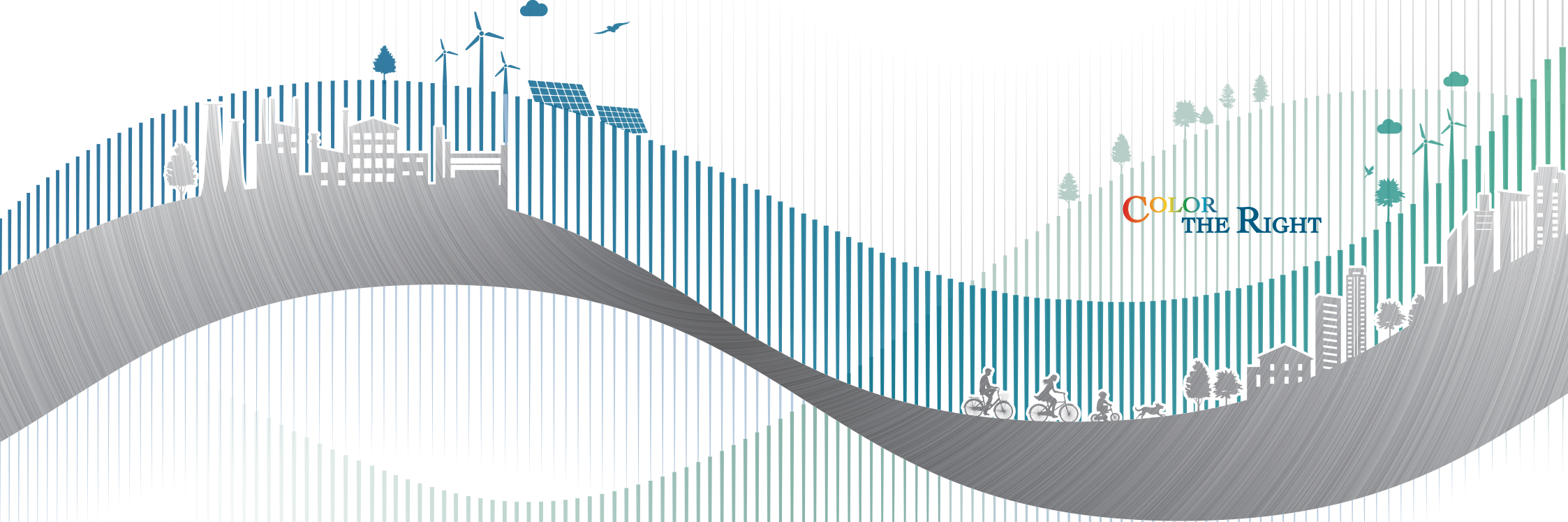


# POSCO STEELEON

## SUSTAINABILITY REPORT 2024



# ABOUT THIS REPORT

## Report Overview

POSCO STEELEON has actively communicated with its diverse stakeholders by publishing a sustainability report every year to disclose transparently its performance in the creation of economic, social, and environmental values. This report—the thirteenth iteration this year—presents the direction of our sustainable growth and responsible management by systematically compiling our ESG management statements in addition to our major ESG management strategies, activities, and performances. The report is also published in both Korean and English, with enhanced readability and accessibility reflecting its interactive elements optimized for the web environment. POSCO STEELEON plans to strengthen communication with its stakeholders while continuously sharing its ESG management performances.

## Reporting Standards

This report meets the requirements of the GRI Standards 2021, the international reporting guideline for sustainable management. It also utilizes SASB industry standards to reflect key issues based on their industry characteristics. In addition, the reporting standards and definitions of financial information in the report follow the Korean International Financial Reporting Standards (K-IFRS).

## Reporting Period and Scope

This report includes our activities and performances from January 1 to December 31, 2024 in our domestic business units. Depending on the timeliness and importance of the information, some contents include information up to March 2025. The report also features quantitative performance data for three years to help enable their trend identification. In cases where attention is required with regard to the scope of the report, such is separately stated.

## Report Verification

As an independent verification agency, Samjong Accounting Corporation has performed the third-party certification based on our request to secure the reliability, fairness, and completeness of the data and contents of the report. The international certification standard ISAE 3000 has been applied to the report certification.

## Contact for Report Inquiry

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# Business Overview



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Highlights of Sustainable Management 2024

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Product Overview

### Business

Sales KRW 1,209.9 billion

Operating income KRW 51.9 billion

Debt-to-Equity Ratio 44.5 %



### Environmental



GHG emissions 120,953 tCO<sub>2</sub>e

Green investment KRW 3,418 million

Total waste recycling rate 78.5 %

TRIFR 3.65

## Highlights of Sustainable Management 2024

### ESG Ratings, Certification, and Awards



Received Grade A for five consecutive years KCGS 2024



Recognized as a community-contributing company Hosted by the Ministry of Health and Welfare and Korea Social Welfare Council in 2024



Certified as a family-friendly company Hosted by the Ministry of Gender Equality and Family



### Society

Partner evaluation rate 100 %

Volunteer service hours by officers and employees

3,685 hours

Training hours per officer and employee

24 hours

Amount invested for social contribution

KRW 191 million



Received the Grand Prize and Minister of Environment Prize 2024 K-ESG Management Grand Prize



Received the Sustainable Report Prize 2023 Republic of Korea Sustainability Conference

# CEO's Message

Dear esteemed stakeholders,  
I am Choun Si-youl, CEO of POSCO STEELEON.

We express our sincere gratitude to all our stakeholders—including the suppliers, customers, shareholders, and community members—as we fully recognize that POSCO STEELEON has become an industry leader in surface treatment today as well as a solid partner in POSCO's steel manufacturing business thanks to your continuous support and encouragement.

The steel industry experienced unexpected difficulties last year. Many mills stopped operation and businesses were transferred to new owners, with the overall steel market slowing down. However, we were able to achieve our planned performance targets thanks to diverse efforts including the increased sales of high value-added products. In addition, as a result of our efforts for sustainable management, we garnered an A-grade rating in the Korea ESG Standards Institute evaluation in the color steel sheet industry for five consecutive years. We also won the Minister of Environment Prize at the 2024 K-ESG Management Awards in recognition of our efforts for sustainable growth.

In 2025, we anticipate encountering difficult business conditions anew with the domestic economic growth rate declining further due to stronger protectionism, rising energy/raw material prices, and sluggish construction and other downstream industries. Even in such tough situation, we will overcome the crisis wisely by improving sustainability through customer-oriented ESG management while creating a happy workplace.

**All our management activities will focus on the increase of customer values.**

Considering the characteristics and requirements of each customer industry, we will develop customized products and technological solutions such as steel products generating less carbon gas while actively collecting customers' opinions through periodic communication sessions.

**On the other hand, we will create a happy, safe workplace through mutual respect and communication.**

We will foster a corporate culture focusing on people, wherein all constituents are happy by further focusing on the improvement of our disaster prevention system, to create a safe workplace while achieving performance through continued learning and growth while addressing problems with consideration and listening.

**We will actively participate in programs for contributing to the local community and solving social problems.**

We will take the lead in creating a warm-hearted local community by providing substantial assistance and expanding our "turtle house" project, which helps improve poor living conditions through renovation for needy people.

Currently, we face the challenges of change, survival, and growth in an uncertain external environment. POSCO STEELEON will leap forward to become a more valuable, happier company united with its stakeholders with an affirmative attitude. We look forward to your continued support and patronage.



June 2025  
Choun Si-youl, CEO of POSCO STEELEON

# Company Overview

## Company Overview

Since its inception in 1988, POSCO STEELEON has led the surface-coated/color-coated steel sheet market as a specialist in steel surface treatment with its continuous technological innovation for the highest quality. Our main products are aluminum- or zinc-plated and color-coated steel sheets, which are supplied to various industrial sectors such as construction, home appliances, and automobiles in major global markets including North America, China, and Europe. Based on our 2024 consolidated financial statements, our domestic sales stood at KRW 633.7 billion (approximately 52.4%) with overseas sales pegged at KRW 576.2 billion (approximately 47.6%).

### General Status

<b>Company name</b>		<b>Products</b>	Aluminum-, zinc-, color-coated steel sheets
		<b>Key businesses</b>	Plated, color-coated, and other steel surface treatment
<b>Date incorporated</b>	February 15, 1988	<b>Location of home office</b>	173 Cheolgang-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do
<b>CEO</b>	Choun Si-youl	<b>Subsidiary companies</b>	Myanmar POSCO C&C Co., Ltd.

### Sales

(unit: KRW 1 million)

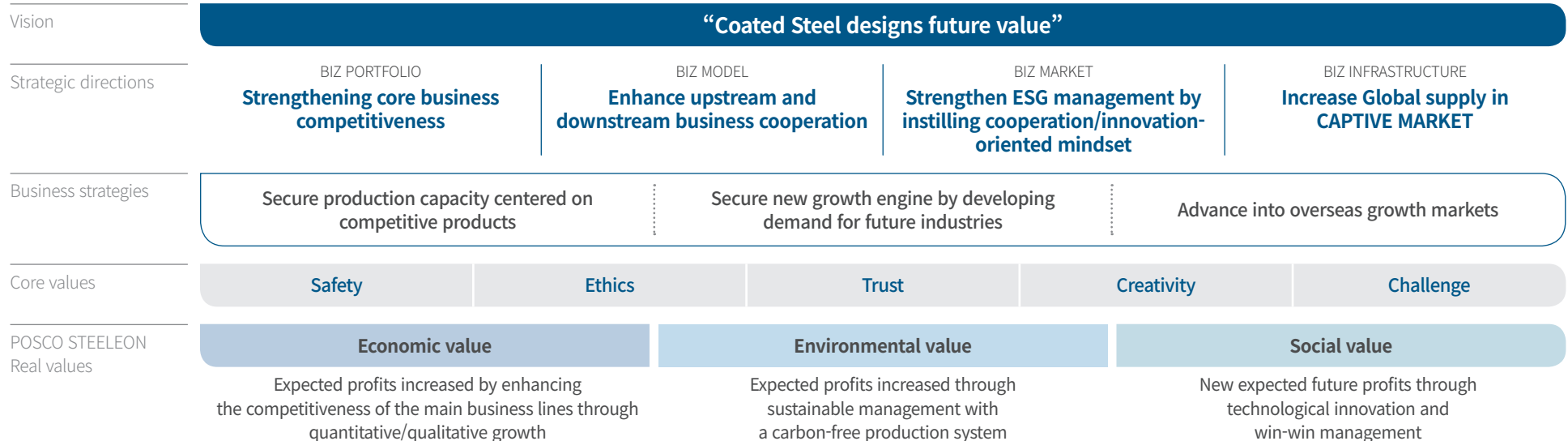
2024	<b>1,209,865</b>
2023	1,158,540
2022	1,202,121

### Operating Income

(unit: KRW 1 million)

2024	<b>51,923</b>
2023	30,632
2022년	38,220

## Vision and Strategies of POSCO STEELEON



## Global Network

POSCO STEELEON operates its headquarters and plating and color-coated steel sheet plants in Pohang, Korea, and has a sales office in Seoul including branch offices in Changwon and Gwangju. We operate the first overseas plated and color-coated steel sheet plant that we constructed in Yangon, Myanmar in 2014 and which is currently in full operation. We have further enhanced our position as a global steel company, currently operating a total of eight production lines at home and abroad.



## Corporate History

### 1980-1990

- Feb. 15, 1988** Pohang Plated Steel Sheet Co., Ltd. founded (POSCO 50%, Dongguk Steel 50%)
- Nov. 25, 1991** KS specification obtained for plated steel sheet
- Dec. 2, 1991** CGL operation training provided to China (Shunde Doshin Steel Sheet)
- Jan. 4, 1995** JIS specification obtained
- Jun. 29, 1997** CGL operation entrusted and transferred (Dalian Plated Steel Sheet)
- Jul. 23, 1998** Dongguk Steel equity share taken over by POSCO (100% equity ownership)

### 2000s

- Feb. 4, 2002** Zero-Accident Target achieved three times (Color Steel Sheet Mill)
- Aug. 16, 2002** Listed on Korea Stock Exchange
- Dec. 5, 2003** 2000 Edition Certification converted into ISO9001
- Nov. 15, 2004** No.2 CGL constructed
- Dec. 10, 2005** No.2 CCL Process modified (exclusively for materials of consumer electronic appliances)
- Jul. 31, 2006** No.1 CGL equipment fully rationalized
- Feb. 24, 2007** Zero-Accident Target achieved five times (Color Steel Sheet Mill)
- Apr. 12, 2007** 10 million tons of products produced so far
- Apr. 1, 2008** Renamed POSCO Steel Sheet Co., Ltd.
- Nov. 30, 2008** Received the US\$500 Million Export Tower Award
- Jun. 9, 2009** Continuous melting aluminum stainless steel plating steel sheet manufacturing technology awarded the Bronze Prize at the Republic of Korea Grand Awards

### 2010s

- Jan. 7, 2010** POSCO Steel Sheet Technology Research Institute founded
- Nov. 30, 2011** Received the US\$400 Million Export Tower Award
- Dec. 14, 2012** MES system deployed (for production, quality, sales, etc.)
- Mar. 28, 2013** Selected as Green Business by the Ministry of Environment
- Sept. 26, 2013** Received the Korea Environment-Friendly Grand Prize
- Dec. 19, 2013** ALCOSTA (Aluminum plated steel sheet) selected as a world-class product
- Dec. 30, 2013** Awarded the Environmental Management Prize by the 2013 POSCO Family Environment Management Committee
- Mar. 26, 2014** Received the Innovation Prize at the 3rd POSCO Family Quality Management Awards
- Oct. 15, 2014** Received the Innovation Prize at the 15th Korea Financial Management Awards
- Oct. 31, 2014** Myanmar POSCO Steel Plate Line (CCL) constructed

- Jan. 15, 2015** Designated by the Kyeongbuk Provincial Government as "Excellent Business Site for Environmental Experience"
- Jul. 28, 2015** Accident-Free for 3,000 Days achieved by Plating Mill
- Sept. 9, 2015** Received the Minister of Environment Prize for Environmental Management
- Oct. 15, 2015** Received the Innovation Prize at the 16th Korea Financial Management Awards
- Dec. 30, 2016** Corrosion-resistant galvanized steel sheet (MACOSTA) developed
- Sept. 1, 2017** Quality color steel sheet line (No.4 CGL) construction started
- Oct. 18, 2018** Quality color steel sheet line (No.4 CGL) completed
- May 7, 2019** PosART Factory constructed
- Oct. 15, 2019** PosART awarded the Innovation Prize of the Year at the World Steel Association Steelie Awards
- Nov. 16, 2019** Myanmar POSCO Steel Sheet (MPCC) and Myanmar POSCO (MPSC) integrated operation
- Dec. 13, 2019** Certified as "Family-Friendly Company" by the Ministry of Gender Equality and Family

### 2020s

- Jul. 8, 2021** Infinelli launched as integrated color steel sheet brand
- Sept. 1, 2021** Presidential Citation awarded on Statistics Day
- Dec. 5, 2022** Received the US\$500 Million Export Tower Award
- Mar. 21, 2022** Renamed POSCO STEELEON
- May 3, 2023** Awarded the Excellent ESG Management Prize by the Minister of Strategy and Finance
- Oct. 27, 2023** Obtained Grade A in KCGS ESG Evaluation for the 4th consecutive year
- Oct. 2, 2024** Received the K-ESG Management Comprehensive Grand Prize and Environment Minister Prize
- Oct. 25, 2024** Obtained Grade A in KCGS ESG Evaluation for the 5th consecutive year

# Product Overview

## Plated Steel Sheet

Quality maintained continuously with enhanced corrosion resistance

Sales  
KRW 499.8 billion

Proportion of Sales  
41.3%



### ALCOSTA

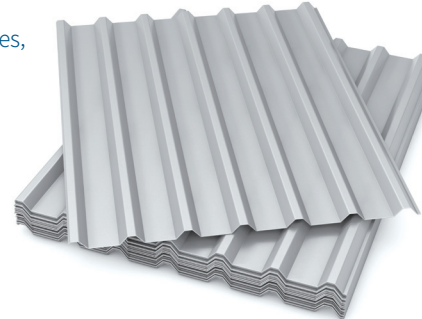
Aluminum-plated steel sheet  
High heat resistance/heat reflectivity, beautiful surface

**Applications** Automotive parts, consumer electronic appliances

### MACOSTA

Zinc-aluminum-magnesium alloy plated steel sheet  
High corrosion resistance on flat surfaces, cross-sections, and machined parts (3-4x more corrosion-resistant than GI)

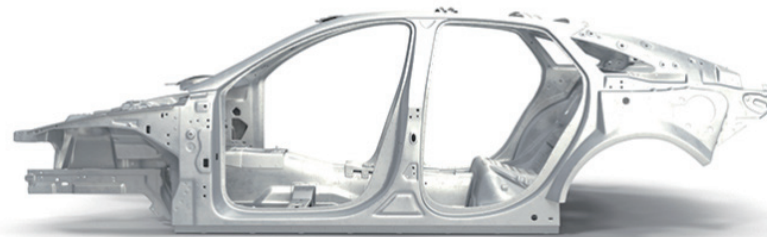
**Applications** Roofing, partitions, solar panel supports, raw material for color steel sheet, etc.



### AL-HPF

Aluminum plating hot press forming  
Prevents surface oxidation during hot pressing thanks to Al plating

**Applications** Automobile parts (front and rear bumpers, pillar reinforcement, door beams, etc.), chassis or body



### ALZASTA

Zinc-55% aluminum alloy-plated steel sheet  
Excellent durability and paint adhesion compared to GI, attractive appearance with unique spangle patterns (4x higher corrosion resistance than GI)

**Applications** Ducts, power distribution panels, roofing, raw material for color steel sheet, etc.



### AL-STS

Aluminum-plated stainless steel sheet  
Excellent resistance to salt and condensation corrosion

**Applications** Automobile exhaust system, muffler case and pipe

**Color Steel Sheet**

Beauty and functionality united

**Color steel sheet for building materials**

Multi-purpose raw materials

Applications

Interior and exterior building materials, etc.



**Color steel sheet for consumer electronic appliances**

Excellent processability

Applications

Refrigerators, washers, sidings, and multi-purpose materials for consumer electronics



**Highly weather-resistant color steel sheet**

Discoloration and gloss fading delayed

Applications

Interior and exterior building materials



**Fluorine-coated color steel sheet**

Super weather-resistant (over 20 years' long-term warranty)

Applications

Interior and exterior building materials, materials for ceiling, partitions, fire doors, etc.



**PVC-coated color steel sheet**

Highly weather-resistant (to chemicals and in seashore areas), high processability

Applications

Interior and exterior building materials, etc.



**Matte color steel sheet**

Luxurious texture, excellent corrosion resistance/ weather resistance

Applications

Roofing materials (metal tiles), building sidings



**Printed steel sheet**

Diverse patterns and textures realized, excellent appearance and physical properties

Applications

Raw materials for consumer electronic appliances, building exterior and interior materials (EV, etc.)



**Antibacterial color steel sheet**

Ceramic antibacterial agents for mixed, inhibiting the replication of bacteria and viruses

Applications

Interior and exterior building materials



**Non-combustible color steel sheet**

Insulation materials, etc. for enhanced non-combustibility, excellent scratch resistance

Applications

Interior and exterior building materials



**Organic coating**

STS products with excellent processability/ distinctness of image

Applications

Refrigerators, washers, cold storage warehouse, microwave oven



**Sales**

KRW 653.4 billion

**Proportion of Sales**

54.0%

# ESG Management System



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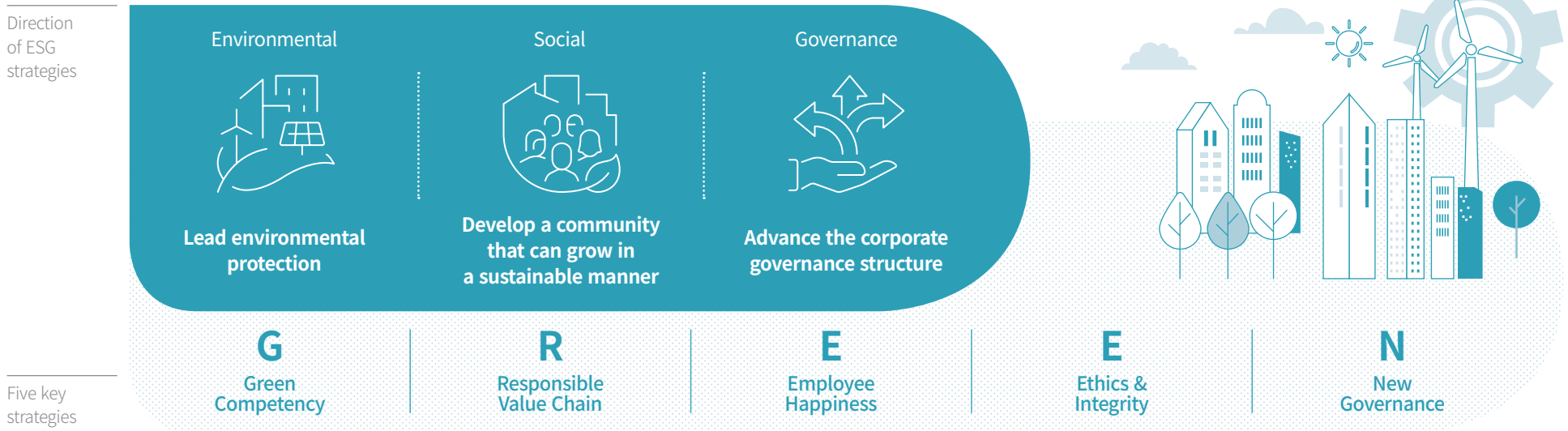
Double Materiality Assessment

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UN Sustainable Development Goals (UN SDGs)

# ESG Strategy

Aware of the influences of various stakeholders on its business, POSCO STEELEON has practiced responsible management considering such factor. In particular, we have set the following as our key target issues in conjunction with the POSCO Group’s GREEN ESG strategy framework: response to climate change, safety and health, compliance, etc. In doing so, we have further intensified our management system for these issues. In addition, we have established an ESG management system for sustainable growth, securing trust among the stakeholders by transparently disclosing the implementation plans and performances of our ESG management.



We will respond to climate change by improving energy efficiency beyond the existing levels and introducing technologies that gradually reduce greenhouse gas emissions by process. In doing so, we will create a sustainable future wherein humanity and nature are in harmony by systematically controlling and reducing impacts on the environment.

We will expand cooperation and support throughout the value chain so that our business partners can continuously strengthen their capabilities in key ESG areas including those for carbon reduction technology, human rights, and safety.

We will foster a safe work environment and a culture that respects human rights and diversity, and we will cultivate creative talent to lead in the future, building a company where all employees can thrive and be happy.

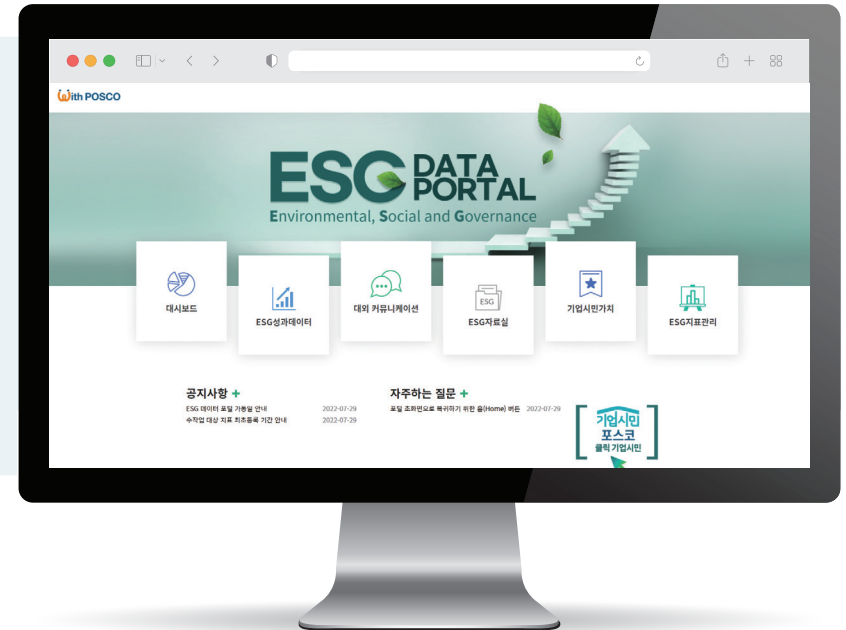
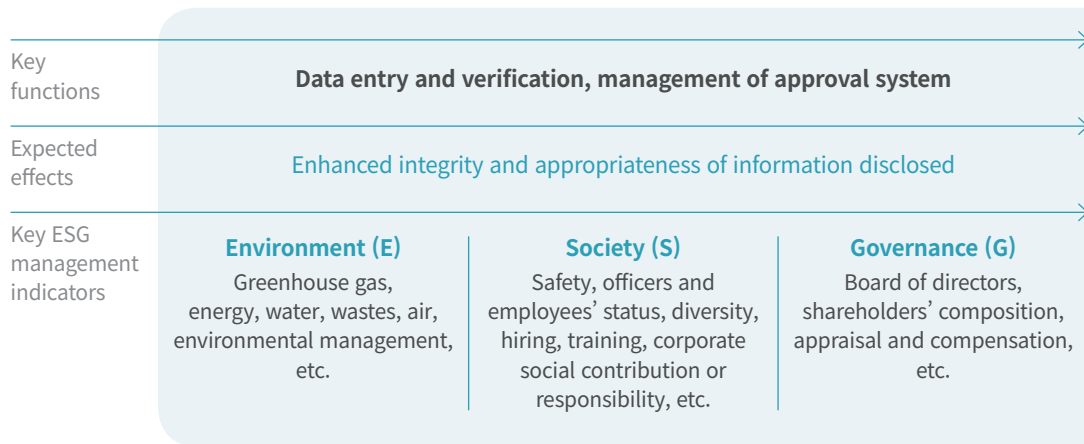
We will continuously improve the level of our ethics/compliance so that all business decisions are made based on thorough ethical awareness, and also strive to maintain fair trade order.

We will dramatically increase the value of POSCO STEELEON through real value management for strengthening the independence, expertise, and diversity of the board of directors while protecting shareholder rights and practicing transparent information disclosure.

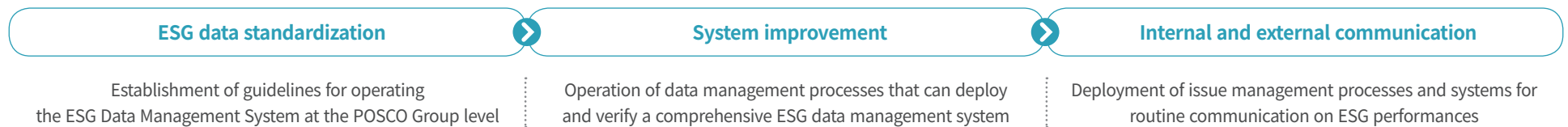
# ESG Data Integrated Management

POSCO STEELEON has developed an “ESG Data Portal Application” at the POSCO Group level to strengthen its response to ESG disclosure while meeting stakeholder demands. Through this platform, we have deployed a reliable information system by entering and managing key ESG data in accordance with the global standards. In addition, we have prevented in advance any and all legal risks that may arise from possible data errors or manipulation by laying the foundation for effectively managing ESG performance and enhancing the accuracy of management decision making.

## ESG Portal Application Deployed and Operated



## Processes of ESG Data Portal Application



# Communication with Stakeholders

POSCO STEELEON categorizes stakeholders based on their sectors of environment, society, and governance, operating communication channels for each. We strive to improve our overall management systems and processes through this by identifying key issues of interest to the stakeholders and collecting their opinions.

### Communication channels

General shareholders' meeting, investor relations (IR), visit to business sites, corporate information disclosure

### Main interests

Business performance, stock price, dividends, business risks



Shareholders, investors

Customers



### Communication channels

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

### Main interests

Quality, product price, delivery, customer satisfaction-oriented management

### Communication channels

Policy meetings, public-private partnership programs

### Main interests

Statutory and regulatory compliance, consortium, ethical management



Central and local governments

Stakeholders

Officers and employees



### Communication channels

Family Council, Tiered discussion sessions, Industrial Safety and Health Committee, Grievance Handling Committee

### Main interests

Welfare, Self-development education, Eco-friendly management

### Communication channels

POSCO 1% Sharing Foundation, Community Welfare Agencies, Korea International Hunger Relief Organization, and other NGOs

### Main interests

CSR programs, community investment, ethical management



Local communities

Partner companies



### Communication channels

Periodic meetings with partner companies, Win-win Growth Support Group, Occupational Safety and Health Council

### Main interests

Win-win growth, fair trade, work safety

# Double Materiality Assessment

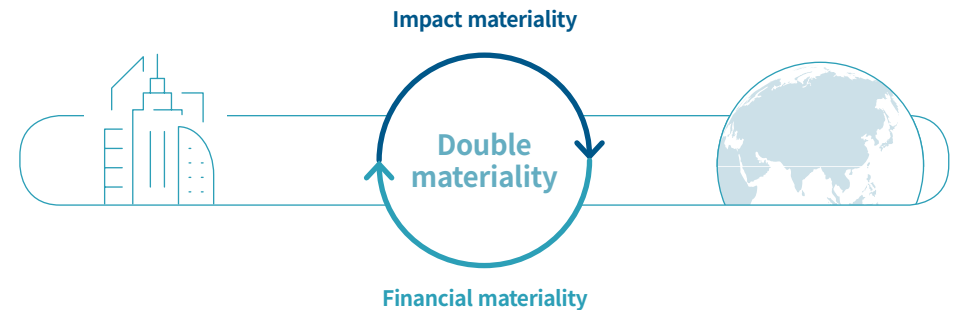
POSCO STEELEON has conducted a double materiality assessment to analyze inclusively the impact of various ESG issues surrounding the company on its financial performances and the impact of its business activities on society. Through this, we maximize opportunities by proactively identifying ESG risks, and identify the interests and needs of investors and stakeholders to increase their trust and to promote sustainable growth. We have carried out the dual materiality assessment based on the severity and likelihood of the impact after identifying the impact characteristics of the issues in accordance with the EU Corporate Sustainability Reporting Standards (ESRS).

## Materiality Assessment Processes



## Significance of Materiality Assessment

POSCO STEELEON conducts a dual materiality assessment based on factors derived from interactions with various stakeholders. This is a method that considers not only the impact of a company's business activities on society and environment, but also the impact of external factors on the company's financial status, performance, and cash flow. Based on the results of such assessment, POSCO STEELEON actively shares its ESG management performance with the external parties through transparent information disclosure while actively reflecting the opinions of the stakeholders. In addition, we have supported effective decision making for sustainable business while promoting greenhouse gas reduction, diffusion of safety and health-oriented culture, and sustainable supply chain management, focusing on major ESG issues.

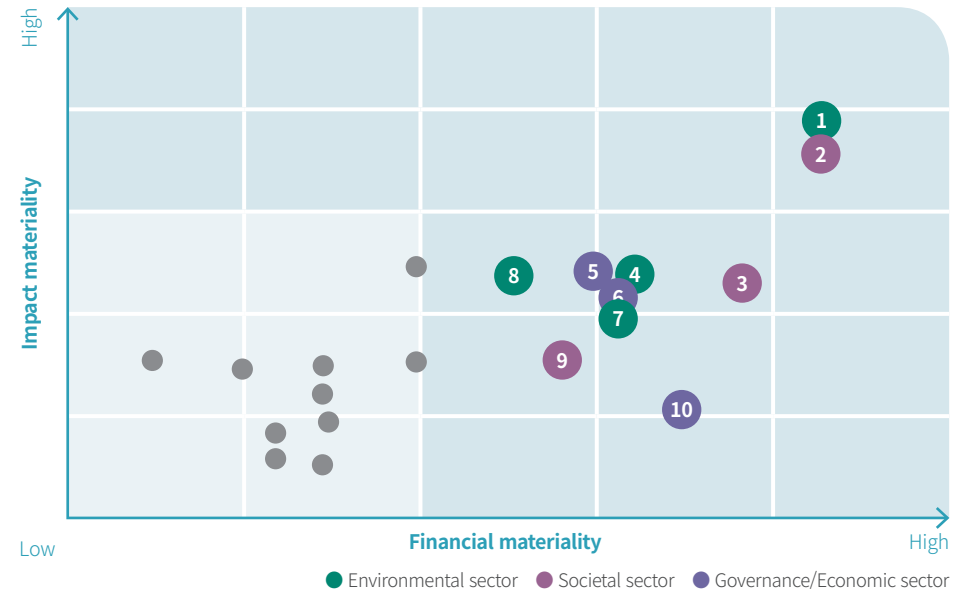


### Results of Materiality Assessment

POSCO STEELEON has selected 10 material issues through the dual materiality assessment by comprehensively analyzing their financial impact on corporate management and the materiality of societal and environmental aspects. Such major material issues include greenhouse gas control or management, safety and health management, and strengthening of supply chain ESG capabilities.

For each of the issues, we have systematically pursued implementation activities for minimizing risk factors while maximizing opportunities. The results of these activities and future plans are introduced in detail in this report.

Materiality Assessment Matrix








### Material Issues of POSCO STEELEON

Ranking	Division	Name of issue	Financial materiality	Impact materiality	Relevant parts	Related GRI indicators
1	Environment	GHG management	81.1	79.6	Environment & Safety: Response to climate change, Environment-friendly management	305-1~7
2	Society	Safety and health management	81.0	77.5	Environment & Safety: Safe workplace	403-1~10
3	Society	Enhancement of ESG capacity of supply chain	78.8	72.6	Society: Partner companies	308-1, 2; 414-1, 2
4	Environment	Development of products with reduced impact on the environment	76.6	73.5	Environment & Safety: R&D for developing products with reduced impact on the environment	-
5	Governance	Ethical management	76.0	73.4	Governance: Ethical management	205-1, 2
6	Economy	Creation of economic values	76.4	72.9	Business Overview: Introduction to business and business sites	-
7	Environment	Energy management	76.4	72.8	Environment & Safety: Response to climate change, Environment-friendly management	302-1~5
8	Environment	Waste and bi-product management	74.2	73.9	Environment & Safety: Environmental management	306-1~5
9	Society	Customer satisfaction-oriented management	75.3	70.4	Society: Customers	416-1, 2; 417-1~3; 418-1
10	Governance	Establishment of fair trade order	77.6	68.1	Governance: Fair trade	206-1

### Major Impact and Response Activities by Material Issue

POSCO STEELEON has inclusively analyzed the impact on its financial performance and social and environmental aspects, focusing on five major issues among those selected through the materiality assessment. Based on the analysis results, we have established and implemented effective response strategies by closely examining the positive and negative impacts on the company and society, as well as risks and opportunities. We strive to create long-term corporate values and build trust with our stakeholders by promoting specific response activities for each major issue.

