

POSCO CORPORATE CITIZENSHIP
REPORT 2021

ESG Factbook



Green Tomorrow,  with POSCO



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Environment

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 |
|------------------------|--------------|--------|--------|--------|--------|
| Crude steel production | thousand ton | 37,735 | 38,007 | 35,935 | 38,263 |

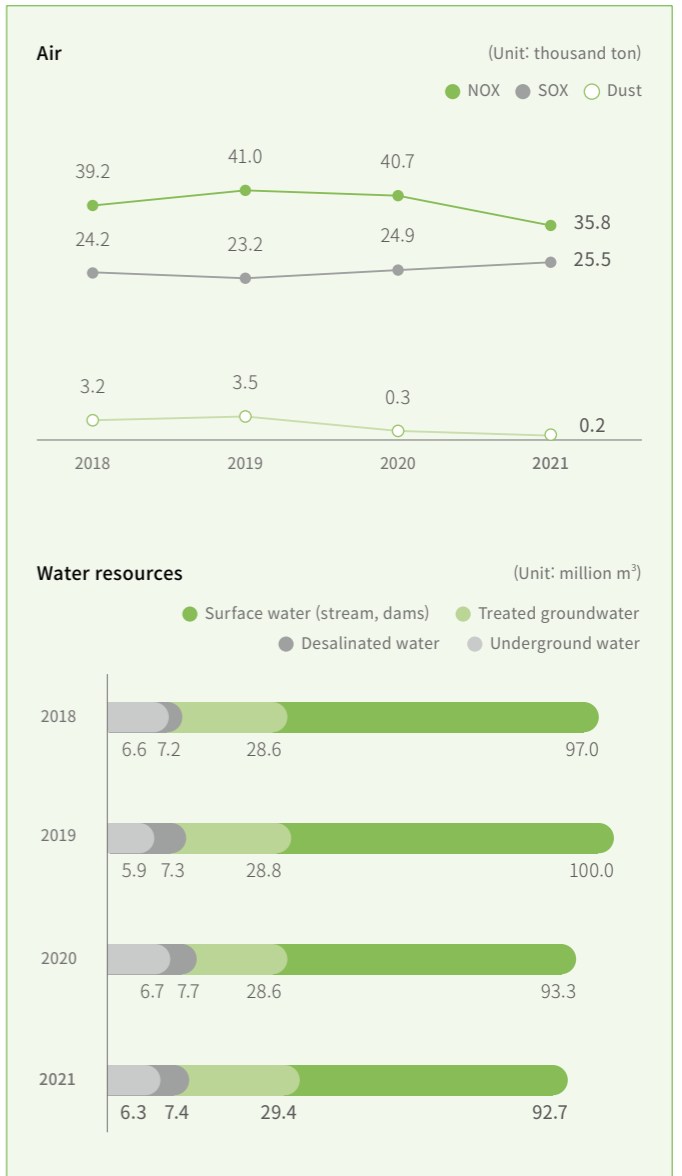
| Air ¹⁾ | Unit | 2018 | 2019 | 2020 | 2021 |
|-----------------------------------|------------------|------|------|------|------|
| Dust emissions = TSP | thousand ton | 3.2 | 3.5 | 0.3 | 0.2 |
| Dust intensity (production based) | kg/t-crude steel | 0.09 | 0.09 | 0.01 | 0.01 |
| NOx emissions | thousand ton | 39.2 | 41.0 | 40.7 | 35.8 |
| NOx intensity (production based) | kg/t-crude steel | 1.04 | 1.08 | 1.13 | 0.94 |
| Sox emissions | thousand ton | 24.2 | 23.2 | 24.9 | 25.5 |
| SOx intensity (production based) | kg/t-crude steel | 0.64 | 0.61 | 0.69 | 0.67 |

1) With the enforcement of the 'Special Act on Air Environment Improvement in Air Management Areas' of the Republic of Korea, the facilities subject to air pollutant emission calculation have been modified since 2020.

| Water resources | Unit | 2018 | 2019 | 2020 | 2021 |
|--|------------------------|-------|-------|-------|-------|
| Total water intake | million m ³ | 139.5 | 142.0 | 136.4 | 135.8 |
| Treated groundwater | million m ³ | 28.6 | 28.8 | 28.6 | 29.4 |
| Desalinated water | million m ³ | 7.2 | 7.3 | 7.7 | 7.4 |
| Surface water (stream, dams) | million m ³ | 97.0 | 100.0 | 93.3 | 92.7 |
| Underground water | million m ³ | 6.6 | 5.9 | 6.7 | 6.3 |
| Water resource intensity (crude steel production based) | million m ³ | 3.7 | 3.7 | 3.8 | 3.5 |
| Total water resource consumption ²⁾ | million m ³ | 68.8 | 68.7 | 64.5 | 61.0 |
| Total stormwater wastewater discharge ³⁾ | million m ³ | 70.6 | 73.3 | 71.9 | 74.9 |
| Total Wastewater Recycled | million m ³ | 48.0 | 50.9 | 50.8 | 47.8 |
| Percentage of water withdrawn from regions with "High" or "Extremely High" baseline water stress | million m ³ | - | - | - | - |
| Percentage of water consumed in regions with "High" or "Extremely High" baseline water stress | million m ³ | - | - | - | - |

2) Total water consumption equals total water withdrawal minus wastewater discharge per GRI Standards.

3) Total amount of wastewater under final treatment at worksites and discharged into the sea





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| Waste | Unit | 2018 | 2019 | 2020 | 2021 |
|--|------|------------|------------|------------|------------|
| Total waste generated ¹⁾ | ton | 11,295,560 | 16,713,940 | 21,974,695 | 21,806,614 |
| Total waste recycled | ton | 10,892,423 | 16,332,607 | 21,662,956 | 21,509,991 |
| Total waste disposed (incineration and landfill) | ton | 403,137 | 381,333 | 311,739 | 296,624 |
| Percentage of hazardous waste | % | 0.9 | 0.6 | 0.4 | 0.4 |

1) Reflecting the government's interpretation of waste in 2019, POSCO converted the granulated slag production facility into a waste recycling facility and reported the amount of granulated slag that was not included in waste by 2018.

| Resource circulation | Unit | 2018 | 2019 | 2020 | 2021 |
|---|--------------------|------------|------------|------------|------------|
| Recycled blast furnace slag | ton | 12,239,298 | 12,450,191 | 11,998,028 | 12,441,549 |
| Granulated blast furnace slag | ton | 10,728,377 | 10,625,781 | 10,810,459 | 11,243,762 |
| Cement industry use | ton | 259,484 | 260,406 | 277,349 | 210,938 |
| Other uses such as fertilizer | ton | 259,484 | 260,406 | 277,349 | 210,938 |
| Palletized slag | ton | 1,251,437 | 1,564,005 | 910,220 | 986,849 |
| CO ₂ reduction from slag re-use in the cement industry ²⁾ | tCO ₂ e | 8,392 | 8,311 | 8,486 | 7,651 |
| Ratio of recycling production residue and by-products | % | 98.3 | 98.3 | 98.8 | 98.6 |

