operate Communication Channels

Consider the unique characteristics of each stakeholder group
(in engaging in activities such as local community briefings, roundtable discussions, exchanges with civil society organizations, and environmental improvement council meetings)

3. Provide Information and Communicate Interactively

Ensure that sufficient information is provided regarding the relevant community's requests and concerns

4. Disclose Feedback and Major Discussion Points

Disclose information on follow-up communications conducted in response to community feedback, as well as key discussion points

Risk Management

Community Impact

POSCO has established procedures to identify, mitigate, and manage any adverse impacts its operations may have on local communities. We apply an ESG checklist from the investment review stage when pursuing new projects to assess potential risks and corresponding mitigation measures. If issues arise despite proactive risk management, we work closely with local communities to develop responsive solutions and monitor their effectiveness.

Risk Management Process

1. Identify Negative Impacts

- Collect information on potential negative impacts through grievance channels, community councils, etc.
- Verify and assess relevant issues during ongoing business operations or when reviewing new projects

2. Assess Community Risks

- Conduct an assessment of potential adverse impacts - including those related to safety, human rights, and the environment
(either internally or with the support of external experts)

3. Plan Improvement Measures

- Have an effective mechanism for resolving complaints (with community input)
- Establish mitigation/minimization/compensation measures based on risk assessment findings

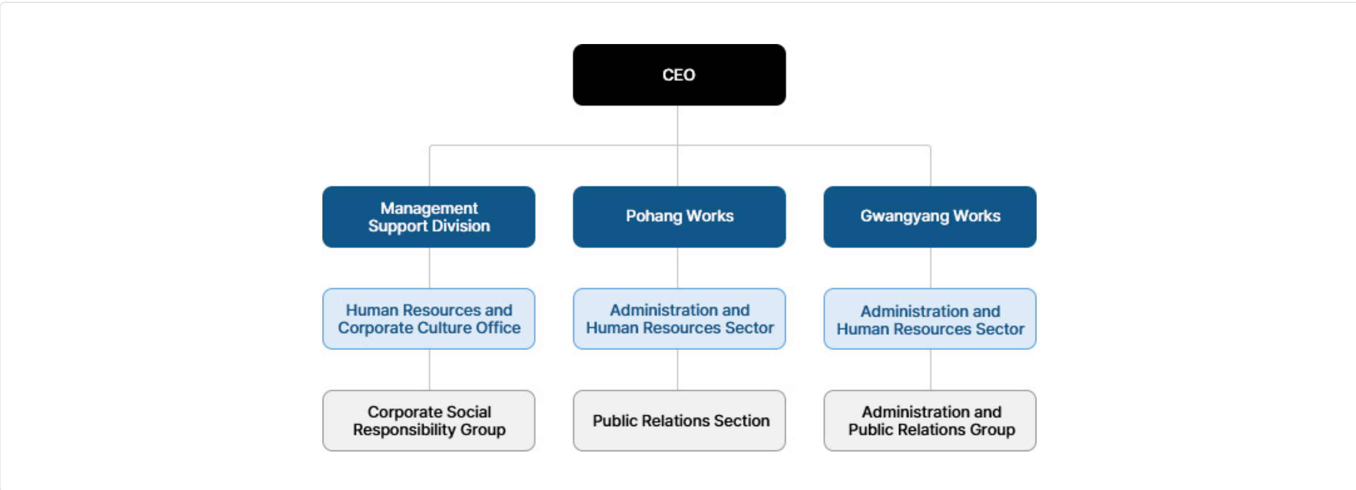
4. Monitor and Report Effectiveness

- Evaluate the effectiveness of improvement measures

Social Contribution

Organization

POSCO develops and implements social contribution strategies based on identified local needs and social issues. The Social Contribution Group leads this process in close coordination with relevant departments at the Pohang and Gwangyang Works.



Operational Status

CSR Strategy

POSCO concentrates its social contribution efforts on initiatives that promote the sustainable development of local communities, foster a participatory culture that enables executives and employees to fulfill their social responsibilities, and expand opportunities for future generations and persons with disabilities.

Strategic Direction	Establish sustainable partnerships with the local communities	Strengthen empathy and engagement among executives and employees	Enhance social impact through differentiated programs
Focus Areas	Contribute to local communities	Encourage active participation of executives and employees	Support future generations and individuals with disabilities

Contribution to the Local

POSCO contributes to the development of sustainable communities by leveraging its capabilities and resources to support various local initiatives, including infrastructure development and community-based projects.

Sister Villages

Since forming its first sisterhood with Hagwang Village in Gwangyang in 1988, POSCO has established partnerships with 208 villages and local organizations near its operational sites. Through these relationships, POSCO engages in volunteer activities such as assisting with farming and supporting vulnerable groups.

Free Meal Centers

Since launching its first free meal centers in Pohang and Gwangyang in May 2004, POSCO has expanded the program to five locations (three in Pohang and two in Gwangyang). POSCO supports the centers by providing operational funding and encouraging volunteer participation by executives and employees.

Arts & Culture Facilities

POSCO operates a variety of cultural and artistic facilities for local residents, including Hyoja Art Hall in Pohang and Baekwoon Art Hall in Gwangyang, which hosted 34 events last year with a total of approximately 61,000 participants. POSCO also manages other cultural assets such as the Pohang Hwanhoe Park Space Walk, Park1538 in Pohang and Gwangyang, POSCO Art Museum, and Pohang-Gwangyang Soccer Stadium, and professional football teams such as Pohang Steelers and Jeonnam Dragons. Additionally, POSCO plans to install an interactive art installation at Gubongsan Mountain in Gwangyang in 2026.

Employee Volunteering

In 2024, POSCO executives and employees averaged 22.0 hours of volunteer work per person, while 95% of the workforce contributed 1% of their salary to the POSCO 1% Foundation—underscoring the company's distinctive culture of volunteering and shared giving.

Supporting Children in Africa (Read Article) →

Supporting a POSCO Visit by a Hearing-Impaired Group (Read Article) →

Skill-Based Volunteer Group

In 2014, POSCO launched the Talent Volunteer Corps to leverage employees' professional skills and expertise beyond general volunteering activities. In 2024, the Traditional Play Cultural Heritage Talent Volunteer Group and the Landscape Maintenance Talent Volunteer Group received the Jeollanam-do Governor's Award and the Gyeongsangbuk-do Volunteer Achievement Award, respectively, in recognition of their contributions to the community.

Global Volunteer Week

Since 2010, POSCO has designated a Global Volunteer Week, during which employees around the world engage in various volunteer activities across regions where the POSCO Group operates.

POSCO 1% Foundation

The POSCO 1% Foundation, established in 2013, is a nonprofit organization funded by employee donations and matching contributions from the company. It undertakes various projects to address community issues and, in 2024, received the Minister of Strategy and Finance Award, the Minister of Patriots and Veterans Affairs Award, and the Speaker of the National Assembly Award in recognition of its efforts.

Future Generations and the Disabled

POSCO operates various programs to support children, youth, and persons with disabilities, including the operation of a college student volunteer group, fostering youth and community talent, and expanding employment of the disabled.

BEYOND, a College Student Volunteer Group

Founded in 2007, BEYOND is a volunteer organization composed of university students, with a cumulative membership of 1,557. The group supports vulnerable communities and promotes ecological conservation through various activities in Korea and abroad.

BEYOND Activity Report →

POSCO EDUCATIONAL FOUNDATION

Established in 1971, the POSCO EDUCATIONAL FOUNDATION operates a network of 12 schools—kindergartens, elementary, middle, and high schools—in Seoul, Pohang, Gwangyang, and Songdo, providing children and youth with access to high-quality education.

POSCO EDUCATIONAL FOUNDATION →

POSCO TJ PARK FOUNDATION

Originally launched as the Steel Scholarship Foundation in 1971, the POSCO TJ Park Foundation now supports a range of domestic and international scholarship programs—including the POSCO TJ Park Prize, POSCO Asia Fellowship, POSCO Science Fellowship, and POSCO Youth Fellowship—to cultivate talent in local communties and across Asia.

POSCO TJ PARK FOUNDATION →

POSCO TJ PARK FOUNDATION Prize and Fellowship Programs

Category	Key Achievements (Cumulative)
POSCO TJ Park Prize	· 63 persons in 4 categories (science, community development and philanthropy, education, and technology)
POSCO Asia Fellowship	· Scholarship for Asian Students Studying in Korea: Awarded to 532 students from 33 countries · Scholarship for Asian Universities: Awarded to 5,664 students across 16 countries · Scholarship for African Universiies: Awarded to 180 students across 4 countries · Asia Opinion Leader Fellowship: Awarded to 60 students across 10 countries
POSCO Science Fellowship	· 513 scientists
POSCO Youth Fellowship	· POSCO Vision Scholarship: Awarded to 636 community college students · POSCO Heroes Fellowship: Awarded to 98 heroes or children of heroes · POSCO Lighthouse Scholarship: Awarded to 911 high school students in regional communities

POSCO HUMANS, a Social Enterprise

POSCO established POSWITH in 2007, Korea's first subsidiary-type standardized workplace for persons with disabilities, and rebranded it as POSCO HUMANS in 2013. The social enterprise supports stable employment and safe working environments for employees with disabilities by providing protective equipment and access to professional rehabilitation counselors. Since 2021, POSCO HUMANS has been recognized as a Certified Community Contributor for four consecutive years by the Ministry of Health and Welfare.

POSCO HUMANS →

Metrics and Targets

Performance

In 2024, 12,774 POSCO employees volunteered a total of 390,081 hours. POSCO aims to continue to support its employees' volunteer work and continue to operate more than 100 talent volunteers, but we want to increase synergy by integrating similar volunteer groups.

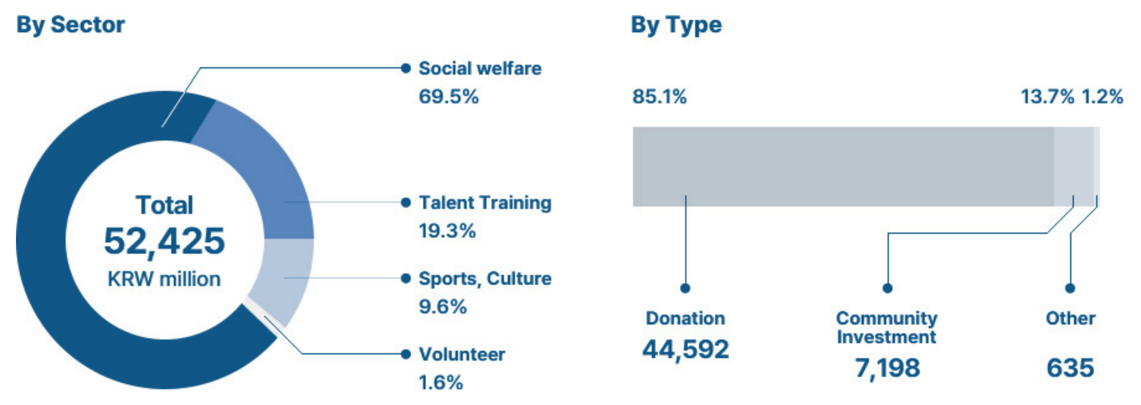
Performance of employee volunteer activities

Category	Performance
Total Volunteer Hours	390,081 hours
Average Volunteer Hours per Employee	22.0 hours
Employee Participation Rate in Volunteer Activities	72.10%
Number of Skill-Based Volunteer Groups	114 groups
Total Number of Volunteers	12,774 employees

Note: Employees seconded to affiliates are not included in headcount or performance data.

Social Contribution Expenses (2024)

(Unit: KRW million)



POSCO 1% Foundation Performance (POSCO Group)

Category	Performance
Employee Engagement Rate	95%
Number of Participating Group Companies (Donors)	37 companies (39,402 donors)
Cumulative Donation Amount	KRW 106.2 billion
Number of Beneficiaries	67,653 individuals

Governance

Board of Directors

Organization

POSCO strives to uphold advanced governance practices by voluntarily appointing multiple outside directors to its Board of Directors (BOD), in accordance with Article 26 of its Articles of Incorporation. Two of these outside directors serve as chairs of the BOD's key committees—the ESG Committee and the Audit Committee.

Composition

As of March 2025, the Board of Directors is composed of three inside directors, two outside directors, and one non-executive director. Directors are elected at the General Meeting of Shareholders in accordance with applicable laws, regulations, and POSCO's Articles of Incorporation. Individuals with proven expertise and experience are appointed to ensure transparency and independence in the Board's decision-making process.

Category	Name	Area of Expertise	Key Experience	Term
Inside Director	Lee, Hee-Geun	Overall Management (Technology, Production, Safety, Environment)	Current) CEO of POSCO Former) Head of Safety & Environment Division, POSCO	Mar. 2025 – Mar. 2026
	Kim, Young-Joong	Marketing, International Trade	Current) Head of Marketing Division, POSCO Former) Head of Steel Products Team, POSCO HOLDINGS	Mar. 2023 – Mar. 2026 (Reappointed Mar. 2025)
	Shin, Sung-Won	Finance, Strategy	Current) Head of Corporate Planning & Finance Division, POSCO Former) CEO and President, POSCO INVESTMENT	Mar. 2025 – Mar. 2026
Outside Director	Park, Jae-Hwan	Finance, Accounting	Current) Professor, School of Business Administration, Chung-Ang University Member, Public Enterprise Evaluation Committee, Ministry of Economy and Finance Former) Non-standing Member, Securities and Futures Commission, Financial Services Commission	Mar. 2022 – Mar. 2028 (Reappointed Mar. 2025)
	Lee, Min-Ho	Environment	Current) Head of ESG Research Center, Yulchon LLC Member, 2050 Carbon Neutrality and Green Growth Commission Former) Director General for Environmental Policy, Ministry of Environment	Mar. 2022 – Mar. 2028 (Reappointed Mar. 2025)
Non-Executive Director	Chun, Sung-Lae	Steel Strategy, Carbon Neutrality	Current) Head of Business Synergy Division, POSCO HOLDINGS Former) Head of Carbon Neutrality Team, POSCO HOLDINGS	Sept. 2024 – Mar. 2026 (Reappointed Mar. 2025)

Specialized Committees

The ESG Committee and the Audit Committee, both established under the Board of Directors, are chaired by outside directors to ensure independent oversight and decision-making on key issues. The committees' expertise is further reinforced by the inclusion of an environmental specialist in the ESG Committee and a professional with extensive experience in both industry and finance in the Audit Committee.

Managing ESG Risks Through the ESG Committee

The ESG Committee consists of two outside directors and one inside director, and is responsible for reviewing company-wide ESG matters, including the formulation of ESG strategies, policies, and management systems. The outcomes of these deliberations are reported through the Business Report and aligned with the company's broader corporate strategy.

Specialized Committees(2025)

Category	ESG Committee	Audit Committee
Composition	Lee Min-Ho, Chair Park Jae-Hwan, Outside Director Shin Sung-Won, Inside Director	Park Jae-Hwan, Chair Lee Min-Ho, Outside Director Kim Young-Joong, Inside Director
Key Roles	• Review environmental, and low carbon policies • Pre-review health and safety plans • Monitor ESG-related implementation progress	• Audit the execution of directors' duties • Appoint an external auditor • Review internal accounting

Operational Status

Corporate Governance Charter

POSCO established the Corporate Governance Charter based on the firm belief that sound governance is essential to earning stakeholder's trust, ensuring responsible management, and becoming a leading global company.

In accordance with the Charter, we aim to uphold transparent, ethical, and accountable management under the supervision of an independent Board of Directors. Committed to promoting a fair and balanced approach to the rights and interests of all stakeholders, including shareholders, customers, and employees.

Corporate Governance Charter →

Independence, Expertise, and Transparency

POSCO appoints experts with extensive experience across diverse fields—including industry, finance, academia, law, and the public sector—as outside directors to support rational and unbiased decision-making of the management. Their capabilities are further enhanced through regular briefings on key corporate strategies and issues, including company-wide initiatives, steelmaking operations, and matters related to carbon, safety, and the environment.

In 2024, eight Board of Directors meetings were held, with 100% attendance by all outside directors. The ESG Committee met seven times, and the Audit Committee convened eight times.

Board of Directors Meeting History → ESG Committee Meeting History → Audit Committee Meeting History →

Remuneration Policy

In accordance with the Board of Directors' operating regulations, all outside directors are authorized to evaluate the activities of the Board and its specialized committees. Remuneration for the Board of Directors is provided within the limit approved at the General Meeting of Shareholders, pursuant to Article 388 of the Commercial Act and POSCO's Articles of Incorporation. Remuneration for the CEO is determined based on criteria established by the Board. The base annual salary is set according to the individual's role and responsibilities and is paid in equal monthly installments over 12 months. A performance-based bonus is paid in two installments—July and the following February—based on a quantitative assessment of financial performance for the fiscal year and a qualitative evaluation of key management activities, including ESG initiatives.

Risk Management

Risk Management

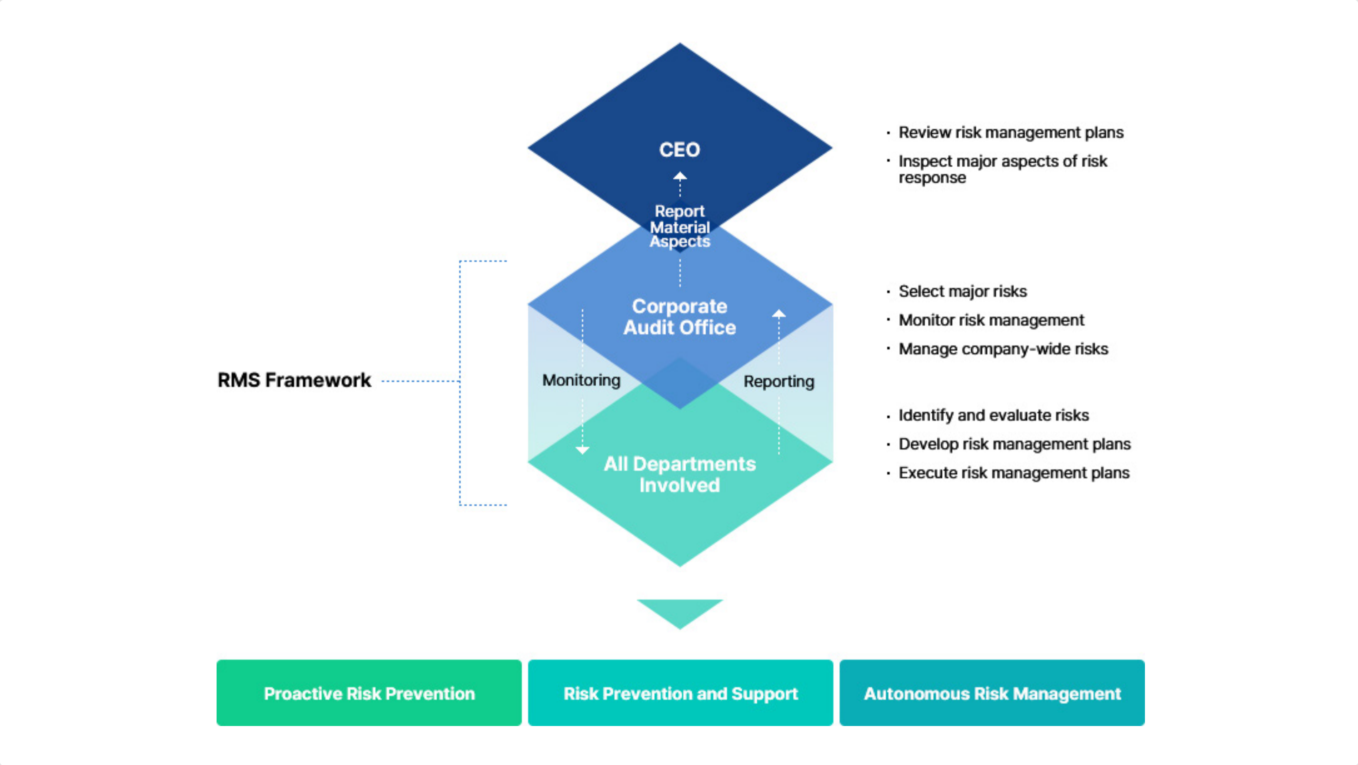
POSCO undertakes company-wide efforts to proactively identify and address risks, enabling timely and effective responses in a rapidly changing business environment. Risk monitoring outcomes and corresponding mitigation measures are regularly reported to the Board of Directors. Risks are broadly categorized into financial risks—such as taxation and investment—and non-financial risks, including safety, environmental concerns, human rights, and supply chain issues. Each relevant department is responsible for prioritizing and executing appropriate risk mitigation activities.

Risk Management System

Since 2004, POSCO has operated a company-wide Risk Management System (RMS)[1] to enable systematic risk management across key business processes. The system is continuously improved based on feedback from relevant departments. More recently, we have integrated RMS with big data analytics, allowing departments to autonomously detect and monitor anomalies in real time. When necessary, the findings are linked to internal audit procedures for further review and action.

[1] RMS refers to a system that identifies, evaluates, and manages risks across key business functions such as finance, procurement, marketing, investment, production, and facility operations.

