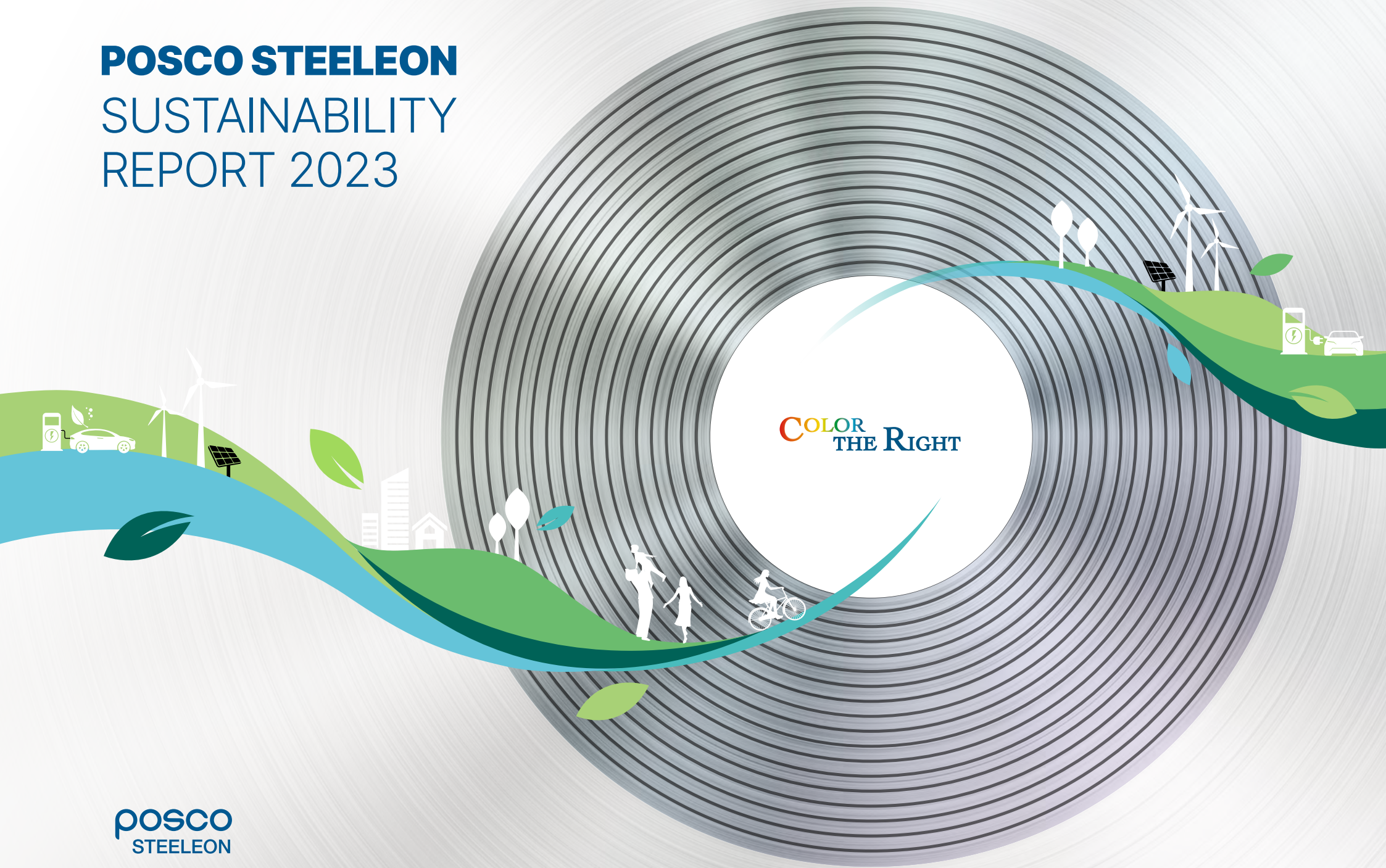


# POSCO STEELEON SUSTAINABILITY REPORT 2023

COLOR  
THE RIGHT



# About This Report

## Report Overview

POSCO STEELEON transparently discloses and communicates its performance in the creation of economic, social, and environmental value to its stakeholders every year. In this 12th Sustainability Report, we disclose our major activities and achievements in each ESG sector, and we also share our current and future vision in the form of interviews with our management executives.

The report is designed in a horizontal format optimized for the ordinary website, with interactive elements reflected, and has been published in both Korean and English. We plan to continue disclosing our sustainability performance in a transparent manner to ensure better communication with our stakeholders.

## Reporting Period and Scope

This report focuses on Posco Steeleon's ESG activities and performance, based on its domestic business units, from January 1 to December 31, 2023. Some topics, however, include information up to the first quarter of 2024. The report also presents data concerning our quantitative performance for three consecutive years to enable trend identification.

## Reporting Standards

This report satisfies the requirements of the GRI Standards 2021, the international reporting guidelines for sustainable management. In addition, we have utilized the SASB Industry Standards and the TCFD's disclosure recommendations to reflect key issues specific to our industry. The financial information included in this report conforms with the Korean International Financial Reporting Standards (K-IFRS).

## Report Certification

To ensure the reliability, fairness, and completeness of the data and information presented in this report, we have requested Samil Accounting Corporation, an independent certifier, to perform the third-party certification. The report has been certified in accordance with ISAE 3000, an international certification standard.

※This report has been produced in an interactive PDF format to enhance the reader's convenience and the stakeholders' access to information.

## Contact for information



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# Business Overview

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Highlights of 2023 Sustainable Management

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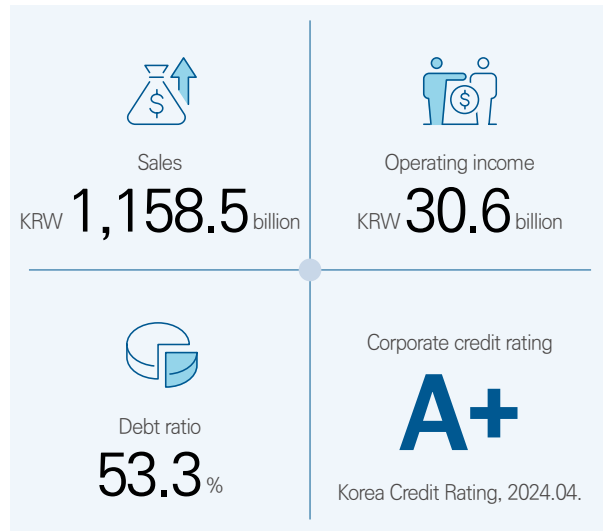
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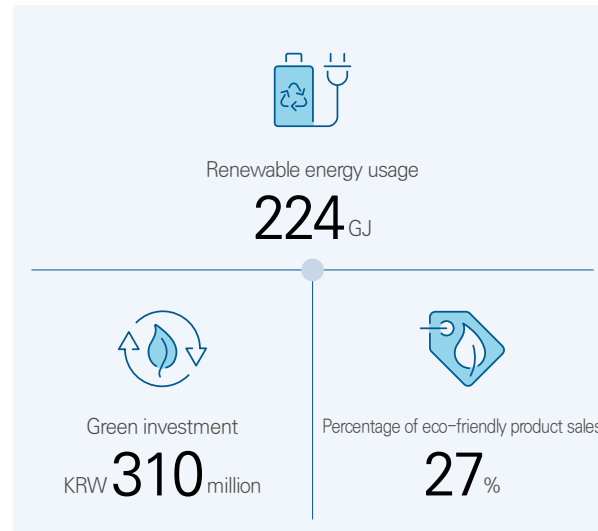
# Highlights of 2023 Sustainable Management

## Business

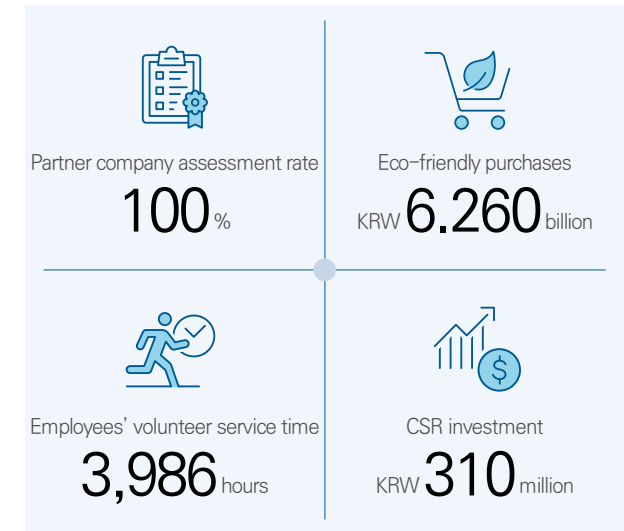


\* Based on consolidated financial statements

## Environmental



## Society



## ESG Assessment, Certification and Awards



**2023 ESG Rating Grade A**  
 Korea Institute of Corporate Governance and Sustainability (KCGS)



**Awarded the 2023 Community CSR Certification**  
 awarded by the Ministry of Health & Welfare, hosted by the Korea Social Welfare Council.



**Awarded the Family-friendly Company Certification**  
 by the Ministry of Gender Equality and Family in 2023.



**Awarded the 17th National Sustainable ESG Conference Prize**  
 by the Deputy Prime Minister/Minister of Strategy and Finance (May 3, 2023).



**Awarded the Sustainability Report Prize in the 2023 Korean Standards Association's Sustainability Competition** (November 24, 2023).

# CEO's Message



Greetings to all our esteemed stakeholders from CEO Bongcheol Kim of POSCO STEELEON.

POSCO STEELEON is a highly reliable partner of POSCO's steel business and has grown into a leader in the steel surface treatment industry. We would like to express our heart-felt thanks to all our stakeholders, including suppliers, customers, and investors, for their generous encouragement and support for POSCO STEELEON's growth. Despite the deteriorating market conditions in 2023, we strived to strengthen our core competitiveness by increasing sales of eco-friendly products that reduce environmental stress and creating new demand for steel products through the INNOVILT-INFINELI-intra collaboration system. We also proactively completed due diligence on major suppliers in preparation for the EU Supply Chain Due Diligence Act, and contributed to reducing greenhouse gas emissions by developing energy-saving technologies, such as those for low-temperature hardened color steel sheets.

Notably, 2023 was the year in which we became a leading ESG corporation, as we were awarded the Minister of Strategy and Finance Prize at the 17th National Sustainable ESG Conference, the highest award for ESG leadership, after becoming the only company in the color steel industry to earn a grade A in the ESG evaluation of the Korea Institute of Corporate Governance and Sustainability (KCGS) for four consecutive years. To grow as a sustainable company, we will continue to prioritize the following:

**First, we will enhance the competitiveness of our eco-friendly business by increasing the sales of our eco-friendly products while achieving the goal of the 2050 Carbon Neutrality Roadmap.**

We will report all aspects of our performance, achievements, and major issues related to the 2050 Carbon Neutrality Roadmap to the Board of Directors to strengthen the company's ability to execute the greenhouse gas reduction programs based on the environmental management leadership of the top management. Furthermore, we will actively respond to the transition to a low-carbon and eco-friendly economy, which is a major need of our stakeholders, by increasing the sales of our eco-friendly products for electric vehicles and solar power systems.

**Second, we will advance our operational processes and build a future-oriented corporate culture so that our employees can work safely with full confidence and trust in the company.**

We will also strive to create a happy workplace that maximizes performance and realizes a healthy work-life balance through data- and fact-driven work methods. We will create a culture in which our employees respect and communicate with each other in a safer and more comfortable working environment, with task-force efforts to improve the corporate culture.

**Third, we will endeavor to implement transparent and reasonable corporate governance in order to enhance the value of our shareholders and investors and protect their rights and interests.**

As part of our shareholder-friendly management, we changed the dividend base date at the 2023 general shareholders meeting. We will also continue to introduce advanced dividend policies to enhance shareholder value. We will also provide the correct corporate information by strengthening regular communication with our stakeholders, such as earnings announcement briefings and Non-Deal Roadshows (NDRs). We will upgrade Investor Relations (IR) by widening the exposure of good news about our products and markets via various public relations channels.

We look forward to your continued support and encouragement of POSCO STEELEON as we strive to grow into a company that is trusted and beloved by all its stakeholders with ESG management. Thank you!

June 2024

Bongcheol Kim, CEO of POSCO STEELEON

# Introduction to the Company

## General Status

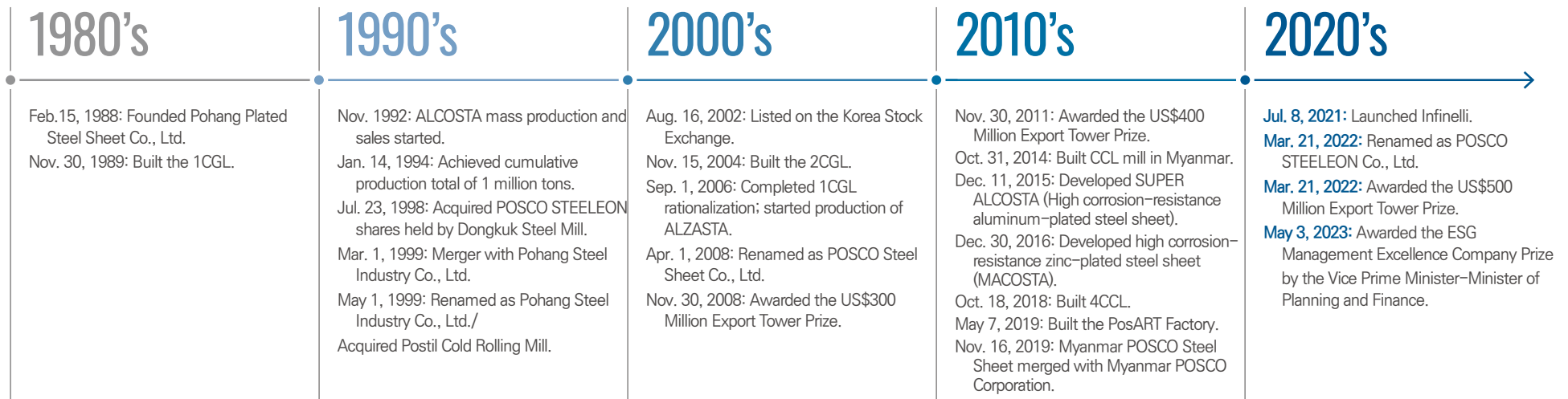
Classification	Details
Name of company	POSCO STEELEON
Date of incorporation	February 15, 1988
Key businesses	Plated, color-coated and other steel surface treatments
Products	Aluminum-, zinc-, color-coated steel sheets
CEO-Representative director	Bongcheol Kim
Address of home office	173 Cheolgang-ro (Jangheung-dong), Nam-gu, Pohang-si, Gyeongsangbuk-do
Subsidiary companies	Myanmar POSCO C&C CO., Ltd.

## Company Overview

Since its founding in 1988 as a specialist in steel surface treatment, POSCO STEELEON has led the plated/colored steel sheet market by pursuing continuous technological innovations and supplying products of the highest quality. Our main products are aluminum-, zinc-plated and color-coated steel sheets, which are supplied to various industrial sectors including the construction, home appliance, and automobile sectors in major global markets such as North America, China, and Europe. Based on our consolidated financial statements for 2023, our domestic sales amounted to KRW 668 billion (approximately 57.7%), while our overseas sales amounted to KRW 491 billion (approximately 42.3%).



## Corporate history



## Global Network

POSCO STEELEON has established its headquarters and plating/color-coating plants in Pohang, and its sales office in Seoul, Korea. It also operates liaison offices in Changwon and Gwangju, Korea. It built its first overseas plating and color-coated steel sheet production plants in Yangon, Myanmar and opened them in 2014. It has further consolidated its position as a global steel company by operating a total of eight production lines at home and abroad.



# Introduction to Business

## Plated Steel Sheets

POSCO STEELEON produces the highest quality products in the field of plated steel sheets based on its unrivaled technology. It aims to become a global specialist in surface-treated steel sheets through steady technological innovation. In addition, we have established a number of product lines, including ALCOSTA, a hot-dip aluminum-plated steel sheet which has been certified as a world-class product; MACOSTA, a hot-dip zinc-aluminum-magnesium alloy-plated steel sheet; AL-HPF, an aluminum-plated hot press forming steel sheet; and ALSUSTA, a hot-dip aluminum stainless steel-plated steel sheet. All of these products are sold and used in diverse fields ranging from home appliances to construction materials and automobile parts.

## Delivering unwavering value with superior corrosion resistance



### ALCOSTA (Aluminized Steel)

A highly corrosion-resistant aluminum-plated steel sheet with superior heat resistance compared to general galvanized or cold-rolled steel sheets. POSCO STEELEON's ALCOSTA has been selected as a world-class product certified by the Ministry of Trade, Industry and Energy for its unrivaled quality.

#### Main usages

- Automotive parts (mufflers, engine covers, etc.)
- Home appliances (rice cookers, microwave ovens, etc.)
- Building materials, etc.



### MACOSTA (Zinc Magnesium Aluminum Alloy Coated Steel)

A highly corrosion-resistant alloy plated steel sheet made of zinc, magnesium, and aluminum that is a suitable material for color-coated products. It has a corrosion resistance more than 10 times stronger than that of ordinary galvanized steel sheets, and can be used in any conditions.

#### Main usages

- Building materials (steel housing, safety scaffolding, solar panel supports, etc.)
- Automotive parts (fuel filter housing, motor case, etc.)
- Material for color-coated steel sheet, etc.



### AL-HPF (Aluminum - Hot Press Forming)

As the HPF process can mold steel products into sophisticated shapes, it is used to make automotive parts. In addition, the aluminum plating prevents the oxidation of steel sheets made under high-temperature processing, resulting in excellent corrosion resistance.

With the recent surge in demand for electric vehicles, it is being used as a material for the body of electric vehicles.

#### Main usages

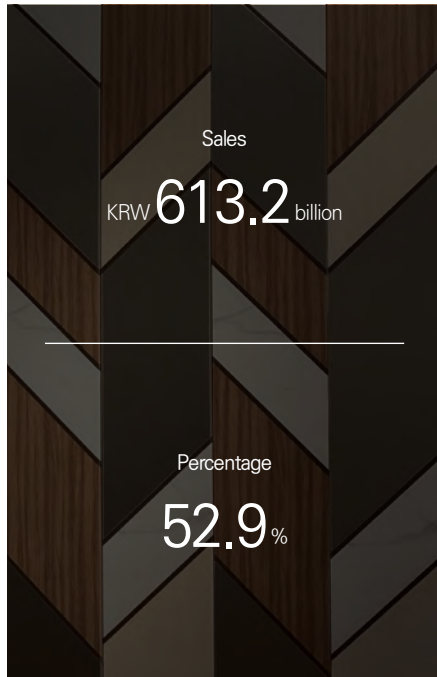
- Automotive parts (front and rear bumpers, door beams, etc.).



## Color Steel Sheet

POSCO STEELEON produces unrivaled high-quality color steel sheets using its own outstanding plated steel sheet technology. PosART, its representative color steel plate, is produced by combining POSCO's in-house developed and patented "inkjet printing technology" with steel materials and using an ink solution characterized by high corrosion resistance and excellent processability. It is used to produce architectural interior and exterior materials as well as various commemorative plaques and high-end home appliances. It offers the advantage of being able to be precisely designed according to customer needs. In addition, POSCO STEELEON has breathed new life into the steel materials market by producing high-quality color-coated steel sheets, such as PosNC non-combustible color steel sheets and other advanced color steel sheets, all of which feature safety and eco-friendly features.

## Creating infinite possibilities of steel

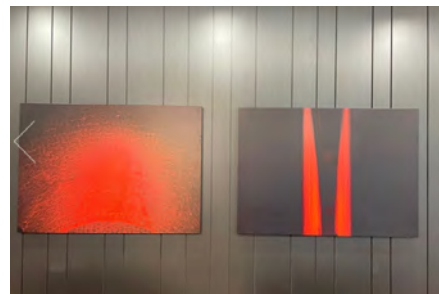


### INFINELI THE INFINITE STEEL

INFINELI is POSCO STEELEON's premium brand of colored steel products. Its name is a composite of "Infinite" and "Finely," i.e. beautiful without limits. INFINELI is not just a brand of colored steel sheet that merely adds color; rather, it embodies our commitment to changing steel together with our customers.

#### PosART

PosART is a premium color steel sheet produced using inkjet printing technology (developed in-house and patented by POSCO) that enables full-color printing on various materials such as STS, PosMAC, and ALCOSTA. As precise designs are possible, we can produce high-end custom-tailored, colored steel sheets with no limits on the colors and patterns.



Picture frames and wall-mounted speakers (Napal Co.)  
Color applied: PosART

#### PosNC Non-Combustible Color Steel Sheet

A safe steel building material that meets the performance standards for non-combustible materials in conformance with an ordinance of the Ministry of Land, Infrastructure, and Transport. In the event of a fire, it minimizes the generation of toxic gases, allowing time for evacuation, making it a popular choice for interior and exterior building and ceiling materials.



Haechi garden, underground pedestrian walkway,  
Gwanghwamun, Seoul  
Color applied: POS-Print\_Cotren

#### Antimicrobial Steel

A steel sheet that has excellent weather and corrosion resistance, as well as antibacterial properties with antibacterial agents mixed into the existing paint. As antibacterial agents are harmless to the human body, it is utilized as an interior material for hospitals, catering facilities, etc.



Refrigerators, microwave ovens, dishwashers, etc.

# ESG Management System



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UN Sustainable Development Goals (UN SDGs)

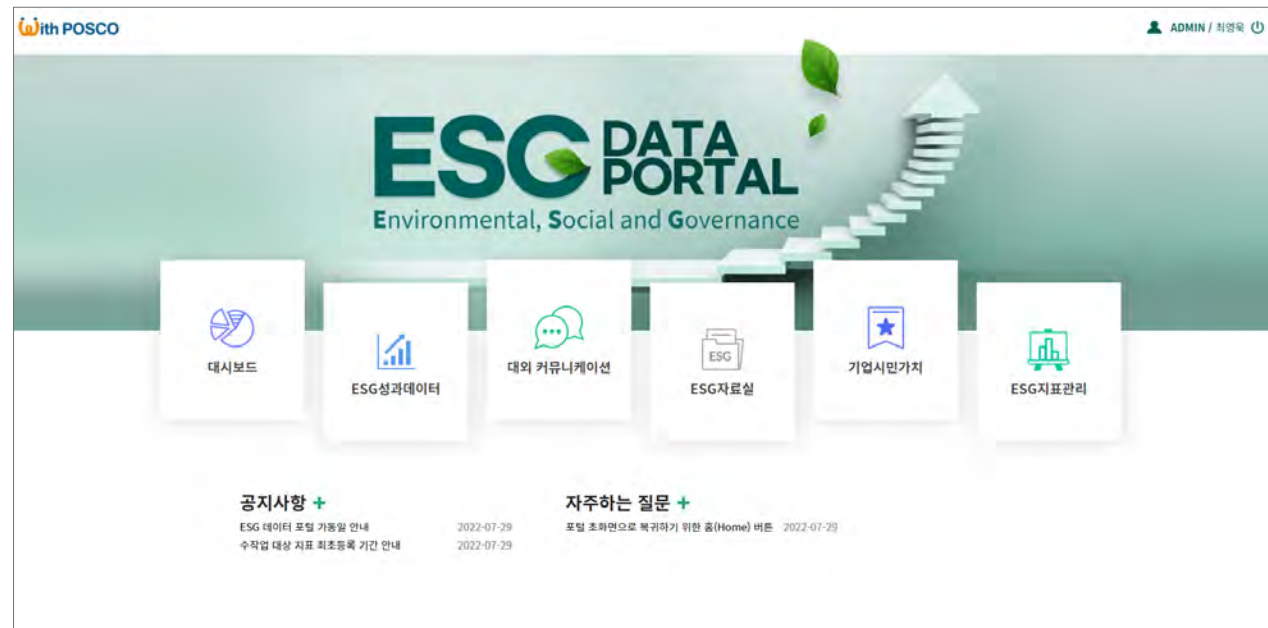
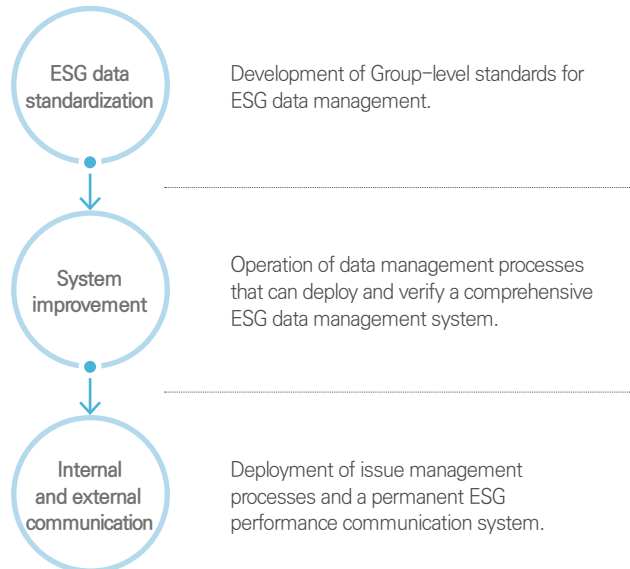
# Response to ESG Disclosure

In January 2023, POSCO STEELEON deployed the ESG Data Portal Application, a POSCO Group-wide initiative implemented to promote mandatory ESG disclosure and respond to the ESG information needs of key stakeholders. Reliable data are secured by entering and managing key ESG data with this application based on the global disclosure standards. We have also strengthened the foundation for managing ESG performance and supporting managerial decision-making, while preventing legal risks due to such issues as inaccurate data entry or manipulation of figures. In the future, we plan to strengthen our ESG system management by linking ESG core indicators with the management compensation system and reviewing legal risks from the internal control perspective.

## ESG control indicators



## Direction for promoting the ESG Data Portal Application



# Communication with Stakeholders

POSCO STEELEON categorizes its stakeholders into the sectors of environment, society, and governance, and operates communication channels for each stakeholder group.

We are striving to improve our overall management systems and processes through this by identifying key issues of interest for stakeholders and collecting their opinions.

## Communication with Stakeholders



Shareholders, investors

### Key communication channels

General Shareholders Meeting, Investor Relations (IR), Corporate Disclosure.

### Key issues of interest

Business performance, stock price, dividends, business risks.



Partner companies

### Key communication channels

Supplier briefings, Win-win Growth Support Group, Industrial Safety and Health Council.

### Key issues of interest

Win-win growth, fair trade, work safety.



Customers

### Key communication channels

Meetings, seminars for customers, Infinelli suggestions, customer satisfaction questionnaire surveys.

### Key issues of interest

Quality, product prices, delivery, customer satisfaction-oriented management.



Local communities

### Key communication channels

POSCO 1% Sharing Foundation, local welfare organizations, Korea International Hunger Response Organization, and other NGOs.

### Key issues of interest

CSR programs, community investment, ethical management.



Executives and employees

### Key communication channels

One-Family Council, Tier-based Councils, Grievance Committees, and Cyber Reporting Office.

### Key issues of interest

Welfare, personal development education, eco-friendly management.



Central and local governments

### Key communication channels

Policy meetings, public-private partnership programs.

### Key issues of interest

Statutory and regulatory compliance, consortium, ethical management.

# Double Materiality Assessment

POSCO STEELEON has conducted the Double Materiality Assessment to identify the material issues that should be considered in order to realize sustainable management. In this way, POSCO STEELEON will realize sustainable management by identifying various risks and opportunities surrounding the company and reflect them in its management strategy.

## Double Materiality Assessment Process

### Composition of pool of ESG issues

#### External environment analysis

- Organized a pool of potential issues based on the international disclosure standards, K-ESG guidelines, UNSDGs, etc.

#### Internal environmental analysis

- Organized a pool of 28 ESG issues by analyzing the previous year's issues and business status.

### Analysis of extent of social and environmental impacts    Analysis of extent of financial impacts

#### Media analysis

- Analyzed press releases from 30 domestic media outlets (168 in total).

#### Benchmarking analysis

- Benchmarking of three peer companies in Korea and overseas.

#### Collection of stakeholders' opinions

- Questionnaire survey of customers, shareholders/investors, partners, local communities, officers and employees (249 in total).

#### Review of international standards

- Review of financial standards such as SASB, TCFD, etc.

#### Analysis of business impact

- Review of documents such as business reports, audit reports, etc. and officers and employees surveys.

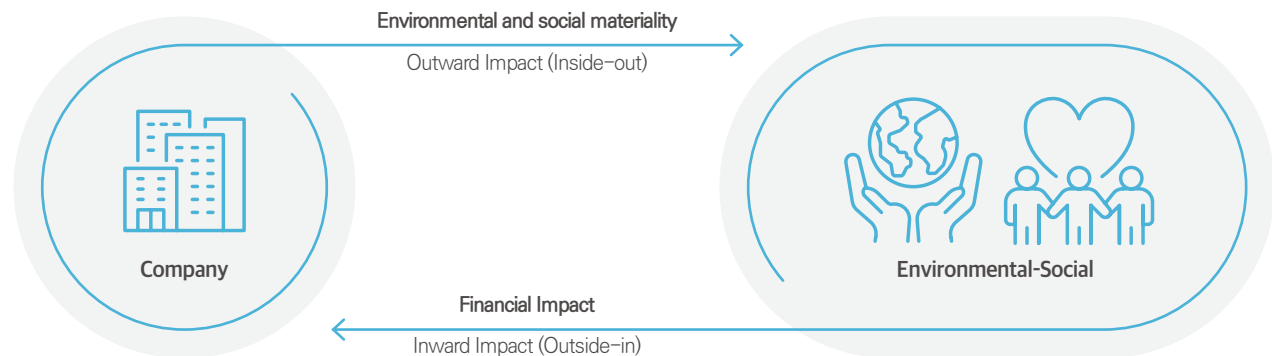
### Selection and reporting of material issues

#### Selection of material issues

- Comprehensive evaluation after quantifying socio-environmental and financial impacts.
- Selected material issues through a review by the ESG group of the Management Support Office and advisory organizations.

## Significance of the Dual Materiality Assessment

POSCO STEELEON conducts its double materiality assessment by considering factors that arise in its interaction with diverse stakeholders. It considers not only the social and environmental impacts of its business operations, but also the impact of external factors on its value and finance. POSCO STEELEON uses the results of the Dual Materiality Assessment to develop and implement sustainable management strategies by comprehensively reflecting the perspectives of various stakeholders, including customers, investors, partners, and officers and employees.



## Results of the Double Materiality Assessment

In 2023, we selected ten material issues through the dual materiality assessment, based on their financial impact on the company and social and environmental materiality in order to present their impact on individual stakeholders.

This report presents the activities and performance related to each issue in comprehensive detail.

### POSCO STEELEON's Top 10 Material Issues



Ranking	Division	Name of issue	Financial impacts	Social and environmental impacts	Relevant parts
1	Environment	Energy management	92.8	88.9	Environmental & Safety_ Response to climate change, environmental management.
2	Environment	Development of eco-friendly products	90.4	90.6	Environmental & Safety_ Eco-friendly products, and R&D.
3	Environment	Waste and by-product management	91.4	88	Environmental & Safety_ Pollutant management.
4	Social	Health and safety management	88.2	90.2	Environmental & Safety_ Safe workplace.
5	Social	Customer satisfaction-oriented management	89.3	86.2	Society_ customers.
6	Environment	GHG management	87.5	87.7	Environmental & Safety_ Response to climate change, environmental management.
7	Governance structure/economy	Establishment of the fair trade order	85.2	89.9	Governance_ Fair trade.
8	Governance structure/economy	Creation of economic values	85.8	88.8	Business Overview_ Introduction to corporation and business.
9	Social	Enhancement of the ESG capacity of the supply chain	87.6	86.7	Society_ Partner companies.
10	Governance structure/economy	ESG management risk control	87.2	86.6	Governance_ risk management, Appendix_ ESG issue papers.

### 2024 Materiality assessment matrix



# UN Sustainable Development Goals (UN SDGs)

POSCO STEELEON actively carries out ESG management activities to achieve the UN Sustainable Development Goals (UN SDGs). The UN SDGs comprise seventeen common goals resolved by the UN General Assembly in 2015, to be achieved by collective global action by 2030. They provide a global blueprint for pursuing human prosperity and protecting the global environment at the same time. Recognizing the profound importance of the UN SDGs, POSCO STEELEON has been implementing activities aimed at achieving the main goals of the UN SDGs as follows:

Sustainable Development Goals	Key activities	Report page no.
 <b>3</b> GOOD HEALTH AND WELL-BEING Good Health and Well-Being – Ensuring a healthy living and promoting well-being	<ul style="list-style-type: none"> <li>• Work environment measurement and disease control.</li> <li>• Internal and external health examinations and medical support.</li> <li>• Support for welfare and benefits for superior partners.</li> <li>• Various welfare and benefit programs for the well-being of officers and employees (including support for internal communities and recreational facilities).</li> </ul>	41, 49, 50
 <b>4</b> QUALITY EDUCATION Quality Education – Providing high-quality education for all	<ul style="list-style-type: none"> <li>• Support for individual skills development and acquisition of degrees, etc.</li> <li>• Operation of programs for retirees.</li> <li>• Provision of education supplies for infants and children in rural area.</li> <li>• Foundation of a local school in Myanmar.</li> </ul>	51, 52, 69, 70
 <b>5</b> GENDER EQUALITY Gender Equality – Ensuring gender equality	<ul style="list-style-type: none"> <li>• Implementation of gender equality policies (increase of female recruits and managers, etc.), incentive programs promoting maternity and childcare leave.</li> </ul>	54, 55
 <b>6</b> CLEAN WATER AND SANITATION Clean Water and Sanitation – Providing clean water and sanitation	<ul style="list-style-type: none"> <li>• Reduction of water usage through recycling.</li> <li>• Reduction of wastewater by improving wastewater treatment.</li> </ul>	33, 34
 <b>7</b> AFFORDABLE AND CLEAN ENERGY Affordable and Clean Energy – Supplying reasonable and clean energy	<ul style="list-style-type: none"> <li>• Steam equipment switched to low-carbon processes by replacing them with chemicals.</li> <li>• Energy-saving measures including replacement of conventional boilers with high-efficiency boilers, replacement of fuel in wastewater treatment facilities, and lowering of annealing temperatures.</li> </ul>	22
 <b>8</b> DECENT WORK AND ECONOMIC GROWTH Decent Work and Economic Growth – Increasing the number of good-paying jobs through economic growth	<ul style="list-style-type: none"> <li>• Recruitment of local talents.</li> </ul>	51
 <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION Responsible Consumption and Production – Promoting sustainable growth and consumption	<ul style="list-style-type: none"> <li>• Reduction of waste color steel sheet protective film.</li> <li>• Increase of eco-friendly purchases (KRW 6.3 billion in green purchases).</li> <li>• Preferential policies for socially-friendly companies.</li> <li>• Support for fair trade and ethics education by suppliers.</li> <li>• Support for the ESG activities of suppliers.</li> <li>• Operation of a performance sharing system.</li> </ul>	58-61
 <b>13</b> CLIMATE ACTION Climate Action	<ul style="list-style-type: none"> <li>• Development of the 2050 carbon neutrality roadmap.</li> <li>• Development of strategies for climate change scenario-related transformation and response to reduce physical risks.</li> </ul>	18-22
 <b>14</b> LIFE BELOW WATER Life below Water – Preserving marine eco-systems	<ul style="list-style-type: none"> <li>• Implementation of a marine environment cleanup project jointly with Pohang City Government and Guryongpo Fisheries Cooperative.</li> </ul>	69
 <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS Peace, Justice and Strong Institutions	<ul style="list-style-type: none"> <li>• Autonomous compliance with Fair Trade programs.</li> <li>• Implementation of a fair trade bidding system.</li> </ul>	58, 80, 81

# Environmental & Safety



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Eco-friendly Products and R&D

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Resource Management

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Safe Workplace

# Environmental & Safety Management Approach

## Connected to UN SDGs



- Goal 3 Enhance health and welfare
- Goal 6 Provide clean water and sanitation
- Goal 7 Provide reasonably priced clean energy
- Goal 9 Reform and infrastructure
- Goal 12 Sustainable consumption and production
- Goal 13 Climate action

## Materiality of issues

We have decided to apply the European Sustainability Reporting Standards (ESRS) to implement the Corporate Sustainability Reporting Directive (CSRD) from January 2024. This will require us to disclose not only their environmental, social, and governance (ESG) impacts, but also the impact that climate change may have on our operations in the future. In addition, the ISSB has published its finalized sustainability disclosure standards IFRS S1 (General Requirements) and S2 (Climate-related Disclosures). In recent years, comprehensive climate change adaptation plans that reflect companies' efforts to respond to climate change and achieve carbon neutrality have emerged as an important issue, along with the growing demand for disclosures of high-quality sustainability-related information that are useful for investment decision-making. There is increasing emphasis on preventing and punishing serious accidents, such as the recent extension of the Serious Accident Punishment Act to include workplaces with fewer than 50 employees, as well as emphasis on efforts to minimize damages in order to create a safe environment. These strong government measures require companies to make greater efforts to prevent disasters while emphasizing their compliance with all safety and environmental regulations.

## Management approach

In December 2020, POSCO STEELEON declared its "2050 Carbon Neutral Vision". Recognizing the environment as a key element of our management strategy, we have continuously implemented improvement activities, such as enhancing our global environmental capabilities and deploying an anti-climate change system based on our environmental management system (ISO14001), in order to achieve the status of a leading low-carbon, green growth company. As such, POSCO STEELEON includes climate risk in its enterprise risk management system to systematically respond to the climate crisis. We will develop a climate risk management model specifically adapted to POSCO STEELEON's business characteristics and geographic regions so as to scientifically calculate the financial impact of transition risks and losses due to physical risks such as extreme weather, and use it in developing our management strategies. POSCO STEELEON pays greater attention to deploying a safety management system along with the recent tightening of safety regulations, including the enactment of Serious Accident Punishment Act, and strictly complying with the statutory regulations and other safety-related laws and regulations. Recognizing the importance of corporate social responsibility, we are also striving to minimize the possibility of disasters by strengthening our risk assessment and management.

## Key Performance Achievements



\*TRIFR: The frequency of fatalities or injuries requiring medical treatment per million hours worked.

## INTERVIEW



**Chunyeol Heo** • Head of Safety and Production, POSCO STEELEON

**Q In the employee questionnaire survey on ESG management conducted in February of this year, ‘energy management’ ranked as the first issue to have a material impact on POSCO STEELEON’s financial position. We would like to know what your vision is for energy management, the use of renewable energy, and energy conservation at POSCO STEELEON.**

POSCO STEELEON has continuously promoted facility investment and improvement activities such as fuel switching, energy efficiency enhancement, and renewable energy to realize carbon neutrality by 2050.

We have reviewed the planned switch to internal consumption of 5.7 GWh of electricity generated by installing solar panels on the roofs of factory buildings, as renewable energy has emerged as a future competitive factor in responding to climate change.

In addition, POSCO Group companies have been realizing carbon neutrality by securing renewable energy and relatively early participating in strategic projects to promote renewable energy, such as wind power and solar power, as the market demand for renewable energy has increased due to domestic policies among other causes. The company’s 2024 Energy Saving Plan aims to reduce energy use by 97,000 GJ by improving the Cr Dryer equipment of Plating Plant Line No. 1, minimizing the POT’s atmospheric heat loss, managing oven temperature when operation of the color plant line is paused, and changing the steam supply mode. In addition, we are in the process of improving various facilities for sixteen improvement items that we have identified in connection with energy-saving. We also plan to reduce energy consumption by 37,000 GJ. Therefore, we will emit 118,000 tons of carbon dioxide gas in 2024, 9,000 tons less than the government’s quota of 127,000 tons, for a reduction rate of 7%.