2) Calculated by assuming that 1 ton of clinker is replaced with 1 ton of granulated blast-furnace slag for 2018-2020. From 2021, we adjusted CO₂ reduction effect by assuming that 1 ton of Portlan cement, assumption of 85% clinker, is replaced with 1 ton of granulated blast-furnace slag

| Management | Unit | 2018 | 2019 | 2020 | 2021 |
|---|-------------|------|------|------|-------|
| Percentage of ISO 50001 certified (Energy Management System) | % | 100 | 100 | 100 | 100 |
| Number of certified worksites | count | 2 | 2 | 2 | 2 |
| Number of certification-target worksites | count | 2 | 2 | 2 | 2 |
| Percentage of ISO 14001 certified (Environmental Management System) | % | 100 | 100 | 100 | 100 |
| Number of certified worksites | count | 2 | 2 | 2 | 2 |
| Number of certification target worksites | count | 2 | 2 | 2 | 2 |
| Number of environmental law violations ³⁾ | case | 10 | 8 | 5 | 4 |
| Amount of green purchases ⁴⁾ | million USD | 352 | 368 | 330 | 2,661 |

3) Number of environmental law violations disclosed based on the POSCO business report

4) Green Purchasing: Purchase amount of eco-friendly raw materials, facilities, and materials in terms of 3R (Recycle, Reduce, Reuse)*.

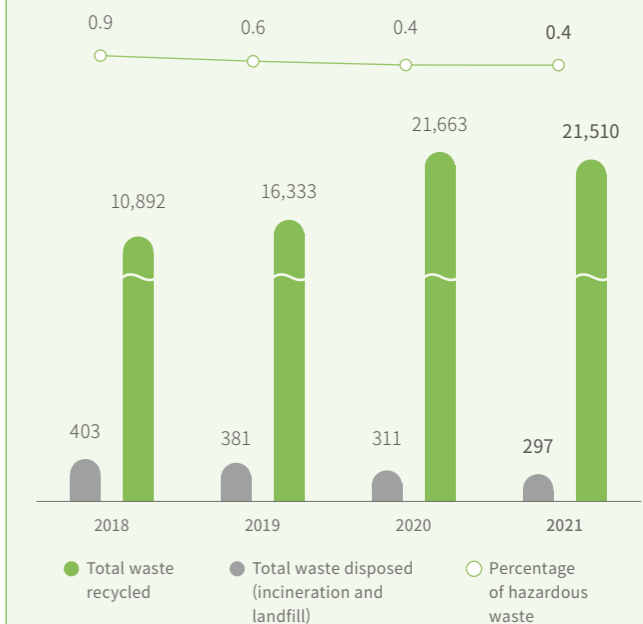
The amount of green purchasing of 2021 increased mainly due to new items such as ferrous scrap, and the values of 2018-2020 were adjusted with annual average exchange rates USD to KRW.

* Recycle: Collection and utilization of discarded resources such as iron and STS scrap

Reduce: Manufacturing by suppliers such as ECO refractories and low-ash coals – products that reduce harmful substances such as CO₂ in the process of using our company's services and eco-friendly certified products

Reuse: Products that contribute to the reduction of new purchases, such as through material recycling

Total waste generated and Percentage of hazardous waste (Unit: thousand ton, %)



Waste Treatment Details (Unit: tons)

| Category | 2018 | 2019 | 2020 | 2021 |
|--------------|----------------|----------------|----------------|----------------|
| Landfill | 340,308 | 326,410 | 246,431 | 236,196 |
| Incineration | 62,829 | 54,923 | 64,985 | 60,302 |
| Others | - | - | 323 | 126 |
| Total | 403,137 | 381,333 | 311,739 | 296,624 |



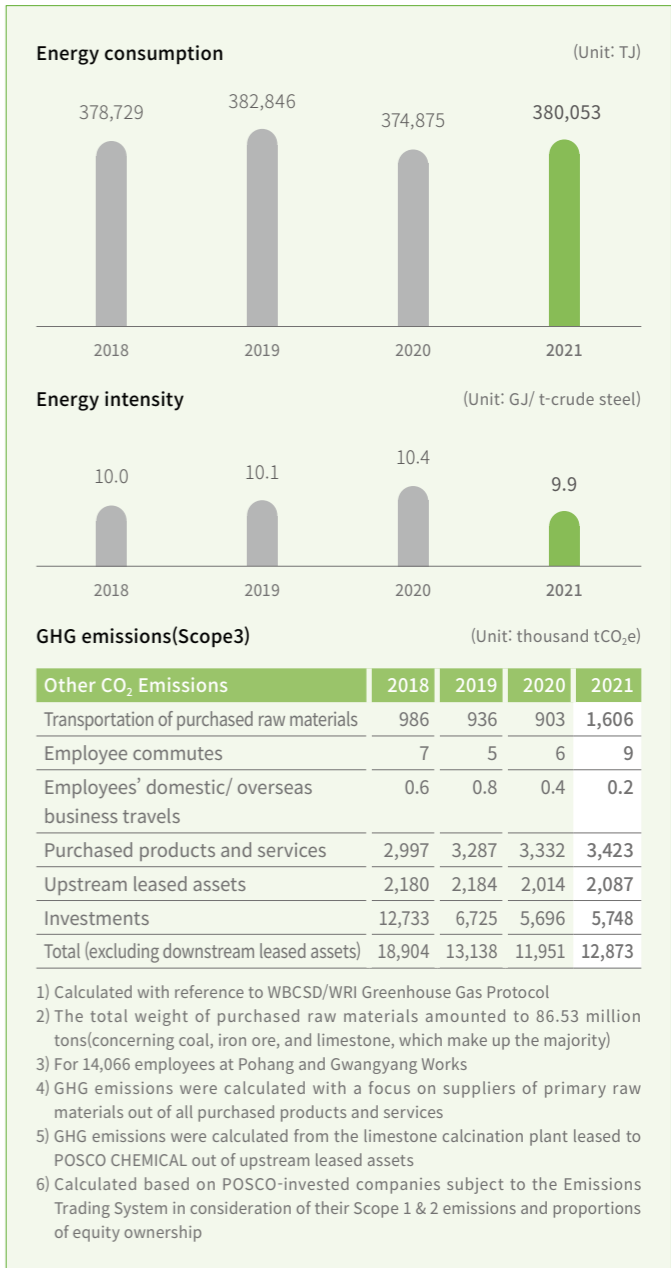
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| Energy | | Unit | 2018 | 2019 | 2020 | 2021 |
|--|---------------------------|-------------------|-------------|-------------|-------------|-------------|
| Energy consumption | | GJ | 378,728,730 | 382,845,859 | 374,874,610 | 380,052,799 |
| Direct energy | Natural gas | GJ | 41,384,234 | 45,885,941 | 52,692,024 | 41,270,222 |
| | Diesel | GJ | 170,094 | 183,292 | 179,288 | 185,423 |
| | Gasoline | GJ | 10,866 | 12,732 | 8,347 | 4,587 |
| | Vehicle LPG | GJ | 167 | 132 | 62 | 34 |
| Indirect energy | Electricity ¹⁾ | GJ | 8,545,433 | 6,300,216 | 4,480,025 | 10,746,994 |
| Renewable energy | | GJ | 119 | 219 | 318 | 270 |
| On-site energy recovery and reuse | Waste heat | GJ | - | - | - | - |
| | By-product gas | GJ | 328,617,817 | 330,463,327 | 317,514,546 | 327,845,269 |
| Energy intensity (production based) | | GJ/ t-crude steel | 10.0 | 10.1 | 10.4 | 9.9 |
| Percentage of natural gas in energy use | | % | 87 | 86 | 85 | 86 |
| Percentage of electricity in energy use | | % | 11 | 12 | 14 | 11 |
| Percentage of by-product gas in energy use | | % | 2 | 2 | 1 | 3 |
| Renewable energy sales | | GJ | 16,135 | 16,012 | 16,287 | 13,840 |