RMS Framework



Continuous Monitoring of the Global Business Environment

POSCO conducts comprehensive quarterly analyses and forecasts of external market trends and fluctuations in steel and raw-material prices, incorporating the findings into short- and medium-term management plans. To mitigate risks, we also provide semi-monthly forecasts of exchange rates in major volatile economies, steel prices in China, and prices of key raw materials such as iron ore, raw coal, and nickel. We also maintain continuous risk monitoring through the Global Information Hub (GIH)—POSCO Group's management information system—which delivers daily updates on the steel market, emerging industries, global economic trends, and competitor technologies to all executives and employees.

Sensitivity Analysis and Scenario Management

POSCO monitors potential fluctuations in sales and profits at least once a month by tracking key economic and industry indicators, including exchange rates and the prices of oil, iron ore, coking coal, and global steel. When significant changes in these indicators are expected to impact business performance, we promptly develop and implement appropriate response plans. In particular, we incorporate the results of scenario-based sensitivity analyses—focused on key risk factors such as sales volume, sales prices, and material costs—into our investment decision-making process. Our business plans are structured around three scenarios: Basic, Optimistic, and Pessimistic. Performance under each scenario is reviewed monthly and reported at operational meetings chaired by top management, where root causes are identified and corresponding improvement measures are discussed.

Internal Accounting Control System

POSCO's internal accounting control system includes both design evaluations—to ensure that control activities are appropriately and comprehensively structured to prevent and detect errors and fraud in financial statements—and operational evaluations to verify that these controls are functioning as intended. A dedicated organization oversees the inspection and management of the internal accounting control system. This unit conducts both design and operational evaluations annually for POSCO and its major consolidated steel subsidiaries, and reports the results to the Board of Directors, the Audit Committee, and the General Meeting of Shareholders. Any deficiencies identified during the evaluation process are resolved through close consultation between the internal control unit and the departments responsible for executing control activities.

Creating a Plan to Monitor **Operational Status**	• Select control activities that incorporate improvement measures for deficiencies identified in the previous year, and communicate the inspection schedule and focus areas
Evaluating the Design of **Control Activities**	• Sample a specific transaction and trace the entire process from initiation to completion, following supporting documentation to identify risks and assess the appropriateness of the control activity • Inspect whether organizational and process changes are appropriately reflected
Assessing the Operation of **Control Activities**	• Confirm supporting transaction documents reviewed by control personnel and approval documents signed by those responsible for the control activity • Verify evidence of the control implementation process and its outcomes
Conducting Review, Audit, and Reporting on the **Internal Accounting Control System**	• Review and audit the company's control design and operational assessments as an external auditor • Report the inspection results of the Internal Accounting Control System's operational status to the General Meeting of Shareholders, the Board of Directors, and the Audit Committee

ESG Risk Management for Business Investments

Before submitting an internal investment proposal, POSCO is required to analyze potential ESG risks associated with project implementation, identify ways to mitigate them, and reflect these measures in the proposal. During the investment deliberation stage, an internal ESG expert participates as a member of the deliberation committee to review whether appropriate risk prevention measures have been established. Once the investment is approved, ESG indicators are incorporated into the performance evaluation criteria to ensure the project is carried out with consideration for ESG impacts.

Tax Risk Management

POSCO endeavors to prevent potential tax risks that may arise from business activities such as transactions of goods and services, mergers and acquisitions, corporate restructuring, international dealings, new business initiatives, and changes in transaction structures across domestic and overseas operations. Tax-related decisions are made only after thorough internal reviews and, when necessary, consultations with external tax experts and relevant authorities.

Tax Management Policy →

Tax Risk Assessment Process

Transparency in Tax Payments

In 2024, POSCO recorded a consolidated pre-tax profit of KRW 1,373.2 billion. The nominal tax expense was KRW 294.5 billion, representing a nominal tax rate of 21.4%, while the actual tax paid amounted to KRW 298.9 billion, resulting in an effective tax rate of 21.8%. Over the past three years, POSCO's average nominal tax rate was 27.2%, and the average effective tax rate was 17.4%—9.8 percentage points lower than the nominal rate. This gap is primarily due to deferred tax adjustments arising from temporary differences, non-taxable income, non-deductible expenses, tax credits and deductions, and unrealized gains and losses.

Corporate Governance Charter

Preamble

POSCO aspires to be a strong and reputable global company, embodying its management philosophy of providing valuable products to customers and services to the society that underpin the social foundation through these contributions. Establishing sound corporate governance is the cornerstone for earning the trust of all stakeholders and ensuring diligent management activities. With a firm belief that this is the path to realizing the ideal of a leading global company, we have hereby established this Corporate Governance Charter. POSCO is committed to enhancing the balanced rights and interests of shareholders, customers, employees, and other stakeholders by fostering transparent, ethical, and responsible management under the supervision of an independent Board of Directors, in accordance with this Charter.

General Provisions

- POSCO's business operations, driven by the Chief Executive Officer (CEO) and carried out by all executives and employees, are focused on the long-term enhancement of shareholder value. The Board of Directors is responsible for setting the company's strategic direction and for verifying and overseeing the management's efforts to increase shareholder value.
- POSCO is committed to establishing and advancing a global professional management system that harmonizes checks and balances between the Board of Directors, which includes independent Outside directors directors, and the professional management team, with the dual objectives of enhancing shareholder value and protecting stakeholder rights and interests.
- POSCO ensures the prompt and accurate disclosure of major business matters and financial statements to shareholders and stakeholders, and verifies the accuracy of financial information through an audit body that is both independent and highly specialized.

Shareholders

Shareholder Rights

As owners of POSCO, shareholders are entitled to the following fundamental rights, as guaranteed by the Commercial Act and other relevant laws and regulations:

- The right to participate in profit distribution
- The right to attend and exercise voting rights at the general meeting of shareholders
- The right to propose agenda items, including the nomination of director candidates, for the general meeting of shareholders
- Matters that bring significant changes to the company's existence and shareholder rights—such as mergers, amendments to the articles of incorporation, and capital reductions—are determined at the general meeting of shareholders under the principle of maximally protecting shareholder rights, including the right to receive timely information through easily accessible means.
- The exercise of shareholder rights should be convenient and reflect the free will of the shareholders. To facilitate this, the company provides sufficient information for the agenda items to be discussed at the general meeting of shareholders and allows voting rights to be exercised in writing.

Fair Treatment of Shareholders

In business transactions, the company does not provide special treatment to individuals because they are shareholders, nor does it impose unfavorable conditions on those who are not shareholders.

Responsibility of Shareholders

Shareholders should recognize the significance of their voting rights and actively exercise them in a way that contributes to the company's growth and aligns with its best interests.

Board of Directors

Functions of the Board of Directors

① The Board of Directors, within the bounds of relevant laws and regulations, holds comprehensive authority over management. It is responsible for determining key management objectives and basic strategies to benefit the company and its shareholders, and for overseeing the activities of the management team.
② The Board of Directors is responsible for the following functions:
- Establishing management objectives and key strategies
- Deciding on the appointment, dismissal, oversight, evaluation, and compensation policies for management
- Periodically monitoring management performance
- Approving significant investment projects, large-scale financing, and the annual business plan and budget
- Addressing other matters as stipulated by laws, the articles of incorporation, and Board regulations

Composition and Appointment of the Board of Directors

① The company shall have at least three directors, including a specified number of Outside Directors.
② The chairperson of the Board of Directors shall be the CEO.
③ The Board of Directors may, by resolution, appoint one or more executive directors as CEO.
Additionally, upon the recommendation of the CEO, the Board may resolve to confer the titles of President, Vice President, Senior Executive Director, or Executive Director to executive directors.

Qualifications of Directors

① Directors must demonstrate exemplary ethical awareness, professionalism, and integrity. They should be able to represent the long-term value enhancement of all shareholders and the rights and interests of stakeholders in a balanced manner.
② As senior management responsible for the company's operations, executive directors must build extensive experience and expertise relevant to the company's business activities. They should also possess sound judgment and strong drive and determination.
③ Outside directors should possess extensive expertise or experience in fields such as industry, finance, academia, law, accounting, or the public sector. They must not have any significant conflicts of interest with the company and should be capable of making independent decisions, free from the influence of management or specific shareholders.

Role of Outside Directors

① Outside directors participate in major decision-making through their involvement in Board activities. As Board members, they oversee management while also supporting it by offering constructive advice.
② Outside directors have the right to request any information necessary for the performance of their duties. If required, they may also consult external experts following the appropriate procedures, with the company covering any associated costs./li>
③ Outside directors should dedicate sufficient time to their duties and ensure that they review all relevant materials in advance before attending Board meetings.

Responsibility of Directors

① Directors are required to fulfill their duties with the care and loyalty expected of a prudent manager, always acting in the best interests of the company and its shareholders. They must not disclose information obtained in the course of their duties to outside parties or use it for personal gain.
② As members of the company, directors are required to comply with the POSCO Code of Ethics and the Code of Conduct for Outside Directors. The Board of Directors is responsible for overseeing adherence to the code of conduct outlined in these ethics guidelines.
③ If a director violates laws, regulations, or the articles of incorporation, or neglects their duties, they are liable for damages to the company. In cases of malice or gross negligence, they may also be held liable for damages to third parties. However, the business judgment of directors, when made following appropriate procedures and based on sincere and reasonable judgment, should be respected.
④ To ensure the effectiveness of holding directors accountable and to attract competent individuals to serve as directors, the company obtains liability insurance for directors at the company's expense.
⑤ If a conflict of interest between the company and a director cannot be resolved, the director must resign. Additionally, directors should abstain from participating in any discussions or decisions that could be influenced by their personal or professional interests.

Operation of the Board of Directors

① The Board of Directors should be operated efficiently and rationally to ensure the best management decisions are made in the interests of the company and its shareholders.
② To enhance the efficient operation of the Board of Directors and to ensure the professional execution of specific functions, the Board has established an ESG Committee and an Audit Committee, both of which are composed of Outside directors./li>
③ The Board of Directors is scheduled to hold regular meetings seven times a year, in principle, and may convene extraordinary meetings as needed for urgent matters. To facilitate the smooth operation of the Board, regulations outlining the Board's authority, responsibilities, and operating procedures are established and implemented.

Audit Body

Audit Committee

① The Audit Committee is composed of at least three directors, with at least two-thirds of the members being Outside directors.
② The Audit Committee is responsible for the following functions:
- Auditing the legality of the management's execution of duties
- Reviewing the soundness, validity, and appropriateness of corporate financial activities and financial reporting
- Evaluating the appropriateness of significant accounting standards and changes in accounting estimates
- Handling other matters as stipulated by laws, the articles of incorporation, and Audit Committee regulations

③ The Audit Committee convenes at least once per quarter and, when necessary, may require the attendance of directors, non-registered executives, or relevant employees.

External Auditor

① The external auditor must carry out their audit duties fairly and independently, without influence from the company, management, or specific shareholders.
② The external auditor is appointed by the Audit Committee and is required to report any significant matters identified during the audit process to the Audit Committee.
③ The external auditor is required to attend the general meeting of shareholders and provide sincere responses to any questions from shareholders regarding the audit report.

Stakeholders

① The company is dedicated to fulfilling its corporate social responsibility, believing that sincerely addressing the concerns of all stakeholders—including employees, customers, creditors, suppliers, and local communities—contributes to the enhancement of long-term shareholder value.
② The company diligently protects stakeholder rights as stipulated by laws, regulations, or contracts. It faithfully complies with labor-related laws, including the Labor Standards Act, and actively works to maintain and improve working conditions.
③ The company provides the necessary information to protect stakeholder rights within the limits allowed by law and supports stakeholders in accessing relevant information.

Disclosure

① The company regularly prepares and discloses business reports, quarterly reports, and semi-annual reports. Beyond the disclosures required by law, the company ensures that any matters that could significantly impact the decision-making of shareholders and stakeholders are promptly and accurately disclosed.
② The company does not favor or discriminate against any individuals in the scope or timing of disclosing important corporate information. It ensures that all stakeholders have simultaneous access to the disclosed information.

Board of Directors Meeting History

Session	Agenda	Description	Status	Meeting Type	Date	Attendance
24-1	Resolution Items	Approval of the Second Business Report and Financial Statements, and Convocation of the Annual General Meeting of Shareholders	Approved	Ordinary	Jan. 30, 2024	7/7
		Contribution to the Employee Welfare Fund	Approved	Ordinary	Jan. 30, 2024	7/7
		Contribution to the Supplier Welfare Fund	Approved	Ordinary	Jan. 30, 2024	7/7
		Amendments to the BOD Operating Regulations	Approved	Ordinary	Jan. 30, 2024	7/7
	Report Items	Report on the Progress of 2H 2023 BOD Resolutions	Received	Ordinary	Jan. 30, 2024	7/7
		Report on 2023 Business Performance	Received	Ordinary	Jan. 30, 2024	7/7
		Report on the Operation of the 2023 Internal Accounting Control System	Received	Ordinary	Jan. 30, 2024	7/7
		Report on the Evaluation of the 2023 Internal Accounting Control System	Received	Ordinary	Jan. 30, 2024	7/7
24-2	Resolution Items	Approval of Agenda for the Second Annual General Meeting of Shareholders	Approved	Ordinary	Feb. 26, 2024	7/7
		Approval of the 2024 Health and Safety Plan	Approved	Ordinary	Feb. 26, 2024	7/7
24-3	Resolution Items	Report on the Appointment of CEO and Assignment of Internal Director Role	Approved	Ordinary	Mar. 22, 2024	7/7
		Report on the Appointment of Committee Members under the BOD	Approved	Ordinary	Mar. 22, 2024	7/7
		Report on the Enactment of Executive Clawback Policy	Approved	Ordinary	Mar. 22, 2024	7/7
24-4	Resolution Items	Retroactive Assignment of Internal Director Role and Committee Membership	Approved	Ordinary	May 21, 2024	6/6
		Revisions to Director Compensation Standards	Approved	Ordinary	May 21, 2024	6/6
		Revision to the 2024 Business Plan	Approved	Ordinary	May 21, 2024	6/6
		Approval of Sale of Lithium Chloride Technology to POSCO Argentina	Approved	Ordinary	May 21, 2024	6/6
	Report Item	Report on 1Q 2024 Business Results	Received	Ordinary	May 21, 2024	6/6
24-5	Resolution Items	Declaration of the 2024 Interim Dividend (Proposal)	Approved	Ordinary	Aug. 20, 2024	6/6
		Convocation of Agenda of Extraordinary Meeting of Shareholders	Approved	Ordinary	Aug. 20, 2024	6/6
	Report Items	Report on the Implementation of 1H 2024 BOD Resolutions	Received	Ordinary	Aug. 20, 2024	6/6
		Report on the Discontinuation of Indonesia STS Upstream Process Joint Venture	Received	Ordinary	Aug. 20, 2024	6/6
		Report on 2Q 2024 Business Results	Received	Ordinary	Aug. 20, 2024	6/6
24-6	Resolution Item	Donation to the Foundation for Victims of Forced Mobilization by Imperial Japan (FOMO)	Approved	Extraordinary	Sept. 13, 2024	7/7
	Report Item	Report on the Operational Plan for the Internal Carbon Pricing System	Received	Extraordinary	Sept. 13, 2024	7/7

Session	Agenda	Description	Status	Meeting Type	Date	Attendance
24-7	Resolution Item	Acquisition of Stake in a Steel Subsidiary of POSCO HOLDINGS	Approved	Ordinary	Nov. 8, 2024	7/7
	Report Items	Report on 3Q 2024 Business Results	Received	Ordinary	Nov. 8, 2024	7/7
		Report on Progress and Plan for Restructuring	Received	Ordinary	Nov. 8, 2024	7/7
		Report on Management Issues at POSCO Maharashtra Steel Private Ltd. (India)	Received	Ordinary	Nov. 8, 2024	7/7
24-8	Resolution Items	Approval of the 2025 POSCO Center Lease Agreement	Approved	Ordinary	Dec. 17, 2024	7/7
		Approval of Brand License Agreement and Royalty Payment	Approved	Ordinary	Dec. 17, 2024	7/7
		Year-end Social Contribution Activities	Approved	Ordinary	Dec. 17, 2024	7/7
		Contribution to Operating Costs of Free Meal Centers in Pohang and Gwangyang	Approved	Ordinary	Dec. 17, 2024	7/7
		Construction and Donation of Interactive Sculpture at Mt.Gubongsan in Gwangyang	Approved	Ordinary	Dec. 17, 2024	7/7
		Establishment of 2025 Debenture Issuance Limit	Approved	Ordinary	Dec. 17, 2024	7/7
		Establishment of 2025 Short-term Borrowing Limit	Approved	Ordinary	Dec. 17, 2024	7/7
	Report Items	Report on Construction of the HyREX Test Facility	Received	Ordinary	Dec. 17, 2024	7/7
		Report on Compliance Monitoring Results	Received	Ordinary	Dec. 17, 2024	7/7

ESG Committee Meeting History

Session	Agenda	Description	Status	Meeting Type	Date	Attendance
24-1	Resolution Items	Contribution to the Employee Welfare Fund	Pre-reviewed	Ordinary	Jan. 23, 2024	4/4
		Contribution to the Supplier Shared Welfare Fund	Pre-reviewed	Ordinary	Jan. 23, 2024	4/4
		Amendments to the BOD Operating Regulations	Pre-reviewed	Ordinary	Jan. 23, 2024	4/4
	Report Item	Report on 2023 Implementation Performance and 2024 Plan for the Fair Trade Compliance Program	Received	Ordinary	Jan. 23, 2024	4/4
24-2	Resolution Items	Approval of the 2024 Health and Safety Plan	Pre-reviewed	Ordinary	Feb. 15, 2024	4/4
24-3	Resolution Items	Approval of the Digital Sustainability Report Publication Plan	Approved	Ordinary	Jun. 12, 2024	4/4
24-4	Report Items	Report on 1H 2024 Implementation Status of the Fair Trade Compliance Program	Received	Ordinary	Aug. 12, 2024	4/4
		Report on Major Achievements and Plans for POSCO's ESG Management	Received	Ordinary	Aug. 12, 2024	4/4
24-5	Resolution Items	Donation to the Foundation for Victims of Forced Mobilization by Imperial Japan (FOMO)	Pre-reviewed	Extraordinary	Sep. 13, 2024	4/4
24-6	Resolution Items	Support for the Pohang Farmers Association Scholarship Program	Approved	Ordinary	Oct. 28, 2024	4/4
		Acquisition of Stake in a Steel Subsidiary of POSCO Holdings	Pre-reviewed	Ordinary	Oct. 28, 2024	4/4
24-7	Resolution Items	Approval of the 2025 POSCO Center Lease Agreement	Pre-reviewed	Ordinary	Dec. 11, 2024	4/4
		Approval of the Brand License Agreement and Royalty Payment	Pre-reviewed	Ordinary	Dec. 11, 2024	4/4
		Year-End Social Contribution Activities	Pre-reviewed	Ordinary	Dec. 11, 2024	4/4
		Contribution to Operating Costs of Free Meal Centers in Pohang and Gwangyang	Pre-reviewed	Ordinary	Dec. 11, 2024	4/4
		Construction and Donation of an Interactive Sculpture at Mt. Gubongsan in Gwangyang	Pre-reviewed	Ordinary	Dec. 11, 2024	4/4

Audit Committee Meeting History

Session	Agenda	Description	Status	Meeting Type	Date	Attendance
24-1	Resolution Items	Approval of Appointment of the Head of Internal Audit	Approved	Ordinary	Jan. 23, 2024	3/3
		Assessment of the 2023 Internal Accounting Control System	Approved	Ordinary	Jan. 23, 2024	3/3
		Selection of External Auditor and Approval of Audit and Non-Audit Service Agreements	Approved	Ordinary	Jan. 23, 2024	3/3
	Report Items	Report on Operation of the 2023 Internal Accounting Control System	Received	Ordinary	Jan. 23, 2024	3/3
		Report on Approval of Non-Audit Service Agreement	Received	Ordinary	Jan. 23, 2024	3/3
		Report on 2023 Performance and 2024 Plans for POSCO	Received	Ordinary	Jan. 23, 2024	3/3
24-2	Resolution Item	Report on 2023 Internal Financial Statement Audit Results	Approved	Ordinary	Feb. 15, 2024	3/3
	Report Item	Report on 2023 External Financial Audit Results	Received	Ordinary	Feb. 15, 2024	3/3
24-3	Resolution Item	Deliberation on the Agenda for the Ordinary General Meeting of Shareholders	Approved	Ordinary	Feb. 26, 2024	3/3
24-4	Resolution Item	Approval of Appointment of the Head of Audit Committee	Approved	Ordinary	Mar. 22, 2024	3/3
24-5	Resolution Items	Approval of Appointment of the Head of Internal Audit	Approved	Ordinary	May 13, 2024	3/3
		Approval of Q1 2024 Internal Financial Statement Audit Results	Approved	Ordinary	May 13, 2024	3/3
	Report Item	Report on Q1 2024 External Financial Review Results	Received	Ordinary	May 13, 2024	3/3
24-6	Resolution Items	Approval of 1H 2024 Internal Audit Performance	Approved	Ordinary	Aug. 12, 2024	3/3
		Approval of Q2 2024 Internal Financial Statement Audit Results	Approved	Ordinary	Aug. 12, 2024	3/3
		Evaluation of 2023 Performance of the External Auditor	Approved	Ordinary	Aug. 12, 2024	3/3
	Report Item	Report on Q2 2024 External Financial Review Results	Received	Ordinary	Aug. 12, 2024	3/3
24-7	Report Item	Deliberation of the Agenda for the Extraordinary General Meeting of Shareholders	Received	Extraordinary	Aug. 20, 2024	3/3
24-8	Resolution Item	Approval of Q3 2024 Internal Financial Statement Audit Results	Approved	Ordinary	Oct. 28, 2024	3/3
	Report Item	Report on Q3 2024 External Financial Review Results	Received	Ordinary	Oct. 28, 2024	3/3

Tax Management Policy

- POSCO faithfully complies with tax reporting and payment obligations not only under domestic regulations but also under the regulations of each country where we conduct business activities. We maintain transparent relationships with tax authorities in each country and diligently fulfill our taxpayer obligations, including the submission of documents as required by relevant laws.
- POSCO adheres to the principle of conducting arm's length transactions in accordance with the OECD Transfer Pricing Guidelines and the regulations of each country when dealing with related parties. For transfer pricing transactions with overseas related parties, we prepare BEPS[1] reports and transfer pricing reports in collaboration with external tax experts to ensure compliance.
- POSCO adheres to the regulations of each country where it operates, faithfully fulfilling its tax obligations. We do not engage in transactions or contracts that shift income between countries to exploit differences in tax laws or loopholes in international tax systems. We ensure that taxable income is allocated consistently with the value generated in each country where business activities occur. POSCO does not use tax havens to unfairly reduce tax burdens and faithfully meets its tax obligations for international transactions through standard tax structures.
- All tax employees of POSCO's subsidiaries adhere to the tax regulations of each country in accordance with POSCO's tax policy and perform their duties under the principle of maintaining a transparent relationship with tax authorities.
- OSCO pays taxes fairly and uses legal procedures, such as appeals and administrative litigation, to contest unreasonable taxation. We share the growth benefits obtained through legal tax-saving measures with society.
- At POSCO's global business sites, we proactively review potential tax risks that may arise during business activities, including new business investments, strengthening the competitiveness of existing businesses, and restructuring, to ensure compliance with domestic and international regulations. During the risk review process, decisions are made based on the advice of external tax experts and tax authorities.