**Q The government regulations on safety management have been further tightened, increasing safety management’s importance as the even stricter Serious Accident Punishment Act is due to be enforced in 2024. What are POSCO STEELEON’s key activities for safety management in 2023, and from what perspective will you strengthen safety management in the future?**

First of all, to create a foundation for safe work in the company’s premises, we routinely conduct a special inspection and CCTV monitoring to ensure that all entering personnel, including directly hired and partner personnel, make it a rule to comply with the safety rules. In addition, to prevent serious incidents, all our employees have participated in safety risk discovery, support and improvement activities in collaboration with factories and maintenance departments, and active checkup and feedback by position are encouraged to eliminate fundamental risks. In addition, we have resolved difficulties at meetings of the health and safety council and joint inspections for safety coexistence with our partners and suppliers. We have also provided health and safety supplies and horizontally expanded our risk assessment of directly operated units to our partner companies by participating in the government-sponsored win-win cooperation programs. Two of our partner companies have been cited as excellent business sites in the risk assessment. Based on this, in our 2024 safety programs, we will focus our resources on enhancing preventive activities against occupational accidents so that safe operability is achieved in a field-oriented manner. To achieve such goals, we will do our best to develop an accident-free workplace by conducting safety activities not only for myself, but also for our colleagues, and by performing systematic activities such as deploying a smart safety platform, while conducting activities aimed at identifying potential and near-miss risks and operating safety-keeping cards.

# Response to Climate Change

Responding to climate change is an important challenge we all face. It is important to achieve sustainable growth while effectively managing it. To manage risks from climate change and achieve sustainable growth, we will identify and assess potential risks of climate change and prepare appropriate response strategies. We aim to achieve sustainable growth by responding to climate change with the new eco-friendly technologies and innovative solutions that we are continuing to develop, while enhancing competitiveness and building trust with our stakeholders. POSCO STEELEON focuses on investments to develop eco-friendly products and transform its production systems. We intend to contribute to leading the response to climate change by realizing carbon neutrality at the earliest possible date.

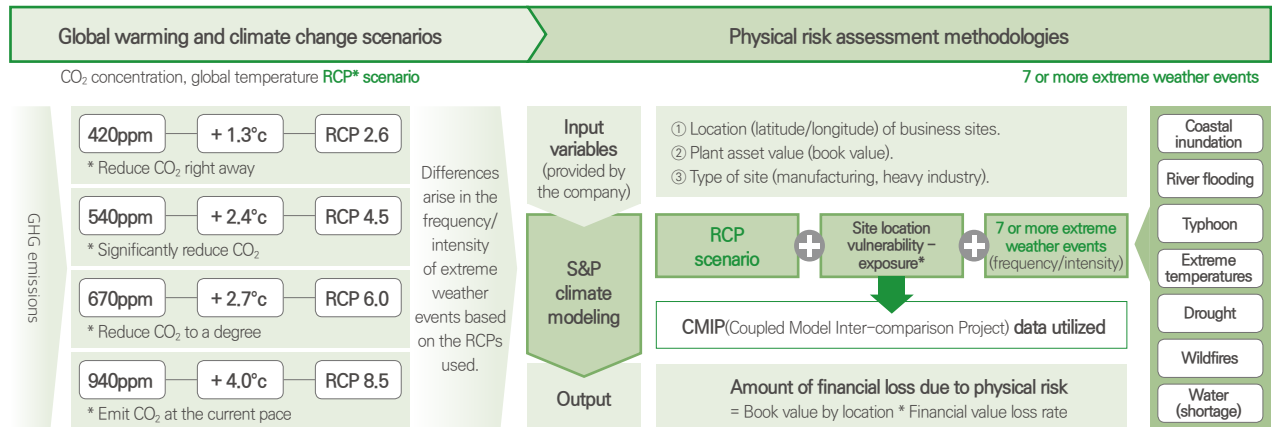
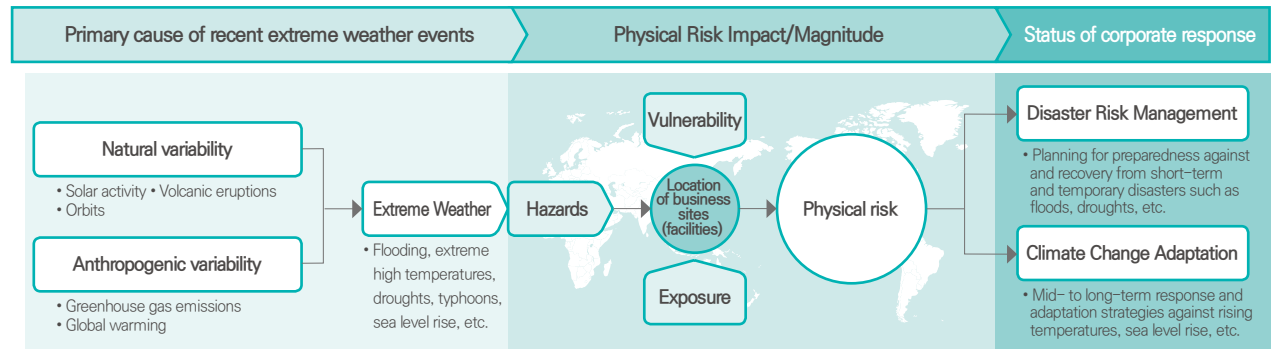
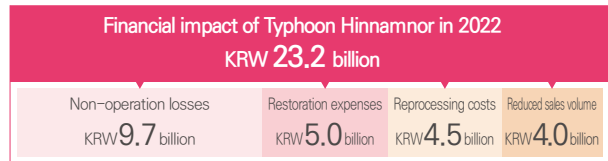
## Climate change scenarios: Transition risks and opportunities

Based on the risk and opportunity classification system, POSCO STEELEON analyzes impacts on its business by identifying climate risks and opportunities through an analysis of peer companies, industry trends, and climate-related disclosure requirements in accordance with the TCFD guidelines. In consideration of the characteristics of the industry sector in which POSCO STEELEON is engaged, we have identified and selected transition risks and opportunities related to climate change, and have also derived the short-, medium- and long-term probability of their occurrence and impact, and the response status, based on the risk management system.

Types of risk		Crisis	Impact	Potential financial impact	Response strategies and status
Transition risks	Policies and laws	<ul style="list-style-type: none"> <li>• Purchase of emission rights and renewable energy.</li> <li>• Regulation on GHG emissions.</li> <li>• CBAM and other new trade barriers.</li> <li>• Enhanced regulation on Green Washing.</li> </ul>	<ul style="list-style-type: none"> <li>• Rising prices of emissions rights (mid/long term).</li> <li>• Investment (mid/long term) in new facilities and products.</li> <li>• Enhanced overseas regulations (short/mid/long term).</li> </ul>	<ul style="list-style-type: none"> <li>• Rising cost of purchasing GHG emissions rights.</li> <li>• Rising cost of responding to statutory emission regulations.</li> <li>• Rising cost of overcoming new trade barriers.</li> <li>• Rising litigation costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening role of ESG board of directors.</li> <li>• Performance of comprehensive strategies for achieving carbon neutrality.</li> <li>• Enhanced cooperation among Group companies in response to ESG management.</li> </ul>
	Technologies	<ul style="list-style-type: none"> <li>• Low-carbon products.</li> <li>• Eco-friendly processes and equipment.</li> <li>• Eco-friendly raw materials.</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to invest in new technologies (mid/long term).</li> <li>• Investment in low-carbon competing products and alternative materials (mid/long term).</li> </ul>	<ul style="list-style-type: none"> <li>• Rising cost of failed technology investment.</li> <li>• Rising cost of R&amp;D.</li> <li>• Rising cost of changes in processes and equipment.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase of highly-resistant, eco-friendly products and advance into new markets.</li> <li>• Increase in the quality gap by developing technologies for aluminum products for automotive parts.</li> <li>• Development of commercial technology for next-generation digital printing and differentiated surface-treatment.</li> </ul>
	Markets	<ul style="list-style-type: none"> <li>• Growing demand for low-carbon products.</li> <li>• Rising new trade barriers related to environment.</li> <li>• Demand for information on generated carbon emissions by product.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased market uncertainty (mid/long term).</li> <li>• Changes in consumer behaviors and patterns (short/mid/long term).</li> <li>• Rising raw material prices/costs (short/mid/long term).</li> </ul>	<ul style="list-style-type: none"> <li>• Increased raw material procurement costs.</li> <li>• Increased eco-friendly certification costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Measurement of carbon emissions based on LCA and acquisition of certification.</li> <li>• Assessment of suppliers to secure a stable supply chain.</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>• Constant increase of stakeholders' demands for sustainability.</li> <li>• Mandatory ESG disclosure.</li> <li>• Greenwashing.</li> </ul>	<ul style="list-style-type: none"> <li>• Response to ESG disclosure (short/mid term).</li> <li>• Negative perception of the steel industry (mid/long term).</li> </ul>	<ul style="list-style-type: none"> <li>• Increased costs of internal information management and labor response to ESG disclosures.</li> <li>• Deterioration of corporate image due to negative perception of excessive carbon emissions.</li> </ul>	<ul style="list-style-type: none"> <li>• Standardization and systemization of ESG data.</li> <li>• Strengthening of marketing campaigns of group companies.</li> <li>• Sharing risk response performance with stakeholders.</li> </ul>
Major Opportunity Factors and Contents		<ul style="list-style-type: none"> <li>• Reduction of unit cost to enhance energy efficiency.</li> <li>• Generation of income from participation in the carbon market.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase of market share by expanding low-carbon product lines.</li> <li>• Competitive advantage through water saving and increased reuse of waste.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancement of corporate image by leading the response.</li> <li>• Increase of new business lines, such as those for eco-friendly products.</li> </ul>	

## Climate change scenarios: Physical risks and opportunities

Key stakeholders have demanded the disclosure of information on physical risks at business sites in line with the international disclosure standards. It has become even more essential to evaluate physical risks since Typhoon Hinnamnor had devastating effects on group companies in Pohang, including Pohang Steel Works and POSCO STEELEON, in 2022. It is necessary to understand the core concepts of climate change and adverse and extreme weather events in order to assess and respond to physical risks effectively. Risks are determined by the degree of vulnerability and exposure of the locations of business sites due to greenhouse gas emissions and global warming, and the degree of their adaptation to climate change in disaster management. The company has now completed the physical risk analysis of nine major sites of POSCO Group, and plans to conduct a physical risk analysis and financial impact review in 2024. We will analyze the financial impact of changes in temperature and precipitation in the regions where our plants are located according to an RCP scenario using S&P climate modeling.



Type of risk	Crisis	Impacts	Potential financial impact	Response strategies and status
Physical Risks	Acute	<ul style="list-style-type: none"> <li>• Production losses due to increased incidence of natural disasters (short/mid/long term).</li> <li>• Worker safety risks and reduced productivity (short/mid/long term).</li> <li>• Increased energy consumption due to extreme weather conditions (short/mid/long term).</li> <li>• Increased volatility of raw material supply (short/mid/long term).</li> </ul>	<ul style="list-style-type: none"> <li>• Increased loss costs due to production interruptions, such as damage restoration and preventive repair costs.</li> <li>• Increased energy costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Investment in disaster reduction activities and disaster prevention and recovery facilities.</li> <li>• Strengthening of natural disaster response drills.</li> <li>• Replenishment of drainage boards and facilities.</li> </ul>
	Chronic	<ul style="list-style-type: none"> <li>• Increase in average temperature.</li> </ul>	<ul style="list-style-type: none"> <li>• Damage to facilities due to prolonged high temperatures (mid/long term).</li> <li>• Decreased labor productivity due to increased heat wave days (mid/long term).</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in production site operation rate and sales.</li> <li>• Costs incurred due to the introduction of new facilities.</li> <li>• Reduced sales due to deteriorating productivity.</li> </ul>

## Financial impacts of acute physical risks, and the story of a crisis overcome

On September 6, 2022, when the Pohang area experienced record heavy rainfall that typically occurs only once every 500 years, the Chilsungcheon River, which flows by POSCO STEELEON's plant, flooded instantly due to the impact of Typhoon Hinnamnor, inundating the plant and office buildings with river water and silt to underground and one meter above ground, which caused the shutdown of core facilities including seven POTs at the plating plant, the major production line, and flooding the coating facilities of lines 1-4 of the color plant, and the input and output side facilities and PosART facilities. Also flooded were 36,000 tons of inventory, the product inspection laboratory in the office building, the plant's cafeteria, etc.

Most of the equipment lines were submerged in soil and river water, and a huge amount of water damage was inflicted on mechanical and electrical equipment and steel product materials. The plating plant was shut down for about two months and the color plant for about one week to restore the facilities. Production and sales losses amounted to 115,000 tons and 84,000 tons, respectively, resulting in KRW 13.7 billion in nonoperational losses and KRW 9.5 billion in direct damages. A total of KRW 23.2 billion in damages was inflicted on equipment, buildings, products, and material reprocessing costs.

To overcome this unprecedented situation, POSCO STEELEON immediately formed a company-wide comprehensive response team tasked with in-house damage recovery. In order to restore the facilities for normal operations, the CEO-representative director and his staff checked the progress of the recovery effort and major issues on a daily basis. The company did its best to minimize customer churn through a prompt

recovery effort, while placing top priority on safety. Over 700 full-time employees and executives, including personnel from our suppliers, worked hard together for a quick recovery out of loyalty. The company was able to recover from the flood damages and normalize the plant operation one month ahead of schedule, and without a single safety accident.

Although restoration equipment was not available due to the water damages, with POSCO STEELEON's combined spirit, we were able to overcome the crisis smartly, as many employees blocked the flooding water with their bare hands while draining the water. The flood damage recovery process not only demonstrated the company's ability to overcome a crisis, but also served as an opportunity for strengthening unity and cohesion as the employees learned to rely on each other. We are now tightening our warning standards as the scale and frequency of natural disasters such as typhoons, heavy rains and tsunamis are expected to increase due to climate change in the future. To prevent flooding from occurring again, we have installed floodwalls and other devices. We are also enhancing the efficiency of the cooling system at our factories to improve health and safety management for our workers in extreme heat. Based on the results of our physical risk analysis, we will continue to strengthen our management of extreme temperature risks, including coastal and river flooding. Furthermore, we will closely examine the impact of physical risks in the process of installing new facilities or extending existing ones.



# Environmental Management

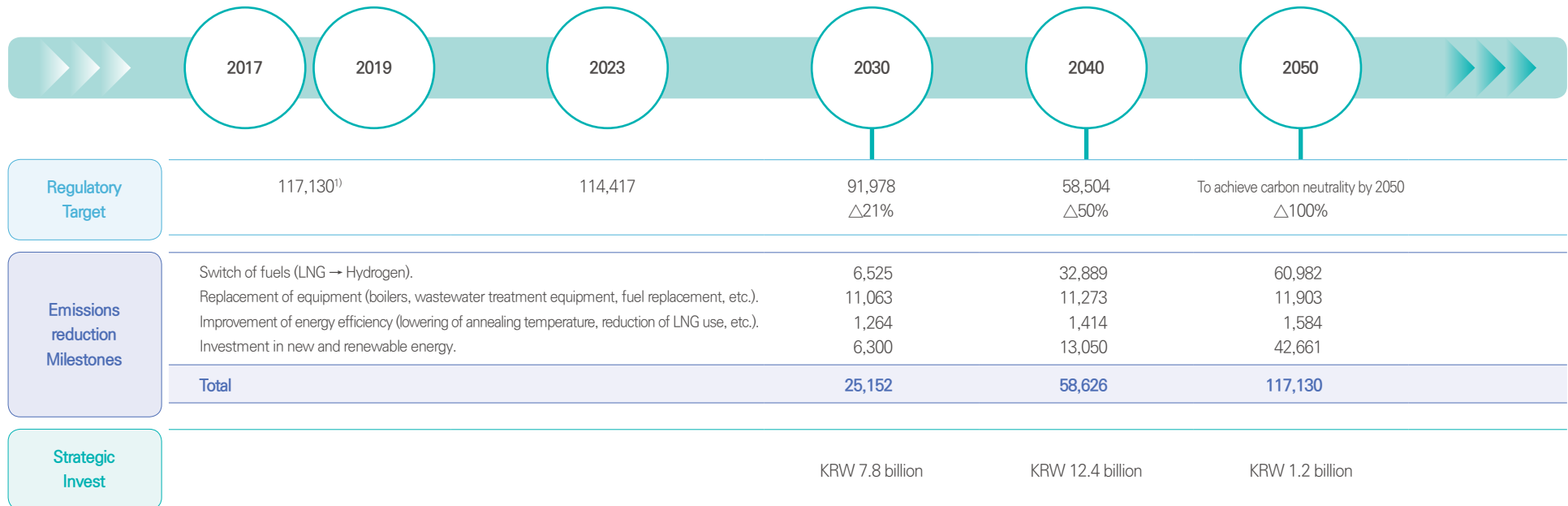
## Environmental Management Strategy

POSCO STEELEON aims to prepare for and protect itself against the various kinds of environmental risks that may arise in our business environment by building a stronger capability to respond to environmental risks, by systematically managing environmental impacts across all its business activities while deploying an integrated environmental management system. We are also promoting open communication with our stakeholders to enhance the transparency of our environmental management, and we will meet the global standards for environmental management that lead low-carbon green growth.



## 2050 Carbon Neutrality Roadmap

(Unit: tCO<sub>2</sub>)



1) Average emissions over the three-year period 2017-2019, the basis for allocations from 2021 to 2025.

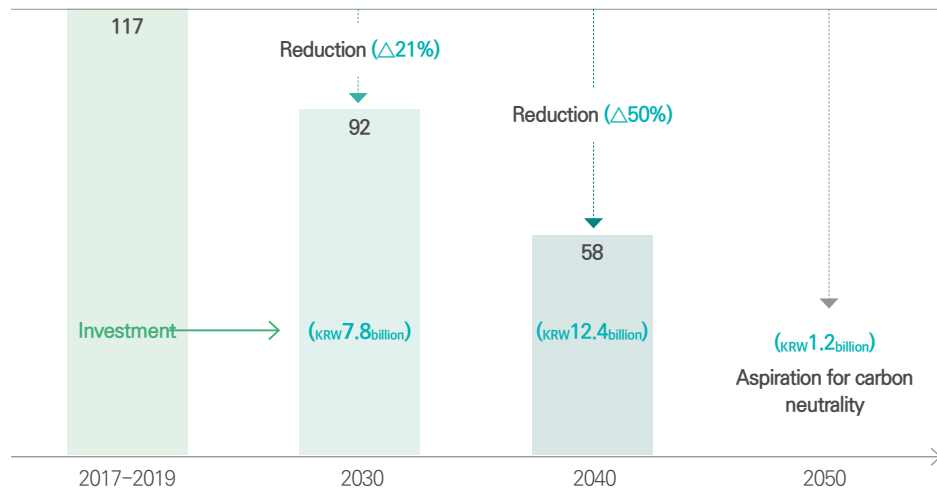
\* Data scope: Domestic plants (plating and color-coating plants).

## 2050 Carbon Neutrality Action Plan

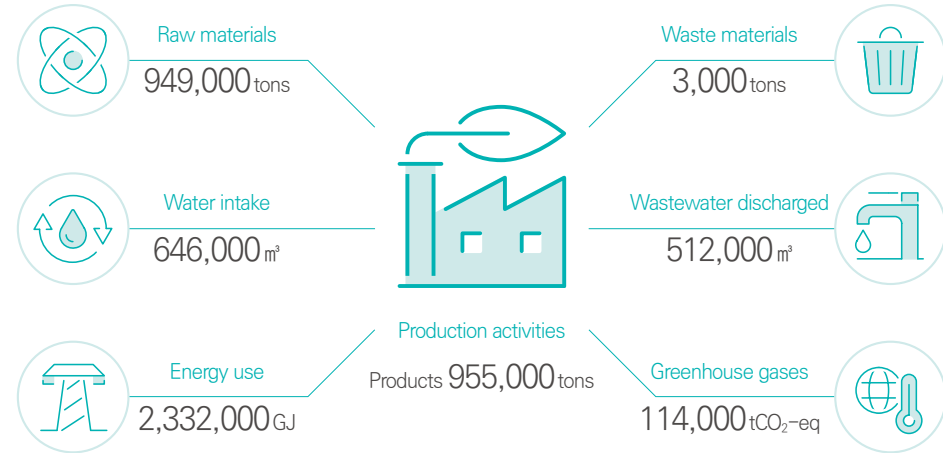
We are committed to implementing eco-friendly management to protect the global environment according to our previous declaration of "2050 Carbon Neutrality". To achieve this, POSCO STEELEON has set a step-by-step reduction target of 21% in 2030 and 50% in 2040, and has established a plan to gradually increase the related investment amount. The reduction target was determined based on the average emissions from 2017 to 2019. Some 54% of our GHGs are generated from direct emissions. In order to achieve the 21% reduction target by 2030, we will implement detailed plans in 10-year increments based on the reduction performance of direct and indirect emissions. As a measure for reducing direct emissions generated by plant processes, LNG, which is currently the main fuel used, will be replaced by an alternative fuel by introducing FCE (Fuel Cell Engine) and oven hydrogen burner technologies. We will also switch to low-carbon processes by introducing new technologies that will replace steam facilities with chemicals; improve thermal efficiency by controlling the annealing temperature of facilities and adjusting the performance ratio; and replace fossil-fuel burning company vehicles with electric vehicles. In the meantime, we have improved power efficiency to reduce indirect emissions from the use of electricity and steam. Going forward, we will improve our steam-using processes and increase the purchase of low-carbon steam, and also increase the share of renewable energy by buying RECs (Renewable Energy Certificates).

### 2050 Carbon Neutrality Roadmap

(Unit: 1,000 tCO<sub>2</sub>e)



## Energy consumption and GHG emissions



### GHG emissions, energy consumption

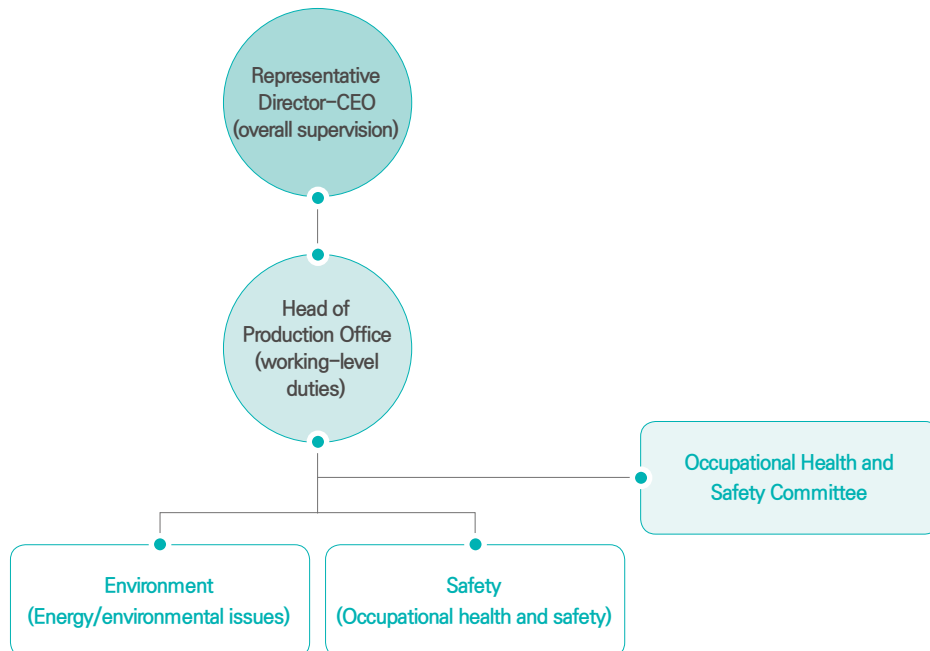
( tCO<sub>2</sub>e, GJ )

Classification	2021	2022	2023	
			Goals	Performance
Scope1	64,725	52,926	59,405	58,699
Scope2	62,641	55,536	67,707	55,718
Total	127,366	108,462	127,112	114,417
Fuel	1,249,090	990,458	1,172,000	1,132,042
Electric power	1,159,848	1,017,328	1,185,000	1,101,172
Steam	131,095	141,506	213,010	98,685

Data scope: Domestic business sites (plating and color-coating plants).

## Policy on Environmental Management Organization and Authority

POSCO STEELEON's environmental organization is composed of the Safety & Environment Group, which is placed under the Production Division (Executive Managing Director), with the CEO assuming overall responsibility. The Safety & Environment Group, which is responsible for strategically managing safety and environmental issues, is divided into the Safety and Environmental Parts: The Safety Part is responsible for occupational health and safety, and for maintaining and improving the safety of production facilities and work environments; whereas the Environmental Part leads various initiatives aimed at energy conservation and environmental protection in order to minimize the company's environmental impact and realize sustainable management. Environmental performance is set as a KPI for the CEO every year, and is evaluated by POSCO Group, thus ensuring transparent and accountable management of environmental performance. All roles, responsibilities, and authorities regarding the environment are clearly defined, strengthening the environmental leadership of the top management and clearly defining corporate environmental responsibility. The BOD's operating policies specify environmental matters in order to clarify the BOD's roles and responsibilities pertaining to environmental issues, and support the establishment and execution of environmental strategies.



### Issues referred to the Board of Directors

• **Matters related to management activities**

- a. Basic management directions and policies.
- b. Mid- and long-term business plans and annual operational plans (mid- and long-term management policies and plans, annual operational targets, management rationalization plans, etc.).
- c. Development of low-carbon policies related to environment and climate change.
- d. Plans for health and safety.
- e. Appointment of CEO, President, and Vice-President from among internal directors; Executive Director and Managing Director positions granted.
- f. Enactment, revision, or revocation of important policies and regulations (Board of Directors Operating Regulations, Officers' Compensation Regulations, Officers' Retirement Benefits Regulations, Internal Accounting Management Regulations).
- g. Reporting of the internal accounting manager and the auditor on the operational status of the internal accounting management system.
- h. Decisions on expert assistance to directors.

### Responsibility and authority regulations

Items	Detail contents	Department head	Director (head of office)	President
(Environment) a. Environmental management b. External affairs related to environmental management	1. Operation and recording of emission (discharging) and prevention facilities.	●		
	2. Self-measurement, data analysis, and statistics.	●		
	3. Maintenance of records of industrial waste management and treatment performance.	●	●	
	4. Control and improvement of pollutant emissions.			
c. Plan developed	1. Licensing and permits		●	
d. Operation of consultative bodies	2. Matters related to processing plans and performance reports.		●	
	3. Inspections by the relevant authorities.	●		
e. Appointment and dismissal	1. Environmental, safety, health, and firefighting plans.			●
	1. Report on the outcome of Health and Safety Committee/ Health and Safety Council meetings.		●	
	1. Appointment and dismissal of statutory managers (environmental, safety, health, firefighting, and hazardous substances).	●		

## Environmental Management Policies

Since the declaration of the POSCO Family Global Environmental Management Policy, we have promoted our vision, strategies, and action plans to deploy and implement an environmental management system. Recognizing the environment as the core element of our management strategies, we are implementing the following in order to become a truly eco-friendly company in a sustainable society:

- We secure global leadership by deploying a “family” environmental management system based on ISO14001.
- We work to continuously improve the environment by considering the entire process, while complying with the environmental laws and regulations.
- We minimize pollutant emissions by adopting clean production processes and applying optimal prevention technologies.
- We are building a resource-recycling society and improving ecological efficiency by effectively utilizing natural resources, by-products, etc.
- We are leading low-carbon green growth by reducing greenhouse gas emissions by using clean energy and applying green technologies.
- We promote transparency in management and pursue sustainability by disclosing our performance in environmental management.

Our environmental management system reviews the development, implementation, and effectiveness of the ISO14001:2015 standards or specifications, prioritizes environmental management through this environmental policy so as to ensure customer satisfaction through continuous improvements, and ensures that all executives and employees understand the environmental policy and do their best to consider environmental and ethical perspectives.



## Certification of Environmental Management

POSCO STEELEON has deployed an environmental management system based on the ISO14001 (Environmental Management Systems) certification, the international standard, at all its plants. In 2023, the certificate was renewed through a renewal audit. The main issues raised include the fact that the company’s energy-saving efforts through the development of environmentally-friendly products, process improvements, and investment in replacing old facilities have resulted in cost savings, and that the NOx concentration values are transmitted in real time through the TMS, requiring continuous monitoring to ensure that the cap-and-trade thresholds for each air zone are not exceeded. The company conducts regular audits every year and also promotes continuous improvement activities through KPI (Key Performance Indicator) management.

## Environmental education

POSCO STEELEON conducts environmental education aimed at raising the understanding of environmental preservation activities among its customers and the local communities in which it conducts its business in order to encourage their participation in the activities. In doing so, we practice our social responsibility through environmental preservation activities, contributing to the construction of a sustainable society. In addition, we operate internal environmental competence building programs to promote employees’ participation in and contribution to environmental preservation. For sustainable management, POSCO STEELEON strives to continuously improve and develop environmental education and foster employees who have a deep understanding of environmental preservation and their role in achieving it, and who have the expertise to implement it.

### No. of participants in environmental education

Classification	2021	2022	2023년
No. of participants in environmental education (persons)	281	235	448 <sup>1)</sup>

1) All workers working in the company, including the personnel belonging to the company and its partners.

## Response to Environmental Laws and Regulations

The “Act on the Integrated Management of Environmental Pollution Facilities” was enacted and promulgated for enforcement in gradual stages from 2017. The Act introduced an advanced method of environmental management whereby the management of emission facilities - previously permitted and controlled separately by polluting medium - are consolidated into a single united management system at each business site. The company minimizes pollutant emissions by applying technically and economically feasible means to its business sites - by comprehensively considering the impact of pollutants on the environment, such as air and water, and health. POSCO STEELEON responds proactively to key environmental laws and regulations to reduce its environmental impact.

Major Laws	POSCO STEELEON's response
Act on the Integrated Control of Pollutant-Discharging Facilities	We prepare measures designed to effectively reduce pollutant emissions in order to substantially improve the environment, such as by applying the best available techniques, improving the control processes, and reviewing the emission standards in advance.
Framework Act on Resource Recycling	We respond proactively to resource recycling requirements by controlling the generation of by-products and researching new technologies.
Act on Liability for Environmental Damages and Relief Thereof	We carry environmental liability insurance, and strengthen management supervision to prevent environmental accidents.
Special Act on Air Quality Improvement in Air Control Areas	We operate a tele-monitoring system (TMS) to respond to regulations on the total permitted amount of chimney emissions.
Chemical Substances Control Act	With the increasing number of designated hazardous chemical substances recently, we control them safely through proactive monitoring.
Act on the Allocation and Trading of Greenhouse-Gas Emission Rights	We calculate our total greenhouse gas emissions each year and transparently disclose data verified by external independent entities.
Framework Act on Carbon Neutrality and Green Growth for Coping with the Climate Crisis	We set a mid- to long-term carbon-neutral strategy to derive action plans by developing a system for setting carbon reduction targets.

## Violations of the environmental statutes

In 2023, POSCO STEELEON committed no violations of the environmental laws and regulations. Two violations were reported in 2021, which were related to the plating plant (failure to report changes in the details of the permit for its air emission facility) and the color-coating plant (failure to report changes in the details of the permit for the installation of a wastewater discharge facility). Likewise, two violations were reported in 2022, both of which were related to a failure to measure autonomously by the plating plant and the color-coating plant. We have paid the penalties and completed improvement measures. For the violations in 2021, we now prevent recurrences by fulfilling the declaration of changes in details of the permit for the installation of a wastewater discharge (change in wastewater volume) and permanently controlling the daily wastewater discharge volume. For the violations in 2022, we now prevent measurement failures by checking the self-measurement performance of pollutants at all outlets of the plating and color-coating factories.

Classification	2021	2022	2023
Violations of statutes related to water quality	1	1	0
No. of administrative actions	2	2	0
Administrative fine	2	2	0
Total no. of violations of statutes	2	2	0

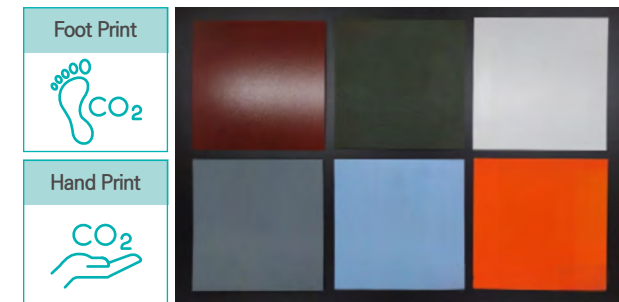
# Eco-friendly Products and R&D

POSCO STEELEON's green product strategy focuses on reducing our carbon footprint by developing new eco-friendly technologies and innovative solutions in response to transition risks. This is effectuated by considering the entire processes, ranging from the production to the use and disposal of our products. We develop foot-printed products to minimize our carbon footprint throughout the entire product lifecycle. We also offer hand-printed products that are mindful of use and disposal, and minimize the emission of harmful substances other than carbon by using eco-friendly materials, saving energy, and switching to eco-friendly energy. We also promote resource recycling while minimizing the generation of waste by the production process.

## Eco-friendly products and R&D

<p><b>MACOSTA</b></p>	<p><b>PBG/PBK</b></p>	<p><b>NCP2</b></p>	<p><b>Print</b></p>
<p>Zinc-Aluminum-Magnesium Alloy Plated Steel Sheet</p>	<p>Antibacterial Color Steel Sheet</p>	<p>Non-combustible color steel sheet</p>	<p>Printed color steel sheet</p>
<p><b>Applications</b></p>	<p><b>Applications</b></p>	<p><b>Applications</b></p>	<p><b>Applications</b></p>
			
<p>Solar panel supports Partition walls</p>	<p>Interior and exterior finishing materials</p>	<p>Non-combustible steel sheet</p>	<p>Interior and exterior finishing materials</p>
<ul style="list-style-type: none"> <li>• Corrosion resistance 3 to 4 times stronger than that of ordinary hot-dip galvanized steel.</li> <li>• Excellent corrosion resistance on flat and cut surfaces.</li> <li>• Used for roofing materials, solar panel supports, color steel sheet materials, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• A ceramic-based antibacterial agent that sterilizes free radicals.</li> <li>• Excellent antibacterial effect with strong weather resistance and corrosion resistance.</li> <li>• Adsorption and deodorization of bacteria, mold, organic substances, and ammonia gas via ceramic pores.</li> <li>• Blended additives, which have been confirmed to be totally safe for the human body.</li> </ul>	<ul style="list-style-type: none"> <li>• Color steel sheet that does not easily ignite at high temperatures and generates less smoke and harmful gases.</li> <li>• Flame retardant properties secured by applying organic and inorganic composite type resins with heat resistance and processability.</li> </ul>	<ul style="list-style-type: none"> <li>• Special method of printing on solid color steel sheets that enables the use of various colors and patterns with a sophisticated luster and texture, and also provides customized designs for the consumer's desired applications with unique creative products.</li> <li>• Interior and exterior finishing materials, panel materials, fire doors, home appliances.</li> </ul>

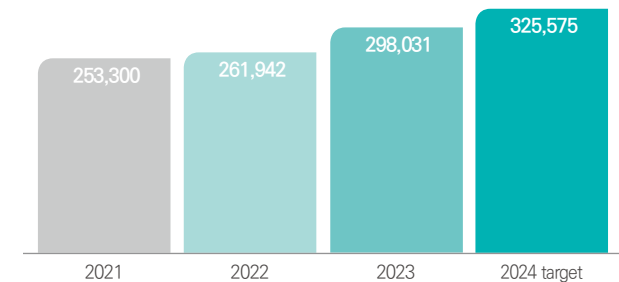
## Recycle-Bio Color Steel Sheet



POSCO STEELEON's Recycle-Bio color steel sheet, which is made by compounding and chemically recycling waste plastic and biomass materials by extracting polymers and monomers by pyrolyzed PET in the form of a molecular structure, reduces carbon emissions compared to the same product produced in the crude oil method.

## Sales of eco-friendly products

Sales of eco-friendly products (Unit: KRW 1 million)



## R&D Achievements and Investments

2021

- Post-treatment techniques to reduce surface defects (black spots) on highly corrosion-resistant plating materials.
- Highly weather resistant treatment after coloring.
- Objet color steel sheet for refrigerator doors.
- Thick Al-Color Fluorine Ceramic Color Steel Sheet.
- Color steel sheet made of high yield strength steel.
- Eco-friendly frit steel sheet (free from formaldehyde).
- High weather resistant chameleon steel sheet.
- Process technology for improving defects due to highly difficult plating material (AL-STs).
- Post-treatment techniques to reduce surface defects (black spots) on highly corrosion-resistant plating materials.

2022

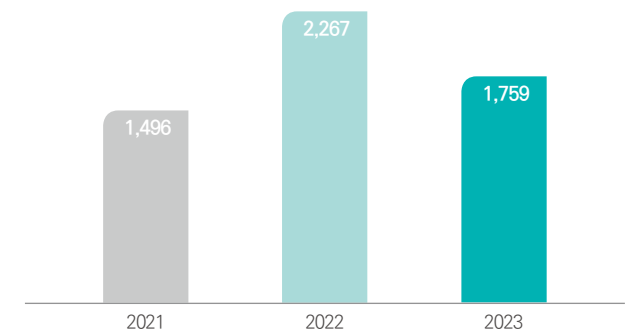
- Certification obtained for antibacterial plating steel from an overseas certification agency.
- Development of high weather/corrosion resistant post-plating products for roofing.
- Development of high corrosion resistant decorative plated steel for vinyl houses.
- Development of new foamed printed steel sheet.
- Development of High Solid Fluorine Color Steel Sheet.
- Development of Hammer-tone texture printed steel sheet.
- Technology suppressing defective coating of Al-STs.
- High-temperature tarnish-resistant aluminum plated steel sheet.
- STS (roll patterned) color steel sheet for consumer appliances.
- Fluorine-replaced highly weather-resistant color steel sheet.
- AL plated steel for HVAC.

2023

- Development of ink and basic technology for Roll-to-Roll Inkjet printing.
- Primer-less color steel sheet for consumer appliances.
- 2C2B cost-saving printing.
- Plated steel sheet for automobile wipers.
- Eco-friendly plated steel sheet applied with biomass post-treatment.
- High friction plated steel.
- Low temperature hardening (20°C ↓) color steel sheet for building materials.
- Color steel sheet for ESS (Energy Storage System) containers.
- Eco-friendly biomass color steel sheet.
- High weather resistant non-combustible printed steel sheet.
- Plated steel sheet for electric vehicle motor covers.
- Plated steel sheet for building materials with Japanese fireproofing non-combustion certified materials.


### R&D Investment

(Unit: KRW million)



## Acquiring International EPD (Environmental Product Declaration)\* Certification in progress

Recognizing the environment as a key element of its management strategy, POSCO STEELEON has steadily performed improvement activities, such as enhancing its global environmental capabilities and deploying a climate change response system to become a leading low-carbon, green-growth company based on its environmental management system (ISO 14001). As the first step in reducing our footprint, we secured the required budget and developed a detailed implementation plan to obtain the International EPD certificate (in Europe) through a life-cycle assessment (LCA) for three plating products and seven color products in 2023. We have computed and analyzed the carbon emission volume for each unit process for the products to be certified using the LCA (Life Cycle Assessment) method. The certification will provide us with the opportunity to bid for public facilities and building construction projects in Europe, as well as serving as proof of our compliance with the EU environmental regulations. Furthermore, our customers will be able to compete better in Europe by saving additional certification costs and time, while we will earn trust that we comply with the environmental regulations. This will help us to increase our product sales in the European market, contributing to the sustainable development of Europe. We will also secure reliable environmentally-friendly competitiveness of our products by providing the related environmental information.

Classification	Certified products	Usage	Period	Budget	Remarks
Plating (3 types)	MACOSTA, ALZASTA, ALCOSTA.	Exclusive of building materials.	8 months (in 2023)	KRW 220 million	International certification 
Color-coating (7 types)	6 types in addition to general building materials (PGS, PES2, PSP2, PPG, PBG2, PVS2, PCS).	Building materials, consumer appliances.			