Classification	Name of issue	Major impact	Name of impact			Response activities and strategies
			Characteristics of impact	Time of impact	Type of impact	
 <b>1 Environment</b>	<b>GHG management</b>	<ul style="list-style-type: none"> <li>Initial capital expenditure increased due to facility investment, process improvement, and R&amp;D investment to reduce carbon emissions.</li> </ul>	Negative	Real	Risk	<ul style="list-style-type: none"> <li>Increases effects on long-term cost reduction while realizing sustainable management by promoting the use of renewable energy and conversion into carbon reduction processes in accordance with the 2050 decarbonization roadmap</li> <li>Establishes a management system trusted by the stakeholders by disclosing Decarbonization promotion plans and performance in line with the GREEN ESG strategy framework</li> </ul>
		<ul style="list-style-type: none"> <li>Activities that strengthen ESG management and carbon reduction will serve as factors that enhance brand value as an eco-friendly company in the global market.</li> </ul>	Affirmative	Potential	Opportunities	
 <b>2 Society</b>	<b>Safety and health management</b>	<ul style="list-style-type: none"> <li>Initial investment costs are incurred in the course of introducing the latest safety equipment, renovating and maintaining facilities, and conducting safety education and training.</li> </ul>	Negative	Real	Risk	<ul style="list-style-type: none"> <li>Secures worker safety by continuously improving the work environment through the operation of the safety and health management system, risk assessment, and activities that eliminate hazardous and dangerous factors</li> <li>Ensures that partner companies effectively comply with safety standards by operating programs supporting their safety assessment</li> <li>Enhances brand value by promoting the company's safety-oriented management externally while establishing a safety culture through in-house safety campaigns and education</li> </ul>
		<ul style="list-style-type: none"> <li>Minimizes regulation risks by proactively responding to tightened statutes and regulations such as the Occupational Safety and Health Act and the Serious Accidents Punishment Act</li> </ul>	Affirmative	Potential	Opportunities	
 <b>3 Society</b>	<b>Enhancement of ESG capability of the supply chain</b>	<ul style="list-style-type: none"> <li>The cost may increase as a result of establishing a supply chain evaluation system and conducting audits to ensure the partners' compliance with ESG standards.</li> </ul>	Negative	Real	Risk	<ul style="list-style-type: none"> <li>Supports the improvement measures to be taken for selected high-risk partner companies by establishing an ESG evaluation system for partners</li> <li>Reinforces ESG education and support for partner companies to prevent and mitigate ESG risks in the supply chain</li> </ul>
		<ul style="list-style-type: none"> <li>Reliability can be enhanced as compliance with ESG standards will be an important evaluation factor in transactions with domestic and international customers.</li> </ul>	Affirmative	Real	Opportunities	
 <b>4 Environment</b>	<b>Development of products with reduced environmental impact</b>	<ul style="list-style-type: none"> <li>R&amp;D investment, new production facility construction, certification costs, etc. to develop products with reduced environmental impact</li> </ul>	Negative	Real	Risk	<ul style="list-style-type: none"> <li>Disperses risks and minimizes the initial cost burden through gradual transition in the development of environmental regulation-compliant products such as biomass-based Cr-free AZ (Aluminum-Zinc)-plated steel sheets</li> <li>Has strengthened the system for compliance with environmental regulations by acquiring 12 International EPD certifications (8 for plating, 4 for color)</li> </ul>
		<ul style="list-style-type: none"> <li>Raises the brand value of POSCO STEELEON by securing competitive edge in the market while complying with international environmental regulations by developing products with less environmental impact</li> </ul>	Affirmative	Real	Opportunities	
 <b>5 Governance</b>	<b>Ethical management</b>	<ul style="list-style-type: none"> <li>Reduces legal costs and fines by reducing legal risks through ethical management while minimizing the possibility of regulatory violations or lawsuits</li> </ul>	Affirmative	Real	Opportunities	<ul style="list-style-type: none"> <li>Continuously checks the management system for compliance with ethics, including revision of ethical management regulations</li> <li>Conducts an online questionnaire survey on "human-respecting corporate culture" every year among officers and employees, and partner personnel stationed in-house</li> <li>Encourages employees to comply with ethical standards through periodic ethics education</li> </ul>
		<ul style="list-style-type: none"> <li>An ethical corporate culture increases the employees' job satisfaction and productivity and has a positive effect on attracting and retaining talents.</li> </ul>	Affirmative	Potential	Opportunities	

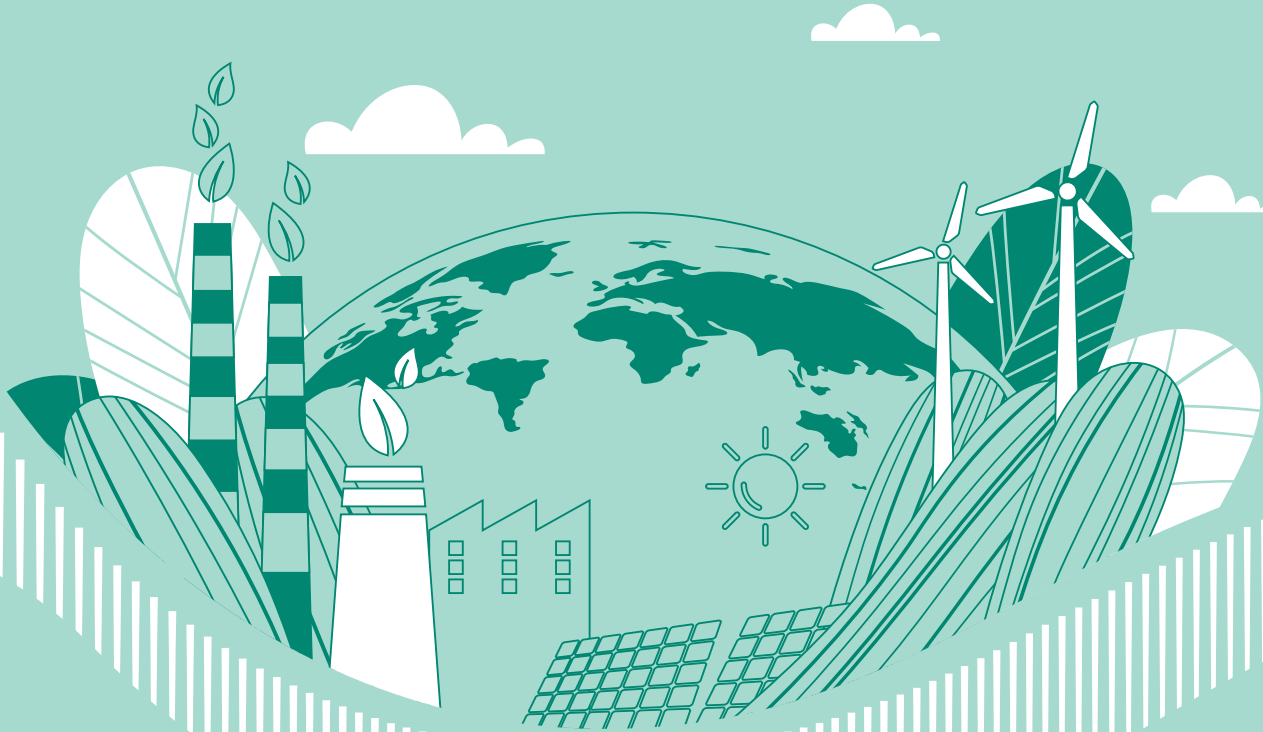
# UN Sustainable Development Goals (UN SDGs)

POSCO STEELEON actively endeavors to contribute to the attainment of the UN Sustainable Development Goals (UN SDGs) while reinforcing its ESG management. As global goals adopted by the UN General Assembly in 2015, the UN SDGs consist of 17 goals to achieve human prosperity and environmental protection harmoniously. Fully recognizing the importance of these goals, POSCO STEELEON has promoted various activities linked to the UN SDGs to fulfill its responsibility for a sustainable future.

SDGs	Key activities	Page
 <b>3 Good Health and Well-Being</b>	<ul style="list-style-type: none"> <li>• Safety accident prevention activities</li> <li>• Preemptive management of occupational diseases</li> <li>• In-house and external health checkups and medical support</li> <li>• Supporting welfare benefits for excellent partners</li> </ul>	41-43 49, 50
 <b>4 Quality Education</b>	<ul style="list-style-type: none"> <li>• Reestablishment of HRD strategies and education and training systems</li> <li>• Support for individual capacity development and degree acquisition</li> <li>• Operation of a program for retirees</li> </ul>	51-53
 <b>5 Gender Equality</b>	<ul style="list-style-type: none"> <li>• Enactment of policies on diversity, equity, and inclusion</li> <li>• Incentive system encouraging maternity and childcare leave</li> </ul>	50, 57
 <b>6 Clean Water and Sanitation</b>	<ul style="list-style-type: none"> <li>• Preemptive response to water shortage by optimizing the management of water resource or introducing technologies for its conservation</li> <li>• Reduction of wastewater treatment volume through improved treatment</li> <li>• Carrying out activities for the protection of river and marine ecosystems by preserving biodiversity</li> </ul>	34, 35
 <b>7 Affordable and Clean Energy</b>	<ul style="list-style-type: none"> <li>• Deployment of a Decarbonization production system by increasing waste heat use in steam and by switching fuels</li> <li>• Increased use of renewable energy</li> </ul>	24

SDGs	Key activities	Page
 <b>8 Decent Work and Economic Growth</b>	<ul style="list-style-type: none"> <li>• Recruitment and hiring of excellent local talents</li> </ul>	51
 <b>9 Industry, Innovation and Infrastructure</b>	<ul style="list-style-type: none"> <li>• Support for the improvement of living environment with innovative products (Dukeobi or “Turtle House” project)</li> </ul>	71
 <b>12 Responsible Consumption and Production</b>	<ul style="list-style-type: none"> <li>• Development of heavy metal-free (Cr-free) color steel sheets for building material</li> <li>• Development of urethane-coated steel sheets that reduce nitrogen oxide (NOx) emission</li> <li>• Introduction of a system for the selection and certification of excellent suppliers (PsHP)</li> <li>• Support for partners’ ESG management activities</li> </ul>	28, 62
 <b>13 Climate Action</b>	<ul style="list-style-type: none"> <li>• Establishment of the 2050 Decarbonization roadmap</li> <li>• Establishment of strategies for climate change scenario-connected transformation and response to reduce physical risks</li> <li>• Operation of an eco-friendly management activity review committee</li> </ul>	20-23
 <b>16 Peace, Justice and Strong Institutions</b>	<ul style="list-style-type: none"> <li>• Operation of a fair trade and voluntary compliance program</li> <li>• Implementation of a fair bidding system</li> </ul>	82, 83

# Environmental & Safety



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Management

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Safe  
Workplace

# Environmental & Safety Management Approach

## Connected to UN SDGs

			<b>Goal 3</b> Good Health and Well-Being
			<b>Goal 6</b> Clean Water and Sanitation
			<b>Goal 7</b> Affordable and Clean Energy
			<b>Goal 9</b> Industry, Innovation and Infrastructure
			<b>Goal 12</b> Responsible Consumption and Production
			<b>Goal 13</b> Climate Action

### Materiality of Issues

Response to climate change is a task directly related to the survival of companies. Governments worldwide have strengthened their regulation for implementing carbon reduction plans by legislating carbon neutrality goals. The business cost has increased since the introduction of the Carbon Border Adjustment Tax (CBAM), which expanded the Carbon Pricing System and Carbon Emissions Trading Scheme. Accordingly, carbon reduction strategies have become the key to securing corporate competitiveness. Financial institutions and investors have adopted sustainable management disclosure as one of their investment criteria. Developing a sustainable business model is essential given the strengthened lending and investment policies that reflect climate risks. In addition, as the risks caused by climate change become severer, the impact on corporate finance has doubled. The importance of climate risk management is further emphasized since disclosure obligations have expanded and insurance costs increased.

### Management Approach

POSCO STEELEON has reinforced its ESG management to respond systematically to the tightened climate regulation and growing demand for sustainable management. In line with the market trends, we have expanded our portfolio of high value-added products that apply advanced plating technology to respond to the increasing demand for low-carbon materials. We have also actively promoted measures for carbon emissions reduction throughout our supply chain. In fulfillment of our corporate environmental responsibility, we have expanded our carbon-reduced steel product lineup, enhanced energy efficiency in the production process, and intensified carbon reduction cooperation with our partners. On the other hand, we have also strived to develop a safe, healthy work environment to fulfill our social responsibility in cooperation with local communities and various stakeholders. In particular, we have deployed a governance system that practices transparent, responsible management while thoroughly verifying the effectiveness of sustainable management activities by newly organizing a new Eco-friendly Management Activity Review Committee.

### Key Performance

<p><b>120,953</b></p> <p>tCO<sub>2</sub>e</p> <p>Greenhouse gas emissions</p>	<p>KRW</p> <p><b>3,418</b></p> <p>million</p> <p>Green investment</p>
<p><b>78.5%</b></p> <p>Total waste recycling rate</p>	<p><b>3.65</b></p> <p>TRIFR*</p>

\*TRIFR: Number of fatalities and recordable injuries (including medical treatment injuries) per 1,000,000 hours worked.

# Response to Climate Change

POSCO STEELEON steadily continues efforts to reduce greenhouse gas emissions by increasing investments in renewable energy under the 2050 Decarbonization Goal while enhancing energy efficiency by introducing carbon reduction processes. In particular, it has reduced carbon emissions in its production processes by switching to hydrogen fuel and improving energy efficiency.

## Climate Change Scenarios: Physical Risks and Opportunities

POSCO STEELEON analyzes both climate risk and opportunity factors. To that end, we assess the impact on our business by reviewing trends in the same or similar industries and markets, and climate-related disclosure requirements. In particular, POSCO STEELEON has identified transition risks and opportunities due to climate change by considering the characteristics of the industry where it belongs, and has deployed a risk management system based on it. In doing so, we reinforced our sustainable management strategies by developing response measures thereto while analyzing the short-, medium-, and long-term possibilities and impacts.

### Financial Impact of Hinnamnor in 2022

KRW 23.2 billion



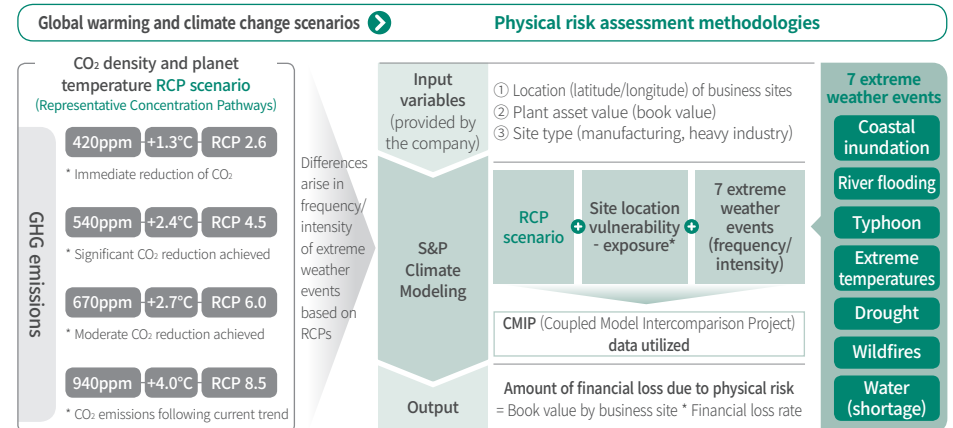
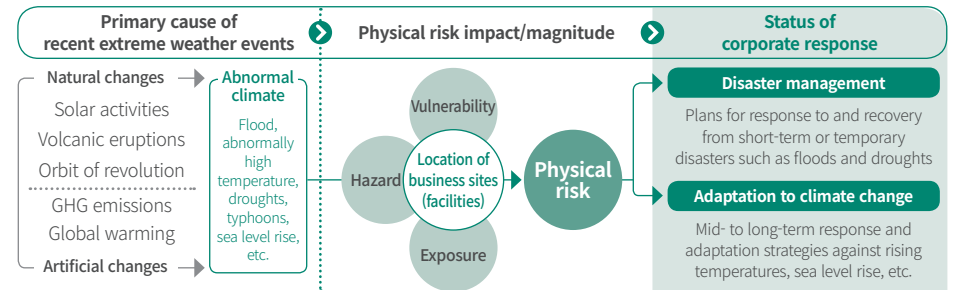
Plating factory flood damage



Color-coating factory flood damage

## Climate Change Scenarios: Transition Risks and Opportunities

POSCO STEELEON recognized the importance of physical risk management due to climate change after experiencing the damage caused by Typhoon Hinnamnor in 2022. In particular, it judged that natural disasters such as typhoons and floods will lead to production disruptions and facility damages considering the location and climate vulnerability of its business site. Accordingly, the company expanded its flood response infrastructure including installation of water barriers, repair of drainage channels, and reinforcement of disaster prevention facilities at its major business sites. We have also reinforced our response system to protect assets and personnel from natural disasters. In addition, we have continuously promoted measures for adapting to climate change by deploying a flexible supply chain and improving the work environment to minimize the impact of abnormal climate phenomena such as precipitation volatility and heat waves on the raw materials supply chain and work environment of the workers.



## Results of Analysis of Climate Change Scenarios

Risk type	Crisis	Impact	Potential financial impact	Point of time			Response strategies and status
				Short-term	Mid-term	Long-term	
Policies and laws	Purchase of carbon emission rights and renewable energy	Rise of carbon emission rights	Rising cost of GHG emission rights	●	●		<ul style="list-style-type: none"> <li>Further intensified review of ESG activities by the board</li> <li>Transition to specific strategies for Decarbonization</li> </ul>
	Regulation of GHG emissions	Investment in new equipment and product development	Rising cost of responding to tightened emission regulation	●	●		<ul style="list-style-type: none"> <li>Enhanced cooperation among Group companies in response to ESG management</li> </ul>
	Enhanced regulation of greenwashing	Tightening regulation overseas	Rising cost of communication with consumers and litigation	●	●	●	<ul style="list-style-type: none"> <li>Operating an eco-friendly management activity review committee</li> </ul>
Technologies	Low-carbon raw materials and products	Failed investment in new technologies	Rising cost due to failed investment in new technologies	●	●		<ul style="list-style-type: none"> <li>Introduction of technologies for POSCO hydrogen gas-utilizing heating oven and hydrogen burner commercialization</li> </ul>
	Eco-friendly processes and equipment	Introduction of low-carbon emission facilities and emergence of alternative materials	Increasing costs of R&D, process and facility replacements		●	●	<ul style="list-style-type: none"> <li>Boiler replacement (LNG → steam), wastewater facility fuel replacement (steam → chemical or plasma treatment)</li> <li>Increase of rooftop solar power panels</li> </ul>
Markets	Increased demand for low-carbon products	Increased uncertainty of the market	Increased raw material procurement costs		●	●	<ul style="list-style-type: none"> <li>Measuring carbon emissions based on LCA and acquiring certification</li> </ul>
	Emerging new trade barriers related to the environment	Changes in consumer behavior	Increased costs of eco-friendly certification	●	●	●	<ul style="list-style-type: none"> <li>R&amp;D for products consuming less energy</li> </ul>
	Product requirements for carbon emission	Rising cost of raw materials	Rising cost of products	●	●	●	<ul style="list-style-type: none"> <li>Increased applications of plated steel sheets for electric vehicles</li> </ul>
Reputation	Constantly increasing stakeholders' demand for eco-friendly products	Negative perception of the steel industry	Growing cost of responding to the negative perception of businesses emitting carbon excessively	●	●		<ul style="list-style-type: none"> <li>Standardization and systemization of ESG data</li> </ul>
	Mandatory ESG disclosure	Response to ESG disclosure	Increased costs of internal information management and labor responding to ESG disclosures		●	●	<ul style="list-style-type: none"> <li>Sharing risk response performance with stakeholders</li> </ul>
Acute	Extreme weather events (typhoons, earthquakes, cold waves, heat waves)	Production loss due to increased natural disasters	Increased loss costs due to production interruptions such as damage restoration and preventive repair costs	●	●		<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>
		Safety risk for workers and lowered productivity	Increased safety management cost and decreased production	●	●		
		Increased energy consumed due to abnormal climate	Increased energy costs	●	●		
		Increased volatility of supply of raw and subsidiary materials	Increased hedge cost due to volatility of supply of raw and subsidiary materials	●	●		
Chronic	Rise in average temperature	Equipment damaged due to long-term high temperature	Prevention of decline in production site operation rate, costs incurred in the course of new facility introduction, increased insurance and reinsurance costs		●	●	<ul style="list-style-type: none"> <li>Continuous implementation of Decarbonization goals</li> <li>Preparing and implementing response plans for each stage of temperature rise</li> </ul>
		Increase in electricity costs and decrease in labor productivity	Increased operating costs and decreased business revenue		●	●	

### Major opportunity factors and contents

- Reduction of unit cost of energy efficiency enhancement
- Generation of income from carbon trading participation

- Increase of market share by expanding low-carbon product lines
- Gaining competitive advantage through water saving and increased waste reuse rate

### Organization of Eco-friendly Management Activities Review Committee

As climate change risks increase, responding to transition risks by type is becoming increasingly crucial. Given the strengthened statutory regulation related to climate change response, the transparency and reliability of companies' eco-friendly management activities are becoming increasingly important. It is essential for companies to prove their sincerity with regard to environmental protection and sustainability. Accordingly, POSCO STEELEON has organized its "Eco-Friendly Management Activities Review Committee" to enhance its environmental regulation response and sustainable management. The Committee's main goals are to secure the reliability of information related to the company's products and management activities designed to reduce environmental impact, to diagnose and block greenwashing risks in advance, and to establish a preemptive response system for climate change, transition risk management, consumer communication, and increase of legal litigation costs.

#### Organization of Committees

Classification	Persons in charge	Key roles
Chairperson	Head of the Management Support Office	<ul style="list-style-type: none"> <li>Final review and resolution of greenwashing risk-related issues</li> </ul>
	Sustainable Management Section	<ul style="list-style-type: none"> <li>Communication window of departments making related requests</li> <li>Selection of agenda items for review and meeting guidance</li> <li>Review, etc. of possible conflicts with global initiatives and ESG evaluations</li> </ul>
Review committee members (Heads of departments in charge)	Legal Support Section	<ul style="list-style-type: none"> <li>Judgment on possible conflicts with related statutes and regulations, deliberation opinions</li> </ul>
	Safety and Environment Group	<ul style="list-style-type: none"> <li>Review of use of Decarbonization-related terms and base data for carbon reduction</li> </ul>
	Plating/Color Product Technology Group	<ul style="list-style-type: none"> <li>Review of base data for environmental impact-reducing products and certificates, etc.</li> </ul>
	Plating/Color Building Materials Sales Group	<ul style="list-style-type: none"> <li>Review of customers' requirements for environmental impact-reducing products and competitor trends</li> </ul>

The Committee will have internal working-level departments, heads of departments in charge of sustainable management, and external experts from POSCO's sustainable management group. It will operate a step-by-step review procedure; first, the working-level department will conduct a preliminary review of promotional contents on products and activities for reducing environmental impact. If their ripple effect is deemed significant, an internal review committee will further examine and supplement the contents. If the internal committee is unable to make a final decision on any matter, the final decision is made based on advice by external experts from the POSCO Sustainability Management Group. In order to solidify the sustainable management system, we plan to promote employee education and enhance communication continuously. In doing so, POSCO STEELEON will leap forward as a leading ESG company by preventing legal risks in advance while further solidifying consumers' trust.

#### Steering Committee



#### Key Check Items of Greenwashing

<b>Business activities</b>	False/Exaggerated publicity, clarity, insufficient evidence, inconsistency between words and actions, ambiguous claims, life cycle reliability
<b>Products</b>	Hiding conflicting effects, characteristics of life cycle process, insufficient evidence, ambiguous claims, irrelevant claims, false/exaggerated publicity, justification of harmful products, inappropriate certification labels, and clarity

## 2050 Decarbonization Implementation Plan

POSCO STEELEON has strengthened its low-carbon management system including improvement of energy efficiency, fuel conversion, and introduction of new and renewable energy, in keeping with the POSCO Group’s goal of realizing decarbonization by 2050. It plans to achieve Decarbonization by 2050 by reducing its carbon emission from an average of 117 thousand tons (ktCO<sub>2</sub>) from 2017 to 2019 to 92,000 tons by 2030 and 59,000 tons by 2040.

Goals	<b>Strengthened low-carbon management system by improving energy efficiency through fuel conversion, introducing new and renewable energy</b>		
Strategic directions	<b>Optimized operation</b> Energy efficiency enhanced (by 2030)	<b>Fuel conversion</b> Reducing direct and indirect emitted volumes (by 2040)	<b>Application of new technologies</b> Decarbonization goal attached (by 2050)
Core values	<ul style="list-style-type: none"> <li>• Increased utilization of steam from waste heat</li> <li>• Replacing boiler fuel</li> <li>• Increased purchase of renewable energy (15%)</li> <li>• Change of operating conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Fuel conversion</li> <li>• Development of Low-Carbon Raw Materials</li> <li>• Increased purchase of renewable energy (30%)</li> </ul>	<ul style="list-style-type: none"> <li>• Equipment replaced</li> <li>• Introduction of new technologies</li> <li>• Development of raw materials that reduce carbon emission (100%)</li> </ul>

## Schedule for Promoting the 2050 Decarbonization Scheme

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

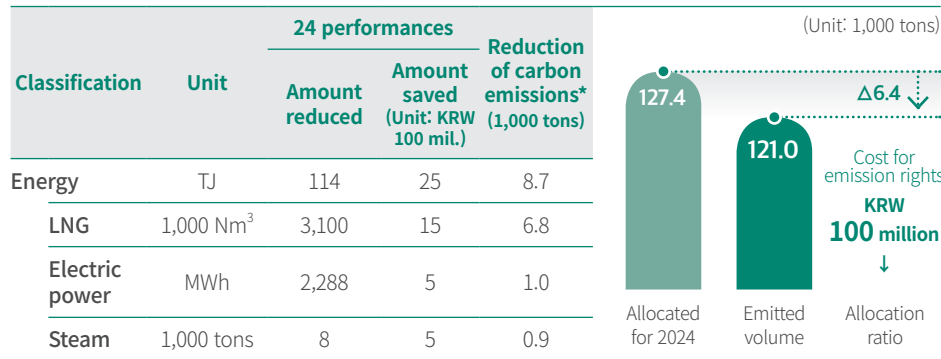
	2017	2019	2024	2030	2040	2050
<b>Regulatory target</b>	117,130 <sup>1)</sup>		120,953	91,978 △21%	58,504 △50%	Decarbonization to be attained in 2050 △100%
<b>Emissions reduction milestones</b>	Fuel switching (LNG → Hydrogen)			6,255	32,889	60,928
	Equipment replacement (boilers, wastewater treatment equipment, fuel replacement, etc.)			11,063	11,273	11,903
	Energy efficiency improvement (lowering of annealing temperature, LNG use reduction, etc.)			1,264	1,414	1,584
	Investment in new and renewable energy			6,300	13,050	42,661
	<b>Total</b>			<b>25,152</b>	<b>58,625</b>	<b>117,130</b>
<b>Strategic investment</b>				KRW 7.8 billion	KRW 12.4 billion	KRW 1.2 billion

1) Average emissions over a three-year period from 2017 to 2019, basis of allocation from 2021 to 2025

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

### Energy Saved, Carbon Emission Decreased in 2024

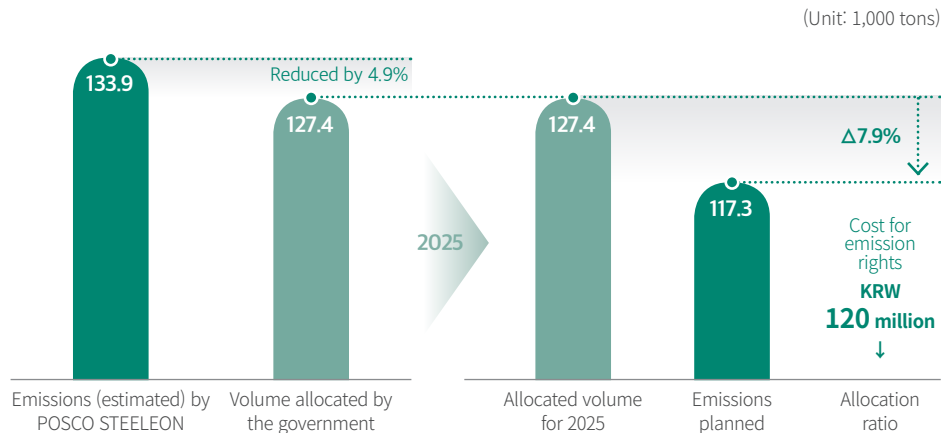
POSCO STEELEON has completed 21 out of 27 energy reduction improvement activities for 2024, focusing on activities that reduce carbon emission and pollutants and prevent environmental risks; thus resulting in reducing energy by 114 TJ, carbon emission by 8,700 tons, and KRW 2.5 billion in costs.



\* Scope 1: LNG; Scope 2: Electric power, steam.

### 2025 plan for reducing carbon emissions

By 2025, we aim to reduce carbon emissions by 10,100 tons, energy by 95 TJ, and cost by KRW 1.7 billion through activities for operational facility optimization or improvement.



### “2050 Decarbonization” Implementation Plan

POSCO STEELEON has promoted three key strategies to achieve its 2050 Decarbonization goal.

#### First, we are optimizing operations to maximize energy efficiency.

To achieve this, we are actively utilizing waste heat to increase steam use and expanding steam procurement from external sources. We are also reducing energy consumption by optimizing operating conditions and upgrading facilities such as installing pot cell covers in plating lines and enhancing heat exchanger efficiency. In addition, we are reviewing measures to reduce steam use in the wastewater treatment process, aiming to increase the proportion of renewable energy used to 15%.

#### Second, we are reducing carbon emissions through fuel conversion.

In order to replace natural gas with hydrogen gradually, the company plans to convert fuel into hydrogen for plating line 1 and color-coating lines 1 and 3. It will also convert existing equipment using natural gas into steam-based ones in order to switch to processes causing less environmental impact. In addition, we plan to reduce carbon emissions by developing carbon-reducing raw materials for road paving and other applications as new materials. We will also increase the proportion of renewable energy purchases to 30%.

#### Third, we are realizing decarbonization through the adoption of new technologies.

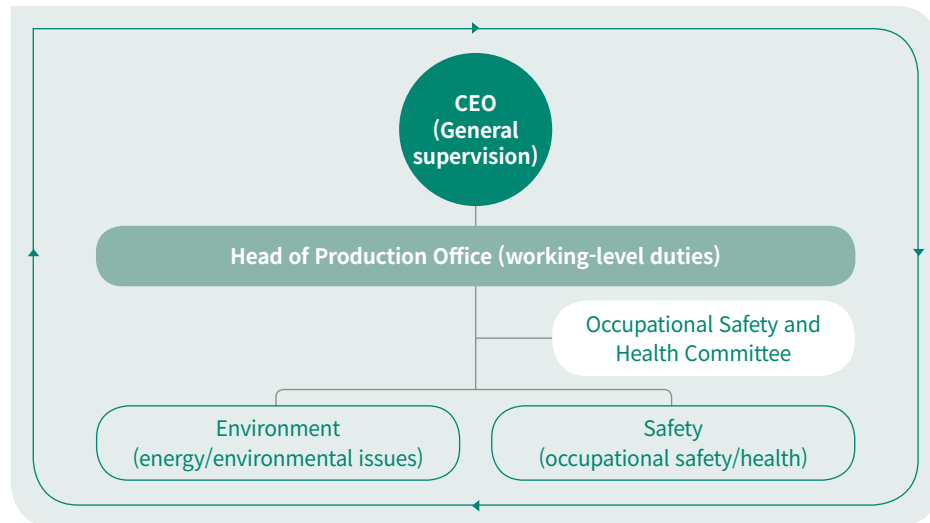
We plan to advance fuel conversion further by replacing natural gas with hydrogen for plating line 2 and color lines 2 and 4 as well. We will also introduce pure oxygen combustion technology to increase combustion efficiency. In addition, we plan to apply an innovative method of operating the processes at low temperatures below 60°C, which is lower than the current one. We are also targeting full Decarbonization by increasing the proportion of renewable energy utilization to 100%.

Through cooperation with the POSCO Group, POSCO STEELEON has actively promoted strategic projects for increasing renewable energy application. It has also made company-wide efforts to establish a sustainable carbon reduction management system.

# Environmental Management

## Policies on Environmental Management Organization and Authority

POSCO STEELEON has operated a systematic environmental management system (ISO14001) to realize sustainable management and present a model for global environmental management. The environmental management organization is under the CEO and is organized around the safety and environment group under the production office director. This group is divided into the safety and environment parts—each responsible for industrial safety and health—and environmental protection and energy conservation, playing a role in minimizing the company’s environmental impact. In addition, environmental performance is set as the CEO’s key performance indicator (KPI) and evaluated at the POSCO Group level. In doing so, we have deployed a system that transparently manages environmental performance and enhances the company’s environmental responsibility. We have also clearly specified the environment-related matters in the board of directors’ operating regulations, thereby clarifying the board’s roles and responsibilities with regard to environmental issues. Through this, we actively support the development and implementation of corporate-level environmental strategies.



## Agenda Items Referred to the BOD

### 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. Safety and health-related plans
- E. Appointed by the CEO among the internal directors, President, and Vice President, Executive Managing Director and Executive Director positions granted
- F. Enactment, revision, or abolition of important policies and regulations (Board of Directors Operating Regulations, Officers’ Compensation Regulations, Officers’ Retirement Benefits Regulations, Internal Accounting Management Regulations)
- G. Reporting by the internal accounting manager and auditor on the operation status of the internal accounting management system
- H. Decision on expert assistance to directors

## Responsibility and Authority Regulations

Items	Details	Head of department	Director (head of office)	President
<Environment>	1. Operation and recording of emission (discharging) and prevention facilities	●		
a. Environmental management	2. Self-measurement, data analysis, and statistics	●		
b. External affairs related to environmental management	3. Maintaining records of industrial waste management and treatment performance	●	●	
	4. Control and improvement of emission pollutants			
c. Plan developed	1. Licensing and permits		●	
	2. Planning treatment of related issues and reporting performance		●	
	3. Undergoes inspection by the relevant government agencies	●		
d. Operation of consultative bodies	1. Environmental, safety, health, and firefighting plans			●
	1. Report on the outcome of Safety and Health Committee/Safety and Health Council meetings		●	
e. Appointment or dismissal	1. Appointment or dismissal of statutory managers (environment, safety, health, firefighting, hazardous items)	●		

## 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 implement 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 continuously improve the environment by considering the entire process while complying with environmental laws and regulations.
- We minimize pollutant emissions by adopting clean production processes and applying optimal prevention technologies.
- We build a resource-recycling society and improve ecological efficiency by effectively utilizing natural resources, by-products, etc.
- We lead low-carbon green growth by reducing greenhouse gas emissions through the use of clean energy and application of green technologies.
- We secure 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, and prioritizes environmental management as per this environmental policy for customer satisfaction through continuous improvement; all officers and employees understand the environmental policy and do their best to consider the environmental and ethical perspectives.