1) Power purchased from external grid

| GHG | | Unit | 2018 | 2019 | 2020 | 2021 |
|---|--|------------------------|------------|------------|------------|------------|
| GHG emissions(Scope1 & 2) ²⁾ | | tCO ₂ e | 78,498,443 | 80,263,890 | 75,649,882 | 78,490,205 |
| Scope 1 (direct emissions) | | tCO ₂ e | 77,391,479 | 79,447,924 | 75,069,656 | 77,101,095 |
| Scope 2 (indirect emissions) | | tCO ₂ e | 1,106,964 | 815,966 | 580,226 | 1,389,117 |
| GHG emissionsScope3) | | tCO ₂ e | 18,903,000 | 13,139,000 | 11,951,000 | 12,872,905 |
| GHG intensity (production based) | | tCO ₂ e/ton | 2.08 | 2.11 | 2.11 | 2.05 |

2) Due to the problem on handling the decimal point, there is a slight difference between combined value of Scope 1&2 and adding up by business worksites.





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Society

| Safety | Unit | 2018 | 2019 | 2020 | 2021 |
|--|---------|-------------|-------------|-------------|--------------|
| Injured employees (total) | persons | 18 | 21 | 21 | 20 |
| Injured employees (direct employees) | persons | 6 | 13 | 12 | 7 |
| Injured employees (contractors) | persons | 12 | 8 | 9 | 13 |
| Injury rate (total) | % | 0.06 | 0.07 | 0.07 | 0.06 |
| Injury rate (direct employees) | % | 0.04 | 0.07 | 0.07 | 0.04 |
| Injury rate (contractors) | % | 0.09 | 0.06 | 0.06 | 0.08 |
| Fatalities (total) | persons | 5 | 2 | 4 | 1 |
| Fatalities (direct employees) | persons | 0 | 2 | 2 | 0 |
| Fatalities (contractors) | persons | 5 | 0 | 2 | 1 |
| Fatality rate (total) | % | 0.02 | 0.01 | 0.01 | 0.003 |
| Fatality rate (direct employees) | % | 0.00 | 0.12 | 0.12 | 0.00 |
| Fatality rate (contractors) | % | 0.04 | 0.00 | 0.01 | 0.01 |
| Percentage of ISO 45001 certified (health and safety management system) (Total) | % | 100 | 100 | 100 | 100 |
| Number of certified worksites | count | 2 | 2 | 2 | 2 |
| Number of certification target worksites | count | 2 | 2 | 2 | 2 |

1) The standards for direct employees and primary contractors were prepared to match the method of calculating indicators such as lost time injuries. The number of casualties in each year, including direct employees and all contractors is as follows.

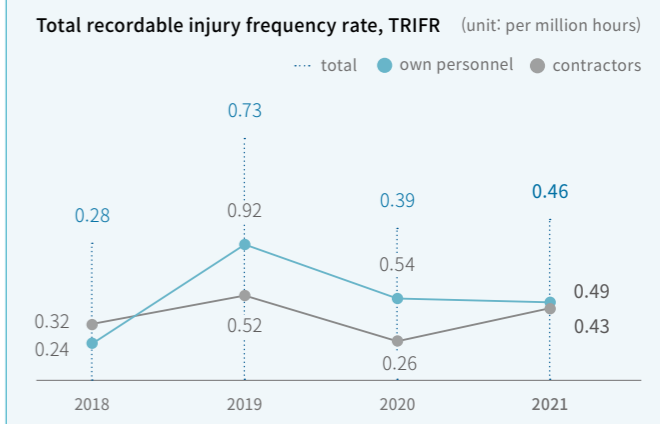
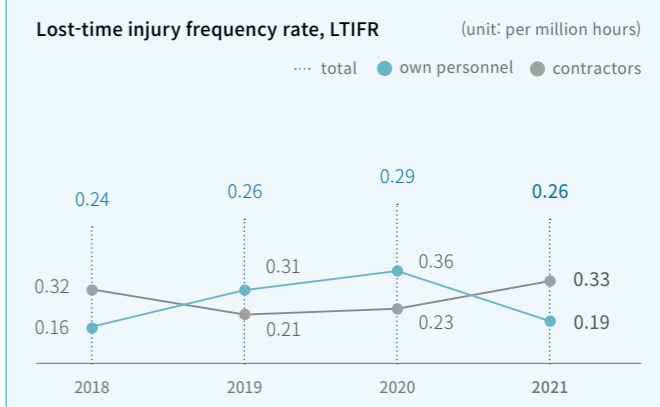
| 2018 | 2019 | 2020 | 2021 |
|------|------|------|------|
| 18 | 28 | 26 | 22 |

2) The standards for direct employees and primary suppliers were prepared to match the calculation method of indicators such as fatality rate. The number of deaths in each year including direct employees and all contractors is as follows.

| 2018 | 2019 | 2020 | 2021 |
|------|------|------|------|
| 5 | 3 | 5 | 1 |

3) The figures from the 2020 Corporate Citizenship Report differ due to a change in the statistical standards of LTIFR and TRIFR from the number of incidents to the number of injuries.