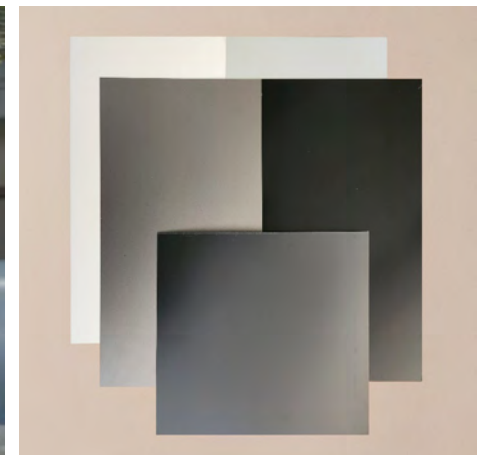
\*International standards for evaluating and reporting the environmental performance of products (EU - International certification, US - UL certification, Korea - Ministry of Environment certification).

## Our biomass color steel sheet passed the UL test in the U.S. for the first time among manufacturers in Korea.

POSCO STEELEON's recently-developed biomass-color-coated steel sheet passed the test of Underwriters Laboratories Inc. (UL), a reputable certification agency in the United States. The product has been recognized as an eco-friendly product as it uses biomass as an eco-friendly raw material instead of petroleum. In addition, it contributes to environmental protection as it uses biomass paints extracted from corn cobs instead of petroleum-based paints used in conventional color steel sheets. In particular, POSCO STEELEON has collaborated with paint companies in the process of adopting biomass paint to maintain product quality by utilizing the existing facilities.

Biomass products are recognized as eco-friendly products based on the measured content of radioactive carbon isotope (C-14), which is present only in naturally derived materials. This product uses a high content of biomass paint (26%) that meets the eco-friendly product standards. POSCO STEELEON plans to obtain the UL certification to increase both mass production and sales by developing products with added surface texture, antibacterial performance, etc. based on the newly developed biomass color-coated steel sheets. It also plans to accelerate the development of eco-friendly manufacturing technologies by applying biomass to the plating steel sheet process as well. POSCO STEELEON will respond proactively to the domestic and international environmental regulations and demands for carbon reduction by developing eco-friendly products and technologies with these efforts.

### Biomass-color-coated steel sheet passes the UL test.

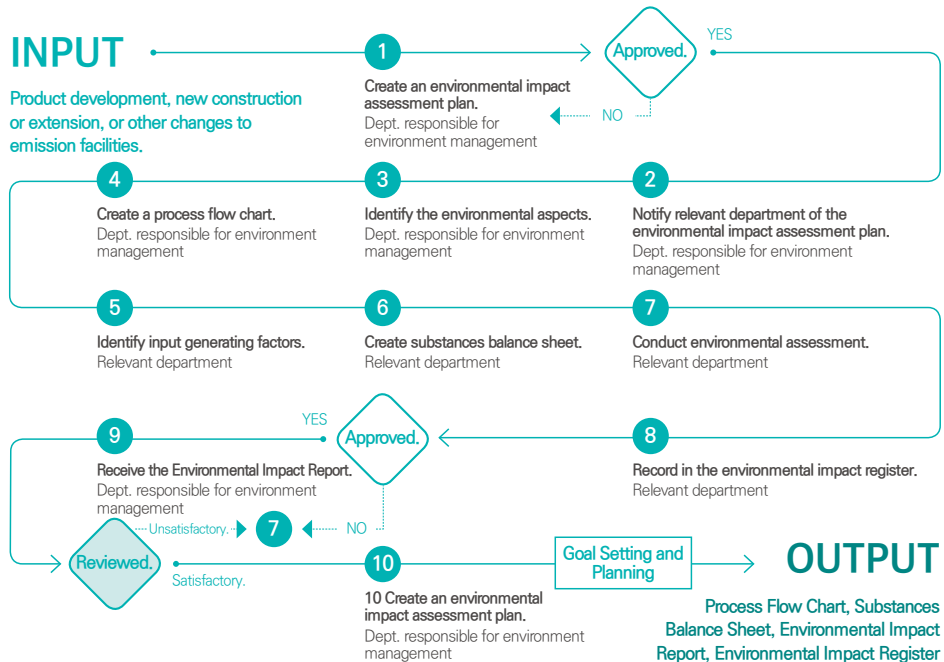


# Pollutant Management

## Environmental Risk Management Process

POSCO STEELEON thoroughly analyzes risks and opportunities and evaluates their significance and business impact when environmental issues arise. The results of these assessments are reflected in major business decisions, particularly those related to production and investment. In addition, based on ISO14001's continuous monitoring and proactive response system, we check all environmental risks assessed by the relevant departments. We strive to minimize risks to our business activities in cooperation with the relevant departments by promoting improvements whenever necessary measures are identified.

### Workflow Chart



## Environmental Investment

POSCO STEELEON is committed to making the transition to an environmentally-friendly industrial structure, including the attainment of carbon neutrality by 2050.

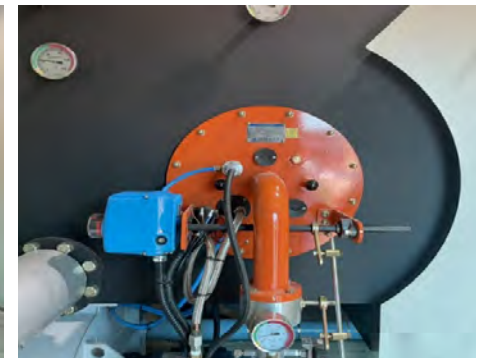
Despite the difficult business environment, it has increased its environmental investments in order to respond to environmental regulations and achieve carbon neutrality. In 2023, it reduced air pollutant emissions by installing a new low-NOx burner at its plating plant, and also invested in replacing its hydrogen peroxide tanks for water treatment.

Amounts of "green investments" and major environmental investments in 2023 (Unit: KRW million)

Area	Green investment performances		
	2021년	2022년	2023년
Air	884	2,677	255
Water quality	1,573	0	0
Others (soil, energy, etc.)	256	0	55
Total	2,713	2,677	310

Area	Contents of major environmental investments in 2023
Air	• Installation of boilers equipped with a low NOx burner at the plating plant.
Other (energy)	• Replacement of hydrogen peroxide tanks for water treatment at the plating plant.



## Mid- to Long-term Goals for Reducing Air Pollutants (NOx)

POSCO STEELEON systematically manages targets and detailed plans based on the total amount of air pollutant emissions as a core indicator. To stably manage emission concentration levels, it controls the level by setting enhanced internal management standards at 80% of the statutory allowable level. In addition, to reduce the amount of fine dust generated during the high concentration period (December to March), it voluntarily signed an agreement with the Daegu Regional Environment Agency in December 2023 to reduce air pollution in the southeast region (Pohang). The company strives to comply with the reduction target assigned under the agreement each year, which is systematically tightened over the previous year. It has done its best to reduce fine dust at both plants in order to implement sustainable environmental management based on such efforts. In 2023, it succeeded in reducing the amount by about 35 tons over the target. As such, POSCO STEELEON has promoted the gradual attainment of the mid- to long-term goal it has set for reducing the emission of nitrogen oxides (NOx), a major air pollutant, by 25 tons by 2030. We will further reduce our air pollutant emissions by investing more heavily in the relevant facilities and improving the related processes. In so doing, we will take the lead in realizing ESG management, while complying with the various environmental regulations, and performing diverse activities to improve the air environment by controlling the generation of fine dust.

2025: $\Delta$ 4.1 tons	2027: $\Delta$ 7.0 tons	2030: $\Delta$ 25 tons
<ul style="list-style-type: none"> <li>• <b>New device for reducing the emission of Nitrogen Oxide in the plating furnaces.</b> <ul style="list-style-type: none"> <li>- Devices to be installed: 1CGL by 2025; 2CGL by 2024.</li> </ul> </li> <li>• <b>Cr Dryer fuel substituted for Plating 1CGL.</b> <ul style="list-style-type: none"> <li>- LNG fuel replaced by installing moisture absorption vacuum rolls.</li> </ul> </li> <li>• <b>Reduced the boiler operation rate by increasing the use of Company P steam at the Color-coating Plant.</b> <ul style="list-style-type: none"> <li>- 84% the reduced operation rate from the previous year, saving 362,000m<sup>3</sup> of LNG.</li> </ul> </li> <li>• <b>Real-time temperature management of the Color-coating Plant's chemi oven.</b> <ul style="list-style-type: none"> <li>- Oven temperature lowered during roll replacement downtime, saving 173,000m<sup>3</sup> of LNG.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Reduced the boiler operation rate by improving the plating wastewater treatment process.</b> <ul style="list-style-type: none"> <li>- Change of rolling line wastewater treatment fuel (steam → chemical).</li> </ul> </li> <li>• <b>Optimized the air-fuel ratio of the furnace heating plating line.</b> <ul style="list-style-type: none"> <li>- Saved LNG fuel (478,000 Nm<sup>3</sup>/year) by optimizing the air-fuel ratio for combustion.</li> </ul> </li> <li>• <b>Minimized the time required for warming up the oven of the color-coating line.</b> <ul style="list-style-type: none"> <li>- Warm-up waiting prevented when the line is not in operation.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Minimized boiler use by increasing waste heat recovery of plating 2CGL.</b> <ul style="list-style-type: none"> <li>- Increased the efficiency of the waste heat boiler, eliminated unnecessary waste, etc.</li> </ul> </li> <li>• <b>Oven fuel for the Plating 1CGL furnace replaced with hydrogen burner.</b> <ul style="list-style-type: none"> <li>- 1CGL Furnace LNG consumption: 7,022,000 Nm<sup>3</sup>/year</li> </ul> </li> </ul>

Air Pollutant (NOx) Emissions and Reduction Performance (Unit: ton)

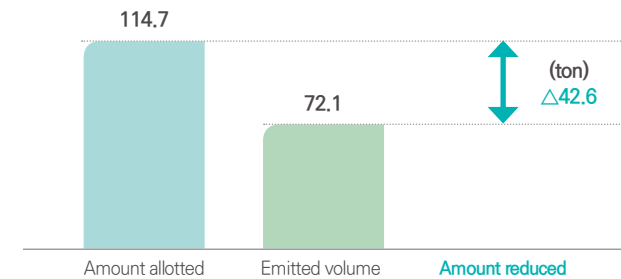
Classification (tons)	NOx emission performance in 2021 to 2023		
	2021	2022	2023
Allotted amount (NOx)	106	106	114.709
Performance of allotted emission rate	107.6	71.5	72.125
Increase/decrease	1.6	$\Delta$ 34.5	$\Delta$ 42.584
Total amount of air-polluting substances*	149.529	181.92	235.532

This company is a business site whose emission of air pollutants is controlled by the total volume, and whose permitted amount of nitrogen oxide (NOx) emissions is allotted each year. The NOx emissions of facilities subject to total quantity control amounted to 72.125 tons in 2023.

(Total NOx emissions at the plant amounted to 100.147 tons, including those from facilities not subject to total quantity control.)

Nitrogen Oxide (NOx) emissions in 2023 (Unit: ton)

Classification	2023 performance		
	Amount allotted	Emitted volume	Amount reduced
Grand total	114.709	72.125	42.584
Plating plant	58.923	46.987	11.936
Color-coating plant	55.786	25.138	30.648



\*Total emissions of NOx, SOx, CO, metals (nickel, chromium, V, lead, cobalt), volatile organic compounds (VOCs), and dust.










## Management of chemical substances

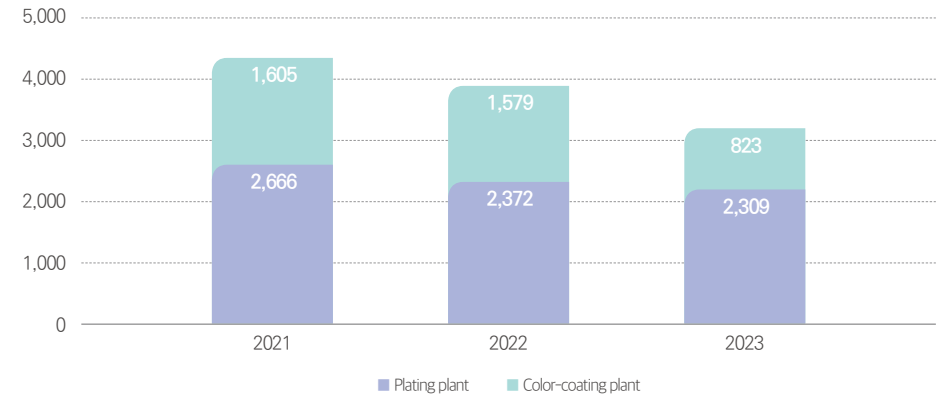
Being an ISO14001-certified business site, POSCO STEELEON conducts hazardous chemical risk assessments twice a year, in the first and second half of the year, at twenty-three locations to ensure that the workers can maintain their health and safety in the workplace. In so doing, the company protects the workers from injury and illness due to hazardous and dangerous factors in the workplace. In 2023, we registered 12 new chemicals, including HFC-125, excluded 21 chemicals, including V901-Q, and updated 18 chemicals, including RC#300, to manage a total of 264 different chemicals.

POSCO STEELEON continuously improves the working environment by improving and replacing old facilities. It also prepares for responding to environmental accidents by conducting mock drills twice a year to ensure a quick and effective response in the event of an accident. These efforts help to improve the safety of the work environment and minimize the occurrence of accidents. In addition, the company conducts thorough safety training, including training on substances subject to management and MSDS. It also protects the health and safety of local residents by raising the safety awareness of employees, installing spill dikes to prepare against spills, and equipping employees with disaster prevention equipment at all times. With the hazardous chemicals management system, the company not only operates a system for preventing and responding appropriately to hazardous substance accidents, but also operates an MSDS system and issues environmental hazardous substance certificates for manufactured products in line with the government's tightening of the chemical regulations. In addition, it is striving to reduce the amount of chemicals used in its processes, and has installed leak detectors to prevent accidents more effectively.

POSCO STEELEON ensures safety by assessing the risks of chemicals and providing safe methods of using them. It notifies the Ministry of Environment of the results of its regular inspections of chemical handling facilities to minimize accidents and problems. It maintains a safe work environment and community safety with these comprehensive efforts.

### Hazardous Chemicals Management System

Routine control of hazardous chemicals	Prevention of hazardous substance accidents	Hazardous substance accident response system
 Facilities for storing and managing toxic substances	 Periodic and routine inspections	 Environmental accident response drills
 ISO 14001-certified business sites	 Improvement and replacement of old/obsolete facilities	 Installation of discharge dikes
	 Sharing of information on hazardous chemicals	 Equipping employees with disaster prevention equipment
	 Environmental education	



Classification (tons)	Toxic chemical substances consumed in 2021 to 2023		
	2021	2022	2023
Toxic chemical substances consumed (Total)	4,271	3,951	3,132
Toxic chemical substances consumed (Plating)	2,666	2,372	2,309
Toxic chemical substances consumed (Color-coating)	1,605	1,579	823

\*Scope of data: Domestic business sites (Plating, Color-coating Plants) \*NaOH, H2SO4, Cr, HCl, H2O2, Methyl-pyrrolidone.

# Resource Management

## Waste and Byproduct Management

POSCO STEELEON has established policies for waste management, clarified the responsibilities and principles regarding waste treatment and management, and shared them with its employees, actively providing them with guidance on how to separate, collect, and recycle waste.

It also monitors its performance in waste and by-product management in an effort to treat and manage wastes and by-products. It makes constant efforts to improve performance, and strives to comply with the relevant laws and regulations by measuring the efficiency of waste and by-product treatment and management using the monitored data. It also endeavors to identify and apply efficient, environmentally-friendly waste and by-product management methods, and conducts research and development on sustainable waste and by-product management. In 2023, it generated a total of 3,077 tons of waste, of which 2,388 tons were recycled, for a recycling rate of 78%.

### Amounts of waste generated and recycled

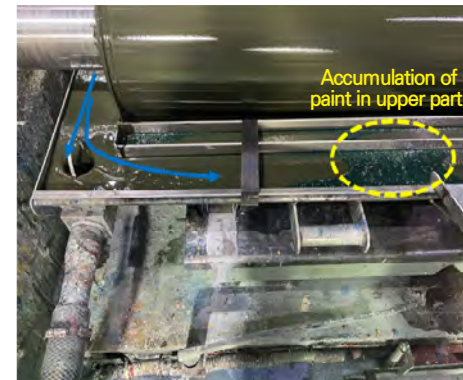
(Unit: tons)

Classification	2021	2022	2023 goal	2023 performance
<b>Amounts of waste generated</b>	<b>3,757</b>	<b>3,466</b>	<b>3,176</b>	<b>3,077</b>
General waste	1,565	1,445	1,434	815
Specified waste	2,192	2,021	1,742	2,262
Volume recycled	2,709	1,894	2,520	2,388
<b>Recycling rate (%)</b>	<b>72</b>	<b>55</b>	<b>79</b>	<b>78</b>

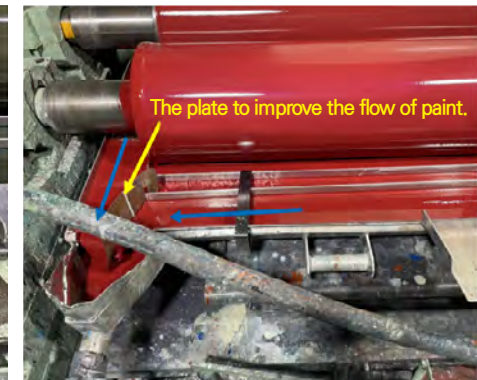
\*Scope of data: Domestic business sites (Plating and color-coating plants).

## Reducing waste through coater pan optimization

The Color-coating Factory has made various efforts to reduce the amount of left-over paint and reduce the generation of waste by reducing the size of its coater pans. To that end, it has promoted the optimal design and manufacturing of coater pans, analyzing the causes of defects due to changes in paint fluidity, and making efforts to stabilize its operations. However, there still remain the problems of rising auxiliary material costs and increasing waste generation due to the disposal of non-repeat paint residues. The rising international prices of oil and raw materials have further raised the unit cost of paint, while the rising cost of waste disposal has further increased the manufacturing costs. As a solution, we have performed various improvement works, such as designing and manufacturing an optimal 1,2CCL coater pan, reducing the space of the MTR part, improving the paint input hose fixing plate, and changing the paint draining method. In so doing, we have reduced the amount of paint remaining in the pan from 80kg to 60kg, thus reducing the generation of waste. These improvements are expected to reduce 1,2CCL non-repeat paint costs by about KRW 140 million per year. In addition, the lighter weight of the Coater Pan is expected to reduce workload and increase work convenience. Future plans include the use of more consumer appliances to unify the size of the 2CCL Coater Pans and the production of improved 4CCL Coater Pans, which will minimize environmental impact by reducing the amount of waste generated while further reducing the cost of auxiliary raw materials.



[Before improvement: The bottom drain was used.]  
(Drain cup used)



[After improvement: The overflow drain is used.]  
Resource management

## Water Management

To promote the reuse of water, POSCO STEELEON utilizes sewage water recycled by Pohang City for various purposes. By using recycled water, we reduce the amount of industrial water, promoting the use of recycled water. We also contribute to building a consensus on water conservation by identifying and sharing information on water shortage areas with our stakeholders. Water usage at our business sites is thoroughly managed with KPIs. We also strive to reduce water consumption by identifying the causes of year-on-year or month-on-month increases or decreases in water use. To optimize service water management, we have built a new chemical water treatment facility to treat pollutant discharges based on our enhanced standards. Furthermore, having considered the potential risks to the environment, we have replaced the pretreatment degreasing agent used in the production of color-coating products with an environmentally-friendly degreasing agent. We also strive to reduce wastewater generation by improving the methods of wastewater treatment at our plating plants, while minimizing the use of service water at the pretreatment facilities of our color-coating plants. At the color-coating plant, we manage wastewater generation performance by line, and if the standard is exceeded, it is notified and advised to control its water usage more closely. Along with these efforts, we have replaced outdated equipment and are steadily improving the facilities, such as introducing new rolling oil technology, in preparation for environmental risks.

### Water Usage and Wastewater Discharged\*

(Unit: tons)

Classification	2021	2022	2023 target	2023 performance
<b>Total volume of service water intake</b>	644,411	619,498	676,478	645,896
Potable water**	-	-	-	21,673
Plating	-	-	-	13,008
Color-coating	-	-	-	8,665
Industrial water	644,411	619,498	676,478	624,223
Plating	316,041	285,411	342,824	340,575
Color-coating	328,370	334,087	333,654	283,648
<b>Volume used</b>	122,767	133,902	144,428	133,875
Plating	43,328	39,448	53,354	82,914
Color-coating	79,439	94,454	91,074	50,961
<b>Wastewater discharged</b>	521,644	485,596	532,050	512,021
Plating	272,713	245,963	289,470	270,669
Color-coating	248,931	239,633	242,580	241,352

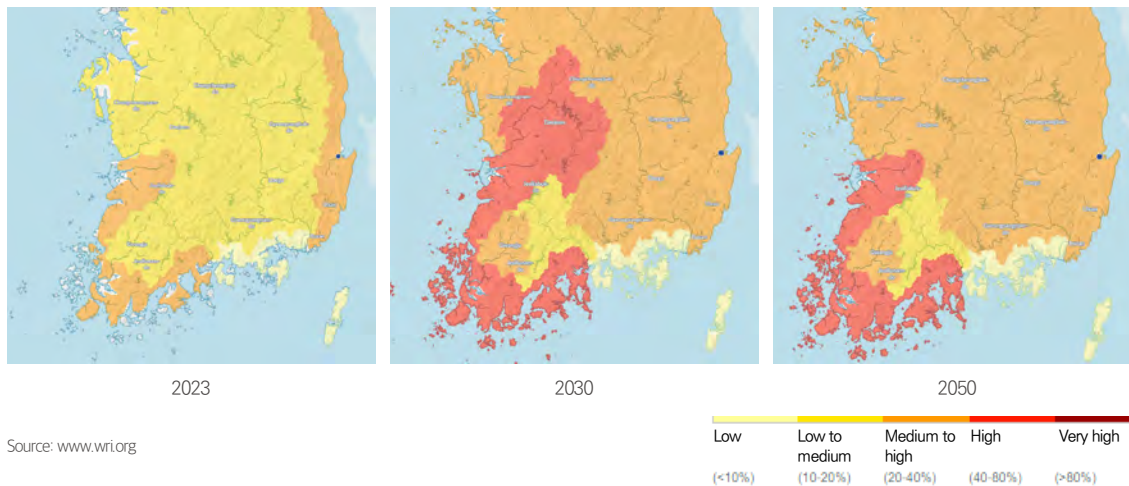
\* Scope of data: Domestic business sites (plating and color-coating plants).

\*\* Previously, the amount of water consumed at restrooms and canteens was included in the water consumption of the factories' processes as their amount was insignificant. However, as of 2023, potable water and industrial water are separately indicated for more detailed management of the total water intake.

## Water Risk Analysis

The World Resources Institute’s Water Risk Atlas has been used to analyze the risk of water shortage in the Pohang region where POSCO STEELEON is located.

The risk analysis for the period 2023–2030 and up to 2050 was conducted based on the SSP1) Climate change scenarios<sup>2)</sup>. The level of water risk in the Pohang region was categorized as Medium-High (2-3). The risk of a water shortage by 2050 was found to be not serious even under the most pessimistic scenario. After inputting the indicators and weights, the overall water risk was found to be medium or higher in terms of the water stress<sup>3)</sup> index and physical risk quantities such as depletion of the water supply and decline in the groundwater level. It was confirmed that the physical risk and the regulatory and reputational risk are not high. However, as the physical risk continues increasing, we need to respond to water scarcity by remaining vigilant and on alert, conducting continuous monitoring, and developing efficient water use technologies.



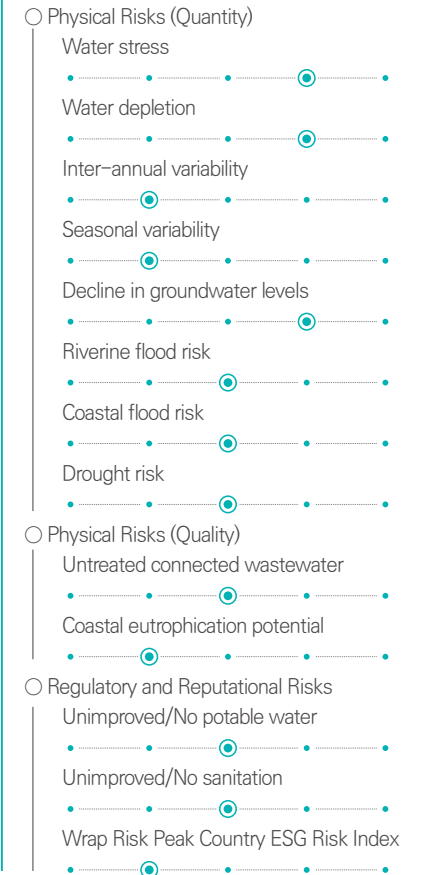
Source: www.wri.org

### Indicators and Weights

- Water Quantity Risk: 71%
- Water Quality Risk: 11%
- Regulatory and Reputational Risk: 18%



### Overall Water Risk



1) Shared Socioeconomic Pathways (SSP), climate change scenario used in the 6th IPCC Report.

2) Climate change scenarios.

- The "Optimistic" scenario (SSP1 RCP2.6) is a future scenario that limits the average global surface temperature rise to 1.3–2.4°C by 2100 relative to the pre-industrial levels (1850–1900). SSP1 is characterized by sustainable socioeconomic growth, including strict environmental regulations, effective institutions, rapid technological changes, enhanced water use efficiency, and low population growth.
- The "Business as Usual" scenario (SSP3 RCP7.0) is a moderate future with a temperature increase of 2.8°C to 4.6°C by 2100. SSP3 is a socioeconomic scenario characterized by regional competition and inequality, including the following problems: slow economic growth, weak governance and institutions, slow investment in the environment and technology, and high population growth, especially in developing countries.
- The "Pessimistic" scenario (SSP5 RCP8.5) means a future with a maximum temperature increase of 3.3°C to 5.7°C by 2100. SSP5 is based on fossil fuel development, i.e. carbon-intensive energy, rapid economic growth, and globalization with strong institutions.

3) Water stress is the ratio of total water demand to available renewable surface and groundwater supplies. Water demand includes demand for domestic, industrial, irrigation, and livestock uses. The value includes the impact of users of upstream water on the available renewable water supply and that of large dams on downstream water availability. The higher this value, the more severe the competition becomes among users.

## Response to Biodiversity Risk

POSCO STEELEON aims to actively participate in the efforts to enhance the value and conservation of biodiversity. In particular, we seek to minimize the loss of natural habitats and preserve genetic diversity, and pursue efforts aimed at promoting sustainable agriculture, aquaculture, forest management, and sustainable fishery resource management. To that end, we continuously monitor the species composition and population status of wildlife in the areas surrounding our business sites. Along with these efforts, we preserve local biodiversity by taking the appropriate measures, while continuously identifying changes in the ecosystem.

Nam-gu, Pohang City	Mammals	Terrestrial plants
	Otters (Endangered Wildlife Class I)	Euryale ferox, Glaux maritima (Endangered Wildlife Class II)

\* Source: Biodiversity of the Korean Peninsula, National Biological Resource Center.

## Biodiversity protection activities

POSCO STEELEON actively participates in efforts to protect the environment of the local communities in which it conducts its business. We strive to protect the local natural environment by leading cleanup activities and environmental protection campaigns for areas around rivers and parks. In particular, we are conducting various activities aimed at protecting local river ecosystems. We maintain the balance of such ecosystems by holding fishing tournaments to combat invasive fish species, and animal feeding activities. We also aim to purify and improve water quality by spraying an EM fermentation solution and throwing soil balls into the Chilsungcheon Stream. Meanwhile, as marine garbage has a negative impact on marine ecosystems and poses a direct threat to marine life, we are also working hard to improve the marine environment by collecting marine garbage and cleaning beaches through our volunteer service activities. Our marine garbage collection program is expected to contribute to the restoration of marine ecosystems. These efforts are expected to play a role in improving the habitat for marine life, enhancing their survivability and protecting the marine ecosystem. POSCO STEELEION will continue to contribute to the preservation of local ecosystems by increasing its biodiversity conservation activities.

## 5P Movement

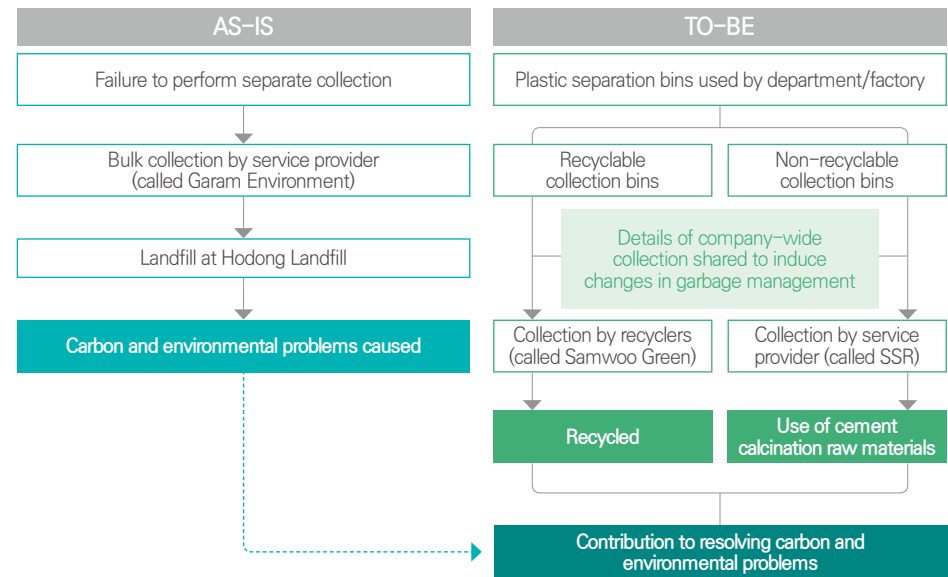
The 5P Movement refers to the following five initiatives: Private Cups (using a personal cup such as a tumbler), Power Off (turning off the multi-tap when leaving work to reduce standby power), Proper Temperature (managing the right temperature for heating and cooling), Plastic-free (treating waste plastics separately), and Paperless (avoiding the use of printed materials). The 5P Movement encourages all employees to practice basic, everyday carbon reduction activities that are feasible within their own workspaces in order to help achieve Steeleon's goal of becoming a carbon neutral business while inducing changes in awareness among its employees.

We continuously promote our ESG management activities by reminding our employees of the 5P Movement, designating every Thursday as "Green Day".



5P Movement banner

### Plastic recycling process



# Safe Workplace

Respecting health and safety as its core values, POSCO STEELEON has developed a safe working environment and is making extensive efforts to strengthen safety education, improve safety procedures, and implement risk response and prevention measures. It also enhances its employees' safety awareness by linking safe work with incentives and rewards.

## Mid- and long-term goals of safety and health



\*TRIFR: The frequency of fatalities or injuries requiring medical treatment per million hours worked.

POSCO STEELEON exerts various efforts to provide a safe and comfortable working environment. It provides case-study based safety education and helps employees to learn to follow safe working methods and procedures in their working environment. In addition, all employees contribute to minimizing risks in their work environment by participating in potential risk improvement activities. The company has also strengthened preventive audits to prevent safety accidents. It minimizes the probability of accidents by identifying points for improvement while checking safety-related processes and procedures through regular audits. It secures safety by strengthening the routine risk assessments for high-risk tasks, near-miss accidents, and atypical tasks. It also improves safety-related systems and operating procedures by checking the suitability and implementation status of ILS operations. It maintains and continuously improves safety by embedding safety activities into its core activities. In addition, it identifies and improves hazardous risk factors and thoroughly implements the ten safety rules to maintain a safe working environment. It ensures on-site safety by rewarding the best practices, while providing workers with guidance about unsafe behavior and monitoring their compliance with the safety rules. POSCO STEELEON ensures the health and safety of all its employees by creating a safe and comfortable working environment with these comprehensive efforts.

## Policies for health and safety-oriented management

POSCO STEELEON aims to create a safe and comfortable working environment by setting the health and safety of its customers and workers as the core value of its management.

1. Health and safety prevails over all values, including production, quality, air, and delivery.
2. We strictly comply with the laws and regulations on health and safety and the company regulations.
3. We cultivate safety awareness and practical skills through systematic education and training.
4. We promote prevention and improvement activities by identifying all risk factors in advance.
5. All officers and employees actively participate in health and safety activities.
6. We deploy health and safety systems and check and improve the status of their implementation.
7. We maintain safety management systems with our stakeholders, including our partners.

## 10 Tasks to Promote

- 01 Prevent five major adult diseases and closely monitor employees with health abnormalities.
- 02 Preemptively prevent occupational diseases and respond to emergencies such as outbreaks of infectious diseases.



- 03 Improve the discovery of, and focus on, potential risks through daily, theme-based, and joint inspections.
- 04 Make the transition to factory-led PSM, increase support, and raise the level of management.

- 05 Establish the safety management responsibility system.
- 06 Strengthen sanctions for violations of the safety rules by contractors.
- 07 Strengthen the safety education programs (increase participatory training).

- 08 Enhance support for safety management by partners and subcontractors.
- 09 Cultivate safety leadership and management capabilities.
- 10 Achieve "Zero Accidents".

## Health and Safety Management System Certification

POSCO STEELION's deployment of health and safety management systems and its acquisition of the K-OSHA MS certification demonstrate how seriously the company is committed to preventing disasters and creating a safe working environment. The systematic promotion of safety activities, safety inspections, and safety training play an important role in identifying and preventing potential risks of accidents in advance. By obtaining the K-OSHA MS certification, a health and safety management system standard, POSCO STEELEON is able to standardize and improve its management system for health and safety. This is in line with the company's belief that it must treat the health and safety of its employees as the top priority. POSCO STEELEON will continue making concerted efforts to create a completely accident-free workplace and do its best to ensure that all its employees can perform their duties in a safe working environment.

## Safety Education

We provided training for managers and supervisors to strengthen their roles and leadership in order to enable them to promote and continuously manage the culture of safety within the organization. To ensure safety and minimize risks, we also provided special safety training and MSDS training for workers in special work environments, including crane operators and employees who handle flammable liquids and other controlled substances. In addition, on-the-job training was provided to health and safety officers and managers to equip them with the knowledge and skills required to perform their duties and strengthen their capabilities. For the workers of our contractors, the company shortened the validity of their safety training certificates from one year to six months to ensure that they maintain safety awareness and comply with the safety rules. Treating health and safety as its core values, POSCO STEELEON aims to develop a safe work environment by strengthening safety education, improving safety procedures, and implementing risk response and prevention measures.

### Contents and completion ratio of safety-related education

Classification	2021	2022	2023
Completion rate (%) of health and safety education	97.5	100	100
Attainment rate (%) of zero safety accidents	85	85	85
Persons who have newly acquired occasional safety certifications	11	12	11

## Execution and Planning of Safety Operations

POSCO STEELEON has performed the following four key actions to achieve its safety goals for 2023: ① Develop a safe workplace free from disasters by complying with all rules and processes 100% and conducting hazardous risk discovery activities with the participation of all employees; ② Promote fundamental improvements by upgrading disaster prevention activities for key risk factors related to cranes, operating equipment, and PSM facilities; ③ Actively identify and introduce smart safety solutions to reduce the risk of disasters and prevent human errors; and ④ Fully eliminate work without risk assessment and work without TBM, and discretionary work, and continue with Check & Feedback activities to make work behaviors consistent with the standard TBMs.

Action Plans	Contents/Performance of the Action Plans for 2023	Goals of the Action Plans for 2024
Development of Safe Workplaces without Accidents	<ul style="list-style-type: none"> <li>① Strengthened safety accident prevention activities and safety management (120 violations of the safety rules, 70 calls to stop work, 95 cases of whistle-blowing related to safety).</li> <li>② Identified and improved improvement factors through employees' participation in the exploration of safety ideas [risk assessment (1,162 cases) and improvement of hazardous risk factors (959 out of 994 cases, 96%)].</li> <li>③ Implemented the plan for improving the working environment in the coater room based on a diagnosis of the facility and ILS level upgrade.</li> <li>④ Supported suppliers' efforts to improve the level of self-discipline-based prevention systems (two partner companies earned recognition as an excellent workplace in the risk assessment).</li> </ul>	<ul style="list-style-type: none"> <li>① Establish a manager- or supervisor-centered risk assessment occupational accident prevention system based on risk assessment with the participation of all employees: strengthen C&amp;F activities, such as those that reflect safe work standards, and verify the reliability of the personnel in charge.</li> <li>② Improve self-management capabilities through a diagnosis of the health and safety management systems: change the evaluation system for affiliates, integrate safety and health management systems among directly controlled and partner companies.</li> </ul>
Enhancement of disaster prevention activities for Key Factors	<ul style="list-style-type: none"> <li>① Conducted autonomous safety inspections of dangerous machinery and appliances such as cranes twice/year; shorten the inspection cycle for high-risk/high-heat locations (6 months to 3 months); and conducted daily inspections of crane check sheets.</li> <li>② Identified and monitored the top 3 safety risks in operating equipment ③ Had the status of PSM implementation checked and evaluated by the Ministry of Employment and Labor: Color-coating (M+/79.8 points), Plating (M+/73.4 points) → Consulting, benchmarking (excellent companies and group companies), training of responsible personnel, and consultative body activities.</li> </ul>	<ul style="list-style-type: none"> <li>① Conduct autonomous safety inspections of cranes twice/year, and regular inspections at 6 new installations with expanded themes and joint inspection teams.</li> <li>② Enhance the self-diagnosis of the PSM implementation level, expand the PSM training targets (235 people, HR Creation Center), and foster internal PSM experts.</li> </ul>
Introduction of smart safety solutions explored	<ul style="list-style-type: none"> <li>① Acquired and installed safety devices on 15 forklifts (red beams, speed limit device, rear camera, proximity sensor), and operated safety balls (5ea), and body cams (13ea).</li> </ul>	<ul style="list-style-type: none"> <li>① Establish a health and safety platform (participation of P-Dx TF; development of a customizing system; training of personnel in charge, and horizontally spreading the health and safety platform to partner companies); operation of Body Cam (30 more units secured). Installation of large LCD board to display accident-free days.</li> <li>② Addition of forklift safety devices (speedometer), crane or lift side hook camera.</li> </ul>
Alignment of work standards with TBM (Tool Box Meeting)	<ul style="list-style-type: none"> <li>① Outsourced safety evaluation of work to subcontractors (107 companies, 178 completed work, 2 companies failed the evaluation, interviews with the head of the centralized management/production department and safety group).</li> <li>② Provided safety training for subcontractors' personnel entering factories (completed by 586 people), shortened the validity of safety training (1 year down to 6 months), and improved the subcontractor evaluation processes. (Imposed penalties for non-compliance with the 10 safety rules.)</li> <li>③ Unified the group safety standards by revising third-party TBM safety work permits. Shared 10 safety rules and revised 18 work standards based on the results of risk assessments. (Plating 9 cases, Color-coating 9 cases)</li> <li>④ Conducted special inspections of high-risk work such as extensive repairs (73 improvements, 33 plating, 40 color-coating) and CCTV inspections of unexpected work, and provided feedback on risk points. (Total of 286 CCTV cameras operated throughout the company)</li> </ul>	<ul style="list-style-type: none"> <li>① Conduct activities to identify critical near misses together with partners: education/dissemination, risk assessment, and safety guard card to prevent redundancy and similar near misses.</li> </ul>

## Risk Assessment Procedure

Risk assessments are performed in accordance with the 2023 revised risk assessment guidelines. We have defined the purposes and methods of the assessment and appointed persons in charge. Risk assessments are performed in accordance with the workers participating at the given time and by the given procedure. The results are recorded for archiving and shared with the parties concerned.