1) BEPS : Base Erosion and Profit Shifting. This involves the erosion of the tax base through income shifting. It refers to the practice where multinational corporations create paper companies in countries with favorable tax rates under tax treaties to avoid paying taxes.

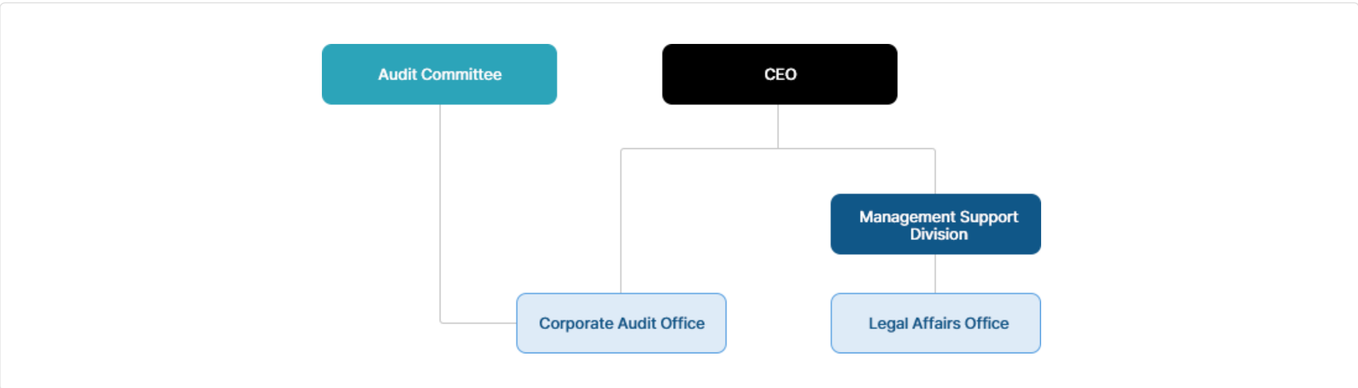
Ethical Management

Organization

POSCO’s Corporate Audit Office oversees ethical management under the direct supervision of the CEO. It leads a wide range of initiatives across domestic and overseas subsidiaries, and business partners—formulating ethical management policies, providing operational support, offering tailored ethics training and campaigns, and auditing cases of unethical behavior. Human Rights Center under the Legal Affairs Office is taking the lead in handling matters related to violations of human rights among ethical management activities.

Audit Committee

The Corporate Audit Office reports key ethical management issues and outcomes to top management. To ensure independence, it also submits biannual reports on ethical management activities to the Audit Committee under the Board of Directors.



Operational Status

Management Directives

POSCO was the first Korean company to publish a Code of Conduct in 1993 and later formalized it as the Code of Ethics in 2003, placing ethics at the heart of its management philosophy. In 2024, we introduced a new ethical management system aimed at expanding the scope of ethics beyond individual behavior—fostering mutual empathy among all stakeholders, including employees, partners, and local communities—and cultivating an ethical culture befitting a global leader.

Ethics Charter → Code of Ethics → Code of Conduct → Practice Guidelines → Anti-Corruption Compliance Guidelines →

Ethical Management Process

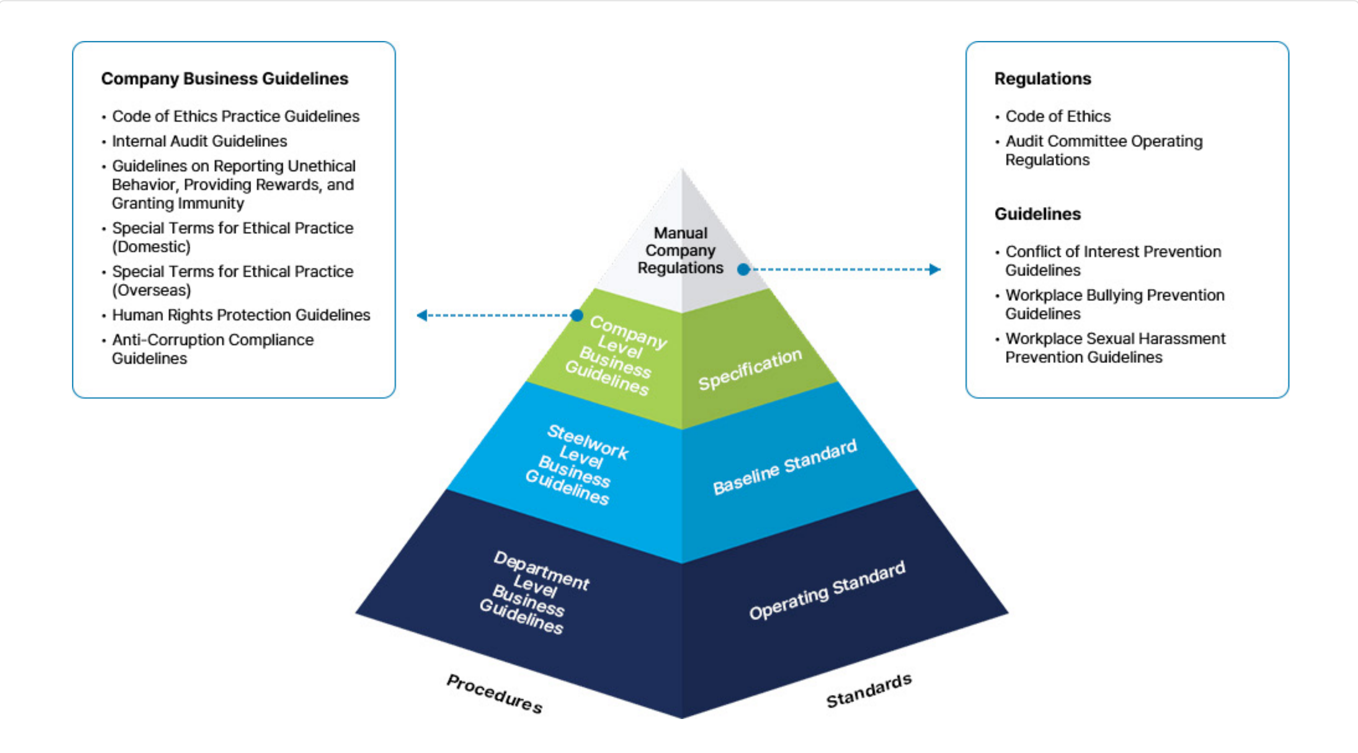
POSCO implements the following processes to integrate ethical management into the daily work and behavior of all executives and employees. These processes are designed to identify unethical conduct and proactively prevent its recurrence.

Operating Ethical Policies and Processes	• Establish and periodically update the Code of Ethics and supporting practice guidelines • Develop governance frameworks and formulate ethical management strategies
Preventing Unethical Risk	• Require all executives and employees to sign an ethics pledge • Provide customized ethics training, both online and offline • Conduct company-wide ethical management campaigns
Detecting and Addressing Unethical Behaviors	• Monitor and manage risks of unethical behavior and human dignity violations through ethics sessions for executives and position holders and ongoing surveys • Audit cases of unethical conduct and implement corrective actions
Implementing Change Management	• Conduct audits to prevent unethical behavior and reduce unnecessary consumption of resources • Support ethical management efforts across our subsidiaries and partner companies

Ethical Standards and Policies

POSCO maintains 12 ethical management standards and policies—comprising five regulations and seven practice guidelines—including the Code of Ethics, Audit Committee Operating Regulations, and Internal Audit Guidelines. The Corporate Audit Office is responsible for managing these regulations and guidelines and conducting periodic reviews to ensure their adequacy.

Ethical Management Standard Operating Framework



Ethics Training and Pledge

POSCO promotes ethical awareness and practice by collecting annual ethics pledges from all executives and employees at each worksite and by providing regular training and awareness campaigns. Since 2024, we have additionally required an executive ethics pledge and have held Ethics Dialogues at least once a year, where each executive engages in open discussion with their team on ethical management.

Program	Target	Frequency
Ethics Training	All executives and employees (including contingent workers)	Once a year
Ethics Pledge	All executives and employees (including contingent workers)	Once a year
Executives' Ethics Pledge	All executives	Once a year
Ethics Dialogue	All executives	Once a year

POSCO provides both online and offline training programs to all executives and employees, across domestic and international sites. "Understanding POSCO's Ethical Management" is a mandatory e-learning course based on real-world counseling and audit cases, required for all executives and employees. We also run monthly ethical management campaigns that offer practical guidance on resolving ethical dilemmas and addressing workplace harassment. These materials are distributed throughout the Group. Upon request from customer-facing and procurement departments, we also deliver tailored training sessions based on actual unethical conduct cases to help reduce workplace risks. To support global operations, we share English-language campaign content with our overseas subsidiaries.

Online	• Providing mandatory e-learning courses ("Understanding POSCO's Ethical Management" and "Preventing Workplace Sexual Harassment") • Company-wide posting of ethics campaign materials on unethical behavior, bullying, sexual harassment, and abuse of power • Distributing campaign resources through the Global Information Hub (GIH) system
Offline	• Training by corporate hierarchy and grade: Deliver separate programs for distinct employee groups, including: - Executives, position holders, and expatriates - New and experienced hires, and interns - Overseas local hires • Department-specific training: Offer case-based, in-depth sessions for departments engaging with external stakeholders, such as the Raw Materials Office, Investment Planning and Engineering Office, and Marketing Division • Special training on sexual ethics: Conduct targeted training on sexual ethics compliance for mid-tenure employees (5,073 participants across 35 sessions), with external experts serving as lecturers * Executives and position holders are required to receive PIUM training every year.

Risk Management

POSCO maintains nine ethical management standards and policies—four codes of conduct and five practice guidelines, including the Code of Ethics—that all employees, including contingent workers, must observe. The Corporate Audit Office oversees their implementation and periodically reviews their adequacy.

- Four Policies: (1) Code of Ethics, (2) Conflict of Interest Prevention Guidelines, (3) Workplace Bullying Prevention Guidelines, and (4) Workplace Sexual Harassment Prevention Guidelines
- Five Practice Guidelines: (1) Code of Ethics Practice Guidelines, (2) Anti-Corruption Compliance Guidelines, (3) Human Rights Protection Guidelines, (4) Guidelines on Reporting Unethical Behavior, Providing Rewards, and Granting Immunity, and (5) Special Terms for Ethical Practice

Our Code of Ethics broadly defines "money and goods" to include anything of economic value. It explicitly prohibits executives and employees from providing, requesting, or accepting unjustified money or goods from stakeholders under any circumstances.

The Anti-Corruption Compliance Guidelines define "bribery" as any improper behavior that results in obtaining, or enabling a third party to obtain, tangible or intangible benefits—including assets, positions, or opportunities—through illegal or inappropriate means in connection with business activities. In cases where a conflict arises between POSCO's internal policies and domestic or international anti-corruption laws, local regulations, or related company rules such as the Code of Ethics, the strictest standard shall apply.

Diagnostics and Measures

We regularly conduct ethics training sessions and surveys for employees to assess the level of ethical practices and proactively detect unethical behavior.

Executive Ethics Session	Assess ethical awareness among executives (annually)
Position Holders' Ethics Session	Enhance ethical leadership among position holders (annually)
Ethical Risk Detection Survey	Identify unethical business practices and human dignity violations, such as sexual harassment and workplace bullying (monthly)

Unethical Behavior Reporting Center

POSCO runs a reporting center where employees can report unethical behavior and human dignity violations. Our Corporate Audit Office handles unethical behavior reports, while the Human Rights Center manages reports concerning human respect violations. Both oversee the entire process, from receipt of a report to follow-up actions, and makes sure that every case is investigated. In 2023, we expanded our language input services from Korean and English to include Chinese, Spanish, Vietnamese, and Turkic languages. This expansion allows global employees in our overseas operations to submit reports in their native language.

Any stakeholder can seek consultation or submit reports. We strictly prohibit any actions that could reveal their identity during the consultation and reporting process. Furthermore, employees of the Internal Audit Department take the Auditor Security Pledge at the beginning of each year to ensure the identity of users is protected. The operating procedures for report investigation, including ensuring the confidentiality of reports, are set forth as guidelines in Chapter 3 of the Public Interest Whistleblower Protection Act, which is applicable to private companies (Guidelines for Rewarding and Providing Immunity for Reports on Unethical Behavior).
In addition, POSCO is fostering a transparent corporate culture by requiring employees to record and manage solicitations received from third parties in the Clean POSCO System.
In 2024, a total of 418 reports of unethical behavior were received and processed through the Reporting Center.

Report Handling Procedure

Reporting and Counseling for Unethical Behavior	Investigation of the Facts of the Case	Case Closing and Investigation Referral	Notification of Findings	Follow-Up Measures
Handled via website, phone, email, and other communication channels	Provide counseling to the complainant, defendant, or third parties involved, and thoroughly investigate the issue (A pledge of confidentiality and non-retaliation is made to all parties.)	Conduct an internal review of the investigation to determine whether to close the case and to refer it for administrative and HR measures	Notify the complainant of the investigation's factual findings and the actions taken	Provide preventive training and continuously monitor progress

Measures for Unethical Behavior

POSCO maintains a “zero tolerance” policy against the four major types of unethical behavior: bribery, embezzlement, sexual ethics violation, and information manipulation. Violations of our ethics code are met with appropriate punishment. We strictly prohibit any acts that could reveal the identity of whistleblowers and have established a clear framework for enforcing penalties. The Corporate Audit Office, our dedicated audit organization, requires its executives and employees to submit an Electronic Pledge to Protect the Identity of Whistleblowers at the start of each year.

Change Management

POSCO supports the establishment of ethical management infrastructure to promote mutual growth with business partners and advance ESG practices among SMEs. Since 2020, we have assisted 32 companies in laying the groundwork for ethical management by helping them adopt ethical regulations and systems, establish unethical conduct reporting centers, conduct ethics education campaigns, and offer counseling on ethical dilemmas. Following these efforts, we re-assessed the ethical standards of our suppliers to evaluate progress and provided feedback to help them voluntarily develop and implement future improvement plans. We also work to prevent unethical risks and violations of respect for human dignity by helping small and/or newly-established subsidiaries build ethical management systems in alignment with our corporate philosophy of “doing the right thing in the right way.”

Support for Partner Companies in Establishing Ethical Management Systems

Step 1	Step 2	Step 3
• Conduct joint briefing sessions with Partner Company Associations at the Pohang and Gwangyang Works • Invite companies to participate voluntarily • Use a standardized checklist to assess current ethical management practices	• Develop a tailored action plan for each participating company • Provide ethical management consulting, including : - Review ethical regulations and implementation structures - Support ethics training and campaign initiatives - Evaluate the operation of unethical conduct counseling and reporting channels - Establish diagnostic tools and preventive measures, such as targeted ethics training sessions	• Review the activity history of each participating partner company • Reassess ethical management maturity using the standardized checklist • Provide feedback to support further improvements by each partner company

Metrics and Targets

Performance

Completion Rate of Ethics Training Programs

Category	Unit	2020	2021	2022	2023	2024	2025 Goals
Completion Rate of Ethics Training Programs	%	99.9	100	100	100	100	100

Filing of Unethical Behavior Reports

Category	Unit	Irregularity	Human Dignity Violation	Abuse of Power	Other	Total
Filing of Unethical Behavior Reports	Case	119	107	21	171	418

Ethics Charter

POSCO Group aspires to become a trusted and respected enterprise by deeply understanding that ethical management is the greatest value we must uphold in order to co-exist and co-prosper with our many stakeholders as a member of society.

Members of the POSCO family[1] must comply with laws and ethics based on the ethical management philosophy of "doing the right thing in the right way," while also seeking to achieve Integrity, Respect, and Mutual Empathy and establishing an ethical corporate culture in business activities that cover all the basics and comply with the rules.

At the employee level, we must pursue individual growth and company success by achieving a work-life balance, and create a positive work environment by establishing a corporate culture of mutual respect. We must fulfill our duty to respect everyone as human beings and to respect the human rights universally pursued by human society.

For our customers, we must understand that our future depends on customer trust and success. We must respect the customer voice at all times and create value that promotes customer prosperity.

For our shareholders, we must enhance shareholder value by making fair profits through transparent decision making and efficient business activity.

With our business partners, we must establish a fair trading system based on mutual trust and strengthen our corporate ecosystem in which we co-exist with our business partners through mutual growth.

At the community level, we must contribute to the development of society by fulfilling our duties and obligations. We must be deeply aware of the importance of environmental issues and do our best to protect the environment in all of our business activities.

POSCO family members must always be aware of the fact that our actions are directly linked to our self-respect as well as corporate value and reputation. We pledge to comply with the Code of Conduct and to ensure that ethics and integrity are at the heart of our culture and business operations.

July 2024

1) All employees of POSCO and its subsidiaries

Code of Ethics

1. Roles and responsibilities of all employees

- We comply with relevant laws and company regulations and guidelines anywhere in the world where POSCO conducts business.
- We endeavor to maintain our dignity as employees and protect our corporate reputation.
- We make our best efforts to establish an ethical culture by taking responsibility for practicing ethical behavior.
- We report to or consult an authority figure or the department in charge of ethical management1) immediately upon becoming aware of the fact that a situation faced or an action performed by us or another person violates or is likely to violate the Code of Ethics.
- We fully cooperate with investigations conducted by the department in charge of ethical management regarding matters that are likely to violate the Code of Ethics.
- We do not retaliate against informants or individuals who participate in an investigation in relation to Code of Ethics violations.
- We are aware of the fact that by violating the Code of Ethics, soliciting another person to violate the Code of Ethics, failing to report a Code of Ethics violation or cooperate with an investigation, or taking retaliatory action against an informant or individual participating in an investigation, we may become subject to disciplinary action as appropriate. In particular, we are aware that there is zero tolerance for the four major ethical violations2) : acceptance of bribery, misappropriation, fabrication of information, and sexual misconduct.

1) In accordance with guidelines on roles and responsibilities

2) Acceptance of bribery: Accepting money or goods beyond a socially acceptable amount from a stakeholder Misappropriation: Taking unlawful possession of company funds or assets Fabrication of information: Falsifying, concealing, or distributing business-related information in a manner that contradicts the truth Sexual misconduct: Conduct that causes distress through sexual harassment or sexual assault

2. Special responsibilities of executives and authority figures

- When the company’s profits and ethics are in conflict, you have a duty to prioritize ethics in your operational and administrative decision making.
- You must exemplify ethical conduct in your work and fulfill your duty as an internal and external role model.
- You must train and guide staff members to understand the provisions of the Code of Ethics and Practice Guidelines and the importance of compliance.
- You must routinely examine your teams for ethical misconduct and proactively prevent unethical behavior that is likely to occur by identifying the causes, improving processes, and taking other measures.
- You must foster an organizational atmosphere that promotes and supports ethically correct behavior where staff members can speak up without worrying about adverse action.
- You must report to or consult the department in charge of ethical management immediately upon becoming aware of the fact that a staff member has violated the Code of Ethics.
- You have unlimited liability for any ethical misconduct you have engaged in, and supervisory liability for the ethical misconduct of a subordinate employee.

Code of Conduct

1. Compliance with basic ethics and relevant laws

We do not seek personal gain.

- We do not put work-related pressure, issue instructions, or solicit favors that conflict with company interests in order to seek personal gain or undue gain for another person.
- All company funds and assets must only be used for work-related purposes and cannot be used to promote personal interests in any manner.
- We respect the political rights and preferences of individuals while maintaining the political neutrality of the workplace. We do not use company funds, personnel, facilities, etc. for political purposes.