## Environmental Education

POSCO STEELEON focuses its efforts on fostering professional talents so that its officers and employees can deeply understand and practice their role in environmental conservation while continuously improving and developing its environmental education programs to realize truly sustainable management. Through the environmental education, we encourage our customers and local communities to understand the importance of environmental conservation activities and participate actively. Based on this, we fulfill our corporate social responsibility and contributes to building a sustainable society. In addition, we operate an internal program for enhancing environmental capabilities to encourage our employees to participate in and contribute to environmental conservation efforts.

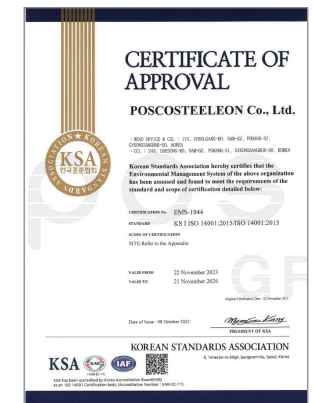
### Number of Participants in Environmental Education

Classification	2022	2023	2024
Number of persons participating in environmental education	235	448*	438

\* Since 2023, the number of participants has been counted with all personnel working in the company’s premises, including the partners’ personnel.

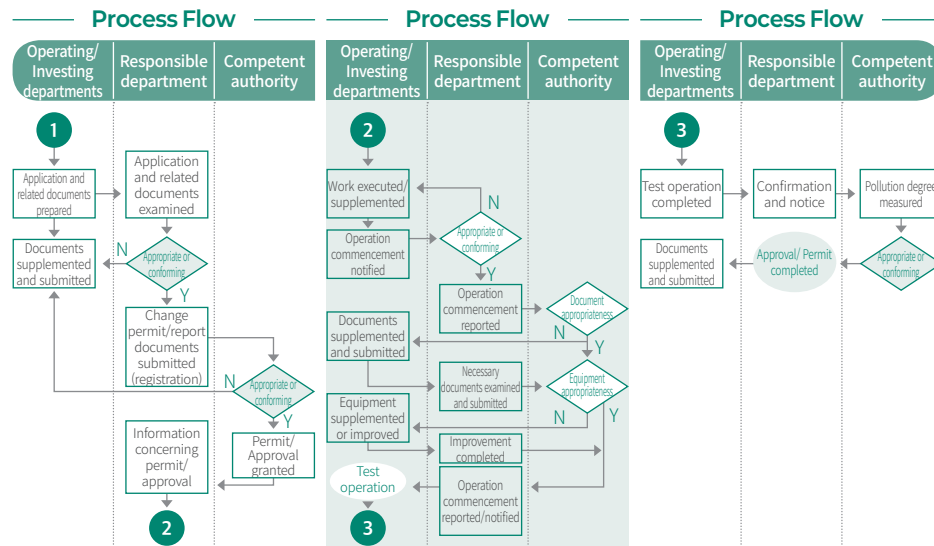
## Certification of Environmental Management

POSCO STEELEON has deployed an environmental management system based on its ISO 14001 certification, an international standard for environmental management that it has applied to its environmental management at its workplaces. Every year, the environmental department conducts internal audits for all individual departments, which undergo post-management and recertification audits by external professional certification agencies. The results of the audits are reported to the top management to maintain an efficient environmental management system by supplementing its environmental strategies and goals based on the results. In addition, continuous improvement activities are implemented through KPI (Key Performance Indicator) management.



### Processes Responding to Environmental Approval/Permit

When change reporting to/licensing by the government is required for its integrated environmental management, POSCO STEELEON actively complies with statutes and regulations from document preparation to reporting of operation commencement in accordance with the government reporting procedures. We also strive to minimize risks to our business activities by improving the procedures in cooperation with the relevant departments.



### Compliance with Environmental Laws and Regulations

POSCO STEELEON has minimized environmental risks by continuously improving its efforts for proactively identifying environmental impacts that may occur throughout its business activities by deploying an enterprise-wide environment-oriented management system. In particular, we have fulfilled our environmental responsibility as a business by thoroughly complying with or actively meeting the requirements under major environmental statutes and regulations, such as the Act on the Integrated Control of Pollutant-Discharging Facilities. In addition, we have further reinforced its ESG management by applying environmental improvement measures that can effectively reduce pollutant emissions. We also respond proactively to tightening environmental regulation by conducting education for integrated environmental management personnel on policy trends given the tightening environmental laws and regulations and on their enactment and amendment.

Major Laws	POSCO STEELEON's response
Act on the Integrated Control of Pollutant-Discharging Facilities	We prepare measures to reduce pollutant emissions effectively for the substantial improvement of the environment by applying the best available techniques, improving control processes, and reviewing emission standards in advance.
Waste Control Act	We have actively responded to the management of the waste generated at our workplaces by controlling general/designated waste, registering the "correct system for waste disposal," and reporting waste management performances to the government.
Act on Liability for Environmental Damage and Relief Thereof	We have environmental liability insurance. We strengthen management supervision to prevent environmental accidents.
Special Act on the Improvement of Air Quality in Air Control Zones	We operate a remote chimney monitoring system (TMS) to comply with the total chimney emission regulation.
Chemical Substances Control Act	More hazardous chemical substances have recently been designated. We control them safely through proactive monitoring.
Act on the Allocation and Trading of Greenhouse-Gas Emission Permits	We calculate greenhouse gas emissions each year for the transparent disclosure of data verified by external independent entities.
Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis	We derive implementation plans by setting mid- to long-term Decarbonization strategies and directions and developing a system for reducing carbon emissions.

### Violation of Environmental Laws

One case of violating environmental laws in 2024 involved an incident wherein water pollutants exceeded the standard level at a color-coating factory. We performed an internal cause analysis of the case and conducted work process compliance training for the related workers to prevent recurrence.

Classification	2022	2023	2024
Number of cases of violating environmental statutes	2***	1**	1
Number of financial sanctions imposed for violating environmental laws	2***	1**	0
Number of non-financial sanctions imposed for violating environmental laws	0	0	1*

\* Administrative order for improvement due to exceeding the water quality pollutant standards at color-coating factory, payment of surcharge for excess water quality discharge

\*\* Payment of fine for violating the waste management law

\*\*\* Plating factory (failure to report changes in the Atmospheric Emissions facility permit), color-coating factory (failure to report changes in the wastewater discharge facility installation permit)

# Environment-Friendly Products and R&D

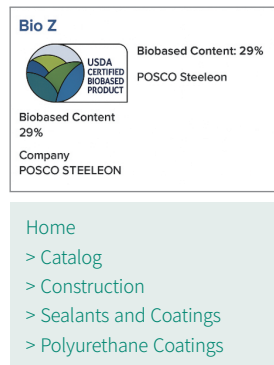
## Standards for Products That Reduce Environmental Impact

POSCO STEELEON’s environmental impact-reducing products are classified according to the ISO (International Organization for Standardization) environmental labeling\* standards.

### Environmental Impact-Reducing Products

#### ALZASTA with Biomass-based Cr-Free surface treatment agent, “Bio Z” applied to 55% melted aluminum-zinc alloy-coated steel sheet (ALZASTA)

“Bio Z” is a water-dispersible polyurethane coating agent produced through the polymerization of isocyanate and bio-based polyol. It uses water as solvent, with hardener and wetting agents applied as well. In particular, polyol as the main raw material is a biomass polyol obtained through the microbial culture of sugar extracted from sugarcane to replace petroleum raw materials. Bio Z has been certified by an official testing agency (Beta Analytic) for its 29% biomass content, which exceeds the 25% standard of the BioPreferred program of the United States Department of Agriculture (USDA). It also acquired USDA certification in May 2023, which can be verified on the BioPreferred official website. This product forms a solid coating film through a heat-curing process and features excellent environmental resistance quality such as resistance to moisture, acid, alkali, and weather. It also shows excellent performance in fingerprint resistance, processability, and molding. It has attracted attention as a product that can be applied to diverse industrial fields including home appliances and building materials. Bio Z ALZASTA is an environmental label based on a single environmental attribute, corresponding to Type II of ISO 14021.



\* Environmental labeling refers to information means that helps consumers identify and select products with superior environmental performance compared to other products with the same use. In a narrow sense, environmental labeling is classified into Type I (third-party certification), Type II (self-assertion), and Type III (information disclosure) according to the ISO classification. When interpreted broadly, however, single-issue labeling that considers only specific aspects of the product—such as recycling and energy conservation—and eco-friendly agricultural and fishery product labeling are also considered to be types of environmental labeling. Source: Environmental Industry & Technology Institute

## Securing EPD Certification based on LCA and Responding to Global Environmental Regulations

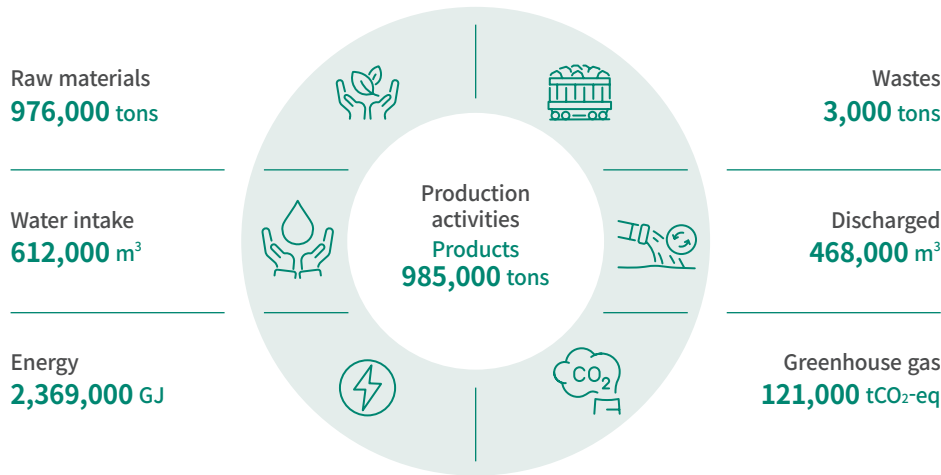
Given the increasing demand worldwide for the submission of Environmental Product Declaration (EPD) certification, steel products are becoming essential basic raw materials that must consider environmental regulation in various manufacturing fields including building materials and automobile industries. POSCO STEELEON quantitatively identifies and controls the environmental impacts generated by its products throughout their entire life cycle from raw material mining to manufacturing, application, and disposal through the Life Cycle Assessment (LCA). Based on this, it has promoted various improvement activities to minimize environmental impacts. It also responds proactively to global environmental regulations such as the EU Carbon Border Adjustment Mechanism (CBAM). As a result of these continuous efforts, we have acquired International EPD (Europe) certification for a total of 12 products consisting of 8 plated products and 4 color-coated products. Having objectively proven the environmental performance of the products, the certification can be used as evidence of the company’s compliance with environmental regulations when bidding for public facilities or construction projects in Europe. From the customer’s perspective, it can also simplify the certification process and reduce related costs; thus contributing to the deployment of an environment-friendly supply chain. We will continue to build a system that can proactively respond to environmental regulations by precisely calculating and analyzing carbon emissions by product and unit process.

Classification	Certified products	Applications	Certification period	Certifying agency
<b>Plating (8 cases)</b>	• 1 case of MACOSTA for architectural use and 1 case for general use • 1 case of ALZASTA for architectural use and 1 case for general use • 1 case of ALCOSTA for architectural use and 1 case for general use • 1 case of ALSUSTA for architectural use and 1 case for general use	Exclusive of building materials	Nov. 11, 2024 -	EPD International
	• 1 case of PVS2 for architectural use			
<b>Color-coating (4 cases)</b>	• 1 case of PGS, PES2, PSP2, PPG, PBG2 for architectural use • 1 case of PCS, PCS3, PCS5, PCS11, PLY2, POR2, PPH, POR for general use • 1 case of PGS, PES2, PSP2, PPG, PBG2, PVS2 for general use	Building materials, consumer appliances	Nov. 11, 2029	EPD International

\* The international standards for evaluating and reporting the environmental performance of products include: EU - International certification; US - UL certification; and domestic - Ministry of Environment certification. As the oldest certification body, EPD International is a Swedish certification body with the most extensive track record in the world.

# Environmental Management

## Energy Consumed and GHG Emissions



## GHG Emissions, Volume of Energy Consumed

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

Classification	2022	2023	2024	
			Goals	Performance
Scope1	52,926	58,699	60,175	64,212
Scope2	55,536	55,718	58,312	56,741
<b>Total</b>	<b>108,462</b>	<b>114,417</b>	<b>118,487</b>	<b>120,953</b>
Fuel	990,458	1,132,042	1,188,000	1,187,224
Electric power	1,017,328	1,101,172	1,134,000	1,115,265
Steam	141,506	98,685	101,330	67,003

\* Data scope: Domestic business sites (plating factory, color-coating factory, PosART, Seoul Office)

## 2024 Activities for Reducing Carbon/Saving Energy

POSCO STEELEON has continuously exerted efforts to make its industrial structure environment-friendly, with the goal of achieving Decarbonization by 2050. Despite its difficult business environment, the company has increased environmental investment to achieve Decarbonization while responding to environmental regulations. It achieved total cost reduction of KRW 2.54 billion in 2024 through 21 energy-saving improvement activities, including minimizing the waiting time for No. 1 through 4 CCL OVEN temperature rise at the color-coating plant (a creative innovation project). In the future, we will realize sustainable growth by enhancing our role as a leading ESG company through continuous investment and R&D for innovation to develop carbon emission reduction processes.

## Details of Green Investment and 2024 Major Environmental Investment

(Unit: KRW 1 million)

Classification	Performance of investment in reducing environmental impact		
	2022	2023	2024
Air	2,677	225	3,332
Water quality	0	0	58
Others (soil, energy, etc.)	0	55	28
<b>Total</b>	<b>2,677</b>	<b>310</b>	<b>3,418</b>

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

POSCO STEELEON systematically controls the total amount of air pollutants as a key indicator. It maintains emission concentrations in a stable manner by applying an internal management standard that is 20% tighter than the statutory standard. The company has made efforts for additional reduction by signing an agreement with the Daegu Regional Environmental Office during the high concentration period of fine dust (December to March). In 2024, we reduced emissions by approximately 45 tons compared to our target. We plan to continue activities for improving the air environment by complying with the environmental regulations while making equipment investment and improving our process, with the goal of reducing nitrogen oxides (NOx) emissions by 25 tons by 2030.



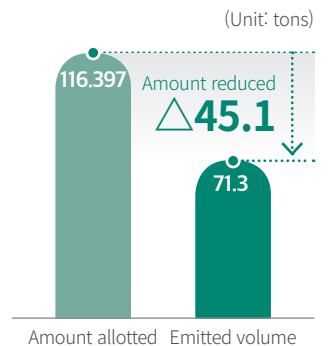
### Performance of Emission and Reduction of Air Pollutants (NOx) (Unit: tons)

Classification	NOx emission recorded in 2022 to 2024		
	2022	2023	2024
Allotted amount (NOx)	106.0	114.709	116.397
Performance of allotted emission	71.5	72.125	71.318
Increase/Decrease	△34.5	△42.584	△45.079
Total amount of air-polluting substances*	181.920	235.532	201.949

This company has been allocated its nitrogen oxide (NOx) emissions volume as it runs a business requiring control of its total air pollutants emitted. The total NOx emissions of the target facilities in 2024 stood at 71.318 tons. (The total NOx emissions of its entire business site were pegged at 76.8 tons, including facilities not subject to the total amount management.)

### Performance of Allocated NOx Emissions in 2024 (Unit: tons)

Classification	2024 performance		
	Amount allotted	Emitted volume	Amount reduced
Grand total	116.397	71.318	45.079
Plating plant	58.993	47.392	11.601
Color-coating plant	57.404	23.926	33.478



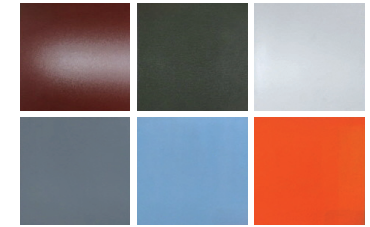
\* Total emissions of NOx, SOx, CO, metals (nickel, chromium, VI, lead, cobalt), volatile organic compounds (VOCs), and dust

# POSCO STEELEON

## Response to Environmental Regulation and Efforts for Reducing Harmful Substances

### Recycle-Bio Color Steel Sheet

POSCO STEELEON's Recycle-Bio color steel sheet, which uses technology that combines waste plastic and biomass raw materials, chemically recycles them by thermally decomposing PET in molecular structure form to extract polymers. The existing fossil fuel-based raw materials are replaced by utilizing the monomers obtained from corn extracts, etc. The company already developed biomass-applied color steel sheets for supply for school interior materials in 2023. The product was certified to contain 37% biomass components through radioactive carbon isotope (C-14) content analysis by BETA Laboratory in the United States. In the future, we will make more effort to respond to environmental regulation by expanding the scope of Recycle-Bio color steel sheets' application to more diversified purposes.



### Development of Urethane-coated Steel Sheets That Reduce NOx Emission

POSCO STEELEON has successfully developed and commercialized a urethane-coated steel sheet that reduces nitrogen oxide (NOx) emission. It has developed a urethane-coated steel sheet by applying NOx reduction technology to solve the problem of nitrogen oxide generated during the thermal curing process of isocyanate, a hardening resin included in urethane paint. Its quality was evaluated in May 2024 to verify its processability for customer companies, with less than 49ppmv of nitrogen oxide emission measured in the test.

## Management of Chemical Substances

POSCO STEELEON has established an environmental management system based on ISO 14001, with the creation of a safe, healthy work environment as its top priority. Accordingly, we systematically evaluate the risks of hazardous chemicals handled at our workplaces and continuously strengthen our prevention and response systems. We proactively identify and manage potential risk factors attributable to chemicals in our workplaces by conducting hazard and risk assessments at 23 locations annually in the first half and second half of the year. We systematically manage 8 types of hazardous chemicals in our plating plants and 4 types in our color-coating plants. We also promote improvements continuously through in-house inspection of the facilities. In addition, we have done our best to ensure the safety of our workers and the local community by regularly repairing and maintaining old facilities, installing overflow dikes in preparation against hazardous substances to improve the work environment, and stocking up on first-aid medicines. We also conduct a mock training for responding to environmental accidents once a year to maintain a speedy effective response system in the event of an accident. Moreover, we operate a management system that fully complies with the government’s chemical substance regulations. We transparently report the results of our periodic inspections of hazardous chemical handling facilities to the Ministry of Environment. In addition, we do our best to secure the safety of the local community by strengthening preventive measures against unexpected accidents, including installing leak detectors and discharge dikes to prevent unexpected spills.

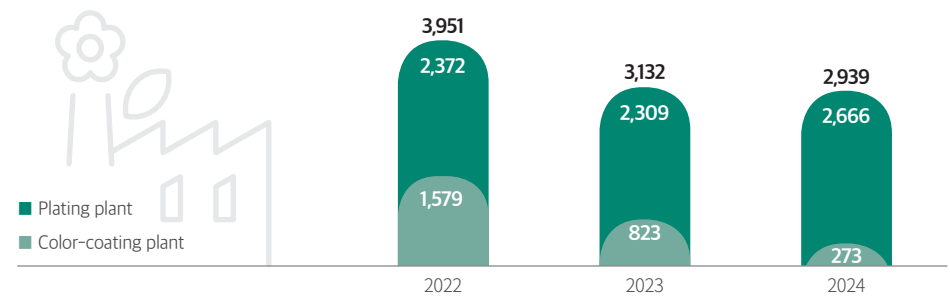
We have practiced management that prioritizes the health and safety of the workers and the local community through the systematic management of hazardous chemicals and activities for the continuous improvement of environment and safety. We will continue to do our best to develop a sustainable, safe environment by thoroughly complying with the relevant laws and regulations while further strengthening our hazardous chemicals management system.

## Consumption of Hazardous Chemicals

Classification (tons)	Toxic chemical substances consumed		
	2022	2023	2024
Toxic chemical substances consumed (Total)	3,951	3,132	2,939
Toxic chemical substances consumed (Plating)	2,372	2,309	2,666
Toxic chemical substances consumed (Color-coating)	1,579	823	273

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

\* NaOH, H<sub>2</sub>SO<sub>4</sub>, Cr, HCl, H<sub>2</sub>O<sub>2</sub>, methylpyrrolidine



## Hazardous Chemicals Management System

Controlling hazardous chemicals routinely	Prevention of hazardous substance accidents	Hazardous substance accident response system
Facilities storing hazardous substances ISO 14001-based business sites	Periodic and routine inspection Improvement and replacement of old facilities Sharing information on hazardous chemicals Conducts environmental education	Environmental accident response drills Installation of discharge dikes Equipping with disaster prevention equipment

### Waste and Byproduct Management

POSCO STEELEON has developed a waste management policy to define clearly the responsibilities and principles regarding waste treatment and management, which are shared with employees. Based on the policy, we have actively practiced efficient management methods such as those for waste separation, collection, and recycling. The company has improved its waste management by continuously monitoring the performance of its by-product treatment. It continually explores and applies more efficient, environment-friendly methods for waste and by-product management through R&D on sustainable management approaches. The company also tries to minimize waste generation in its color-coating factories by reusing scrap packaging materials for coil, recycling inner rings and sleeves, reducing the unit deviation of texture paints and supplying the minimum quantity of ink, implementing the 5P Movement in-house, and waging campaigns to reduce leftover food in the company cafeteria. We achieved a recycling rate of 79% in 2024, having recycled 2,576 tons out of a total of 3,282 tons of waste generated in our operation.

#### Wastes Generated and Recycled

(Unit: tons)

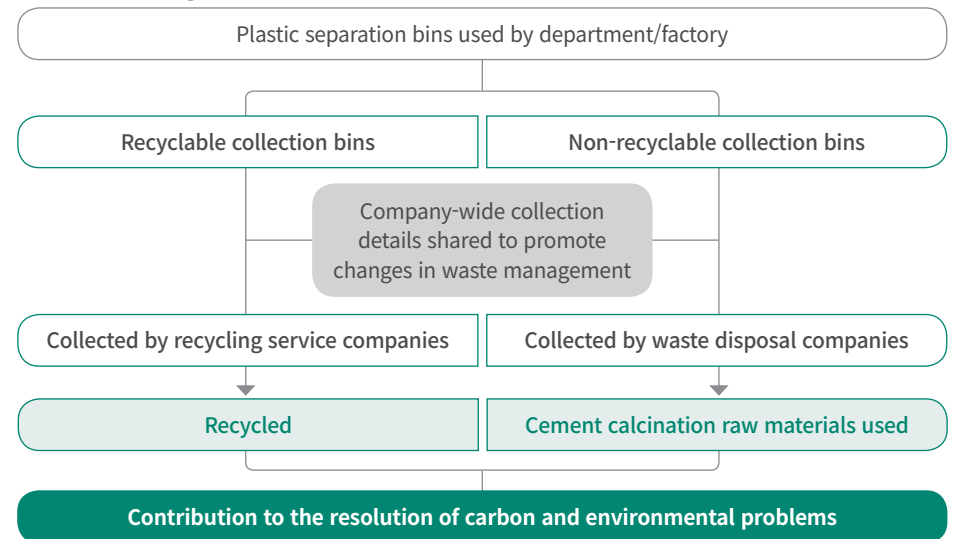
Classification	2022	2023	2024 goal	2024 performance
Amount of wastes generated	3,176	3,077	3,460	3,282
General wastes	1,434	816	1,285	1,323
Specified wastes	1,742	2,261	2,175	1,959
Volume recycled	2,520	2,388	2,349	2,576
Recycling rate (%)	79.3	78	68	79

\* Data scope: Domestic business sites (Plating, Color-coating, PosART)

### In-house 5P Movement

POSCO STEELEON has implemented the 5P Movement so that all employees can practice carbon reduction activities in their daily life. The 5P Movement is a program wherein all employees practice the following: △Use personal cups (Personal Cup); △Switch off standby power (Power Off); △Maintain proper temperature for heating and cooling (Proper Temperature); △Separate and collect waste plastic (Plasticless); and △Avoid printed materials (Paperless). The company continuously promotes ESG management as well by designating every Thursday as “Green Day” to remind constituents of the 5P Movement.

#### Plastic Recycling Process



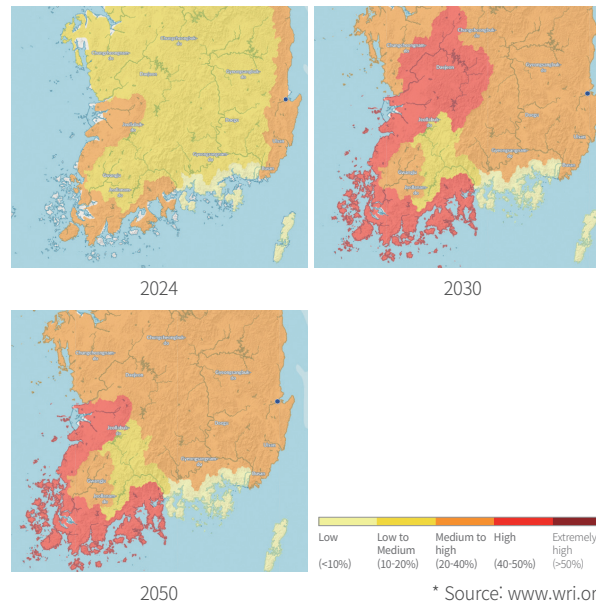
## Service Water Management and Water-related Risk

POSCO STEELEON steadily promotes activities to optimize its water use at its business sites in order to practice management that cares about environmental sustainability. In particular, we have reduced water consumption by improving the pretreatment equipment of our color-coating factory and reusing water through circulation in the air pollution-preventing facility of our plating factory while steadily renovating old facilities. Meanwhile, the water shortage risk in the Pohang area where POSCO STEELEON facilities are located is assessed to be “Medium-High (2-3)” based on the Aqueduct Water Risk Atlas of the World Resources Institute (WRI). Physical risk factors such as water stress index and water depletion likelihood are at medium or higher level, but the regulatory and reputational risks are relatively low. Nonetheless, we plan to strengthen efforts for sustainable water resource utilization considering the possibility of increased physical risks while proactively responding to the water shortage issue by optimizing its water resource management through continuous monitoring.

### Service Water Consumed and Wastewater Discharged (Unit: tons)

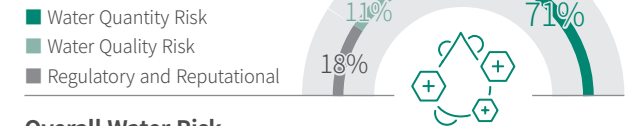
Classification	2022	2023	2024 goal	2024 performance
<b>Total volume of service water intake</b>	619,498	645,896	647,101	611,682
Potable water	-	21,673	-	22,227
Plating	-	13,008	-	14,317
Color-coating	-	8,665	-	7,910
<b>Industrial water</b>	619,498	624,223	647,701	589,455
Plating	285,411	340,575	351,722	348,263
Color-coating	334,087	283,648	295,379	241,192
<b>Volume used</b>	133,902	112,202	127,471	143,457
Plating	38,728	69,906	59,281	104,325
Color-coating	95,174	42,296	68,190	39,132
<b>Wastewater discharged</b>	485,596	512,021	503,771	468,225
Plating	245,963	270,669	282,414	258,255
Color-coating	239,633	241,352	221,357	209,970

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

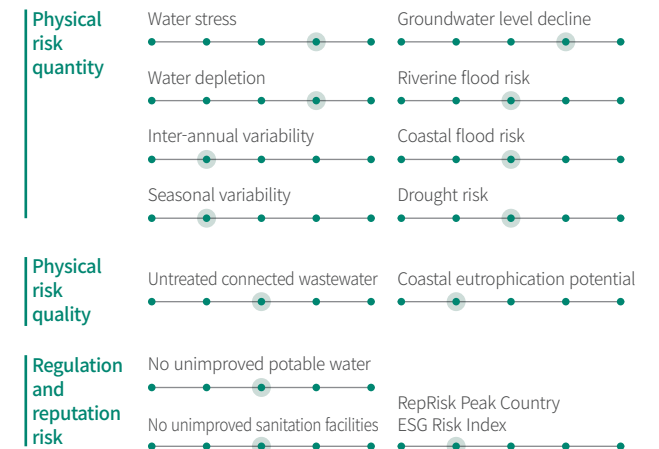


\* Source: www.wri.org.

### Indicators and Weighted Values



### Overall Water Risk



1) Scenarios used in the IPCC 6th Assessment Report, climate change scenario of Shared Socioeconomic Pathways (SSP) 2) Climate change scenarios - “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 level (1850-1900). SSP1 features sustainable socioeconomic growth including strict environmental regulation, 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 temperature increase of 2.8°C to 4.6°C by 2100. SSP3 is a socioeconomic scenario characterized by regional competition and inequality including 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 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 water and groundwater supply. Water demand includes that for domestic, industrial, irrigation, and livestock use. Available renewable water supply includes the impact on the users who consume upstream water and the impact of large dikes on downstream water availability. The higher this value is, the severer the competition becomes among the users.

### Response to Biodiversity Risk

The World Economic Forum (WEF) “2024 Global Risks Report” selected “biodiversity loss and ecosystem destruction” as the third major long-term risk factor that will threaten humanity over the next 10 years. This has been identified as one of the environmental crisis factors that global business leaders are most concerned about, following extreme weather events and serious changes in Earth’s system. Accordingly, POSCO STEELEON has actively participated in efforts for protecting natural habitats while maintaining sustainable ecosystems, having recognized the importance of biodiversity conservation. It continuously monitors the composition and population status of wild animals to identify changes in the ecosystem and to implement appropriate conservation measures accordingly. In addition, we continue efforts to preserve genetic diversity and to minimize the loss of natural habitats while pursuing viable or effective schemes for sustainable agriculture, aquaculture, forestry, and fishery resource management. We plan to continue research and enhance environment-friendly policies for protecting biodiversity in the future.

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

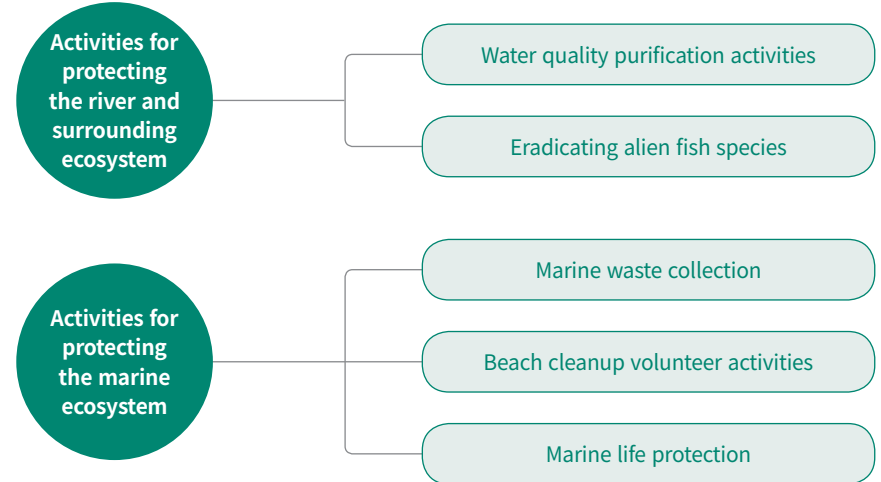
\* Source: Biodiversity of the Korean Peninsula, National Biological Resource Center



### Activities for Enhancing Efforts for Preserving Biodiversity

POSCO STEELEON strives to preserve biodiversity and to develop a sustainable environment by carrying out diverse activities to protect terrestrial and marine ecosystems. It actively carries out activities to eradicate alien fish species to protect rivers and surrounding ecosystems. In particular, the company holds fishing competitions for eradicating alien fish species like bass to maintain the balance of the river ecosystem; thus contributing to the restoration of a healthy ecosystem. In addition, we strive to maintain the ecological environment by performing animal feeding programs to protect wild animals living near the Chilseong-cheon river. As part of our efforts to improve water quality, we try to preserve the aquatic ecosystem by spraying EM fermentation solution and throwing mud balls around the river. In order to protect the marine ecosystem, we periodically implement marine waste collection programs; thus contributing to the improvement of the marine environment and restoration of the ecosystem. We also continue volunteer activities for beach cleanup to reduce coastal pollution to maintain a clean marine environment. As waste thrown into the ocean is a direct threat to the survival of marine life, we try to improve the habitat of marine life by removing such waste; thus contributing to biodiversity preservation. We plan to continue practical efforts to preserve biodiversity and restore the ecosystem by steadily promoting diverse activities for environment protection, including those for both terrestrial and marine ecosystems.

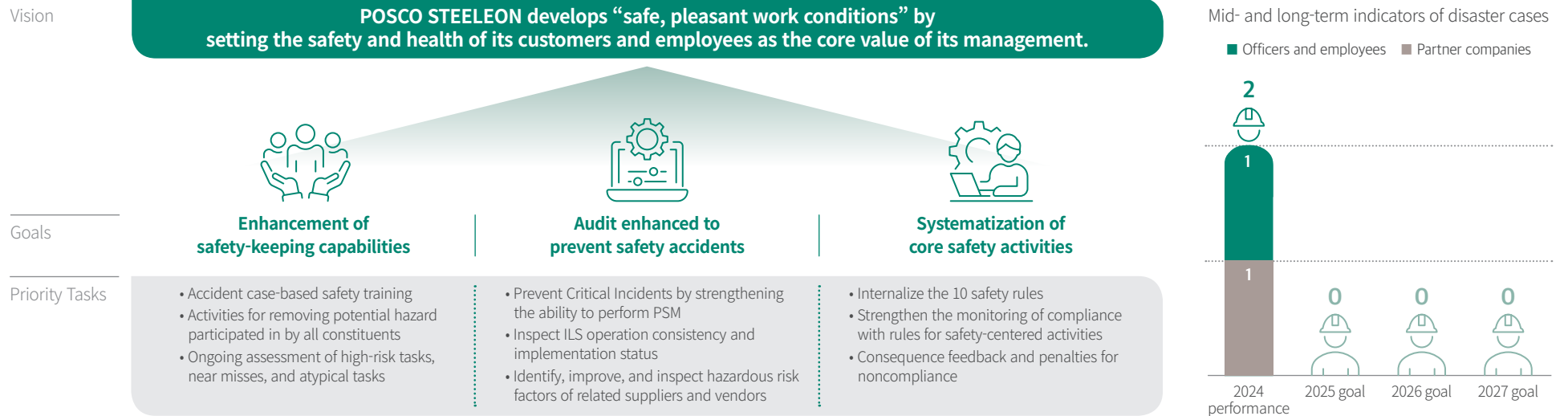
#### Activities to Preserve Biodiversity



# Safe Workplace

POSCO STEELEON has developed a safe work environment by strengthening systematic safety education, improving safety-related procedures, and tightening risk response and preventive measures while placing top priority on safety and health.

## Mid- and Long-term Goals for Safety and Health



We operate a case-based safety education program to help all employees increase their awareness and understanding of safety. Through such education, we support them in learning safe work methods and procedures in the work environment. Employees contribute to the discovery and correction of risk factors through potential risk improvement activities participated in by all of them. We have conducted preventive audit to prevent safety accidents, steadily exploring areas for improvement through periodic inspection and review of safety-related processes and procedures. In particular, we have periodically conducted risk assessments for high-risk work, near-miss accidents, and atypical work to ensure safety. We continuously improve systems and operating procedures by checking the suitability and implementation status of ILS operation.