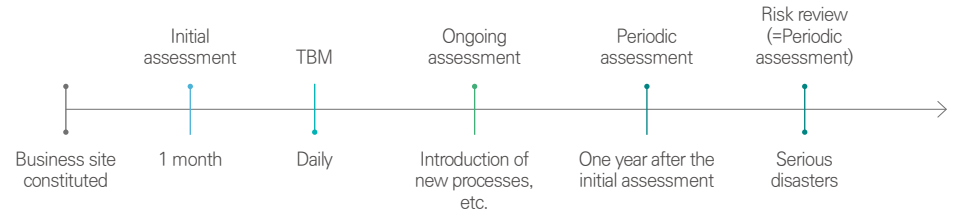
## Identification of hazards and risk factors

Hazards and risk factors are identified through workplace inspections conducted by supervisors in the factory, maintenance, and safety departments and through activities involving all employees in order to reveal near misses and potential risks. We also minimize risks by monitoring safety CCTV film, having the supervisors in charge conduct daily safety activities, operating a safety whistle-blowing system, discussing and reporting safety work plans in advance, and having safety consultations before outsourcing work. We also try to make our workplaces safer by encouraging safety suggestions, exploring near misses, and performing potential risk discovery activities in connection with rewards or compensation to increase employee participation rates.

### Activities to identify hazard and risk factors



## Periodic risk assessment, risk assessment timing



Classification	Time to conduct risk assessments
Process risk assessment	<ul style="list-style-type: none"> <li>• Before starting a new operation or process.</li> <li>• Before changing to equipment or procedures as required.</li> <li>• Before using new substances( if any are used).</li> <li>• When an accident occurs, such as a serious occupational accident.</li> <li>• When deemed necessary based on a self-audit or external inspection, etc.</li> </ul>
Work risk assessment	<ul style="list-style-type: none"> <li>• Before performing work.</li> <li>• When the cause of an accident is surveyed or the adequacy of countermeasures is assessed.</li> <li>• When changing processes or work methods.</li> <li>• When using new substances or materials.</li> <li>• When seeking to easily explain the safety of equipment to stakeholders.</li> </ul>
Periodic evaluation	<ul style="list-style-type: none"> <li>• Deterioration of performance of machinery, appliances, equipment, etc. over time (deteriorating or loosening of screws, etc.).</li> <li>• Changes in knowledge or experience related to health and safety, accompanying the replacement of workers, etc.</li> <li>• Acquisition of new knowledge related to health and safety.</li> <li>• Effectiveness, etc. of risk reduction measures currently in place.</li> </ul>
On-going evaluation	<ul style="list-style-type: none"> <li>• Installation, relocation, modification, or dismantling of business site structures.</li> <li>• New introduction or modification of machinery, appliances, equipment, raw materials, etc.</li> <li>• Maintenance or repair of buildings, machinery, appliances, equipment, etc. (exclusive of periodic repetitive work that is subject to periodic evaluation).</li> <li>• Introduction of new work methods or procedures, or change thereof.</li> <li>• Major occupational accidents or industrial incidents (limited to cases requiring medical treatment beyond leave in such cases, before resuming work at the workplace where the accident occurred).</li> <li>• Other cases deemed necessary by the employer.</li> </ul>

## Risk Assessment and Improvement of Hazard and Risk Factors

In May 2023, the “Guidelines on the Assessment of Risks at Business Sites” were revised to substantially reduce occupational accidents by addressing problems filed by field units in the risk assessment, and all our employees received education and training on the major changes. We have substantialized risk assessments by detailing the processes that are based on work standards and involve all operational and maintenance workers. In 2023, we conducted regular periodic assessments of 247 processes at the plating plants, 461 processes at the color-coating plants, and 425 processes related to production equipment.

Managers and supervisors reviewed the results of the risk assessments, of which 18 cases were reflected in the revision of the work standards. Changes of processes, spots of accident outbreaks, and potential risks were assessed routinely. In 2023, the relevant standards were revised again to provide for pre-operation inspections after repair work, while the risk of looters was assessed at the exit sides of 2CCL and 1CCL of the color-coating factory. We conducted daily inspections to discover potential hazards and assess 124 risks involving our operational and maintenance personnel, and improved all of them. We also identified 994 hazardous or dangerous factors and improved 959 of them. We also conduct autonomous inspection and improvement activities for dangerous machinery and equipment twice a year, inspecting 210 items such as overhead cranes, presses, conveyors, and lifts, and taking corrective measures in two cases at the plating plants and four cases at the color-coating plants. Furthermore, the inspection cycle for the autonomous inspection of cranes and hoists that are frequently used at 17 locations has been shortened from six months to three months to strengthen the inspection activities.

### Identification and Improvement of Hazards and Risk Factors

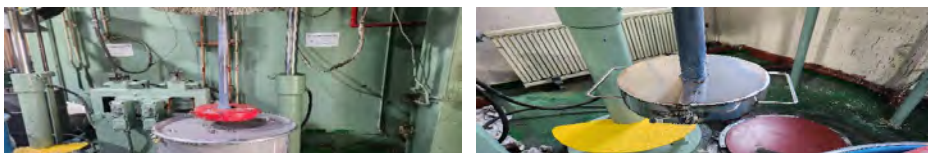
(Unit: Cases, %)

Classification	Hazards and risk factors	Improvements completed	Improvement rate
Plating/Color-coating plants	810	806	99%
Partners (4 companies)	184	153	83%
Total (Average)	994	959	96%

#### Safety fence reinforced and improved



#### Agitator lid improved



### Risk Assessment and Improvement of Hazard and Risk Factors

Risk level	Management or control guidelines	Remarks
1~3 Negligible risks	Current safety measures are maintained.	
4~6 Negligible or trivial risks	Risks that require the provision of safety information and periodic standard work safety training.	Dangerous tasks are tolerated: Work can continue under the current conditions.
8 Minor risks	Risks requiring administrative measures such as the labeling of hazards, work procedures, etc.	
9~12 Significant risks	Risks requiring safety reduction measures such as planned maintenance, facility improvements during maintenance periods, etc.	Conditional acceptance of hazardous work: If there is no risk, work can continue, but risk reduction activities must be implemented.
15 Critical risks	Risks that require urgent temporary safety measures to be put in place to continue work, but stabilization measures such as planned maintenance and improvements must be taken during the maintenance period.	
16~20 Unacceptable risks	Work must be stopped immediately. (Hazards or risks that require immediate facility improvements before continuing the work.)	Hazardous or dangerous work not allowed: Work must be stopped immediately.

## Hazard sharing activities and citing employees for safety activities

The company archives all records on the results of risk assessments and strives to ensure that they are shared with all the workers at its business sites. Since the one-time posting of the results of risk assessments and health and safety training is insufficient to ensure the effectiveness of risk assessment, the company holds Tool Box Meetings (TBM) to ensure that its personnel are fully familiarized with highly dangerous hazards and risks that could cause a major incident before starting any job or work process. To prevent safety accidents in advance, we continue to implement activities aimed at preventing safety accidents and information sharing, such as posting safety awareness video clips, creating and publishing safety UCCs, operating the Ten Safety Rules, and distributing safety awareness education materials and training every month on employees' right to stop work. We are also promoting the zero-injury incentive system, joint labor-management safety campaigns, visits to safety experience centers for new recruits, joint fire drills with fire departments, safety diagnoses supported by group companies, and a system for establishing safety rules for cargo vehicles, as well as benchmarking excellent PSM-implemented workplaces. In 2023, the company commended 19 outstanding employees for their exemplary observance and practice of the safety rules and work standards, contributing to the diffusion of the safety culture.

### Safety Accident Prevention Activities

구분	상명	주요내용
안전	도급공장 공대근	<ul style="list-style-type: none"> <li>• KGLL 장제현 장우 LHA 개인</li> <li>• KGLL Organic Cooker 2차원 원상 복원으로 잘못 된 시유 재가공을 통한 안전사고 예방 기여</li> </ul>
	철거공장 장성현	<ul style="list-style-type: none"> <li>• KGLL 집재취합(Blower Mix) 열불 List 개인</li> <li>• KGLL Primer Valve(Quench) 구멍 삽입 위험요소 발견을 3차 재가공을 통한 안전사고 예방 기여</li> </ul>
생산/품질	도급공장 박성재	<ul style="list-style-type: none"> <li>• 2024 Sherlok 열거 및 조립라인 개선을 통한 'HBMAC' 제품 Dress, Air-카본 및 품질향상 확보</li> <li>• Seokul Wet NO2 분사 불량 및 Dye-Rack 불량 초인 달성</li> <li>• Elm-Level Balance 불량 문제 및 열원불 발생 예방 Reakit 열거 보강</li> </ul>
	철거공장 이현영	<ul style="list-style-type: none"> <li>• KGLL 조립라인 개선을 통한 무결점 실수율 달성(원래는 40%)</li> <li>• HBM4 재판불거여 불량 Cover 삽착 및 열거 공인 3차정 방한대 개관으로 불품 발생 감소</li> <li>• 열거 Drum 소용량 운영으로 장판 불량 및 불품 발생 감소</li> </ul>



## Measuring of the working environment, handling hazardous factors and managing spots of accident outbreaks

### Measurement of work conditions

The hazardous factors were below the allowed limits or undetected based on the results of the measurement of such factors performed in the first half (March) and second half (October) of the year. Some 271 hazardous factors, such as sulfuric acid, formaldehyde, and noise dust, were measured at 38 sites in the first half of the year and at 40 sites in the second half.

### Health, sanitation and welfare

We completed general and special medical examinations of our employees in the first and second halves of the year and closely monitored those found to have any abnormalities. However, no cases of cancer or other serious illnesses were found in the medical examinations in 2023. In addition, all our executives and employees were vaccinated against the flu.

### Preemptive Management of Occupational Diseases

POSCO STEELEON conducts management activities to prevent occupational diseases. Although its business sites are not subject to the statutory noise standard of 85 dB, it operates a program for preventing noise-induced hearing loss. It has designated 23 operational units for introducing confined space work programs. In addition, it collaborates with local public health centers to implement company-wide health promotion programs for mental health, cardiovascular diseases, and dental care.

## Safety Management by Suppliers or Other Partners

The company conducts safety assessments and risk assessments of its partners, suppliers, contractors, and subcontractors in order to respond to safety-related statutes such as the Serious Accident Punishment Act.

### Safety assessment

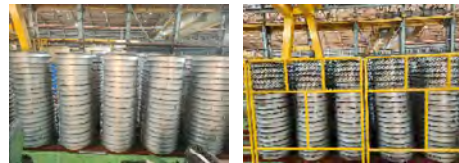
POSCO STEELEON conducts safety assessments of its partners, contractors, and subcontractors twice a year. In 2023, the average safety assessment scores of its major suppliers were highly acceptable: 97.5 points in the first half and 98.1 points in the second half of the year. The scores for its subcontractors (cafeteria/cleaning/security, etc.) were also acceptable: 92 points in both the first and second halves of the year. In 2023, we conducted safety evaluations of 45 subcontractors in the first half and 62 subcontractors in the second half of the year. For those with a cumulative safety performance score of 80 points or less (2 subcontractors), the company secured safety by monitoring them intensively during the performance of work and by interviewing their representatives, whom we urged to prevent any recurrence of violations of the safety rules.

### Results of improvements based on recommendations

To prevent and mitigate workplace health and safety impacts directly related to business relationships, the company actively accepts safety-related recommendations from its partners and reflects them in its improvement activities. Major improvements in 2023 included the installation of a safety fence at the storage area inside the inner ring of the processing plant, where there was a high risk of being hit and crushed when walking on its drive side, and the extension of the deck to secure safety as the work space became too narrow when the 2CCL Pattern Steering Roll was replaced.

In 2023, 135 out of 148 recommended improvements were completed, and we plan to handle the remaining cases soon.

#### Safety improved by installing a safety fence.



#### Safety secured by extending the deck.



### Safety accident prevention activities

(Unit: cases, %)

2021	2022	2023	Compared with previous year	Improvements completed	Improvement rate
45	70	148	+78	135	91

\* Includes the results of daily safety activities, meetings of consultative bodies, and joint health inspections.

### Hazard and Risk Assessment

In the first half of 2023, we provided three risk assessment training sessions and other types of support to our partners. In the second half, we assessed their risk after providing training for their own risk assessors. 2 suppliers were certified as excellent risk assessment workplaces by K-OSHA, while risk item checklists were provided for the performance of joint assessments with 3 subcontractors. The company also conducted pre-work risk assessments of 62 service contractors in the first half of the year and 45 in the second half. Joint inspections for fire, explosion, and leakage accidents were conducted every quarter, points for Improvement were identified and completed in 18 cases, including forklift tip-over and collision risks due to aging rubber plates on the floor of the warehouse in 1CCL, and 32 resident managers and supervisors and twenty-four shift managers and supervisors performed inspections every other day.

### Support for Partners' Health and Safety

The company supports its partners' health and safety programs to prevent and mitigate workplace health and safety impacts that are directly related to the business relationship, such as safety management and the Serious Accident Punishment Act. In 2023, the company spent a total of KRW 3.5 billion on the health and safety promotion costs of its partners, including KRW 1.7 billion on improving facilities and KRW 1.9 billion on reinforcing their safety personnel.

### Safety Budget Payment Performance

(Unit: KRW billion)

Safety	2021	2022	2023		Total
			Investment	Expenses	
Improvement of facilities	42	28	8	9	17
Labor costs, operating expenses	11	13	0	13	13
Safety management by partners	3	5	0	5	5
<b>Sub-total</b>	<b>56</b>	<b>46</b>	<b>8</b>	<b>27</b>	<b>35</b>
Health	3	4	2	4	6
<b>Total</b>	<b>59</b>	<b>50</b>	<b>10</b>	<b>31</b>	<b>41</b>

## Communication on Health and Safety

The health and safety management system and effective communication are important factors to ensure and continuously improve organizational health and safety. We actively collect and implement stakeholders' opinions on developing a corporate culture that minimizes risks in the work environment while simultaneously improving both productivity and safety. In order to develop a corporate culture where opinions are freely expressed, we operate a procedure for listening to all opinions, and we check whether to implement measures for improvement prepared at least once every half-year.

### Occupational Health and Safety Committee

The Occupational Health and Safety Committee is composed of 6 members from the company side, including the health and safety managers, and 6 other members from the One-family Council, which represents the employees, based on the Occupational Safety and Health Act. As the body responsible for making decisions related to health and safety, its main agenda includes the development of the company's health and safety standards and plans for preventing occupational incidents, the provision of health and safety education to workers, and listening to the employees' voices. The Committee meets every quarter to make decisions on health and safety related plans and the status of their implementation, analyzes occupational accidents at POSCO STEELEON's business sites, and handles the related items of agenda. In 2023, the Committee deliberated on 15 items of agenda, including those concerning the safety poster contest in the first half of the year and the wearing of safety goggles by all personnel who enter the plant.



### Safety Communication Day and Meeting with Unit Chiefs

POSCO STEELION holds a joint labor-management safety communication day organized by the workers' representatives, the production control office manager, and team leaders. In 2023, the company's personnel held two picnics in the hot summer season and four labor-management gatherings during the major overhaul and repair season to jointly deliver encouragement and exchange gifts. In addition, the management team listened to workers' difficulties, the opinions or suggestions on safety issues, and checked their health.



### Occupational Health and Safety Council

POSCO STEELEON holds a monthly meeting of its occupational health and safety council, which is composed of the head of health and safety management, employee representatives, the presidents of partner companies, and safety representatives. It holds consultations on risk assessment, safety-related issues, and safety activities, and listens to the recommendations of partners. In 2023, the main issues discussed by the Council included the development of a health and safety management system for directly controlled personnel, the conduct of risk assessments at each workplace, 95 cases of support for addressing hazardous risk factors, and the dissemination of key safety issues and internal and external accident cases.



### Safety-Related Whistleblowing System

The whistleblowing system is designed to communicate risks to the safety of all POSCO STEELEON constituents, including the employees of its partner companies. This system enables employees to report cases in which they are asked to perform unsafe work, when they detect a threat to their safety, when they are prevented from exercising their privilege to stop work, or when they are forced to work in a way that compromises their safety. In 2023, the relevant department took immediate action to improve the situation in 96 cases that were reported through this system.

### Periodic Meetings with Partners

POSCO STEELEON holds monthly meetings with its partners, hosted by the head of its Management Support Office. In 2023, the representatives and officers of our partners, the heads of administrative procurement groups, and personnel responsible for safety and environmental issues held one meeting for safety managers and another meeting for health and safety guidance in order to disseminate the health and safety management system.



### Privilege to Stop Work

We adhere to the principle of prohibiting all maintenance and repair work while facilities are in operation. The employees' privilege to stop work is actively enforced to ensure worker safety. Work and the operation of facilities should start only after safety has been secured. In 2023, the work-stop privilege was invoked on 70 occasions.



### Position Holders' Daily Safety Duties

25 managers and supervisors, including those of our partners, share the results of daily safety activities. POSCO STEELEON executives and employees holding managerial or supervisory positions have monthly safety VoC discussions aimed at improving unsafe facilities and resolving any difficulties in implementing the health and safety management regulations.



## Health and Safety Win-Win Cooperation Project in 2023<sup>1)</sup>

In 2023, POSCO STEELEON implemented the Health and Safety Win-Win Cooperation Project with 4 partners over a period of about 10 months. The project focused on finding and implementing win-win solutions for health and safety across the entire value chain. With this project, we made efforts to strengthen our skills for risk assessments and improve the safety of our processes. POSCO STEELEON selected tasks and provided each partner with consultancy, taking into account the characteristics of their processes.

We identified 9 hazardous risk factors by applying a 3-step method of determining risk levels and developed measures for reducing the risks, completing the required improvements within the year. In addition, we provided our partners with safety-related supplies by purchasing them after selecting additional tasks. This project helped to strengthen safety by providing customized safety management methods and support in consideration of the partners' working conditions and risks. Notably, thanks to these efforts, two of our partners were awarded the 'Excellent Workplace Recognition in Risk Assessment' by the Korea Occupational Safety and Health Agency. This means that their safety management efforts have been recognized as having contributed to improving their overall safety. Through this win-win cooperation, POSCO STEELEON emphasizes the importance of health and safety management and continues striving to jointly promote safety throughout the value chain:

1) A program in which large, medium and small enterprises develop and implement win-win solutions for health and safety as part of a voluntary alliance, while the government helps to spread excellent models centered on risk assessment.

### Tasks of POSCO STEELEON Partners

Classification	Tasks to support	Contents	Details of activities
Enhancement of risk assessment skills	Occupational safety area Transfer of risk assessment techniques (basic tasks)	<ul style="list-style-type: none"> <li>• Transfer of risk assessment techniques and improvement of implementation skills.</li> <li>- Writing of regulations for conducting risk assessment by identifying hazardous risk factors.</li> <li>- Methods, etc. of involving workers in risk assessment.</li> <li>- On-site verification of adequacy of risk assessment.</li> <li>- How to use KRAS (Risk Assessment Support System) and demonstration.</li> <li>- How to utilize TBM in connection with risk assessment.</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation of policies or regulations for conducting risk assessments.</li> <li>• Identification of hazardous risk factors.</li> <li>• Verification of adequacy of risk assessment, etc.</li> </ul>
	3 major types of accident, 8 important risk factors (voluntary tasks)	<ul style="list-style-type: none"> <li>• Support for the identification of hazardous risk factors and the implementation of improvement measures in areas where partners are vulnerable to major disasters (3 major types of accident, 8 important causing factors).</li> <li>- Ladders, roofs, aerial work platforms, scaffolding, protective devices, LOTO, mixed work, collision avoidance, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Falls, entrapments, and collisions (3 major factors).</li> <li>• Ladders, roofs, aerial work platforms, scaffolding, protective devices, LOTO, mixed work, collision avoidance, etc. (8 important causes).</li> </ul>
	Occupational health area Assessment of chemical hazards (voluntary tasks)	<ul style="list-style-type: none"> <li>• Development of measures to prevent health hazards for workers by surveying hazardous risk factors caused by chemicals (raw materials, gas vapors, dust, etc.)</li> <li>- Survey the handling of process-selected chemicals, determine the frequency of exposure, determine the intensity of harmfulness, calculate and determine the risks, develop measures for improving work conditions, and implement preventive actions, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Surveying of the hazards posed by chemicals, and development of preventive measures, etc.</li> <li>• Assessment of chemical hazards.</li> </ul>

Two partner companies were recognized as an "excellent workplace in risk assessment" in 2023.



# Social



49  
Executives and Employees

57  
Partner Companies

63  
Customers

67  
Local Community Sharing

# SOCIAL

## Management Approach

### Materiality of issues

In recent years, as the global economic downturn has become increasingly severe, the domestic economy has also been experiencing a slowdown, with prices continuing to rise, the recovery of domestic demand slowing, exports remaining sluggish, and business sentiment remaining weak.

In particular, the human resource management capabilities of business companies have become increasingly important as excellent human resources determine their future competitiveness. In addition, to respond to social changes that emphasize a healthy work-life balance, there is a growing need to provide a healthy and happy work environment by inducing comprehensive and fundamental changes that are in line with the trends of the times.

In addition, due to changes in global strategic management trends, stakeholders have voiced increasingly strong demand for due diligence of the supply chain to prevent and mitigate risks, such as environmental risks and human rights violations in the supply chain.

### Management approach

Recognizing the importance of human resources, POSCO STEELEON has implemented various policies and programs (including those for welfare benefits, a healthy work-life balance, competence building programs, and fair evaluation and compensation) designed to recruit and retain excellent employees in order to achieve global competitiveness. It also makes efforts to secure diversity and promote the protection of human rights within the organization.

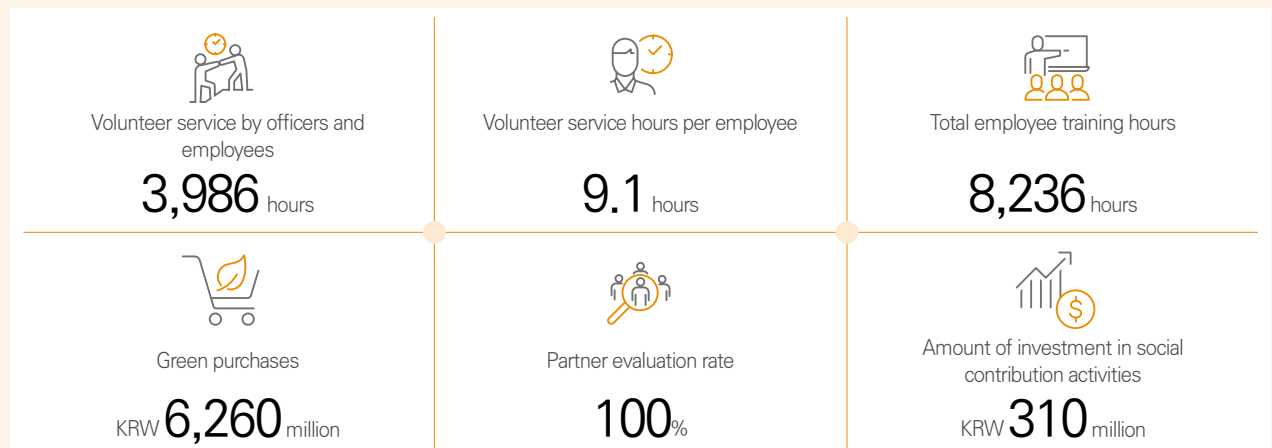
It has fulfilled its duty of care as a good manager by evaluating the ESG of its partners, and also does its best to ensure mutual growth by gradually strengthening its support for them. It strives to impress customers with services beyond mere satisfaction by recognizing that customer satisfaction is a fundamental and essential factor for its success. In addition, POSCO STEELEON is striving to contribute to the local community and create and share social values by recognizing that it is a member of the local community.

### Connected to the UN SDGs



- Goal 3 Ensure a healthy and happy life.
- Goal 4 Provide quality education for all.
- Goal 5 Ensure gender equality.
- Goal 8 Provide more decent work and promote economic growth.
- Goal 12 Promote sustainable growth and consumption.

### Key Performance



# INTERVIEW



**Mosu Jang** • Head of the Management Support Office

## ☑ Human resources are highly valued among the resources that companies utilize efficiently to achieve their organizational goals. What efforts does Steeleon make to improve the satisfaction of its officers and employees and communication with them?

POSCO STEELEON operates the Organizational Culture Improvement Task Force to promote a unified team spirit among labor and management and to create a healthier new organizational culture in the belief that the happiness of its executives and employees is linked to the company's performance. Based on the "voices of all employees" regarding the 4 core areas (safety culture, improvement of the work environment, mutual respect, and improvement of the HR management culture) needed to improve the organizational culture, the task force carries out improvement efforts according to key priority tasks, such as the active disclosure of potential risks, improvement of field work conditions, operation of "Mutual Respect Day" and the provision of guidelines to make good communication with those holding positions, by inclusively considering their enterprise-wide importance, urgency, improvement period, and feasibility.

In addition, it frequently conducts such activities as town hall meetings, "chicken-beer" days, and lunch and dinner meetings with the CEO to allow frank communication with the management team. It also operates interactive communication channels, a direct Q&A platform (employees' inquiries are answered immediately), and the digital open lounge (management information is posted on monitors at 47 locations across the company) to answer employees' questions and share various kinds of information transparently. In addition, it has steadily introduced programs aimed at enhancing the satisfaction and pride of its employees, introduced subsidies for comprehensive physical examinations, sponsored honey-moon trips (separate support for honeymoon expenses), provided baby shower gifts (gift vouchers are provided in addition to a congratulatory payment for childbirth), and adopted a telecommuting system during pregnancy to improve employees' work-life balance. It has also improved its longevity recognition system twice (Q2 22, Q1 24) to encourage long-term service and increased its support for off-site recreational facilities, such as the provision of accommodation coupons.

## ☑ POSCO Group emphasizes community development and sharing activities. Please introduce the representative CSR activities implemented by STEELEON.

POSCO STEELEON has continuously performed sincere CSR activities under its vision of "Contributing to win-win growth with local communities by realizing sharing together." As representative examples, POSCO STEELEON has promoted a CSR project to install braille-printed information boards for cultural assets, which utilize our product, POSArt, to help the visually impaired people to read information boards with their tactile sense. In addition to providing convenience for the visually impaired, these POSArt-based information boards will contribute to reducing carbon emissions by generating less carbon compared to conventional aluminum-based information boards. POSCO STEELEON has signed an agreement with the Gyeongsangbuk-do Welfare Center for the Blind to produce and donate braille-printed information boards etc. to improve the convenience of the visually impaired in the local community.

We have also produced various items for the visually impaired, such as braille-printed educational tools, information boards, and stereoscopic photographs. Recently, we produced a textured Yut-Nori game board that allows visually impaired people to play the game by "feeling" the locations of the game pieces based on PosArt's texture generation technology, in order to solve the inconvenience of having to guess the positions of the pieces. We have also performed activities aimed at improving the housing conditions of economically vulnerable people in the local community by using our color steel sheet, Infinelli, which features our product lines. We also contribute to the creation of shared values in the community through coexistence and sharing programs, including those for replacing the old roofs of low-income families in nearby Daesong-myeon and improving their housing by donating wallpaper and linoleum.

# EXECUTIVES AND EMPLOYEES



POSCO STEELEON strives to maintain stable employment and develop a happy workplace culture for its executives and employees from the time they join the company to their retirement, while setting out its responsibilities toward them in its Code of Ethics, including those for promoting a healthy work-life balance, providing opportunities for further education and growth, ensuring fair appraisal and compensation, and creating a healthy organizational culture,

## Guidelines for practice by executives and employees

### Harmony and balance in work and life

We aim to create a happy workplace by establishing a corporate culture of mutual respect while promoting personal growth and corporate development through a healthy work-life balance.			
Pursuing a healthy work-life balance	Providing opportunities for further education and personal growth	Ensuring fair evaluation and compensation	Developing a healthy organizational culture
<ul style="list-style-type: none"> <li>• Improve the life quality of officers and employees by providing welfare and benefits that help stabilize their living conditions.</li> <li>• Allows officers and employees to work flexibly in terms of time, place, and method, while supporting them in their effort to fulfill their personal visions.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide the working environments and systems required to enable them to work creatively.</li> <li>• Provide competency enhancement and self-development training to help officers and employees to improve their competencies and develop the qualities required to become the best talents in their field.</li> </ul>	<ul style="list-style-type: none"> <li>• The company ensures fair systematic appraisals and adequate compensation based on competence and performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Officers and employees pursue an open corporate culture through open communication.</li> <li>• Officers and employees create an organizational atmosphere of mutual cooperation by removing barriers between organizations.</li> </ul>

### Pursuing a healthy work-life balance





The company operates various programs designed to help executives and employees to balance work and life commitments as the improved work-life balance is linked to management performance. It also takes the lead in promoting the welfare and benefits of officers and employees through various work support systems, such as support for changing work locations, internal and external health checkups, medical support, and work uniforms, in addition to its programs for competency development, such as support for obtaining professional certifications, and foreign language education courses and certifications.

### Support for internal clubs or communities to promote communication and diversity among executives and employees

The company operates various programs to help executives and employees balance their work-life commitments as the improved work-life balance is linked to its management performance. The company supports various leisure and cultural activities to expand communication and diversity among its executives and employees through its support for internal club and community activities. Executives and employees can join up to 2 in-house clubs per person, while 10 or more members can join a new club to promote diversity with executives and employees belonging to 3 or more different departments (groups). To encourage participation in the clubs, the company provides variable amounts of subsidies depending on the participation rate.

### Internal and external health checkups and medical support to help keep executives and employees in top shape

To help its executives and employees maintain their best physical condition, the company operates a health service center and conducts in-house medical examinations, as well as providing support for external medical examinations to protect employees and their families from illness. In addition, the company provides nutritional supplements to shift workers every quarter to help prevent diseases, while improving their working environment.

Classification	Details	Eligibility
 Operation of health service centers	Provision of emergency first-aid treatment, check-ups, counseling, and medicines.	• In-house healthcare support for all employees (including contractors' personnel).
 In-house healthcare support	Prevention and management of the top 5 adult diseases → regular in-house check-ups and counseling.	• Comprehensive medical check-ups for all employees.
 Comprehensive medical check-ups	Comprehensive health check-ups for employees and their families.	• Other types of medical support for employees and their spouses.
 Other types of medical support	Support for the prevention of occupational (workplace) and other diseases → Nutritional supplements and flu vaccinations.	• Vulnerable task workers. • Employees and family members (spouse, children).

### Diverse welfare programs, etc. for employees' wellbeing

The company provides free access to major recreational facilities in Korea for employees' vacations and wellbeing. In addition, it operates an employee loan and welfare card system, and provides scholarships and medical expense aids to promote their stable livelihood and welfare. In addition, the company takes the lead in improving the welfare of its executives and employees by paying congratulatory and bereavement grants, rewarding long-term service employees, promoting a childbirth-friendly culture, and operating maternity and childcare support systems to facilitate work and childcare in parallel, as well as operating fitness centers to boost employees' physical health.

### Welfare and benefit systems

Classification	Systems	Contents
Develop competencies	① Support for acquiring specialist certifications	• The company operates a system to support its employees in acquiring specialist or professional certifications for both clerical and technical fields to help them develop their careers.
	② Foreign language education and exam support	• The company supports language education and tests to improve the English and second language proficiency of its employees at home and overseas.
Promote a healthy work-life balance	① Clubs and communities	• We operate programs to support in-house clubs in order to activate communication among executives and employees and to support their leisure activities.
	② Support for recreation facilities	• The company supports the use of major recreation facilities in Korea in order to promote employees' well-being during vacations.
	③ Loans and welfare cards	• The company provides loans and welfare cards to help employees stabilize their livelihood and improve their welfare.
	④ Scholarships, medical expenses	• The company supports scholarships and medical expenses to help improve employees' quality of life by reducing their financial burden.
	⑤ Congratulatory and condolatory allowances, long-period service recognition	• The company operates a congratulations and condolences support system to help employees deal with congratulatory or bereavement events, and a long-term service recognition program.
	⑥ Other forms of welfare and benefits	• The company operates a maternity and childcare support system to help overcome the declining birthrate and enable work and childcare in parallel, and a fitness center support system to help improve employees' health.
Support service	① Workplace change support system	• The company induces stable settlement in a new location through various support systems for employees who have moved to a different workplace due to a regular organizational reshuffle or rotational staffing.
	② Internal and external health check-ups and medical support	• The company operates a health care center and conducts in-house medical check-ups to help employees maintain their best physical condition. It also supports external medical check-ups for employees and their family members.
	③ Work uniform support	• It provides various types of work clothes and PPE (personal protective equipment) required for on-site work.

## Opportunities for Further Education and Personal Growth

### Transparent Recruitment and Hiring

#### Fostering creative talents with an enterprising and caring attitude

As the development and fostering of talents starts with recruitment, selecting excellent talents is the cornerstone of the company’s sustainable growth. POSCO STEELEON’s ideal employee is a passionate and creative person with a sense of caring and enterprising. The company strives to recruit and train passionate people who strive for the very best based on such a spirit, innovative people who seek to reform the world, and trustworthy people who practice honesty. Since 2014, it has recruited outstanding local talents by founding a “Meister’s High School”, Pohang Steel Industry High School, based on industry-academic cooperation.

#### POSCO STEELEON’s ideal employee

Creative talents with an enterprising and considerate mindset		
Action	Consideration	Creativity
Talents who demonstrate a sense of ownership and responsibility and are decisive in every issue, taking the initiative ahead of others	Talents who practice win-win growth with an attitude of humility and respect, and a spirit of self-sacrifice and service.	Talents who can proactively apply new ideas to problems by immersing themselves in their work.

POSCO STEELEON strictly complies with the Fair Recruitment Procedure Act to ensure that no unfair factors or discrimination influence the hiring of new talents based on such factors as gender, age, physical condition, disability, faith, place of origin, education, etc. In addition, the company periodically trains interviewers to objectively assess applicants’ capabilities without relying on subjective or preconceived notions in the selection process. The recruiters assess the applicants by focusing on their analytical, planning, communication, and leadership skills in objective personality tests and interviews. The company also takes the lead in hiring people with disabilities and alienated groups to comply with the government’s recruitment policies.

#### Recruitment process



### Education/Training System for Talent Development

The company operates training programs that are systematically organized into 3 areas and specialized for each position and job in order to develop the competencies of its executives and employees. The company identifies the needs of executives and employees every year and systematically manages and operates both mandatory and optional training programs for position-holders and other constituents. It also strives to improve the quality of training based on the results of satisfaction surveys conducted after completion of the training.

#### Priority education/training programs for 2023

**Providing education services to develop the human resources that will drive the company’s sustainable growth**

- ① Safety / Data / Communication Education**
  - Strengthen the competitiveness of the digital business by fostering smart IT and AI experts for plating, color-coating, and safety.
  - Enhance company-wide organizational synergy through workshops for collaborative units/inter-sector communication, such as the departments of marketing, production, and development.
  - Enhance risk response capabilities by providing special safety training for E-job groups/newly hired or less-skilled maintenance workers.
  - Improve the ability to respond to natural disasters or crises by inviting instructors from government offices (fire department, city hall) and by updating manuals.
- ② Education by Hierarchy**
  - (Deputy managers to leaders) Assign a central role in overcoming management crises through empathy workshops for opinion leaders.
  - Operate the retiree program (2022 design completed) to enhance devotion to their job and transfer knowledge and skills.
  - (Group heads) Support leadership demonstration through comprehensive care programs for coaching, collaboration, stress/health management, etc.
  - (Employees with 1-5 years service) Promote a sense of belonging and loyalty through renewal of followership by discussing healthy career perspectives, HR systems, etc.
- ③ Strengthening Job Competencies**
  - Enhance marketer development skills and support the discovery of new demand through participation in global trade shows.
  - Promote Up/Re Skilling and strengthen career ownership by voluntarily listening to job training lectures.
  - Support the elimination of problems and the discovery of cost-saving factors by operating training courses provided by equipment manufacturers.
  - Promote training to improve overall competencies for the smooth transmission of experience and know-how concerning products, claims, etc.

## Opportunities for further education and growth

### Support for development of employees' personal competency

POSCO STEELEON operates a systematic curriculum in 10 fields, including metals, machinery, and electricity/electronics, to strengthen engineers' job expertise. It also offers online courses for developing job skills in various functional areas such as sales, financial accounting, presentation skills, and language courses, and supports employees in their efforts to acquire specialized or professional qualifications in order to help develop their careers by dividing them into clerical and technical positions. (The company pays up to KRW 3 million in education expenses for employees aiming to acquire job-related qualifications). It also provides partial support for education and language test expenses to improve the English and second language proficiency of employees at home and overseas.

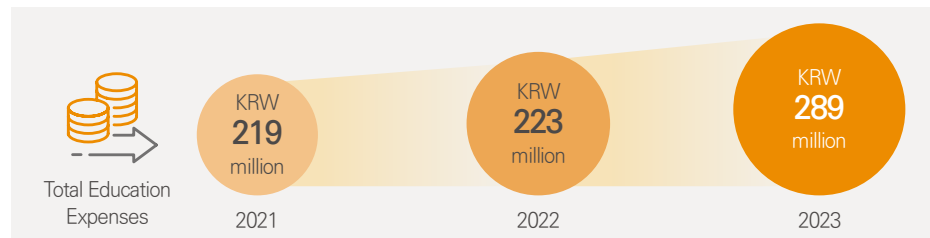
#### Personal Competency Development Support

(Unit: Person, KRW 10,000)

Classification	2021	2022	2023
Relevant employees	16	21	27
Support funds	1,360	2,120	3,732

### Enhancement of job-related expertise

POSCO STEELEON runs programs for graduate/MBA study at home and abroad to provide employees with a vision for growth and enhance their practical skills. Employees who have served the company for more than 5 years are selected annually to attend MBA programs at nearby public universities and POSCO Technology University. In 2023, 3 employees were enrolled on MBA programs at Pusan National University and the POSCO Institute of Technology. To ensure that the program continues to take root, the company actively supports its employees in obtaining degrees, and it is considering expanding the program to include MBA courses at private universities as well.



### Qualifications Acquisition Support System

The company operates a specialist or professional qualification acquisition support system to help employees to develop their competencies and raise safety awareness. It provides congratulatory points to those who have acquired any of 297 types of qualifications, including qualifications related to their jobs and lifespan design. It additionally supports the education expenses for 102 types of qualifications related to production, technology, and safety, as well as advanced office work.

### Book Purchase Support Program

The company operates a program to support employees' purchases of books so that they can develop not only their work skills but also their hobbies, education, and other necessary knowledge. This scheme, which allows employees to apply for support for the cost of their book purchases once each month, not only helps them to acquire knowledge tailored to their needs but also encourages their reading. It is a highly satisfactory system as about 200 employees apply each month.

### Retirement Program

POSCO STEELEON operates a retirement education program for employees who are due to retire (aged 55 or older). The main contents of the program include such subjects as financial planning, healthcare after retirement, reemployment support, and mentoring of successors. It does its best to help employees secure a stable livelihood after retirement through the related education. POSCO STEELEON plans to introduce a program to provide systematic, optimal senior development services to employees aged 50 years and above in cooperation with an external service agency.

#### Vision

#### POSCO STEELEON Re-Leap Academy 9090

#### Goals



##### Quantitative Goals

- Secure a dedicated organization and budget system within 1 year.
- Participation by 90% or more of those eligible for reemployment services.
- Re-employment services provided twice a year.