We protect company information and assets.

- We understand the importance of the company's confidential information and intellectual property and keep them well protected.
- We do not distort information or distribute false information.

We practice fair competition and trading.

- We establish fair and transparent trading procedures in accordance with international standards and national fair trade laws. To maintain a fair trading system, we comply with domestic and foreign anti-corruption laws and standards including the UN Convention Against Corruption, the FCPA, the Act on Combating Bribery of Foreign Public Officials in International Business Transactions, and the Improper Solicitation and Graft Act.
- We do not force business partners or suppliers to agree to unreasonable working conditions or engage in disadvantageous activities.

2. Developing a culture of trust and human respect

We foster a wholesome organizational culture.

- We pursue both personal growth and company success by achieving a work-life balance.
- Employees create an organizational atmosphere of mutual cooperation through open communication based on trust.

We provide equal opportunities.

- We provide equal employment opportunities to all individuals with the required skills and qualifications.
- We provide equal opportunities for skill development and self-improvement. Individuals are remunerated in an appropriate manner based on fair evaluations of their skills and achievements.
- We foster a wholesome organizational atmosphere that celebrates employees who create meaningful outcomes regardless of their regional, academic, or other background.

We protect and respect human rights.

- We support the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and other internationally recognized human rights standards. We endeavor to avoid infringing human rights in the process of conducting business activities.
- We respect each employee as an individual. We do not engage in acts that may defame an employee or undermine human dignity such as verbal or physical abuse, bullying, and intimidation.
- We ensure proper working conditions by maintaining reasonable working hours and ensuring that no work is performed involuntarily by emotional or physical force.
- We do not discriminate against individuals on the grounds of ethnicity, nationality, gender, age, academic background, religion, regional background, disability, marital status, or sexual identity.

3. Realizing customer value

We commit to customer satisfaction.

- We listen to and respect customer voice.
- We welcome our customer's valid requests and thoughtful suggestions, and prioritize to incorporate them to our business activities.

We create customer value.

- We fulfill customer needs and expectations by providing the best products through technological advancement.
- We respect our customer's culture and customs.

We build customer trust.

- Customer safety and well-being are given utmost consideration in our business activities. Products or services that may pose a threat to safety and health are not offered.
- We protect customer information and provide customers with accurate and timely information.

4. Good faith towards investors

We fulfill our obligations to investors.

- We strive to increase corporate value and shareholder value at the same time by creating profit through transparent decision making and efficient business activities.
- We respect shareholder's fair suggestions and endeavor to build mutual trust.

We communicate transparently with investors.

- We provide key business information in a timely, fair, and faithful manner to facilitate investor decision making
- Our financial information is calculated through suitable processes and controls based on accurate transaction figures. All financial documents are prepared in accordance with "Generally Accepted Accounting Principles."

5. Co-prosperity with suppliers

We build mutual trust with suppliers.

- We ensure fairness in our dealings with our suppliers through mutual respect and equal partnerships.
- Vendors are required to demonstrate a sense of responsibility before they are chosen as a supplier. We support our suppliers to maintain compliance with laws and regulations associated with workplace safety, employee human rights, and fair trade.

We pursue co-prosperity with suppliers.

- We seek mutual gains by sharing our outcomes with our suppliers.
- We support our suppliers to provide high quality products and services through effective communication and mutual cooperation.
- We aim to develop partnerships with our suppliers by providing fair opportunities and ensuring equitable terms of trade.

6. Social and environmental responsibility

We contribute to the development of the nation and society.

- We strive to create and maintain stable jobs and to fulfill tax obligations.
- We actively participate in volunteering, disaster relief, and other activities to serve the community. We contribute to the sound development of society through our pro bono involvement in such fields as culture, arts, sports, and academia.
- We endeavor to build community trust in our company by providing support to improve the quality of life of local residents and strengthen the joys of life.

We commit to environmental protection and ecosystem conservation.

- We are deeply aware of the importance of environmental issues. We comply with domestic and foreign environment-related laws and strive to improve the environmental impact at all stages of the product life cycle including development, production, and use.
- We do our best to minimize pollutant emissions by introducing environmentally friendly production processes and by adopting the best available technologies to prevent environmental pollution.
- We endeavor to restore natural ecosystems and conserve biodiversity by making efficient use of natural resources and byproducts.

Practice Guidelines

Chapter 1. General Provisions

Article 1 (Purpose)

The purpose of these Practice Guidelines is to provide a frame of reference for making decisions and taking action in ethical dilemma situations that may arise during the course of work so that POSCO employees understand and apply the Code of Ethics correctly.

Article 2 (Scope)

These Guidelines apply to the Company and all employees.

Article 3 (Principle of Application)

Employees shall make decisions and take action based on the Code of Ethics and these Practice Guidelines when faced with an ethical dilemma situation in relation to work.
However, if a frame of reference is not clearly prescribed herein, employees shall make decisions and take action according to the following decision-making principles. Employees who are not confident in their judgment shall consult the leader of the organization or the department in charge of ethical management and act accordingly.

- Lawfulness: Is my action likely to be interpreted as a violation of the law, rules, regulations or company Codes?
- Transparency: Can I disclose my decision-making process and the relevant details?
- Rationality: Am I making the best possible choice for the company and individuals?

Chapter 2. The Code of Ethics in Practice

1. Restrictions on the provision and acceptance of valuables

- “Valuables” means money (cash, gift certificates, vouchers, etc.), goods, and other articles that may bring about financial gain.
- Valuables shall not be provided to or solicited or accepted from stakeholders[1] for any reason.
- However, exceptions shall be made in the following circumstances:
  - Marketing or promotional gifts valued at or less than KRW 50,000 or up to KRW 150,000 for agricultural, marine, and processed goods (including ornamental plants)
  - Memorabilia bearing the company logo of a stakeholder and memorabilia routinely offered to attendees at stakeholder-organized events, not exceeding KRW 50,000
- Employees shall not solicit or accept gifts from foreign entities during international business trips.
- Valuables that are unanticipated and accepted due to unavoidable circumstances shall be returned, or if this is impracticable, report to the department in charge of ethical management.
- Employees who earn income (e.g., lecture fees) from external speaking opportunities using his/her work-related knowledge or position at POSCO shall donate 50% of the earnings.

1) Stakeholder: Employees or clients, suppliers, enterprises, business partners, domestic or foreign public institutions, and international organizations (including affiliated employees) that may directly or indirectly affect or be affected by rights and interests in relation to one’s duties

2. Principles and restrictions concerning hospitality

- "Hospitality" means various activities that facilitate business-related gatherings and interactions, such as meals, social drinks, golf, performances, and entertainment.
- Hospitality in excess of KRW 100,000 per person shall not be offered to or accepted from stakeholders. If it is necessary to offer or accept hospitality in excess of KRW 100,000 per person in relation to work, prior approval shall be obtained from the head of the department. Hospitality in excess of KRW 100,000 per person that has been offered or accepted due to unavoidable circumstances shall be reported to the department in charge of ethical management
- Food worth up to KRW 30,000 per person may be provided to public officials, journalists, teachers, and other persons subject to the Improper Solicitation and Graft Act to facilitate work execution or for social, ceremonial, or other legitimate purposes
- Hospitality at an entertainment and drinks venue that offers services of a sexual nature is prohibited regardless of cost.

3. Principles and restrictions concerning convenience

- "Convenience" means benefits such as transportation, accommodation facilities, sightseeing, event support, etc. provided by or to a stakeholder.
- The provision or acceptance of transportation, accommodation facilities, or other convenience beyond a generally acceptable level[2)] is prohibited.
- However, this shall not include conveniences routinely provided to all attendees at an event, etc
- A convenience in excess of the permitted range that has been offered or accepted due to unavoidable circumstances shall be reported to the department in charge of ethical management.

2) "Generally acceptable level" means a level that satisfies the following requirements:

① The benefit is at an acceptable level based on reasonable common sense and social norms, is justifiable when disclosed, in no way affects the fair handling of affairs, and does not pose a burden on either party.
② The benefit is appropriate not only in terms of cost but also with respect to the location, purpose, method, count, frequency, timing, recipient, content, and social ethics and conventions (customs).
③ There is no reciprocity regardless of amount.
④ The benefit complies with the Improper Solicitation and Graft Act and other relevant domestic and foreign laws. In the event of a conflict in the interpretation of laws, the higher-order law shall take precedence.
⑤ The generally acceptable level may vary depending on factors such as the exact circumstances, nature of the work, and job position.

4. Principles and restrictions concerning congratulatory and condolence money

- Employees shall not notify stakeholders of their own family events or those of their colleagues. Informing a stakeholder through a third party shall be construed as a notification made by the employee concerned.
- However, employees may inform each other of their family events. Use of the Company's congratulations and condolences channel is advised. For the purpose of family event announcements, the scope of relatives shall be limited to immediate family members, namely the parents (or grandparents if the parents are already deceased) and children of employees and their spouses. Congratulations and condolence money between employees shall be at a generally acceptable level.
- The maximum limit for congratulations or condolence money paid to an external stakeholder shall be KRW 100,000, including floral wreaths or arrangements. However, congratulations or condolence money paid to a person subject to the Improper Solicitation and Graft Act shall not exceed KRW 50,000, excluding floral wreaths or arrangements.
- Congratulations and condolence money from external stakeholders shall not be accepted under any circumstance. Congratulations or condolence money that has been accepted due to unavoidable circumstances shall be returned or donated to the department in charge of ethical management.
- Employees shall submit the relevant information, such as proof of return of congratulations or condolence money accepted from a stakeholder, when requested by the department in charge of ethical management.
- Condolence flowers from stakeholders shall not be accepted, and those that are accepted due to unavoidable circumstances shall not be displayed.

5. Restrictions concerning solicitations and recommendations

- Employees shall not make solicitations or recommendations through an internal acquaintance or an external party regarding the following. If an employee has received a solicitation or recommendation, he/she shall register it in the “Clean POSCO System.”
  - Requests for preferential treatment regarding various contracts, such as equipment/materials purchases
  - Requests for favorable and preferential treatment regarding personnel decisions such as hiring, promotions, rewards and punishments, and transfer of positions
  - Requests for excessive convenience, preferential treatment, etc. outside of usual procedures
  - Requests to neglect management and supervision tasks such as inspections and tests.
- Employees shall not unlawfully solicit favors directly or through a third party in relation to duties subject to the Improper Solicitation and Graft Act.

6. Restrictions concerning monetary transactions

- Employees shall not engage in cash loans, loan guarantees, name lending, or other monetary transactions with stakeholders.
- An employee who has engaged in a monetary transaction with a stakeholder due to a personal connection shall report it to the department in charge of ethical management.

7. Restrictions concerning event sponsorship

- Sponsorships from stakeholders shall not be accepted for events funded by the Company, such as department events or club activities.
- The acceptance of vehicles, venues, services, or other conveniences required for an event shall be construed as acceptance of sponsorships.
- A sponsorship that has been accepted due to unavoidable circumstances shall be reported to the department in charge of ethical management.

8. Principles concerning the use and protection of Company assets

- The Company’s budget resources, such as meeting expenses and operating expenses, shall be used as intended by the budget and in accordance with legal requirements, and shall not be used for personal purposes.
- As a general rule, business expenses shall be paid with a Company card.
- In addition to the budget, all tangible and intangible assets, including Company supplies and facilities, shall be used for work-related purposes only. Ongoing efforts shall be made to protect assets by periodically reviewing asset classification and protection measures.
- Employee information (telephone numbers, email addresses, etc.) is also considered Company assets and shall not be used for personal purposes.

9. Principles concerning information protection

- Important or confidential Company information shall be strictly protected and controlled.
- Important information shall be relayed to the intended recipient immediately upon recognition.
- The falsification, concealment, or distortion of work-related information or the reporting or distribution of incorrect information shall be regarded as fabrication of information.
- Employees shall manage internal Company information acquired during the course of work according to the security level, and shall not use the information for personal purposes.

10. Fair trade regulations and building mutual trust with suppliers

- Employees shall comply with international standards and national laws and regulations concerning fair trade to ensure fair competition in domestic and international markets and refrain from engaging in unfair trade practices such as colluding with competitors regarding production, prices, bidding and market segmentation.
- Employees shall fulfill their social responsibility by refraining from using a position of power against a client or supplier to make demands or unlawful requests.
- Employees shall respect the rights and property of others, including intellectual property rights, and shall not infringe upon them to create business or generate profit.
- The information acquired from a supplier shall be strictly protected as stipulated in relevant laws and regulations and contract terms.
- Employees shall support suppliers to comply with laws and regulations concerning fair trade and ESG.

11. Principles concerning the prevention of conflicts of interest

- "Conflict of interest" means a situation where a personal relationship with an employee of a supplier has an improper influence on an employee's work performance.
- Employees shall not engage in unfair trade practices such as signing unlawful private contracts, making high-price purchases, tunneling work, or leaking trade information to give preferential treatment to a certain individual or corporation.
- Employees shall prevent conflicts of interest by strictly denying improper requests from a supplier's employee with whom there is a personal connection, including former employees.
- Employees shall not make unofficial contact with a supplier's employee with whom there is a personal connection, and shall report any unintentional contact to the head of the department or the department in charge of ethical management.
- Employees shall not attend gatherings of former employees without the Company's approval.
- Where an employee has a personal connection to a supplier's employee, he/ she shall consult the head of the department or ethics officer and adjust his/her duties, etc. accordingly.
- When the head of the department recognizes a work-related conflict of interest involving himself/herself or a staff member, he/she shall adjust the relevant duties or otherwise take action to avoid the conflict of interest. If it is impracticable to avoid the conflict of interest due to the nature of the work, he/she shall consult the department in charge of ethical management.
- Retired employees shall also prevent conflicts of interest with POSCO and its business entities.

12. Developing an organizational culture of human respect

- Employees shall not engage in verbal, physical, or visual behavior that may offend others, such as the use of profanities, verbal abuse, physical abuse, or sexual harassment that violates the human rights of an individual.
- Violations of human respect may be subject to disciplinary action in accordance with the relevant regulations.
- Employees shall respect each other's privacy and shall not slander or undermine others or disclose personal information.
- Employees shall comply with national labor laws and international standards, including working conditions for minors and minimum working age requirements.
- Safety rules shall be strictly observed, and any risks identified shall be addressed appropriately.

Chapter 3. Reporting Unethical Conduct and Rewards and Sanctions

1. Reporting obligations and confidentiality

- Employees who recognize the fact that he/she or someone else has violated the Code of Ethics or these Guidelines shall actively protect the Company and employees from unethical practices by reporting to or consulting the head of the department or the department in charge of ethical management as quickly and conveniently as possible. However, violations of human respect shall be reported to the department in charge of ethical management without delay.

- Executives and department heads shall report to and consult the department in charge of ethical management immediately upon being informed of a violation of the Code of Ethics by a staff member, and shall not downplay or conceal the incident.
- The department in charge of ethical management may conduct a fact check of the reported incident if necessary, and the employees concerned shall actively cooperate.
- Employees shall not take adverse action against, or disclose the identity of, an informant or whistleblower.
- Where it is likely that an informant or whistleblower may be subject to adverse action in terms of employment, a change of position or other personnel measures shall be taken if so desired by the informant.
- If an employee becomes aware of the fact that an incident has been reported, either by chance or during the course of work, he/she shall keep it confidential or face disciplinary action.

2. Rewards and sanctions (disciplinary action)

- The Company may award part of the clawback resulting from an ethical misconduct investigation to the informant as compensation in accordance with the relevant regulations.
- The compensation criteria shall be in accordance with the guidelines on compensation and indemnity for informants of ethical misconduct and other relevant regulations.
- The Company shall firmly reprimand employees who violate the Code of Ethics and Practice Guidelines in accordance with the relevant regulations.
- The Company may restrict Company access and business to employees who have been dismissed after violating the Code of Ethics.

3. Reporting of violations and protection of informants

- Employees who become aware of a violation of the Code of Ethics or these Practice Guidelines shall actively protect the Company and employees from the violation by reporting it to the head of the organization or department or the department in charge of ethical management for timely resolution.
- Employees are not subject to any disadvantage for legitimate reporting.
- The counseling and reporting channels are as follows.

※ Unethical counseling and reporting channels
- Phone(only in Korean): 080 – 577 – 6262 (Ethical Dilemma Consultation)
  080 – 390 – 3366 (Non-ethics Reporting Center)
- Online: POSCO Homepage > Contact Us >> Ethics dilemma counseling / Unethical reporting center
- E-mail : ethics@posco.com

※ Consultation and reporting channels for violations of respect for human beings
- Phone(only in Korean) : 080 – 390 – 8585
- Online: Home page > Contact Us >> Consultation and reporting on bullying and sexual harassment in the workplace
- E-mail : humanrights@posco.com

Anti-Corruption Compliance Guidelines

Chapter I. General Provisions

Article 1. Objective

POSCO seeks to observe the highest legal and ethical standards in conducting business in all areas around the world. The objective of these Anti-corruption Compliance Guidelines is to ensure that global anti-corruption laws and standards are being complied with by not only POSCO employees, but also POSCO Group companies, agents, and counterparties.

Chapter II. Procedures

Article 2. Global Anti-Corruption Standards

POSCO employees shall observe legal and ethical standards regarding global anti-corruption set out in the Foreign Corrupt Practices Act of 1977 (FCPA) (United States), the Bribery Act of 2010 (United Kingdom), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Convention) and the UN Global Compact. The FCPA prohibits any company, US or non-US, listed on a national securities exchange in the United States from giving bribes to any non-US foreign government officials and requires the bookkeeping of accurate records and implementation of adequate internal controls. Considering that POSCO is listed on the New York Stock Exchange (NYSE), it must abide by the FCPA.
The Bribery Act prohibits UK companies and any non-UK entities doing business in the UK from giving bribes to any non-UK, foreign civil servants and business partners outside the UK. The OECD AntiBribery Convention is the first international convention to criminalize bribery to foreign government officials. In Korea, the Act on Combating Bribery of Foreign Public Officials in International Business Transactions was enacted and implemented to execute the OECD Convention. The UN Global Compact regulates all forms of corruption of corporate entities.
POSCO employees not only shall observe the global anti-corruption laws and standards but also the local anti-corruption laws and regulations of the countries where they do business. For instance, in the Korea, some of the local laws and regulations include the Criminal Code, the Act on the Aggravated Punishment of Specific Crimes, the Act on the Aggravated Punishment of Specific Economic Crimes, and Anti-Graft Act, among others. An act committed as a social or business customary practice, if in violation of the global anti-corruption laws and standards or local laws, will not be exempt. On the other hand, if there is a conflict or inconsistency between the global anti-corruption laws, standards, local laws and the Anti-Corruption Compliance Guidelines, the strictest standards shall prevail.

Article 3. Prohibition and Restrictions on Hospitality and Convenience

General principles	No POSCO employees shall provide or receive anything of value as convenience to or from any stakeholder, including foreign or local government officials, counterparts, with the intention of wrongdoing to obtain or retain any business benefits. In this regard, 'anything of value' shall include, but is not limited to: • Securities, real estate, meals, gifts, golf • Expenses of transportation, accommodation, etc. • Any rights to use or receive discounts on products or services • Any political contributions • Any transfer or exemption of liabilities, employment, privileges, or any other tangible or intangible economic benefits PROVIDED, HOWEVER, THAT it may be permitted to provide or receive a generally accepted hospitality or convenience if it is necessary to conduct the ordinary business for sales promotion, execution of a contract or promotion of mutual business understandings, etc., when the following conditions are met:

General principles	• The level of business hospitality and convenience is reasonable and legitimate. • The business hospitality and convenience should not be offered frequently within a given time period. • Relevant expenditure details shall be accurately reflected in the Company's books and must comply with the Company's internal regulations in relation to other procedures.
Meals, gifts, etc	When POSCO employees provide any meal or gift to a stakeholder as a gesture of goodwill or courtesy or to promote social relationship, they must comply with the following: • The meal or gift is provided only at necessary points of time with a clear cause and is not provided frequently within a given time period. • Matters concerning business hospitality, including meals, shall be subject to the Company's Code of Ethics, and in the case of public officials who are subject to Anti-Graft Act, relevant laws must be followed.
Convenience	Whenever POSCO employees provide any convenience to a stakeholder, they must comply with the following. • Employees shall not provide or receive convenience such as transportation, accommodation, etc. beyond a generally accepted level, except where a convenience is provided generally and equally to all attendees of an event. • The convenience shall be of a reasonable level and shall be directly or indirectly related to sales promotion, demonstration or explanation, execution of a contract or performance of obligations thereunder, etc. • The convenience shall not provided to anyone other than the stakeholders themselves (friends, etc.) • Any costs incurred by the convenience should not paid to the stakeholders, but should be paid directly to the service providers, such as airlines and hotels.