In addition, we strive to maintain a safer work environment by thoroughly complying with the 10 safety rules while actively discovering and improving hazardous risk factors. We try to prevent risky behaviors of workers by monitoring their compliance with safety rules. We augment the safety culture at the worksite by providing praise and rewards to exemplary workers. With these comprehensive efforts, we ensure the safety and health of all employees as the top-priority duty by creating a safe, comfortable working environment.

## Policies for Safety and Health-oriented Management

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

1. Safety and health take precedence over all values, including production, quality, air, and delivery.
2. We strictly comply with laws and regulations on safety and health, as well as the company regulations.
3. We cultivate safety awareness and practical skills through systematic education and training.
4. We promote preventive and improvement activities to detect risk factors in advance.
5. All employees actively participate in safety and health promotion activities.
6. We deploy safety and health systems and check and improve the implementation status.
7. We maintain the safety management systems with the stakeholders such as partners.

## 10 Tasks to Promote

- 01 Programs for preventing five major adult diseases and closely monitoring those with health abnormalities
- 02 Preemptively preventing occupational diseases and responding to emergencies such as outbreak of infectious diseases



- 03 Intensively improving discovery and focusing on potential risks through daily, theme-based, and joint inspection
- 04 Transitioning to factory-led PSM, increasing support, and raising the management level



- 05 Establishment of safety management responsibility system
- 06 Strengthening sanctions for violations of safety rules by subcontractors
- 07 Strengthening safety education programs (expanding participatory-type programs)

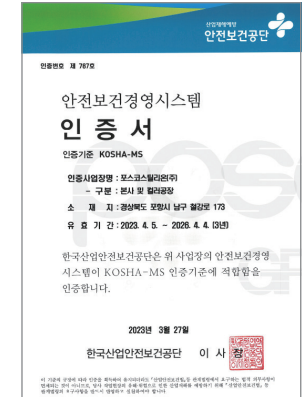


- 08 Expansion of safety management support for subcontractors
- 09 Cultivation of safety leadership and management capabilities
- 10 Recording zero accidents



## Certification of safety and health management systems

POSCO STEELEON has proven its commitment to the prevention of disasters and development of a safe work environment by deploying a safety and health management system with KOSHA-MS certification. We prevent accidents by identifying potential risks in advance in addition to our routine systematic safety activities, inspection, and education. By acquiring KOSHA MS certification, we are able to standardize and improve our safety and health management system continuously. We practice the corporate belief of prioritizing the safety of our employees. We at POSCO STEELEON will continue to do our best to develop a safe work environment with the goal of achieving a zero-accident workplace.



## Safety Education

We have established a safety culture within the company by operating systematic training programs to upgrade the leadership and roles of managers and supervisors. We provide special safety and MSDS training for crane operators and hazardous material handlers to improve their practical capabilities. We further enhance the safety management capabilities of our safety and health management officers and managers by providing them with job skills training. In addition, we internalize the safety culture and raise constituents' awareness of accident prevention. To that end, we have shortened the safety training validity from 1 year to 6 months in order to promote safety awareness continuously among personnel from outsourced vendors. We are doing our best to develop a safe work environment through continuous management and inspection so that everyone entering our business sites can thoroughly comply with the given safety rules.

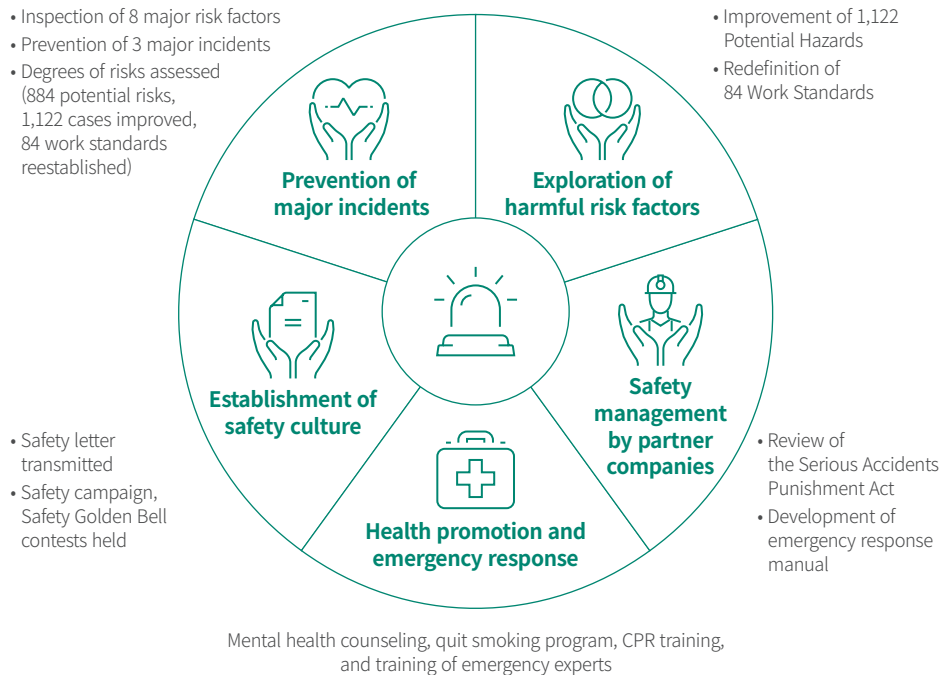
### Contents of Safety-related Education and Achieved Rate

Classification	2022	2023	2024
Completion rate of safety and health education (%)	100	100	100
Number of persons who acquired occupational safety certificates	12	11	12

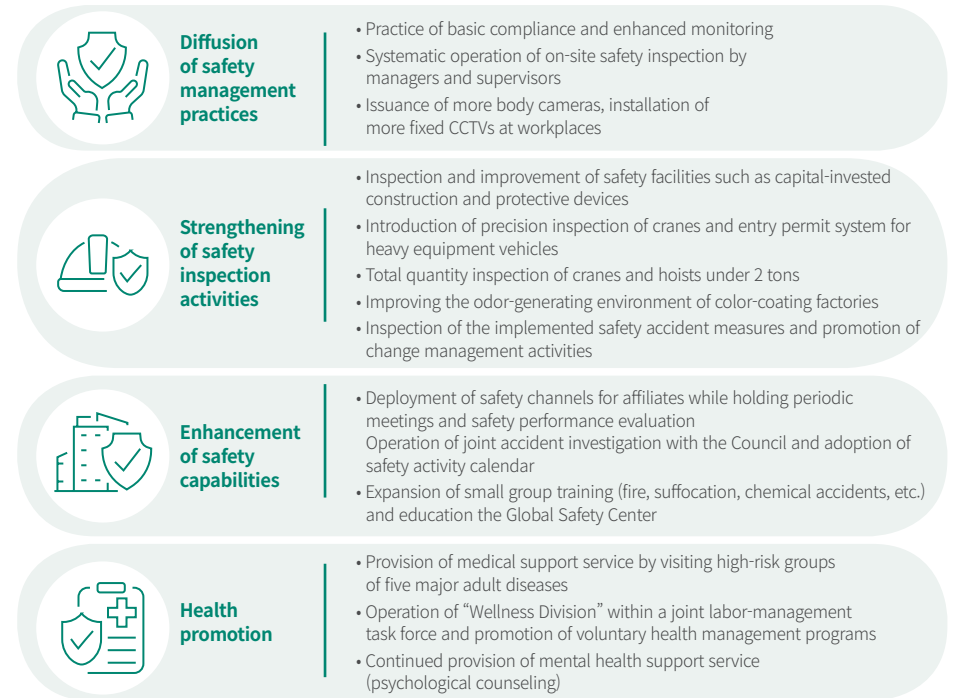
## Performance and Planning of Safe Operation

POSCO STEELEON carried out safety and health activities in 2024 for the prevention of major accidents and health promotion of its constituents. We checked the 8 major risk factors and also conducted theme inspection for improvement to prevent accidents, such as those related to falling, entrapment, and collision. In addition, we have reestablished work standards by evaluating degrees of risks and enhancing efforts for discovering hazardous risk factors. In order to propagate our safety culture, our CEO sent out a safety letter emphasizing compliance with safety rules. We also held Safety UCC contests, Safety Golden Bell contests, and safety campaigns. We have established a safety and health management system with our partner companies and prepared a manual for checking their compliance with laws and responding to major accidents. In order to promote health and enhance emergency response, we have supported stress surveys, mental health counseling, and quit smoking programs. We also trained CPR experts, held departmental emergency training sessions, and conducted CPR training for partner company personnel. In 2025, we plan to achieve the goal of zero accidents by spreading the safety management system to the personnel of the headquarters, departments, and affiliated companies. We will strengthen basic compliance practices and monitoring, provide more body cameras, install fixed CCTVs at major work sites, conduct precision inspection of cranes, introduce a permit system for heavy equipment entry, and improve odors at color-coating factories. To expand workers' participation, we will establish safety channels for affiliated companies and expand periodic safety meetings, joint accident investigation by the Labor-Management Council, small group training, and education at our Global Safety Center. In addition, we will develop a healthy work environment by continuing on-site medical support and mental health support.

### 2024 Performance of Safety and Health Activities



### 2025 Plans for Safety and Health Activities



### Risk Assessment Procedure

Risks are assessed in accordance with the given risk assessment guidelines. The purpose and method of the assessment have been provided, with the persons in charge and responsible persons appointed. Risk assessments are performed in accordance with the workers participating at the given timing and by the given procedure. The results are recorded for archiving and shared with the parties concerned.



### Identifying Harmful or Hazardous Factors

To identify harmful or hazardous factors, safety department managers and supervisors inspect factories, maintenance, and safety departments. All employees participate in activities aimed at identifying near-miss cases and potential risks. We also minimize risks by safety CCTV monitoring, conducting daily safety activities courtesy of the supervisors in charge, operating a safety whistleblowing system, discussing and reporting safety work plans in advance, and holding safety consultations before outsourcing work. We try to develop a safer workplace by holding Safety UCC Contests and One-Mind Unity Gathering. We also hold near-miss and potential risk discovery activities, with the participation rate raised by offering compensation.



Activities for identifying 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 new operation or processes</li> <li>• Before changes to equipment, procedures if required</li> <li>• Before use of new substances if any are adopted</li> <li>• When an accident occurs, such as a serious occupational incident</li> <li>• When deemed necessary based on 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 identified and 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 you want to explain the safety of your equipment easily to stakeholders</li> </ul>
Periodic assessment	<ul style="list-style-type: none"> <li>• Performance of machinery, equipment, facilities, etc. degraded over time (deterioration, loosening of screws, etc.)</li> <li>• Changes in knowledge or experiences related to safety and health, accompanying the replacement of workers, etc.</li> <li>• Acquisition of new knowledge related to safety and health</li> <li>• Effectiveness, etc. of risk reduction measures currently in place</li> </ul>
Ongoing assessment	<ul style="list-style-type: none"> <li>• Installation, relocation, modification, or dismantling of workplace structures</li> <li>• New introduction or modification of machinery, appliances, equipment, raw materials, etc.</li> <li>• Maintenance or repair of structures, machinery, appliances, equipment, etc. (excluding periodic evaluation that is conducted repeatedly)</li> <li>• New introduction or change of work methods or procedures</li> <li>• Major occupational incidents or disasters (limited to cases requiring medical treatment beyond a leave granted in such cases, performed before resuming work at the workplace where the accident occurred)</li> <li>• Other cases as the employer deems necessary</li> </ul>

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

We have conducted training for all workers in accordance with the revised “Guidelines for Risk Assessment at Workplaces.” We have also enhanced the effectiveness of risk assessment by segmenting the work processes based on work standards. In addition, we have analyzed risk factors more systematically through the full participation of the relevant operation and maintenance workers. In 2024, we conducted periodic assessment of plating plants, color-coating plants, and production equipment. We also carried out periodic risk assessment targeting atypical work, facility improvement, and prevention of recurrence of accidents including major near-miss cases and improvement of outsourced facilities. In doing so, we reviewed the risk assessment results focusing on the managers and supervisors. We have reflected the assessment results of 84 cases in the revision of work standards and completed improvement of high-risk equipment and facilities, work methods, etc. We proactively discovered 1,045 harmful and hazardous factors and improved 994 among them, and we are currently improving the remaining 51 factors. We have strengthened the roles of managers and supervisors in checking for unsafe behaviors and identifying manual work processes while eliminating atypical work types. In addition, we will further augment our disaster prevention programs based on execution capabilities by enhancing the operation of special inspection teams for investment projects and factory rationalization while upgrading the guidance of partner companies with regard to safety and health management systems.

#### Risk Assessment: Periodic and Ongoing

(Unit: cases)

Classification	Plating plant	Color-coating plant	Equipment technologies
Periodic risk assessment	63	383	54
Ongoing risk assessment	76	98	210

#### Exploration and Improvement of Risky Facilities and Potential Risks

(Unit: cases, %)

Classification	2023	2024	Improved in 2024	Improvement rate in 2024
Proactive	994	1,045	994	95%

#### Methods for Improving Risk Factors

Risk level	Management or control guidelines	Remarks
1~3 Negligible risks	Current safety measures maintained	
4~6 Negligible or trivial risks	Risks that require the provision of safety information and periodic standard work safety training	Dangerous tasks tolerated (Work can continue under the current conditions)
8 Minor risks	Risks requiring administrative measures such as 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 (Work can continue if there is no risk, 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 risk	Stoppage of work or operation (risks that require immediate correction or improvement if work is to be continued)	Hazardous or dangerous work not allowed (Work must be stopped immediately)



### Hazard-Sharing Activities, Citing Employees for Safety Activities

We archive records concerning the results of risk assessments, striving to ensure that they are shared with all workers at its business sites.

**TBM (Tool Box Meeting)** We ensure that related workers are fully aware of the hazardous and dangerous factors that may cause major occupational incidents through pre-work safety-ensuring meetings (TBM: Tool Box Meeting) before each work is started.

**Safety incident prevention and awareness sharing** We conduct continuing safety accident prevention and sharing activities by posting safety awareness-enhancing videos, producing and posting safety UCCs, operating 10 Essential Safety Rules and granting the right to stop operation, operating a zero-accident incentive system, distributing and training using safety awareness-enhancing materials every month, analyzing videos of high-risk areas, waging joint labor-management safety campaigns, establishing safety education centers, conducting joint drills with fire station personnel, performing safety diagnosis supported by other Group companies, and implementing rules developed for truck safety.

**Events for preventing safety accidents** We also held the Safety Golden Bell contest, a safety campaign for position holders, a safety resolution gathering before major repairs, the One-Mind Unity Gathering, and several theme-based activities such as firefighting, inspection for flood damage prevention, inspection of jigs and tools, and inspection for preventing freeze and rupture damages.

**Reward-linked proposal activities** When a safety suggestion is made after witnessing an unsafe facility, its performance is measured as the given process. A total of 596 safety suggestions were adopted and rewarded in 2024.



Safety Accident Prevention Activities

### Measuring the Working Environment, Managing Areas Handling Hazardous Factors, and Managing Areas that have Experienced Incidents

We measure the work environment twice a year for safety and health maintenance and manage the locations where hazardous factors are handled or have been identified. We also conduct work environment measurement, health checkup, preemptive management of occupational diseases, stress management, and hazardous chemical management.

**Measurement of work conditions** The work environment was measured in the first half (April) and second half (October) including that of partner companies, and the measurement results were good. The results were obtained by measuring 302 types of substances including sulfuric acid, formaldehyde, noise, and dust, measured at 40 locations each in the first half and second half.

**Health, sanitation, and welfare** A total of 1,564 workers, their spouses, and special examination subjects completed health checkups in the first half and second half of the year. Those with abnormal health findings are closely managed. No cancer or other serious diseases were found in the 2024 checkup results. Those 17 people who were found to have abnormal symptoms in the health checkups have been provided with follow-up services.

**Preemptive management of occupational diseases** We are conducting management activities to prevent occupational diseases.

<b>Education for musculoskeletal disease prevention</b>	Prevention education is provided for on-site shift workers.
<b>Operation of confined space work program</b>	Confined space work with oxygen concentration below 20.9% is prohibited. A total of 232 confined work spaces have been redefined, with on-hand education provided on the wearing of gas masks and use of rescue tripods.
<b>CPR training provided</b>	In-house education has been provided 4 times for shift workers. Expert education is entrusted to hospitals.
<b>Hearing preservation program for preventing noise-induced hearing loss</b>	POSCO STEELEON has provided education on the hearing preservation program for its on-site shift workers, although none of its workplaces fall under the legal standard of 85 dB or higher.
<b>Health promotion program implemented</b>	A quit smoking program is operated in collaboration with public health centers. Mental health counseling is also provided.
<b>Activities conducted for heat-related illness prevention</b>	Heat-related illness prevention education is provided for on-site shift workers, health kits are provided, campaigns are held, and banners are hoisted.

**Job-related stress assessed** All employees are tested for job-related stress. We strive to maintain a healthy workplace culture with appropriate measures by quantitatively analyzing the most common stress factors experienced at work. A separate aftercare program is operated for interested employees among those who fall under the high-risk group.

**Hazardous chemicals management** A total of 269 types are managed. Safety accident prevention education is being provided for on-site shift workers including MSDS (Material Safety Data Sheet), and hazardous chemical risk is assessed for 23 locations.

## Operation of Employee Health Program

POSCO STEELEON operates a comprehensive program for medical checkup and health promotion. It ensures the actual health improvement of its employees through individual counseling and blood pressure, blood sugar, and neutral fat management. In doing so, it tries to improve any shortcomings in aftercare for the checkup results. A comprehensive medical checkup is conducted for all employees every two years. Various equipment or appliances are provided for personal health management including kits or meters for blood pressure, body fat, and blood sugar. In addition, we implement quit smoking programs and psychological counseling in cooperation with external institutions. Nutritional supplements are provided to position holders and on-site workers to promote their health. Every year, 10% of the target group is selected for intensive management. Health managers visit the site to measure and manage metabolic syndromes. We promote their health improvement by confirming their self-management or providing consultation using the in-house messenger service. We also provide follow-up management and feedback on their examination results. In 2024, 24 people improved their health levels through self-management and medication recommendations after we encouraged them to improve their blood pressure and sugar levels. In addition, we operate a systematic health management program in collaboration with outside medical institutions to provide feedback and additional assistance based on the results of health examinations.

**Operation of health management office** We operate a health management office to protect the health of employees and prevent common and occupational diseases by providing healthcare and medical services, including primary care and appropriate treatment, health counseling, etc.

**Psychological counseling service for promoting mental health** Counseling is provided at specialized institutions for interested employees, with the company subsidizing the 1:1 counseling service fee. We aim to create a work environment where employees can voluntarily find appropriate methods for coping with various psychological problems including daily stress, job-related stress, and relationship problems by utilizing specialized psychological counseling institutions.

**Quit smoking project implemented** We implement a 6-month Health Up Quit Smoking project for employees who are aware of the need to quit smoking but have difficulty doing so, in collaboration with a professional institution.

## Upgrade of the Safety and Health Management System

POSCO STEELEON has introduced a safety and health platform to advance its safety and health management system. With this platform, we have systematically deployed a safety execution system based on our own operating plans while satisfying the statutory requirements including the Industrial Safety and Health Act and the Serious Accidents Punishment Act. In addition, we have held a safety learning day to enhance the capabilities of safety managers. We also promote the substantiation of diagnosis while enhancing self-diagnosis performance by developing a safety audit checklist.

In addition, we have strengthened activities for supporting and guiding the safety and health management system of our affiliates for mutual safety. We have upgraded the overall level of our safety and health management system by expanding support for the safety infrastructure of directly employed personnel with such efforts, including those for KOSHA MS guidance and inspection under the Serious Accidents Punishment Act

## Safety Management of Partner Companies

We have assessed the safety and hazardous risks to our partners, subcontractors, and outsourced vendors to prevent or mitigate workplace health and safety impacts related to business while responding to the Serious Accidents Punishment Act and other safety-related statutes.

**Safety assessment** POSCO STEELEON has assessed safety for its partners, subcontractors, and outsourcing companies twice a year. In 2024, the average safety scores of our major partners were good: 94.3 points in the first half and 99.3 points in the second half. The scores of our subcontractors (restaurants/cleaning/security, etc.) were also good. In 2024, safety was assessed for 95 outsourced projects and 192 completed projects. We intensively monitor the safety issues of construction service companies with cumulative score of 80 points or less (10 companies in the second half).

**Results of improvement based on recommendations** To prevent and mitigate workplace health and safety impacts directly related to business relationships, we have actively accepted safety-related recommendations from partners for application to our improvement activities. The main improvement in 2024 involved addressing the risk of falling and scattering during the transport of the side panels of packaging material processing sections after crane lifting. This was resolved by making and installing stacking skids. Additionally, due to frame damage and size discrepancies in the side-panel storage racks, we have completed manufacturing the replacements as new ones were requested. In 2024, 121 out of a total of 132 improvement cases recommended were completed, and the remaining cases are to be improved soon.

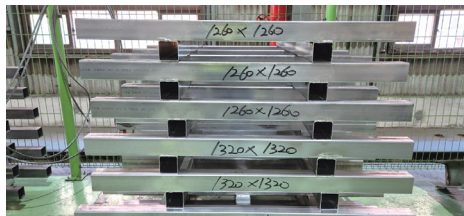
**Hazard and risk assessment** We conducted risk assessment for our partners after providing education support six times in the first half of 2024 and training risk assessors. One out of five partner companies acquired certification as an excellent risk assessment workplace from the Korea Occupational Safety and Health Agency (two companies certified in 2023). Risk checklists were provided to four subcontractors to perform joint assessments. We conduct risk assessments for service providers before their work is started in the first half and second half of the year. We perform joint inspection to prepare against fire, explosion, and leak accidents. Through such joint inspection, we identified areas for improvement such as the risk of falling down into the drain in the safety passageway and on the steps in the warehouse located at the plating plant. In addition, we conduct inspections through patrol every other day, including observation of worker behaviors, checkup of facilities' safety work permits, and TBMs.

**Safety and health support** We also support the safety and health management of our partner companies to prevent and alleviate impacts on their workplace health and safety. The safety and health budget for 2024 increased by KRW 530 million to KRW 4.63 billion compared to the previous year. KRW 1.74 billion was invested in improving work methods and securing the safety of equipment and facilities, with KRW 2.89 billion invested in introducing more smart safety products including those for programs participated in by all employees for the identification and improvement of hazardous risk factors.

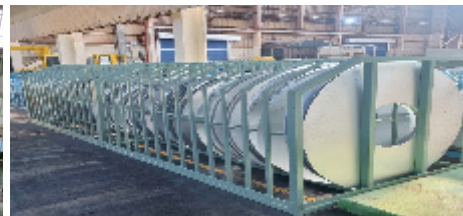
### Results of Improvement of Items Recommended by Partner Companies (Unit: cases, %)

2022	2023	2024	Compared to the prior year	Improvement completed	Improvement rate
70	148	132	△16	121	92

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



Improvement by making stacking skids



Frames of side-panel racks newly produced

## Communication on Safety and Health

Safety and health management system and effective communication are important factors for ensuring and continuously improving organizational safety and health. We actively collect and implement stakeholders' opinions on developing a corporate culture that minimizes risks in the work environment and improves productivity and safety at the same time. To foster a corporate culture wherein opinions are freely expressed, we implement a procedure for listening to various forms of opinions. We also check whether to implement the improvement measures prepared at least semiannually.

### Occupational Safety and Health Committee

Consisting of six management members including the safety and health manager and six members of the One Family Council representing the employees, the Occupational Safety and Health Committee meets quarterly in accordance with the Occupational Safety and Health Act to make decisions related to safety and health. Its main agenda items include the development of the company's safety and health standards and plans for preventing occupational incidents, provision of safety and health education to workers, and listening to employees' voices. The Committee held quarterly meetings to make decisions on safety and health-related plans and implementation status, analysis results of the occupational accidents at POSCO STEELEON's business sites, and other related agenda items.

### Occupational Safety and Health Council

POSCO STEELEON convenes its occupational safety and health council for monthly meetings. Consisting of the head of safety and health management, POSCO STEELEON employee representatives, presidents of partner companies, and safety representatives, this consultative body holds consultation on risk assessment, safety-related issues, and safety activities and recommendations by the partner companies. In 2024, 30 major consultation sessions were held including those on negligent abandonment of unsuitable pallets and cracks in the water treatment stairs.

### Safety communication day and meeting with unit chiefs

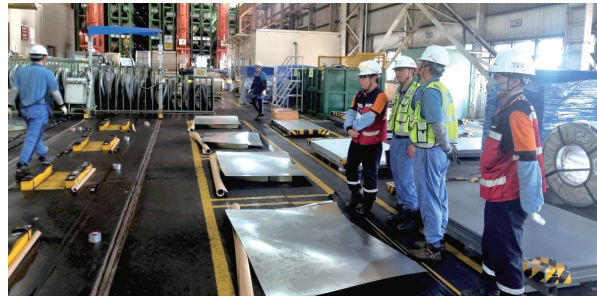
POSCO STEELEON holds a joint labor-management safety communication day organized by the workers' representative, production control office manager, and team leaders. In 2024, the company engaged in communication with the stakeholders on safety and health including two safety campaigns, four safety VOE listening sessions on learning days, and two employee health management sessions during major repairs, encouraging safe work, listening to work difficulties and VOCs, checking health conditions, and delivering encouragement items.



**Periodic meetings with partners** POSCO STEELEON holds periodic meetings with its partners every month, hosted by the head of its Management Support Office. Consisting of representatives of partner companies and safety officers, this periodic consultative body discusses the problems and issues of partner companies, requests for safety improvements, and expansion and dissemination of safety and health management systems.



**Position holders' daily safety duties** A total of 24 managers or supervisors, including those from partners, share the results of daily safety activities. POSCO STEELEON position holders hold monthly safety VOC discussions on issues such as correcting unsafe facilities and difficulties in complying with safety and health management policies and regulations. They listen to the opinions of employees and share them with all constituents. In 2024, 55 safety activities were carried out.



**Privilege to stop work** We adhere to the principle of prohibiting all maintenance and repair works while facilities are under operation. The employees' privilege to stop work is actively upheld to ensure worker safety. Work or facility operation should start only after safety is secured. In 2024, operators exercised their right to stop operation or work for 18 cases.



**Safety communication channel - Safety Reporting Center** As a system for informing every constituent of safety risks including employees of partner companies, it allows workers to report to the management when they are required to perform unsafe work and if they discover elements that threaten safety, or when the right to stop work is restricted or workers are forced to follow a work method/process that would endanger safety.

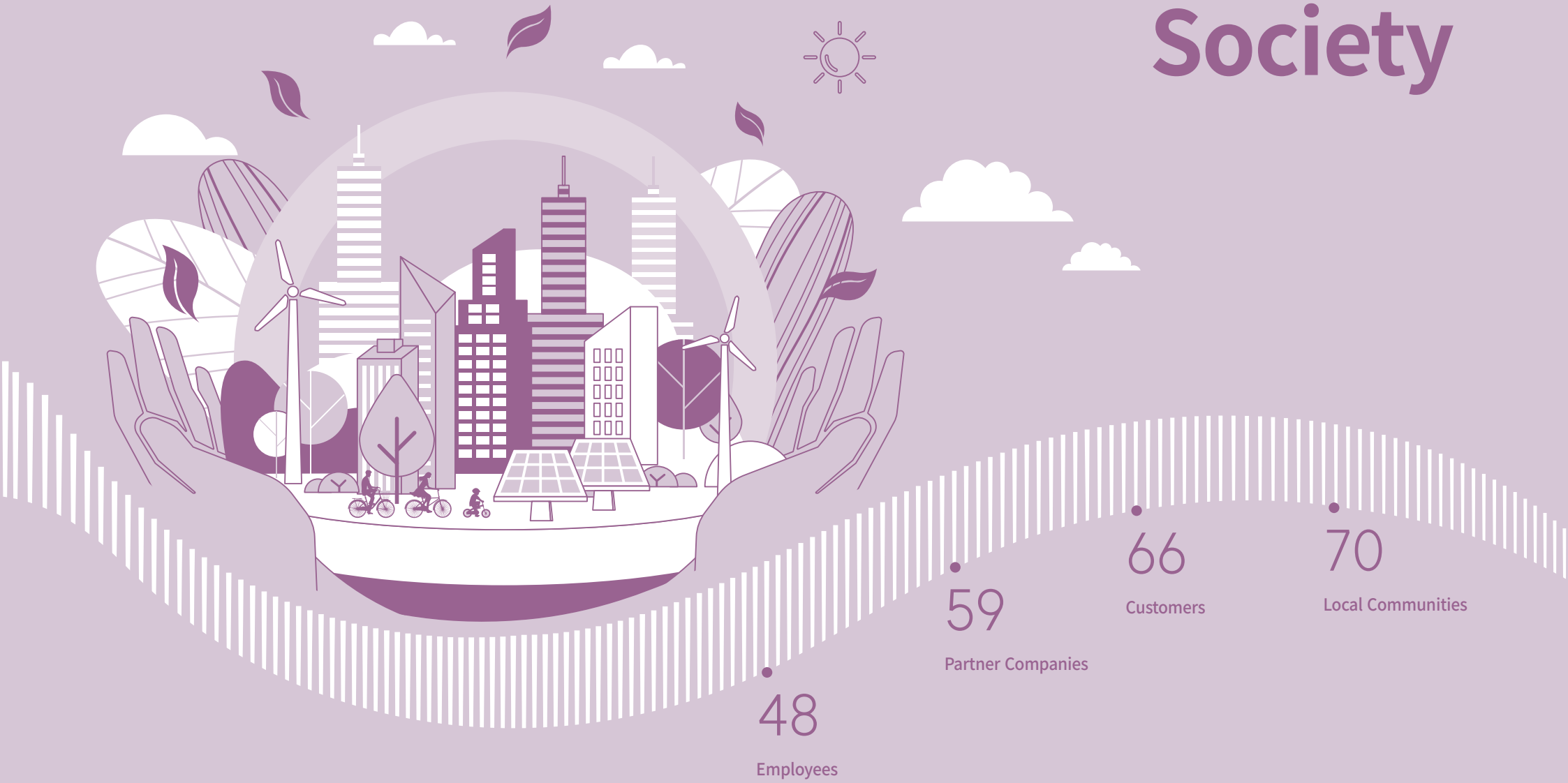
**Weekly safety message transmitted** In 2024, we started publishing a weekly safety newsletter to share safety-related news or other messages with all employees. We shared a total of 32 messages including winter fires, explosions, leaks, freeze and rupture accidents, inspection results, and status of over-speeding violations.



**Revealing near-miss cases and potential hazards** We conduct activities participated in by all employees to identify near-miss cases and potential hazards. In 2024, 7 major near-miss cases, 62 general near-miss cases, and 1,053 potential hazard cases were discovered. Of these, 1,032 cases have been corrected and 90 cases are in progress.



# Society



# Society

## Management Approach

### Connected to UN SDGs



- Goal 3** Good Health and Well-Being
- Goal 4** Quality Education
- Goal 5** Gender Equality
- Goal 8** Decent Work and Economic Growth
- Goal 12** Responsible Consumption and Production



Family-friendly certification awarded  
(Dec. 1, 2024 – Nov. 30, 2027)

### Key Performance

<b>3,685</b> hours Volunteer service hours by employees	<b>8.6</b> hours Volunteer service hours per employee
<b>10,156</b> hours Total hours of officer and employee training	<b>24</b> hours Per-capita training hours of employees
<b>100</b> % Partner evaluation rate	KRW <b>191</b> million Amount invested for social contribution

### Materiality of Issues

As the global economic downturn has become increasingly serious, more major countries implement protectionist policies to protect and foster their own industries. The domestic economy is also slowing down due to the continued rise in commodity prices, slow recovery of domestic demand, sluggish exports, and continuously shrinking business sentiment. In particular, securing excellent human resources is essential for securing the future competitiveness of companies. New hiring by companies has decreased while younger people have apparently abandoned employment. In addition, it has become increasingly important to manage human rights issues and supply chain ESG risks that may arise from business activities as more customers demand improved quality of products and services.

### Management Approach

Based on its human rights-oriented management, POSCO STEELEON recruits excellent human resources to secure global competitiveness with the objective of “nurturing creative talent with a sense of practice and a considerate mind.” To maintain employment, diverse policies and programs (welfare, work-life balance, capacity-building programs, fair appraisal and compensation, etc.) are implemented by fully recognizing the importance of talent. We also strive to secure diversity and promote inclusiveness within the organization. As a member of the local community, we have carried out diverse social corporate responsibility programs for helping boost the economy of the local community and protecting and supporting vulnerable groups. In addition, we strive to impress customers beyond the usual level by delivering superior-quality products and services to our customers through mutual growth with our partner companies.

# Employees

POSCO STEELEON clearly states its responsibilities toward its employees in its code of ethics, including pursuit of their work-life balance, provision of opportunities for education and development, fair appraisal and compensation, and development of a sound organizational culture. It does its best to create a happy workplace culture while maintaining stable employment for its employees from their hiring to retirement.

## Guidelines for Practice by Employees

**We pursue the creation of a happy workplace by establishing a corporate culture of mutual respect while pursuing personal growth and corporate development through work-life balance.**

Pursuing work-life balance	Provides opportunities for further education and growth	Fair appraisal and compensation	Developing a healthy organizational culture
<ul style="list-style-type: none"> <li>Pursues improved quality of life of the employees by providing welfare and benefits that help stabilize their living conditions</li> <li>Supports employees in fulfilling their personal vision and allows them to work flexibly in terms of time, place, and method</li> </ul>	<ul style="list-style-type: none"> <li>Provides working environments and systems that enable working creatively</li> <li>Provides competency enhancement and self-development training to help employees improve competencies and develop qualities to become the best talents</li> </ul>	<ul style="list-style-type: none"> <li>Ensures fair, systematic appraisal and adequate compensation to employees based on their competence and performance</li> </ul>	<ul style="list-style-type: none"> <li>Employees pursuing an open corporate culture through open communication</li> <li>Employees creating an organizational atmosphere where mutual cooperation is practiced by removing barriers between organizational units</li> </ul>

### Pursuing Work-life Balance

POSCO STEELEON leads the way in promoting the work-life balance and welfare of its employees through support for enhancing employee communication and health (support for in-house clubs, in-house and external health checkups and medical support, etc.), work support systems (support for relocation, work uniforms, etc.), and competency development programs (support for obtaining specialized or professional qualifications, foreign language training, certification support, etc.).

### Enhancing Communication and Diversity among Employees through Support for Club Activities

Support for in-house club activities can enhance diversity as well as communication among employees. Each employee may join up to two in-house clubs. To promote diversity, ten or more members may join a new club consisting of employees belonging to three or more different departments (groups). To encourage participation in the clubs, the company provides varying subsidy depending on the participation rate.