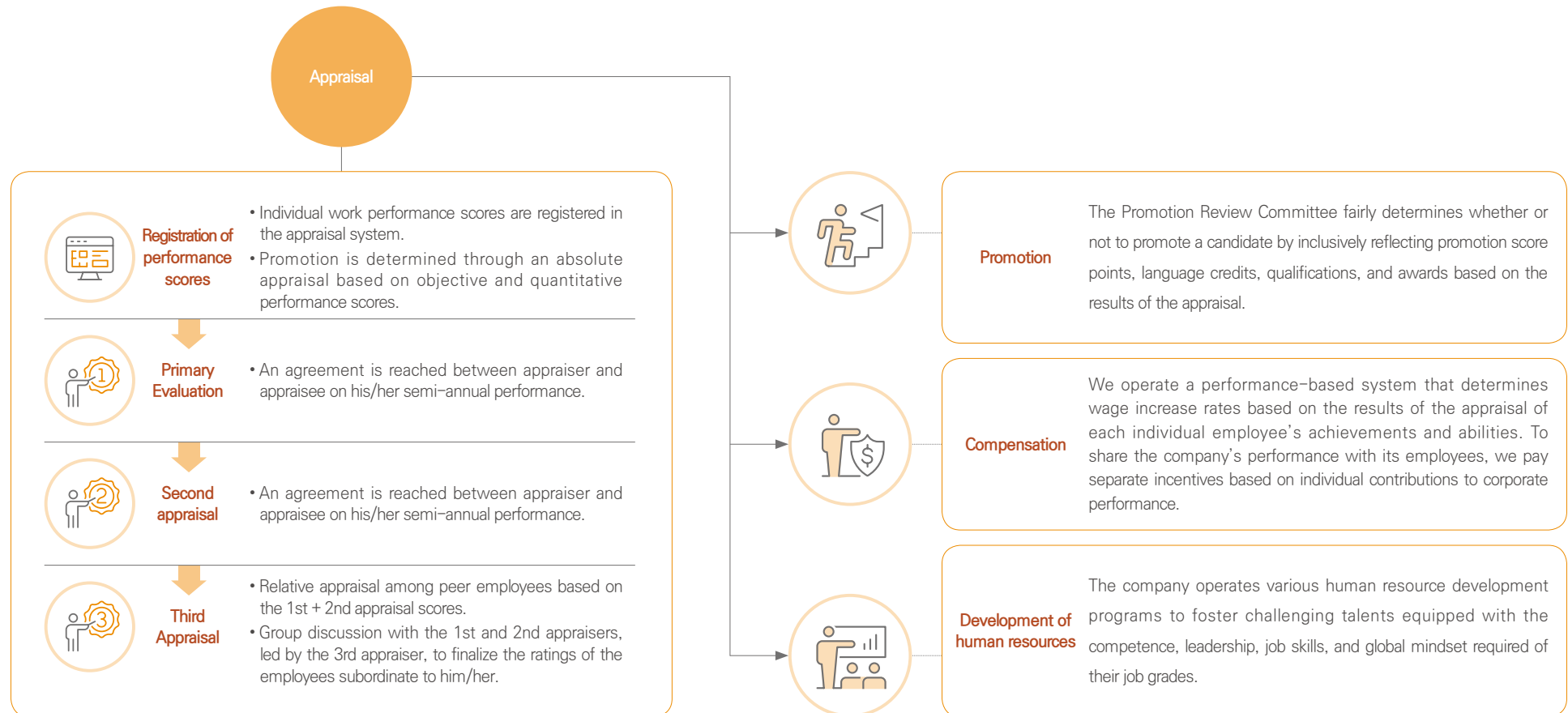


##### Qualitative Goals

- Achieve a 90% rate of satisfaction with the program.
- Achieve 90% settlement of the reemployment program in the company.

## Fair Appraisal and Compensation

POSCO STEELEON conducts “fair appraisals based on competence and fair compensation based on work performance”. We realize that fairly evaluating each individual employee’s competence and performance and rewarding them accordingly is crucial to securing talented employees and ensuring employment stability. Therefore, we conduct objective and fair personnel appraisals every year, the results of which are utilized for promotion, compensation, and a fostering system designed to accelerate the growth of outstanding employees. To ensure systematic appraisals, we strive to secure objectivity and fairness through the first, second, and third rounds of each appraisal. The final rating is made through group discussions among the appraisers at each stage. In addition, we have developed an appeals process through which employees can raise objections and request the appropriate corrective measures if they believe that there are problems with the appraisal process and results, or if they feel that the evaluation is not based on sufficient evidence. The results of appraisals are utilized objectively and effectively in connection with promotion, compensation, and talent development.



## Developing a healthy corporate culture

### Respecting the Diversity of Executives and Employees

POSCO STEELEON pursues diversity and inclusion among its executives and employees. As it is difficult for women and people with disabilities to work due to the nature of the company's business, we have highly limited conditions for recruiting women and people with disabilities compared to other businesses. Nevertheless, as a result of our efforts to increase the ratio of female employees, their number has steadily increased from 24 in 2020 to 29 in 2022 and 32 in 2023. We also provide equal employment opportunities by hiring highly qualified people with disabilities, who are often excluded from opportunities to participate in social activities due to their disabilities.

In the future, we will continue to respect the diversity of all our constituents and will not discriminate against them for any reason, including gender, race, nationality, religion, age, or disability. We will continue to raise employees' awareness of these matters in order to establish a culture of diversity and mutual respect.

#### Composition of executives and employees

(Unit: persons)

Classification	2021	2022	2023
Total no. of executives and employees	434	434	440
Executives	9	10	10
Regular full-time employees	413	412	415
Non-regular employees	16	17	20
Female employees	28	29	32
Disabled persons hired	11	11	13

\* Non-registered executives who have become executives are not registered.

### Managing Workforce Diversity Goals

POSCO STEELEON aims to comply with the statutory standards set under the relevant statutes and regulations in its employment of female workers and persons with disabilities. For the employment rate of female workers, we aim to achieve 4.58%, which is equivalent to 70% of the average figure for the compared group companies in the Affirmative Action (AA) program administered by the Ministry of Employment and Labor. As of the end of 2023 (the date of the Ministry of Employment and Labor's report on the analysis of the status of male and female workers), POSCO STEELEON's employment rate of female workers was 7.4%. The Korea Employment Agency for the Disabled requires Korean employers with 50 or more permanent employees to recruit 3.1% of its workforce from among people with disabilities. As of December 31, 2023, 3.1% of POSCO STEELEON's workforce is composed of people with disabilities.

### Employee Diversity Education

We conduct diversity education to enhance a culture that respects social diversity. All employees undergo e-learning training to raise awareness of people with disabilities in the workplace. We prevent gender-based discrimination and conflicts in advance by providing the related training in accordance with the guidelines for preventing sexual harassment and workplace bullying. We also prevent acts that intrude upon or harm other people's sense of personality and dignity in the workplace. In addition, we promote a culture of mutual respect among employees by providing education on "understanding the MZ generation" in order to resolve differences in values between the generations.

### Incentives for promoting diversity and inclusion

We organize quarterly exchange meetings with younger employees to mitigate conflicts and increase communication between the older generation and the MZ generation in the workplace. Various topics are discussed at these meetings, which serve as a venue for communication between the generations, not only helping them to understand each other but also serving as a means to identify more creative ways to improve the workplace. We are also striving to promote diversity by actively encouraging internal club activities. In addition, to secure diversity in the workplace, we aim to create a workplace where women can work with peace of mind by providing maternity and childcare support systems that go beyond the statutory standards so as to prevent female employees from leaving the company midway through their careers.



Maternity and Childcare Support System	Classification	First child	Second child or more
<ul style="list-style-type: none"> <li>• Telecommuting during pregnancy.</li> <li>• Reduced work hours during pregnancy.</li> <li>• Parental leave and reduced hours during child raising.</li> <li>• Fertility treatment leave.</li> <li>• Leave before and after childbirth.</li> <li>• Annual parental leave for child raising.</li> <li>• Pregnancy leave.</li> <li>• Spouse maternity leave and paternity leave.</li> </ul>	Congratulatory childbirth allowance	KRW 2 million	KRW 5 million
	Presentation of gifts on baby's first meeting	Presentation of KRW 1,000,000 department store gift certificates upon childbirth (by the employee or spouse) or adoption. * Support provided for each childbirth/adoption (in the case of twins or triplets, support provided for each child). * Only applies to the adoption of children under 6 years old.	

### Promoting Labor-Management Harmony through Social Dialogue

#### One-Family Council meetings and meetings with each level of management

POSCO STEELEON takes the lead in promoting harmony between labor and management and establishing a healthy corporate culture through social dialogue. Labor and management hold One-Family Council meetings attended by 6 employee representatives and 6 management representatives on a quarterly basis, and ad hoc meetings as needed, to ensure continuous cooperation. The One-Family Council constantly receives feedback from employees through ongoing meetings. It serves as a window to promote employee welfare through frank communication based on trust between labor and management. All employees are notified of the items on the agenda discussed at the One-Family Council meetings through EP announcements. POSCO STEELEON also holds informal meetings at different levels of employees and management team members to strengthen communication between the management and employees. Employees at all levels, including newly-hired and low-seniority employees, experienced employees, and middle managers, participate in the meetings in order to exchange opinions on given topics, and present their opinions on areas for improvement across the company.

#### Major issues discussed 2023 One-Family Council meetings

Classification	Key agenda items	Date	Participants
1st quarter	<ul style="list-style-type: none"> <li>Introduction of half-day leave for medical check-ups.</li> <li>New honeymoon allowance and presentation of gifts on baby's first meeting.</li> </ul>	March 28, 2023	12 persons
2nd quarter	<ul style="list-style-type: none"> <li>Increase of business travel accommodation expenses.</li> <li>Increase of canteen meal prices.</li> <li>Telecommuting during pregnancy.</li> </ul>	June 20, 2023	12 persons
3rd quarter	<ul style="list-style-type: none"> <li>Increase of basic wage, lunch meal subsidy, etc.</li> <li>Alternative public holidays for E-group employees.</li> <li>Increase of telecommunication expenses and adjustment of standards.</li> <li>Introduction of new employee birthday celebration system.</li> <li>Introduction of new leave for miscarriage and stillbirth (spouse).</li> <li>Increase of a congratulatory childbirth allowance.</li> </ul>	September 19, 2023	12 persons
4th quarter	<ul style="list-style-type: none"> <li>Briefing on management status and discussion of other matters/opinions.</li> </ul>	December 18, 2023	12 persons

### Our Efforts to Establish a Happy Workplace

#### Diverse programs designed to improve affinity and satisfaction among family members

POSCO STEELEON operates various family-friendly programs to create a happy workplace and to help employees focus on their work, free from the pressures of childbirth and childcare.

As a result of such efforts, we received the government's 'Family Friendly Company' certification in 2022, validating the excellence of our systems. The certification is valid until November 30, 2024. (POSCO STEELEON earned a score of 94.3 points, against a conglomerate average of 90.0 points.)

In order to ease the burden of childbirth and childcare in this era of declining birthrates, the company continues to operate diverse programs including a subsidy for employees' fertility treatment expenses and leave, shortened work hours during pregnancy, childbirth congratulations and tuition support, support for a spouse's medical examinations, shortened work hours during the parenting period, telecommuting, family care leave, and parental leave. In 2023, it provided healing expenses of KRW 200,000 to six selected employees through the "Healing with Family" program in celebration of Chuseok, one of Korea's two major national holidays. It is also striving to create a happy workplace through various programs including those mentioned above. It compiles the POSCO · Great Workplace (P-GWP) Index obtained through the annual survey conducted by the POSCO Group to check employees' satisfaction with the company's policies and systems.

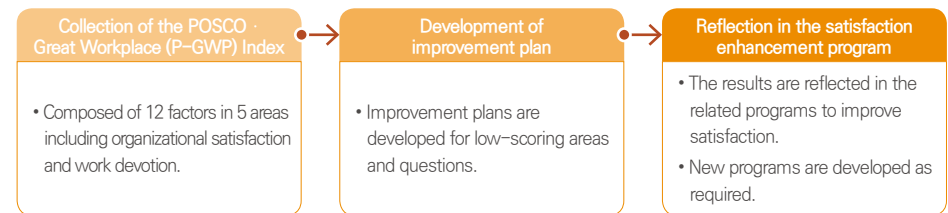


#### Results of the Great Workplace (P-GWP) Survey

(Unit: points)

Classification	2021	2022	2023
Employee satisfaction score	85	84	82

#### Satisfaction management process



## Respecting and protecting human rights

Every human being has the right to be treated with dignity. We respect human rights and support international standards on human rights, including the Universal Declaration of Human privileges, the UN Guiding Principles on Business and Human Rights (UNGPs), and the UN Global Compact. We are committed to preventing violations of the human rights of others. We do our utmost to prevent and address adverse impacts on human rights. We protect and respect the human rights of all our stakeholders in all our operations, both at home and abroad. To that end, we periodically conduct campaigns aimed at fostering a culture of respect for human rights and inspect human rights risks. The Jeong-Do (Upright) Management Group, which is responsible for human rights-oriented management, does its best to discuss the issue and remedy damages promptly through a grievance system in the event of human rights violations.

### Human Rights Policies

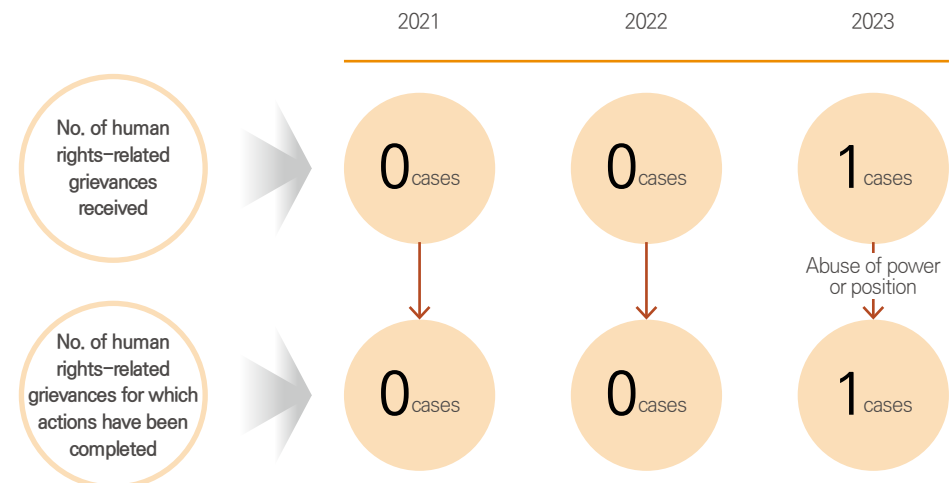
POSCO STEELEON respects human rights, supports the relevant international standards, and maintains the human dignity of all its stakeholders by enhancing their freedom, safety, and quality of life. It has developed a human rights policy within the Code of Ethics and its Practice Guidelines, which is disclosed on the company website as follows: The human rights-oriented management policy contains provisions related to the protection of and respect for executives and employees and local communities, which are stakeholder groups that are vulnerable to human rights, among our management activities. In addition, we have been striving to strengthen our human rights management system by 2030 by developing mid- and long-term goals for human rights management.

➔ For more information on the Human Rights Policy, please refer to the Appendix ESG Policy.



### Key Activities and Achievements in Human Rights Management

Each month POSCO STEELEON conducts campaigns on various topics through internal announcements, with the aim of fostering a culture of respect for human rights. It also conducts an annual online survey on the 'Organizational Culture of Respect for Human Rights' of its executives and employees and partners' personnel serving at its facilities. In 2023, a third-party service provider conducted human rights due diligence for our subsidiary in Myanmar, a vulnerable region regarding human rights. Further details are available in the Appendix on the ESG Issue Paper.



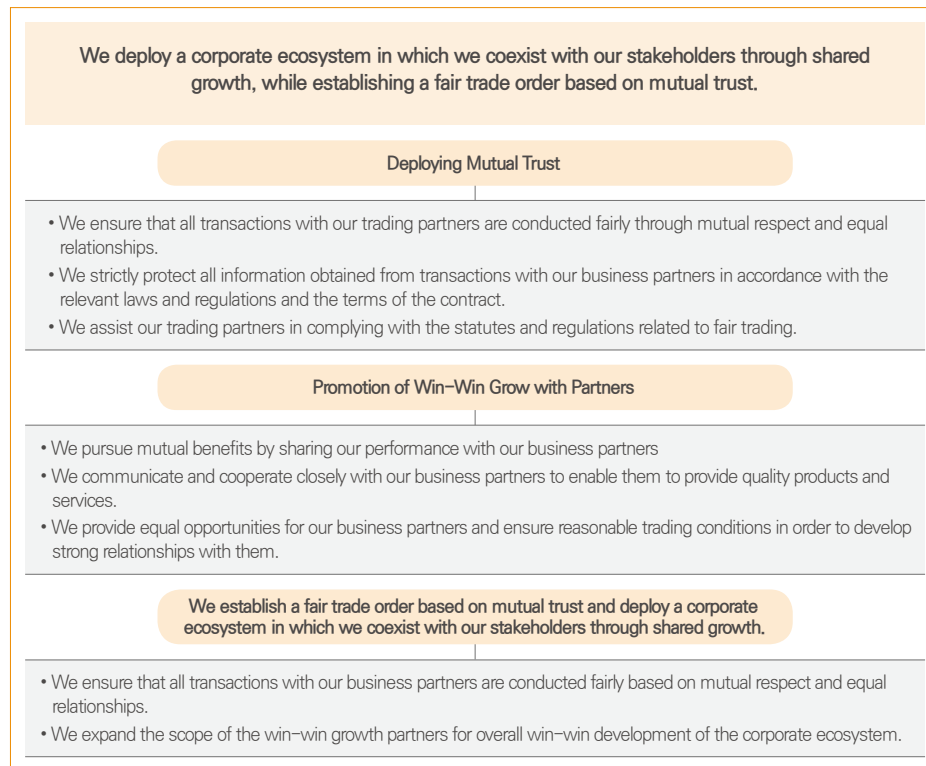
# PARTNER COMPANIES



POSCO STEELEON actively promotes activities for win-win cooperation and pursues mutual growth with its partners. To that end, it has provided a solid foundation for supply chain management by specifying in its Code of Ethics its responsibility to its partners, building mutual trust with them, promoting shared growth, and supporting their sustainable development, and by enacting supply chain management policies such as the Fair Trade Policy and the Code of Conduct for Suppliers. It has also deployed a partner ESG management system to diagnose and improve the ESG management status of its supply chain, and conducts support activities aimed at strengthening the ESG capabilities of its partners after conducting an ESG assessment of the supply chain in order to identify and proactively prevent risks in the supply chain.

## Guidelines on Practices when Dealing with Partners

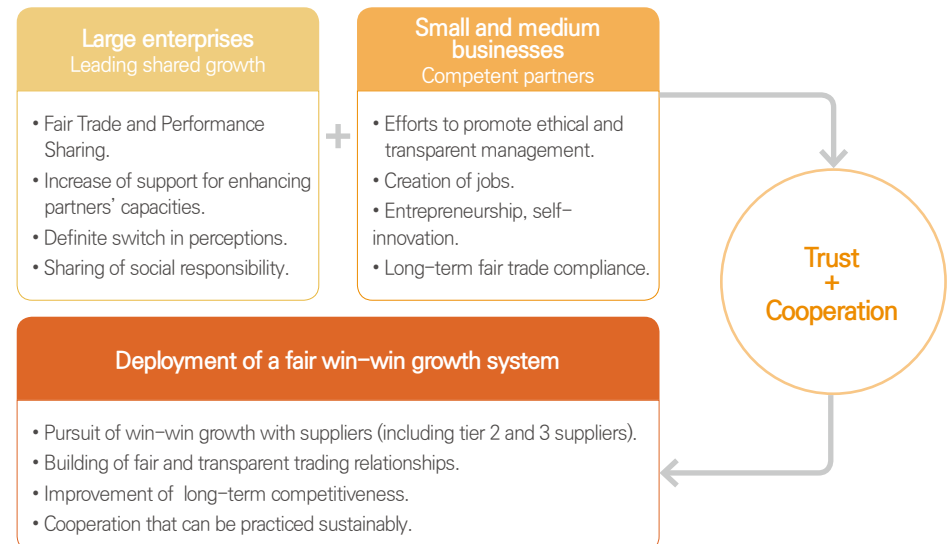
### Deployment of Win-Win Relationships with Partners



## Support for partners in fulfilling their corporate social responsibilities

### Direction of Promoting Shared Growth

POSCO STEELEON has deployed a shared growth system based on trust and cooperation to create shared growth value with its partners. Such shared growth value is being reborn as a win-win growth brand that harmonizes with POSCO Group's ESG management philosophy. The company aims to become a shared growth brand and pursue win-win growth with the local communities in which it conducts its business by improving the competitiveness of its partners and creating social value.



### Win-Win Growth Program

POSCO STEELEON carries out various activities to support its partners, providing financing, education, recruitment, and technical support for their long-term growth. We are pursuing a sustainable path toward mutual growth according to our sincere belief that the growth of our partners is the growth of our company.



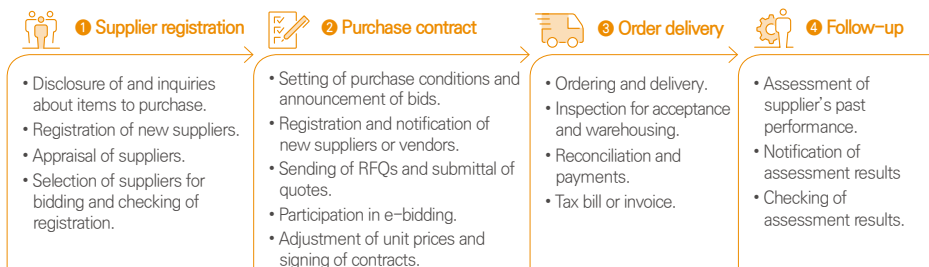
➔ Click here to view our shared growth programs for partners in more detail.

### Developing a fair trading environment for business partnerships

#### Implementation of a fair trade-oriented bidding system

To practice fair and transparent trade and business management, we have introduced a fair trade-oriented bidding system based on an electronic system. We also strive to maintain transparency in our purchasing procedures and methods, and operate a fair trade system that provides equal bidding opportunities to new suppliers by disclosing information on long-term contracts or re-negotiated contracts.

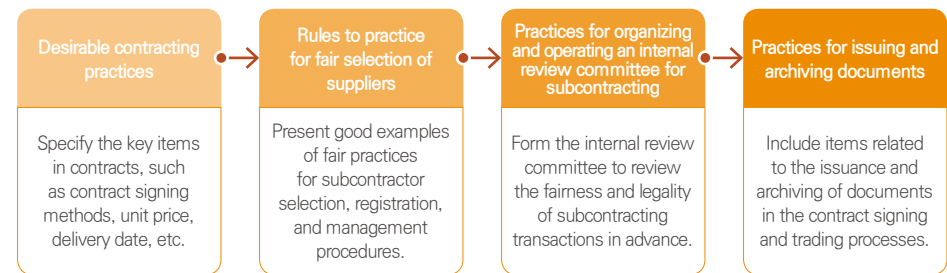
#### Purchasing Procedure



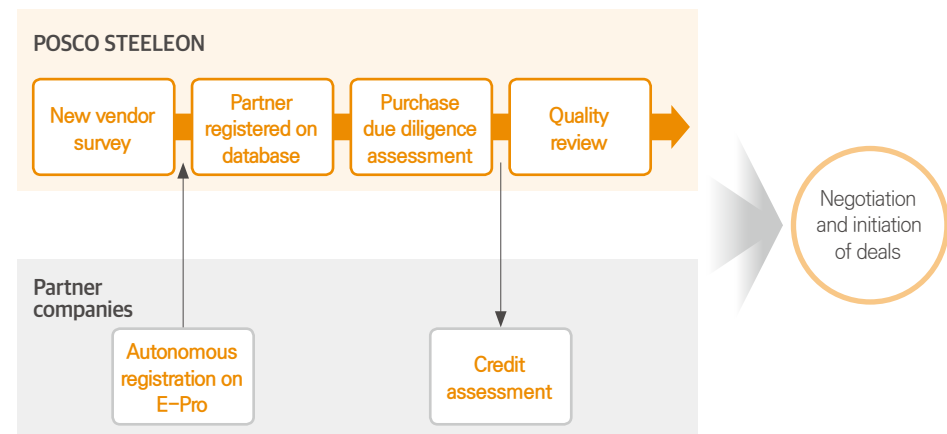
### Establishing a fair trade order with suppliers

The company has adopted 4 rules for practicing fair trade when selecting suppliers, signing contracts with suppliers, and enforcing contracts. We have established a fair trade order with our partners and suppliers by providing equal opportunities to both new and existing suppliers through an electronic procurement system called E-Pro. Through E-Pro, we explored 60 new suppliers in 2022 and 51 in 2023.

#### 4 Key Rules for Practicing Fair Trade with Suppliers



When assessing business transactions with new partners, POSCO STEELEON selects suppliers according to a fair and transparent process, including internal assessments related to their purchasing, technology, and quality, and external evaluations such as credit ratings.



### Full Cash Payment to Suppliers

As a rule, POSCO STEELEON makes cash payments to its suppliers to improve their cash flow. We help to minimize the cash flow risks of our suppliers by strictly adhering to the payment deadlines agreed upon with suppliers. In addition, we check and control compliance with the agreed payment date through our own control process. If a payment is delayed, we take measures to prevent recurrence.

### Welfare and Benefits for Excellent Suppliers

POSCO STEELEON provides amenities (condominiums), congratulatory support, and wall calendars to the employees of 4 outstanding suppliers every year. In particular, we have expanded the congratulatory and condolence support currently provided for marriages of our suppliers' employees and their immediate parents to include the parents of their spouses.



### Benefit Sharing System for Partners

Benefit Sharing (B/S) refers to a system in which POSCO STEELEON and its suppliers jointly conduct improvement activities and share the results based on pre-agreed standards. In order to achieve shared growth with suppliers, POSCO STEELEON specifies the improvement goals, contents, and performance measurement and compensation standards in a standard basic contract form with newly sourced suppliers for the execution of Benefit Sharing projects. POSCO STEELEON systematically operates the benefit sharing system by organizing working-level consultative bodies and the performance compensation committee.

### Compensation Methods

Cash compensation	Compensation by unit price adjustment	Compensation by long-term supply privilege	Compensation through the development of improved products
Cash compensation for the results of benefit sharing tasks.	Compensation for the results of benefit sharing tasks, with unit price adjustment.	Granting of the long-term supply privilege for the results of benefit sharing tasks.	Compensation by purchasing prototypes provided as the results of benefit sharing.

### Fair trade and ethics education for suppliers

POSCO STEELEON operates training programs on fair trade and ethical business for the employees of its suppliers. It distributes its own ethics education materials and those of POSCO on its E-Pro website. It also provides education on business etiquette and manners during on-site specification briefing sessions. In addition, it helps establish a fair trade order with its suppliers and practices win-win cooperation by publishing the 4 major rules for practicing fair trade. In 2023, it provided all its suppliers with 2 fair trade and ethics training sessions (first and second half), and attached a training completion certificate to its contracts with the suppliers.

### Operation of Communication Channels with Suppliers

POSCO STEELEON operates a communication channel through which its partner companies can present their opinions whenever any unfair demand is made of them or when the related policies or regulations are violated. The relevant reporting channel is open to all stakeholders, not just suppliers, and the contents of such reports and the identity of whistleblowers are strictly kept confidential.

Nature of reports

Unfair trade practices, acts of accepting or offering entertainment or hospitality, acts of accepting or offering items with monetary value, gifts, etc., unfair discrimination, leakage of proprietary information, other unethical and unlawful acts, etc.

We visit the production sites of our key suppliers at least once a year to actively listen to their requirements, and also hold periodic meetings (once a month) with our suppliers to strengthen communication and build mutually respectful partnerships. We prevent accidents in advance by sharing workplace risk factors to secure accident-free workplaces at these meetings. We take the lead in open communication with our suppliers by discussing difficulties and issues. In 2023, we received just one grievance related to improvement of the workplace environment at the meetings with our suppliers. Since then, we have completed the necessary improvement measures, achieving a complaint resolution rate of 100%.

## Sustainable Supply Chain Management

### Ethical Code for Partner Companies

To help its suppliers fulfill their social responsibilities, POSCO STEELEON has enacted the Code of Conduct for Suppliers and receives their signature of a pledge committing them to compliance every year. The Code of Conduct for Suppliers is composed of 7 sections: labor and human rights, health and safety, environment, ethics and fair trade, management system, shared growth and social responsibility, and quality management, with which all suppliers wishing to do business with POSCO STEELEON must comply. The Code of Conduct for Suppliers stipulates sanctions for violations of the terms and conditions of purchase contracts with all suppliers, and applies strict operating standards, such as depriving suppliers of various bidding and contracting rights for a certain period of time, in accordance with the guidelines on sanctions and penalties for fraudulent acts contained in the general terms and conditions of all purchase contracts, when violations of the Code of Conduct are recognized or reported by the media, related parties or the supplier management system among POSCO Group companies.

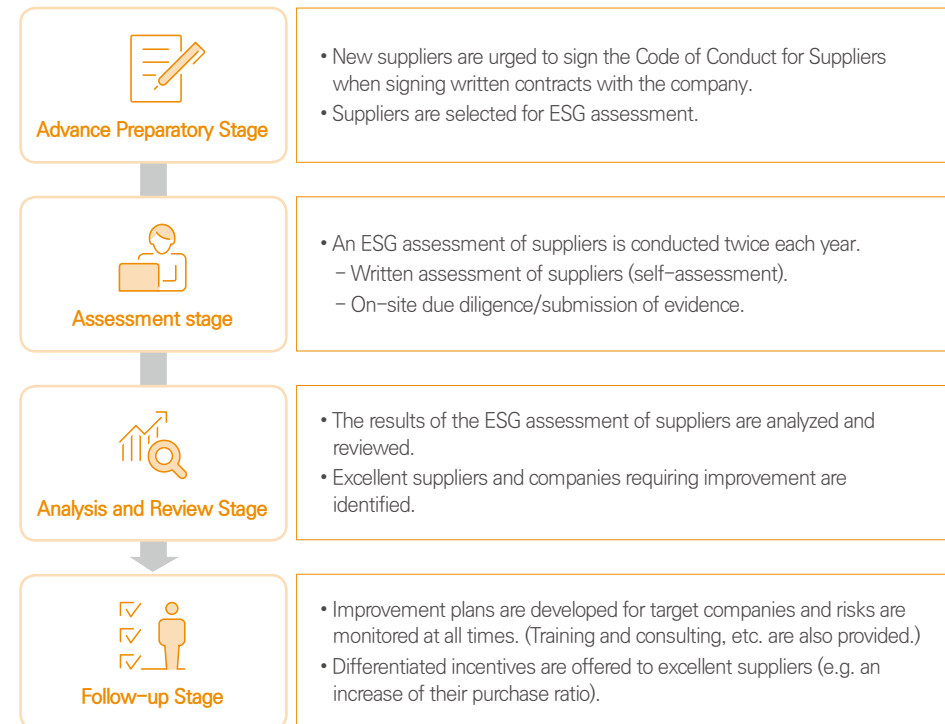
### Summary of the Code of Conduct for Suppliers

<p><b>Labor and Human Rights</b></p> <ul style="list-style-type: none"> <li>• Voluntary employment.</li> <li>• Prohibition of child labor.</li> <li>• Compliance with work hours.</li> <li>• Wages, welfare and benefits.</li> <li>• Humane treatment.</li> <li>• Prohibition of discrimination.</li> <li>• Freedom of association.</li> </ul>	<p><b>Health and Safety</b></p> <ul style="list-style-type: none"> <li>• Occupational safety.</li> <li>• Response to emergency situations.</li> <li>• Occupational accidents and illnesses.</li> <li>• Occupational hygiene.</li> <li>• Manual labor.</li> <li>• Safety management of hazardous machinery and equipment.</li> <li>• Sanitation, food and housing.</li> <li>• Health and safety training.</li> </ul>	<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• Acquisition of environmental licenses and permits.</li> <li>• Prevention of pollution and conservation of resources.</li> <li>• Hazardous materials.</li> <li>• Solid wastes.</li> <li>• Air pollutant emissions.</li> <li>• Substance regulation.</li> <li>• Management of water resources.</li> <li>• Energy consumers, emission of greenhouse gases.</li> </ul>
<p><b>Ethics and Fair Trade</b></p> <ul style="list-style-type: none"> <li>• Business integrity.</li> <li>• Anti-unjust enrichment.</li> <li>• Compliance with the Code of Conduct.</li> <li>• Information disclosure.</li> <li>• Intellectual property protection.</li> <li>• Fair trade, advertising and competition.</li> <li>• Protection of whistleblowers' identity and prohibition of retaliation.</li> <li>• Responsible minerals management.</li> <li>• Privacy protection/protection of personal information.</li> </ul>	<p><b>Management Systems</b></p> <ul style="list-style-type: none"> <li>• Corporate commitment to compliance.</li> <li>• Management duties and responsibilities.</li> <li>• Legal and customer requirements.</li> <li>• Risk assessment and management.</li> <li>• Improvement objectives.</li> <li>• Training and communication.</li> <li>• Worker feedback, participation, and grievances.</li> <li>• Audits and assessments.</li> <li>• Corrective action procedures.</li> <li>• Documentation and records.</li> <li>• Supply chain participation and accountability.</li> </ul>	<p><b>Win-Win Growth and Social Responsibility.</b></p> <ul style="list-style-type: none"> <li>• Shared or win-win growth.</li> <li>• Social contributions.</li> </ul> <p><b>Quality Management</b></p> <ul style="list-style-type: none"> <li>• Quality management.</li> <li>• Change management.</li> <li>• Quality management among suppliers.</li> </ul>

## Supply Chain ESG Assessment

POSCO STEELEON minimizes the impacts of its business by controlling ESG risks that may arise in the supply chain, while deploying a management system designed to strengthen the ESG capabilities of its suppliers. After registering each supplier, we check the level of its ESG management level twice a year by conducting a quantified data-based ESG assessment and provide various kinds of support for improving its ESG management based on the results. All suppliers are guided and advised on how to improve the issues discovered during the assessment. In 2023, we evaluated 124 key domestic and overseas raw material suppliers, and provided incentives to those selected as an "excellent ESG supplier," such as increasing the ratio of our purchases to encourage them to further upgrade their ESG management. We also provide training and consulting designed to strengthen their supply chain capabilities, with the aim of building a sound supply chain system.

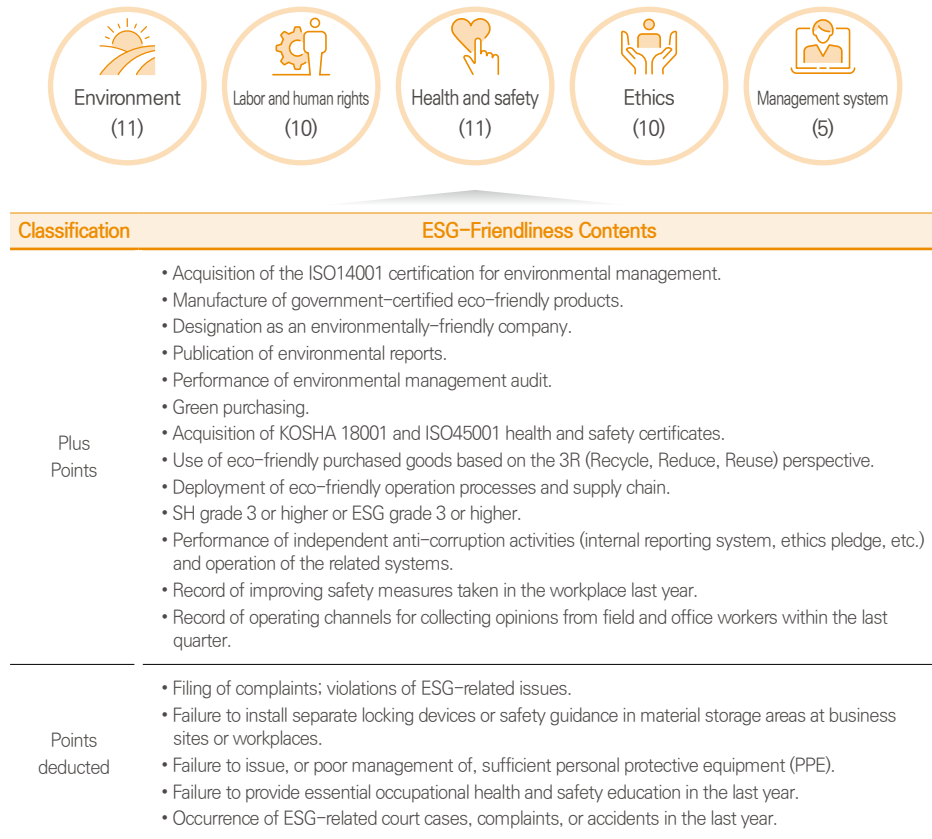
### Supplier ESG Management System



### ESG Assessment Indicators for Suppliers

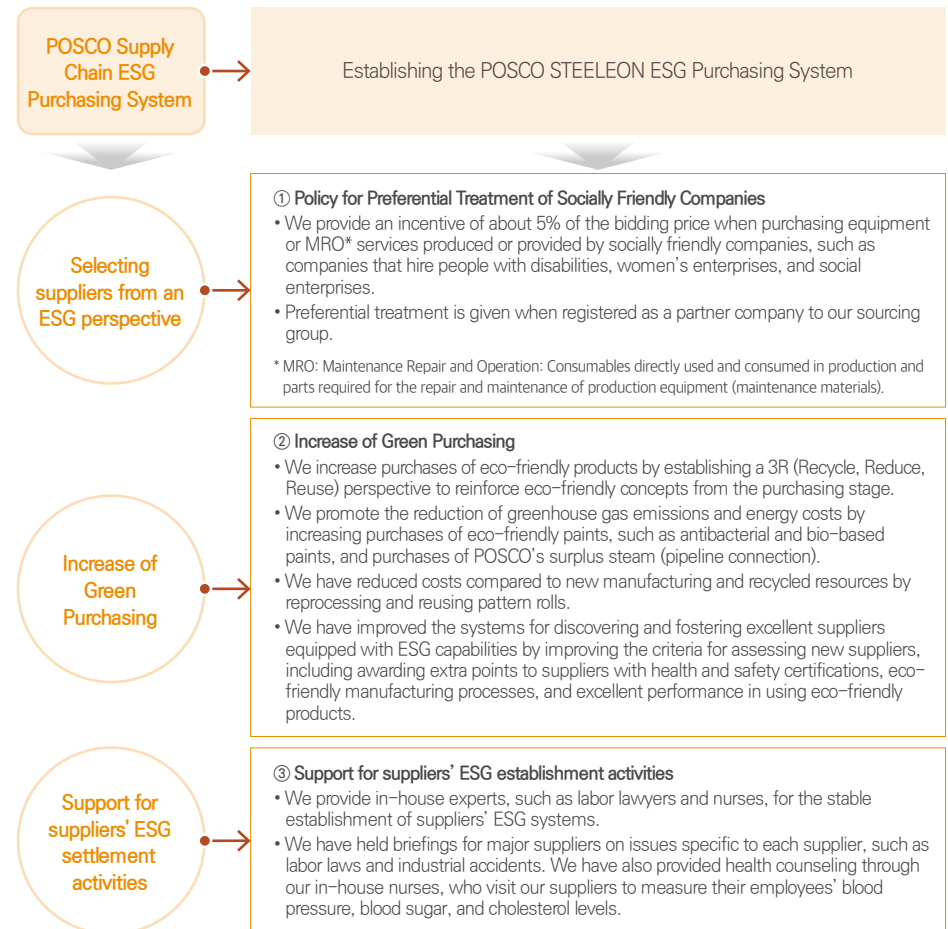
POSCO STEELEON checks and manages its suppliers' ESG level after calculating the final grade by reflecting 47 indicators in 5 categories as well as plus points and deductions. In the future, we plan to strengthen collaboration on improving supply chain ESG risk management by requesting parallel third-party ESG assessments, while increasing the number of suppliers subject to ESG assessment to ensure more sustainable supply chain management. We will add value to the world by creating real value that grows together with our suppliers while developing a strong supply chain ecosystem through ESG management.

#### Composition of suppliers' ESG assessment indicators



### Establishment of the ESG-Based Purchasing System

POSCO STEELEON has adopted the POSCO Group's Supply Chain ESG Procurement System in order to establish its status as an eco-friendly company, and also participates in the 2050 Carbon Neutrality Policy at the same time. We follow the POSCO-type ESG purchasing system based on environment, human rights, ethics, etc. by favorably treating eco-friendly products in the procurement process, which has the effect of increasing the ratio of purchases from suppliers that fulfill their corporate social responsibilities.