Article 4. Prohibition and Restrictions on Express Fee

No POSCO officer and employee shall make any express fee to any domestic and foreign government officials to gain favor. Express fees are a relatively small amount, and is provided or intended to be provided to a government official who is involved in daily routine work, in order to expedite a legitimate business decision or other transaction, which may include:

- Receipt and processing administrative documents, such as visa issuance
- Customs clearance, and loading or unloading of products related to logistics, etc.
- Opening a telephone line or providing supply of electricity or water

Article 5. Agents and Joint Ventures

Agents	An agent is a person who handles matters such as contract awarding, customs clearance, license approval, and tax affairs on behalf of a company. Global anti-corruption laws and standards such as the FCPA, prohibit an agent from making any payment of money or providing any valuables to a stakeholder, including foreign or local government officials, and counterparties on behalf of the company with a fraudulent intent. Therefore, while working with an agent, one should exercise their duties and responsibilities in a manner that ensures that there is no violation of any global anti-corruption laws and standards. Before signing a contract with an agent, the following should be considered: if any of the following applies, the final decision on whether to sign a contract with the agent shall be made based via Agent Contract Checklist. • Whether an agent has a past or present record of improper business practices (e.g., actual or alleged incidence of giving or receiving bribery or other corrupt practices) • Whether an agent is related to a former and current public official (e.g., recommendation of an agent by a public official, stake-holding by a public official) • Whether an agent requests an unusual or complicated method of payment (e.g., advance payment, third party payment) • Whether information provided by the agent is incomplete or inaccurate When entering into a contract with an agent, the following must be expressed in the contract: • Agent's roles and responsibilities in complying with the global anti-corruption laws and standards • Criteria for computing the agent's remuneration and method of payment • Right of the Company to terminate a contract with the agent in the event that the agent violates global anti-corruption laws and standards

Agents	• Right of the Company to conduct an investigation where there is a reasonable concern that the agent may violate the global anti-corruption laws and standards. After executing a contract with an agent, POSCO employees will manage that the agent complies with the global anti-corruption laws and standards, and upon finding of a violation, shall report immediately to the Corporate Audit Office, so that the Company can take any appropriate measures, such as rectifying the violation or terminating the contract with the agent. On the other hand, whenever there is any question or concern with regard to the violation of global anti-corruption laws and standards in an agency contract, please contact the Corporate Audit Office.
Joint ventures	Under the global anti-corruption laws and standards, such as the FCPA, joint venture companies or joint venture partners are prohibited from making any payment of money or providing anything of value with fraudulent intentions to any stakeholders, including but not limited to, domestic/foreign government officials and counterparties, and hence, the laws and regulations applicable to agents also apply to joint venture businesses.
Miscellaneous	The Anti-Corruption Compliance Guidelines that apply to agents may be used vis-à-vis counterparties, including, but not limited to suppliers and customers, mutatis mutandis based on mutual understanding.

Article 6. Accounting Records and Management

Global anti-corruption laws and standards strictly stipulate that it is necessary to keep a system of accounting controls to record and monitor all business transactions in order to ensure that they are accurately recorded.
Therefore, POSCO employees shall keep and properly account for invoices, receipts, and other related payment documents that arise from the business, and any possession of expenditures or assets which is not listed in the books of the Company is strictly prohibited. In addition to maintaining the books and records, all businesses must be carried out as per the following via the Company's internal accounting management system:

- All transactional expenses and costs shall be executed only after approval by a person with proper authority.
- All transactions shall be recorded as per the accounting standards and approved from a person with proper authority.
- The Company's assets shall be utilized only upon approval from a person with proper authority.
- A due diligence on the Company's assets will be conducted periodically.

Article 7. Anti-Corruption Compliance Training

POSCO employees shall implement and attend anti-corruption compliance training sessions under the guidance of the Corporate Audit Office, and submit records of attendance to the Corporate Audit Office.

Article 8. Whistleblowing and Protection for Whistleblowers

POSCO employees shall report to the Corporate Audit Office when they learn or have a reason to believe that any violation of the global anti-corruption laws and standards or the Anti-Corruption Compliance Guidelines has occurred.
The Company shall fully protect whistleblowers who report any violation of global anti-corruption laws and standards or the Anti-Corruption Compliance Guidelines to the Corporate Audit Office, and strictly prohibit disclosure of the whistleblower's identity, and retaliation against or search for the whistleblower, and shall not subject the whistleblower to any type of disadvantages, such as in relation to the whistleblower's employment relationships with POSCO.

Article 9. Reward and Punishment

POSCO may reward its employees who have contributed to achieving the objectives of the AntiCorruption Compliance Guidelines as per the relevant regulations of reward and punishment. POSCO may take disciplinary actions against its employees who violate the global anti-corruption laws and standards and the Anti-Corruption Compliance Guidelines as per the rules of employment and the rules of reward and punishment, and such disciplinary actions may include dismissal, suspension, salary reduction, reprimand, etc.
On the other hand, POSCO will not be responsible for any fine or cost, etc. if a civil or criminal penalty is imposed on its employees for violation of the global anti-corruption laws and standards.

Fair Trade

Fair Trade

Organization

POSCO's Legal Affairs Office leads the company's voluntary Fair Trade Compliance Program. The office is responsible for the comprehensive management of risks related to fair trade laws and regulations and provides key compliance support, including employee consultations, training and campaign.

Compliance Council

The program is overseen by the Head of the Legal Affairs Office, who also serves as the Fair Trade Compliance Manager appointed by the Board of Directors. We also operate a Compliance Council, comprised of department heads from functions closely tied to fair trade. Complementing this, our Fair Trade Practice Leader system offers practical assistance in implementing the compliance program.

Operational Status

Fair Trade Compliance Program

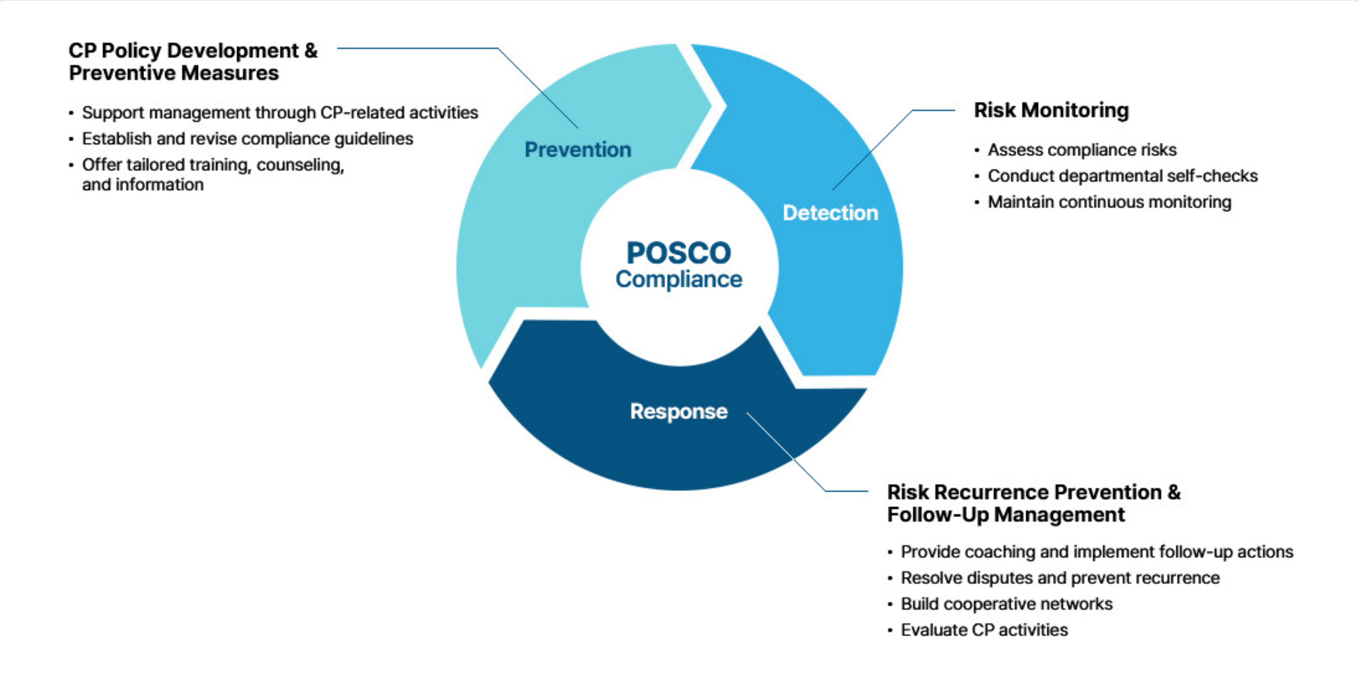
POSCO defines its Fair Trade Compliance Program (CP) as an internally developed and managed system designed to ensure adherence to fair trade laws and regulations. Since 2002, we have operated this program to prevent legal violations and promote corporate transparency by providing employees with clear conduct guidelines related to fair trade.

Fair Trade Compliance Policy →

CP Operating System

Since the launch of the CP in 2002, POSCO has built a fair trade compliance framework based on the three core pillars of prevention, detection, and response to effectively manage legal risks. In accordance with the Fair Trade Commission's guidelines, we have adopted the eight key CP elements and established a Compliance Council to reinforce the program's implementation.

POSCO's Fair Trade CP Management Framework



POSCO's Fair Trade CP Management Framework(Eight Key CP Elements & Compliance Council)

- Establish and enforce CP standards and procedures
- Demonstrate CEO-level commitment and support
- Appoint a dedicated compliance officer to manage the CP
- Develop and utilize compliance manuals
- Provide continuous and structured compliance training
- Establish an internal compliance monitoring system
- Enforce sanctions for violations of fair trade laws and regulations
- Evaluate program effectiveness and pursue improvements
- Operate a Compliance Council

CP Operational Status

Compliance Program (CP)

POSCO has operated a CP since 2002 to prevent violations of antitrust laws and regulations and to enhance corporate transparency.

Read More →

Compliance Manual and Training

POSCO has published the Fair Trade Compliance Manual to guide employees in adhering to fair trade laws and regulations. We regularly update the manual to reflect the latest legal developments and have developed a mobile application to improve accessibility for all employees.

Read More →

Self-Inspection System and Compliance Council

POSCO conducts risk assessments for potential legal violations through the Fair Trade Self-Inspection Checklist, led by the relevant departments. We have also established a Compliance Council consisting of department heads responsible for fair trade, along with designated compliance practice leaders, to oversee the implementation and operation of the Fair Trade CP.

Read More →

Risk Management

Counseling and Reporting Center

POSCO operates the Fair Trade Counseling and Reporting Center, enabling employees to submit inquiries regarding fair trade and report unfair trade practices at any time. There are no restrictions on who may file a report—any individual can report unfair practices, and all submissions are handled with strict confidentiality.

Metrics and Targets

Performance

2024 Results	2025 Targets
- Received an AA rating for the Compliance Program (CP) from the Fair Trade Commission - Published a Greenwashing Compliance Guide - Established customized compliance training programs for each department	- Promote AI-powered video campaigns to raise compliance awareness - Provide compliance training and consulting services for suppliers - Enhance compliance education and promotional activities

Fair Trade Compliance Policy

All POSCO executives and employees adhere to the following guidelines to foster a transparent culture by complying with fair trade laws and regulations, and to establish win-win relationships based on mutual trust.

Code of Conduct

1. Complying with Fair Trade Laws & Regulations
We engage in fair competition and trade.

- We establish fair and transparent transaction procedures in compliance with international standards and national fair trade laws and regulations.
- We do not impose unreasonable conditions or create unfair disadvantages for our business partners and suppliers.

2. Pursuing Mutual Growth with Suppliers
We build mutual trust with suppliers.

- We ensure fairness in all transactions by promoting mutual respect and equal partnerships.
- We provide support to help our suppliers comply with fair trade laws and regulations.

Practice Guidelines

- We participate in fair competition in both domestic and global markets by adhering to international standards and national fair trade laws, and we refrain from unfair practices such as collusion in production, pricing, bidding, or market allocation.
- We uphold our social responsibilities by not abusing our market position to place undue demands or make unlawful requests of clients or suppliers.
- We respect the rights and property of others—including intellectual property—and avoid any transactions or business pursuits that may infringe upon them.
- We strictly protect supplier information in accordance with applicable laws, regulations, and contractual obligations.
- We support our suppliers in their efforts to comply with fair trade laws and regulations.

Compliance Program (CP)

Overview

The Fair Trade Compliance Program (CP) refers to an internal compliance system that a company establishes and operates independently to ensure compliance with fair trade-related regulations.

To provide employees with clear guidelines on fair trade-related conduct, prevent violations of fair trade-related regulations in advance, and ensure corporate transparency, the company has been operating the Compliance Program since 2002.

Fair Trade Compliance Program Operating Guidelines

1. Scope of Application

These guidelines apply to all employees and all business activities related to fair trade. Employees are required to comply with fair trade-related regulations.

2. Core Principles of the Guidelines

- Establishment and Implementation of CP Standards and Procedures: Establish and implement necessary standards and procedures to ensure that all affiliated employees clearly understand and comply with fair trade-related regulations in their work.
- CEO's Commitment and Support for Compliance: The CEO will express a commitment to fair trade compliance through a message and conduct the Fair Trade Compliance Pledge annually.
- Appointment of a Compliance Officer Responsible for CP Operations: A fair trade compliance officer will be appointed based on the resolution of the board of directors.
- Creation and Utilization of Compliance Manuals: Fair Trade Compliance Manuals will be periodically distributed for various sectors, including marketing, purchasing, and large conglomerates.
- Continuous and Systematic Compliance Training: Conduct regular fair trade training for operational departments such as purchasing and sales, and provide fair trade training by hierarchy for new employees and managers. Additionally, operate e-learning courses such as "Learning Fair Trade Anew".
- Establishment of an Internal Monitoring System: Report CP operational performance and plans to the board of directors and operate internal and external fair trade consultation and reporting centers. Additionally, provide advisory and consultation services and conduct thematic inspections of vulnerable areas concurrently.
- Sanctions for Employees Violating Fair Trade Regulations: Enforce punishment regulations following the verification of illegal activities and promptly take disciplinary actions against those who violate the law.
- Effectiveness Evaluation and Corrective Actions: Conduct inspections and evaluations of the program's standards, procedures, and operations, and implement corrective actions accordingly. (Reference) AA ratings were awarded in the Fair Trade Commission's CP (Compliance Program) evaluation in 2006, 2008, 2010, 2012, 2021, 2023, and 2024.
- Operation of the Compliance Council: Establish a Compliance Council composed of department heads from relevant areas such as marketing and purchasing.

Compliance Manual and Training

Compliance Manual

In 1996, POSCO published the Fair Trade Practice Manual to provide employees with a code of conduct for compliance with the Fair Trade Act. A revised edition was issued in 2001 to incorporate amendments to the Fair Trade Act. In 2004 and 2005, recent legal amendments, case decisions, and Q&A sections were added to create the "Fair Trade Compliance Manual for the Subcontracting Sector," "Fair Trade Compliance Manual for the Unfair Trade Practices Sector," and "Fair Trade Compliance Manual for Large Conglomerates" for practical use in departments. In 2007 and 2008, POSCO released the "Fair Trade Compliance Action Guideline for the Marketing Sector" and the "Fair Trade Compliance Action Guideline for the Purchasing Sector."

In 2015, to enhance user convenience, the manuals for the marketing and purchasing sectors were each integrated and published. In 2016, the "Fair Trade Compliance Manual for Large Conglomerates" was revised. In 2020, the manuals for the marketing, purchasing, and conglomerate sectors were updated, and the "Overseas Subsidiaries CP Manual" was published for the first time.

In 2023, POSCO further innovated by integrating an interactive AI service, ChatGPT, into the Fair Trade Compliance Manuals, creating the new Fair Trade GPT.

Fair Trade Training

POSCO provides customized fair trade training, both online and offline, for its domestic and overseas subsidiaries.

For the sales and purchasing sectors, as well as for managers, general employees, and new employees, POSCO conducts separate group training sessions categorized by sector and hierarchy, both regularly and as needed. Additionally, an e-learning training program is available for online access at any time.

Additionally, through regular legal affairs councils for overseas subsidiaries, POSCO provides major compliance guidelines and actively works to prevent related risks.

Self-Inspection System and Compliance Council

Self-Inspection System

POSCO conducts fair trade self-inspections using checklists for each sector. This self-inspection process is the most effective method to identify and prevent fair trade violations in advance, ensuring the practical operation of the Fair Trade Compliance Program.

The Fair Trade Self-Inspection Checklist is included in compliance manuals to help employees prevent the risk of legal violations in advance. Additionally, to facilitate self-inspections without inconvenience during fieldwork or business trips, the company has developed and distributed a smartphone application.

Compliance Council

A. Compliance Council

- Purpose of Operation
  - To conduct operational inspections of the Fair Trade Compliance Program and provide consultation for compliance officers
- Composition and Roles
  - The Compliance Council is composed of approximately 20 department heads related to fair trade.
  - Fair trade action leaders are selected to oversee compliance inspections and fair trade compliance activities within their respective departments

B. Fair Trade Action Leaders

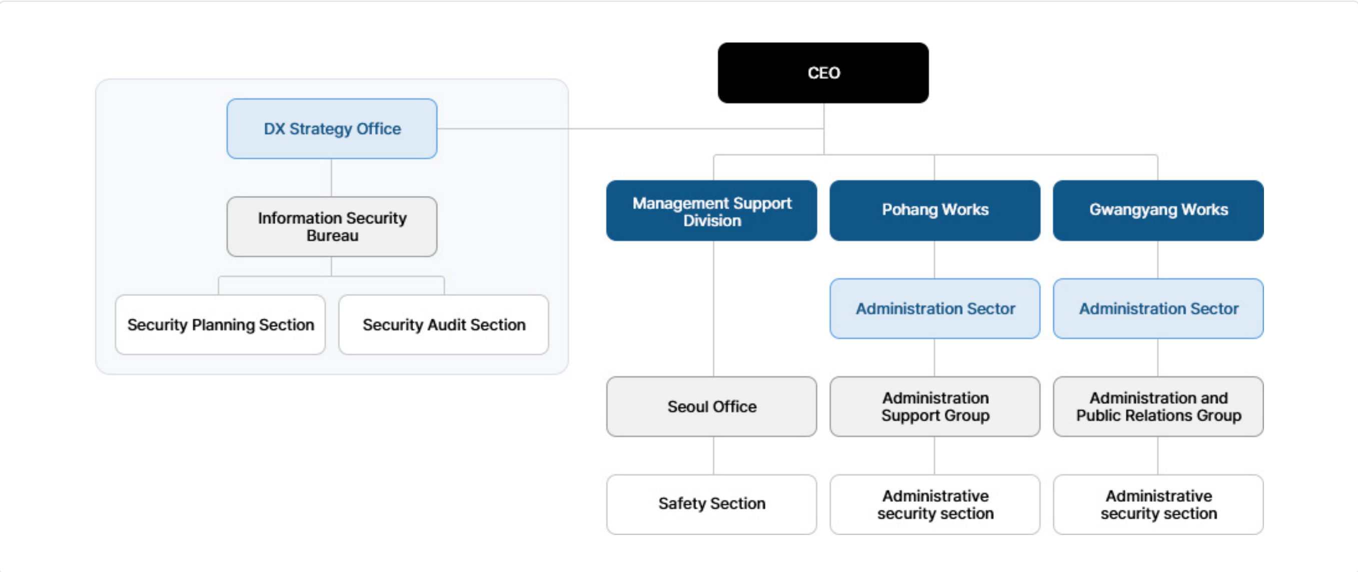
- Purpose of Operation
  - Provide practical support for the compliance program as dedicated personnel within each department
  - Enhance the operational efficiency of the Compliance Council and promote a fair trade compliance mindset
- Roles
  - Support educational activities for Compliance Council members
  - Provide consultation and advice on fair trade matters
  - Assist with departmental compliance inspection activities
  - Identify areas for improvement in CP operations

Information Security

Information Security

Organization

POSCO operates the Information Security Bureau under the DX Strategy Office, which reports directly to the CEO and serves as the control tower for company-wide information security. The Bureau is responsible for formulating and executing information security strategies across the group. Its key functions include preventing information leakage and security incidents, responding to external threats, establishing security policies and strategies, and planning and conducting security training.
We also appoint dedicated information security personnel for each department and region, operating a field-oriented security system under the responsibility of departmental heads. Regional security departments work in close collaboration with the Information Security Bureau to implement customized security measures aligned with the company's overall direction.



Information Security Committee

POSCO operates an Information Security Committee that oversees the company's information security strategies and policies, reflecting both changes in the internal and external security environment and the specific characteristics of our business. The committee reviews and approves company-wide information security policies, which are then embedded into internal regulations and operational processes and implemented across the organization. Through this system, we aim to establish preventive measures against security threats, build a prompt and systematic incident response framework, and ensure business continuity by safeguarding information assets.

- Role : Review the direction and action plans for company-wide information security initiatives and review the formulation, revision, and repeal of information security regulations and guidelines

Operational Status

Security Operations

POSCO operates an integrated information security system that addresses administrative, technical, physical, and human dimensions in response to evolving laws and regulations, technological advancements, and the increasing complexity of the business environment. We continuously monitor and analyze domestic and international information security laws, regulations, and global compliance standards to proactively respond to a broad spectrum of security risks.

Since obtaining ISO/IEC 27001 certification—the international standard for information security management systems—in 2021, we have maintained a globally recognized security framework through regular follow-up audits. In 2025, we further enhanced global customer confidence in our supply chain by obtaining TISAX certification, the information security standard of the European Network of Automotive Exchanges (ENX).