### Status of In-house Clubs

Shifts A, B, C, D: mountaineering, fishing, leisure sports, mountain-climbing club, swimming, screen golf, baseball, movie watching, foot volleyball, tennis, health, basketball, Pohang resident mountaineering club, badminton, futsal club



### In-house and External Health Checkups and Medical Support

To help employees maintain their best physical condition, we operate a health service center and conducts in-house medical examinations. We also provide employees with support for external medical examinations including their family members to prevent diseases.



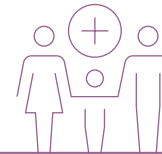
#### Operation of health management office

First-aid treatment, measurement, counseling, and medical supplies stocked



#### Support for in-house health management

Prevention and management of five adult diseases  
→ periodic examination and counseling



#### Comprehensive medical examination

Comprehensive health checkup supported for employees and their families



#### Other medical support

Support for the prevention of occupational (workplace) and other diseases

**• Venue**

1F, Color-coating Bldg.

**• Administrator**

1 nurse

**• Measuring devices**

Body fat and five others

**• Medicine and medical supplies**

Cold medicine and 30 others

**• Users**

All personnel (including those from partner companies)

**• General employees**

- Permanent: Routine visit to individual departments
- Shift personnel: Visit to factories twice a week
- Seoul: Biweekly visit for measurement and counseling

**• Patients who require treatment**

- Monthly measures and counseling  
→ registered on the HR system

**• Leave for comprehensive medical examination (8 hours, 1 day)**

**• Medical examination provided to direct family members of employees**

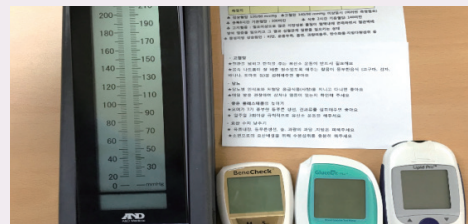
Classification	Employee	Spouse
Eligibility	Examined every year	Once every two years for those who are 40 years old
Items	Upper gastrointestinal endoscopy, cardiac ultrasound, brain CT	
Institution	Pohang: St. Mary's Hospital, SM Christian Hospital, KMI Seoul: KMI (designated by Group Company)	

**• Nutritional supplements provided to workers assigned to risky work**

- Eligibility: Workers on shift or involved in maintenance work
- Frequency: Quarterly (4 times/year)
- Items: One out of 5 items chosen, including Uroosa and Centrum

**• FLU vaccination**

- Eligibility: Employees and family members (spouse, children)
- Period: Every October to November






### Diverse Welfare Programs, etc. for Employees' Wellbeing

We operate various programs to help employees have improved work-life balance as it is linked to the company's management performance. We also take the lead in promoting the welfare and benefits of employees through work support systems such as support for relocation, internal and external health checkups, medical support, and work uniforms in addition to programs for competency development, such as support for acquiring professional certificates and foreign language training and certification of qualifications.

#### Principles

- Pursues improved quality of life of the employees by providing welfare and benefits that help stabilize their living conditions;
- Allows employees to work flexibly in terms of time, place, and method while supporting them in fulfilling their personal visions

### Welfare and Benefit Systems

Classification	System	Details
 <b>Development of capabilities</b>	① <b>Support for acquiring specialist certifications</b>	• We operate a system for supporting its employees in acquiring specialist or professional certifications for both clerical and technical fields to help develop their careers.
	② <b>Foreign language education and exam support</b>	• We support language education and tests to improve the English and second language proficiency of its employees at home and overseas.
 <b>Work-Life balance</b>	① <b>Clubs and communities</b>	• We operate programs supporting in-house clubs to activate communication among employees and support their leisure life.
	② <b>Support for use of recreational facilities</b>	• We support the use of major recreational facilities in Korea to promote wellbeing during vacations.
	③ <b>Loans and welfare cards</b>	• We provide loans and welfare cards to help employees stabilize their livelihood and improve their welfare.
	④ <b>Scholarships, medical expenses</b>	• We provide scholarships and subsidizes medical expenses to help improve the quality of life of employees by easing their financial burdens.
	⑤ <b>Congratulatory and condolatory allowances, long-period service recognition</b>	• We operate a condolatory support system as well as long-term service awards to ensure smooth progress when officers or employees have condolatory events.
	⑥ <b>Other welfare and benefits</b>	• We operate a childbirth and childcare support system to help overcome low birth rates and to balance work and childcare. It also operates a fitness support system to promote health.
 <b>Work conditions</b>	① <b>Workplace change support system</b>	• We promote stable settlement at a new location through various support systems for employees whose workplace has been changed through regular organization reshuffle and rotational staffing.
	② <b>In-house/External health checkup/ Medical support</b>	• We operate a healthcare center and conducts in-house medical checkups to help employees maintain their best physical condition. It also supports external medical checkups to prevent diseases among employees and their family members.
	③ <b>Work uniform provided</b>	• We provide work uniforms required for field work.

### POSCO STEELEON's Ideal Talent

## Creative Talent with a Sense of Practice and Consideration

#### Practice

Talent who demonstrates owner-like behavior and responsibility and shows decisiveness in every issue by taking the initiative ahead of others



#### Consideration

Talent who practices win-win growth with a mindset of humility and respect and has an attitude of sacrifice and service



#### Creativity

Talent who immerses themselves in their work and proactively applies new ideas to problems



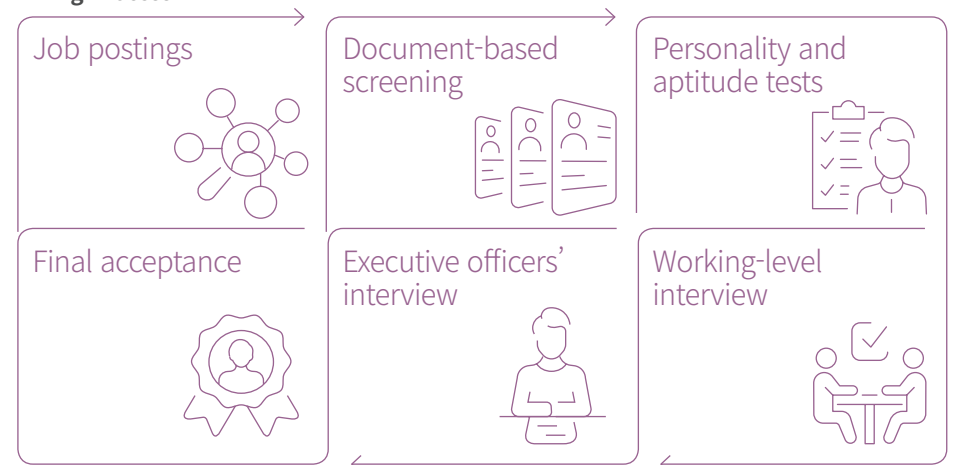
### Provides Opportunities for Further Education and Growth

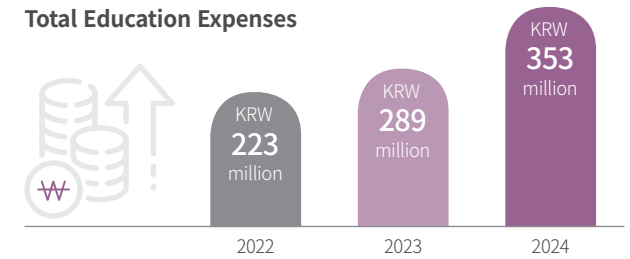
Fostering or developing talents starts with recruitment. Selecting excellent talents is the cornerstone of the company's sustainable growth. POSCO STEELEON's ideal employee is a passionate, creative person with a sense of caring and action. We strive to recruit and train passionate people who aspire for the best based on such spirit, innovative people who attempt to reform the world, and trustworthy people who practice honesty.

#### Fair Hiring

When recruiting and hiring, POSCO STEELEON does not discriminate based on factors unrelated to ability such as race, nationality, gender, age, academic background, religion, region, disability, marital status, and sexual identity pursuant to its employment rules and diversity/equity/inclusion policies. To this end, we strictly comply with the Fair Hiring Procedure Act to prevent unfair elements and discrimination from intervening in recruitment. In addition, we periodically train interviewers to assess applicants' capabilities objectively without subjective opinion or preconceived notions in the selection process. The recruiters assess the applicants focusing on their analytical, planning, communication, and leadership skills through objective personality tests and interviews. In addition, POSCO STEELEON has taken the lead in recruiting local talents and hiring the disabled and underprivileged in compliance with government policies.

#### Hiring Process





### Human Resources Development (HRD) Strategy and Education/Training System

**Goals**  
 To create a safe work environment, strengthening leadership and job collaboration system by job rank

**Three major strategies**

- Safety**
  - To enhance safety capabilities across the company
  - To develop customized safety rules for each workplace/group
  - To strengthen management capabilities to prevent accidents
- Leadership**
  - Cultivating organizational management capabilities for position holders
  - Strengthening essential capabilities (labor, HR systems) for group leaders
  - Care for low-tenured employees
- Job/Collaboration**
  - Participating in overseas regional experts/global exhibitions
  - Improving office/technical job skills
  - Activating communication between organizations requiring collaboration

Classification	Education courses												
	Safety				Leadership			Job competencies (including those for collaboration)					
Group leader					Courses for newly appointed group leaders	Newly introduced Position Holders' Leadership Academy							
Leader					New leader courses		Bridge leadership training (Assistant manager - Leader)						
P Job Group in general					Job grade-based training for those who are promoted		Newly introduced Care for low-tenured employees						
Part leader/ Supervisor	Extended Safety empathy plus	Periodic safety education (statutory)	e-learning on safety	Extended PSM education	Risk assessment training		Newly introduced Position Holders' Leadership Academy						
E-job group in general							Newly introduced Care for low-tenured employees						

### Courses Newly Opened and Expanded in 2024

POSCO STEELEON regularly reviews its education and training courses and identifies the needs of its employees for reflection to the existing education and training system. In 2024, we expanded and newly opened courses that meet the three major goals of the education and training system (safety, leadership, and job competency).

Classification	Name of course	Main contents
Extended	Safety PSM education	<ul style="list-style-type: none"> <li>• Purposes Enhance safety-related awareness + Enhanced training for preventing hazardous equipment incidents</li> <li>• Targets All E-Job Group members, including production part leaders of Plating and Color-coating mills</li> </ul>
Newly introduced	Leadership Position Holders' Leadership Academy	<ul style="list-style-type: none"> <li>• Purposes Cultivate the organizational management capabilities of position holders</li> <li>• Targets - Group Leaders' and Leaders' Leadership Academy - Chief/Part-Leader Leadership Academy</li> </ul>
Newly introduced	Leadership Care for low-tenured employees	<ul style="list-style-type: none"> <li>• Purposes Opportunities should be given to low-tenured employees to qualify them for the company's middle-tier positions through early adaptation and setting of growth directions</li> <li>• Targets P-Job Group 5 years or less &amp; E-Job Group 6 years or less</li> </ul>
Newly introduced	Job competency Job-related capabilities Development of in-house customized courses for quality qualification certification training	<ul style="list-style-type: none"> <li>• Purposes Develop essential training for qualification maintenance to suit our company</li> <li>• Targets Approx. 30 people, including internal auditors, and development and quality workers</li> </ul>
Newly introduced	Job competency Job-related capabilities E-Job Group qualification support system newly introduced	<ul style="list-style-type: none"> <li>• Purposes Devotion to self-development and enhancement of on-site technical skills by reinforcing support for acquiring job-related qualifications</li> <li>• Targets All E-Job Group members</li> </ul>



Booklet leadership academy



Low-tenured employee care education

### Prospective Retirees' Program

POSCO STEELEON operates a retirement program for those who are scheduled to retire (55 years or older). The retirement program provides the retiring employees with time to find a direction so that they can actively cope with changes in life and environment after retirement. It supports them with know-how on mental, physical, financial, and leisure management so that they can lead a happy life after retirement.

#### 2024 POSCO Group GLD Course

The POSCO Group GLD (Green Life Design) course is designed to help employees who are scheduled to retire (born in 1964) recognize the changes in life after retirement and prepare for a stable second-life plan. It was held at the POSCO Human Resources Development Institute on September 4-5, 2024 (2 days). A total of 43 persons from 10 Group companies participated, with 10 persons from this company participating.

##### Pre-learning/Diagnosis

- Tomorrow's retiree financial education (12 episodes) that prepares you for retirement happily and enjoyably
- Career strengths/interests diagnosis

##### Group education (2 days, 16 hours)

- Change management, self-exploration and understanding of asset management, government support system
- Reemployment/Start-up, interpersonal relationship, career design documents



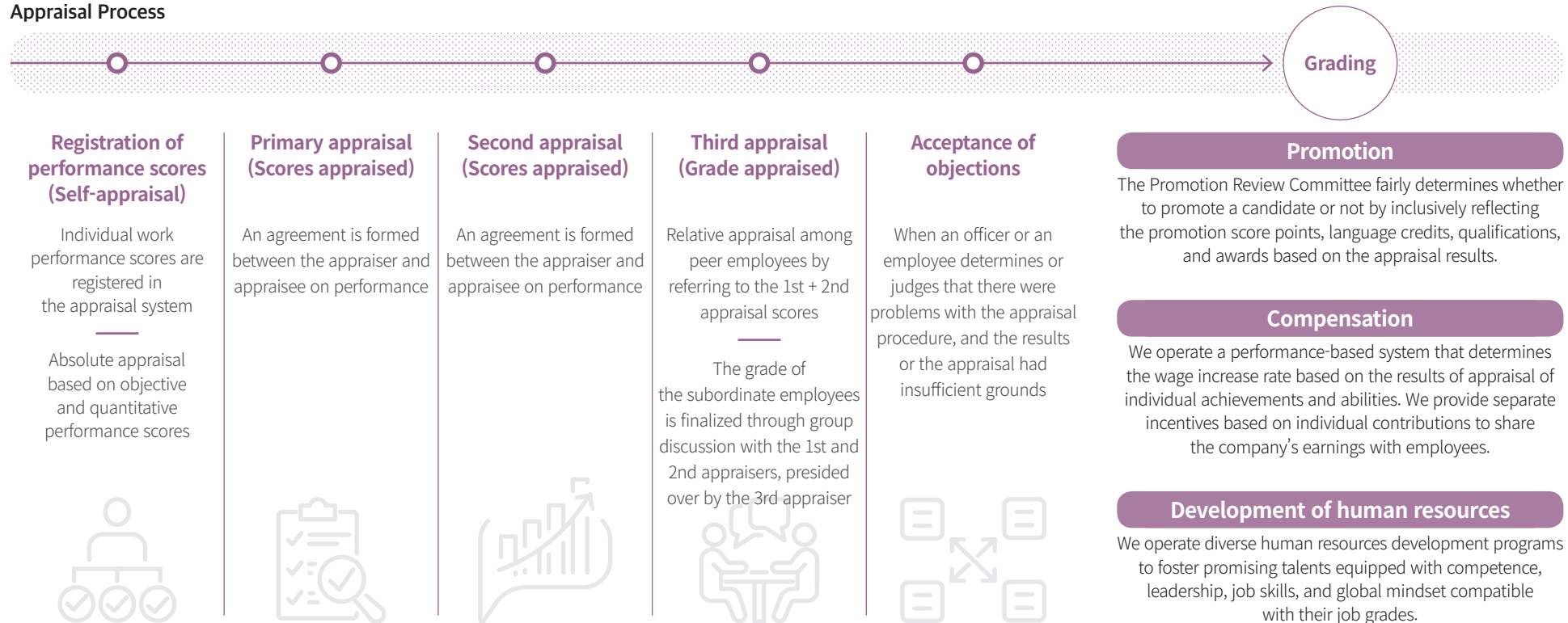
## Fair Appraisal and Compensation

POSCO STEELEON pursues “fair appraisal based on competence and fair compensation based on work performance.” Objectivity and fairness are secured through stage-by-stage (1st, 2nd, and 3rd) appraisals, with the final appraisal grade given after group discussion among the appraisers at each stage. In addition, we have been implementing the appeals process we have developed so that employees can raise objections and see appropriate corrective measures if they believe that there are problems with the appraisal process and results or the evaluation is not based on sufficient evidence. Appraisal results are utilized objectively and effectively in connection with promotion, compensation, and talent development. For 2024, the company has made multifaceted efforts by expanding the favored promotion of high-performing employees, increasing compensation for outstanding performance, and improving fairness and acceptability HR actions through communication between managers and subordinates.

## 2024 Major Achievements

<p><b>Increased favored promotion for those who recorded high performance</b></p>	<p><b>Increased compensation for outstanding performance</b></p>	<p><b>Enhanced fairness and acceptability of HR actions through appraisal and communication between managers and subordinates</b></p>
<ul style="list-style-type: none"> <li>• Appointment of outstanding engineers (P4) and quality rep (P3) as section leader deputies</li> </ul>	<ul style="list-style-type: none"> <li>• Operation of an ongoing merit award system for employee performance (semiannually→ monthly)</li> <li>• Introduction of a new award called “POSCO STEELEON Person of the Year” (scheduled to be awarded in December)</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion based on Peer Review (candidates expanded), One-on-One interview (yearly/semiannually)</li> </ul>

## Appraisal Process



### Registration of performance scores (Self-appraisal)

Individual work performance scores are registered in the appraisal system

Absolute appraisal based on objective and quantitative performance scores



### Primary appraisal (Scores appraised)

An agreement is formed between the appraiser and appraisee on performance



### Second appraisal (Scores appraised)

An agreement is formed between the appraiser and appraisee on performance



### Third appraisal (Grade appraised)

Relative appraisal among peer employees by referring to the 1st + 2nd appraisal scores

The grade of the subordinate employees is finalized through group discussion with the 1st and 2nd appraisers, presided over by the 3rd appraiser



### Acceptance of objections

When an officer or an employee determines or judges that there were problems with the appraisal procedure, and the results or the appraisal had insufficient grounds



### Grading

### Promotion

The Promotion Review Committee fairly determines whether to promote a candidate or not by inclusively reflecting the promotion score points, language credits, qualifications, and awards based on the appraisal results.

### Compensation

We operate a performance-based system that determines the wage increase rate based on the results of appraisal of individual achievements and abilities. We provide separate incentives based on individual contributions to share the company's earnings with employees.

### Development of human resources

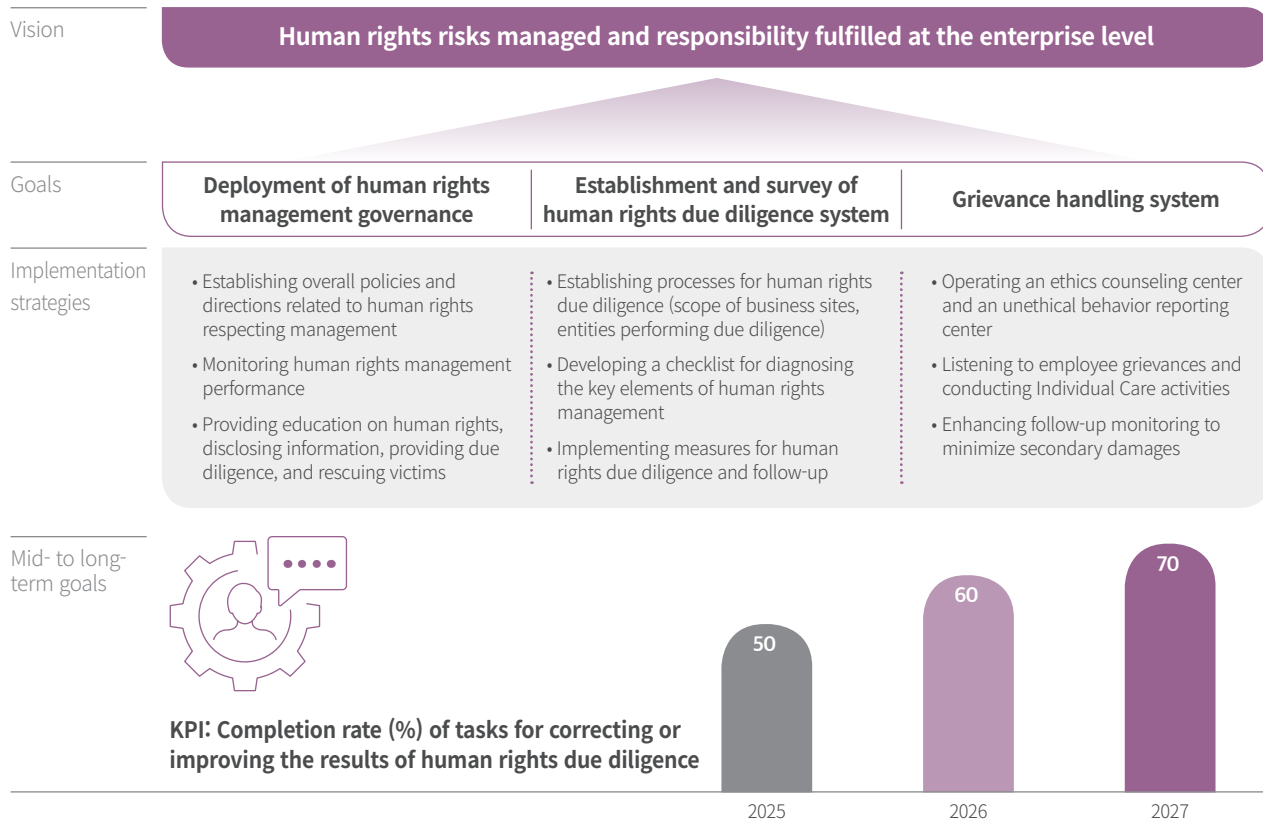
We operate diverse human resources development programs to foster promising talents equipped with competence, leadership, job skills, and global mindset compatible with their job grades.

## Developing a Healthy Corporate Culture

### Respect for and Protection of Human Rights

POSCO STEELEON takes the lead in respecting and protecting human rights to create a sound corporate culture. We support international standards related to human rights, such as the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights (UNGPs), and UN Global Compact. We strive to prevent and mitigate human rights risks at the enterprise level by deploying human rights management governance, establishing human rights due diligence system, and operating a grievance processing system. To that end, we have established a separate human rights policy while publishing its Code of Ethics—which contains human rights compliance—on its website. We have clearly stated in our human rights policy the stakeholder groups identified to be vulnerable in the context of human rights (employees, suppliers, local communities, etc.) during our business activities. We also strive to strengthen our human rights management system by establishing mid- to long-term goals for human rights management recently.

### Mid- to Long-term Goals for Human Rights Management



### Current composition of key human rights policies

- Purpose**
- Scope of application**
- Basic principles**
  1. Basic policies
  2. Major human rights-related issues
    - ① Prohibition of discrimination
    - ② Prohibition of forced labor and child labor
    - ③ Guarantee of freedom of association and collective bargaining
    - ④ Guarantee of occupational safety
    - ⑤ Prevention of bullying in the workplace
    - ⑥ Responsible supply chain management
    - ⑦ Prevention of corruption and bribery
    - ⑧ Guarantee of environmental rights
    - ⑨ Protection of human rights of local residents
    - ⑩ Protection of human rights of customers
- Implementation plan**
  1. Human rights respecting governance
  2. Human rights due diligence
  3. Grievance processing system

\* For more detailed information on the human rights policy, refer to the Human Rights Management Policy in the Appendix. ESG Policy.

## Developing a Healthy Corporate Culture

### 2025 Plan for Promoting Human Rights Respecting Management

As companies expand their business areas and globalize their supply chains, human rights-related assessments have become more important across the entire value chain. The POSCO Group has established a plan to advance the group-level human rights management system by operating a Human Rights Management Task Force (October to December 2024) participated in by the Group’s key human rights-related departments. Accordingly, under the leadership of POSCO Holdings, six major business companies within the group—including POSCO STEELEON—have agreed to promote human rights management actively starting 2025.



On February 20, 2025, events were held for the POSCO Group Human Rights Management Declaration Ceremony.

### Systems for Promoting Human Rights Respecting Management

#### 1. Deployment of Human Rights Management Governance at the Group Level

##### Declaration Enactment

The CEO and representatives of the six companies jointly signed a Declaration to raise awareness and participation of all employees of the Group while effectively disseminating its will to practice human rights internally and externally.

##### Formation of a Consultative Body

A consultative body for the Group’s human rights management has been organized to minimize the gap in human rights management levels among the holding company, operating companies, and overseas corporations.

#### 2. Methodologies Established for Group Due Diligence of Human Rights Practices

##### Document-based Due Diligence

Document-based due diligence methodologies developed to examine human rights-related risk factors and identify negative impacts based on global assessment criteria

##### On-site Due Diligence

Vulnerable groups defined to include high-risk targets during on-site due diligence of business sites where corporate-level risk factors are identified

#### 2025 Plans for Conducting Assessment of Human Rights Impact

Schedule	April	May	June	July	August	September	
2025 plans for promoting the assessment of human rights impact	Development of 2025 plans for promoting the assessment of human rights impact	Organization of Working Group and education on change management	Document-based due diligence • Human Rights Management System evaluated • Employee awareness surveyed	1st report and targets of on-site due diligence selected	On-site due diligence Priority issues selected and Improvement plans prepared	Comprehensive report and Connection to Holding company	Report to the Group ESG Council

#### 3. Operation of the Group’s Integrated Grievance Processing Mechanism

##### Grievance Types

In order to resolve human rights issues fairly, transparently, and quickly, grievance types standardized and monitoring system deployed at the group level

##### Reporting / Transferring

Guidelines developed and operated for reporting or transferring human rights issues to the holding company when a human rights issue occurs at an operating company

### Diversity Respected by Employees

POSCO STEELEON enacted a diversity, equity, and inclusion policy (on October 22, 2024) to develop a healthy work environment where employees can demonstrate their abilities to the maximum by improving diversity, equity, and inclusion for all employees while preventing discrimination, bullying, and sexual harassment in the workplace. We also consider diversity and inclusion in the hiring and employment of employees. Despite the nature of the industry, which makes it difficult for women and the disabled to work, we continue striving to increase the ratio of female and disabled employees. In addition, we provide equal employment opportunities by hiring superior disabled people with sufficient capabilities but have had limited opportunities to participate in social activities due to their disabilities.

#### Policies for Diversity, Equality, and Inclusion

- Purposes
- Scope of application
- Basic principles
  1. Diversity and inclusion
  2. Equality
  3. Prohibition of harassment at the workplace
  4. Prohibition of sexual harassment
- Action plans

### Status of Employment of Female and Disabled Workers

(Unit: persons)

Classification	2022	2023	2024
Total number of employees	434	440	427
Female employees	29	32	32
Disabled persons hired	11	13	13

### Managing the 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 for 4.58%, which is equivalent to 70% of the average of the compared group companies in the Affirmative Action (AA) program administered by the Ministry of Employment and Labor. As of end of 2024 (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 7.7%. The Korea Employment Agency for the Disabled requires Korean employers with 50 or more permanent employees to employ 3.1% people with disabilities. As of December 31, 2024, people with disabilities constitute 3.1% of the total number of employees as of December 31, 2023.

### Employee Diversity Education

We conduct diversity education to foster 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 related training in accordance with the guidelines for preventing sexual harassment and workplace bullying. We also prevent acts that invade others' dignity and respect in the workplace. In addition, we have diffused a culture of mutual respect among our employees by operating a task for organizational culture improvement and a subcommittee for mutual respect.

### Incentives for Promoting Diversity and Inclusion

In order to ease conflicts between the older and MZ generations in the workplace and enhance communication, we had held quarterly meetings with young employees. In 2024, we expanded the scope to hold regular meetings with employees representing generations/ gender/job groups with the management team to reflect opinions from diverse classes on the management and organizational culture. We also strive to promote diversity by actively encouraging internal club activities. Any new club or community can be organized with 10 or more members, or when composed of officers or employees belonging to three different departments (groups). In order to encourage club participation, we provide different amounts of subsidy depending on the participation rate. In addition, to secure diversity in the workplace, we strive to develop a workplace where women can work with peace of mind with maternity and childcare support systems that exceed the statutory standards to prevent female employees from leaving the company midway in their careers.



### Maternity and Childcare Support System

	Classification	First child	Second child or more
<ul style="list-style-type: none"> <li>• Work at home during pregnancy</li> <li>• Reduced work hours during pregnancy</li> <li>• Pregnancy leave</li> <li>• Annual leave for child raising</li> <li>• Fertility treatment leave</li> <li>• Leave before and after childbirth</li> <li>• Paternity leave</li> <li>• Childcare leave and reduced hours during child rearing</li> </ul>	<b>Congratulatory allowance for childbirth</b>	KRW 3 mil.	KRW 5 mil.
	<b>Gifts on baby's first meeting</b>	<b>KRW 1 million department store gift</b> certificates upon the employee's or spouse's childbirth (or when a child is adopted) <ul style="list-style-type: none"> <li>* Support for each child born/adopted (in case of twins, support increased for the number of children)</li> <li>* Only adoption of children under 6 years old</li> </ul>	

### Periodic Family Council and Tiered Discussion Meetings for Social Dialogue

POSCO STEELEON takes the lead in developing harmony between labor and management as well as a healthy corporate culture through social dialogue. Labor and management hold quarterly One-Family Council meetings consisting of six representatives each from the employees and management and ad hoc meetings as needed to ensure continuous cooperation. The Family Council meetings are periodically held each quarter or as required with the attendance of six management and six employee representatives to discuss matters for continued cooperation. The contents discussed at the Family Council meeting are notified through the Groupware for application to all employees. We also hold informal meetings at different levels of employees and management team members to strengthen communication between the management and employees. Employees from all levels—including newly hired and low-tenured employees, experienced employees, and middle managers, etc.—participate in the meetings to exchange opinions on given topics and present various opinions to discover improvement areas across the company.

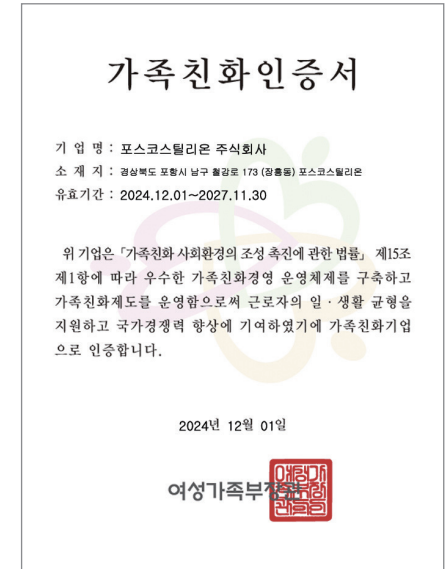
### Major Issues Discussed in the 2024 One-Family Council Meetings

Classification	Key agenda items	Date	Participants
1st quarter	<ul style="list-style-type: none"> <li>Improvement of standards for citing long-term service</li> <li>Improvement of company donation of congratulatory and condolatory money and leave of absence system</li> <li>Improvement of company scholarship to children of employees</li> <li>Increased support for operation of recreation facilities</li> </ul>	Mar. 20, 2024	12 persons
2nd quarter	<ul style="list-style-type: none"> <li>Introduction of 4-day workweek system</li> <li>One-Mind Unity Gathering held</li> </ul>	Jun. 20, 2024	12 persons
3rd quarter	<ul style="list-style-type: none"> <li>Consultation on agenda item concerning the realization of no-disaster business sites</li> </ul>	Sept. 24, 2024	12 persons
4th quarter	<ul style="list-style-type: none"> <li>Briefing on the management status</li> <li>Consultation and discussion on other agenda items</li> <li>Discussion on holding a safety pledge gathering to realize a 25-year accident-free workplace</li> </ul>	Dec. 30, 2024	12 persons



### Acquiring Family-friendly Company Certification and Enhancing Employee Satisfaction

POSCO STEELEON operates various family-friendly programs to create a happy workplace and help employees focus on their work with less burden associated with childbirth and childcare. As a result of such efforts, it was awarded the 2024 Family-Friendly Company certification by the Ministry of Gender Equality and Family. The POSCO Group had taken measures to let each of the group companies conduct a satisfaction survey among their employees to develop a satisfaction improvement plan separately, after sharing the P-GWP (POSCO - Great Work Place) index calculated for each of them. In 2024, the employee satisfaction survey was renamed survey of organizational health. We have developed a plan for the necessary actions for the items identified through the related survey. We have also improved the following items through our own activities for employee satisfaction improvement:



### Performance of Key Activities to Improve Employee Satisfaction in 2024

- Operation of free self-service breakfast corner (March)
- Psychological counseling at a professional counseling center to promote mental health (since May)
- Open-mind workshops held at the office level to improve mutual understanding (May - June)
- POSCO STEELEON-type biweekly 4-day workweek introduced in reflection of voice of employees (June)
- Recruitment process improved to stabilize operational personnel management (June, shortened to 6 weeks)
- Safety UCC contest (June)/Safety Golden Bell contest (September)
- Company-wide unity gathering with family members invited (September, 3rd round)
- Mutual respect day (every 11th of the month) and wearing of a mutual respect pin badge
- Rewarding and sharing of best practice cases of mutual respect (September)
- POSCO STEELEON Award of the Year newly introduced (December)



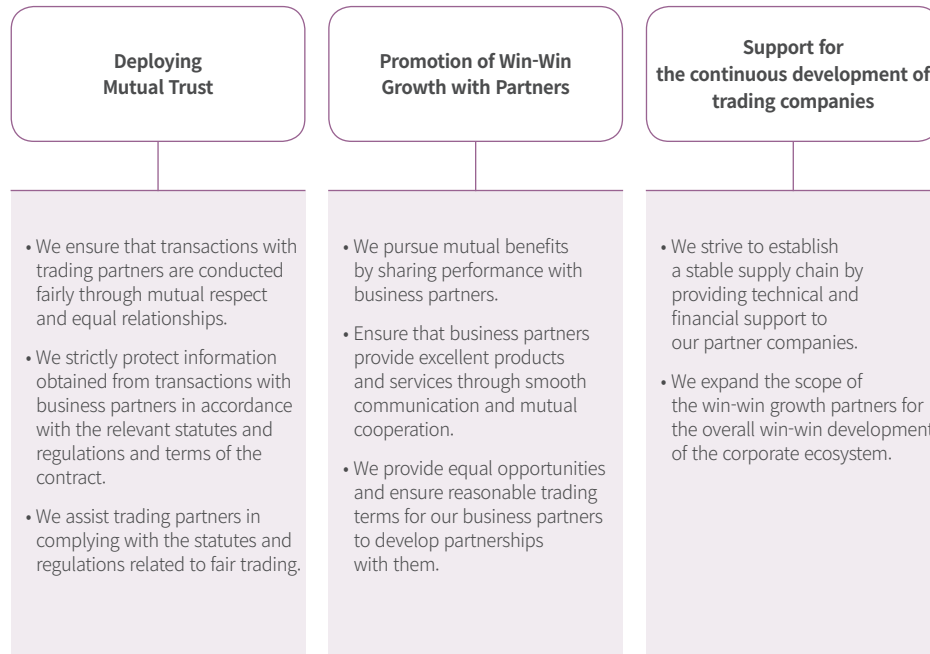
# Partner Companies

Win-win growth with partners is very important in terms of corporate sustainability. We have enacted supply chain management policies for fair trade and code of conduct for partners by specifying our responsibilities to the partners—such as those for deploying mutual trust with partners, promoting win-win growth, and supporting their continuous development—in our code of ethics. We assess the ESG management risks in the supply chain by deploying a partner ESG management system and provide active support in taking actions on the identified areas for improvements.