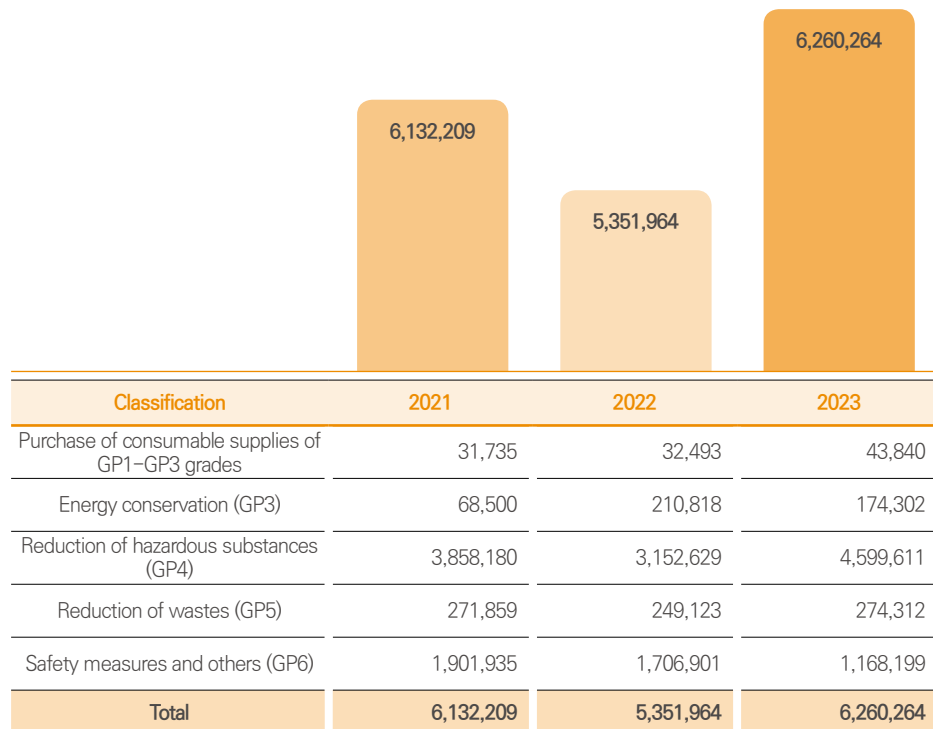
### Green Procurement

As a member of the POSCO Group, POSCO STEELEON clearly sets forth its green purchasing policies and guidelines for promoting eco-friendly products and ESG management. We consider the eco-friendliness of both suppliers and materials from the initial stage of purchase, so that humanity can lead a sustainable life, with the focus on promoting carbon neutrality, minimizing environmental impacts, and using resources effectively through green purchasing.

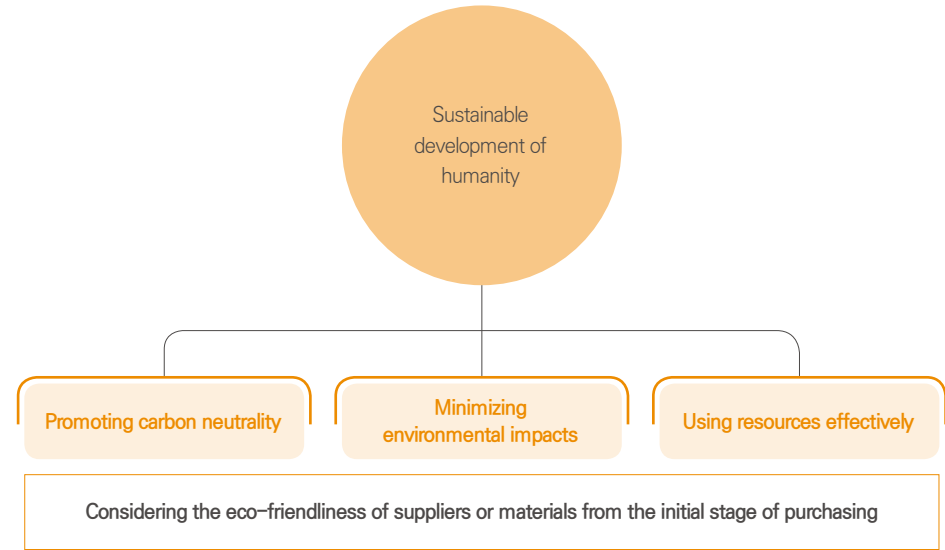
We aim to increase our eco-friendly purchases continuously by establishing Certified Green Purchasing (GP1-GP3), POSCO Designated Green Purchasing (GP4-GP7), and the concept of purchasing from the 3R (Recycle, Reduce, Reuse) perspective. The amount of green purchases decreased slightly in 2022 compared to the previous year due to the disruption of operations caused by typhoons and flooding, before increasing by 17% year-on-year in 2023.

#### POSCO STEELEON Green Purchasing Performance

(Unit: KRW 1,000)



#### POSCO STEELEON Green Purchasing Concepts



Classification	GP	Contents
Certified Green Purchasing	GP1	Environment mark products
	GP2	GR (Good Recycle) mark products
	GP3	Energy-saving goods (energy consumption efficiency class 1 - 2, energy-saving mark products, high-energy-efficient equipment and supplies, etc.)
POSCO's unique green purchasing	GP4	Products with reduced hazardous substance content (i.e. lead, mercury, cadmium, hexavalent chromium, PCB, asbestos)
	GP5	Waste-reduction products (packaging unit adjustment, waste recovery-based purchasing, refill contract, rechargeable, etc.)
	GP6	Others (flame retardant, items with foreign environmental labels)
	GP7	Items requiring eco-friendly consideration
	GP8	Re-used parts (recycled items)

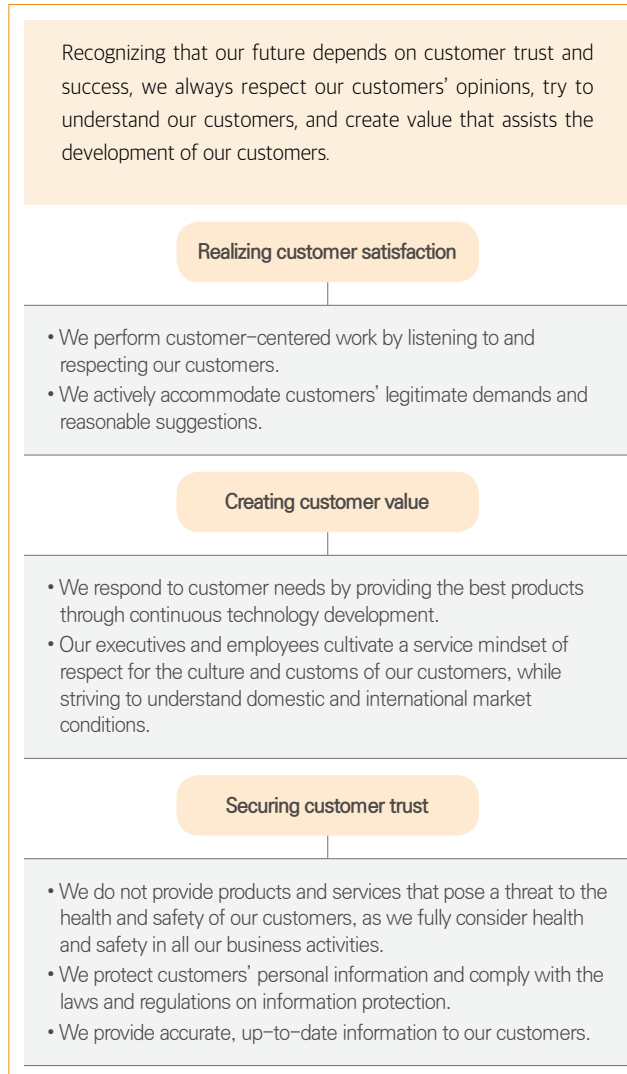
# CUSTOMERS



Recognizing that customer satisfaction is the best value for ensuring the company's sustainable growth, POSCO STEELEON clearly stipulates and complies with its responsibilities to its customers in its Code of Ethics, including those for realizing customer satisfaction, creating customer value, and securing customer trust. To that end, it has established the Quality Charter and performed systematic activities for quality management. It also continues to enhance its position and brand value by introducing a systematic program for managing and improving complaints and claims filed by dissatisfied customers through the VOC system.

## Customer Practice Guidelines

### Creating Customer Value and Securing Trust



## Quality Management

### Quality Management Strategy and Quality Management System

As a member of the POSCO Family, POSCO STEELEON realizes complete customer satisfaction and produces and supplies surface treatment products of the very highest quality through continuous quality improvement efforts and quality assurance activities based on the 3 core values presented in POSCO Group's Quality Charter: responding to customer needs, operating a quality management system, and observing the principles of supply management. We will periodically upgrade our autonomous quality management system with the IATF16949 (Automotive Quality Management System) and ISO 9001 (Quality Management System) certifications, and do our best to build a quality system that meets the diverse requirements of our customers in the future as well.

### POSCO STEELEON Quality Charter

We realize complete customer satisfaction and produce and supply the highest quality surface-treated products through continuous quality improvement efforts and quality assurance activities in accordance with the 3 core values of the POSCO Family Quality Charter Customer Inside, Basic Inside and Synergy Inside,

**POSCO STEELEON Quality Policy**  
Continuous Quality Improvement, Complete Customer Satisfaction

**First, responding to customer needs (Customer Inside)**, we create customer value by reflecting the potential needs of customers.

**Second, deployment of Quality Management System (Basic Inside)**, we eliminate deviations and wastes by emphasizing the basics and principles.

**Third, Supply management (Synergy Inside)**, We pursue mutual growth with the supply chain with trust and communication.

Our quality management system reviews the establishment, implementation, and effectiveness of ISO 9001:2015 / KS Q ISO 9001:2015, IATF16949:2016 standards, and prioritizes quality management based on this quality policy for customer satisfaction through continuous improvement. All executives and employees understand the quality policy and do their best in good faith to achieve the quality goals of each division.

### Quality-related certifications

POSCO STEELEON continues strengthening its quality management system and doing its best to assure product quality by acquiring and maintaining the following international and domestic quality-related certifications:

Category of certifications		Expiry Date
International	ISO 9001 (Quality management system)	2026-11-29
	IATF 16949 (Automobile quality management system)	2026-11-27
Domestic	KS D3520 (Hot-dip galvanized steel and steel bands)	2024-06-07
	KS D3862 (Hot-dip 55% aluminum-zinc alloy plated steel sheet and bands)	2024-06-07

### Product Responsibility

As part of its efforts to realize quality management focusing on the development and management of eco-friendly products, POSCO STEELEON has deployed and operated 'Product Stewardship' throughout the entire product life cycle, starting from the stage of raw material selection. Product responsibility, i.e. product stewardship, is realized - not only for eco-friendly products, but also for environmentally-related raw materials used in the manufacturing process - by conducting continuous risk assessments, improving safety, and strictly following the established maintenance routines.

#### Product stewardship activities by stage



- a. Statistical analysis
  - Analysis of COPQ, quality indicators and establishment of countermeasures.
  - History of raw material use and quality evaluation.
  - Status of non-conformance of products and performance analysis.
- b. Quality assessment
  - Audit of current suppliers.
  - Trial use and assessment of quality of newly sourced sources and sub-materials.
- c. Issuance of warranty certificates
  - Issuance of product inspection certificates, product warranty, and certificates from accredited organizations.
- d. Inspection, calibration and preservation management of tests, inspection facilities



- a. Corrective and preventive measures
  - Improvement/enhancement of quality of raw materials, auxiliary materials (paints, foil, pretreatment chemicals, etc.).
  - Analysis of causes of customer complaints and claims, and development and improvement of countermeasures.
- b. Change Management
  - 4M change feasibility review, hosting of validity evaluation.
- c. Development of new products, new demands, etc.
  - Stabilization of quality and development of applications.
- d. Quality improvement activities based on the results of research on customer/market needs.
- e. Investigation of the causes of defective quality of sub-materials in the production process and improvement of quality.

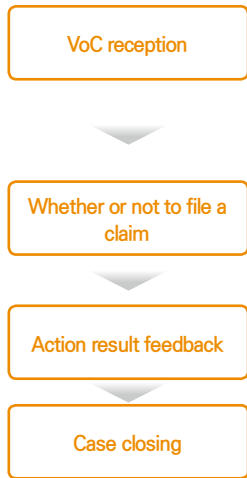
## Customer satisfaction

### Customer VoC

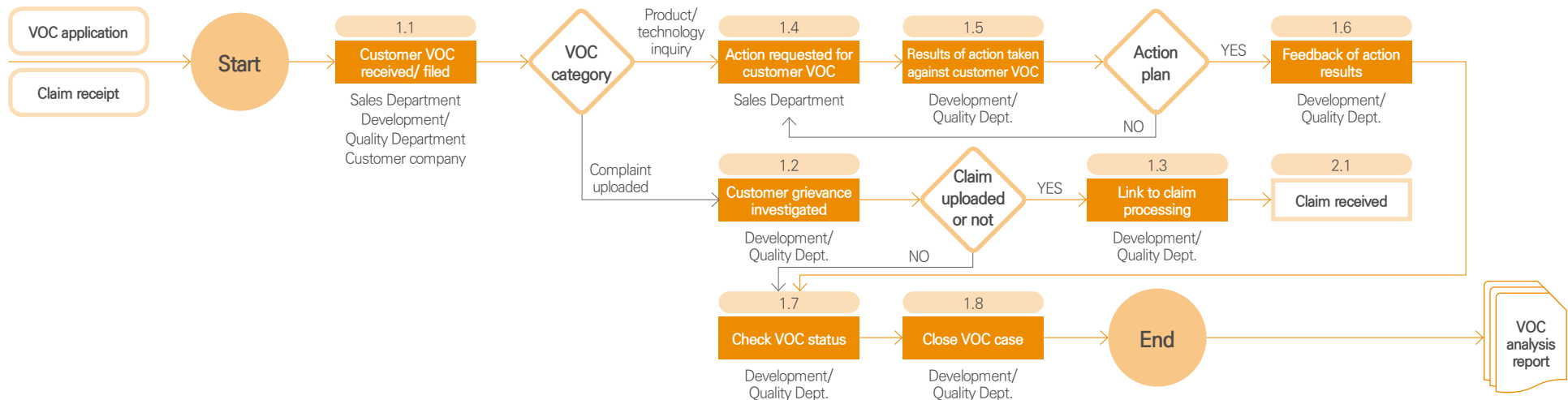
POSCO STEELEON systematically manages and monitors customer grievances and claims through the operation of its Voice-of- Customer (VoC) system.

When such grievances and claims are received, we request the person in charge of the relevant department to promptly proceed with handling them. The person in charge of the relevant department enters the action status into the relevant system and periodically reports it at quality management meetings.

In 2023, a total of 8 cases were received and 5 cases were resolved. We will make further efforts to realize customer-oriented service activities and improve the issues customer voices by listening to customer voices.



- Customers register their grievances or claims directly through the VoC system on our website.
  - Our employees may also upload the details after listening to customers VoCs.
  - If the VOC is a simple grievance, we immediately improve it and conclude the case.
  - If our products cannot be used for the purpose indicated in the customer's order or if defects or losses occur in the finished products (customer processed goods), we transfer it to the Claim Handling Department.
- 
- The person in charge of action should proceed with their handling according to the action plan. He/she enters the results and revises the progress (or completion) to obtain the approval of the department head.
  - If the customer has filed a grievance requesting compensation for the loss for which the company is clearly responsible, the person in charge proceeds with the compensation process based on the results of the manufacturing history and on-site inspection.
- 
- The results of actions taken based on customer VOC requirements (product inquiries, technical inquiries, customer suggestions, other inquiries) are informed to the customer when the action results are proposed and approved.
- 
- The progress status of a case with a VOC number is changed to the status of action taken, saved on the VOC system, and concluded after checking the progress status (grievance filed, action in progress, action taken) by VOC number registered on the VOC system.



### Developing Products Optimized for Customer Needs

In January 2010, POSCO STEELEON organized a dedicated Research Department to concentrate its resources on new product and new material development and conduct research and development activities with POSCO and RIST. We create high added value, develop new demand, add new functionalities, and localize imported products by focusing on the development of new products for shared growth with its customers to meet their specific needs. To be a company worth of the affinity and loyalty of its customers, our business needs to be highly evaluated in QCDDM (Quality, Cost, Delivery, Development, Management). We will strengthen quality management from the customer’s perspective and establish all work standards centered on the customers to ensure prompt response to their needs.

#### Key R&D Milestones in 2023

##### Key R&D Achievements

- Ink and basic technology developed for roll-to-roll inkjet printing
- Primer-less color steel sheet for consumer appliances
- 2C2B cost-saving printing
- Plated steel sheet for automobile wipers
- Eco-friendly plated steel biomass post-treated agent applied
- High friction plated steel sheet
- Low temperature hardening (20°C ↓) color steel sheet for building materials
- Color steel sheet for ESS (Energy Storage System) containers
- Eco-friendly biomass color steel sheet
- High weather resistant non-combustible printed steel sheet
- Plated steel sheet for electric vehicle motor cover
- Plated steel sheet for building materials with Japanese fireproof materials non-combustion certified

### Technology for quality control & product protection

The company holds 133 domestic and 4 overseas intellectual property rights related to our business as of 2023. The majority of the patents we hold are related to surface-treated steel sheet products and processes for manufacturing. These patents are utilized in the market to protect corporate technologies and products. In-house intellectual property experts are in charge of developing strategies, filing and registering intellectual property rights, follow-up management, and responding to disputes related to intellectual property rights.

#### Status of domestic & overseas IPR registrations maintained (as of December 31, 2023, Unit: cases)

Category	Domestic	Overseas	Total
Patents (including designs)	109	2	111
Trademarks	24	2	26
Total	133	4	137

### Providing Products with Social Value

POSCO STEELEON conducts management activities that generate revenues and reflect social values by increasing eco-friendly recyclable steel products to protect the environment and manufacturing products that enhance the safety and health of society by adding functionalities such as antibacterial and non-combustible. In particular, with the market for eco-friendly products rapidly expanding, we will emerge a company that creates a healthy ecosystem for shared growth with our customers by strengthening the market dominance, responding quickly to rapid changes in the market, and laying the foundation for sustainable growth through increased investment in R&D for eco-friendly products.

#### February 2023

In February 2023, a biomass color steel sheet developed by POSCO STEELEON was recognized as an eco-friendly product for the first time in South Korea after passing a test by Underwriters Laboratories Inc (UL), a reputable U.S.-based certification agency.



Inside a modular classroom of Banyawol Elementary School in Daegu, Korea, equipped with biomass color steel sheet

# LOCAL COMMUNITY SHARING



POSCO STEELEON has staged everlasting caring social contribution activities with the vision of “Sharing the right things with everyone”. To achieve the vision, we have performed social contribution activities not only in the local communities where we are located but also abroad based on our four key strategies: 1) Sharing Light of Hope, 2) Sharing Space for Happiness, 3) Sharing Affinity for Local Community, and 4) Sharing Affinity for the World. Based on efforts made so far, the company has been selected as a Excellent Community Contribution Company by the Ministry of Health and Welfare in the 2022 Community Contribution Assessment by receiving an excellent evaluation in its overall systematic social contribution strategies and programs, performance and impact areas. We plan to continue to actively undertake various social contribution activities as part of our ESG management practices.

## Community-Based Practical Guidelines

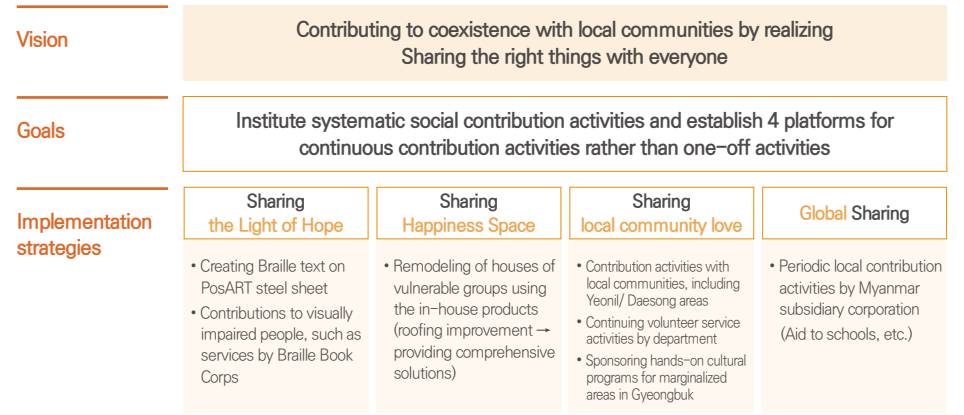
### Contribution to Country & Society



### Social Contribution Expenses & Volunteer Service by Officers & Employees

Category	Unit	2021	2022	2023
Social contribution expenses	KRW mill	257	515	227
Total hours of volunteer service	hours	1,085	1,963	3,986
Persons participating in volunteer service	persons	147	230	370
Volunteer service hours per person	hours/person	2.5	4.5	9.1

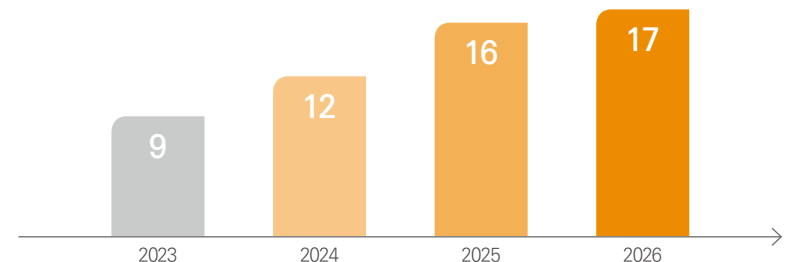
## Vision and mid- & long-term goals of participation in local communities



### Mid- to long-term goals (2026)

KPI: Average annual volunteer service hours per person participating in community services

(Unit: hours)

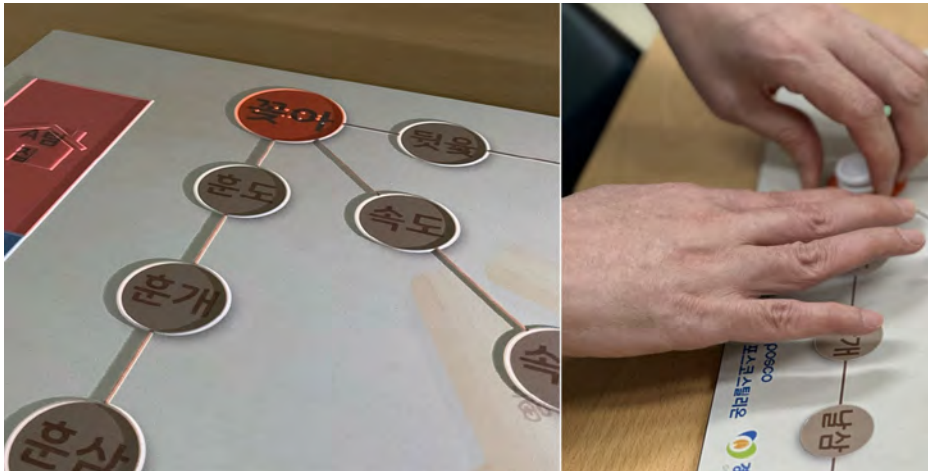


### Sharing the Light of Hope

#### POSCO STEELEON produced a special Yutnori board for visually impaired people

POSCO STEELEON and the Gyeongsangbuk-do Welfare Center for the Blind produced a Yutnori board that can be used by both visually impaired and non-disabled people to distribute it to welfare organizations nationwide. Yutnori is a favorite game of visually impaired people as well, but they experience inconveniences or difficulties from needing to rely on the help of caretakers or to imagine the position of the horses in their mind to play the game.

To solve this problem, POSCO STEELEON has collaborated with the Gyeongsangbuk-do Welfare Center for the Blind to create a texture-printed Yutnori board that allows visually impaired people to play the game independently as the company's PosArt Ink-jet printed steel sheet can create textures perceived by touching with fingers. The newly produced Yutnori board offers the advantage of enabling them to play the game together with other people by allowing visually impaired people to read Braille text and texture symbols that indicate the position of the horses and other information. We have contributed to the community by utilizing proprietary technology to continuously explore activities and services. Various items for visually impaired people, such as Braille learning tools, information boards, and stereoscopic photos, have been developed in collaboration with the Gyeongsangbuk-do City Welfare Center for the Blind. We will continue to undertake diverse service activities that help visually impaired people in their daily lives.



Yutnori board for visually impaired people made with POSCO STEELEON's PosArt Steel Sheet

### Sharing Space for Happiness

#### Support to improvement of the housing of multicultural families

On December 13, 2023, POSCO STEELEON and Save the Children's Eastern Region Headquarters conducted an activity to improve the housing conditions of multicultural families in Pohang and housing conditions of 4 multicultural families in urgent need of assistance in Pohang, where the corporate headquarters is located. The families were selected together with Save the Children's Eastern Region Headquarters. The interior remodeling was undertaken, so that the children can live in a comfortable environment. POSCO STEELEON's PosART product used for the renovation is a high-resolution inkjet-printed steel sheet that features any color, shape, and texture. POSCO STEELEON replaced the backsplash of kitchen sinks of the relevant houses with marble pattern-printed PosART steel sheet. The backsplash is an interior material that covers the wall behind the stoves or sinks to prevent staining. It is usually covered with tiles or special wallpaper to prevent staining and make cleaning easy. By finishing this area with PosArt steel sheet, it is possible to offer stain resistance as an advantage of existing materials and secure eco-friendliness by recycling discarded steel materials. Meanwhile, we have helped underprivileged residents in the repair of their housing spaces. Last November, we have continued some unique CSR activities utilizing our products, and installed handrails and railings made of our colored steel plates at a local children's center, providing a safe environment for children.



Views before and after improvement of housing conditions

### Sharing Affinity for Local Community

#### Donating educational supplies for infants & children in rural areas

In association with the Pohang City Agricultural Technology Center, POSCO STEELEON donated educational supplies for a 'Mobile Playroom' for infants and toddlers in rural areas. There are a total of about 300 children residing in 10 towns and villages in Pohang City, but the towns or villages lacked or had only one childcare center. In addition, due to the high proportion of children from socially vulnerable families such as low-income families, single-parent families, or multicultural families, it was essential to operate a childcare support program. In response, we have prepared projects that can contribute to revitalizing Pohang City and rural areas. As the first of these projects, supplies for running 'Mobile Playroom' were donated to Kid-Mom, a social welfare corporation located in Pohang, on May 26, 2023. 'Mobile Playroom' is a project run by Pohang municipality to improve rural childcare conditions by visiting certain areas and lending educational toys, books, etc. for free. To maintain the program with better effectiveness, the items need to be replaced and updated from time to time. POSCO STEELEON has donated KRW 20 million to purchase learning materials for the project. Starting with this project, we will collaborate with Pohang municipality in various other activities such as preserving the marine ecosystem by collecting discarded fishing gear, supporting eco-friendly agricultural equipment, and remodeling villages to kickstart tourist attractions in rural areas.



Commemorative photo of a project for supporting infant & toddler childcare



Mobile educational supplies supported by POSCO STEELEON

#### Implementing a marine environment cleanup project jointly with Pohang municipality & the Guryongpo Fisheries Cooperative

On September 6, 2023, POSCO STEELEON, Pohang municipality, and the Guryongpo Fisheries Cooperative signed an 'Agreement for Marine Environmental Cleanup in Pohang' at the cooperative's conference room to jointly undertake projects aimed at cleaning up the marine environment. The agreement includes main provisions such as a mutual cooperation in providing KRW 80 million in funds for the cooperative's 2023 marine garbage or trash collection project, including discarded fishing gear and nets and joint volunteer activities to clean up Guryongpo Beach. On September 9, 2023, members of various organizations like POSCO STEELEON, Pohang municipality, Guryongpo Fisheries Cooperative, local children's centers, and Global Village Sharing Movement, an organization dedicated to solving environmental problems with activities, jointly collected trash at Guryongpo Beach as a volunteer/community service. About 60 members of a joint volunteer team walked along the beach wearing shoulder belts with environmental protection slogans to collect marine wastes in front of many tourists visiting Guryongpo. As a community-minded company, POSCO STEELEON continues to perform various activities to protect the environment and contribute to solving pending issues in the local community and Pohang.



Agreement to clean up the marine environment



Marine trash piled at the collection site



Environmental cleanup activities near Guryongpo Beach

### Sharing Local Community Love

#### Installing an art wall made built with PosArt Steel Sheet at the 3rd Army Military Academy and pursuing mutual partnership

POSCO STEELEON built a business-academy cooperative relationship with the academy in Yeongcheon, Gyeongbuk, Korea. On August 3, 2023, our executives and employees visited the academy and held a ceremony after installing a special art wall made of PosART, the company's high-resolution inkjet-printed steel sheet, at the Academy's Vision Hall, the school's public relations center. The art wall of PosART, which depicts brave cadet figures, is used as a photo zone for both cadets and visitors to the school, promoting POSCO STEELEON's PosART as well as the 3rd Military Academy. In addition to establishing a cooperative relationship for mutual development, the two organizations also signed an agreement to strengthen industry-academia cooperation, including sharing a pool of talented human resources and supporting the education of cadets to cope with social issues such as labor shortages and rural decline in the face of a low birthrate and aging population era. In 2021, POSCO STEELEON supported a PosArt steel sheet decoration project at Handong University, a Pohang-based university, while continuing to work closely with local universities to develop and foster human resources.



PosArt art wall inside Vision Hall



Signing MOU for mutual cooperation

### Sharing Affinity for the Globe

#### POSCO STEELEON Myanmar Corporation supporting construction of a school in Myanmar

On June 1, 2023, Dekong Elementary School in Yangon, Myanmar held a dedication ceremony of the school, the construction of which POSCO STEELEON Myanmar Corporation played a role. Dekong Village has recently experienced a sharp increase in its population as many new residents were forcibly relocated to dilapidated neighborhoods. Without any school in the area, temporary huts have been used for educational activities. However, unfortunate incidents such as drowning due to flooding during the rainy season ensued, impeding concerted efforts. financial difficulties were faced by local religious figures and Korean resident organizations that drove the initiative to establish a new school. POSCO STEELION will continue efforts to become a company deserving of residents' affinity by conducting various CSR activities for the local community, such as sponsoring the construction of an educational center for Korean job seekers in Myanmar and installing water purification wells in villages with vulnerable demographic groups.



Temporary shelter huts after flood damages



The view of newly constructed Dekong Elementary School



Dekong Elementary School dedication ceremony



Students inside the new school

# Governance

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# Governance Management Approach

## Materiality of issues

These days, the role of businesses places an emphasis on transparent and accountable management, taking into account social responsibility and environmental impact, leading to the emerging importance of business ethics and sound corporate governance. Business ethics play an important role in ensuring that companies behave ethically and fulfill their social responsibilities.

Responsible ethical conduct serves to improve a company's image and credibility and generate long-term profits. Meanwhile, sound governance serves to ensure corporate transparency and accountability with a key role to play in maintaining the trust of shareholders and stakeholders and increasing the effectiveness of a company's management and operations. Through sound corporate governance, we also protect corporate interests and prevent fraud or wrongdoing in the decision-making process, and enables the company to enhance its competitiveness and achieve sustainable growth.

## Management approach

POSCO STEELION seeks to make prompt decisions on key issues in corporate management by empowering the independent Board of Directors, and realizes ethical management based on the POSCO Group's Code of Ethics by strengthening the supervisory function of the Board and establishing a dedicated Ethics Management Team. We practice ethical management and compliance as fundamental principles in all of our business activities and respond to uncertain risks by analyzing the internal and external environment. With these efforts, POSCO STEELION has progressed into a company that secures trust and admiration from its diverse stakeholders.

### Connected to UN SDGs



Goal 16: Advocate peaceful and inclusive societies for sustainable development, and establish accountable, inclusive institutions at all levels

## Key Performance



Attendance rate of Board of Directors

100%



Completion rate of ethics training

100%



POSCO Group Fair Trade Index assessment

87 points (Excellent)

## INTERVIEW



**Kyungsik Kim** • Head of Business Planning Office, POSCO STEELEON

© The government recently finalized and announced its plan to tackle the undervaluation of the Korean stock market (Korea Discount) for the rapid growth of Korean capital markets. Please introduce any policies and measures related to the protection of shareholder rights that STEELEON has pursued to enhance its shareholder value.

I think the essence of the government's corporate value-up program involves companies themselves making self-initiated efforts to enhance their value, from identifying the current situation to the planning and executing their plans. In terms of investment indicators, our position in our price-to-book ratio (PBR) is lower than the average of KOSPI listed companies, while our return on capital (ROE) is similar to the average.

We believe that capital reduction through capital restructuring and higher profitability driven by performance are critical areas to increase shareholder value.

Above all, we will gradually raise our dividend payout ratio to enhance shareholder value, while continuing to implement investor-friendly policies by embracing an advanced dividend policy. In addition, we will secure our intrinsic competitiveness through concerted efforts to strengthen our market dominance, as was underscored by the Group's newly appointed chairman. We will continue to develop new products that meet market trends and secure new demand solidify our leading position by. With these efforts, we will maintain the trust instilled in our shareholders. Finally, active communication with the shareholders will be strengthened, NDRs (corporate/investment briefings) and integrated group company briefings convened periodically (twice a quarter) to share corporate performance and development direction and collect shareholders' opinions. Through such efforts, we aim to be reputed as a shareholder-friendly company that is committed to ensuring that our business and financial status is properly evaluated through active IR activities.

# Corporate Governance Structure



POSCO STEELEON has established reliable transparent corporate governance centered on its Board of Directors characterized by expertise and responsiveness. We strive to establish a transparent and rational governance structure to enhance shareholder value for investors and protect their rights and interests. Decision-making and communication with shareholders are improved with the participation of minority shareholders through periodic IR activities and the electronic voting system in operation.

## Status of the Board of Directors

### Organization of Board of Directors

The POSCO STEELEON's Board of Directors exerts supreme decision-making authority, adopts important management policies, and deliberates on the basic policies of management. As of the end of March 2024, it is composed of 4 members, 2 internal directors, 1 non-executive director, and 1 external director, with the directors being appointed at the general shareholders meeting. The director candidates are selected by the Board and their appointment is finalized as an agenda item submitted at the general shareholders meeting. POSCO STEELEON appoints directors with expertise in the economy, production, and investment, etc. The Management Planning Group is an organization dedicated to supporting the Board by assisting in its activities and providing information on key company issues as required.

### Composition of the Board\*

(as of the end of March 2024)

Category	Full name	Position and duties	Key experiences	Board Skills Matrix				Date appointed	Office tenure
				Marketing/production	Investment/business venture	Industry/economy	Strategy/finance		
Internal directors	Bongchul Kim Bongwan Kim	CEO & Chairman of the Board of Directors	January 2024 Current president (CEO) of POSCO Steelon January 2022 Former Head of POSCO Integrated Processing Center January 2019 Former President of POSCO Gwangdong-Pohang Automotive Steel Plate March 2017 Former Head of POSCO Automotive Steel Plate Export Group 2	○	-	○	-	March 25, 2024	1 year
	Kyeong-sik Kim	Head of Management Planning Office	January 2023 Head of Management Planning Office, POSCO STEELEON January 2020 Head of Management Planning Office, POSCO ICT March 2017 Former Department Manager, POSCO China March 2014 Former Head of POSCO IR Group	-	○	-	○	March 25, 2024	1 year
Other non-executive directors	Sangyong Kim	Head of Management Planning Office, POSCO	January 2023 Current Head of Management Planning Office, POSCO January 2022 Former Head of Management Planning Office, POSCO Energy January 2020 Former Head of Planning & Finance Office, POSCO Chemical June 2017 Former Head of Audit Group, POSCO	-	○	-	○	March 25, 2024	1 year
External director	Yeong-min Lee	External director	March 2023 Current Professor for Industry-Academic Collaboration, Business School, Seoul National University September 2022 CEO of Korea Venture Investment January 2019 Director, Yunmin Creative Investment Foundation January 2014 Former CEO, Albatross Investment	-	-	○	-	March 21, 2023	2 year

### Management of Board of Directors

POSCO STEELEON has established the Corporate Governance Charter to maintain the balanced rights and interests of the stakeholders, including shareholders, customers, and employees by enhancing corporate transparency, integrity, and responsibility of professional management members centered around an independent Board of Directors. Pursuant to the Board’s management regulations, its regular meetings are convened six times a year, with extraordinary meetings held as required. The Board meeting is chaired by the CEO. Resolutions on submitted matters are passed by a majority vote cast and a quorum of a majority of the directors present. Those who have a vested interest in the matter must abstain from voting. In 2023, the Board held a total of six meetings and resolved 19 items, including the revision of the Internal Accounting Management Regulations. In addition, to improve its operations, external directors were delegated on-site inspections to understand the existing status of the corporate and business activities, as well as a briefing session on the current status of management.

#### Current status of Board of Directors operations

Category	Unit	2021	2022	2023
No. of board meetings held	cases	4	5	6
No. of agenda items deliberated	cases	13	13	19
Attendance rate of Board of Directors	%	100	95	100

### Remuneration Policy for the Board of Directors

The remuneration of the Board members is paid within the amount approved by the General Shareholders Meeting, and is determined based on the standards set by the Board depending on their position and duties. For internal directors, merit-based compensation is provided after conducting a quantitative assessment of corporate performance and qualitative assessment of their ESG activities. The external directors is paid a fixed remuneration on the basis of their independence rather than their performance assessments

#### Board Members Compensation\*

\*Unit: KRW million, as of the end of 2023

Category	No. of persons	Total remunerations	Per-person average remunerations
Internal directors	2	1,236	593
External director	1	61	61

\* Excludes one non-executive director (compensation not paid according to regulations)

### Audit system

One auditor, appointed based on a resolution by the General Shareholders Meeting, performs audit duties on the corporate accounting and business. The Jeong-Do (Responsible) Management Group, an audit support team, reviews and plans activities such as preliminary audits of quarterly financial statements, business process improvement, and safety audits. Any items pointed out during these audits are immediately reported to the relevant department heads and senior management for corrective and improvement measures, with the appropriate follow-ups to be undertaken on the findings. In 2023, a total of six audit sessions was conducted, and in July, audit training on the internal accounting management system was completed to enhance business expertise.

## Protection of Shareholders' Rights & Interests

### Shareholders

As of the end of December 2023, the company had a total of 6,000,000 outstanding common shares. The largest shareholder is POSCO, holding nearly 57% of the total shares, with the remainder being held by minority shareholders. To firmly instill the understanding and trust of the shareholders and investors, POSCO STEELEON discloses its investor relations (IR) data and sustainability reports on its corporate website and the Electronic Disclosure System of the Financial Supervisory Service.

#### Shareholders

\*Based on common shares as of the end of 2023

Name of shareholders	No. of shares held (shares)	Equity ratio held (%)
POSCO Co., Ltd.	3,412,000	56.87
Others	2,588,000	43.13
Total	6,000,000	100

### Dividend policy

POSCO STEELEON balances its corporate growth with the return on profits to shareholders.

Dividend distributions are determined through the Board resolutions and approval by voting at the General Shareholders Meeting. The dividend rate is set at an appropriate level within the range of distributable profits, considering investments for sustainable growth, shareholder value enhancement, and the business environment. The total 2023 cash dividends amounted to KRW 9,675 million, and the cash dividend per share was KRW 1,615.

#### Dividend details

Category	Unit	2021	2022	2023
Total of cash dividend	KRW mill	6,000	5,250	9,675
Dividend per share	KRW (won)	1,000	875	1,615
(Consolidated) cash dividend ratio	%	5.9	23.1	39.1

### Shareholder-friendly management

POSCO STEELEON conducts IR activities periodically to further instill trust from shareholders and investors. We convene earnings briefings every quarter to present our business performance and continue communication through Q&A. In addition, we rolled out an electronic voting system in 2020 to facilitate convenient participation by minority shareholders and exercising of their voting rights.