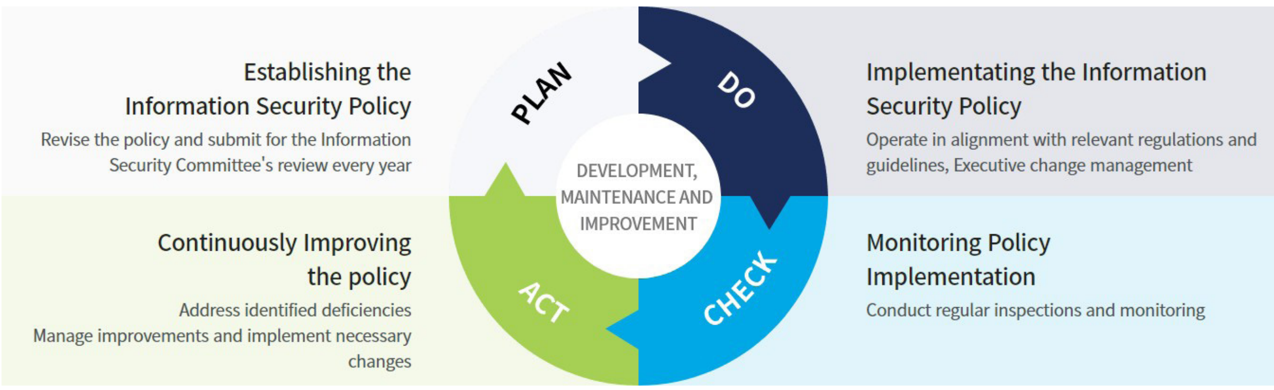
We also provide tailored information security consulting to domestic and overseas subsidiaries, and suppliers, aiming to enhance security capabilities across the entire value chain. Through these efforts, POSCO is committed to three core values: minimizing security risks, ensuring legal and regulatory compliance, and safeguarding the reliability and safety of information assets.

Information Security Policy

POSCO has established Information Security Regulations and Personal Information Security Regulations based on its core Information Security Principles and operates detailed guidelines for specific areas—such as the Document Management Guidelines and Drawing Management Guidelines—to continuously enhance the organization's overall level of information security. Through this framework, we minimize the risk of security incidents and ensure the protection and stable management of critical information assets.

In particular, we have implemented security management standards that govern the full lifecycle of key information—including documents, drawings, and technical data—ensuring systematic control over storage, transfer, sharing, and disposal. We have also defined and enforced both administrative and technical safeguards to protect the personal information of customers and employees, as outlined in our Personal Information Protection Regulation.

To keep pace with the evolving information security landscape, we update all relevant regulations and guidelines annually in line with the latest laws, systems, and industry standards. These documents are made accessible to employees via the standard document management system, and major updates are communicated through the internal portal (EP), enabling employees to accurately understand and apply the changes.



Core Technologies Protection

POSCO holds seven national core technologies and regularly undergoes annual security management assessments by the Korean government for their protection. We identify key assets—such as human resources, documents, facilities, and information systems—related to these core national technologies, and apply risk-based protection measures for each asset. In addition, we regularly assess and review the management status of key technology assets to identify security vulnerabilities and continuously implement mitigation measures to prevent technology leakage and maintain a secure management environment.

Information Protection Across the Steel Value Chain

To enhance the reliability of information security throughout its steel business, POSCO implements a range of initiatives to strengthen security throughout the value chain—including domestic and overseas subsidiaries, and core partner companies with whom information is shared. We conduct annual security assessments, provide tailored consulting, and offer employee training to prevent security risks across the supply chain and improve joint response capabilities. These efforts help advance the maturity of the value chain security ecosystem and reinforce trust with customers and partners.

Information Security Support Activities

- Assess overall security posture and system operation frameworks
- Inspect security system status and support mock hacking simulations
- Strengthen security management capabilities and cultivate security professionals

Risk Management

Cybersecurity Incidents Prevention

POSCO monitors global cyber threat trends in real time through the Group Integrated Security Control Center, which operates 24/7. The Center detects, blocks, and mitigates threats through integration with various security solutions and control systems. It is also building a proactive response system by collecting and analyzing domestic and international hacking attempts and abnormal activities.

To further enhance our defense against external cyberattacks, we conduct security risk assessments during the planning, design, and operational phases of our systems. In addition, we perform regular penetration testing on critical websites and business systems to identify and remediate potential vulnerabilities.

Threat Detection Process

1 STEP Detection	- Detect breaches using the integrated security control system - Collect internal and external threat intelligence
2 STEP Analysis	- Assess the extent and impact of potential damage - Take preemptive action as needed
3 STEP Notification	- Notify relevant departments and issue company-wide alerts - Request follow-up actions based on analysis results
4 STEP Response	- Contain the breach and implement mitigation measures - Investigate root causes and reflect findings in future policy updates

POSCO has established a five-level breach alert system aligned with the National Cyber Crisis Warning Standards set by the Korea Internet & Security Agency (KISA). Based on this framework, we have developed a Cyber Crisis Response Manual that clearly defines response procedures and the roles and responsibilities of relevant departments for each alert level. This system enables immediate and coordinated responses to cybersecurity incidents, helping to prevent the escalation of damage.

POSCO Internal Threat Alert Levels

1 STEP Normal	General security threat conditions present, but no impact on internal or external systems
2 STEP Attention	External security issues identified, increasing the likelihood of internal breach threats
3 STEP Caution	Partial impact on services and operations, manageable with appropriate countermeasures
4 STEP Alert	Significant service and operational disruptions, with delays in response and mitigation
5 STEP Severe	Critical disruption to core services and operations, with ongoing and persistent security risks

Metrics and Targets

Security Awareness

POSCO promotes information security awareness among employees and integrates security into daily work routines, enabling all members of the organization to take ownership of information protection. All executives and employees are required to complete a mandatory annual e-learning course on information security. In addition, specialized training is provided to new hires, secretaries, and personnel handling nationally designated core technologies, tailored to the specific requirements of each role. POSCO also operates an internal Information Security Reporting Center, enabling employees to freely report hacking incidents, suspected data leaks, security vulnerabilities, or suggest ideas to enhance security. In addition, employees who actively contribute to security activities, such as reporting security incidents, are rewarded, while those who violate security regulations are subject to actions in accordance with relevant policies.

Employee e-Learning Results (Unit: persons, %)

Year	Enrolled Partipants	Completed Participants	Percentage
2020	17,982	17,909	99.6
2021	17,594	17,589	99.9
2022	17,199	17,180	99.9
2023	17,073	17,073	100
2024	17,260	17,260	100

Factbook

Factbook

ESG Factbook

Scope of Reporting

Indicators are applied to the following worksites, by reporting year:

- 2022 : POSCO, 3 integrated steel mills

· POSCO, PT. KRAKATAU POSCO, POSCO YAMATO VINA, and POSCO Zhangjiagang Stainless

- 2023 : POSCO, 3 integrated steel mills, 2 re-rolling mills

· POSCO, PT. KRAKATAU POSCO, POSCO YAMATO VINA, and POSCO Zhangjiagang Stainless

· POSCO-Maharashtra and POSCO Thainox (newly added)

- 2024 : POSCO, 3 integrated steel mills, 4 re-rolling mills, 4 processing centers

· POSCO, PT. KRAKATAU POSCO, POSCO YAMATO VINA, POSCO Zhangjiagang Stainless, POSCO-Maharashtra, and POSCO Thainox
· POSCO-Mexico, POSCO-Vietnam, POSCO-CSPC, POSCO-CFPC, POSCO-MPPC, and POSCO India PC (newly added)

Domestic Worksites

Financial and Production Information

Financial and Production Information

Financial and Production Information	Unit	2022	2023	2024
Sales [1)]	KRW million	35,152,358	38,971,567	37,556,523
Crude steel production	1,000 tons	34,219	35,682	35,048
Blast furnace/Converter	1,000 tons	33,255	34,625	33,893
Percentage from blast furnace/converter	%	97.2	97.0	96.7
Electric Arc Furnace	1,000 tons	964	1,057	1,154
Percentage from electric arc furnace	%	2.8	3.0	3.3
Materials used				
Iron ore	1,000 tons	49,091	50,339	49,369
Metallurgical coal	1,000 tons	22,671	23,238	22,566
Limestone	1,000 tons	5,531	5,517	5,686

1) Covers the 10-month sales period from March to December 2022, following the corporate spin-off from POSCO Holdings on March 1, 2022

E(Environmental)

GHG Emissions

GHG Emissions	Unit	2022	2023	2024
Direct/Indirect GHG emissions (Scope 1&2) 1)	tCO_2e	70,185,623	71,971,900	71,065,170
Direct emissions (Scope 1)	tCO_2e	68,305,993	70,588,012	69,665,353
Indirect emissions (Scope 2)	tCO_2e	1,879,630	1,383,895	1,399,825
GHG emissions intensity per crude steel production, Scope 1&2	tCO_2e/ton	2.05	2.02	2.03
Other indirect GHG emissions (Scope 3) 2)	tCO_2e	7,107,502	7,419,787	7,216,788
Upstream	tCO_2e	4,570,474	5,229,508	5,054,941
Purchase of raw materials and services ①	tCO_2e	2,583,823	2,764,127	2,170,214
Investment of capital goods ②	tCO_2e	857	563	939
Fuel and energy related activities(not included in Scope 1&2) ③	tCO_2e	298,540	334,942	735,200
Transportation of purchased raw materials ④	tCO_2e	1,537,143	1,926,052	1,949,126
Waste generated in operations ⑤	tCO_2e	141,520	195,608	189,643
Employees' business travels	tCO_2e	346	486	1,895
Employee commutes	tCO_2e	8,245	7,730	7,924
Downstream	tCO_2e	2,537,028	2,190,279	2,161,846
Transportation and distribution ⑥	tCO_2e	489,786	26,936	28,695
Leased assets ⑦	tCO_2e	1,888,240	1,974,893	1,935,128
Investments	tCO_2e	159,002	188,450	198,023

1) Discrepancies in the total of direct and indirect emissions (Scope 1&2) may occur due to the truncation of decimal points from each worksite's reported emissions.

2) Boundaries for all categories: Pohang and Gwangyang Works (2022, 2023); All worksites (2024)

① Limited to purchased raw materials with the most direct impact on steel production, including iron ore, coal, and limestone, which together account for over 90% of total consumption

② Calculated based on POSCO's 2024 asset acquisitions, covering selected worksite supplies and vehicles, using the carbon footprint of products certified under the Korean Environmental Product Declaration

③ Calculated using carbon footprint factors from the environmental label evaluation factors published by the Korea Environmental Industry & Technology Institute (KEITI) for energy consumed at the worksites

④ ⑥ Includes transportation emissions for certain sold products under upstream transportation, depending on delivery terms (i.e., whether POSCO bears the freight cost)

⑤ Refers to waste generated at worksites that was consigned for off-site treatment, based on data from the Korean government's waste management platform, Allbaro System

⑦ Calculated based on the Scope 1 and 2 emissions of the lime calcination plant leased by POSCO FUTURE M

GHG Emissions Verification (Scope 1&2)

GHG Emissions Verification (Scope 3)

Energy

Energy	Unit	2022	2023	2024
Energy consumption 1)	GJ	333,781,599	354,002,733	359,242,804
Energy directly consumed	GJ	319,078,303	342,940,165	348,022,726
Natural gas	GJ	30,750,384	45,697,279	60,987,933
By-product gas 2)	GJ	288,103,292	294,489,643	284,088,474
Kerosene	GJ	-	2,643	2,050
Gasoline	GJ	6,249	5,569	6,740
Diesel fuel	GJ	218,348	189,682	190,644
Liquefied petroleum gas(LPG)	GJ	30	0	0
Propane	GJ	-	5,377	5,452
Other fuels 2)	GJ	-	2,549,972	2,741,433
Energy indirectly consumed 3)	GJ	14,703,073	11,062,333	11,219,131
Electricity 3)	GJ	14,618,973	10,837,975	10,963,428
Steam	GJ	84,100	224,358	255,703
Renewable energy consumed 3)	GJ	223	235	946
Energy intensity per crude steel production	GJ/ton	9.80	9.92	10.25

1) Refers to energy consumption, defined as the sum of K-ETS energy consumption and renewable energy consumption, excluding purchased renewable energy; applicable to Pohang and Gwangyang Works in 2022, and to all worksites in 2023 and 2024

2) 2023 data adjusted to correct aggregation errors

3) 2023 data revised to reflect changes in aggregation criteria; excludes purchased renewable energy; unit conversion factors applied to electricity and renewable energy

Environmental Certification

Environmental Certification	Unit	2022	2023	2024
Percentage of worksites with ISO 14001 certification	%	100	100	100
Worksites requiring ISO 14001	Site	2	2	2
Certified worksites with ISO 14001	Site	2	2	2
Percentage of worksites with ISO 50001 certification	%	100	100	100
Worksites requiring ISO 50001	Site	2	2	2
Certified worksites with ISO 50001	Site	2	2	2

Air

Air	Unit	2022	2023	2024
Emissions of air pollutants 1)	ton	53,451	55,042	49,340
NOx	ton	27,653	27,685	23,909
SOx	ton	23,294	23,945	22,366
Dust	ton	2,504	3,413	3,065

1) 2022 and 2023 data adjusted to reflect a change in the aggregation method (including subordinated items)

Waste

Waste	Unit	2022	2023	2024
Total waste generated	ton	19,116,690	19,523,970	20,203,736
Recycled	ton	18,787,157	19,242,999	19,951,274
Incinerated	ton	62,031	52,034	55,216
Landfilled	ton	267,470	228,633	197,074
Other ways	ton	32	304	171
Designated waste	ton	96,579	108,491	106,581
Recycled	ton	59,344	58,307	60,447
Incinerated	ton	16,546	8,691	9,383
Landfilled	ton	20,657	41,188	36,580
Other ways	ton	32	304	171
General waste	ton	19,020,111	19,415,479	20,097,155
Recycled [1]	ton	18,727,813	19,184,692	19,890,828
Incinerated	ton	45,485	43,342	45,833
Landfilled	ton	246,813	187,445	160,494
Other ways	ton	0	0	0
Waste generated intensity per crude steel production	ton/ton	0.56	0.55	0.58
Percentage of waste recycled	%	98.3	98.6	98.8

1) 2022 and 2023 data adjusted to correct aggregation errors (by including higher-level indicators)

Resource recycling

Resource recycling	Unit	2022	2023	2024
Blast furnace slag recycled [1]	ton	9,467,776	9,427,376	10,448,585
Granulated slag recycled	ton	8,612,812	8,141,470	9,381,494
Air-cooled slag recycled	ton	854,964	1,285,906	1,067,091

1) 2022 and 2023 data adjusted to reflect a change in the aggregation method (including subordinated items)

Water

Water(Pohang, Gwangyang)

Water(Pohang, Gwangyang)	Unit	2022	2023	2024
Total water withdrawal	ton	145,115,608	153,645,403	156,026,930
Municipal water	ton	0	0	0
Surface water	ton	108,957,548	115,497,855	119,307,357
Groundwater	ton	3,451,420	4,154,290	4,556,880
Desalinated water	ton	3,608,003	5,044,618	2,992,678
Reused municipal wastewater	ton	29,098,637	28,948,640	29,170,015
Total water withdrawal in regions with 'High' baseline water stress 1)	ton	0	84,054,014	87,319,386
Total water withdrawal in regions with 'Extremely High' baseline water stress	ton	0	0	0
Total water withdrawal intensity per crude steel production	ton/ton	4.20	4.31	4.45
Total water consumed	ton	73,375,512	72,416,383	71,802,801
Total water consumed in regions with 'High' baseline water stress 2)	ton	0	38,181,117	37,013,437
Total water consumed in regions with 'Extremely High' baseline water stress	ton	0	0	0
Total wastewater discharge	ton	71,740,096	81,229,020	84,224,129
Total recycled/reused water	ton	44,625,210	40,390,660	37,206,622
Percentage of total recycled/reused water	%	23.5	20.8	19.3
Water pollutant discharged 3)				
BOD	ton	191.114	203.841	193.728
T-N 4)	ton	684.976	668.257	879.314
T-P	ton	3.827	2.073	5.717
SS 4)	ton	134.747	134.238	160.598
TOC 5)	ton	-	288.780	343.460

1) 2023 data adjusted to correct aggregation errors

2) 2023 data adjusted to reflect a change in the aggregation method

3) 2024 data subject to change based on the verification results of the Ministry of Environment (MOE)

4) 2022 and 2023 data adjusted to reflect values finalized by the MOE since the previous year’s Sustainability Report disclosure

5) 2022 TOC performance excluded due to the revision of the Enforcement Decree of the Water Environment Conservation Act, which changed the organic matter measurement index from COD to TOC and required replacement of TMS measuring equipment (WEMS-standard COD discharge recorded at 580.391 tons)

Water(Pohang)

Water(Pohang)	Unit	2022	2023	2024
Total water withdrawal	ton	-	69,591,389	68,707,544
Municipal water	ton	-	0	0
Surface water	ton	-	36,488,459	34,980,649
Groundwater	ton	-	4,154,290	4,556,880
Desalinated water	ton	-	0	0
Reused municipal wastewater	ton	-	28,948,640	29,170,015
Total water withdrawal in regions with 'High' baseline water stress	ton	-	0	0
Total water withdrawal in regions with 'Extremely High' baseline water stress	ton	-	0	0
Total water withdrawal intensity per crude steel production	ton/ton	-	4.79	5.13
Total water consumed	ton	-	34,235,266	34,789,364
Total water consumed in regions with 'High' baseline water stress	ton	-	0	0
Total water consumed in regions with 'Extremely High' baseline water stress	ton	-	0	0
Total recycled/reused water	ton	-	19,516,566	20,398,928
Percentage of total recycled/reused water	%	-	21.9	22.9

Water(Gwangyang)

Water(Gwangyang)	Unit	2022	2023	2024
Total water withdrawal	ton	-	84,054,014	87,319,386
Municipal water	ton	-	0	0
Surface water	ton	-	79,009,396	84,326,708
Groundwater	ton	-	0	0
Desalinated water	ton	-	5,044,618	2,992,678
Reused municipal wastewater	ton	-	0	0
Total water withdrawal in regions with 'High' baseline water stress	ton	-	84,054,014	87,319,386
Total water withdrawal in regions with 'Extremely High' baseline water stress	ton	-	0	0
Total water withdrawal intensity per crude steel production	ton/ton	-	3.98	4.03
Total water consumed	ton	-	38,181,117	37,013,437
Total water consumed in regions with 'High' baseline water stress [1)]	ton	-	38,181,117	37,013,437
Total water consumed in regions with 'Extremely High' baseline water stress	ton	-	0	0
Total recycled/reused water	ton	-	20,874,094	16,807,694
Percentage of total recycled/reused water	%	-	19.9	16.1

1) 2023 data adjusted to reflect a change in the aggregation method

Environmental Management

Environmental Management	Unit	2022	2023	2024
Number of incidents of non-compliance with environmental laws [1]	Case	9	8	12
Percentage of eco-friendly vehicles owned [2]	%	16.5	23.0	24.5
Number of eco-friendly vehicles owned	Unit	114	168	185
Total number of vehicles owned	Unit	690	735	754

1) 2023 data adjusted to correct aggregation errors and duplicate aggregation

2) Sum of electronic vehicles (EVs), hydrogen vehicles, and hybrid vehicles (excluding heavy equipment vehicles); 2022 and 2023 data adjusted to correct aggregation errors (including subordinated items)

S(Social)

Work-Related Accident

Work-Related Accident	Unit	2022	2023	2024
Lost Time Injury Rate (LTIR)	Person/200,000 hours	0.19	0.07	0.17
Employee LTIR	Person/200,000 hours	0.11	0.03	0.19
Contractor LTIR	Person/200,000 hours	0.25	0.10	0.14
Lost Time Injury Frequency Rate (LTIFR)	Person/1,000,000 hours	0.93	0.35	0.83
Employee LTIFR	Person/1,000,000 hours	0.56	0.17	0.94
Contractor LTIFR	Person/1,000,000 hours	1.26	0.50	0.72
Total Recordable Injury Rate (TRIR)	Person/200,000 hours	0.35	0.34	0.36
Employee TRIR	Person/200,000 hours	0.27	0.35	0.39
Contractor TRIR	Person/200,000 hours	0.41	0.32	0.33
Total Recordable Injury Frequency Rate (TRIFR)	Person/1,000,000 hours	1.73	1.67	1.81
Employee TRIFR	Person/1,000,000 hours	1.37	1.76	1.96
Contractor TRIFR	Person/1,000,000 hours	2.06	1.60	1.65
Fatality rate per 10,000 workers	‱	0.30	0.00	0.00
Employee fatality rate per 10,000 workers	‱	0.00	0.00	0.00
Contractor fatality rate per 10,000 workers	‱	0.63	0.00	0.00
Employee accidents				
Number of employee Lost Time Injuries (LTI)	Person	20	6	33
Number of employee Total Recordable Injuries (TRI)	Person	49	62	69
Number of employee Fatalities	Person	0	0	0
Number of employee Injuries	Person	14	4	25
Number of employee Near Misses [1]	Case	6,408	5,983	4,568
Contractor accidents				
Number of contractor Lost Time Injuries (LTI)	Person	50	20	26
Number of contractor Total Recordable Injuries (TRI)	Person	82	64	60
Number of contractor Fatalities	Person	1	0	0
Number of contractor Injuries	Person	30	16	23
Number of contractor Near Misses [1]	Case	289	276	347

1) Adjustment of 2022 and 2023 data due to differences in the timing of data retrieval