The lost-time injury frequency rate and total recordable injury frequency rate for POSCO worksite locations according to the accident management criteria of Korea are as follows:



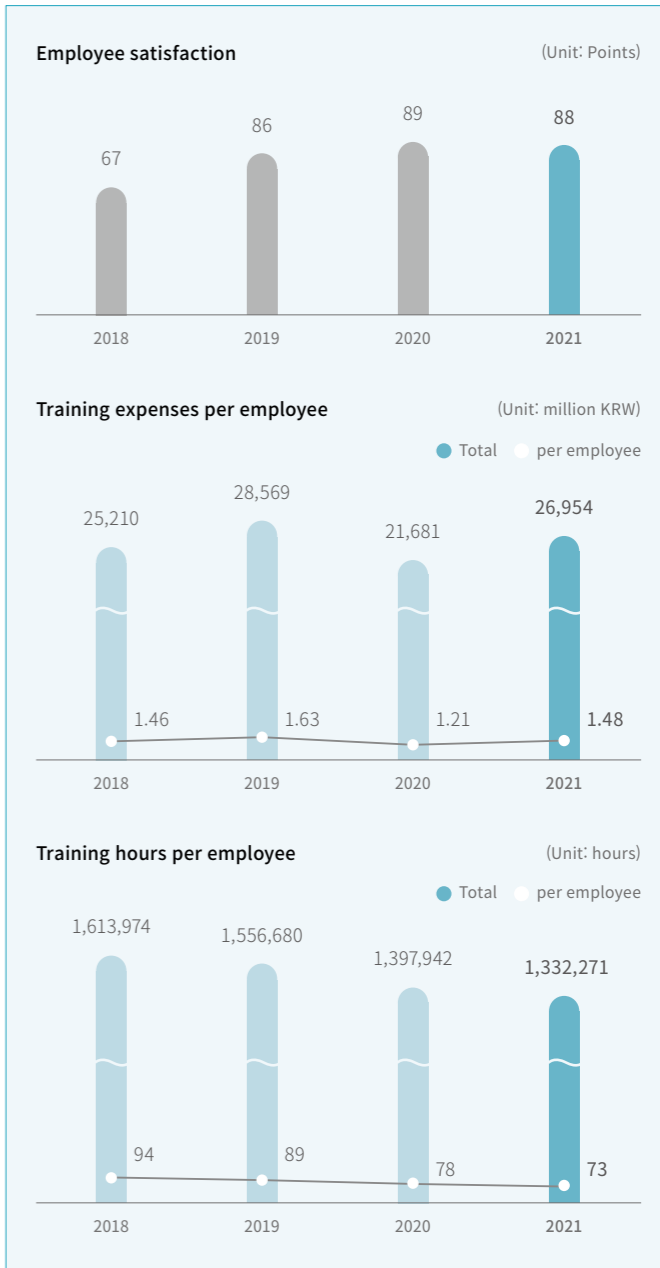


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| HR | Unit | 2018 | 2019 | 2020 | 2021 |
|--|--------------------------|---------------|---------------|---------------|---------------|
| Total number of employees | persons | 17,221 | 17,574 | 17,937 | 18,252 |
| Total number of executives | persons | 71 | 71 | 74 | 79 |
| Total number of employees | persons | 17,150 | 17,503 | 17,863 | 18,173 |
| Number of permanent employees | persons | 16,899 | 17,299 | 17,665 | 17,559 |
| Number of temporary employees | persons | 251 | 204 | 198 | 614 |
| Continuous years of service | years | 19.9 | 19.6 | 19.1 | 19.0 |
| Number of new hires | persons | 886 | 1,026 | 701 | 1,192 |
| Percentage of open positions filled by internal candidates | % | 99.8 | 98.3 | 99.3 | 97.2 |
| Recruitment cost | KRW | 756,146,931 | 1,074,507,644 | 902,484,594 | 1,236,268,814 |
| Voluntary resignation rate | % | 1.67 | 1.69 | 1.26 | 2.04 |
| Total turnover | persons | 660 | 669 | 817 | 1,070 |
| Number of retirees | persons | 356 | 355 | 578 | 691 |
| Manager turnover rate | % | 1.21 | 1.37 | 1.37 | 2.21 |
| Employee satisfaction | Points (100-point scale) | 67 | 86 | 89 | 88 |
| Number of strikes exceeding one week in duration | cases | - | - | - | - |

| Training | Unit | 2018 | 2019 | 2020 | 2021 |
|--|-------------|-------------|-------------|-------------|-------------|
| Training expenses per employee | million KRW | 1.46 | 1.63 | 1.21 | 1.48 |
| Total employee training costs (education and training costs) | million KRW | 25,210 | 28,569 | 21,681 | 26,954 |
| Training hours per employee | hours | 94 | 89 | 78 | 73 |
| Total training hours | hours | 1,613,974 | 1,556,680 | 1,397,942 | 1,332,271 |

| Pension Subsidies | Unit | 2018 | 2019 | 2020 | 2021 |
|--|-------------|--------|--------|--------|--------|
| National pension (company contribution) | million KRW | 41,465 | 43,230 | 44,937 | 45,921 |
| Personal pension subsidies | million KRW | 5,625 | 2,803 | 2,732 | 2,603 |
| Number of personal pension beneficiaries | persons | 6,759 | 4,354 | 4,197 | 4,074 |





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| Diversity ¹⁾ | Unit | 2018 | 2019 | 2020 | 2021 |
|---|------|------|------|------|------|
| Percentage of female employees²⁾ | % | 4.9 | 5.0 | 5.2 | 5.8 |
| Percentage of women in managerial positions or higher ³⁾ | % | 11.1 | 11.6 | 11.5 | 12.4 |
| Percentage of women in top management positions (including directors) | % | 1.3 | 2.6 | 3.7 | 2.5 |
| Percentage of females in junior managerial positions ⁴⁾ | % | 23.3 | 23.4 | 22.7 | 23.5 |
| Percentage of female employees in managerial positions in revenue-generating department ⁵⁾ | % | 15.4 | 18.1 | 19.3 | 22.6 |
| Percentage of female employees related to STEM ⁶⁾ | % | 8.0 | 7.6 | 7.5 | 9.3 |
| Percentage of employees with disabilities | % | 2.9 | 3.0 | 3.3 | 3.3 |

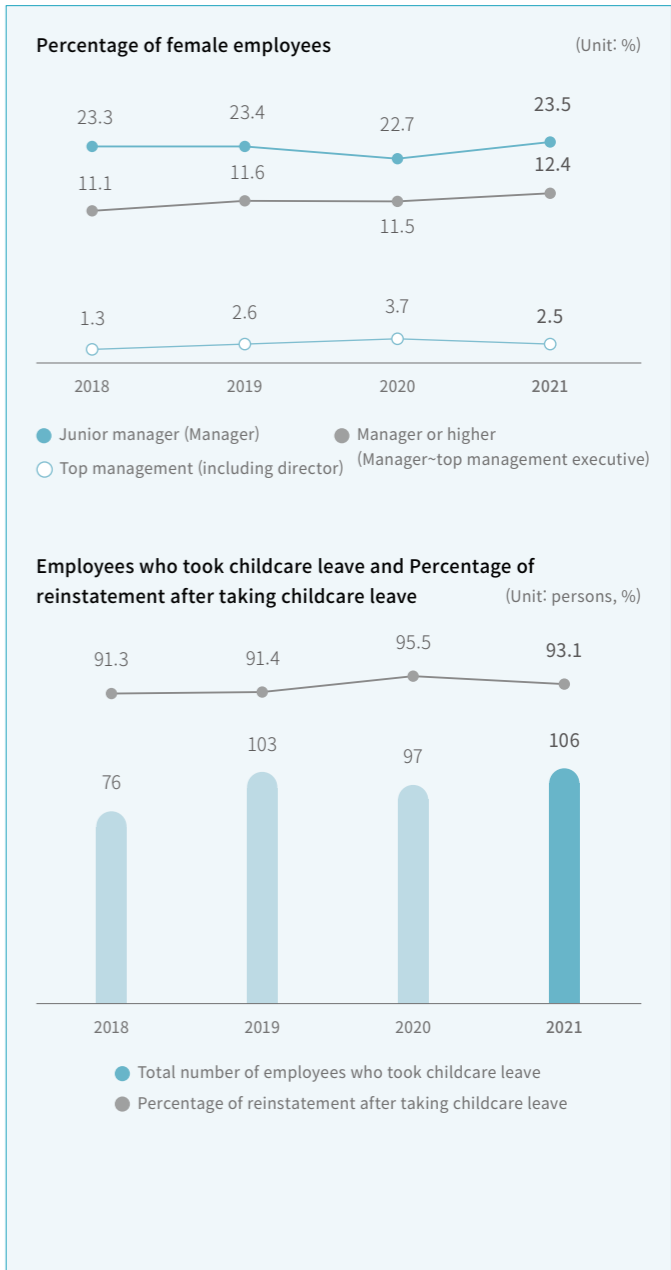
- 1) The number of foreign employees (based on domestic worksites) is 10 as of 2021. The compositions are Chinese (0.02%), Filipinos (0.02%), Russians, Uzbekistanis, and Indonesians (0.02%)
- 2) Some numbers have been updated with the integration of Annual Report disclosure standards and Calculations standards
- 3) Ratio of women in all managers, from junior managers to top executives
- 4) Junior managers refer to mid-level managers
- 5) Ratio of female employees who are managers or higher in the marketing division
- 6) STEM: Science, Technology, Engineering, Mathematics