## Guidelines for Practice by Employees

### Deployment of Win-Win Relationships with Partners

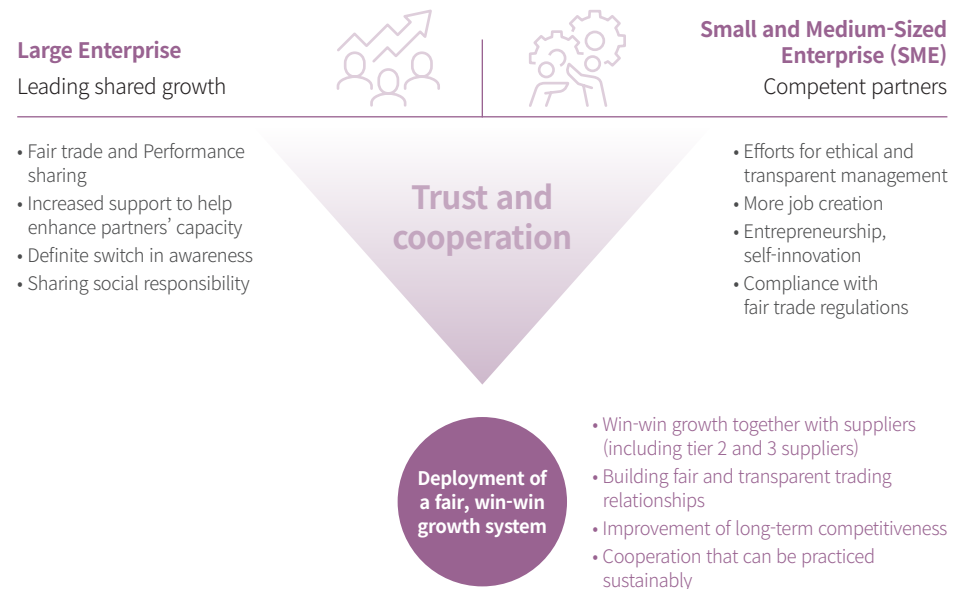
**We deploy a corporate ecosystem where we coexist with stakeholders through shared growth while establishing fair trade order based on mutual trust.**



## Support Partners in Fulfilling Their Social Responsibilities

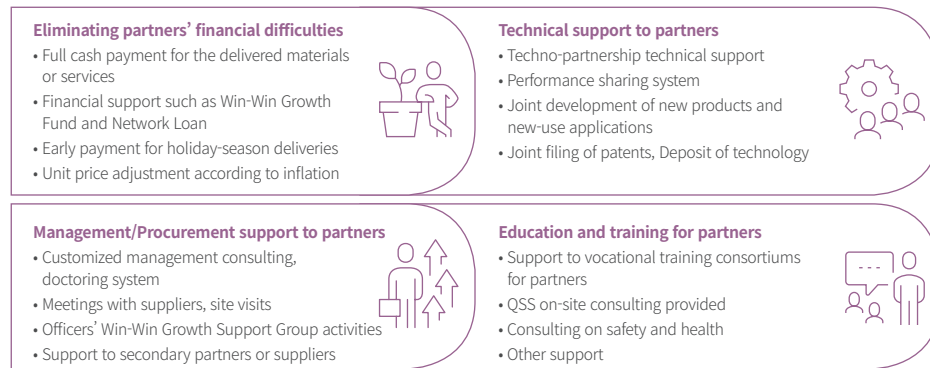
### Direction of Promoting Shared Growth

POSCO STEELEON has deployed a shared growth system based on trust and cooperation to create shared growth value with its partners. Shared growth value is being reborn into a win-win growth brand as it is harmonized with the POSCO Group’s ESG management philosophy. We seek to become a shared growth brand and also pursue win-win growth with the local communities by improving the competitiveness of our partners and creating social value.



### Win-Win Growth Program

POSCO STEELEON promotes various support activities to its partners such as financing, education, recruitment, and technical support for their long-term growth. We seek a sustainable path of mutual growth based on the sincere belief that the growth of our partners is the growth of our company.



### Developing a Fair Trade Environment for Partnership

#### Implementation of a Fair Trade-oriented Bidding System

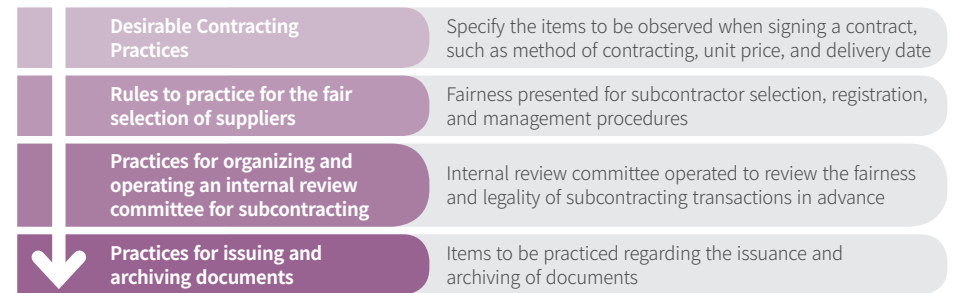
To practice fair, transparent trade and business management, we implement a fair trade-oriented bidding system utilizing an electronic system. We also strive to maintain transparency in our purchasing procedures and methods and operate a fair trade system that provides equal bidding opportunities to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



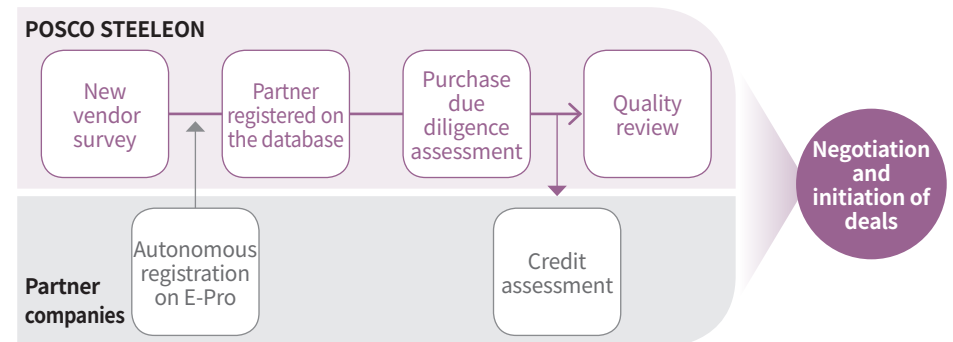
### Establishment of Fair Trade Order for Partners

We have adopted four rules to practice for fair trade in selecting suppliers, signing contracts with suppliers, and enforcing contracts. We realize fair trade order with our partners by providing equal opportunities to both existing and new suppliers through the electronic purchasing system E-Pro, through which we explored 60 new partners in 2022, 51 companies in 2023, and 52 companies in 2024.

#### 4 Key Rules to Practice for Fair Trade with Suppliers



When assessing business transactions with new partners, POSCO STEELEON selects suppliers in a fair, transparent process through internal assessments such as those related to their purchasing, technology, and quality and external evaluations including credit ratings. In 2024, we strived to establish a fair trade culture by adding a fair trade violation penalty (-5 points per case) when evaluating newly registered partners and reflecting related details in the standard guidelines for purchase contracting.



### Full Cash Payment to Suppliers

POSCO STEELEON makes cash payments to suppliers to improve their cash flow, as a rule. We help minimize cash flow risks of our suppliers by strictly adhering to the payment deadlines agreed upon with suppliers.

Classification	Before the amendment	After the amendment
KRW 30 million or less	Full cash payment	Full cash payment
Over KRW 30 million	KRW 30 million (in cash) + amounts exceeding KRW 30 million (30 days' purchase loan)	Full cash payment

### Introduction and Selection of Excellent Supplier (PsHP) Certification System

In 2024, POSCO STEELEON introduced the Excellent Supplier Certification System (hereinafter referred to as "PsHP System") for the first time. The PsHP (POSCO STEELEON Honored Partner) System is a system that grants PsHP qualification to auxiliary materials suppliers with excellent performance in technology, quality, and delivery by assessing their supply performance for one year. Various preferential benefits are provided to them, including waiving of contract deposit and permanent entry cards. Through the PsHP System, POSCO STEELEON induces stable operation of its supply chain by nurturing partnerships of mutual trust and supporting the suppliers' self-promotion and management activities.



#### Evaluation and Selection Criteria for Excellent Suppliers

**• Evaluation targets**

Supplier with annual sales of KRW 1 billion or more in the previous year based on our company's financial statements

**• Evaluation criteria**

Suppliers scoring a total of 85 points or more {SRM evaluation (80 points) + sales dependency (10 points) + cost reduction rate (10 points)} (exceptionally, additional suppliers may be selected due to reasons designated by our company such as BS project performance and sincere response to long-term contracts)

2024 Results of excellent suppliers selected

7 selected out of 14 candidate companies

#### Preferential Treatment Policy for Excellent Suppliers

- "PsHP Supplier Certificate" (PosART) issued to enable PsHPs to be promoted domestically and internationally with pride
- Waiving of contract-related guarantee: Securities for advance and interim payment, contract performance (except those showing signs of insolvency, credit rating of C or below)
- Priority negotiation opportunity given for urgent purchases/work; permanent entry passes issued to all POSCO STEELEON factories while service or work continues
- Exemption from pre-audit when a unit price-based contract is renewed (pre-audit is conducted when changing the contract conditions)
- Condolatory flower wreath sent in the name of the Company in case of the death of the CEO (and his/her direct lineal relatives)

### Operation of Communication Channels with Suppliers

POSCO STEELEON representatives visit the production sites of major partners at least once a year to listen actively to their requests or suggestions. In addition, we periodically hold meetings with partners (once a month) to strengthen communication and build a cooperative relationship of mutual respect. We prevent accidents by sharing workplace risk factors for accident-free workplaces in advance at the meetings. We take the lead in open communication with suppliers by discussing difficulties and issues.

In 2024, we achieved a 100% resolution of grievances through periodic meetings with partners. Two cases related to work capacity enhancement were resolved by providing education service.

POSCO STEELEON has a communication channel wherein partners can express opinions at any time in the event of unreasonable demands made to them or violations of our regulations. The relevant reporting channel is open to all stakeholders, not just the suppliers. The contents of the report and the identity of the whistleblower are strictly kept confidential. In addition, a reward or citation system is implemented for external stakeholders reporting unethical behaviors in order to establish a firm ethical corporate culture by preventing unethical behaviors.

#### Types of Reports

Unfair trade practices, acts of accepting or offering entertainment or hospitality, acts of accepting or offering items with monetary value, gifts, discrimination (unfair), leak of proprietary or confidential information, other unethical and unlawful acts

### Reporting Methods and Procedures

- You can report by phone or in writing, but cyber reporting on this website is strongly recommended.
- The audit group will conduct an internal investigation on the reported details and notify the reporter of the results via e-mail.
- The results are not notified for cases reported anonymously.



### Other Methods

- **Phone number for reporting** +82-54-280-6411; Fax: +82-54-280-6714
- **In writing** POSCO STEELEON Ethical Management Group, 173 Cheolgang-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do (37866)
- **E-mail address** st\_audit@poscosteeleon.com

## Sustainable Supply Chain Management

### Ethical Code for Partner Companies

POSCO STEELEON has enacted a Code of Conduct for its business partners in order to foster a sound business ecosystem wherein it can realize win-win growth with the stakeholders by establishing fair trade order and building a sustainable supply chain based on mutual trust with its suppliers. The Code of Conduct for Partners is a set of regulations that our partners must follow in areas of labor rights, safety and health, environment, ethics, and fair trade. It requires all suppliers to comply with the Supplier Code of Conduct by stipulating sanctions on violations of the terms and conditions for purchase contracts with all suppliers. In addition, if violations of the Code of Conduct by partners are routinely reported through the media or the relevant parties, we apply strict operating standards in accordance with the criteria for sanctions for unfair acts in the bidding terms and general conditions of all purchase contracts, including forfeiture of bidding and contracting rights for a certain period of time.

### Summary of Supplier Code of Conduct

#### Labor and Human Rights

- Voluntary employment
- Compliance with work hours
- Humanitarian treatment
- Prohibition of child labor
- Wages, welfare, and benefits
- Prohibition of discrimination
- Freedom of association

#### Safety and Health

- Occupational safety
- Occupational hygiene
- Manual labor
- Response to emergency situation
- Occupational accidents and illnesses
- Sanitation, food, and housing
- Safety management of hazardous appliances and equipment
- Health and safety training

#### Environment

- Environmental licensing or permit acquisition
- Solid wastes Substance regulation
- Harmful or hazardous materials
- Air pollutant emissions
- Management of water resources
- Pollution prevention and resource conservation
- Energy consumption and emission of greenhouse gases

#### Ethics and Fair Trade

- Business integrity
- Prohibition of unjust enrichment or earnings
- Disclosure of information
- Protection of intellectual property
- Compliance with Special Terms and Conditions for Ethical Practices
- Fair trade, advertising, and competition
- Identity protection and prohibition of retaliation
- Responsible minerals management
- Protection of personal information

#### Management Systems

- Improvement targets
- Audits and assessments
- Documentation and recording
- Corporate commitment to compliance
- Management duties and responsibilities
- Statutory and customers' requirements
- Corrective action procedures
- Risk assessment and management
- Training and communication
- Workers' feedback, participation, and grievance processing
- Supply chain participation and accountability

#### Quality Management

- Quality management
- Change management
- Quality management among suppliers

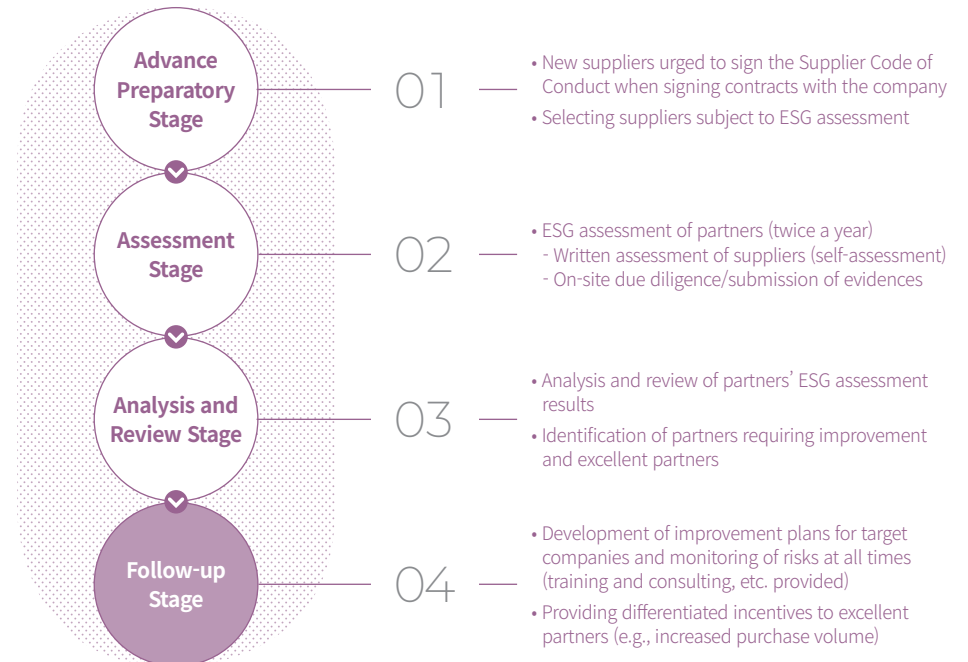
#### Win-win Growth and Social Contribution

- Win-win growth
- Social contribution

### Supply Chain ESG Assessment

POSCO STEELEON minimizes business impacts by controlling ESG risks that may arise in the supply chain while deploying a management system to strengthen the ESG capabilities of its suppliers. After a partner is registered with the company, we check the partner's ESG management level twice a year through an ESG assessment based on quantitative data. Based on the assessment results, we provide various kinds of support for improving the partner's ESG management and guide the improvement of issues discovered in the assessment. For a partner selected as an excellent ESG supplier, we provide incentives such as increase in the ratio of our purchases to encourage suppliers to upgrade their ESG management. We also strive to build a sound supply chain system by providing training and consulting services to those suppliers to strengthen their supply chain capabilities.

### Supplier ESG Management System



### Suppliers' ESG Assessment Indicators

POSCO STEELEON checks and manages the ESG level after calculating the final grade by reflecting 47 default indicators in 5 categories and plus or minus points.

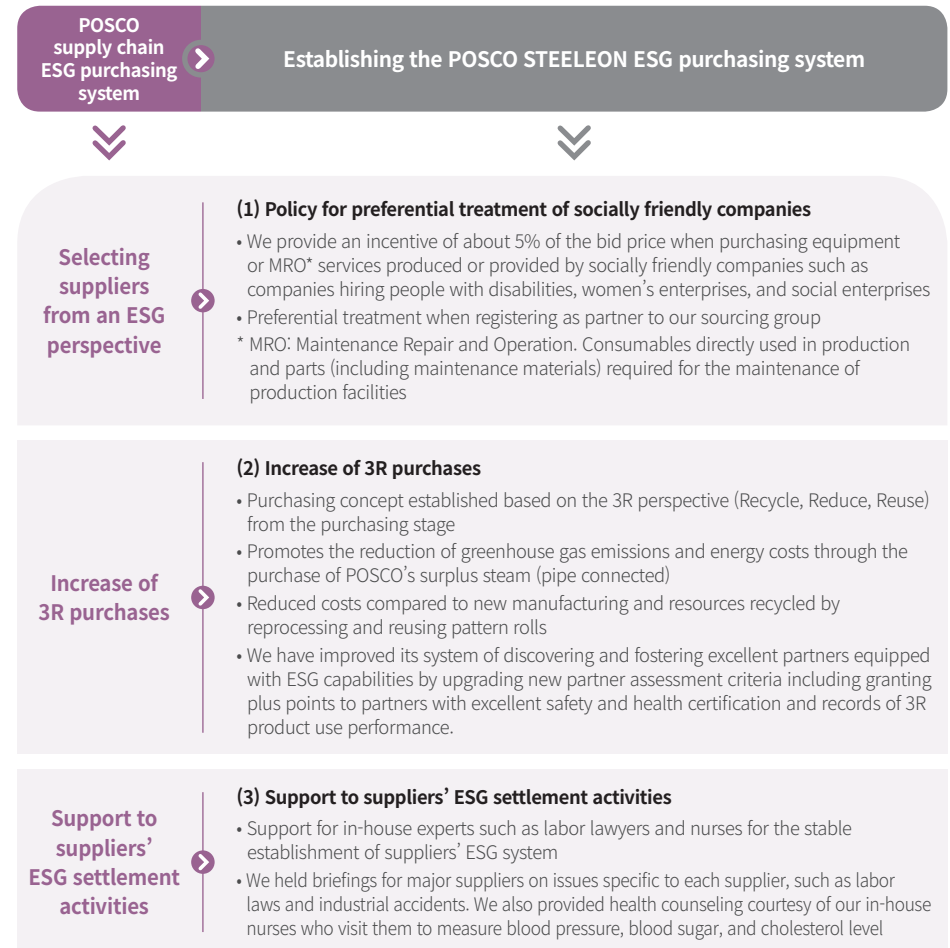
#### Composition of Suppliers' ESG Assessment Indicators



Classification	ESG-friendliness contents
Plus points	<ul style="list-style-type: none"> <li>• ISO14001 certification held for environmental management</li> <li>• Designated as an environment-friendly company</li> <li>• Environmental management audit conducted</li> <li>• Manufacture of eco-friendly products certified by the government</li> <li>• Environmental reports published</li> <li>• Green purchasing performed</li> <li>• Health and Safety KOSHA18001, ISO45001 certification held</li> <li>• 3R (Recycle, Reduce, Reuse) perspective, use of eco-friendly purchasing products</li> <li>• Deployment of eco-friendly operation process and supply chain</li> <li>• SH grade 3 or higher or ESG grade 3 or higher</li> <li>• Independent anti-corruption activities (internal whistleblowing system, ethics pledge, etc.) and internal performance/operation systems</li> <li>• Record of improving the safety measures taken in the workplace last year</li> <li>• Record of operating channels for collecting opinions from field/office workers within the last quarter</li> </ul>
Minus points	<ul style="list-style-type: none"> <li>• Company subjected to complaints, violations of ESG-related issues</li> <li>• Failure to install locking devices or safety guides for material storage in the business site or workplace</li> <li>• Failure to issue/Poorly managed/Insufficient personal protective equipment</li> <li>• Failure to provide essential occupational safety and health education in the past year</li> <li>• ESG-related court cases, complaints, or accidents reported in the past year</li> </ul>

### Establishment of ESG-Based Purchasing System

POSCO STEELEON has joined the 2050 Decarbonization policy while establishing its position as an ESG leading company by introducing the POSCO Group's Supply Chain ESG purchasing system. In accordance with the POSCO-type ESG purchasing system, including the guidelines for environment, human rights, and ethics, we have increased the proportion of purchases from partners that fulfill their corporate social responsibility.



## Key Example Activities in 2024

### More Suppliers Providing Support for ESG Due Diligence and Improvement

In accordance with the EU supply chain due diligence guidelines and POSCO Group ESG policies, POSCO STEELEON conducted ESG due diligence on six ingot and paint suppliers in 2023 and a total of 12 companies to assess their ESG risks in 2024—including risks related to environmental and social issues—by adding 6 protective film vendors. Among them, one company turned out to be somewhat insufficient based on the results of the supply chain ESG due diligence. We had exchanges with the parties concerned for correction, and it served as an opportunity for us to create real value of win-win growth with suppliers.

#### Exchange with Partners for ESG Improvement

- Purposes** — Exchange meetings for improvement and interim review planned for the deficiencies identified in the 2023 ESG due diligence
- Procedure** — Formation of ESG consensus in advance → Interim review → Detailed discussion with stakeholders for improvement
- Results** — Some of the identified deficiencies have been improved, with the improvement of the remaining items being monitored continuously

#### Future Plans

- ☑ Guidance provided on improvement exchange, additional due diligence being conducted (in the first half of 2025) as the ESG of 6 protective film vendors was assessed for the first time
- ☑ Documentary assessment is conducted for vendors listed on the stock exchange (5 paint companies) every other year as the ESG report is published biyearly, with documentary assessment conducted for 1 ingot company every year
- ☑ Plans to expand the ESG supply chain through the third-party assessment (credit rating agency) of major suppliers (59 companies) by 2026



① Formation of ESG consensus in advance



② Interim review of improved items

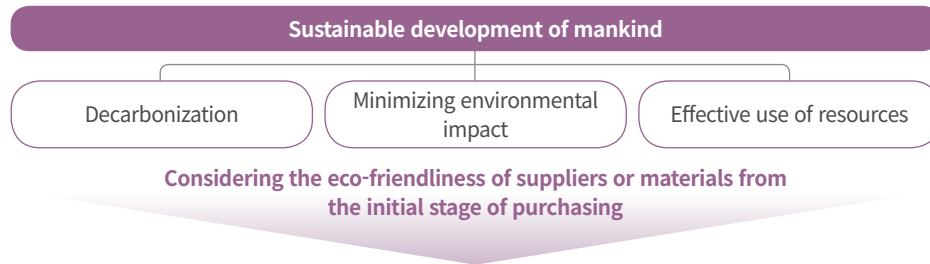


③ Exchange between working-level ESG stakeholders

## Green Procurement

As a member of the POSCO Group, POSCO STEELEON has developed its green purchasing policy for sustainable purchasing that fulfills its social responsibility by complying with the relevant statutes and regulations and preventing resource wastage and environmental pollution throughout all business processes. Based on the green purchasing policy, POSCO STEELEON encourages its suppliers as well to comply with policies at a level similar to this policy while striving to follow the policy. We consider the eco-friendliness of suppliers or materials from the initial stage of their purchase so that mankind can lead a sustainable life including carbon neutrality, minimization of environmental impact, and effective use of resources through green purchasing. We have continuously increased purchasing that reduces environmental impact by establishing purchasing concepts from the perspective of certified green purchasing (GP1-GP2) and POSCO-designated green purchasing (GP3-GP7).

### POSCO STEELEON Green Purchasing Concepts



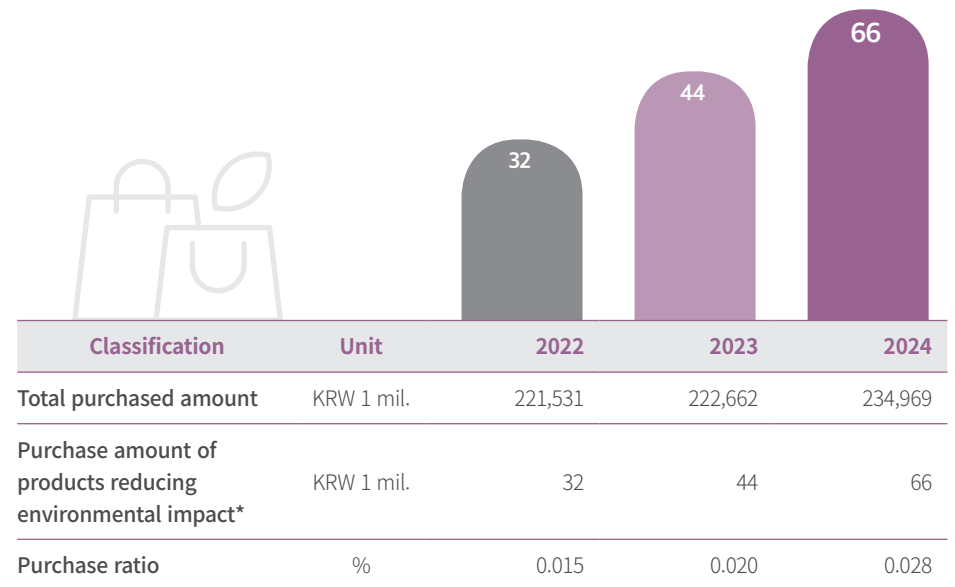
Classification	GP	Details
Certified green purchase	GP1	Eco-Label certifies products
	GP2	GR (Good Recycling) mark products
	GP3	Energy-saving products (energy consumption efficiency grades 1-2, energy-saving mark products, high-efficiency energy equipment and supplies, etc.)
POSCO's unique green purchasing	GP4	Harmful substance-reducing products (lead, mercury, cadmium, hexavalent chromium, PCB, asbestos)
	GP5	Waste-reducing products (packaging unit adjustment, purchase based on waste recollection standards, refill contract, rechargeable items, etc.)
	GP6	Others (flame retardant, items with foreign environmental labels)
	GP7	Items requiring eco-friendly consideration

### Basic Principles of Green Purchasing Policy

1. We must operate substantial green purchasing programs that consider eco-friendliness and sustainability in all stages of business activities, including procurement of raw materials, operation of processes, logistics/distribution, and waste disposal.
2. For substantial and effective environmental management, we must practice green purchasing in all company-wide purchasing activities including not only material purchasing in the main business activities but also consumable materials such as furniture and fixtures used in the workplace.

### Performance of POSCO STEELEON Green Purchases

(Unit: KRW 1 mil.)



\* GP1-GP7 grade materials purchased from N2B, the group's MRO supplier. N2B integrates the certified green purchasing policy with POSCO's proprietary green purchasing policy to assign green purchasing grades (GP1-GP7) to MRO materials before supplying them to group affiliates.

# Customers

POSCO STEELEON complies with the customer practice guidelines it has enacted by recognizing that customer satisfaction is the greatest value for the company’s sustainable growth. As a member of the POSCO Family, POSCO STEELEON continuously strives to improve quality and carries out quality assurance activities based on the three core values of the POSCO Group’s Quality Charter: responding to customer demands, establishing a quality management system, and implementing supply management. We periodically upgrade our management system with certifications such as IATF 16949 (Automobile Quality Management System) and ISO 9001 (Quality Management System). We will continue to do our best to establish a quality system that meets our customers’ requirements.

## Customer Practice Guidelines

### Creating Customer Value and Securing Trust

Recognizing that our future depends on customer trust and success, we always respect customer opinions, try to understand customers, and create value that aids in customers’ development.

#### Realize customer satisfaction

- We implement customer-centered work patterns that listen to and respect the customers.
- We actively accommodate customers’ legitimate demands and reasonable suggestions.

#### Creating customer value

- We respond to customer needs by providing the best products through continuous technology development.
- Officers and employees cultivate a service mindset that respects the culture and customs of the customers while understanding domestic and international market conditions.

#### Securing customer trust

- We do not provide products and services that pose a threat to their safety and health by fully considering their safety and health in our business activities.
- We protect customers’ information and comply with laws and regulations regarding information protection.
- We provide accurate information to the customers in a timely manner.

## Quality Management Charter

### POSCO STEELEON Quality Charter

In accordance with the **three core values of the POSCO Family Quality Charter (Responding to Customer Needs, Establishing a Quality Management System, and Implementing Supply Management)**, we realize complete customer satisfaction through continuous quality improvement efforts and quality assurance activities, and production and supply of the highest-quality surface treatment products.

**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, deploying a quality management system (Basic Inside)**  
Eliminate deviations and waste while respecting the basics and principles.

**Third, implementing supply management (Synergy Inside)**  
We pursue the win-win growth of 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, IATF 16949:2016 standards, and prioritizes quality management based on this quality policy for customer satisfaction through continuous improvement. All employees understand the quality policy and do their best in good faith to achieve the quality goals of each division.

## Quality management system

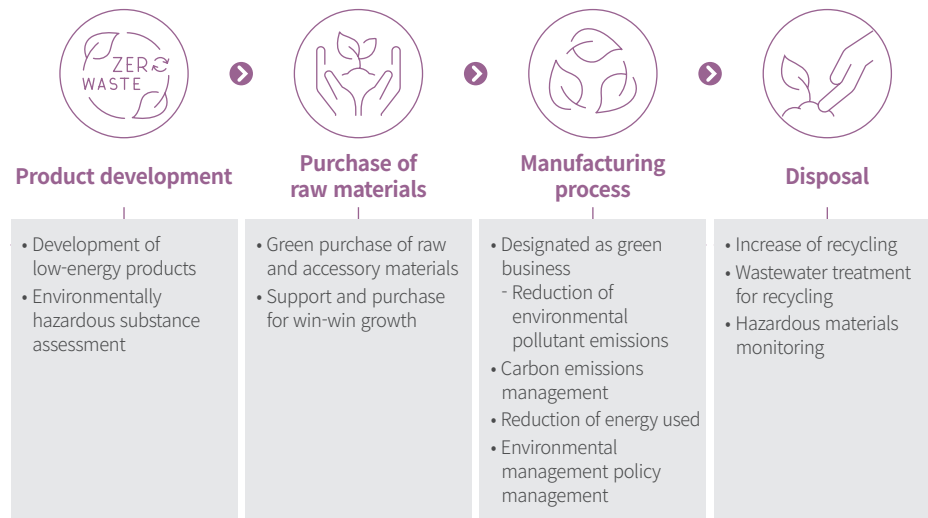
### Quality-related Certifications

Category of certifications	Expiry Date
ISO 9001 (Quality management system)	Nov. 29, 2026
<b>International</b>	
IATF 16949 (Automobile quality management system)	Nov. 27, 2026
KS D3520 Certification of hot dip galvanized steel sheet and steel strip	Jun. 7, 2027
<b>Domestic</b>	
KS D3862 (55% aluminum-zinc alloy hot dip-coated steel sheet and strip)	Jun. 7, 2027
KS D6711 (Painted plates and strips of aluminum and aluminum alloy)	Jul. 2, 2027

## 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 implemented “Product Stewardship (Product Responsibility Principle)” throughout the entire product life cycle starting from the stage of raw material selection. Product responsibility principle or Product Stewardship is realized not only for eco-friendly products but also for environment-related raw and accessory materials used in the manufacturing process through continuous risk assessment, improvement to secure safety, and maintenance routines.

### Product Stewardship Activities by Stage

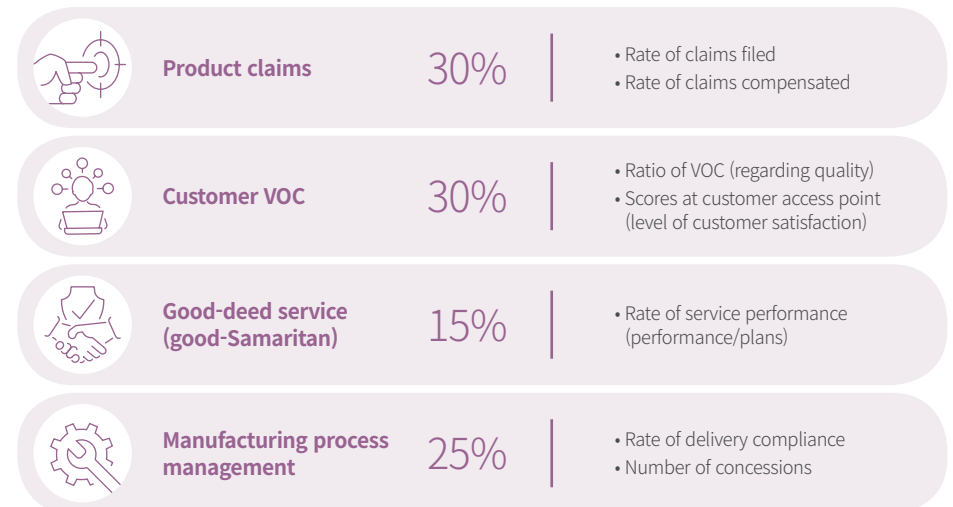


## Customer Satisfaction Management

POSCO STEELEON measures and assesses its customer satisfaction index every year to improve customer satisfaction. The 2024 customer satisfaction index stood at 95 out of 100. The scores were relatively high in the areas of customer VOC, kind service, and manufacturing process management, but were a bit low in the area of product claims. We continuously strive to improve customer satisfaction by deriving areas for improvements based on the results of the customer satisfaction index assessment.