OHSMS Certification

OHSMS Certification(Occupational Health and Safety Management System, ISO 45001 or OHSAS 18001 or KOSHA-MS)	Unit	2022	2023	2024
Percentage of worksites with OHSMS certification	%	100	100	100
Worksites requiring OHSMS certification	Site	2	2	2
Certified worksites with OHSMS	Site	2	2	2

Supply Chain Management

Supply Chain Management	Unit	2022	2023	2024
Percentage of suppliers evaluated (SRM evaluations)	%	83.9	82.0	88.0
Number of suppliers	Count	1,408	1,380	1,321
Number of suppliers evaluated	Count	1,182	1,132	1,162

Employee Status

Employee Status	Unit	2022	2023	2024
Total number of employees	Person	18,122	17,985	17,919
Executive level [1]	Person	67	67	65
By gender				
Male	Person	66	63	63
Female	Person	1	4	2
Percentage of female	%	1.5	6.0	3.1
By age group				
Under 30 years old	Person	0	0	0
30-50 years old	Person	0	0	0
Over 50 years old	Person	67	67	65
By region				
South Korea	Person	67	65	63
Asia (excluding South Korea)	Person	0	2	2
North America	Person	0	0	0
Latin America	Person	0	0	0
Europe	Person	0	0	0
Other regions	Person	0	0	0

Employees excluding executive level [1]	Person	18,055	17,918	17,854
By gender				
Male	Person	17,046	16,918	16,841
Female	Person	1,009	1,000	1,013
Percentage of female	%	5.6	5.6	5.7
By age group				
Under 30 years old	Person	3,035	3,241	3,139
30-50 years old	Person	7,353	7,472	7,873
Over 50 years old	Person	7,667	7,205	6,842
By region				
South Korea	Person	17,628	17,519	17,442
Asia (excluding South Korea)	Person	320	306	305
North America	Person	53	39	42
Latin America	Person	13	17	29
Europe	Person	35	25	26
Other regions	Person	6	12	10
Managers (among employees excluding executive level) [2]	Person	4,069	4,043	4,094
By gender				
Male	Person	3,998	3,972	4,013
Female	Person	71	71	81
Percentage of female	%	1.75	1.76	2.0
By age group				
Under 30 years old	Person	1	2	3
30-50 years old	Person	1,191	1,363	1,650
Over 50 years old	Person	2,877	2,678	2,441
By region				
South Korea	Person	3,887	3,864	3,906
Asia (excluding South Korea)	Person	135	138	142
North America	Person	17	15	17
Latin America	Person	10	11	13
Europe	Person	18	11	13
Other regions	Person	2	4	3

Permanent employees	Person	17,107	16,926	16,784
By gender				
Male	Person	16,147	15,970	15,817
Female	Person	960	956	967
Percentage of female	%	5.6	5.7	5.8
By region				
South Korea	Person	16,688	16,535	16,373
Asia (excluding South Korea)	Person	315	300	304
North America	Person	51	38	42
Latin America	Person	13	16	29
Europe	Person	34	25	26
Other regions	Person	6	12	10
Percentage of permanent employees	%	94.4	94.1	93.7
Contingent employees	Person	1,007	1,052	1,129
By gender				
Male	Person	957	1,004	1,081
Female	Person	50	48	48
Percentage of female	%	5.0	4.6	4.3
By region				
South Korea	Person	996	1,042	1,126
Asia (excluding South Korea)	Person	7	8	3
North America	Person	2	1	0
Latin America	Person	0	1	0
Europe	Person	2	0	0
Other regions	Person	0	0	0
Percentage of contingent employees	%	5.6	5.9	6.3

1) Includes both registered and non-registered executives; figures may differ from the "Matters Related to Executives and Employees, etc." section of the Annual Report

2) 2022 and 2023 data adjusted to correct aggregation errors (including subordinated items)

New Hire

New Hire	Unit	2022	2023	2024
Number of new employee hires [1]	Person	1,669	1,511	1,535
By gender				
Male	Person	1,580	1,452	1,447
Female	Person	89	59	88
Percentage of female	%	5.3	3.9	5.7
By age group				
Under 30 years old	Person	731	772	943
30-50 years old	Person	283	211	211
Over 50 years old	Person	655	528	381

1) 2022 and 2023 data adjusted to reflect a change in the aggregation method (including subordinated items)

Turnover

Turnover	Unit	2022	2023	2024
Number of turnover [1]	Person	1,524	1,281	1,476
Turnover rate	%	8.4	7.1	8.2
Number of voluntary turnover	Person	528	348	405
Male	Person	479	326	375
Female	Person	49	22	30
Voluntary turnover rate	%	2.9	1.9	2.3
Number of involuntary turnover	Person	996	933	1,071
Retirement by age	Person	588	519	559
Redundancy	Person	0	0	0
Others	Person	408	414	512

1) 2022 and 2023 data adjusted to reflect a change in the aggregation method (including subordinated items)

Evaluation

Evaluation	Unit	2022	2023	2024
Number of employees' performance evaluations	Person	15,300	15,663	15,524
By gender				
Male	Person	14,464	14,795	14,656
Female	Person	836	868	868
By contract				
Permanent employees	Person	15,137	15,492	15,360
Contingent employees	Person	163	171	164

Training

Training	Unit	2022	2023	2024
Total employee training	Hour	1,769,947	1,808,072	1,980,562
Male	Hour	-	-	1,904,813
Female	Hour	-	-	75,749
Average hours of training per employee	Hour	98	101	111
By gender				
Male	Hour	-	-	113
Female	Hour	-	-	75
By position				
Executive	Hour	-	-	154
Manager	Hour	-	-	125
General staff	Hour	-	-	106
Training expenses	KRW million	22,938	31,934	32,500
Average training expenses per employee	KRW million/Person	1.3	1.8	1.8
Number of employees trained on occupational safety [1]	Person	73,964	82,366	54,602
Number of employees trained on information security	Person	17,180	17,073	17,260
Permanent employees	Person	16,158	15,980	15,876
Contingent employees	Person	1,022	1,093	1,384
Total hours of employees trained on information security	Hour	24,338	14,228	12,945

1) Number of trained employees includes duplicates, as the calculation is based on completion of mandatory trainings

Diversity and Inclusion

Diversity and Inclusion	Unit	2022	2023	2024
Employees with disabilities [1]	Person	565	580	651
Employees entitled to veterans benefits	Person	738	705	710

1) Based on Article 28-3, Special Provision for Calculating the Number of Employees with Disabilities, of the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities

Family-Friendly Practices

Family-Friendly Practices	Unit	2022	2023	2024
Number of employees who utilized family-friendly programs	Person	950	965	1,064
Employees who took parental leave 1)	Person	242	260	293
Male	Person	133	156	186
Female	Person	109	104	107
Employees returning from parental leave and staying over 12 months	Person	102	120	143
Male	Person	41	58	91
Female	Person	61	62	52
Employees who took fertility treatment leave	Person	81	111	109
Employees under flexible work program 2)	Person	4,887	7,129	11,618

1) Refers to employees who took parental leave at least once during the year (figures may differ from those in the annual report); 2022 data adjusted to correct aggregation errors (including subordinated items)

2) 2022 and 2023 data adjusted to reflect a change in the aggregation method; 2023 and 2024 data may differ from the annual report due to aggregation errors in the annual report

Labor Relations

Labor Relations	Unit	2022	2023	2024
Percentage of employees covered by collective bargaining agreements	%	100	100	100
Number of lockouts due to strikes	Time	0	0	0

Social Contribution

Social Contribution	Unit	2022	2023	2024
Hours spent on voluntary work 1)	Hour	343,039	398,174	390,081
Social contribution expenses 2)	KRW million	54,257	55,128	52,425

1) 2022 and 2023 data adjusted to reflect a change in the aggregation method

2) 2023 data adjusted to correct aggregation errors

QMS Certification

QMS Certification (Quality Management System, ISO 9001 or IATF 16949)	Unit	2022	2023	2024
Percentage of worksites with QMS certification	%	100	100	100
Worksites requiring QMS certification	Site	2	2	2
Certified worksites with QMS	Site	2	2	2

G(Governance)

Ethics

Ethics	Unit	2022	2023	2024
Number of ethics reports filed	Case	403	420	418
Corruption	Case	165	124	119
Violations of human rights	Case	46	68	107
Abuse of power	Case	16	23	21
Other	Case	176	205	171
Number of resolved ethics reports	Case	403	420	418
Training on ethics				
Total hours of employee training	Hour	35,198	23,320	22,765
Number of employees trained	Person	17,599	17,490	17,074

Fair trade

Fair trade	Unit	2022	2023	2024
Number of employees trained on fair trade [1]	Person	2,410	2,070	2,117
Number of incidents of non-compliance with fair trade laws	Case	0	0	0

1) Based on individual completion of training programs, which may include duplicates; 2022 and 2023 POSCO data adjusted to reflect a change in the aggregation method

Domestic and Overseas Subsidiaries

Financial and Production Information

Financial and Production Information (Domestic&Overseas)

Financial and Production Information	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Sales 1)	KRW million	35,152,358	7,676,782	38,971,567	6,884,899	2,314,374	37,556,523	6,283,352	7,973,785
Crude steel production 2)	1,000 tons	34,219	4,416	35,682	4,259	0	35,048	4,233	0
Blast furnace/Converter	1,000 tons	33,255	3,030	34,625	3,005	0	33,893	2,981	0
Percentage from blast furnace/converter	%	97.2	68.6	97.0	70.6	N/A	96.7	70.4	N/A
Electric Arc Furnace	1,000 tons	964	1,386	1,057	1,254	0	1,154	1,253	0
Percentage from electric arc furnace	%	2.8	31.4	3.0	29.4	N/A	3.3	29.6	N/A

1) Covers the 10-month sales period from March to December 2022, following the corporate spin-off from POSCO Holdings on March 1, 2022

2) 2022 and 2023 data for integrated mill adjusted to correct aggregation errors (including subordinated items)

E(Environmental)

GHG Emissions (Domestic&Overseas)

GHG Emissions 1)	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill 2)	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Direct/Indirect GHG emissions(Scope 1&2)	tCO_2e	70,185,623	8,412,126	71,971,900	8,383,419	315,115	71,065,170	8,174,071	581,439
Direct emissions(Scope 1)	tCO_2e	68,305,993	7,153,995	70,588,012	7,015,365	129,747	69,665,353	6,806,052	290,866
Indirect emissions(Scope 2)	tCO_2e	1,879,630	1,258,131	1,383,895	1,368,054	185,367	1,399,825	1,368,018	290,571
GHG emissions intensity 3)	tCO_2e/ton	2.05	1.90	2.02	1.97	N/A	2.03	1.93	N/A

1) 2023 and 2024 GHG emissions of overseas subsidiaries not subject to third-party verification by a GHG verification agency

2) 2023 data for re-rolling mill adjusted to correct aggregation errors (including subordinated items)

3) Re-rolling mills and processing centers excluded from intensity calculations as they do not produce crude steel

Energy (Domestic&Overseas)

Energy 1)	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Energy consumption	GJ	333,781,599	38,794,427	354,002,733	38,163,868	3,486,048	359,242,804	37,671,934	7,303,823
Energy directly consumed	GJ	319,078,303	31,169,983	342,940,165	31,325,501	2,309,057	348,022,726	30,274,830	4,950,872
Coal 2)	GJ	-	455,618	0	578,042	0	0	489,121	0
Natural gas	GJ	30,750,384	5,056,149	45,697,279	5,506,875	2,286,575	60,987,933	5,480,678	4,909,729
By-product gas	GJ	288,103,292	25,479,428	294,489,643	25,067,682	0	284,088,474	24,110,656	0
Kerosene	GJ	-	-	2,643	0	0	2,050	0	0
Gasoline	GJ	6,249	0	5,569	0	162	6,740	0	5,515
Diesel fuel	GJ	218,348	177,131	189,682	171,830	19,483	190,644	192,350	29,302
Liquefied petroleum gas (LPG)	GJ	30	1,657	0	1,072	2,837	0	2,025	6,324
Propane	GJ	-	-	5,377	0	0	5,452	0	0
Other fuels	GJ	-	-	2,549,972	0	0	2,741,433	0	0
Energy indirectly consumed	GJ	14,703,073	7,616,815	11,062,333	6,827,143	959,017	11,219,131	7,385,398	2,111,205
Electricity	GJ	14,618,973	6,227,476	10,837,975	5,734,501	959,017	10,963,428	6,044,814	1,871,476
Steam	GJ	84,100	1,389,339	224,358	1,092,642	0	255,703	1,340,584	239,728
Renewable energy consumed	GJ	223	7,629	235	11,224	217,974	946	11,706	241,747
Energy intensity 3) **per crude steel production**	GJ/ton	9.75	8.78	9.92	8.96	N/A	10.25	8.90	N/A

1) 2022 and 2023 data adjusted to correct aggregation errors (including subordinated items)

2) Refers to energy consumption, excluding iron ore reductant reported as raw material

3) Re-rolling mills and processing centers excluded from intensity calculations as they do not produce crude steel

Environmental Certification (Domestic&Overseas)

Environmental Certification	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Percentage of worksites with ISO 14001 certification	%	100	100	100	100	100	100	100	93
Worksites requiring ISO 14001 certification	Site	2	3	2	3	2	2	3	14
Certified worksites with ISO 14001	Site	2	3	2	3	2	2	3	13

Air (Domestic&Overseas)

Air	Unit	2022		2023			2024		
		POSCO [1]	Integrated Mill	POSCO [1]	Integrated Mill	Re-Rolling Mill[2]	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Emissions of air pollutants	ton	53,451	13,081	55,042	13,376	N/A	49,340	12,700	465
NOx	ton	27,653	6,539	27,685	6,607	N/A	23,909	6,204	369
SOx	ton	23,294	4,548	23,945	4,736	N/A	22,366	4,808	11
Dust	ton	2,504	1,994	3,413	2,031	N/A	3,065	1,688	84

1) 2022 and 2023 data adjusted to reflect a change in the aggregation method (including subordinated items)

2) POSCO-Maharashtra and POSCO Thainox excluded from total air pollutant emissions, as their emissions are measured using concentration standards (ppm) in accordance with country-specific regulations

Waste (Domestic&Overseas)

Waste [1]	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Total waste generated	ton	19,116,690	2,317,573	19,523,970	2,247,683	76,251	20,203,736	2,213,506	149,705
Recycled	ton	18,787,157	2,298,264	19,242,999	2,223,646	62,450	19,951,274	2,196,635	131,080
Incinerated	ton	62,031	4,764	52,034	5,112	256	55,216	5,243	2,526
Landfilled	ton	267,470	16	228,633	0	2,590	197,074	0	4,592
Other ways	ton	32	14,516	304	18,926	10,955	171	11,628	11,507
Designated waste	ton	96,579	434,360	108,491	464,957	65,126	106,581	496,674	71,466
Recycled	ton	59,344	418,759	58,307	444,934	60,192	60,447	483,944	62,789
Incinerated	ton	16,546	1,069	8,691	1,098	256	9,383	1,102	2,526
Landfilled	ton	20,657	16	41,188	0	2,555	36,580	0	3,753
Other ways	ton	32	14,516	304	18,926	2,123	171	11,628	2,397
General waste	ton	19,020,111	1,883,199	19,415,479	1,782,726	11,125	20,097,155	1,716,832	78,239
Recycled	ton	18,727,813	1,879,505	19,184,692	1,778,712	2,257	19,890,828	1,712,691	68,291
Incinerated	ton	45,485	3,695	43,342	4,014	0	45,833	4,141	0
Landfilled	ton	246,813	0	187,445	0	36	160,494	0	840
Other ways	ton	0	0	0	0	8,832	0	0	9,110
Waste generated intensity [2] per crude steel production	ton/ton	0.56	0.52	0.55	0.53	N/A	0.58	0.52	N/A
Percentage of waste recycled	%	98.3	99.2	98.6	98.9	81.9	98.8	99.2	87.6

1) 2022 and 2023 data adjusted to correct aggregation errors (including subordinated items)

2) Re-rolling mills and processing centers excluded from intensity calculations as they do not produce crude steel

Water (Domestic&Overseas)

Water	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Total water withdrawal	ton	145,115,608	13,708,923	153,645,403	15,115,560	2,051,931	156,026,930	14,794,159	3,405,962
Municipal water	ton	0	9,536,820	0	10,825,856	2,051,931	0	10,666,070	3,392,906
Surface water	ton	108,957,548	4,172,103	115,497,855	4,289,704	0	119,307,357	4,128,089	0
Groundwater	ton	3,451,420	0	4,154,290	0	0	4,556,880	0	13,056
Desalinated water	ton	3,608,003	0	5,044,618	0	0	2,992,678	0	0
Reused municipal wastewater	ton	29,098,637	0	28,948,640	0	0	29,170,015	0	0
Total water withdrawal in regions with 'High' baseline water stress 1)	ton	0	0	84,054,014	9,685,311	518,177	87,319,386	9,395,856	646,033
Total water withdrawal in regions with 'Extremely High' baseline water stress	ton	0	0	0	0	0	0	0	55,465
Total water withdrawal intensity 2) per crude steel production	ton/ton	4.24	3.1	4.31	3.55	N/A	4.45	3.49	N/A
Total water consumed	ton	73,375,512	10,036,479	72,416,383	11,355,436	1,697,599	71,802,801	10,720,508	2,484,642
Total water consumed in regions with 'High' baseline water stress 3)	ton	0	0	38,181,117	7,270,732	163,845	37,013,437	6,674,782	305,494
Total water consumed in regions with 'Extremely High' baseline water stress	ton	0	0	0	0	0	0	0	51,902
Total wastewater discharge	ton	71,740,096	3,672,444	81,229,020	3,760,124	354,332	84,224,129	4,123,651	921,320
Total recycled/reused water	ton	44,625,210	1,796,870	40,390,660	1,669,314	750,455	37,206,622	1,948,296	1,173,019
Percentage of total recycled/reused water	%	23.5	11.6	20.8	9.9	26.8	19.3	11.6	25.6

1) 2023 data adjusted to correct aggregation errors

2) Re-rolling mills and processing centers excluded from intensity calculations as they do not produce crude steel

3) 2023 POSCO data adjusted to reflect a change in the aggregation method

S(Social)

Work-Related Accident (Domestic&Overseas)

Work-Related Accident	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Lost Time Injury Rate (LTIR)	Person/ 200,000 hours	0.19	0.02	0.07	0.02	0.03	0.17	0.04	0.04
Employee LTIR	Person/ 200,000 hours	0.11	0.04	0.03	0.02	0.00	0.19	0.05	0.05
Contractor LTIR	Person/ 200,000 hours	0.25	0.00	0.10	0.03	0.05	0.14	0.03	0.03
Lost Time Injury Frequency Rate (LTIFR)	Person/ 1,000,000 hours	0.93	0.08	0.35	0.12	0.13	0.83	0.19	0.20
Employee LTIFR	Person/ 1,000,000 hours	0.56	0.19	0.17	0.09	0.00	0.94	0.27	0.24
Contractor LTIFR	Person/ 1,000,000 hours	1.26	0.00	0.50	0.14	0.26	0.72	0.13	0.14
Total Recordable Injury Rate (TRIR)	Person/ 200,000 hours	0.35	0.03	0.33	0.06	0.16	0.36	0.09	0.35
Employee TRIR	Person/ 200,000 hours	0.27	0.08	0.35	0.07	0.17	0.39	0.09	0.41
Contractor TRIR	Person/ 200,000 hours	0.41	0.00	0.32	0.06	0.15	0.33	0.09	0.29
Total Recordable Injury Frequency Rate (TRIFR)	Person/ 1,000,000 hours	1.73	0.17	1.67	0.31	0.80	1.81	0.46	1.77
Employee TRIFR	Person/ 1,000,000 hours	1.37	0.38	1.76	0.36	0.84	1.96	0.45	2.06
Contractor TRIFR	Person/ 1,000,000 hours	2.06	0.00	1.59	0.28	0.77	1.65	0.46	1.43
Fatality rate per 10,000 workers	‱	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employee fatality rate per 10,000 workers	‱	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contractor fatality rate per 10,000 workers	‱	0.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Employee accidents									
Number of employee Lost Time Injuries (LTI)	Person	20	2	6	1	0	33	3	2
Number of employee Total Recordable Injuries (TRI)	Person	49	4	62	4	3	69	5	17
Number of employee Fatalities	Person	0	0	0	0	0	0	0	0
Number of employee Injuries	Person	14	0	4	1	0	25	3	1
Contractor accidents									
Number of contractor Lost Time Injuries (LTI)	Person	50	0	20	2	1	26	2	1
Number of contractor Total Recordable Injuries (TRI)	Person	82	0	64	4	3	60	7	10
Number of contractor Fatalities	Person	1	0	0	0	0	0	0	0
Number of contractor Injuries	Person	30	0	16	2	1	23	2	0

OHSMS Certification (Domestic&Overseas)

OHSMS Certification (Occupational Health and Safety Management System, ISO 45001 or OHSAS 18001 or KOSHA-MS)	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Percentage of worksites with OHSMS certification	%	100	100	100	100	100	100	100	93
Worksites requiring OHSMS certification	Site	2	3	2	3	2	2	3	14
Certified worksites with OHSMS	Site	2	3	2	3	2	2	3	13

Employee Status (Domestic&Overseas)