| Work-Life Balance | Unit | 2018 | 2019 | 2020 | 2021 |
|---|---------|------|------|------|------|
| Total number of employees who took childcare leave | persons | 76 | 103 | 97 | 106 |
| Female employees who took childcare leave | persons | 53 | 70 | 52 | 49 |
| Male employees who took childcare leave | persons | 23 | 33 | 45 | 57 |
| Percentage of reinstatement after taking childcare leave | % | 91.3 | 91.4 | 95.5 | 93.1 |
| Reinstated employees after childcare leave | persons | 94 | 106 | 127 | 121 |
| Reinstated target employees after taking childcare leave | persons | 103 | 116 | 133 | 130 |

| Social Contribution | Unit | 2018 | 2019 | 2020 | 2021 |
|-------------------------------------|-------------|---------|---------|---------|---------|
| Social contribution expenses | million KRW | 48,650 | 48,841 | 34,089 | 49,455 |
| Voluntary service hours per person | hours | 27 | 27 | 17.9 | 16.0 |
| Total voluntary service hours | hours | 462,697 | 451,511 | 319,305 | 296,729 |

| Results of Customer Satisfaction Survey ⁷⁾ | Unit | 2018 | 2019 | 2020 | 2021 |
|---|--------------------------|------|------|------|------|
| Total | points (100-point scale) | 82 | 84 | - | 85 |
| Domestic | points (100-point scale) | 89 | 90 | - | 88 |
| Overseas | points (100-point scale) | 76 | 78 | - | 82 |

7) Survey postponed in 2020 due to COVID-19





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Economic

| Business performance | Unit | 2019 | 2020 | 2021 |
|-------------------------------------|-------------|------------|------------|-------------------|
| Sales | KRW million | 30,373,511 | 26,509,920 | 39,920,201 |
| Cost of sales | KRW million | 26,700,874 | 24,323,352 | 32,136,438 |
| Gross profit | KRW million | 3,672,637 | 2,186,568 | 7,783,762 |
| Selling and administrative expenses | KRW million | 1,086,278 | 1,051,372 | 1,134,162 |
| Operating profit | KRW million | 2,586,359 | 1,135,197 | 6,649,600 |
| Financial profit (loss) | KRW million | 360,440 | 410,483 | 768,526 |
| Other non-operating income | KRW million | 1,115,550 | 527,799 | 434,425 |
| Net income before tax | KRW million | 1,831,249 | 1,017,880 | 6,983,700 |
| Corporate tax expenses (income) | KRW million | 655,536 | 52,017 | 1,802,472 |
| Net income | KRW million | 1,175,712 | 965,863 | 5,181,227 |

| Financial position | Unit | 2019 | 2020 | 2021 |
|-------------------------|-------------|------------|------------|-------------------|
| Current assets | KRW million | 18,216,066 | 19,579,953 | 25,918,880 |
| Non-current assets | KRW million | 37,494,700 | 37,215,015 | 38,323,879 |
| Total assets | KRW million | 55,710,766 | 56,794,969 | 64,242,759 |
| Current liabilities | KRW million | 3,331,446 | 5,089,111 | 7,868,269 |
| Non-current liabilities | KRW million | 6,765,135 | 6,591,154 | 7,339,065 |
| Total liabilities | KRW million | 10,096,581 | 11,680,264 | 15,207,334 |
| Total equity | KRW million | 45,614,185 | 45,114,704 | 49,035,425 |

| Cash flows | Unit | 2019 | 2020 | 2021 |
|---------------------------------------|-------------|---------------|---------------|----------------------|
| Cash flows from operating activities | KRW million | 3,600,955 | 5,157,670 | 4,780,338 |
| Cash flows from investment activities | KRW million | (-) 3,952,722 | (-) 4,359,430 | (-) 3,413,276 |
| Cash flows from financing activities | KRW million | 1,075,756 | 76,314 | (-) 1,149,296 |
| Cash at the beginning of year | KRW million | 259,219 | 978,139 | 1,822,660 |
| Cash at the end of year | KRW million | 978,139 | 1,822,660 | 2,042,274 |

* The financial data are based on the separate financial statements of POSCO Holdings as of December 31, 2021.

Association Fees and External Sponsorship Status

In accordance with the Corporate Citizenship Charter, the Code of Ethics, the Anti-Corruption Compliance Guidelines, and the Korean Political Funds Act, POSCO strictly prohibits the use of the company's assets and budget for political donations and sponsorships. In accordance with the BOD operational regulations, the ESG Committee deliberates and determines donations in excess of KRW 100 million and less than KRW 1 billion, while support donations in excess of KRW 1 billion are determined by the ESG committee following prior deliberation.