#### Compliance Items for Core Corporate Governance Indicators

Core Indicators	Promotion details
Convening notice published 4 weeks prior to an annual general meeting (AGM)	<ul style="list-style-type: none"> <li>The convening notice for the AGM was published 4 weeks in advance of the meeting.</li> </ul>
Electronic voting rollout	<ul style="list-style-type: none"> <li>To enhance the convenience in exercise of voting rights, we rolled out the e-voting system in 2020 to be implemented every year.</li> </ul>
AGMs held on days other than the crowded days	<ul style="list-style-type: none"> <li>The AGM for the current term was held on March 25, 2024, to avoid the days with AGMs scheduled by the other companies.</li> </ul>
Providing predictability on cash dividends	<ul style="list-style-type: none"> <li>As part of the Financial Services Commission's plan for advancing the capital market, we instituted the dividend payment procedure called [First, Decide Dividend Rate, Followed by Dividend Base Date] for the 2023 AGM to enhance shareholders' convenience by embracing a market-leading shareholder-friendly system.</li> </ul>
Shareholders notified of dividend policy & dividend payment plan once a year	<ul style="list-style-type: none"> <li>We plan to return corporate profits to shareholders with a planned payout ratio of 30%, and share information with shareholders through our disclosure of cash and in-kind dividend decisions &amp; business report when any resolutions on dividends are made.</li> </ul>
Development & operation of internal control policies including risk management policies	<ul style="list-style-type: none"> <li>Since enacting our Code of Ethics in 2003, we clearly included the United Nations Guiding Principles on Human Rights Management in our Code of Ethics in 2014, which advocates the rights of and respect for human beings. Our Code of Ethics is available on our website. In addition, to comply with the guidelines for compliance management, we appointed a compliance officer to monitor the legality/compliance of corporate management activities, and an external auditor audits compliance with the internal accounting management system. We perform our duties for disclosures in a timely manner and adhere to our internal control procedures deployed for our periodic reports, such as approval process by the head of competent departments &amp; the disclosure officer.</li> </ul>
Does the company have a policy to prevent the appointment of people responsible for damaging corporate value or infringing on shareholder rights & interests?	<ul style="list-style-type: none"> <li>When examining the qualifications of directors, we closely examine not only the qualifications of directors provided under the Commercial Act, but also disqualify individuals who are responsible for damaging corporate value or infringing the rights &amp; interests of shareholders, including being subject to administrative or judicial sanctions/ penalties for violating laws and regulations or being exempted from enforcement of such sanctions. The directors are appointed at the general shareholders meeting, and the CEO appointed from among the internal directors by a Board resolution.</li> </ul>
Establishing an Independent Internal Audit Department (Internal Audit Support Organization)	<ul style="list-style-type: none"> <li>The company operates the Jeong-Do (Responsible) Management Group, a support team for the internal audit teams, to assist the efficient performance of audit duties and perform activities such as supporting audit work, evaluating financial &amp; accounting audits and internal accounting control systems, including consolidated financial statement audits, developing ethical management policies, and improving the concerned systems, independent of the management &amp; controlling shareholders.</li> </ul>
Whether procedures are in place for the internal audit organization to access material information related to management	<ul style="list-style-type: none"> <li>Our audit is conducted based on the Articles of Incorporation &amp; the relevant standing policies in an independent position from senior management &amp; controlling shareholders. If necessary, external experts may be consulted at the company's expense. We also utilize the Jeong-Do Management Group, a support team for the internal audit organization, to implement procedures deemed necessary for document access for material business issues and review of their contents, etc.</li> </ul>

# Ethical Management



As POSCO STEELEON is well aware that ethical management is not achieved only through compliance with the internal Code of Ethics, it is managed to ensure that all stakeholders comply with the Code of Ethics, including our partners/suppliers. Training is also provided continuously to ensure that the Code of Ethics is familiarized by all members of the organization. We strive to prevent unethical acts or wrongdoing in advance through our internal reporting and counseling system.

## Jeong-Do (Responsible) Management System

### Code of Ethics & Practical Guidelines

The Code of Ethics is a set of ethical values and conduct standards that all POSCO Group employees are expected to uphold and advance. At the start of each year, all of them sign a written oath as to their compliance with the Code of Ethics to affirm their commitment to ethical management.

### Core Values of Ethical Management



Trusted company



### Topics of Ethical Management Practical Guidelines

Ethical Practice & Compliance	1	Harmonizing Officers & Employees' Work & Life	2	Creating Customer Value and Securing Trust	3	Duty of Good Faith to Investors	4
Establishing Win-Win Relationships with Business Partners	5	Contribution to the Country & Society	6	Protecting the Environment and Preserving Ecosystems	7	Protecting and Respecting Human Rights	8

### Jeong-Do (Responsible) Management Team

POSCO STEELEON has organized a dedicated team for systematic ethical management called the Jeong-Do Management Group, besides the Ethics Committee. It is an independent organization that supports audit work and is tasked with overall ethical management activities, such as ethics education/training, unethical conduct monitoring, and ethical management audits. The Ethics Committee is a consultative body on ethical management in operation based on the Code of Ethics, sharing issues related to ethical management. Being held twice a year, its meetings are led by the Jeong-Do Management Office head with almost 40 compliance officers and ethics practice leaders attending from each department. In 2023, the Ethics Committee held 2 meetings to discuss issues related to fair trade assessment and agenda items related to ethical management.

## Jeong-Do (Responsible) Management Activities

### Ethics Education & Campaigns

We periodically conduct ethics education/training for all employees with the goal of preventing unethical conduct/wrongdoing and firmly establishing an ethical corporate culture. In 2023, we conducted 45 collective training sessions for new employees and all departments, and 10 online trainings centered on major example cases. In addition, we implemented a mandatory Group-level e-learning program to enhance the ethical awareness of all employees, while also conducting ethical management campaigns every month. A new topic is covered each time to raise their awareness of ethical leadership and develop a more transparent and ethical corporate culture.

#### Status of E-Learning Ethics Education

Category		Unit	2021	2022	2023
Completion rate of ethical education/training to prevent sexual harassment	Training completion rate	%	100	100	100
	No. of personnel who completed	persons	402	416	415

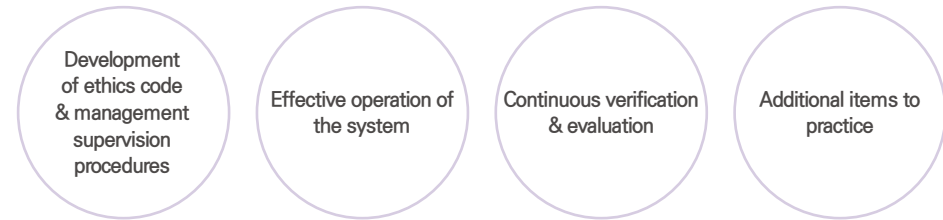
### Developing an Organizational Culture Respecting Humanity

POSCO STEELEON conducts an online questionnaire survey on 'Organizational Culture Respecting Humanity' every year for its executives, employees and partners'/suppliers' personnel delegated to its internal operations. The survey is conducted to identify possible violations of humanity respect (workplace sexual harassment, extortion, etc.) and unethical conduct/wrongdoing (embezzlement, bribery, etc.) among any executives, employees and partners'/suppliers' personnel delegated to internal operations. Based on the result of the survey in 2023, the number of human rights violation cases was none, a decrease by 1 case year on year. The Jeong-Do Management Office continuously manages these results by developing improvement and recurrence prevention measures.

### Assessment of Ethical Management Activities

To check and strengthen ethical management practices every year, 4 key areas are evaluated, ranging from the management organization to the measures to prevent any recurring violations. The assessment results of these ethical management activities are managed through POSCO Group companies in a cohesive manner.

#### Assessed items of Ethical Management



### Preventing ethical risks of suppliers

POSCO STEELEON actively supports follow-up measures based on the results of online surveys for the partners'/suppliers' employees. In 2023, we conducted the following support activities to ensure that ethical management is established at our partners/suppliers through on-site inspections and interviews with their employees.

#### Ethical Management Support Activities for Suppliers in 2023

Category	Details
Surveys conducted on the organizational culture respecting humanity and supporting follow-up actions	<ul style="list-style-type: none"> <li>Collecting VoCs through an anonymous survey of 9 items related to abusive &amp; unfair conduct or wrongdoing by partners/suppliers to ensure a healthy workplace culture</li> </ul>
Support to ethics education for partners'/suppliers' employees	<ul style="list-style-type: none"> <li>Provide education/training on cases of abusive behavior &amp; violations of human rights</li> </ul>
Listening to grievances of suppliers' executives & employees and encouraging their safety risk prevention activities	<ul style="list-style-type: none"> <li>Provide training/education &amp; reference materials on the new 10 safety rules (6 absolute prohibition rules, 4 absolute practice rules)</li> <li>Support for establishing an autonomous safety system (Support win-win cooperation projects for safety &amp; health and recognition of excellent risk assessment sites)</li> <li>Provide training/education &amp; reference materials on revisions to the Occupational Safety &amp; Health Act and recent enforcement status of the Serious Accident Punishment Act</li> </ul>

## Unethical Conduct/Wrongdoing Reporting System

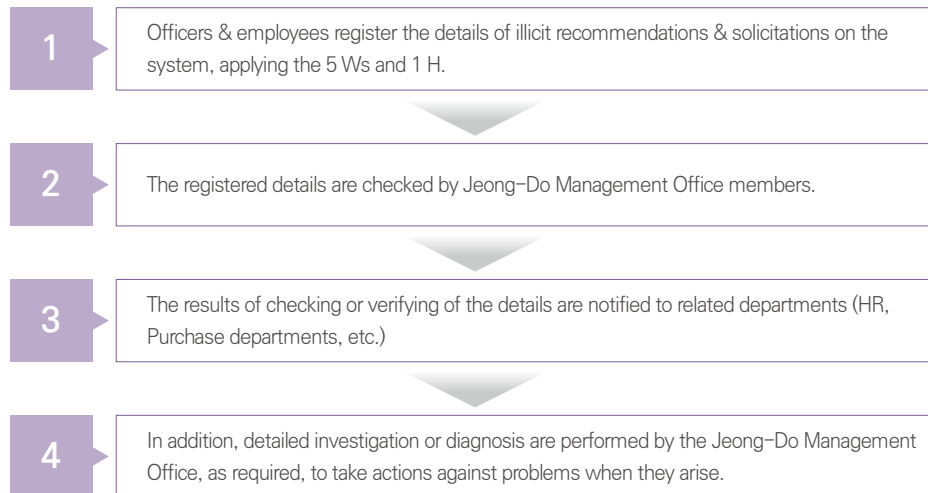
### Internal Reporting & Counseling System

We operate an internal reporting (whistleblowing) and counseling system, and provide periodic guidance on its operating procedures. Internal reports are processed within two weeks from their receipt as a rule. If an in-depth investigation is required, we duly conduct an investigation for at least one month and notify the informer/whistleblower of the outcome. Management supervision proceeds with the Jeong-Do Management Office even after the employee is punished for any verified violations of the Code of Ethics, and monitoring is performed to prevent similar violations from occurring in the future.

#### Clean POSCO STEELEON System

The Clean POSCO STEELEON System allows executives and employees to voluntarily record and manage details of illicit recommendations and solicitations to prevent unethical conduct/wrongdoing in advance. The Jeong-Do Management Office investigates the reports, and if necessary, takes further detailed investigations and appropriate measures.

### Clean POSCO STEELEON System Procedure



## External Reporting (Whistleblowing) System

### Cyber Reporting Center

The Cyber Reporting System is an external reporting system that strictly complies with the principle of anonymity of the informer's/whistleblower's identity and facilitates reporting or whistleblowing unethical conduct/wrongdoing of executives & employees. The system accepts reports by various means, including online reporting, postal mail, or fax. As an incentive to induce active reporting, rewards of up to KRW 10 million are offered to external public informants/whistleblowers. Pursuant to the U.S. Foreign Corrupt Practices Act (FCPA), it is also possible to report unethical conduct occurring overseas. Generally, the results of the reports will be processed within two weeks from the date of the report. In 2023, we received one report of unethical conduct/wrongdoing, with relevant facts being checked and follow-up actions taken, including feedback to the informer/whistleblower.

### No. of cases received by the Cyber Reporting System

Category	Unit	2021	2022	2023
Corruption		0	0	0
Human rights violation cases (including abuse of power)	cases	2	2	1
Others		3	1	0
Total	cases	5	3	1

### ➡ To Cyber Reporting Center

# Fair Trade Compliance



POSCO STEELEON has organized a dedicated team for compliance with fair trade-related laws and regulations, and operates a fair trade compliance program based on its internal guidelines. Every year, a ceremony is held to secure all employees' voluntary pledge to comply with fair trade policies and regulations. Besides employee education/training programs and internal control activities, we also conduct activities to minimize risks by checking the risk of illicit collusion and establishing a system to prevent unfair trade related to subcontracting.

## Fair Trade Risk Management

### Operating Fair Trade Compliance Program/ Autonomous Compliance with Fair Trade Policy

The Voluntary Fair Trade Compliance Program (CP) refers to an internal compliance system that affiliated companies operate to establish a competitive order and comply with laws and regulations on fair trade. With the Compliance Program rollout in October 2006, POSCO STEELEON has implemented activities based on the eight core elements of the CP every year. The CP operation involves information collection, planning, and reporting to the BOD, program operation, and evaluation, and the assessment of its operation is divided into internal and external evaluation.

### Fair Trade Compliance Organization System

POSCO STEELEON operates its Compliance Council as a consultative body for CP operations. consists of group heads of each department, the council meets at least once semi-annually to set basic compliance policies, investigate legal violations, deliberate on important matters related to sanctions, and provide recommendations and advice. The compliance manager is appointed by the Board to serve as the chairperson of the Compliance Council. In addition, a fair trade practice-dedicated leader in each department is responsible for supervising respective fair trade compliance activities, including compliance checkups. Meanwhile, POSCO STEELEON actively supports the human and material resources necessary for the compliance manager to perform his/her duties efficiently. The Responsible Management Group performs the enterprise-wide CP activities while assisting the compliance manager in performing his/her duties.

### Key activities of Fair Trade Compliance Policy

	Category	Contents of key activities
Core elements	1. Developing and enforcing CP standards & procedures	Management of CP-related document system, fair trade issues & examples of violations
	2. Determination and empowerment from CEO	Embracing CEO's determination, reporting CP operation performance & plans to the Board, etc.
	3. Appointing and delegating the compliance officer	Appointing and disclosing the compliance officer by the Board of Directors
	4. Producing and utilizing the Compliance Manual	First published: Nov. 2007, last revised: May, 2023
	5. Providing compliance training/education	Providing E-learning training (2 courses)
	6. Rollout of internal monitoring system	Permanent monitoring system deployed, preliminary audits of quarterly financial statements, etc.
	7. Sanctioning executives & employees violating fair trade-related laws & regulations	Awarding excellent fair trade practice leaders based on checking violations
	8. Assessment of effectiveness & improvement measures	Convening compliance Council meetings semi-annually Fair Trade Index of POSCO Group companies: 87 points

### Fair Trade Compliance Policy Education or Training

To enhance the executives' and employees' awareness of fair trade and their ability to respond to fair trade issues, POSCO STEELEON periodically conducts training/education on the Fair Trade Compliance Policy. To that end, differentiated training programs for each of the position and function holders are arranged to conduct online training both internally and externally. In addition, we mitigate management risks that may arise from unfair trade practices by providing special off-site training and lectures on fair trade for executives and employees tasked with managerial or supervisory functions.

#### Fair Trade Compliance Training Result in 2023

Category	Details
Online training/education	<ul style="list-style-type: none"> <li>E-learning-based training (2 courses): 415 people</li> <li>* Special lecture on corporate management &amp; fair trade, understanding of ethical management</li> </ul>
In-house training/education	<ul style="list-style-type: none"> <li>Completed for all departments to prevent fair trade risks</li> <li>Completed for new/experienced employees (2 times)</li> </ul>
Outside Education/education	<ul style="list-style-type: none"> <li>Special lecture on fair trade for CEOs, officers, &amp; group heads</li> <li>Compliance management specialist training (2 people)</li> </ul>

### Prevention of Unfair Collusion

Unfair collusion activity refers to conduct committed by a business to restrict free competition, including actions to restrict free competition by fixing prices or coordinating shipments with other businesses to avoid competition. To prevent unfair joint collusion activity, POSCO STEELEON proactively prevent violations of the Fair Trade Act by clearly indicating the cause or source of price changes in various documents, such as market conditions in the event of changes in product prices.

In addition, we clearly indicate the source of new and extended equipment or facilities in office documents to prevent collusion among companies to adjust shipments by fixing the size of their production facilities. There have been no violations of unfair joint collusions reported in the last 3 years.

### Establishment of Fair Contracting Practices

POSCO STEELEON operates a preliminary audit system for negotiated purchase contracts to empower a corporate culture of fair competition and win-win growth. The system conducts pre-contract audits of all negotiated purchase contracts with a certain threshold value in all business operation areas, including materials, facilities, and cooperation, to eliminate inappropriate or non-essential negotiated purchase contracts.

We also strive to promote fair trade compliance by proactively identifying risk factors related to subcontracting laws and regulations. When examining subcontracts, they are improved and corrected by identifying conditions unilaterally biased for the prime contractor, omissions or errors in contract provisions, and delays in payment, etc. In addition, we minimize the chances for illegal subcontracting by correcting contracts in the event of violations and instituting measures to prevent a recurrence.

# Risk Management



To proactively respond to potential risks, each host department of POSCO STEELEON monitors financial and non-financial risks at all times and undertakes any countermeasures, which are reviewed through management meetings. In addition, the Investment Review Committee regularly reviews the impacts of ESG risks attributed to investment projects, and the Board is tasked with major decision-making, management, and supervision.

## Risk Management System

### Financial risk

To minimize market and credit risks, POSCO STEELEON’s management and financial officers periodically review and manage financial status. In addition, an internal accounting management system is implemented to enhance the reliability of corporate accounting information.

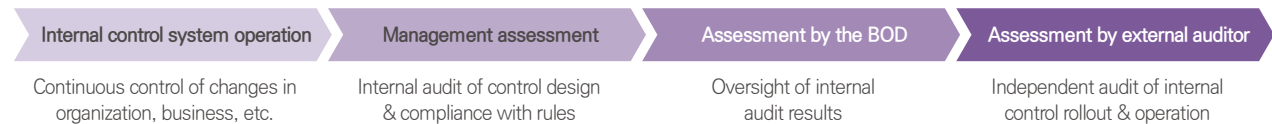
- **Market and Credit Risk**

We manage foreign exchange risk to eliminate risk factors arising from foreign exchange management due to market price fluctuations and ultimately minimize foreign exchange risk. In addition, the creditworthiness of customers is periodically checked to manage the risk of non-fulfillment of contractual obligations due to a borrowers’ insolvency and refusal to pay.

- **Operation of the Internal Accounting Management System**

We operate the internal accounting management system, which was rolled out in 2002, to enhance the level of accounting management. External auditors are enlisted to audit our accounting books & financial statements, and the operational status of the internal accounting management system is checked every business year. The company representative (CEO) reports the performance results at the general shareholders meeting and to the Board of Directors and auditor. The adequacy, completeness, and control measures of the internal control activities are checked and evaluated. Any deficiencies found during the assessment process are corrected or addressed through consultation with the external auditor, the competent department, and employees tasked with internal controls.

### Operation Process of Internal Accounting System



### ESG Risks

POSCO STEELEON manages financial risks as well as ESG and non-financial factors with a significant impact on corporate sustainability.

- **Climate change & environmental risks**

We continuously monitor and respond to risks arising from greenhouse gas emissions and environment-related domains. POSCO STEELEON continues to lead ESG management initiatives through facility investments for energy efficiency and renewable energy by establishing a mid- to long-term reduction roadmap for carbon neutrality by 2050 and responding to new environmental regulations. To minimize environmental risks, optimal air pollution prevention facilities are operated and pollutants analyzed in real time to control concentrations of emissions by installing automatic chimney exhaust gas monitoring devices (remote monitoring system). In addition, we actively strive to achieve carbon neutrality in cooperation with related departments based on the environmental management system and comply with environmental laws and regulations.

- **Safety & health risks**

To develop a safe working environment, we conduct daily onsite inspections and joint safety inspections alongside labor union representatives. In particular, management standards by risk level have been established after conducting risk assessments. For high-risk tasks, we have further strengthened safety measures by operating a safety management accountability system. In addition, we are committed to preventing occupational accidents by empowering workers with safety awareness through safety education/ training.

**Ethics & fair trade risks**

An internal reporting and counseling system is operated to prevent unethical conduct proactively, and systematic ethical management activities are also conducted, such as ethics education/training for executives and employees, unethical conduct/wrongdoing monitoring, and ethical management audits through an organization dedicated to ethical management.

To comply with fair trade statutes and regulations, we operate a fair trade compliance program and conduct preemptive activities such as checking the risk of unfair collusion activities.

**Information security and IT risks**

We have established a enterprise information security management system in preparation of information security & information leakage incidents. To that end, an integrated security control system is operated to block cyber intrusions, data leaks, etc. and to diagnose vulnerabilities. We also safeguard information systems and data from various threats such as natural disasters, and conduct periodic security checks to assess and reduce risks.

### Proactive ESG Risk Assessment

POSCO STEELEON minimizes business risks by specifying investment business management regulations based on the type and amount of investment. In particular, to strengthen ESG risk management, the ESG impact of the projects are reviewed by introducing provisions on review of ESG factors when planning investment projects. The Investment Review Committee reviews the feasibility of each type of investment and conducts screening to minimize potential risks. We also monitor compliance with the business plans and the likelihood and impact of risks for even projects that have already been approved,

#### ESG Review Items for Investment Projects

Environment	Social	Corporate governance structure
Environmental management & climate change	Shared growth, supply chain management, social contribution, job creation, health & safety, responsible minerals	Fair trade, ethical management, information security

### ESG Risk Management by the Board

Even for investment projects approved by the Investment Review Committee, we have further strengthened risk control by the board's approval for all internal and external investments of at least 10% of the capital pursuant to the Board Regulations. From 2021, the Board has also made final decisions on whether to proceed with investment projects after reviewing any ESG risks by newly adopting ESG management regulations for investment projects.

In addition, when reporting the mid- to long-term management plan and annual operating plan to it every year, management and supervision functions have been delegated to senior management by reporting on major ESG- related activities, such as environment and safety, in addition to financial factors such as production, sales, and profit and loss, etc. In 2023, plans for environment, climate change, and safe and health were newly designated as agenda items to be deliberated by the Board. The carbon reduction plan was approved separately at the regular Board of Directors meeting in December. In addition, we reported separately on the results and future plans of ESG due diligence for major supply chain ahead of the European Supply Chain Due Diligence Act to further substantiate ESG management. With the contents of ESG materiality assessments reported to the Board, senior management was capable of identifying ESG issues for sustainable management and arrive at prompt and accurate decisions to minimize ESG risks.

#### Items Deliberated by the Board of Directors

**Matters related to management activities**

- Basic management directions & policies
- Mid- to long-term management plans & annual operating plans
- Development of low-carbon policies for the environmental protection & climate change
- Safety & health related plans
- Appointment of CEO, President, & Vice President among internal directors Executive Managing Director Grant of executive director's position
- Enactment or repeal of important policies or regulations
- Matters related to internal accounting manager's & auditor's reporting on operational status of the internal accounting management system
- Decision on expert assistance to directors

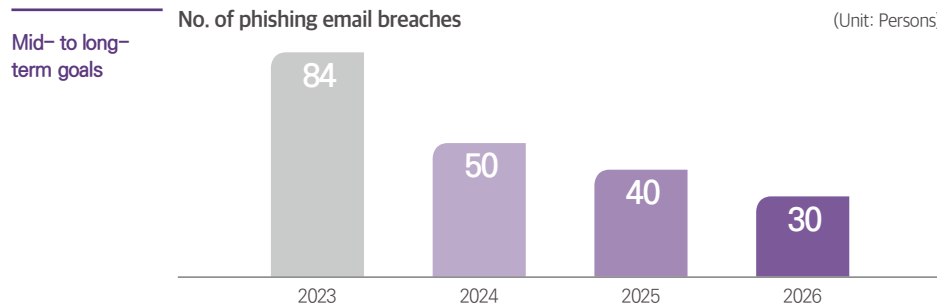
# Information Security (Protection)



POSCO STEELEON treats information security and privacy as the core values. Domestic and international information security laws are strictly complied with, and the Information Security Committee centered around the IT department operates an enterprise information security system. Continuous information security training/education for our employees and partners'/suppliers' personnel are conducted to raise their security awareness, and strict procedures are followed when handling personal information. This helps us safeguard the personal information of our stakeholders and securely manage the corporate information assets.

## Information Security Promotion System

<b>Vision</b>	To enhance global competitiveness by protecting information assets, including core technologies & human resources, which are the source of our competitiveness.		
<b>Goals</b>	Information security management Information security administrator	Personal information security Protection of personal information	Internalizing information security by executives & employees
<b>Implementation strategies</b>	<ul style="list-style-type: none"> <li>Adopt and operate security risk management control procedures</li> <li>Review and perform information security monitoring</li> <li>Identify key risks of information assets and establish assessment criteria</li> </ul>	<ul style="list-style-type: none"> <li>Provide safeguards for each stage of processing, including collection, storage, use, disclosure, and disposal of personal information</li> <li>Provide reasonable procedures to ensure the rights of information subjects, such as the right to request access to information.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously improve the level of information security awareness by conducting information security training/education</li> <li>Establish a corporate culture of information security activities</li> </ul>



**8 key areas of information security management**

Security Policies	Protected zone management	Training/ education programs management	Information system management
Workforce management	Response to incidents	Asset management	Security audits

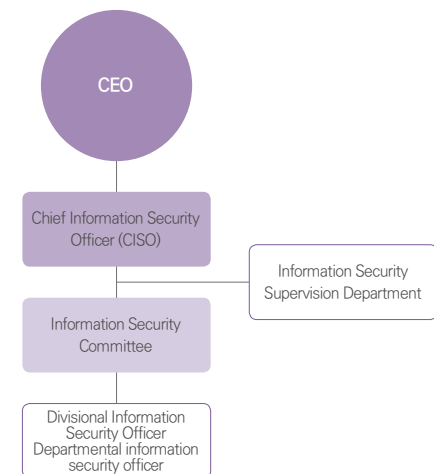
## Information Security Organization

### Chief Information Security Officer

POSCO STEELION's Chief Information Security Officer (CISO) is the head of the Management Support Division with at least one year of experience in overseeing information security-related tasks. Accordingly, the requirements have been met for designating the Chief Information Security Officer set forth in Article 36-6 of the Enforcement Decree of the Act on Promotion of Information and Communications Network Utilization and Information Protection. The designation of the Chief Information Security Officer has been reported to the Minister of Science and ICT pursuant to the relevant statutes.

### Information security or security management system

POSCO STEELEON complies with the information security pertinent statutes and regulations. It has also strengthened information security system management and information security activities to safeguard personal information and prevent cyber security infringement. The IT Department is in charge of information security. Each department has performed information security activities by establishing an internal management plan based on the eight key areas for information security management. In addition, the Information Security Committee deliberates on the enterprise information security direction and execution plans, and performs duties such as the enactment or abolition of information security guidelines. The Committee, which meets once a year or ad hoc, is comprised of information security officers from each division and information security department members.

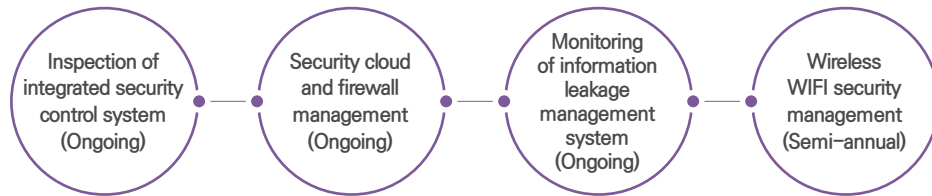


## Information Security Promotion Activities

### Security System and Information security Activities

POSCO STEELEON periodically checks various security systems that are rolled out to prevent security accidents and respond to new security issues, and operates an integrated security control system to block cyber intrusions, prevent intrusions, and diagnose vulnerabilities. Information leakage are monitored through its information leakage control system, and quarterly life security checks are conducted to enhance information security activities. In particular, in 2023, a cyber shelter system was rolled out to deter DDOS attacks with its security cloud (firewall, IPS, etc.) being upgraded and optimized.

#### Key Security System Management



### Security Audit

POSCO STEELEON conducts quarterly life security checks to evaluate the status of information security management, and addresses vulnerabilities to improve the level of its information security. In addition, the information security level diagnosis of the Group companies is evaluated annually. Information security investments and improvement activities are undertaken based on the diagnosis results.

### Education on information security

POSCO STEELEON requires all executives and employees to submit a written oath on information security every year to raise their awareness of the information security, and conducts cyber breach simulation drills and information security training at least once a year. Separate training/education are provided to employees of its operating partners/suppliers on premises to help enhance their awareness of the importance of security. They receive training on items for basic daily security compliance such as wearing of an access card, prohibiting the use of unauthorized storage devices, and prohibiting access to harmful/unnecessary sites. It provides information on ransomware attacks, shares cases of phishing emails and malware infiltration. It provides training on how to respond to security issues.

#### Training Program for Enhancing Information Security Awareness

Category	Details	Frequency
Education/training on information security	<ul style="list-style-type: none"> <li>Latest Security Trends &amp; Issues, including Privacy, Security Compliance, Advance Prevention of Phishing/Smishing Victims</li> </ul>	Once a year 1 time a year
Information security education/training for new recruits	<ul style="list-style-type: none"> <li>Information security awareness &amp; management training, including management system, example violation cases, etc.</li> </ul>	Onboarding (for newly hired)
Strengthening the expertise of security personnel	<ul style="list-style-type: none"> <li>Participation in specialized education/training for security personnel and acquiring information security-related certifications</li> </ul>	Ongoing as required
Support to partners' security education/training	<ul style="list-style-type: none"> <li>Provide separate aid to their education/training, including issues related to security compliance, enhancing information security awareness, etc.</li> </ul>	As required

# Appendix

87	89	98	101	103	104	111	112	114
ESG Issue Paper	ESG Data	GRI Content Index	SASB	TCFD	ESG Policy Statement	Assurance Opinion on GHG Emissions	Independent Assurance Report	Awards & Affiliation Membership

## ESG Issue Paper



Against the backdrop of recent human rights issues in Myanmar, POSCO STEELEON has blocked any funds generated from operations of its Myanmar-based subsidiary/affiliate from getting entangled in human rights abuses, and periodically conducts human rights due diligence on its Myanmar-based subsidiary/affiliate. **This is a part of its measures to identify and manage any negative impacts on the local communities where it operates.**

### Myanmar-based subsidiary/affiliate (MPCC) Response to ESG Issues

POSCO STEELEON has maintained autonomous management of its Myanmar-based subsidiary based on its majority 70% holding, and continued efforts to acquire the shares held by MEHL to terminate the joint venture status in due time. At a general shareholders' meeting convened in January 2021, the local subsidiary/affiliate adopted a resolution to suspend any dividend payouts until human rights abuses are over. It has also held rental payments for the land used as its factory site following the economic sanctions by the international community.

Meanwhile, the normal operations of the local subsidiary/affiliate have been impeded by political instability and poor economic conditions in Myanmar. Even so, it has been committed to maintaining the secure life and employment of its employees hired locally in Myanmar. This response by the local subsidiary/affiliate was introduced in [the official outcome report \(view\)](#) of the visit to South Korea by the UN Special Rapporteur on the Situation of Human Rights in Myanmar in 2012. Although the relevant report does not directly mention POSCO STEELEON by name, its reference is made based on our meetings with the agency official by citing, "It is commendable that the company has made efforts to prevent its profits from flowing into the military junta without endangering the livelihoods of its Myanmar employees." The company will continue to realign the set of measures in preventing its Myanmar-based subsidiary's funds from abetting human rights violations with its efforts to sustain the job security of its local employees.

### External disclosure of responses by POSCO STEELEON

- ⇒ Response to the Business & Human Rights Resource Center's inquiry
- ⇒ Results of Evaluation by OECD National Contact Point (NCP) Korea



Myanmar-based POSCO C&C (MPCC), a regular & color-coated steel sheet manufacturer located in Yangon, produces steel roofing materials that improve the housing conditions of Myanmar people and steel factory siding materials geared to industrializing the country.

Given the mandate to establish the Myanmar-based subsidiary/affiliate through a joint investment with a state-owned enterprise as stipulated by local statute when POSCO STEELEON entered the Myanmar market for the first time in 1997, it has been founded and operated through a joint venture with Myanmar Economic Holdings Ltd. (MEHL) to date.

\* Ownership structure: POSCO STEELEON 70%, MEHL 30%

## Human Rights Due Diligence of Myanmar-Based Subsidiary (MPCC)

To safeguard the human rights of the locally hired employees in Myanmar, POSCO STEELEON conducted human rights due diligence in 2023 in consultation with a reputable domestic consulting company. The key contents of the due diligence are specified as follows:

### 1. Overview of Human Rights Due Diligence

Human rights due diligence was conducted to not only diagnose the level of human rights management performance of the Myanmar-based subsidiary/affiliate by investigating tangible human rights risks and measuring the performance of human rights management, but also improve and supplement human rights-related company regulations and systems based on international guidelines and local laws. The due diligence took place over a period of two months from July to September 2023, using five tools, including the POSCO Overseas Human Rights Diagnostic Corp. Self-Inspection Survey. For the assessment, employee surveys and in-depth interviews with all employees of the local subsidiary/affiliate were implemented.

### 2. Human rights due diligence results

The results are at an overall good level, but recommendations were made to revise regulations and implement training in the following five areas:

Category	Major Recommendations
Human rights management	<ul style="list-style-type: none"> <li>Clearly stipulate the grievance-handling procedure &amp; the roles of competent departments into the regulations, and provide employee training/education on procedures</li> </ul>
Advocacy of anti-discrimination	<ul style="list-style-type: none"> <li>Specify the salary details paid by the company during the probationary period in the regulations</li> </ul>
Workplace safety	<ul style="list-style-type: none"> <li>Inspect sanitation status periodically, provide training/education on workplace safety &amp; sanitation, and ensure reporting to management</li> </ul>
Prohibition of child labor	<ul style="list-style-type: none"> <li>Stipulate that the company does not hire workers under 18 years of age</li> </ul>
Guaranteeing freedom of association	<ul style="list-style-type: none"> <li>Reflect a clause in the regulations that the company guarantees the right to collective bargaining by pertinent labor unions</li> </ul>

### 3. Future Plans

clarification of human rights management policies. The results of human rights due diligence are disclosed in the Sustainability Report and on the company website as part of an official response to issues raised by the stakeholders. We are committed to achieving our goals by prioritizing human rights protection and promotion activities by Myanmar-based executives and employees.

## MPCC coexistence with local community

The products made by the Myanmar-based subsidiary/affiliate have contributed to economic and social development at a national level by improving living conditions and providing roofing or wall materials for houses and factories to facilitate industrialization in Myanmar. In addition, the local subsidiary/affiliate conducts various social contribution activities, such as building schools and digging wells for water purification for underprivileged neighborhoods, and will keep growing as a company deserving of local people's affinity by developing together with the local community and fulfilling corporate social responsibility.



# ESG Data

## Environmental

### GHG emissions\*

Category	Unit	2021	2022	2023
Total greenhouse gases or GHG emissions *	tCO <sub>2</sub> e	127,366	108,462	114,417
Scope1	tCO <sub>2</sub> e	64,725	52,926	58,699
Scope2	tCO <sub>2</sub> e	62,641	55,536	55,718
Concentration degree of GHG emissions (Scopes 1, 2 based on sales)	tCO <sub>2</sub> e/KRW 100 million	9.6	9.2	10.1
Concentration degree of direct GHG emissions (Scope 1 based on sales)	tCO <sub>2</sub> e/KRW 100 million	4.9	4.5	5.2
Concentration degree of indirect GHG emissions (Scope 2 based on sales)	tCO <sub>2</sub> e/KRW 100 million	4.7	4.7	4.9

\* Domestic business sites (Plating Mill, Color-coating Mill, & Seoul Office)

### Energy consumption

Category	Unit	2021	2022	2023
Energy consumed*	GJ	2,540,033	2,149,351***	2,332,123
Energy directly consumed	GJ	1,249,090	990,458	1,132,042
Natural gas consumed	GJ	1,247,222	988,782	1,130,445
Motor gasoline consumed (total)	GJ	689	1,063	1,103
Motor gasoline consumed (vehicle)	GJ	689	1,063	1,103
Diesel consumed (total)	GJ	842	354	202
Diesel consumed (vehicle)	GJ	729	44	43
LPG consumed	GJ	337	259	292
Energy consumed indirectly	GJ	1,290,943	1,158,834	1,199,857
Power used	GJ	1,159,848	1,017,328	1,101,172
Steam consumed	GJ	131,095	141,506	98,685
Ratio of electricity consumption	%	46	47	47
New and Renewable energy**	GJ	0	59.4	223.92
Recycled energy consumed	GJ	0	59.4	223.92
Ratio of recycled energy consumption	%	0	0.003	0.01
Concentration of energy (based on sales)	GJ/100 million won	191.1	181.9	205.9

\* Domestic business sites (Plating Mill, Color-coating Mill, & Seoul Office)

\*\* Domestic business sites (Plating Mill)

\*\*\* Consumed amount changed due correction of electricity value disclosed previously

### Water\*

Category	Unit	2021	2022	2023
Total volume of service water intake*	tons	644,411	619,498	645,896
Total water consumption	tons	122,767	133,902	133,875
Wastewater discharged	tons	521,644	485,596	512,021

\* Domestic business sites (Plating & color-coating plants)

### Volume of water pollutants discharged\*

Category	Unit	2021	2022	2023
Discharge of water pollutants*	tons	17.91	14.17	19.36
BOD discharged	tons	8.32	6.31	8.78
T-N discharged	tons	1.41	1.42	1.19
T-P discharged	tons	0.01	0.02	0.03
SS discharged	tons	0.54	1.72	1.35
TOC discharged**	tons	0	4.69	8.01

\* Domestic business sites (Plating & color-coating plants)

\*\* From 2022, the water pollutant item in the Clean Water Conservation Act was changed from COD to TOC.