Employee Status [1]	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Total number of employees	Person	18,122	5,059	17,985	5,030	1,323	17,919	4,982	3,668
Executive level [2]	Person	67	6	67	6	5	65	5	6
By gender									
Male	Person	66	6	63	6	5	63	5	6
Female	Person	1	0	4	0	0	2	0	0
Percentage of female	%	1.5	0.0	6.0	0.0	0.0	3.1	0.0	0.0
By age group									
Under 30 years old	Person	0	0	0	0	0	0	0	0
30-50 years old	Person	0	1	0	1	2	0	1	3
Over 50 years old	Person	67	5	67	5	3	65	4	3
Employees excluding executive level	Person	18,055	5,053	17,918	5,024	1,318	17,854	4,977	3,662
By gender									
Male	Person	17,046	4,649	16,918	4,623	1,198	16,841	4,572	3,084
Female	Person	1,009	404	1,000	401	120	1,013	405	578
Percentage of female	%	5.6	8.0	5.6	8.0	9.1	5.7	8.1	15.8
By age group									
Under 30 years old	Person	3,035	1,583	3,241	1,270	253	3,139	896	696
30-50 years old	Person	7,353	3,229	7,472	3,502	881	7,873	3,859	2,699
Over 50 years old	Person	7,667	241	7,205	252	184	6,842	222	267
Managers (among employees excluding executive level)	Person	4,069	404	4,043	411	189	4,094	414	719
By gender									
Male	Person	3,998	360	3,972	368	170	4,013	369	614
Female	Person	71	44	71	43	19	81	45	105
Percentage of female	%	1.7	10.9	1.8	10.5	10.1	2.0	10.9	14.6
By age group									
Under 30 years old	Person	1	12	2	6	0	3	7	4
30-50 years old	Person	1,191	348	1,363	365	122	1,650	365	617
Over 50 years old	Person	2,877	44	2,678	40	67	2,441	42	98
Permanent employees	Person	17,107	4,686	16,926	4,636	1,305	16,784	4,528	3,486
By gender									
Male	Person	16,147	4,337	15,970	4,291	1,185	15,817	4,184	2,943
Female	Person	960	349	956	345	120	967	344	543
Percentage of female	%	5.6	7.4	5.6	7.4	9.2	5.8	7.6	15.6
Percentage of permanent employees	%	94.4	92.6	94.1	92.2	99.0	93.7	90.9	95.2

Contingent employees	Person	1,007	373	1,052	394	13	1,129	452	177
By gender									
Male	Person	957	319	1,004	338	13	1,081	391	142
Female	Person	50	55	48	56	0	48	61	35
Percentage of female	%	5.0	14.7	4.6	14.2	0.0	4.3	13.5	19.8
Percentage of contingent employees	%	5.6	7.4	5.9	7.8	1.0	6.3	9.1	4.8

1) 2022 and 2023 data adjusted to correct aggregation errors (including subordinated items)

2) Includes both registered and non-registered executives

New Hire (Domestic&Overseas)

New Hire	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Number of new employee hires 1)	Person	1,669	327	1,511	211	82	1,535	180	273
By gender									
Male	Person	1,580	278	1,452	182	78	1,447	138	219
Female	Person	89	49	59	29	4	88	42	54
Percentage of female	%	5.3	15.0	3.9	13.7	4.9	5.7	23.3	19.8
By age group									
Under 30 years old	Person	731	264	772	117	48	943	122	155
30-50 years old	Person	283	41	211	65	30	211	45	114
Over 50 years old	Person	655	22	528	29	4	381	13	4

1) 2022 and 2023 data adjusted to reflect a change in the aggregation method (including subordinated items)

Turnover (Domestic&Overseas)

Turnover	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Number of turnover [1]	Person	1,524	244	1,281	253	70	1,476	237	377
Turnover rate	%	8.4	4.8	7.1	5.0	5.3	8.2	4.8	10.3
Number of voluntary turnover	Person	528	226	348	225	65	405	162	213
Male	Person	479	188	326	198	59	375	138	180
Female	Person	49	38	22	27	6	30	24	33
Voluntary turnover rate	%	2.9	4.5	1.9	4.5	4.9	2.3	3.3	5.8
Number of involuntary turnover	Person	996	18	933	28	5	1,071	75	164
Retirement by age	Person	588	10	519	14	4	559	7	11
Redundancy	Person	0	4	0	11	0	0	0	3
Others	Person	408	4	414	3	1	512	68	150

1) 2022 and 2023 data adjusted to reflect a change in the aggregation method (including subordinated items)

QMS Certification (Domestic&Overseas)

QMS Certification (Quality Management System, ISO 9001 or IATF 16949)	Unit	2022		2023			2024		
		POSCO	Integrated Mill	POSCO	Integrated Mill	Re-Rolling Mill	POSCO	Integrated Mill	Re-Rolling Mill, Processing Center
Percentage of worksites with QMS certification	%	100	100	100	100	100	100	100	100
Worksites requiring QMS certification	Site	2	3	2	3	2	2	3	14
Certified worksites with QMS	Site	2	3	2	3	2	2	3	14

Appendix

Verification Opinion

Conclusion

We have performed a limited assurance engagement on whether the below Sustainability Information in the Sustainability Report ("Report") of POSCO (the "Company") as of the year ended 31 December, 2024 has been prepared in accordance with Criteria.

SMI	Period	Sustainability Report	Criteria
Global Reporting Initiative (GRI) Standards Index within the Report	As of the year ended 31 December, 2024	Overview > GRI Index	GRI Standards (Global Reporting Initiative)
ESG Data within the ESG Factbook	As of the year ended 31 December, 2024	Key data > ESG Factbook	POSCO Index

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that POSCO has not complied as of the year ended 31 December, 2024, in all material respects, with Criteria.

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI and our report.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1 'Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements', issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities for the SMI

Management of Company is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the SMI such that they are free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations

The preparation of sustainability information requires management to establish or interpret the applicable criteria, determine the relevance of information to be included, and develop estimates and assumptions that affect the reported information. Entities may apply different but acceptable interpretations, judgments, and estimations. Sustainability information includes details about the company’s environmental, social, and governance (ESG) initiatives and goals, the anticipated future impact of events that have occurred or are expected to occur, and information regarding commitments and uncertainties. Actual results may differ significantly from management’s current assessments, as events and circumstances often do not unfold as expected.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the management.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- Understand the systems and processes in place for managing and reporting the Identified Sustainability Information
- Review documents and interview with the personnel relevant to the risk assessment process and materiality assessment
- Interview with the personnel responsible for internal reporting and data collection regarding POSCO’s Identified Sustainability Information to understand their approaches to manage material issues
- Review the underlying data for sustainability information related to material issues
- Perform inquiries and analytical reviews on the SMI
- Performed limited verification procedures on the data related to the SMI
- Verify that the financial information presented in the report is consistent with the audited financial statements of the company
- Assess whether the information presented in the report is consistent with our overall knowledge and experience of the company's sustainability performance

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

KPMG Samjong Accounting Corp.

Seoul, Korea
June 25, 2025

This report is effective as of 25 June, 2025, the assurance report date. Certain subsequent events or circumstances, which may occur between the assurance report date and the time of reading this report, could have a material impact on the Company’s Sustainability Report. Accordingly, the readers of the assurance report should understand that the above assurance report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

GV-25224

Verification Opinion Statement

GHG Emissions Verification

POSCO Corporation

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of GHG Report of POSCO Corporation[1] (hereinafter 'Company') for 2024.

1) Address (based on headquarters) : 6261, Donghaean-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do, the Republic of Korea

Verification Purpose

The purpose is to ensure the reliability of the company's GHG Report in relation to the operation of the Emissions Trading Scheme.

Verification Scope

KFQ's verification covered all facilities and emission sources under the operational control and organizational boundary of Company during 2024.

Verification Criteria

The verification process was based on [Rule for emission reporting and certification of GHG emission trading Scheme[1]], [Rules for verification of operating the GHG emission trading scheme[2]] and [ISO14064-3] for every applicable part.

1) Notification No. 2025-28 of Ministry of Environment 2) Notification No. 2024-169 of Ministry of Environment

Level of Assurance

The Verification has been planned and conducted as the 'Rules for verification of operating the GHG emission trading scheme', and the level of assurance for verification shall be satisfied as reasonable level of assurance. And it was confirmed through an internal review whether the entire process of verification was conducted effectively.

Verification Limitation

The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions

KFQ present the following conclusions regarding the GHG emissions data included in the GHG Report.

1) GHG emissions have been appropriately calculated according to the "Rule for emission reporting and certification of GHG emission trading Scheme" and "ISO14064-1" methodologies.
2) The materiality assessment result of GHG emissions has satisfied the criteria for an organization that emits more than 5,000,000 tCO_2-eq by meeting less than 2% of the total emissions.
3) Thus, KFQ concludes that GHG Emissions of Company in 2024 is correctly calculated and reported in accordance with "Rule for emission reporting and certification of GHG emission trading Scheme".

Unit : tCO_2eq

Scope 1	Scope 2	Total
69,665,352.834	1,399,824.67	71,065,170

* The totals in this verification statement do not match the totals in emission trading scheme because the total emissions of each facility are calculated by truncating to integer units

June 18th, 2025

Ji Young Song

CEO Ji-Young Song
Korean Foundation for Quality

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kfq Korean Foundation for Quality

QA1500-05-GI(2)

GI-25269

Verification Opinion Statement

GHG Emissions Verification

POSCO Corporation

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of '2024 Quantity of GHG emissions(Scope3) and Avoided GHG emissions' of POSCO Corporation[1)] (hereinafter 'Company') for 2024. KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

1) Address (based on headquarters) : 6261, Donghaean-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do, the Republic of Korea

Verification Purpose

The purpose is to provide an independent verification opinion on the company's GHG emissions(Scope3) and Avoided GHG emissions.

Verification Scope

The scope of verification under the Company's operational control is as follows:

1) Scope3 emissions : Category 1, 2, 3, 4, 5, 6, 7, 9, 13, 15
2) Avoided GHG emissions : High-strength automotive steel sheets, Low core loss electrical steel, Blast furnace slag

Verification Criteria

The following criteria and coefficients used by the company were applied.

- GHG emissions(Scope3)
  - WBCSD/WRI, Corporate Value Chain (Scope 3) Accounting and Reporting Standard
  - ISO14064-1:2018
  - GHG Protocol Corporate Standard
  - ISO14064-3:2019
- Emission factor
  - Upstream emissions information disclosed by raw material suppliers
  - LCA information for 'Environmental Product Declaration' products
  - Environmental Product Declaration evaluation coefficient (2021)
  - GHG emission calculator tool (UNFCCC)
  - ICAO calculator
- Avoided GHG emissions
  - Internal calculation criteria of the Company

Level of Assurance

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the limited verification level.

Verification Limitation

GHG emissions(Scope3) and Avoided GHG emissions verification involves inherent limitations that may arise depending on the organization's data characteristics, calculations and estimates, sampling method, and limited assurance level. Additionally, this verification does not include responsibility for the accuracy of the original data provided by the company.

Conclusion

Based on the criteria and guidelines stated above, KFQ's verification opinion is as follows.

1) The Company's "2024 GHG emission (Scope3) and Avoided GHG Emissions" was appropriately calculated according to the "Technical Guidance for Calculation Scope 3 Emission (Greenhouse Gas Protocol)" and internal standards.
2) The criteria and process established by the company for calculating GHG emissions were transparently documented in the internal calculation process to prevent potential misunderstandings.
3) It was confirmed that the internal criteria of Avoided GHG Emissions maintains consistency and accuracy in its' internal criteria. Parts of activity data and parameters in the process of reduction effects calculation were assumed based on conservative principles to prevent overestimation of the reduction.

June 17, 2025

Appendix A. Summary of Scope3 GHG Emission Results

Ji Young Song

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Korean Foundation for Quality

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QA1500-05-GI(2)

GI-25269

Appendix A. Summary of Scope 3 GHG Emission Results

Organization
POSCO Corporation

Emission calculation period
The emission calculation period is from January 1st to December 31st, 2024.

Company Scope 3 Emissions verification Results

Unit : tCO_2eq

Criteria		Emissions
GHG Emission (Scope3)	Purchased goods and services	2,170,214
	Capital goods	939
	Fuel-and energy-related activities (not included in scope1 or scope2)	735,200
	Upstream transportation & distribution	1,949,126
	Waste generated in operations	189,643
	Business travel	1,895
	Employee commuting	7,924
	Downstream transportation & distribution	28,695
	Downstream leased assets	1,935,128
	Investments	198,023
	Total	7,216,788
Avoided GHG Emissions	High-strength automotive steel sheets	1,841,026
	Low core loss electrical steel	4,738,646
	Blast furnace slag	6,099,307
	Total	12,678,980

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Korean Foundation for Quality

QA1500-05-GI(2)

GRI Index

GRI	No.	Indicator	POSCO Response
GRI 2: General Disclosures	2-1	Organizational details	POSCO Business Report
	2-2	Entities included in the organization's sustainability reporting	About This Report
	2-3	Reporting period, frequency and contact point	About This Report
	2-4	Restatements of information	About This Report
	2-5	External assurance	Verification Opinion
	2-6	Activities, value chain and other business relationships	POSCO Holdings Steel
	2-7	Employees	ESG Factbook > S (Social)
	2-8	Workers who are not employees	ESG Factbook > S (Social)
	2-9	Governance structure and composition	Board of Directors > Composition
	2-10	Nomination and selection of the highest governance body	Board of Directors > Corporate Governance Charter
	2-11	Chair of the highest governance body	Board of Directors > Corporate Governance Charter
	2-12	Role of the highest governance body in overseeing the management of impacts	Board of Directors > Corporate Governance Charter
	2-13	Delegation of responsibility for managing impacts	Board of Directors > Corporate Governance Charter
	2-14	Role of the highest governance body in sustainability reporting	Board of Directors > Specialized Committees
	2-15	Conflicts of interest	Board of Directors > Corporate Governance Charter
	2-16	Communication of critical concerns	Board of Directors > Specialized Committees
	2-17	Collective knowledge of the highest governance body	Board of Directors > Independence, Expertise, and Transparency
	2-18	Evaluation of the performance of the highest governance body	Board of Directors > Remuneration Policy
	2-19	Remuneration policies	Board of Directors > Remuneration Policy
	2-20	Process to determine remuneration	Board of Directors > Remuneration Policy
	2-22	Statement on sustainable development strategy	Board of Directors > Corporate Governance Charter Board of Directors > Risk Management
	2-23	Policy commitments	Board of Directors > Corporate Governance Charter
	2-24	Embedding policy commitments	Board of Directors > Corporate Governance Charter
	2-25	Processes to remediate negative impacts	Board of Directors > Risk Management
	2-26	Mechanisms for seeking advice and raising concerns	Human Rights > Grievance Handling Ethical Management > Diagnostics and Measures
	2-27	Compliance with laws and regulations	ESG Factbook > E (Environmental) ESG Factbook > G (Governance)
	2-28	Membership of associations	Key Data
	2-29	Approach to stakeholder engagement	Board of Directors > Specialized Committees
	2-30	Collective bargaining agreements	Talent Management & Culture > Beneficial Labor-Management Relations

GRI	No.	Indicator	POSCO Response
GRI 3: Material Topics	3-1	Process to determine material topics	Double Materiality Assessment
	3-2	List of material topics	Double Materiality Assessment
	3-3	Management of material topics	Double Materiality Assessment
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	ESG Factbook
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Action
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Social Contribution
	203-2	Significant indirect economic impacts	Social Contribution > Performance
GRI 205:Anti-corruption	205-1	Operations assessed for risks related to corruption	Ethical Management > Diagnostics and Measures
	205-2	Communication and training about anti-corruption policies and procedures	ESG Factbook > S (Social)
	205-3	Confirmed incidents of corruption and actions taken	ESG Factbook > G (Governance)
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG Factbook > G (Governance) Ethical Management
GRI 207: Tax	207-1	Approach to tax	Board of Directors > Tax Risk
	207-2	Tax governance, control, and risk management	Board of Directors > Tax Risk
	207-3	Stakeholder engagement and management of concerns related to tax	Board of Directors > Tax Risk
GRI 301: Materials	301-2	Recycled input materials used	Climate Action > Roadmap
GRI 302: Energy	302-1	Energy consumption within the organization	ESG Factbook > E (Environmental)
	302-3	Energy intensity	ESG Factbook > E (Environmental)
	302-4	Reduction of energy consumption	ESG Factbook > E (Environmental)
	302-5	Reductions in energy requirements of products and services	Climate Action > Energy
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	Water Resources > Water Conservation
	303-2	Management of water discharge-related impacts	Water Resources > Water Conservation
	303-3	Water withdrawal	ESG Factbook > E (Environmental)
	303-4	Water discharge	ESG Factbook > E (Environmental)
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity > Assessment and Management
	304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity > Assessment and Management
	304-3	Habitats protected or restored	Biodiversity > Conservation and Enhancement
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity > Assessment and Management
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	ESG Factbook > E (Environmental)
	305-2	Energy indirect (Scope 2) GHG emissions	ESG Factbook > E (Environmental)
	305-3	Other indirect (Scope 3) GHG emissions	ESG Factbook > E (Environmental)
	305-4	GHG emissions intensity	ESG Factbook > E (Environmental)
	305-5	Reduction of GHG emissions	Climate Action > Roadmap
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESG Factbook > E (Environmental)

GRI	No.	Indicator	POSCO Response
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	Waste > Resource Circulation Biodiversity > Assessment and Management
	306-2	Management of significant waste-related impacts	Waste
	306-3	Waste generated	ESG Factbook > E (Environmental)
	306-4	Waste diverted from disposal	ESG Factbook > E (Environmental)
	306-5	Waste directed to disposal	ESG Factbook > E (Environmental)
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	ESG Factbook > E (Environmental)
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	SCM > ESG Due Diligence
	308-2	Negative environmental impacts in the supply chain and actions taken	SCM > ESG Due Diligence
GRI 401: Employment	401-1	New employee hires and employee turnover	ESG Factbook > S (Social)
	401-3	Parental leave	ESG Factbook > S (Social)
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	Safety > 9 Elements of the OH&S Management Key Data
	403-2	Hazard identification, risk assessment, and incident investigation	Safety
	403-3	Occupational health services	Health > Operational Status
	403-4	Worker participation, consultation, and communication on occupational health and safety	Safety > 9 Elements of the OH&S Management
	403-5	Worker training on occupational health and safety	Safety > Safety Performance
	403-6	Promotion of worker health	Health > Operational Status
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health > Operational Status
	403-8	Workers covered by an occupational health and safety management system	Safety > Operational Status
	403-9	Work-related injuries	ESG Factbook > S (Social) Health > Risk Management
	403-10	Work-related ill health	ESG Factbook > S (Social)
GRI 404: Training and Education	404-1	Average hours of training per year per employee	ESG Factbook > S (Social)
	404-2	Programs for upgrading employee skills and transition assistance programs	Talent Management & Culture > HR Policies
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Board of Directors > Independence, Expertise, and Transparency
	405-2	Ratio of basic salary and remuneration of women to men	Talent Management & Culture
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	ESG Factbook > G (Governance)
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	SCM > Responsible Minerals
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SCM > Responsible Minerals
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	Human Rights > Organization

GRI	No.	Indicator	POSCO Response
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Biodiversity
	413-2	Operations with significant actual and potential negative impacts on local communities	Biodiversity
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	SCM > ESG Due Diligence
	414-2	Negative social impacts in the supply chain and actions taken	SCM > ESG Due Diligence ESG Factbook > S (Social)

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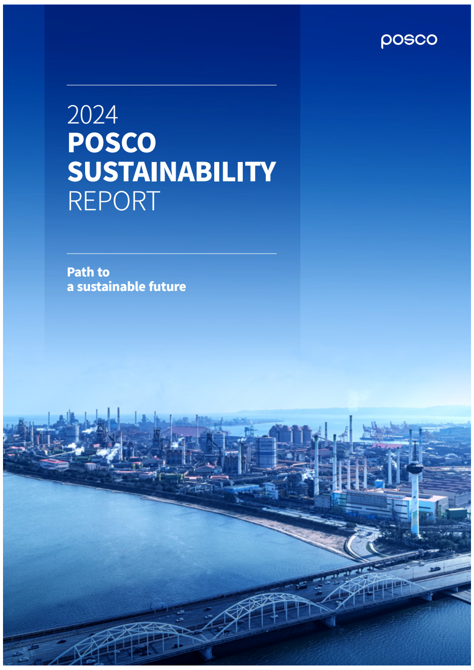

The 2024 POSCO Sustainability Report has been published on the Sustainability Report website (https://sustainability.posco.com), which contains all relevant information. This PDF is a compilation of the website's content. In the event of any discrepancies between the website and this PDF, the information on the website shall take precedence.

Contributing Departments

POSCO ESG Ambassadors
POSCO's 11 overseas subsidiaries
- PT. Krakatau POSCO (Indonesia), POSCO Zhangjiagang Pohang Stainless Steel (China), POSCO Yamato Vina Steel JSC (Vietnam), POSCO Thainox Public Company Ltd. (Thailand), POSCO Maharashtra Steel Private Ltd. (India), POSCO Mexico S.A. DE C.V. (Mexico), POSCO Vietnam (Vietnam), POSCO Mexico Puebla Processing Center S.A. de C.V. (Mexico), POSCO India Processing Center Private Ltd. (India), POSCO China (Fushan) Processing Center (China), POSCO (Suzhou) Automotive Processing Center Co. Ltd. (China)

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