Status of external sponsorship (For 2021; portion in excess of KRW 1 billion)

| Classification | Amount | Remark |
|--|---|--|
| Sculpture donation within Hwanho Park in Pohang City | Approx. KRW 11.7 billion | Board of Directors' resolution dated November 5, 2021 |
| Donation to help neighbors in need at end of year | Approx. KRW 10 billion (POSCO KRW 8 billion, Group companies KRW 2 billion) | Board of Directors' resolution dated December 10, 2021 |

Association membership fee-related payment amount (Unit: one thousand KRW)

| Category | 2018 | 2019 | 2020 | 2021 |
|--|-----------|-----------|-----------|-----------|
| Tax-free organizations (non-profit entities, etc.) | 6,693,557 | 6,955,811 | 6,807,845 | 7,895,448 |
| Lobbyists / Lobby organizations | 0 | 0 | 0 | 0 |
| Political campaigns/political groups | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |

Details of major association membership fee payments

(2021, Unit: one thousand KRW)

| Category | Total Amount of Paid Fees |
|--------------------------------------|---------------------------|
| Korea Steel Association (KOSA) | 2,564,000 |
| World Steel Association (worldsteel) | 910,000 |
| Korea Employers Federation (KEF) | 318,050 |

* Purpose of participation in association

- 1) Korea Steel Association: A consultative body formed with the purpose of enhancing the global competitiveness and sustainability of the Korean steel industry
- 2) worldsteel: A consultative body formed with the purpose of enhancing the competitiveness of the steel industry based on global steel industry data analysis
- 3) Korea Employers Federation: An economic organization formed with the purpose of enhancing corporate competitiveness and establishing a cooperative system between labor and management



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Major Material Issues

| Category | Material Issues 1 | Material Issues 2 | Material Issues 3 |
|------------------------------------|---|--|--|
| Major issue | Worksite safety risk management | Climate change response | Increase energy efficiency |
| Category | Occupational health & Safety | Climate Strategy | Climate Strategy |
| Reasons for selecting major issues | POSCO operates various operations at domestic and abroad, including Pohang Steelwork and Gwangyang Steelwork. Since the process in the steel industry contains high temperatures and heavy equipments, workplace safety accidents are at high risk. Safety accidents at production sites can cause serious casualties to workers and lead to management losses such as reduced employee morale and increased regulatory costs. | Climate change is a global problem that threatens the sustainable future of humans. Due to the nature of the steel industry, POSCO emits lots of carbon and is exposed to risks such as domestic and foreign GHG regulations and increased customers' need for low-carbon products. Also, there are potential physical risks such as disruption in the procurement of raw materials due to global meteorological phenomena such as heavy rains and floods. | The process of making steel requires a lot of energy, and energy costs are an important competitiveness factor in steel production. Improving energy efficiency can increase cost competitiveness and resilience to changes in the external energy market. In addition, it can contribute to building a sustainable society by reducing carbon and reserving natural resources. |
| Business effect | Risk | Risk | Risk |
| Response method | POSCO re-established the safety and health management system into nine components to secure health and safety obligations as stipulated in the Serious Disaster Penalty Act in 2021. We are promoting the health and safety management system as a focus activities to establish a robust health and safety management system, create a safety-first organizational culture, and foster human resources to enhance safety expertise. For the continuous operation of the health and safety management system, we check and improve the direction of our health and safety activities through monthly audits on the safety index. Based on the Occupational Safety and Health Act, we establish a plan for health and safety every year and report to the board of directors, and get approval for implementation. In addition, we get a diagnosis at least once a half year through an external institution to identify the safety management level and improve our plan. | POSCO declared a vision for "2050 Net Zero" in December 2020 under a low-carbon response strategy consisting of 'Green Process, Green Product, Green Partnership.' Green Process is a technology development and investment to reduce GHG in the workplace, including energy efficiency improvement, low carbon investment and technology development, iron scrap utilization, application of carbon capture and storage (CCUS) technology, and commercialization of hydrogen reduction iron. Green Product is materials that contribute to social GHG reduction such as low-carbon steel, new material, and by-product. Through the Green Partnership, POSCO plans to strengthen cooperation on technology development and carbon policy at domestic and foreign and disclose transparent carbon information to stakeholders, such as investors, customers, and the government. | POSCO tries to increase energy efficiency by improving power generation efficiency in steel processes. We are using byproduct gas generated by the steel process as fuel for the steel process and power plants and produced 88% of the power used by the steel plant in 2021. Also, we plan to streamline aged low-efficiency power generating facilities to improve power generation efficiency and minimize by-product gas emissions. POSCO will maximize power generation by developing a technology that predicts by-product gas generation and its supply and demand in real-time. |
| Long-term target (2024) | Disaster rate 0, critical disaster occurrence rate 0 | Emissions of 75.7 million tons | By-product gas emission rate 0.63% |
| Progress | | | |
| Executive KPI | Reflect on assessment of the head of the SHE Division | Reflect on assessment of the head of the SHE Division and the head of the Steel Production & Technology Division | Reflect on assessment of the head of the Steel Production & Technology Division |
| Related report | POSCO Corporate Citizen Report p.71~75 | POSCO Corporate Citizen Report p.38~48 | POSCO Corporate Citizen Report p.42 |



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Emerging Risks

| Category | Material Issue 1 | Material Issue 2 |
|-----------------|---|---|
| Category | Emerging Risk 1 | Emerging Risk 2 |
| RISK Definition | Biodiversity loss | Supply chain management |
| Business effect | The 2020 Global Risk Report, from the World Economic Forum (WEF), picked loss of biodiversity and ecosystem collapse as one of the biggest crises that humanity will face over the next decade. Loss of biodiversity and ecosystem collapse means uncertainty and limitation in securing natural resources and will affect human life conservation and industrial activities. The report points out that more than half of the world's GDP depends on natural capital, which leads to financial risk to human society. It will cause a serious challenge to sustainability by weakening the profit base of most industries and companies, including the steel industry. | According to "the Proposal for Directive on Corporate Sustainability Due Diligence Directive (draft)" released by EU Commission in February 2022, companies in the EU and third countries must identify potential human rights and environmental risks throughout their supply chains, fulfill their obligations to prevent, mitigate, and terminate them and disclose it. If there is a violation of this obligation, there might lead to civil liability as well as administrative sanctions and fines. These national sanctions and management are expanding, and companies in the world are competing to build a transparent and stable supply chain. |
| Response method | POSCO understands the importance of biosphere restoration and biodiversity protection. Its Guidelines for Practice of Ethical Norms contains the relevant clauses. Accordingly, POSCO investigates the potential outcome that its projects may have on the biodiversity of the local ecosystem and takes measures to minimize adverse impact. POSCO will prevent, minimize, and mitigate any threat to biodiversity; prior to initiating a project, such as facility expansion, POSCO will investigate and monitor its potential impact on biodiversity. We will make efforts to ensure compliance with this principle across all Worksites, at tier-one suppliers, and at non-tier-one suppliers sites, too. At our work sites designated as World Heritage areas or IUCN Category I-IV protected area, which refer to land or biodiversity protected by international convention, we will observe the laws and regulations stipulated by the local community, country, or region. | POSCO operates ESG risk management processes from supplier registration to performance evaluation and follow-up on contract performance to establish a strong supply chain system. In addition, we operate a supplier code consisting of 49 items in seven categories, including labor human rights, safety and health, environment, ethics, shared growth, and quality management, referring to the RBA (Responsible Business Alliance) code so that all companies with POSCO fulfill their responsibilities as global corporate citizens. All suppliers must agree to the Supplier Code of Conduct to deal with POSCO. POSCO is also expanding eco-friendly purchases to realize net zero and promotes cooperation in hydrogen development and low-carbon/low-cost technology development with overseas raw material suppliers. Also, we carry out supply chain management activities to solve social problems(conflict, human rights, environment, etc.) that occur during mining. |
| Related report | Corporate Citizen Report p.124~125 | Corporate Citizen Report p.62~68, p.134~139 |