### Consumption of hazardous chemicals

Category	Unit	2021	2022	2023
Consumption of hazardous chemicals*	tons	4,271	3,951	3,132
Discharge of hazardous chemicals*	tons	2,842	1,397	1,453

\* Domestic business sites (Plating & color-coating plants)

# ESG Data

## Volume of wastes discharged\*

Category	Unit	2021	2022	2023
Volume of designated wastes discharged	tons	2,191.60	2,021.24	2,261.74
Treatment of designated wastes for reuse	tons	1615.09	796.71	1,875.88
Treatment of designated wastes for incineration	tons	576.16	1,224.53	385.86
Concentration of designated wastes generated (based on sales)	tons/KRW 100 million	0.16	0.17	0.2
Volume of general wastes discharged	tons	1,565.43	1,444.42	815.74
Treatment of general wastes for recycling	tons	1,094.14	1,097.49	512.16
Treatment of general wastes for incineration	tons	88.62	36.27**	40.9
Landfill with general wastes	tons	382.67	310.66	262.68
Total wastes generated	tons	3,757.03	3,465.66	3,077.48
Concentration of total wastes generated (based on sales)	tons/KRW 100 million	0.28	0.29	0.27
Total wastes reused	tons	2,709.23	1,894.20	2,388.04
Incineration	tons	664.78	1,260.80	426.15
Landfill	tons	383.02	310.66	262.68
Others	tons	0	0	0
Total waste recycling rate	%	72.11	54.65	77.6

\* Domestic business sites (Plating & color-coating plants)

\*\* Consumed amount changed due correction of electricity value disclosed previously

## Volume of air pollutants discharged\*

Category	Unit	2021	2022	2023
Total volume of air pollutants discharged	tons	149.529	181.92	235.532
NOx emission amount	tons	53.28	79.005	100.147
SOx emission amount	tons	7.578	4.507	9.13
CO discharged	tons	49.899	55.649	79.24
Metals (nickel, chrome, VI, lead, cobalt) discharged	tons	0.005	0.017	0.15
Volatile organic compounds (VOCs) discharged	tons	34.907	35.173	38.7
Dust discharged	tons	3.859	7.568	8.16

\* Domestic business sites (Plating & color-coating plants)

## Compliance with environmental statutes\*

Category	Unit	2021	2022	2023
No. of violation cases of environmental statutes	cases	2	2	0
No. of violation cases of water quality related statutes	cases	1	1	0
No. of administrative actions taken against violation of environmental statutes or regulations	cases	2	2	0
Administrative fine	cases	2	2	0
Non-monetary sanctions (correction order, etc.)	cases	0	0	0
No. of cases related to wastewater	cases	0	0	0

\* Domestic business sites (Plating & color-coating plants)

# ESG Data

## Environmental management

Category	Unit	2021	2022	2023
Eco-friendly sales & purchase				
Sales of eco-friendly products/services	KRW million	253,300	261,942	298,031
Sales ratio of eco-friendly products/services	%	19	23	27
Purchase amounts for eco-friendly products/services	KRW million	6,132	5,352	6,260
Purchase ratio amounts for eco-friendly products/services	%	2.8	2.4	2.8
Eco-friendly investments	KRW million	2,713	2,677	310
Eco-friendly system (ISO14001)*				
No. of business units subject to certification	ea.	2	2	2
No. of business units that obtained certification	ea.	2	2	2
Certification ratio	%	100	100	100
Ratio of non-pollutant vehicles held				
No. of non-pollutant vehicles	cars	1	0	1
Total number of vehicles held	cars	23	24	24

\*Data scope: Domestic business sites (Plating & color-coating plants)

## Production data

Category	Unit	2021	2022	2023
Total production volume	tons	1,030,341	852,409	954,834
Total number of business units*	ea.	2	2	2
Volume of main materials used				
Volume of recycled materials used	tons	100	109	163
Volume of non-recycled materials used	tons	1,024,641	845,925	948,428
Ratio of recycled materials used	%	0.01	0.01	0.02
Ratio of non-recycled materials used	%	99.99	99.99	99.98

\*Data scope: Domestic business sites (Plating & color-coating plants)

# ESG Data

## Social

### Status of executives & employees

Category	Unit	2021	2022	2023
No. of executives & employees	persons	434	434	440
No. of officers	persons	9	10	10
By gender				
Male	persons	8	9	10
Females	persons	1	1	0
Ratio of females	%	11	10	0
By age range				
Below 30 years old	persons	0	0	0
30 – 50 years old	persons	0	0	0
Over 50 years of age	persons	9	10	10
No. of employees	persons	425	424	430
Gender				
Male	persons	397	395	398
Females	persons	28	29	32
Ratio of female	%	6.6	6.8	7.4
By age				
Below 30 years old	persons	62	53	58
30 – 50 years old	persons	250	266	263
Over 50 years of age	persons	113	105	109
No. of managerial employees*	persons	97	100	100
Gender				
Male	persons	97	100	100
Females	persons	0	0	0
Ratio of female	%	0	0	0

Category	Unit	2021	2022	2023
By age				
Below 30 years old	persons	0	0	0
30 – 50 years old	persons	29	29	29
Over 50 years of age	persons	68	71	71
No. of regular permanent (full-time) employees	persons	413	412	415
Gender				
Male	persons	387	386	385
Females	persons	26	26	30
Ratio of females	%	6.3	6.3	7.2
Ratio of regular permanent (full-time) employees	%	95.2	94.9	94.3
Part-time employees (contract positions)**	persons	16	17	20
Gender				
Male	persons	13	13	18
Females	persons	3	4	2
Ratio of females	%	18.8	23.5	10
Ratio of part-time employees (contract positions)	%	3.7	3.9	4.5

\* No. of managerial employees: The category of managerial positions includes 'those who receive a position/managerial allowance', which includes supervisors & department managers. The data for '21~'22 has been modified accordingly.

\*\* Non-registered directors are included as part-time (contract) employees.

# ESG Data

## Hiring

Category	Unit	2021	2022	2023
Total number of newly-hired	persons	22	20	23
Gender				
Male	persons	17	19	19
Females	persons	5	1	4
Ratio of female	%	22.7	5.0	17.4
By age				
Below 30 years old	persons	13	13	16
30 – 50 years old	persons	3	7	4
Over 50 years of age	persons	6	0	3

\* The number of male employees for 2021 was inaccurately summed. According, the number by gender has been corrected.

## Diversity

Category	Unit	2021	2022	2023
Physically handicapped				
No. of employees with physical disabilities	persons	11	11	13
National-merit recipients & veterans				
No. of veterans & national-merit beneficiaries	persons	16	16	17

## No. of employees employed who resigned or retired from the company

Category	Unit	2021	2022	2023
Total number of employee turnover	persons	10	19	16
Employee turnover rate	%	2.4	4.5	3.8
No. of voluntary retirees or job changers	persons	4	12	9
Voluntary turnover rate	%	1.0	2.8	2.1
No. of involuntary retirees	persons	6	7	7
Retirement by age	persons	4	4	4
Layoffs from restructuring	persons	0	0	0
Others	persons	2	3	3
No. of executives & employees who underwent regular performance evaluations				
By gender	persons	410	416	415
Male	persons	389	390	390
Females	persons	21	26	25
By employment type				
Regular permanent employees	persons	400	402	401
Part-time or temporary workers (contract)	persons	10	14	14

# ESG Data

## Work-related disaster (occupational injury)

Category	Unit	2021	2022	2023
Total lost time incident rate (LTIR)	tally/200,000 hours	0.12	0.22	0.23
Lost time injury frequency rate (LTIR) of executives/employees	tally/200,000 hours	0.21	0.47	0.24
Lost time injury frequency rate (LTIR) of Partner Employees	tally/200,000 hours	-	0	0.22
Total lost time incident rate (LTIFR)	tally/200,000 hours	0.60	1.14	1.16
Lost time injury frequency rate (LTIFR) of executives/employees	tally/200,000 hours	1.08	2.36	1.20
Lost time injury frequency rate (LTIFR) of Partner Employees	tally/200,000 hours	-	0	1.12
Total recordable incident rate (TRIR)	tally/200,000 hours	0.36	0.57	0.34
Total recordable incident rate (TRIR) of executives/employees	tally/200,000 hours	0.65	0.94	0.48
Total recordable incident rate (TRIR) of Partner Employees	tally/200,000 hours	-	0.22	0.22
Total recordable incident rate (TRIR)	tally/200,000 hours	1.8	2.87	1.74
Total recordable incident rate (TRIR) of executives/employees	tally/200,000 hours	3.26	4.73	2.41
Total recordable incident rate (TRIR) of executives/employees	tally/200,000 hours	-	1.11	1.12
Total industrial accident rate	%	0.13	0.13	0.27
Industrial accident rate of executives/employees	%	0.23	0.22	0.22
Industrial accident rate of partner/ supplier employees	%	0	0	0.33
Total mortality rate (executives/employees + partner/ supplier employees)	%	0	0	0
Mortality rate of executives/employees	%	0	0	0
Mortality rate of Partner Employees	%	0	0	0

\* Annual work hours of partner/supplier employees counted from 2022

Category	Unit	2021	2022	2023
Accidents involving executives/employees				
No. of occupational injury cases for executives/employees	tally	1	2	1
Total recordable incident (TRI) of executives/employees	tally	2	4	2
Annual cumulative work hours of executives/employees	hours	917,647	844,695	828,783
Mortality cases of executives/employees	persons	0	0	0
No. of occupational victims for executives/employees	persons	1	1	1
No. of occupational injury cases for executives/employees	tally	1	1	1
No. of near miss cases for executives/ employees	tally	0	0	0
Accidents involving partner company employees				
No. of occupational injury cases for partner/supplier employees	tally	0	0	1
Total recordable incident (TRI) of partner/supplier employees	tally	0	1	1
Annual cumulative workers hours of partner/supplier employees*	hours	-	895,835	892,562
No. of partner/supplier employees	persons	308	310	295
No. of mortality cases for partner/supplier employees	persons	0	0	0
No. of partner/supplier employees occupationally injured	persons	0	0	1
No. of occupationally injury cases for partner/supplier employees	tally	0	0	1
No. of near miss cases for partner/supplier employees	tally	0	2	3

\* Annual work hours of partner/supplier employees counted from 2022

## Safety management

Category	Unit	2021	2022	2023
CERTIFICATION of OCCUPATIONAL HEALTH & SAFETY MANAGEMENT				
Business units subject to KOSHA-MS Certification of Safety Health Management System	ea.	2	2	2
Business units that have obtained KOSHA-MS Certification of Safety Health Management System	ea.	2	2	2
Rate of Business units KOSHA-MS certified for Safety Health Management System	%	100	100	100

# ESG Data

## Quality management

Category	Unit	2021	2022	2023
Certification of Quality Management Systems				
Business units subject to Quality Management System certification (ISO 9001, IATF 16949)	ea.	2	2	2
Business units that acquired Quality Management System certification (ISO 9001, IATF 16949)	ea.	2	2	2
Rate of business units Quality Management System certified (ISO 9001, IATF 16949)	%	100	100	100

## Labor-management relations

Category	Unit	2021	2022	2023
Labor-management relations				
Ratio of employees subject to collective bargaining agreement	%	100	100	100
No. of work disruptions due to labor strike	frequency	0	0	0

## Education/training for executives & employees\*

Category	Unit	2021	2022	2023
Total education/training hours	hours	11,331	15,803	8,236
Regular permanent employees	hours	10,782	15,215	7,896
Temporary contract employees	hours	317	273	159
General employees	hours	7,240	10,563	5,390
Managers	hours	3,859	4,925	2,665
Executives	hours	232	315	180
Per capita education/training hours	hours / person	26	36	19

Category	Unit	2021	2022	2023
By employment type				
Regular permanent employees	hours	27	37	19
Part-time or temporary workers (contract)	hours	26	23	17
By job grade				
General	hours	22	33	16
Administrative	hours	40	49	27
Executive	hours	23	31	18
Total education/training cost	KRW million	219	223	289
Education/training cost per person	KRW million/person	0.50	0.51	0.66
Occupational safety training				
Total education/training hours	hours	15,938	16,177	18,493
Regular permanent employees	hours	8,325	8,558	8,749
Part-time or temporary workers (contract)	hours	72	72	102
Partner/supplier employees	hours	7,541	7,547	9,618
Employees who completed mandatory occupational safety courses	persons	349	348	356
Regular permanent employees	persons	343	343	343
Part-time or temporary workers (contract)	persons	6	5	13
Information security education/training				
Total education/training hours	hours	792	1,227	414
No. of employees who completed mandatory information security courses	persons	396	409	414
Regular permanent employees	persons	392	402	404
Part-time or temporary workers (contract)	persons	4	7	10

\* Data calculation criteria changed, causing related data to change in 2021 and 2022 (excluding executives who completed mandatory training)

# ESG Data

## Corporate social responsibility

Category	Unit	2021	2022	2023
Records of CSR activities				
Volunteer service by executives & employees				
Volunteer service hours	hours	1,085	1,963	3,986
No. of executives & employees who participated in volunteer service	persons	147	230	370
Volunteer service hours per person	hours / person	2.5	4.5	9.1
Rate of executives & employees who participated in volunteer service	%	30	50	80
Cost spent for CSR				
Donation	KRW million	239	499	205
Local community investment	KRW million	18	16	22

## Welfare for executives and employees

Category	Unit	2021	2022	2023
Retirement pension scheme				
Defined contribution retirement pension (DB)				
Current value of defined contribution retirement pension (DB)	KRW million	32,337	28,116	32,723
Fair value of the assets accumulated outside the company	KRW million	35,833	37,671	38,363
Liability recognized for defined benefit plans	KRW million	- 3,496	- 9,555	- 5,640

## Supply chain management

Category	Unit	2021	2022	2023
Assessment of supplier performance				
No. of partners/suppliers	ea.	149	140	124
No. of partners/suppliers with performance assessed	ea.	149	140	124
Rate of partners/suppliers with performance assessed	%	100	100	100

## Workplace conditions

Category	Unit	2021	2022	2023
Flexible time service				
No. of employees who used flexible work hours	persons	75	69	71
Nursing or childcare leave				
Total number of employees who used childcare leave	persons	1	3	4
Male	persons	0	1	2
Females	persons	1	2	2
Reinstated childcare leave users	persons	0	1	2
Male	persons	0	0	1
Females	persons	0	1	1
Infertility leave				
No. of employees who used infertility leave	persons	2	4	3

# ESG Data

## Governance

### Composition of Board of Directors

Category	Unit	2021	2022	2023
Size of the board	persons	4	4	4
No. of internal directors	persons	2	2	2
No. of outside directors	persons	1	1	1
Other outside directors	persons	1	1	1
Ratio of outside directors	%	25	25	25

### Management of Board of Directors

Category	Unit	2021	2022	2023
No. of board meetings held	frequency	4	5	6
No. of agenda items approved	tally	13	13	19

### Legal actions against unfair trade practices & violations of Fair Trade Act

Category	Unit	2021	2022	2023
Total number of cases fine imposed	tally	0	0	0
Total number of cases non-monetary sanctions imposed	tally	0	0	0

### Fair trade education/training

Category	Unit	2021	2022	2023
No. of hours taken for fair trade education/training course*	hours	-	210	297

\* 2021 data was not summed

### Ethics education/training

Category	Unit	2021	2022	2023
Total hours of ethics education/training	hours	402	832	415
No. of employees who completed mandatory ethics education/training	persons	402	416	415
Regular permanent employees	persons	397	408	405
Part-time or temporary workers (contract)	persons	5	8	10

### Status of unethical behavior reported & actions undertaken

Category	Unit	2021	2022	2023
No. of unethical behavior cases reported	tally	5	3	1
Corruption instances	tally	0	0	0
Violation of humanity respect policy	tally	1	2	0
Abuse of power or position	tally	1	0	1
Others	tally	3	1	0
No. of cases actions completed for ethics issues reported	tally	5	3	1

# GRI Content Index

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	2-2	Entities included in the organization's sustainability reporting	5	
	2-3	Reporting period, frequency and contact point	About this report	
	2-4	Restatements of information	92, 93, 95	
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	2-6	Activities, value chain and other business relationships	5-8	
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	2-8	Workers who are not employees	92	
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	2-13	Delegation of responsibility for managing impacts	10	
	2-14	Role of the highest governance body in sustainability reporting	83	
	2-15	Conflicts of interest	-	Directors appointed based on Article 382 of the Commercial Act
	2-16	Communication of critical concerns	75, 83	
	2-17	Collective knowledge of the highest governance body	74	
	2-18	Evaluation of the performance of the highest governance body	75	
	2-19	Remuneration policies	75	
	2-20	Process to determine remuneration	75	
	2-21	Annual total compensation ratio	-	Approx. 9.1 times (See p.190, 36th term Business Report)

Main Topic	GRI Disclosure	Page No.	Remarks
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	201-2	Financial implications and other risks and opportunities due to climate change	18
	201-3	Defined benefit plan obligations and other retirement plans	96
	201-4	Financial assistance received from government	-
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	68-70
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	302-1	Energy consumption within the organization	22, 91	
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	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	35	
GRI 304: Biodiversity	304-2	Significant impacts of activities, products and services on biodiversity	35	
	304-3	Habitats protected or restored	35	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	35	
	GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	22, 89
305-2		Energy indirect (Scope 2) GHG emissions	22, 89	

Main Topic	GRI Disclosure	Page No.	Remarks	
GRI 305: Emissions	305-3	Other indirect (Scope 3) GHG emissions	-	Accrued or outstanding (not summed)
	305-4	GHG emissions intensity	89	
	305-5	Reduction of GHG emissions	22, 89	
GRI 306: Effluents and Waste	305-6	Emissions of ozone-depleting substances (ODS)	-	Not applicable
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	30, 90	
	306-1	Waste generation and significant waste-related impacts	32, 90	
	306-2	Management of significant waste-related impacts	32, 90	
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	306-4	Waste diverted from disposal	90	
	306-5	Waste directed to disposal	90	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	-	Not screened or not performed
	308-2	Negative environmental impacts in the supply chain and actions taken	61	
GRI 401: Employment	401-1	New employee hires and employee turnover	93	
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# GRI Content Index

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GRI 404: Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	52
	404-3	Percentage of employees receiving regular performance and career development reviews	93
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	54, 92, 93
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	- Not applicable
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	- Not applicable
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	- Not applicable
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	- Not applicable
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	- Not applicable

Main Topic	GRI Disclosure	Page No.	Remarks
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	70
	413-2	Operations with significant actual and potential negative impacts on local communities	- Not applicable
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	- Not screened or not performed
	414-2	Negative social impacts in the supply chain and actions taken	60, 61
GRI 415: Public Policy	415-1	Political contributions	- Not applicable
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	64-66
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	- Not applicable
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	- Not applicable
	417-2	Incidents of non-compliance concerning product and service information and labeling	- Not applicable
	417-3	Incidents of non-compliance concerning marketing communications	- Not applicable
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	- Not applicable

# SASB

## Industry Category: Iron & Steel Producers

### Sustainability Disclosure Topics & Accounting Metrics

Category	Code	Items	Unit	POSCO STEELEON's response
Greenhouse Gas Emissions	EM-IS-110a.1	1) Gross global Scope 1 emissions	tCO <sub>2</sub> -e	58,699
		2) Percentage covered under emissions-limiting regulations	%	100 {The Scope1 discharge of GHG by POSCO STEELEON covers those discharged by its domestic business sites (its plating & color-coating mills, & the Seoul office. The Scope1 discharge is verified by its GHG Statement.)}
	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		We have set a reduction path of 21% in 2030 and 50% in 2040 with a goal of carbon neutrality in 2050 based on Scopes 1 & 2. Please refer to the Environmental Management section
Air Emissions	EM-IS120a.1	Air emissions of the following pollutants: 1) NOx (excluding N2O)	tons	100.147
		2) SOx	tons	9.13
		3) Particulate matter (PM10)	tons	8.16
		4) CO	tons	79.24
Energy Management	EM-IS-130a.1	1) Total energy consumed	GJ	2,332,123
		2) Percentage grid electricity	%	47
		3) Percentage renewable	%	0
	EM-IS-130a.2	1) Total fuel consumed	GJ	1,132,042
		2) Percentage coal	%	Not applicable
		3) Percentage natural gas	%	99
		4) Percentage renewable	%	0

# SASB

Category	Code	Items	Unit	POSCO STEELEON's response
Water Management	EM-IS-140a.1	1) Total fresh water withdrawn	m <sup>3</sup>	645,896 (Service water supply chain has been set up using recycled sewage wastewater)
		2) Percentage recycled	%	0
		3) percentage in regions with High or Extremely High Baseline Water Stress	%	Not applicable (Pohang area where POSCO STEELEON is located does not use such service water as its water stress index is 40% or lower.
Waste Management	EM-IS-150a.1	1) Amount of waste generated	ton	3,077.48
		2) Percentage hazardous	%	Wastes generated are controlled based on the guidelines provided under the Waste Management Act. Wastes containing specified toxic substances are lawfully treated by classifying them as designated wastes. The designated wastes do not correspond to harmful wastes defined by SASB. 73 % of POSCO STEELEON wastes are the designated wastes.
		3) Percentage recycled	%	77.6
Workforce Health & Safety	EM-MM-320a.1	1) Total recordable incident rate (TRIR)	%	0.34
		2) Fatality rate	%	0 (Full time + Contract employees, mortality rate per million work hours)
Supply Chain Management	EM-MM-420a.1	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	-	Not applicable

※ SASB Activity Metric is excluded from the disclosure items given that the company has no applicable items.

# TCFD

TCFD recommendations		Response activities
Governance	Disclose the organization's governance around climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>The company plans to enhance its overall competence for climate change response companywide by developing a system for managing and supervising the Board of Directors in the face of future climate change.</li> <li>We implement an emissions trading system to achieve national GHG reduction targets, and prepare an annual emissions disclosure to verify our climate change performance through a third-party assurance agency.</li> </ul> <p>In addition, the management has also developed plans for carbon neutrality and reviews its plans for carbon dioxide removal (CDR).</p>
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	<ul style="list-style-type: none"> <li>POSCO Steel engages in environmental management activities at the POSCO Group level, such as formation of the POSCO Carbon Neutrality Vision for 2050. In addition, to address rapidly changing international environmental management needs and promote carbon neutrality in 2050, we have developed a detailed strategy by analyzing the external environment and internal capabilities, with plans to enhance our eco-friendly business competitiveness by developing response strategies to mitigate climate change risks through analysis of risks &amp; opportunities.</li> </ul>
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	<ul style="list-style-type: none"> <li>It identifies and assesses the climate change-related risks through third-party verification of its GHG emissions disclosure &amp; monitoring plans, and controls its green environmental management through the Safe Environment Group's initiative.</li> <li>We identify various types of risks to develop scenario-based strategies based on climate change. We prepare strategies &amp; management systems to respond to transition risks by identifying risk factors and identifying opportunities in tandem.</li> <li>We improve our internal management system to strengthen disaster response to tangible risks. In addition, through the environmental risk management process, we analyze risks &amp; opportunities from potential environmental issues, identify them based on their order of priority and impact, and reflect them in our decision-making.</li> </ul>
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<ul style="list-style-type: none"> <li>POSCO STEELEON discloses key indicators such as its energy consumption, volumes of GHG emissions, etc. in its Sustainability Report and the National GHGs Management System (NGMS).</li> <li>In 2023, POSCO STEELION's GHG emissions (Scopes 1 &amp; 2) amounted to 114,417 tCO<sub>2</sub>e, which was slightly higher year on year, achieving a performance rate of 10.1 (tCO<sub>2</sub>e/ KRW 100 million).</li> </ul>

## ESG Policy Statement

# Supply Chain Policy

### Partner/Supplier Code of Conduct

#### 1. Labor & human rights

Partners/ suppliers shall protect and respect the human rights of workers throughout their operations. This applies to all types of workers, including temporary workers, migrant workers, trainees, short-term contract workers, & direct-hire workers. They must be guaranteed legitimate work & rights following local statutes & regulations.

#### 2. Safety & health

Partners/ suppliers shall embrace that a safe & healthy work environment not only minimizes the incidence of work-related injuries & illnesses, but also contributes to the quality of products & services, consistency of production, and employee turnover & morale. They should also endeavor to identify and address health and safety issues in the workplace following local statutes & regulations.

#### 3. Environment

Partners/ suppliers must comply with statutes & regulations regarding environmental protection and embrace that environmental protection is a fundamental corporate social responsibility. They shall also identify the environmental impacts of manufacturing processes and minimize negative impacts on communities, the environment, & natural resources while protecting public health & safety.

#### 4. Ethics & Fair Trade

To fulfill social responsibilities and achieve sustainable growth, POSCO STEELEON & its partners/suppliers will comply with the following as stated:

##### 4-1. Business Integrity

- Partners/ suppliers shall follow the highest standards of integrity in all business activities. Partners/ suppliers must stipulate a zero-tolerance policy that prohibits all forms of bribery, unfair enrichment, and embezzlement.

##### 4-2. Prohibition of Unfair Enrichment

- Partners/ suppliers shall not promise, offer, authorize, provide, or accept bribes or any means of obtaining bribes or an unfair/improper advantage.

##### 4-3. Compliance with Special Terms & Conditions for Ethical Practices

- Partners/ suppliers are obligated to comply with the provisions of POSCO STEELEON's 'Special Terms & Conditions for Ethical Practice'. For any violations by them, they will be sanctioned pursuant to the provisions of these Terms & Conditions and the corresponding contractual provisions.

#### 5. Management System

Partners/ suppliers shall adopt or roll out a management system related to the contents of this Code. The management system shall be designed to ensure compliance with pertinent laws & regulations, customer requirements, compliance with this Code, and to enable identification of risks related to this Code. They shall also continuously improve their management system.

#### 6. Shared Growth & Social Contribution

Partners/ suppliers shall actively participate in undertaking various activities for development of local communities and creating a healthy corporate ecosystem through shared growth and social contribution activities.

#### 7. Quality management

Partners/ suppliers shall duly realize a world-class supply chain by providing the highest quality products & services to POSCO STEELEON.

## ESG Policy Statement

# Supply Chain Policy

## Forming Win-Win Growth Relations with Partners/ Suppliers

POSCO STEELEON is committed to developing a win-win corporate ecosystem with its stakeholders through shared growth and establishing fair trade compliance based on mutual trust.

### 1. Building Mutual Trust

- We ensure that transactions with trading partners are conducted fairly through mutual respect & unbiased relationships.
- We strictly protect information obtained from transactions with partners/suppliers following statutes, regulations, & contractual terms.
- We assist trading partners to comply with the statutes & regulations on fair trade.

### 2. Promoting Win-Win Growth with Partners

- We pursue mutual benefits by sharing performance with partners/suppliers.
- We ensure that the partners/suppliers provide excellent products & services through seamless communication & mutual cooperation.
- We provide equal opportunities and ensure reasonable trading terms to our partners/suppliers/suppliers in developing trusting partnerships.

### 3. We establish fair trade compliance based on mutual trust and create a win-win corporate ecosystem with stakeholders through shared growth.

- We ensure that transactions with partners/suppliers are conducted fairly based on mutual respect & unbiased relationships.
- We expand the scope of partners/suppliers for their win-win growth & overall development of a win-win corporate ecosystem.

## ESG Policy Statement

# Human Rights Management Policy

We respect human rights, support the relevant international standards, and advocate the human dignity of all stakeholders by ensuring better freedoms, workplace safety, and quality of life.

### 1. Respect for International Human Rights Standards

- We always respect and support the internationally accepted international standards on human rights, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business & Human Rights, the UN Global Compact, and the OECD Guidelines for Multinational Enterprises.
- We strive to prevent human rights violations in the course of business activities by establishing clear policies and systems for human rights protection.
- We shall support our partners/suppliers in complying with human rights regulations mandated by the international standards on human rights, and protect the human rights and fair treatment of their employees.

### 2. Due Diligence on Respect for Human Rights

- Due diligence may be conducted as required for any management activities that violate human rights or cause grievances.
- The company shall seek reasonable solutions if due diligence determines that its management activities have violated human rights or caused grievances.
- We shall communicate with the relevant stakeholders about the contents & results of activities related to human rights.

### 3. Protection of Executives & Employees

- We shall refrain from engaging in verbal and physical abuse or lewd behavior that is offensive to others, including sexual harassment that violates an individual's human rights.
- We shall respect the privacy of all executives & employee and never defame or slander others nor leak personal information.
- We shall ensure that work will never be performed involuntarily under mental or physical coercion.
- The working conditions & the minimum age of the minors' labor must comply with the national labor laws

& international standards.

- We strictly follow safety rules and undertake appropriate measures for any hazards found.

### 4. Respect & Equality

- We will never advocate discrimination or harassment based on race, nationality, gender, age, education, religion, region, disability, marital status, or gender identity.
- We shall provide equal opportunity in employment to people who are qualified & capable for the job.
- We shall maintain a workplace environment that is respectful/inclusive of diverse cultural differences.

### 5. Ensure Lawful & Humane Employment Conditions

- We promptly take actions on human rights issues raised by executives or employees using the company's grievance system.
- We ensure employment conditions such as those maintaining of appropriate work hours, to ensure that employees lead a life that maintains human dignity.

### 6. Local Communities' Efforts to Respect Human Rights

- For any human rights violations in the local community from corporate business activities, we will collect opinions and strive to resolve human rights issues.

## ESG Policy Statement

# Personal Information Protection Policy

To protect personal information throughout the company, executives & employees must comply with the following:

1. They shall fully understand and faithfully follow the Privacy Protection Policy, the Privacy Policy on the company website, and the personal information handling procedures for each job.
2. Personal information handlers shall compile the personal information protection policy & personal information handling procedures in writing (including response measures and methods in case of leakage) and periodically review and update them for suitability.
3. For personal information collection, the minimum information necessary for business purposes shall be collected by lawful and fair means with customers' consent. We shall never collect any personal information that can significantly infringe on basic human rights.
4. Personal information will never be used or disclosed to any third parties for any purposes outside of its original stated use, except for cases where consent is given or a special provision in the law overrides.
5. The personal information handlers who actually implement and operate technical & administrative protection measures for personal information, conduct marketing work directly with customers, or handle personal information inevitably due to their work, such as customer satisfaction center agents, should view the minimum information necessary to provide such services and use it only for work purposes.
6. Only authorized persons shall handle or process personal information within the scope of such authorization. Those who handle or have handled personal information shall not damage, infringe, or leak personal information they learn in the course of their duties.
7. Personal information must be kept accurate and up-to-date.
8. When the purpose of collecting or being provided with personal information is fulfilled, the personal information shall be disposed of promptly. However, this does not apply to cases where further retention is required by law.
9. When someone withdraws his/her consent to the collection, use, and provision of personal information or requests its viewing or correction, the company shall verify the identity of the person and dispose of the information or take prompt necessary actions.

## ESG Policy Statement

# Consumer Rights & Interests Policy

Recognizing that our future depends on customer trust and success, we always respect customer opinions, endeavor to understand customers, and create value that supports customers' development.

### 1. Enhancement of Customer Satisfaction

- 1) The Product Service Department shall develop a customer satisfaction improvement plan every year to improve customer satisfaction.
- 2) This department shall refer to the results of past questionnaire/surveys when developing a customer satisfaction improvement plan.
- 3) This department shall listen to VOCs from the Sales Department to ensure the objectivity of the customer satisfaction index and reflect it on the evaluation items of the customer satisfaction index.

### 2. Proactive Customer Service Activities

- 1) We shall secure higher customer satisfaction & customer loyalty through proactive service activities by deciphering the expectation level of service & service-related grievances before a customer files a grievance.
- 2) The proactive customer service activities are conducted by the Product Service Department & product service-related departments.

### 3. Reception of Customer Feedback

- 1) The Product Service Department & its supporting departments shall meet with customers directly or indirectly to receive customer feedback for improved customer satisfaction and improved quality and reflect it in product development.
- 2) Customer feedback is received through the customer VOC system, VOC call center, email, fax, etc.
- 3) They shall analyze the status of customer feedback and handle quality grievances in conjunction with claims.

### 4. Selection of Customer Satisfaction Assessing Items

- 1) Customer satisfaction index assessing items shall be selected flexibly to analyze the status of customer feedback submitted and ensure the objectivity and continuity of the customer satisfaction index.
- 2) The customer satisfaction assessing items will be selected with approval when it affects compilation of customer satisfaction improvement plans or the results of customer satisfaction index evaluation.

### 5. Customer Satisfaction Assessment

- 1) Customer satisfaction assessment refers to quantifying the index for each assessment item.
  - Customer satisfaction assessment results shall be reflected in the development of customer satisfaction plans (weighted values, characteristics, item definitions, rating criteria, etc.).
- 2) The Product Service Department may receive the results of customer satisfaction assessment of corporate customers/ client companies from a target customer representative or sales representative.

## ESG Policy Statement

# Fair Trade Voluntary Compliance Policy

### 1. Development and Enforcement Standards & Procedures

The company will develop and enforce standards & procedures for executives & employees to comply with and practice fair trade laws & regulations.

### 2. CEO's Determination & Support for Voluntary Compliance

The CEO shall officially affirm his/her determination to comply with fair trade rules, enlist employees to sign an annual written oath at to fair trade compliance, and participate in activities to spread the organization's CP culture.

### 3. Designation and Operation of Compliance Manager

Based on a proposal & resolution of the Board of Directors, a compliance manager (officer in charge) shall be appointed and notified internally and externally.

### 4. Production and Utilization of Compliance Manual

The company must produce and distribute the Fair Trade Compliance Manual by periodically reviewing the need for revisions, including amendments to laws & regulations.

### 5. Conducting Continuous & Systematic Compliance Education/Training

We duly conduct regular fair trade education/training by department & hierarchy, and fair trade education/training for the CEO & C-suite executives.

### 6. Rollout of Internal Monitoring System

We operate fair trade consultancy/reporting centers both internally and externally, and report CP operation performance and plans to the Board.

### 7. Sanctions against Executives & Employees for Violating Fair Trade Laws & Regulations

We operate standards for determining HR measures against violations of fair trade laws and providing incentives to the company's excellent performers of fair trade activities.

### 8. Assessment of Effectiveness & Improvement Measures

We duly conduct inspections and effectiveness evaluations on the CP standards, procedures, & operations to implement improvement measures accordingly.

### 9. Organization and Operation of Compliance Council

We duly organize and operate a compliance council mainly consisting of the heads of fair trade-related departments.

## ESG Policy Statement

# Community Engagement Policy

We contribute to the national and social development by fulfilling our responsibilities and duties as an ESG leading company.

### 1. Role & Attitude as a Member of the Local Community

- We always respect and follow the laws & regulations of the local country, and culture & traditions of the local community, striving for co-existence & mutual development with the national community.
- We duly strive to communicate with stakeholders through their participation in management activities related to communities across the nation.
- We duly strive to engage our trading partners in activities for development of the country's society.

### 2. Contributing to National & Social Development

- The company will fulfill its duties in the community by creating and maintaining stable jobs and paying taxes in good faith.
- We actively participate in social service activities such as volunteer service & disaster relief, and stage public service activities in various fields such as culture, art, sports, & academia.
- We duly help local residents improve their quality of life and make the most of a happy life.

# Safety & Health Management Policy

POSCO STEELEON prioritizes the safety & health of its customers and employees as a core management value, and aims to create a safe & comfortable workplace environment as an ESG-leading company.

### 1. Safety & health overrides all values, including production, quality, air, & delivery.

### 2. We strictly comply with laws & regulations on safety & health and internal corporate regulations.

### 3. We cultivate safety awareness & practical skills through systematic education/ training.

### 4. We promote preemptive & improvement activities to detect risk factors in advance.

### 5. All executives & employees actively participate in safety & health activities.

### 6. We deploy safety & health systems and check and improve the implementation status.

### 7. We maintain the safety management systems with various stakeholders such as partners/suppliers.

# Assurance Opinion on GHG Emissions

## POSCO STEELEON Co., Ltd.

### Scope of Verification

The direct emissions (Scope1) & indirect emissions (Scope2) of POSCO STEELEON's GHG emissions disclosure has been verified by the Korea Standards Association (KSA).

### Assurance Standards & Guidelines

KSA has performed the assurance based on the following standards & guidelines as specified:

- Guidelines for reporting and certifying GHG emissions volume stipulated by the Emissions Trading Scheme (Ministry of Environment Notice No. 2023-221)
- Assurance guidelines for operating GHG emissions trading system (Ministry of Environment Notice No. 2021-112)
- For other matters not specified in the guidelines, the 2006 IPCC Guidelines, KS I ISO 14064-1:2018, and KS I ISO 14064-3:2019 have been referenced.

### Assurance Level

Based on the materiality assessment of GHG emissions from POSCO STEELEON, it meets the standard level for reasonable assurance (less than ±5.0% of total emissions).

### Assurance Conclusion

The Verification Team has confirmed that no material errors, omissions, or misstatements are contained in the Assurance Statement and that the GHG emissions data are appropriately calculated.

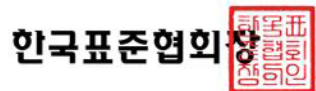
### 2023 GHG emissions (Scopes 1 & 2)

Year	Direct discharge	Indirect discharge	Total volume
2023	58,700.931	55,718.212	114,417

※ This is the emission amount calculated as the baseline emission amount when submitting emission credits.

※ Note: The GHG emissions figures differ from the emissions by category as the figures of individual business units are aggregated after rounding off decimal places.

June 25, 2024



**MOC-24-124**

## GHG Emission Verification Opinion

**POSCO STEELEON Co.,Ltd**

**Verification Scope**  
Korean Standards Association has conducted verification for GHG emissions based on GHG report provided by POSCO STEELEON Co.,Ltd which includes Scope1 and Scope2 emissions.

**Verification Standards and Guidelines**  
To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.  
 • Guidance for reporting and verification of GHG emissions trading scheme (No. 2023-221 provided by Ministry of Environment, Republic of Korea)  
 • Verification Guidelines for the Operation of the Greenhouse Gas Emission Trading System (No. 2021-112 provided by Ministry of Environment, Republic of Korea)  
 • For matters not specified in other guidelines, refer to 2006 IPCC Guidelines, KS I ISO 14064-1: 2018 and KS I ISO 14064-3: 2019

**Level of Assurance**  
POSCO STEELEON Co.,Ltd GHG emissions satisfies the under Reasonable Assurance.(less than ±5.0% of total emissions)

**Verification Conclusion**  
As a result of verification activities, verification team has found no significant errors, omissions, and misstatements. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

**2023 Emissions(Scope1, Scope2)** (Unit : tCO2eq)

Year	Scope 1	Scope 2	Total
2023	58,700.931	55,718.212	114,417

※ Decimal place is not considered when calculating the emission of each workplace.

June 25, 2024

*Myung So Kang*  
**KOREAN STANDARDS ASSOCIATION**

# Independent Assurance Report on the Identified Sustainability Information in POSCO STEELEON'S Sustainability Report (English Translation of a Report Originally Issued in Korea)



## To the Management of POSCO STEELEON

We have undertaken a limited assurance engagement in respect of the selected sustainability information (the Sustainability in the POSCO STEELEON's 2023 Sustainability Report for the year ended 31 December 2023 ('Sustainability Report' or the Report) listed below.

## Identified Sustainability Information

The Identified Sustainability Information included in the POSCO STEELEON's Report for the year ended 31 December 2023 is summarized below:

- 'Global Reporting Initiative (GRI) Standards Index' stated on pages 98~100
- 'Sustainability Accounting Standards Board (SASB) Index' stated on pages 101~102
- 'ESG DATA' within the 'Appendix' heading on pages 89~97

Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Report and, therefore, do not express any conclusion thereon.

## Criteria

The criteria used by POSCO STEELEON to prepare the Identified Sustainability Information are 'GRI Standards 2021' and 'SASB(Iron & Steel Producers)' (the 'Criteria').

## POSCO STEELEON's Responsibility for the Identified Sustainability Information

POSCO STEELEON is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

## Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

## Our Independence and Quality Control

We have complied with the ethical requirements of the Republic of Korea, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies International Standards on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of POSCO STEELEON's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included

## Independent Assurance Report on the Identified Sustainability Information in POSCO STEELEON'S Sustainability Report (English Translation of a Report Originally Issued in Korea)

inquiries, observation of processes performed, review of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

[Interview with the personnel responsible for internal reporting and data collection regarding POSCO STEELEON's Identified Sustainability Information to understand their approaches to manage material issues](#)

[Understand the systems and processes in place for managing and reporting the Identified Sustainability Information](#)

[Review documents relevant to the risk assessment process, sustainability-related policies and standards, materiality assessment, engagement activities of the stakeholders and others](#)

[Perform inquiries and analytical reviews on the Identified Sustainability Information](#)

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 we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether POSCO STEELEON's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that POSCO STEELEON's Identified Sustainability Information the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the Criteria.

### Restricted Use

This Report is prepared solely for management of POSCO STEELEON to assist in obtaining understanding of POSCO STEELEON's sustainable management performance and activities. Accordingly, we accept no liability or responsibility to any third party, other than POSCO STEELEON and its management, who gains access to this report.

Seoul, Korea

Hoonsoo Yoon, Chief Executive Officer



27 June 2024

This report is effective as of 27 June 2024, the report date. Certain subsequent events or circumstances, which may occur between the report date and the time of reading this report, could have a material impact on the Report on the Identified Sustainability Information. Accordingly, the readers of the report should understand that there is a possibility that the above report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

# Awards & Affiliation Membership

## Prizes awarded (2021 to 2023)

Award name	Date
Presidential citation (model company chosen by Korea Statistics Service)	September 1, 2021
Silver Industrial Medal (on 23rd Steel Day)	June 9, 2022
500 Million-Dollar Export Tower	December 8, 2022
Award by Cultural Heritage Administration Commissioner (PosArt Cultural Heritage Information Boards)	December 13, 2022
Award by Deputy Prime Minister and Minister of Strategy & Finance at the 17th National Sustainable ESG Conference	May 3, 2023
Awarded the Sustainability Report Prize in the 2023 Korean Standards Association's Sustainability Competition	November 24, 2023

## Associations participated

Korea International Trade Association (KITA)
Korea Industrial Technology Association (KOITA)
Korea Listed Companies Association (KLCA)
Korean Nurses Association
Korean Red Cross Gyeongbuk Chapter
Gyeongbuk Forest for Life as Citizens' Movement, Inc.
Korean Crime Victim Support Association (KCVA)
Pohang Chamber of Commerce and Industry (PCCI)
POHANG Steel Industrial Complex Administration Corp.
SSN CSR Center
Korea Iron & Steel Association (KOSA)
Homeland Reserve Force Regiment of Pohang Steel Industrial Complex

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STEELEON