### Items Assessed for Customer Satisfaction Indexes

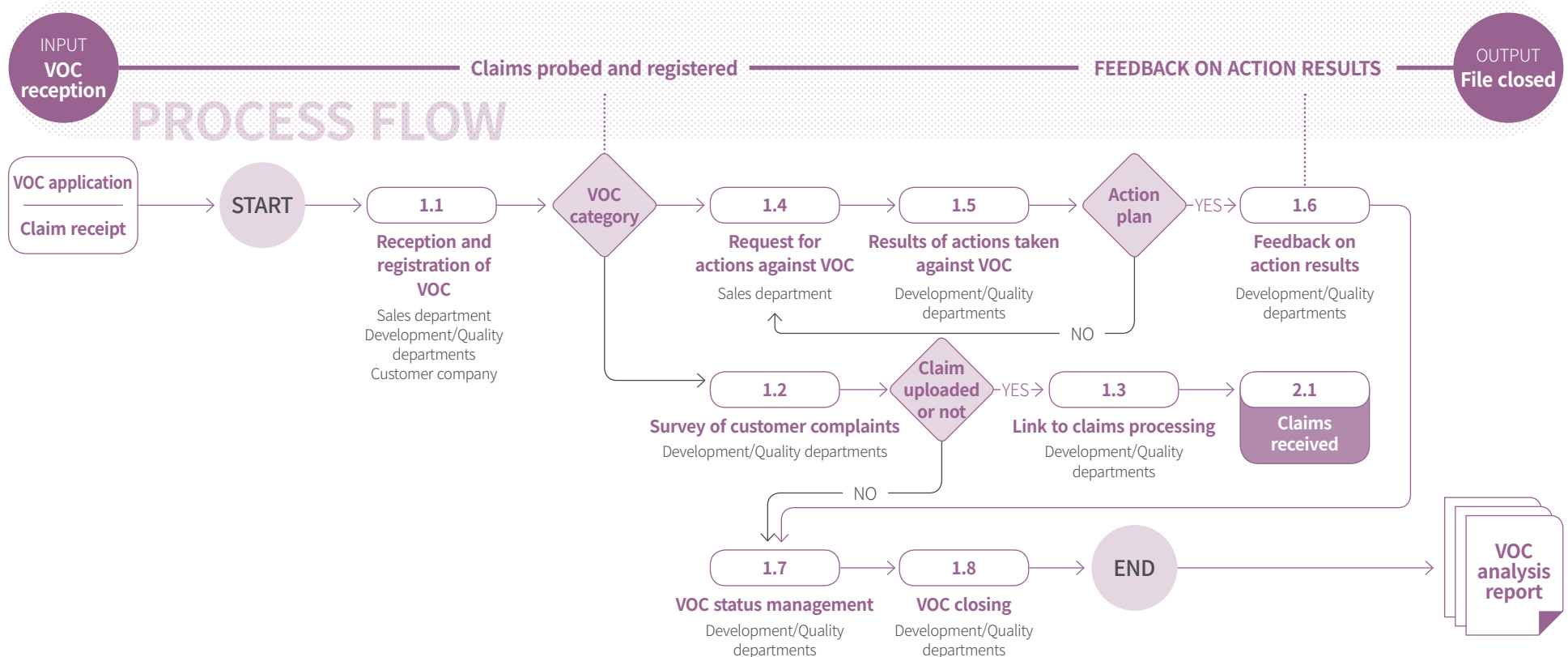


## Customer Complaint Management

### Customer VOC

POSCO STEELEON systematically manages and monitors customer complaints and claims through the operation of its Voice Of Customer (VOC) system. Upon receipt of customer complaints and claims, we request the person in charge of the action department to proceed with their handling promptly. The person in charge of the action department enters the relevant action status into the relevant system and periodically reports it at quality management meetings. In 2024, a total of 29 cases were received and 23 cases were addressed. We will always listen to the voices of customers directly and make improvements to implement customer-oriented service activities.

Classification	Unit	2023	2024
VOC reception	cases	8	29
VOC actions	cases	5	23



### Providing Products with Social Value

POSCO STEELEON carries out management activities that reflect not only profit generation but also social value by producing products that can enhance the safety and health of society through the addition of functions such as antibacterial and non-flammable properties while expanding the development of products utilizing biomass and recycled raw materials. In particular, we will provide a foundation for sustainable growth with investments for high-yield growth overseas while enhancing our market dominance by speedily responding to rapid changes in the market. We will strive to become a company that helps create a healthy ecosystem where we grow together with our customers.



### Developing Products Optimized for Customer Needs

POSCO STEELEON has focused its capabilities on the development of new products and materials. We have also carried out research and development projects with POSCO and RIST, focusing on the development of new products that can help it grow together with our customers with the aim of meeting their special needs, creating high added value, developing new demand, adding new functionalities, and localizing imported products. To become a company loved by its customers, it needs to be evaluated highly in QCDDM (Quality, Cost, Delivery, Development, and Management). We will strengthen quality management from the customer’s perspective and establish all work standards centered on the customers to ensure speedy response to their needs.

### Technology for Quality Control and Product Protection

We hold 127 domestic and 11 overseas intellectual property rights related to our business as of 2024. The total number of registered and maintained rights may vary since some rights are abandoned and others expire, with registered rights periodically evaluated every year to decide whether to maintain or abandon their registration. Majority of the patents we hold are related to surface-treated steel sheet products and processes for manufacturing them. They are patents enabling us to utilize them in the market by protecting the company’s technologies and products. Our intellectual property experts are in charge of developing strategies, filing and registering intellectual property rights, implementing follow-up management, and responding to disputes related to intellectual property rights.

#### Status of Intellectual Property Rights Registered at Home and Abroad

(As of Dec. 31, 2024 / Unit: cases)

Classification	Domestic	Overseas	Total
Patents (including designs)	108	8	116
Trademarks	19	3	22
<b>Total</b>	<b>127</b>	<b>11</b>	<b>138</b>

# Local Communities

POSCO STEELEON carries out sincere and systematic social contribution activities based on the philosophy of sharing. We continuously strive to become a beloved company by faithfully fulfilling our proper roles and social responsibilities while practicing coexistence through continued interest in and support for our neighbors in the local community with active volunteer services by our employees every month.

**Social contribution**

**We attempt to create a happy world for all together by practicing sharing.**

## Community Practice Guidelines

### Contribution to the Nation and Society

**We contribute to the development of the country and society by fulfilling our responsibilities and duties as an ESG leader business.**

Role and attitude as a member of the local community	Contributing to National and Social Development
<ul style="list-style-type: none"> <li>We respect the laws and regulations of the country where we operate, including the culture and traditions of the local community. We also strive to promote joint development with the nation and society.</li> <li>We strive to communicate with stakeholders through their participation in management activities related to the national society.</li> <li>We strive to engage our trading partners in activities for the development of the national society.</li> </ul>	<ul style="list-style-type: none"> <li>We will fulfill its duties in the community by creating and maintaining stable jobs and paying taxes in good faith.</li> <li>We actively participate in social service activities such as volunteering and disaster relief. We also stage public service activities in various fields such as culture, art, sports, and academe.</li> <li>We help local residents improve their quality of life and enjoy a happy life.</li> </ul>

## Vision and Mid- and Long-term Goals of Participation in Local Communities

Vision	<b>Contributing to shared growth with the local community through the realization of “All-Barun” sharing together.</b>			
Goals	<b>Systematize social contribution activities and establish four platforms for continuous contribution activities instead of one-time contribution activities</b>			
Implementation strategies	<b>Sharing the light of hope</b>	<b>Sharing a happy space</b>	<b>Sharing local community love</b>	<b>Global sharing</b>
	<ul style="list-style-type: none"> <li>Creating Braille text on PosART steel sheet</li> <li>Contributions to the visually impaired, such as services by Braille Book Corps</li> </ul>	<ul style="list-style-type: none"> <li>Remodeling of housing for vulnerable groups utilizing own products (roofing improvement → provision of current comprehensive solution)</li> </ul>	<ul style="list-style-type: none"> <li>Contribution activities with local communities, such as those in the Yeonil /Daesong areas</li> <li>Continuing volunteer service activities by department</li> <li>Supporting cultural experience programs for marginalized areas in Gyeongbuk</li> </ul>	<ul style="list-style-type: none"> <li>Regular social contribution activities of Myanmar Corporation (school sponsorship, etc.)</li> </ul>

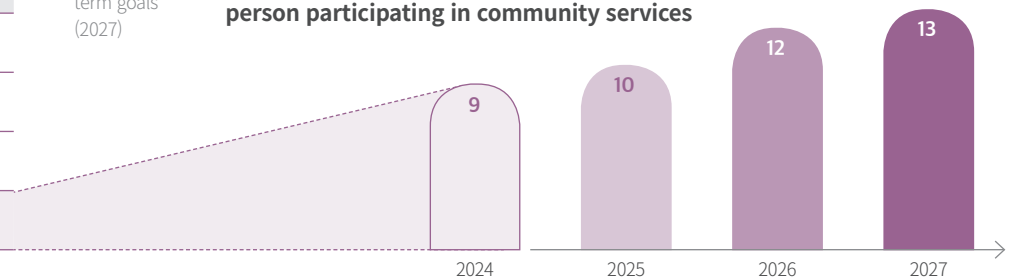
## Social Contribution Expenses and Particulars of Volunteer Service by Employee

Classification	Unit	2022	2023	2024
Social contribution expenses	KRW 1 mil.	515	227	191
Total hours of volunteer service	hours	1,963	3,986	3,685
Persons participating in volunteer service	persons	230	370	280
Volunteer service hours per person	hours/person	4.5	9.1	8.6

Mid- to long-term goals (2027)

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

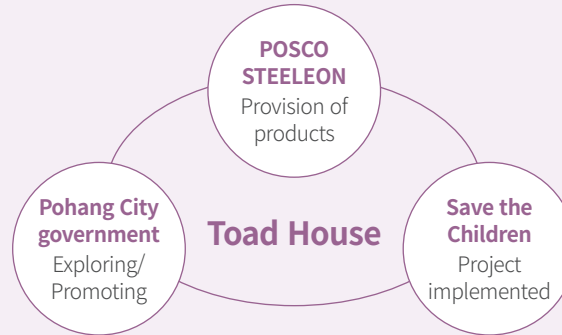
(Unit: hours)



Recent Key Social contribution Activities

POSCO STEELEON “Toad House”

POSCO STEELEON signed an agreement with the Pohang City government and an NGO called Save the Children for the project on improving the residential environment called “Toad House Project” (November 25, 2024) to lead the development of a safe, healthy residential environment for vulnerable groups, including children at risk in the region. POSCO STEELEON will continue to take the lead in providing warm and comfortable housing conditions for alienated neighbors using its technological prowess.



Project purposes

To enhance children’s emotional stability by providing a safe, comfortable living environment and help improve children’s physical health and development by providing a healthy living environment

- **Implementing entities** Save the Children Korea Eastern Regional Division
- **Project details** Improvement of housing conditions for vulnerable children in Pohang
- **Eligibility for support** Vulnerable children of one family in Pohang (victims of abuse)
- **Implementing entities** Sept. 27 – Dec. 31, 2024

- **Expected effects**
  - A stable, comfortable living environment will be provided for vulnerable children in the Pohang area to support their healthy growth and development.
  - It will contribute to helping vulnerable children enjoy a better-quality life and grow into happy and healthy citizens.

POSCO STEELEON Selected as “Certified Company for Rural ESG Practice”

On January 16, 2025, POSCO STEELEON was selected as a “Certified Company for Rural ESG Practice” in recognition of its efforts to promote rural ESG activities and win-win growth assistance. The “Rural ESG Practice Certification System” recognizes companies that utilize their human and material resources to realize win-win cooperation with rural areas practicing ESG management. It is jointly hosted by the Ministry of Agriculture, Food, and Rural Affairs, Ministry of Oceans and Fisheries, and Korea Foundation for Cooperation of Large & Small Business, Rural Affairs. POSCO STEELEON has contributed to improved education and leisure life by providing educational supplies for infants and toddlers while developing neighborhood parks in rural areas. In particular, it has contributed to the enhanced competitiveness of Pohang’s agriculture by donating a special vehicle for spraying high-quality nutrients to the Pohang City Gigye and Gibuk Eco-friendly Rice Farming Park. For fishing villages, the company signed a service agreement with Guryongpo Fisheries Cooperative on the cleanup of the Pohang marine environment. We also organized a joint volunteer service group to collect marine waste such as discarded fishing gear and fishing nets to clean up Guryongpo Beach. POSCO STEELEON will continue to strive for the sustainable development of local rural and fishing villages facing difficult conditions by carrying out practical support projects while extending programs for mutually beneficial cooperation with rural and fishing villages.



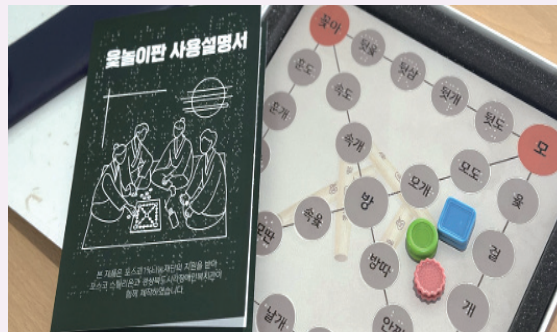
### “Improving the Infrastructure for Fostering Future Generations with PosART Products”

On April 19, 2024, POSCO STEELEON delivered KRW 20.9 million worth of sponsorship at a ceremony unveiling the “POSCO STEELEON (Warmth)-World Dream House Project” at Daesong Middle School in Pohang together with representatives from the Gyeongbuk Regional Headquarters of Green Umbrella. We exhibited PosART-based fine paintings to help foster the artistic sensibilities of the students after remodeling the School’s lobby using PosART interior materials. The “POSCO STEELEON (Warmth)-World Dream House Project” is a social contribution project for improving the housing and education infrastructure of the underprivileged future generations by utilizing the steel products donated by warm-hearted employees of POSCO STEELEON. POSCO STEELEON has continuously performed social contribution projects for supporting educational infrastructure improvement by aiding in the founding of Handong University in 2021, Pohang Namseong Elementary School in 2022, Pohang Iron and Steel Middle School, Army 3rd Military Academy, and Myanmar Elementary School in 2023. We plan to continue our social contribution projects so that the underprivileged future generations may live in a safe, good environment by utilizing the merits of the company’s steel manufacturing business.



### “Donation of More Braille Yutnori Boards for the Visually Impaired”

POSCO STEELEON jointly produced Braille Yutnori boards for the visually impaired and distributed them nationwide in collaboration with the Kyeongsangbukto Welfare Center for the Visually Handicapped. This product was developed using POSCO STEELEON’s texture expression technology “Posco Art,” receiving great response since its first introduction last year. In 2024, the distribution targets increased to 200 small facilities frequently used by the visually impaired as well as individuals. The product was upgraded by reflecting user feedback so that not only those with low vision and severely visually impaired but also the non-disabled can play the game using the board. The Braille Yutnori board has been upgraded by reducing its weight, optimizing the position of the Braille codes, and enhancing the color contrast of the letters to improve readability. POSCO STEELEON plans to continue carrying out various activities that will help the visually impaired people in the future.



### “Shopping Event at Conventional Markets”

In May 2024, POSCO STEELEON and Yeonil-eup Administration and Welfare Center held a shopping event to revitalize the local economy on the traditional shopping day of Yeonil Traditional Market located in Yeonil-eup. At the event, POSCO STEELEON employees and staff members of the administration and welfare center purchased daily necessities to help revitalize the traditional market.



### “Tree Seedlings Nursing Event”

In April 2024, POSCO STEELEON and POSCO E&C employees visited the National Arboretum to participate in an event of planting and nurturing tree seedlings. Approximately 60 employees from both companies fertilized the planted seedlings together during the 2023 Arbor Day event. They also cleaned up the surrounding areas and planted new tree seedlings. In addition, they participated in a mountain cleanup activity to collect trash near the exhibition hall in the arboretum, Gwangneung Forest Road, and Bongseon-sa Temple Stream.



# Governance



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Governance

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# Governance Management Approach

## Materiality of Issues

Corporate governance structure is a key foundation for building stakeholders' trust through the maximization of shareholder value by securing the management's transparency and accountability. A sound governance structure enables the management to fulfill its legal and ethical responsibilities faithfully by minimizing risks while enabling sustainable growth and securing long-term competitiveness. Ethical management contributes to the company's fulfillment of corporate social responsibility externally while strengthening trust within the organization as it enables decisions to be made based on honesty and fairness across all corporate activities. Fair trade is an important element that promotes coexistence with the partners and customers by enhancing transparency in transactions through the prevention of unfair practices while maintaining free competitive order in the market.

## Management Approach

POSCO STEELEON has realized sustainable growth and responsible management by establishing investment and management strategies that reflect ESG factors while operating an independent, transparent decision-making structure around the board of directors. The board of directors enhances the transparency of business operations by performing monitoring and supervision of the management team while deliberating and deciding on major management issues. In addition, it practices ethical management based on the code of ethics and strives to foster an ethical culture within the organization by regularly implementing the code of conduct and conducting ethics training and education for the employees. It has also enhanced the long-term corporate value while securing stakeholders' trust through the upgrading of internal control and risk management systems while operating the Fair Trade Voluntary Compliance Program (CP) for strengthening cooperation with the supply chain.

## Connected to UN SDGs



**Goal 16**  
Peace, Justice and Strong Institutions

## Key Performance

<p><b>100%</b> Attendance rate of the board of directors</p>	<p><b>100%</b> Completion rate of ethics training</p>
<p><b>93.3</b> points POSCO Group Fair Trade Index Assessed</p>	<p><b>AA</b> Rating of Voluntary Fair Trade Compliance Program (2023-2025)</p>

# Governance

POSCO STEELEON has deployed a transparent, sound governance structure through the operation of a board of directors equipped with expertise and agility. To maximize corporate value, we have established a fair, reasonable decision-making structure. We have enhanced trust with investors while increasing shareholder returns with an active dividend policy. In addition, we strive to promote smooth communication with the market by periodically conducting IR activities and investor meetings.

## Status of BOD

### Organization of BOD

POSCO STEELEON's Board of Directors is the supreme decision-making body that adopts important management policies and deliberates on the basic policies of management. As of end of March 2025, the Board is composed of four members: two inside directors, one non-executive director, and one outside director. Directors are appointed by the general shareholders' meeting. The candidates for directors to be appointed are selected by the Board, and their appointment is finalized as an agenda item submitted to the general shareholders' meeting. POSCO STEELEON appoints directors with expertise in economy, production, 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.

### Current Organizational Status of BOD

\* As of end of May 2025

Classification	Name	Position and duties	Key experiences	Board skills matrix				Date appointed	Term of service	
				Production / Quality	Investment / New business	Industry / Economy	Strategy / Finance			
Inside director	Choun Si-youl	CEO-Representative director Chair of BOD	2025.01 President of POSCO STEELEON	2024.01 Superintendent, POSCO Pohang Steelworks	○	-	○	-	Mar. 24, 2025	1 year
			2022.01 Deputy Director of Process Quality at POSCO Pohang Steelworks	2020.01 Manager, Production Technology Strategy Office, POSCO Production Technology Division						
Other non-executive directors	Jeong Yeon-su	Manager, Management Planning Office	2025.01 Manager, Management Planning Office, POSCO STEELEON	2024.01 Manager, Management Planning Office, POSCO Future-M	-	○	-	○	Mar. 24, 2025	1 year
			2022.01 Manager, Management Culture Office, POSCO Flow	2016.04 Manager, Management Diagnosis Group, POSCO Management Strategy Office						
Other non-executive directors	Ham Dong-eun	Manager, POSCO Management Planning Office	2025.01 Manager of POSCO Management Planning Office	2024.01 Manager, POSCO Management Planning Office	-	○	-	○	Mar. 24, 2025	1 year
			2023.01 Manager, Marketing Strategy Group	2019.06 Manager, POSCO-Europe Brussels Office						
Outside director	Lee Yeong-min	Outside director	2023.03 Current Professor of Industry-Academe Collaboration, Seoul National University Business School	2022.09 CEO of Korea Venture Investment	-	-	○	-	Mar. 24, 2025	2 years
		2019.01 Director, Yunmin Creative Investment Foundation	2014.01 Former CEO, Albatross Investment							

**Management of BOD**

POSCO STEELEON has established the Corporate Governance Charter to promote the balanced rights and interests of stakeholders such as shareholders, customers, and employees by enhancing the transparency, integrity, and responsibility of professional management team members under the supervision of an independent Board of Directors. In accordance with its management regulations, the Board holds regular meetings six times a year and extraordinary meetings as required. The CEO presides over the Board meeting. Resolutions on matters submitted to the Board are passed by majority of the attending directors who make up the majority of the directors. Those with special interest in the matter abstain from voting. A total of 7 board meetings were held in 2024 with 17 agenda items decided, including the assessment of the operation status of the internal accounting management system. In addition, to improve the Board’s operations, outside directors were provided with on-site inspections to understand the current status of the company’s business activities and briefing on the current status of management.

**Current Status of Board Operations**

Classification	Unit	2022	2023	2024
Number of Board meetings held	cases	5	6	7
Number of agenda items subject to deliberation	cases	13	19	17
Attendance rate of BOD	%	95	100	100

**Education for Outside Directors**

POSCO STEELEON supports its outside directors in making independent, fair judgments by accurately understanding the company’s business environment and management activities. In October 2024, we also provided them with an opportunity to check the actual operating environment directly while conducting an on-site inspection to understand the status of its business activities. In addition, we supported the outside directors in actively responding to external changes by providing briefing and education on major business activities in connection with changes in the domestic and international business environments.

**Compensation System for Members of BOD**

The remuneration of the Board members is paid within the amount approved by the General Shareholders’ Meeting, determined based on the standards set by the Board in consideration of their position and duties. For inside directors, performance-linked compensation is provided based on a quantitative assessment of the company’s performance and a qualitative assessment of their ESG activities. The remuneration for external directors is paid as a fixed compensation considering their independence, rather than compensation based on the assessment of their performance. Please refer to the business report for details.

**Audit System**

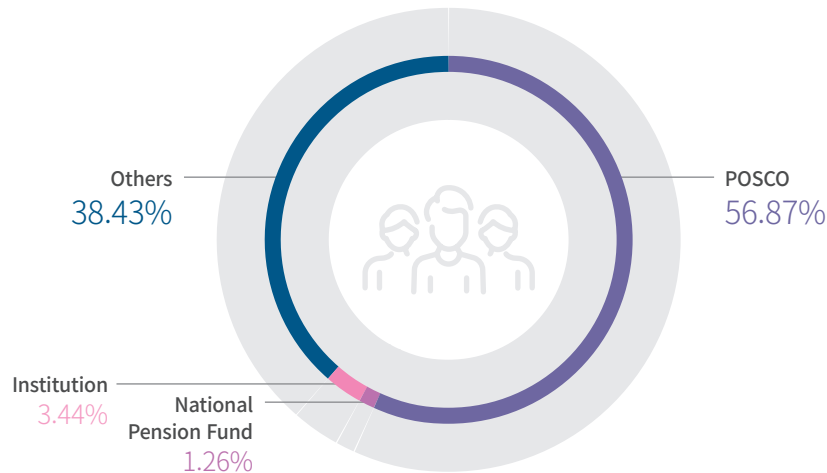
POSCO STEELEON has one auditor appointed by a resolution of the general shareholders’ meeting to conduct audits on accounting and overall business. As the audit support organization, the Upright Management Group efficiently reviews and plans diverse activities such as quarterly pre-audits, business process improvement, and safety audits. Issues identified in the audit are immediately reported to the relevant department head and the management team. Corrective and improvement measures are taken, and appropriate follow-up management is conducted. A total of 7 audits were conducted in 2024. Audit training related to the internal accounting management system was completed in August to enhance audit expertise further.

## Protection of Shareholders' Rights and Interests

### Shareholders

As of end of December 2024, the company had a total of 6,000,000 outstanding common shares. The largest shareholder is POSCO, which holds approximately 57% of the total shares. The remainder is held by institutional investors, National Pension Service, and other small shareholders. To enhance 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.

### Status of Shareholders



\*Based on common shares as of end of 2024

Name of shareholder	Number of shares held (shares)	Equity ratio held (%)
POSCO Co., Ltd.	3,412,000	56.87
National Pension Fund	75,357	1.26
Institution	206,287	3.44
Others	2,306,356	38.43
<b>Total</b>	<b>6,000,000</b>	<b>100.00</b>

### Dividend Policy

POSCO STEELEON implements a dividend policy that takes into account the balance between corporate growth and shareholder returns. Dividends are paid following resolution by the board of directors and approval by the general shareholders' meeting. An appropriate dividend rate is determined within the range of distributable profits by comprehensively considering continuous investment for growth, shareholder value enhancement, and management environment. The total cash dividend in 2024 was KRW 12.94 billion, a 33.7% increase compared to the previous year.

### Dividend Details

Classification	Unit	2022	2023	2024
Total of cash dividend	KRW 1 mil.	5,250	9,675	12,940
Dividend per share	KRW	875	1,615	2,160
(Consolidated) cash dividend ratio	%	23.1	39.1	37.8

### Shareholder-friendly Management

POSCO STEELEON has augmented its activities to strengthen communication with its shareholders and stakeholders. In 2024, a total of 16 communication activities were conducted including regular investor relations (IR) and NDR (Non-Deal Roadshow), recording an increase of 10 events compared to the previous year. In addition, the company created a shareholder-friendly environment by introducing an electronic voting system to increase the participation of minority shareholders and facilitate their exercise of voting rights. Meanwhile, starting 2025, we have standardized its financial information through the disclosure of business reports following XBRL conversion and enhanced accounting transparency to assist in informed decision making by the information users.

### 2024 Communication Activities with Shareholders and Stakeholders

No	Classification	Times
1	CFO-hosted steel analyst meeting	3
2	Quarterly performance IR	3
3	NDR (Non-Deal Roadshow) for institutional investors and analysts	7
4	Visit to analyst companies	2
5	Meetings with individual investors	1

## Disclosure of Corporate Governance Report

POSCO STEELEON strives to increase transparency, secure stakeholders’ trust, and realize responsible management through the disclosure of its corporate governance report.

### Compliance Status of Key Governance Indicators

Key indicators	Promotion details
Convening notice published 4 weeks prior to the Annual General Meeting (AGM)	The convocation notice for the current-term (37th) general shareholders’ meeting was transmitted approximately four weeks in advance.
Electronic voting introduced	In order to enhance convenience in exercising voting rights, the electronic voting system was introduced in 2020 and has been implemented every year.
AGMs held on days other than crowded days	The annual general shareholders’ meeting was held on March 24, 2025, avoiding dates when regular general shareholders’ meetings are concentrated.
Providing predictability regarding cash dividends	As part of the Financial Services Commission’s plan for advancing the capital market, we introduced the dividend payment procedure called [First, Decide Dividend Rate, Then Decide Dividend Base Date] for the 2023 general shareholders’ meeting to enhance shareholders’ convenience by introducing a market-leading shareholder-friendly system.
Shareholders notified of dividend policy and dividend payment plan once a year	POSCO STEELEON plans to return its earnings to the shareholders with a target dividend rate of 10% or more within the range of distributable profits considering its management environment, while increasing investments and shareholder values for the company’s sustainable growth. In addition, when a resolution is introduced regarding dividends, the company shares information with the shareholders through the processes for decisions on cash and in-kind dividends and disclosure of its business reports.
Development and implementation of internal control policies including those for risk management	We strive to be a company trusted by all stakeholders by prioritizing integrity, fairness, and honesty in our business activities. POSCO STEELEON manages risks related to both financial and non-financial risks systematically and effectively. For financial risk management, we operate systems for the management of market and credit risks and internal accounting management. For non-financial risk management, we conduct the assessment and management of risks related to ethics and fair trade, information protection, IT, and ESG. In addition to the financial factors, we also carry out risk management for ESG and other non-financial factors that have a material impact on sustainability. The details are clearly stated in the Sustainability Management Report posted on our website.
Whether a policy is in place to prevent the appointment of executives responsible for damaging corporate value or infringing on shareholder rights	In examining the qualifications of directors, we closely check not only the qualifications of directors stipulated in the Commercial Act but also those related to persons who are responsible for damaging corporate value or infringing the rights and interests of shareholders, including those related to persons who have been slapped with administrative or judicial sanctions for violating laws and regulations or who have been exempted from the enforcement of such sanctions. The directors are appointed at the general shareholders’ meeting, with the CEO appointed from among the inside directors by a Board resolution.
Installation of an Independent Internal Audit Department (Internal Audit Support Organization)	POSCO STEELEON operates the Upright Management Office, an internal audit organization that supports the efficient performance of audit work. The Jeong-Do Management Group conducts activities such as those supporting audit work, evaluating financial and accounting audits and internal accounting control systems, including those related to consolidated financial statements, developing ethical management policies, and improving the systems concerned, independent of the management and controlling shareholders.
Holding meetings with external auditors at least once per quarter without the attendance of management team members by the internal audit organization	POSCO STEELEON’s external auditors have reported the results of quarterly and semiannual reviews of financial statements, annual audits, etc. to the company’s auditor at least quarterly without the attendance of the management. They also hold consultation on the audit plans, progress status, and major performance results. In addition, the contents of the external auditor’s consultation are reflected to the internal audit work as required.
Whether procedures are in place for the internal audit organization to access important information related to management	Our audit is conducted based on the company’s articles of incorporation and the relevant standing policies in an independent position from the management and controlling shareholders. If necessary, external experts may be consulted at the company’s expense. They can also utilize the Jeong-Do Management Group—a support organization for internal audit—to follow procedures deemed necessary including those for accessing documents related to important business issues and reviewing their contents.

# Integrity Management

POSCO STEELEON has internalized the code of ethics through regular training and workshops, having recognized that ethical management is a value that must be practiced by all of its stakeholders not only the internal constituents but also partner companies. To establish an ethical business culture, we support compliance with the code of ethics by the partners. We also operate an internal reporting (whistleblowing) and consultation system to prevent unethical conducts in advance.

## Ethical Management System

### Operating Systems for Ethical Management

#### Core Values of Ethical Management

The POSCO Group has grown with the mission of contributing to the nation’s development. In the process, it has continuously strived to do the right thing in the right manner. To become a driving force for pioneering the future and winning the trust of the people, it has newly upgraded “the core values of ethical management” to reflect the values and demands of the times.



#### First

The decisions and actions “I” perform must always be “truthful” (integrity).



#### Second

We must practice the value of “Respect” for others (“you”).



#### Third

We must expand the framework of “us” through “Mutual Empathy” with the stakeholders.

#### Ethical Code

The POSCO Group’s ethical management is based on the philosophy of “doing the right thing in the right manner.” The POSCO Group practices ethical management based on the four ethical management standards below. All its employees execute a written pledge affirming their Compliance with the Code of Ethics at the beginning of each year to solidify their commitment to ethical management.

- **Ethics Charter** The POSCO Group’s basic philosophy and direction for ethical management
- **Ethical Principles** Core ethical standards that the POSCO Group must adhere to
- **Code of Conduct** Ethical code of conduct that employees must follow
- **Practice Guidelines** Specific guidelines for implementing the code of conduct

### Integrity Management Organization

POSCO STEELEON has organized a dedicated organization for systematic ethical management in addition to an Ethics Committee. The Jeong-Do Management Group is an independent organization that supports audit work and is in charge of the overall ethical management activities such as ethics education, monitoring of unethical behavior, and ethical management audits. The Ethics Committee is an ethics management consultative body based on the ethics code, sharing related issues and making decisions. The committee is convened twice a year under the leadership of the Upright Management Office Director and attended by approximately 40 members, including the autonomous compliance committee members and ethics practice leaders from each department. In 2024, the Ethics Committee held two meetings to discuss issues related to fair trade assessment and agenda items related to ethical management.

## Integrity Management Activities

### Ethics Education and Campaigns

We periodically conduct ethics training for all employees with the goal of preventing unethical behavior and firmly establishing an ethical culture within the company. In 2024, we conducted 40 group training sessions for newly hired employees and all departments. In addition, we implemented a mandatory group-wide e-learning program to enhance the ethical awareness of all the employees. We also wage an ethics management campaign every month to create a more transparent, ethical organizational culture through enhancement of awareness of ethical leadership by covering a new topic each time.

### Status of E-Learning Ethics Education

Classification		Unit	2022	2023	2024
Education ethics and prevention of sexual harassment	Rate of completing students	%	100	100	100
	Number of personnel who completed the education	persons	416	415	417

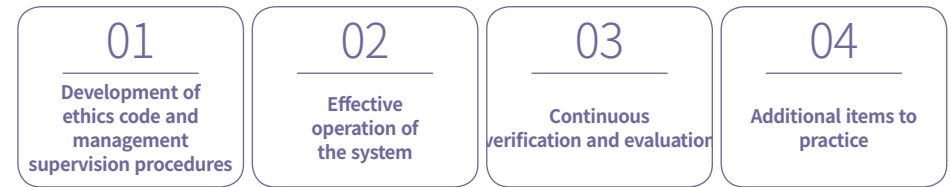
### Developing an Organizational Culture Respecting Humanity

POSCO STEELEON checks its ethical culture within the organization by conducting an online questionnaire survey on “human-respecting corporate culture” every year for the employees, including the partner company’s personnel stationed in the company’s premises. This inspection is conducted to identify cases of violations of human dignity such as workplace bullying, violations of sexual ethics, and unethical acts such as embezzlement and bribery. As a result of the 2024 inspection, only one case of human rights violations was recorded, same as the previous year. The Upright Management Office also develops improvement and recurrence prevention measures while enhancing the ethical organizational culture through continuous monitoring and prevention activities.

## Assessment of Ethical Management Activities

To check and strengthen ethical management practices every year, we evaluate four key items ranging from the management organization to the measures to prevent violations from recurring. The assessment results of these ethical management activities are managed through the POSCO Group companies in a unified 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 suppliers’ employees. In 2024, we conducted the following support activities to ensure that ethical management is established at our suppliers through on-site inspections and interviews with their employees:

### 2024 Activities Supporting Ethical Management by Partner Companies

Classification	Details
Ethical Management Activity Evaluation 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 and unfair acts or behavior by suppliers for the establishment of a healthy workplace culture</li> </ul>
Supporting ethics education for suppliers’ employees	<ul style="list-style-type: none"> <li>Education provided for bullying and violation of human respect</li> </ul>
Listening to the grievances of employees of suppliers and encouraging their safety risk prevention activities	<ul style="list-style-type: none"> <li>Provide education and materials on the 10 new safety rules (6 absolute prohibition rules, 4 absolute practice rules)</li> <li>Support for establishing an autonomous safety system (support for mutual cooperation projects for enhancing safety and health and certification as excellent risk assessment workplaces)</li> <li>Provide training and materials on revisions to the Occupational Safety and Health Act and current enforcement status of the Serious Accidents Punishment Act</li> </ul>

## Unethical Behavior Reporting System

### Internal Reporting and 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 of receipt as a rule. If an in-depth investigation is required, we will conduct an investigation for at least one month and notify the reporter of the outcome. Management supervision continues through the Jeong-Do Management Office even after the employee is punished when his/her violation of the Code of Ethics turns out to be true, and monitoring is performed to prevent similar violations from occurring in the future.

### Recommendation/Solicitation Reporting System

This is a reporting system designed to proactively prevent unethical practices. All employees involved in recommendation or solicitation processes—including those who receive, relay, or handle such requests—are required to report the details through the Cyber Reporting Center. Reports are investigated under the supervision of the Ethical Management Office, and if necessary, detailed investigations and appropriate actions are taken.

### Procedure for Reporting Recommendations/Solicitation

- 01 After an executive or an employee receives such unethical or unlawful recommendation/solicitation, the detailed content is registered in the system based on the 5W1H principle.
- 02 The registered details are checked by the Jeong-Do Management Office representatives.
- 03 The related departments (HR, purchase departments, etc.) are notified of the results of checking or verifying the details.
- 04 Further detailed investigation or diagnosis is performed by the Jeong-Do Management Office if necessary to take actions against the problems, if any arise.