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GRI

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| | 305-7 | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | p.98 |
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| Category | Index | Details | POSCO response |
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SASB(Domestic worksites)

| Code | Category | Unit | Accounting Metrics | POSCO's Response |
|---------------------------------|--------------|---|--|--|
| Greenhouse Gas Emissions | | | | |
| EM-IS-110a.1 | | metric tons (t), percentage (%) | (1) Gross global Scope 1 emissions (2) Percentage covered under emissions-limiting regulations | (1) 77,101,095 (2) 100% Scope 1 emissions are based on those generated from domestic work sites (Pohang Works and Gwangyang Works). POSCO verifies its Scope 1 emissions through verified GHG statements. |
| EM-IS-110a.2 | | | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | POSCO announced its POSCO 2050 Carbon Neutrality goal in December 2020. It will achieve its reduction goals for 2050 by increasing hydrogen-based steelmaking to 20% by 2030, and to 50% by 2040. Low-carbon strategies in conformity with reduction routes are detailed in the climate change response document. Direct Link |
| Air | | | | |
| EM-IS-120a.1 | | metric tons (t) | (1) NOx (excluding N ₂ O) | 35,800 |
| | | | (2) SOx | 25,500 |
| | | | (3) Particulate matter (PM10) | POSCO manages PM10 on a Total Suspended Particles (TSP) standard. The dust (TSP) emissions are total 264 tons. |
| | | | (4) CO emissions (5) Manganese (MnO) emissions (6) Lead (Pb) emissions (7) Volatile organic compounds (VOCs) emissions (8) Polycyclic aromatic hydrocarbons (PAHs) emissions | POSCO's primary business is to manufacture steel products by separating and refining iron from iron ores at high temperatures through a blast furnace. This steel production process generates air pollutants such as SOx, NOx and dust. POSCO reports all emission volumes. For other substances, data is neither collected nor calculated. |
| Energy Management | | | | |
| EM-IS-130a.1 | Quantitative | gigajoules (GJ), percentage (%) | (1) Total energy consumed | 380,052,799 |
| | | | (2) Percentage of grid electricity | 2.9% |
| | | | (3) Percentage of renewable source electricity | POSCO sold 13,840 GJ of its produced renewable energy, with the amount used totaling 270 GJ. |
| EM-IS-130a.2 | Quantitative | gigajoules (GJ), percentage (%) | (1) Total fuel consumed | 369,305,805 |
| | | | (2) Percentage coal | N/A POSCO uses coal as a reducing agent (raw material). |
| | | | (3) Percentage natural gas | 11.1% |
| | | | (4) Percentage renewable | N/A |
| Water Management | | | | |
| EM-IS-140a.1 | Quantitative | thousand cubic meters (m ³), percentage (%) | Total fresh water withdrawn | 135,800 |
| | | | Percentage recycled | 35.2% |



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| Code | Category | Unit | Accounting Metrics | POSCO's Response |
|--------------------------------------|-------------------------|---|--|--|
| EM-IS-140a.1 | Quantitative | thousand cubic meters (m ³), percentage (%) | Percentage in regions with High or Extremely High Baseline Water Stress | 0 In Pohang and Gwangyang, where POSCO's domestic worksites are located, the Baseline Water Stress is under 40%, so this usage metric is not applicable. |
| | | | Percentage in regions with Extremely High (>80%)' Baseline Water Stress | 0 In Korea, where POSCO's domestic worksites are located, Baseline Water Stress is not particularly high in any region, so this usage metric is not applicable. |
| Waste Management | | | | |
| EM-IS-150a.1 | Quantitative | metric tons (t), percentage (%) | Total amount of waste generated | 21,806,614 POSCO manages its generation and treatment of waste through Allbaro, the Korean government's official waste disposal system. |
| | | | Percentage hazardous | POSCO follows the criteria set forth by the Waste Management Act of Korea in managing the waste it generates, treating waste containing hazardous substances as "designated waste" and legally disposing of it. POSCO's definition of designated waste differs from that of the SASB. The percentage of designated waste generated amounts to 0.4%. |
| | | | Percentage recycled | 98.6% |
| Workforce Health & Safety | | | | |
| EM-IS-320a.1 | Quantitative | incidence rate per 200,000 hours | Total recordable incident rate (full-time and contract, TRIR) | 0.09 |
| | | | Fatality rate (full-time and contract) | 0.003 |
| | | | Near miss frequency rate (full-time and contract) | 28.11 |
| Supply Chain Management | | | | |
| EM-IS-430a.1 | Discussion and Analysis | | Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues | POSCO has promoted cooperation with overseas coal and iron ore suppliers to develop hydrogen and low-carbon/low-cost technologies for the establishment of a low-carbon supply chain and sustainability throughout the steel industry. We have actively promoted activities to reduce emissions of harmful substances into the environment by expanding the use of low-ash coal and low-to medium-nitrogen anthracite. We have also supported education and employment-related projects for low-income residents by establishing the one-to-one matching "GEM (Go the Extra Mile) Matching Fund" with overseas suppliers, afforestation projects in Korea and its supplier countries, and planting and forest formation projects. We also cooperate with them to increase the purchase ratio of coal and iron ore from matching suppliers. To resolve social issues during mineral mining, we became the first company in the Korean steel industry to join the RMI in 2020. At the same time, we established the five-step procedures based on the OECD Due Diligence Guidance in order to conduct responsible mineral supply chain management activities. When finding new suppliers, POSCO offers additional points to suppliers that show excellence in resolving environmental and social issues. In addition, we implement a policy of mutual benchmarking with suppliers who demonstrate excellent ESG through regular evaluation, and for suppliers with poor evaluations we work for their improvement through collaboration. |

Activity Metric

| Code | Category | Unit | Accounting Metrics | POSCO's Response |
|-------------|--------------|---------------------------------|--|--|
| EM-IS-000.A | Quantitative | metric tons (t), percentage (%) | Raw steel production, percentage from: (1) basic oxygen furnace processes (2) electric arc furnace processes | The data below include all Korean and overseas worksites corresponding to POSCO's consolidated crude steel production. (1) Production volume: 36,907,365, Percentage: 96.5% (2) Production volume: 1,355,865, Percentage: 3.5% |
| EM-IS-000.B | Quantitative | metric tons (t) | Total iron ore production | This metric is not applicable and is not reported, as POSCO does not own any mines. |
| EM-IS-000.C | Quantitative | metric tons (t) | Total coking coal production | This metric is not applicable and is not reported, as POSCO does not own any mines. |



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SASB(Global work sites)

| Code | Category | Unit | Accounting Metrics | POSCO's Response |
|---------------------------------|--------------|---|--|---|
| Greenhouse Gas Emissions | | | | |
| EM-IS-110a.1 | | metric tons (t), percentage (%) | (1) Gross global Scope 1 emissions (2) Percentage covered under emissions-limiting regulations | (1) 83,675,676 (2) 92.1% One country (South Korea) |
| EM-IS-110a.2 | | | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | With domestic worksites accounting for 92.3% of total emissions, a detailed roadmap aiming for 2050 Carbon Neutrality is disclosed to achieve the reduction goals of 20% by 2030 and 50% by 2040. Direct Link |
| Air | | | | |
| | | | (1) NOx emissions (excluding N ₂ O) | 35,936 |
| | | | (2) SOx emissions | 25,502 |
| | | | (3) Particulate matter emissions | 341 |
| EM-IS-120a.1 | | tons (t) | (4) CO emissions (5) Manganese (MnO) emissions (6) Lead (Pb) emissions (7) Volatile organic compounds (VOCs) emissions (8) Polycyclic aromatic hydrocarbons (PAHs) emissions | N/A |
| Energy Management | | | | |
| EM-IS-130a.1 | Quantitative | gigajoules (GJ), percentage (%) | (1) Total energy consumed (2) Percentage of grid electricity (3) Percentage of renewable source electricity | 414,385,404 4.2% The renewable energy usage is 6,928 GJ. |
| EM-IS-130a.2 | Quantitative | gigajoules (GJ), percentage (%) | (1) Total fuel consumed (2) Percentage coal (3) Percentage natural gas (4) Percentage renewable | 397,275,042 N/A POSCO uses coal as a reducing agent (raw material). 11.3% N/A |
| Water | | | | |
| EM-IS-140a.1 | Quantitative | thousand cubic meters (m ³), percentage (%) | Total fresh water withdrawn Percentage recycled | 150,193 32.70% |



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| Code | Category | Unit | Accounting Metrics | POSCO's Response |
|--------------|--------------|---|---|--|
| EM-IS-140a.1 | Quantitative | thousand cubic meters (m ³), percentage (%) | Percentage in regions with High (40-80%)' Baseline Water Stress | 0 In Pohang and Gwangyang where POSCO's domestic worksites are located, Baseline Water Stress is under 40%, so this usage metric is not applicable. |
| | | | Percentage in regions with Extremely High (>80%)' Baseline Water Stress | 0 In Pohang and Gwangyang where POSCO's domestic worksites are located, Baseline Water Stress is under 40%, so this usage metric is not applicable. |

Waste Management

| | | | | |
|--------------|--------------|---------------------------------|---------------------------------|--|
| EM-IS-150a.1 | Quantitative | metric tons (t), percentage (%) | Total amount of waste generated | 24,109,815 POSCO manages its generation and treatment of waste through Allbaro, the Korean government's official waste disposal system. |
| | | | Percentage hazardous | POSCO follows the criteria set forth by Korea's Waste Management Act in sorting and managing the waste generated in Pohang steelworks and Gwangyang steelworks with foreign worksites lawfully managed according to national regulations. The management criteria of designated waste stipulated in each nation's regulations differs from that defined by the SASB. Regardless, the percentage of designated waste regulated by each nation's governmental laws is a total of 9.8% across all worksites. |
| | | | Percentage recycled | 98.1% |

Workforce Health & Safety

| | | | | |
|--------------|--------------|----------------------------------|---|---|
| EM-IS-320a.1 | Quantitative | incidence rate per 200,000 hours | Total recordable incident rate (full-time and contract, TRIR) | 0.077 |
| | | | Fatality rate (full-time and contract) | 0.002 |
| | | | near miss frequency rate (full-time and contract) | 24.83 Based on employees under direct operations, excluding Indonesia PT-KP |

Supply Chain Management

| | | | | |
|--------------|-------------|--|--|---|
| EM-IS-430a.1 | Qualitative | | Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues | POSCO is a member of the RMI and is strengthening ESG cooperation with its raw materials suppliers. Direct Link |
|--------------|-------------|--|--|---|

Activity Metric

| Code | Category | Unit | Accounting Metric | POSCO's Response |
|-------------|--------------|---------------------------------|--|---|
| EM-IS-000.A | Quantitative | metric tons (t), percentage (%) | Raw steel production, percentage from: (1) basic oxygen furnace processes (2) electric arc furnace processes | The data below includes all domestic and overseas worksites corresponding to POSCO's consolidated crude steel production (42,964,419 tons). (1) Production volume: 40,042,554, Percentage: 93.2% (2) Production volume: 2,921,865, Percentage: 6.8% |
| EM-IS-000.B | Quantitative | metric tons (t) | Total iron ore production | This metric is not applicable and is not reported, as POSCO does not own any mines. |
| EM-IS-000.C | Quantitative | metric tons (t) | Total coking coal production | This metric is not applicable and is not reported, as POSCO does not own any mines. |



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| Category | Disclosure Code | Category | Index | POSCO's Response |
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| | T0002 | Qualitative | Frequency by which the board is informed about climate-related issues | p.39-40 |
| | T0003 | Qualitative | Whether the board considers climate-related issues when making decisions | p.39-40 |
| | T0004 | Qualitative | Monitoring the board to oversee progress against goals and targets for addressing climate-related issues | p.39-40 |
| | T0005 | Qualitative | Top decision making organization related to climate-related issues | p.13, p.40 |
| | T0006 | Qualitative | Role and responsibility of decision making organization related to climate-related issues | p.13, p.40 |
| | T0007 | Qualitative | Structure of decision making organization related to climate-related issues | p.13, p.40 |
| | T0008 | Qualitative | Processes by which management is informed about climate-related issues | p.13, p.40 |
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| Strategy | T0010 | Qualitative | Describe the climate-related issues the organization has identified over the short, medium, and long term. (including how to divide terms) | p.38 |
| | T0013 | Qualitative | Climate-related issues impact on the organization's business and strategy (products and services, supply chains, adaptation and mitigation activities, R&D investment, operation) | p.39-40, p.42-50 |
| | T0015 | Qualitative | Explanation on climate-related scenario (when the scenario is linked to the organization's strategy and financial plan) | p.39 |
| | T0016 | Qualitative | The organization's strategy that can be affected by climate-related risks and opportunities | p.39 |
| | T0017 | Qualitative | Change on the organization's strategy that reflects the climate-related risks (including change over time) | p.39 |
| Risk Management | T0018 | Qualitative | Explaining process that identify and assess climate-related risk | p.39-40 |
| | T0019 | Qualitative | Explaining management process for climate-related decision making | p.39-40 |
| | T0020 | Qualitative | Describe whether climate-related risk identifying process is integrated into the existing risk management system | p.39-40 |
| Metrics and Targets | T0021 | Quantitative | Major climate-related risk metrics (water, energy, land usage, waste management, etc.) | p.97-99 |
| | T0022 | Quantitative | Direct GHG emissions (Scope 1) | p.38, p.99 |
| | T0023 | Quantitative | Indirect GHG emissions (Scope 2) | p.38, p.99 |
| | T0024 | Quantitative | Other indirect GHG emissions (Scope 3) | p.99 |
| | T0025 | Qualitative | Percentage used to calculate emissions (number of employees, unit production, etc.) | p.38, p.99 |
| | T0026 | Quantitative | Metrics and targets on major climate-related risk | p.38 |