### External Reporting (Whistleblowing) System

#### Cyber Reporting Center

The Cyber Reporting System is an external reporting system that strictly complies with the principle of non-disclosure of the identity of the reporter, and is a system for reporting or whistleblowing of employees' unethical behavior. Reports are accepted through various methods including online whistleblowing, mail, and fax. Up to KRW 10 million is paid to external informants as reward. In accordance with the US Foreign Corrupt Practices Act (FCPA), it is also possible to report unethical behavior occurring overseas. In principle, the results of the reports will be processed within two weeks of the date of the report. One unethical act was reported in 2024, for which feedback was made to the reporter and measures were taken after fact checking.

#### Number of Cases Received by the Cyber Reporting System

Classification	Unit	2022	2023	2024
Corruption		0	0	1
Respect for human dignity (including abuse of power)	cases	2	1	0
Others		1	0	1
<b>Total</b>	cases	3	1	2

# Fair Trade

POSCO STEELEON operates a dedicated organization to comply with fair trade-related laws and regulations, and systematically implements programs for voluntary compliance with the fair trade rules in accordance with its internal guidelines. We hold a ceremony for all employees to pledge voluntary compliance with fair trade rules every year. We also augment their education and internal control activities continuously. In addition, we have developed a fair trade environment and minimized the risks in question by deploying a system for preventing unfair subcontracting transactions while checking the risk of unfair collusive practices.

## Compliance with Fair Trade Rules

### Operating a Program for Autonomous Compliance with Fair Trade

POSCO STEELEON introduced a Fair Trade Voluntary Compliance Program (CP) in 2006. Since then, we have made efforts to establish fair competition order by complying with fair trade-related laws and regulations. Every year, we have conducted various activities based on the eight core elements of CP. The CP operation consists of information collection, planning, and reporting to BOD, program operation, and evaluation. The assessment of its operation is divided into internal and external evaluations. The excellence of its Fair Trade Voluntary Compliance Program was recognized with an AA grade by the Fair Trade Commission in 2023.



### Fair Trade Compliance Organization System

POSCO STEELEON operates its Voluntary Compliance Council as an advisory body for CP operations. This Council is composed of group leaders from each department. Through meetings held at least semiannually, it sets basic policies for voluntary compliance, investigates violations of laws, deliberates on and recommends important matters related to sanctions, conducts consultation services, etc. The voluntary compliance manager is appointed by BOD, concurrently serving as chair of the Council. Department leaders dedicated to fair trade practice oversee the fair trade compliance activities of each department. In addition, POSCO STEELEON actively provides support in the form of the necessary human and material resources so that the voluntary compliance managers may perform their duties efficiently. The Upright Management Group performs CP functions for the entire company by assisting the voluntary compliance managers in performing their duties.

### Key Activities for Fair Trade Voluntary Compliance

Core Elements	Key Activities
1 Development and enforcement of CP standards and procedures	Operation of CP-related documentation system, development and enforcement of standards and procedures
2 Support for the CEO's commitment to voluntary compliance	Expression of CEO's determination, reporting the CP operation performance and plans to the Board, etc.
3 Appointment and operation of a compliance officer	Designation and disclosure by the board of directors of a voluntary compliance manager
4 Production and utilization of a Compliance Manual	Production and distribution of fair trade compliance manual (Latest revision: Nov. 2024)
5 Compliance training provided	Fair trade E-learning training provided (2 courses)
6 Deployment of internal monitoring system	Permanent monitoring system deployed, pre-audit of quarterly financial statements, etc.
7 Sanctioning of employees violating fair trade-related laws and regulations	Inspection of violations, leaders awarded excellent fair trade practice citations
8 Assessment of effectiveness and improvement measures	Operational effectiveness inspected, voluntary compliance council meeting held semiannually

### Fair Trade Education

POSCO STEELEON regularly conducts fair trade education to enhance the fair trade awareness and sense of ethical responsibility of its employees. To that end, we prepare differentiated education programs tailored to their positions and jobs. We also support all employees in complying with fair trade-related laws and regulations through online and group education. In addition, we provide officers and position holders with external education or training for special lectures on fair trade laws and regulations. In doing so, we minimize corporate risks while preventing management risks caused by unfair trade.

### 2024 Performance of Education/Training on Fair Trade

Classification	Title of education	Students
Online training	• 2024 Understanding POSCO's ethical management	All employees
	• Aug. 2024 Management Pium (fair trade special lecture)	Officers/Position holders/ Practice leaders
Offline education	• Fair trade and Ethics education for new and experienced employees	New and experienced employees
	• Fair trade education for the Marketing Division	Seoul Office members
	• First-half Voluntary Compliance Council meeting, Fair trade and Unethical issues	Council members, Practice leaders
	• Second-half Voluntary Compliance Council meeting, Fair trade and Unethical issues	Council members, Practice leaders
	• Establishment of compliance-oriented management and corporate culture	Executives/Position Officers/ Deputy Managers

### Prevention of Unfair or Unlawful Collusion

To prevent unfair or unlawful collusion practices, POSCO STEELEON prevents any violation of the Monopoly Regulation and Fair Trade Act by clearly indicating on documents the cause and source of price fluctuations—such as market conditions—when changing its product prices. To prevent acts of collusion between businesses in terms of production facility scale and adjustment of shipments, we also accurately record the status of new and extended facilities on various documents. As a result, we have had no violations due to unfair collusion practices in the past three years.

### Establishment of Fair Contracting Practices

POSCO STEELEON operates a pre-audit system for negotiated purchase contracts to foster a culture of fair competition and win-win growth. We block inappropriate or unnecessary contracts in advance by conducting audits on contracts exceeding a certain amount in all areas where the company does business, including those for materials, facilities, and cooperation, prior to signing the contract. We also attempt to establish fair trade order by proactively identifying risk factors related to subcontracting laws and regulations. When inspecting subcontracts, we improve and correct the contracts by identifying conditions that favor the prime contractor unilaterally, omissions or errors of contract provisions, delays in payment, etc. In addition, we have eradicated illegal subcontracting by taking measures to correct the contract and prevent recurrence in the event of violations.



**Number of cases of fair trade violations**  
(2022 - 2024)

**ZERO**

# Risk Management

POSCO STEELEON constantly monitors financial and non-financial risks to manage risks effectively across the entire corporate management, and takes prompt response actions to risks identified by each responsible department. The Investment Review Committee regularly assesses risks based on ESG criteria. The Board of Directors promotes sustainable management through key decision-making processes and the oversight of risk management.

## Risk Management System

### Financial Risks

POSCO STEELEON periodically checks and manages its financial status to minimize market and credit risks. In addition, it operates an internal accounting management system to enhance the reliability of its accounting information.

### Market and Credit Risks

We manage foreign exchange risk to eliminate risk factors arising from foreign exchange management due to market price fluctuations; thus ultimately minimizing foreign exchange risks. In addition, we periodically check the creditworthiness of our customers to manage the risk of nonfulfillment of contractual obligations due to the debtors' insolvency and refusal to pay.

### Operation of Internal Accounting Management System

POSCO STEELEON operates an internal accounting management system to upgrade its accounting management. It also employs external auditors for auditing its accounting and operations. In addition, the operation status of the internal accounting management system is checked every business year. The representative (CEO) reports the results to the general shareholders' meeting, the board of directors, and the auditor. The adequacy and completeness and the actual control situation of the internal control activities are checked and evaluated. Any deficiencies found during the assessment process are corrected or improved through discussions with the external auditor, the department in charge, and those performing control.

### Operation Process of the Internal Accounting System



### ESG Risks

POSCO STEELEON manages not only financial risks but also ESG and non-financial factors that have a significant impact on corporate sustainability.

### Climate Change and Environmental Risks

POSCO STEELEON continuously monitors and responds to greenhouse gas emissions and environmental risks. We have developed a mid- to long-term reduction roadmap for Decarbonization by 2050, analyzing physical risks and opportunity factors based on climate change scenarios. In addition, we continuously monitor environmental laws and regulations. We minimize environmental risks through an analysis of pollutants in real time to control the emission concentrations by installing a stack TMS.

### Safety and Health Risk

In order to develop a safe working environment, we conduct daily inspections on-site and joint safety inspections with labor union representatives. In particular, we have established management standards by risk level by conducting risk assessments. For high-risk tasks, we have strengthened safety measures additionally by operating a safety management accountability system. In addition, we do our best to prevent occupational accidents by raising workers' safety awareness through safety education and training.

### Ethics and Fair Trade Risks

We operate an internal reporting and counseling system to prevent unethical behavior proactively. We also conduct systematic ethical management activities such as ethics education for employees, monitoring of unethical behavior, 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 preventive activities such as checking the risk of unfair collusion activities.

### Information Protection and IT Risk

We have deployed a company-wide information protection management system to be prepared against information protection and information leak incidents. To that end, we operate an integrated security control system to block cyber intrusions, data leaks, etc. and to diagnose vulnerabilities. In addition, we protect information systems and data from various threats such as natural disasters. We also conduct periodic security checkups 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, we review the ESG impact of the projects by introducing provisions on the review of ESG factors when investment projects are planned. The Investment Review Committee reviews the feasibility of each type of investment and conducts screening to minimize possible risks. We also monitor compliance with the business plans as well as the likelihood and impact of risks even for projects that have already been approved.

### ESG Review Items for Investment Projects



### ESG Risk Management by BOD

In accordance with its investment regulations for ESG management (investment of 10% or more of capital), POSCO STEELEON makes the final decision on whether to proceed with an investment project after the ESG risks are reviewed at the BOD level. By doing so, we comprehensively consider not only the sustainability of its business but also the impact on various aspects such as the environment and society.

The board meeting reviews the mid- to long-term management plans and annual operation plans each year. It also deals with agenda items related to major ESG activities, such as the environment, safety, and health. In 2024, the following agenda items were referred to the BOD: the company's carbon reduction plan, safety and health-related plans, and operation of the Fair Compliance Program (CP). We also reported the results of the ESG materiality assessment to BOD so that the top management can identify ESG issues and make quick and accurate decisions to minimize risks.

### Major Issues Referred to BOD

- Basic management directions and policies
- Mid- to long-term management plans and annual operating plans
- Development of low-carbon policies related to environment and climate change
- Safety and health-related plans
- Appointed by the CEO among the inside directors, President, and Vice President, Executive Managing Director, and Executive Director's positions granted
- Enactment or abolition of important policies or regulations
- Internal accounting manager's and auditor's reporting on the operation status of the internal accounting management system
- Decision on expert assistance to directors

# Information Protection

POSCO STEELEON places the highest priority on the protection of corporate and personal information and strictly complies with domestic and international laws and regulations as well. The company operates a company-wide security system centered on its Information Protection Committee. We also provide continuous education to employees and partners to strengthen their security awareness. In addition, we securely protect the information of our stakeholders and the company's assets by strictly complying with the given procedures when processing personal information.

## Information Protection Promotion System

Vision	To enhance global competitiveness by protecting information assets including core technologies and human resources as the source of our competitiveness										
Goals	<b>Information protection management</b>	<b>Protection of personal information</b>	<b>Make information security a daily habit of employees</b>								
Implementation strategies	<ul style="list-style-type: none"> <li>Deploy and implement security risk management control procedures</li> <li>Review and perform information protection monitoring</li> <li>Identify key risks of information assets and establish assessment criteria</li> </ul>	<ul style="list-style-type: none"> <li>Provide protective measures for each processing stage, such as collection, retention, use, provision, and destruction 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</li> <li>Establish a corporate culture promoting information protection activities</li> </ul>								
Mid- to long-term goals	<b>Phishing email violations</b> (Unit: persons) <table border="1"> <tr> <td>Status in 2024</td> <td>2025</td> <td>2026</td> <td>2027</td> </tr> <tr> <td>20</td> <td>18</td> <td>15</td> <td>10</td> </tr> </table>			Status in 2024	2025	2026	2027	20	18	15	10
Status in 2024	2025	2026	2027								
20	18	15	10								
8 key points of information protection management	Security Policies Workforce management	Protected zone management Response to Incidents	Training & education programs management Asset Management								
			Information System Management Security Audits								

## Information Security Organization

### Chief Privacy Officer (CPO)

POSCO STEELEON's Chief Information Security Officer (CISO) is the head of the Management Support Division with at least one-year experience in overseeing information protection-related duties. Accordingly, we fulfill the requirements for the designation of the Chief Information Security Officer as stipulated in Article 36-7 of the Enforcement Decree of the Act on Promotion of Information and Communications Network Utilization and Information Protection. We have also reported the designation of the Chief Information Security Officer to the Minister of Science and ICT in accordance with the relevant statutes.

### Information Protection or Security Management System

POSCO STEELEON complies with the information protection-related statutes and regulations. It has also strengthened information security system management and information protection activities to protect personal information and prevent cyber infringement. The IT department oversees all information security work, with each department actively implementing information security activities with an internal management plan developed for the eight major items of information security management. In addition, the Information Security Committee is operated to deliberate on the direction and implementation plans for information security promotion at the company level to enact and revise information security guidelines. In 2024, the security management standards were revised to reflect the group's information security guidelines and personal information processing standards.

### Information Security Committee

- Chairperson** Officer in charge of information security
- Members** Department staff in charge of information security, others commissioned by the Chairperson
- Secretary** Head of the department supervising the enterprise-wide information security
- Operation frequency** Once a year, as required

### Diagram of Information Security Management

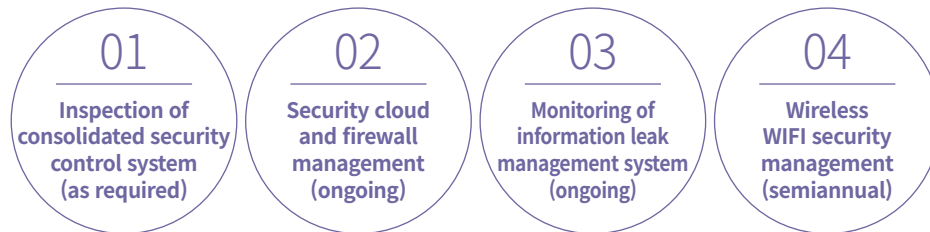


### Information Protection Promotion Activities

#### Security System and Information Protection Activities

POSCO STEELEON periodically checks the various security systems it has introduced to prevent security accidents and respond to new security issues. We operate an integrated security control system to block cyber intrusions, prevent intrusions, and diagnose vulnerabilities. We also monitor information leak through our information leak control system. Moreover, we conduct quarterly life security checks to enhance information protection activities. In 2024 in particular, we established a process for reviewing the manual and security level for responding to incidents of personal information leak. We also carried out the upgrade and optimization of our security cloud.

#### Key Security System Management



### Security Audit

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

### Education on Information Security

POSCO STEELEON requires all its employees to submit a sworn statement on information protection every year to raise their awareness of information security. We also conduct cyber breach simulation drills and information protection training at least once a year. In addition, the company provides separate training to the employees of its partners operating in its premises to help enhance their awareness of the importance of security. We educate them on items for basic daily security compliance such as those related to wearing an access card, prohibiting the use of unauthorized storage devices, and prohibiting access to harmful/unnecessary sites. We also provide information on ransomware attacks and share cases of phishing emails and malware infiltration, including training on how to respond to security issues.

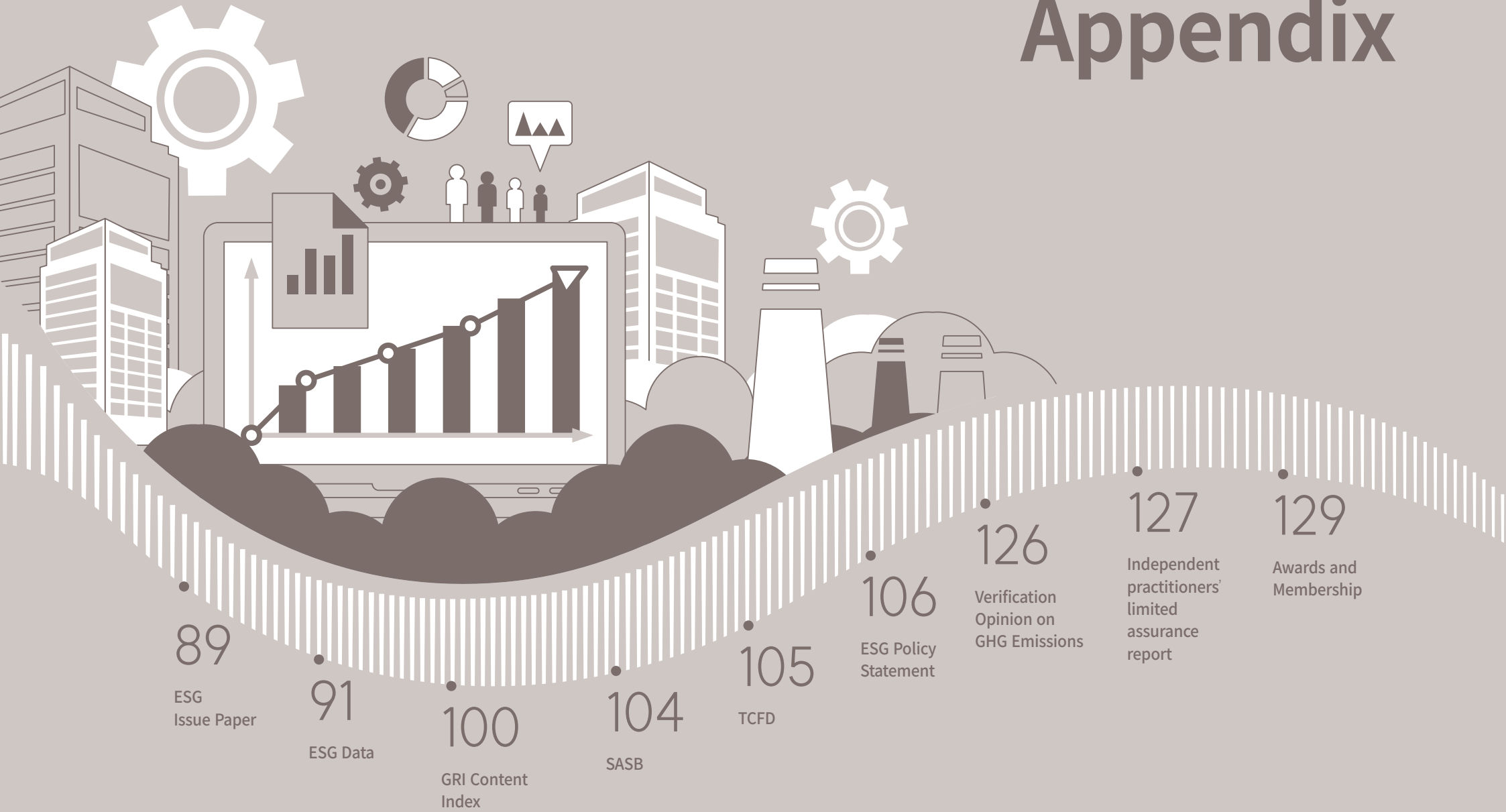
### Training Program for Enhancing Information Security Awareness

Classification	Details	Frequency
Education on information security	Latest Security Trends and Issues including Privacy, Security Compliance, Advance Prevention of Phishing/Smishing Victims	Once a year
Information protection education for newly hired employees	Information protection awareness and management training, including management system, example violation cases, etc.	Upon joining the company (at the time of employment)
Strengthening the expertise of security personnel	Participation in specialized training for security personnel and acquisition of information security-related certifications	As required
Support for partners' security education	Providing separate aid to their education, including issues related to security compliance, enhancement of information protection awareness, etc.	As required

### Investment in Information Security

POSCO STEELEON has continuously invested in deploying a stable information security environment, recognizing the importance of information security. As of 2024, investment in information security amounted to KRW 410 million, accounting for 14% of its total information technology investment of KRW 2.91 billion. In the future, it plans to develop a safe, reliable digital environment by actively investing in the latest security technology for responding to cyber security threats with enhanced information protection capabilities.

# Appendix



# ESG Issue Paper

In response to the recent human rights issues in Myanmar, POSCO STEELEON has prevented any funds generated from the operations of its Myanmar subsidiary from being involved in the human rights issues. We periodically conduct human rights due diligence on its Myanmar subsidiary as part of our measures to perform management activities against any negative impacts on the communities where we operates by identifying them in advance.

## Myanmar Corporation’s (MPCC) Response to ESG Issues

In connection with the recent human rights issues in Myanmar, POSCO STEELEON has thoroughly prevented any of the operating funds of its Myanmar subsidiary from being implicated in the human rights issues. We have continued our efforts to acquire MEHL’s shares with the aim of ultimately terminating the joint venture. At the same time, the general shareholders’ meeting of the Myanmar corporation held in January 2021 adopted a resolution that it will not pay any dividends until the human rights issues are resolved. Furthermore, due to the economic sanctions by various countries across the world, the corporation has not paid the rent for the factory site currently under lease.

POSCO STEELEON can continue this financial blockage as it independently manages the subsidiary with its majority shares. Although the normal operation of the Myanmar corporation is restricted due to the unstable political/economic situation in Myanmar, it has maintained the employment of all its personnel to ensure the stable living of its indigenous Myanmar employees. Such response by the Myanmar corporation was introduced in the **Official Outcome Report** released during the visit to Korea by the UN Special Rapporteur on the Situation of Human Rights in Myanmar in 2022. Although the relevant report does not directly mention POSCO STEELEON by name, it mentions that “It is commendable that the company has made efforts to prevent its revenues from flowing into the military junta without harming the livelihoods of its Myanmar employees” based on the contents of the meeting with the company’s officials.

We will maintain a series of measures to sustain the employment stability of the local employees while also ensuring that the Myanmar corporation’s funds are not used for any undesirable human rights issues. In addition, apart from such measures to respond to the MEHL situation, POSCO STEELEON strives to improve potential/actual human rights risks through a human rights audit by a third-party entity in 2023 to check whether the Myanmar corporation complies with the international human rights norms and local laws. Thus, POSCO STEELEON has made continuous efforts and paid attention to ensure that the internal and external management activities of the Myanmar corporation do not infringe on human rights. It has transparently disclosed them to its stakeholders.

The products produced by the Myanmar subsidiary have contributed to the economic and social development of Myanmar as they are used to improve the living conditions and industrialization of the Myanmar people. They are used as roofing materials or wall materials for houses and factories. In addition, the Myanmar subsidiary conducts various social contribution activities such as building schools and digging wells for water purification for the underprivileged areas.

The Myanmar subsidiary will continue to grow into a company beloved by the local people by developing together with the local community and by fulfilling its corporate social responsibility.

### External Disclosure of Responses by POSCO STEELEON

Reply to Business & Human Rights Resource Center

The OECD Korea NCP evaluation results can be downloaded after moving to the website (National Contact Point)



As a regular and color-coated steel sheet manufacturer located in Yangon, Myanmar POSCO C&C (MPCC) produces steel roofing materials for improving the housing conditions of the Myanmarese and steel factory siding materials for the industrialization of the country.

As the Myanmar corporation was required to be founded through joint investment with a local government enterprise under the local statute when POSCO STEELEON entered the Myanmar market for the first time in 1997, it has been founded and operated under a joint venture with Myanmar Economic Holdings Ltd. (MEHL) to date.

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

## Human Rights Due Diligence of Myanmar Corporation (MPCC)

In order to protect the human rights of the locally hired employees of POSCO STEELEON in Myanmar, we conducted human rights due diligence in 2023 at the advice of a reputable domestic consulting company. The key contents of the due diligence are as follows:

### 1. Overview of Human Rights Due Diligence

The human rights due diligence was conducted to diagnose the level of human rights management performance of the Myanmar subsidiary by investigating actual human rights risks and measuring the performance of human rights management as well as to improve and supplement company regulations and systems related to human rights in consideration of the global guidelines and local laws. The due diligence was conducted over a period of two months from July to September 2023 using five tools, including the POSCO Overseas Human Rights Diagnostic Corporation Self-Inspection Survey Questionnaire. The assessment was conducted through employee surveys and in-depth interviews with all employees of the Myanmar subsidiary.

### 3. Future Plans

We have completed improvements on the areas pointed out as recommendations, such as human rights management training and clarification of human rights management policies. We will disclose the results of human rights due diligence in the Sustainability Report and on the corporation's website for use as part of an official response to issues raised by the stakeholders. We will do our best to achieve our goals by setting human rights protection and promotion activities as the top-priority tasks of the employees in Myanmar.

### 2. Human Rights Due Diligence Results

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



Classification	Major recommendations
Human rights management	Clearly insert the complaint handling procedure and the roles of the responsible departments into the regulations; provide employees with training on the procedures
Prohibition of discrimination	Specify in the regulations the details of the salary paid by the corporation during the probationary period
Safety	Inspect the sanitation status periodically; provide training on safety and sanitation, and report to the management
Prohibition of child labor	Stipulate that the corporation does not hire workers under 18 years of age
Guarantee of freedom of association	Reflect in the regulations a clause stating that the corporation guarantees the right to collective bargaining by bodies representing workers

## Mutual Growth Between MPCC and the Local Community

The products produced by the Myanmar subsidiary have contributed to the economic and social development of Myanmar as they are used to improve the living conditions and industrialization of the Myanmar people. They are used as roofing materials or wall materials for houses and factories. In addition, the Myanmar subsidiary conducts various social contribution activities such as building schools and digging wells for water purification for the underprivileged areas. The Myanmar subsidiary will continue to grow into a company beloved by the local people by developing together with the local community and by fulfilling its corporate social responsibility.



# ESG Data

## Environmental

### Volume of GHG Emissions

Classification	Unit	2022	2023	2024
<b>Total emissions of greenhouse gases or GHGs*</b>	tCO <sub>2</sub> e	108,462	114,417	120,953
<b>Scope1</b>	tCO <sub>2</sub> e	52,926	58,699	64,212
<b>Scope2</b>	tCO <sub>2</sub> e	55,536	55,718	56,741
GHG emission intensity (sales-based, Scope 1, 2)	tCO <sub>2</sub> e/KRW 100 mil.	9.2	10.1	10.29
Direct greenhouse gas intensity (sales-based, Scope 1)	tCO <sub>2</sub> e/KRW 100 mil.	4.5	5.2	5.46
Indirect greenhouse gas intensity (sales-based, Scope 2)	tCO <sub>2</sub> e/KRW 100 mil.	4.7	4.9	4.83

\* Domestic business sites (plating, color-coating, and PosART plants, Seoul office)

\* Applied the guidelines on reporting and certification of emissions under the greenhouse gas trading system

### Volume of Energy Consumed

Classification	Unit	2022	2023	2024
<b>Energy consumed*</b>	GJ	2,149,351	2,332,123	2,369,708
<b>Energy directly consumed</b>	GJ	990,458	1,132,042	1,187,224
Volume of natural gas consumed	GJ	988,782	1,130,445	1,185,801
Motor gasoline consumed (total)	GJ	1,063	1,103	1,026
Diesel consumed (total)	GJ	354	202	94
LPG consumed	GJ	259	292	303
<b>Energy consumed indirectly</b>	GJ	1,158,834	1,199,857	1,182,268
Power used	GJ	1,017,328	1,101,172	1,115,265
Volume of steam consumed	GJ	141,506	98,685	67,003
Ratio of electricity consumption	GJ	47	47	47
<b>Volume of recycled energy consumed**</b>	GJ	59.4	223.92	215.64
Ratio of recycled energy consumption	%	0.003	0.01	0.01
<b>Energy intensity (based on sales)</b>	GJ/KRW 100 mil.	181.9	205.9	201.5

\* Domestic business sites (plating, color-coating, and PosART plants, Seoul office)

\*\* Domestic business sites (plating plants)

### Service Water

Classification	Unit	2022	2023	2024
<b>Total volume of service water intake*</b>	tons	619,498	645,896	611,682
<b>Total water consumption</b>	tons	133,902	133,875	143,457
<b>Wastewater discharged</b>	tons	485,596	512,021	468,225

\* Domestic business sites (plating plants, color-coating plants)

### Volume of Water Pollutants Discharged

Classification	Unit	2022	2023	2024
<b>Discharge of water pollutants*</b>	tons	14.17	19.36	10.89
Volume of BOD discharged	tons	6.31	8.78	2.57
Volume of T-N discharged	tons	1.42	1.19	0.95
Volume of T-P discharged	tons	0.02	0.03	0.02
Volume of SS discharged	tons	1.72	1.35	0.52
Volume of TOC discharged	tons	4.69	8.01	6.82

\* Domestic business sites (plating plants, color-coating plants)

### Consumption of Hazardous Chemicals

Classification	Unit	2022	2023	2024
<b>Consumption of hazardous chemicals*</b>	tons	3,951	3,132	2,939
<b>Discharge of hazardous chemicals*</b>	tons	1.397	1.453	0.828

\* Domestic business sites (plating plants, color-coating plants)

**Volume of Wastes Discharged\***

Classification	Unit	2022	2023	2024
Volume of designated wastes discharged	tons	2,021.24	2,261.74	1,959.19
Treatment of designated wastes for reuse	tons	796.71	1,875.88	1,539.15
Treatment of designated wastes for incineration	tons	1,224.53	385.86	420.04
Volume of designated wastes landfilled	tons	1,224.53	385.86	420.04
Volume of general wastes discharged	tons	1,444.42	815.74	1,322.82
Volume of general wastes recycled	tons	1,097.49	512.16	1,036.64
Treatment of general wastes for incineration	tons	36.27	40.9	47.27
Landfill with general wastes	tons	310.66	262.68	238.91
Total volume of wastes discharged	tons	3,465.66	3,077.48	3,282.01
Total volume of wastes recycled	tons	1,894.20	2,388.04	2,575.79
Total volume of wastes incinerated	tons	1,260.80	426.15	467.31
Total volume of wastes landfilled	tons	310.66	262.68	238.91
Total volume of wastes disposed otherwise	tons	0	0	0
Volume of total wastes recycled	%	55	78	79
Intensity of total wastes generated (based on sales)	tons/ KRW 100 mil.	0.29	0.27	0.28

\* Domestic business sites (plating plants, color-coating plants)

**Volume of Air Pollutants Discharged**

Classification	Unit	2022	2023	2024
Total volume of air pollutants discharged*	tons	181.92	235.532	201.95
NOx emission amount	tons	79.005	100.147	76.8
SOx emission amount	tons	4.507	9.13	11.5
Volume of volatile organic compounds (VOCs) discharged	tons	35.173	38.7	2.06
Dust discharged	tons	7.568	8.16	10.64

\* Domestic business sites (plating plants, color-coating plants)

**Compliance with Environmental Statutes**

Classification	Unit	2022	2023	2024
Number of cases of violating environmental statutes	cases	2***	1**	1
Number of financial sanctions imposed for violations of environmental laws	cases	2***	1**	0
Number of non-financial sanctions imposed for violations of environmental laws	cases	0	0	1*

\* Administrative order for improvement due to exceeding the water quality pollutant standards at the color-coating plant, payment of surcharge for excess water quality discharge

\*\* Payment of fine for violation of the waste management law

\*\*\* Plating plant (failure to report changes in the atmospheric emissions facility permit), color-coating plant (failure to report changes in the wastewater discharge facility installation permit)

**Environmental Management\***

Classification	Unit	2022	2023	2024
<b>Sales and purchase of products reducing environmental impact**</b>				
Sales amount of products and services reducing environmental impact	KRW 1 mil.	0	0	2,057
Ratio of sales of products and services reducing environmental impact	%	0	0	0.17
Purchase amount of products and services reducing environmental impact	KRW 1 mil.	32	44	66
Ratio of purchase of products and services reducing environmental impact	%	0.015	0.02	0.028
Environmental investment	KRW 1 mil.	2,677	310	3,418.42
<b>Environment-friendly system (ISO14001)*</b>				
Number of business units subject to certification	sites	2	2	2
Number of business units that acquired certification	sites	2	2	2
Certification ratio	%	100	100	100
Ratio of non-pollutant vehicles owned	%	0	4	44
Number of non-polluting vehicles***	sets	0	1	11
Total number of vehicles owned	sets	24	24	25

\* Data scope: Domestic business sites (plating plants, color-coating plants)

\*\* Correction of data based on the revised criteria for sales/purchase of products and services reducing environmental impact

\*\*\* Number of vehicles increased as hybrid vehicles are newly included in 2024

**Production Data\***

Classification	Unit	2022	2023	2024
Total production volume	tons	852,409	954,834	984,826
Total number of business units	sites	2	2	2
Volume of main materials used	tons	846,034	948,591	975,902
Volume of recycled materials used	tons	109	163	114.24
Volume of non-recycled materials used	tons	845,925	948,428	975,788
Ratio of recycled materials used	%	0.01	0.02	0.01
Ratio of non-recycled materials used	%	99.99	99.98	99.99

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

## Social

### Status of Employees

Classification	Unit	2022	2023	2024
<b>Total</b>	persons	434	440	427
<b>Number of officers</b>	persons	10	10	10
<b>Gender</b>				
Male	persons	9	10	10
Female	persons	1	0	0
Ratio of females	%	10	0	0
<b>By age</b>				
Below 30 years old	persons	0	0	0
30 - 50 years old	persons	0	0	0
Over 50 years of age	persons	10	10	10
<b>Number of employees</b>		424	430	417
<b>Gender</b>				
Male	persons	395	398	385
Female	persons	29	32	32
Ratio of females	%	6.8	7.4	7.7
<b>By age</b>				
Below 30 years old	persons	53	58	57
30 - 50 years old	persons	266	263	241
Over 50 years of age	persons	105	109	119
<b>Number of managing personnel*</b>		100	100	99
<b>Gender</b>				
Male	persons	100	100	99
Female	persons	0	0	0
Ratio of females	%	0	0	0

Classification	Unit	2022	2023	2024
<b>By age</b>				
Below 30 years old	persons	0	0	0
30 - 50 years old	persons	29	29	31
Over 50 years of age	persons	71	71	68
<b>Number of regular permanent (full-time) employees</b>		412	415	398
<b>Gender</b>				
Male	persons	386	385	369
Female	persons	26	30	29
Ratio of females	%	6.3	7.2	7.3
<b>Ratio of regular permanent (full-time) employees</b>	%	94.9	94.3	95.4
<b>Number of temporary workers (contractual workers)**</b>		17	20	24
<b>Gender</b>				
Male	persons	13	18	21
Female	persons	4	2	3
Ratio of females	%	23.5	10	12.5
<b>Ratio of temporary workers (contractual workers)**</b>	%	3.9	4.5	5.7

\* Number of managerial employees: The criteria for managerial personnel include those who are paid position/management allowances, including team and part leaders.

\*\* Includes unregistered officers in the number of temporary workers (contractual workers)

**Hiring**

Classification	Unit	2022	2023	2024
Total number of new hires		20	23	27
<b>Gender</b>				
Male	persons	19	19	25
Female	persons	1	4	2
Ratio of females	%	5.0	17.4	7.4
<b>By age</b>				
Below 30 years old	persons	13	16	17
30 - 50 years old	persons	7	4	7
Over 50 years of age	persons	0	3	3

**Diversity**

Classification	Unit	2022	2023	2024
<b>Physically handicapped</b>				
Number of physically disabled employees	persons	11	13	13
<b>National merit recipients (Patriots and veterans)</b>				
Number of beneficiaries of National Patriots and Veterans' Affairs	persons	16	17	15

**Number of Employees: Currently Employed, Transferred, and Retired**

Classification	Unit	2022	2023	2024
Total number of turnover employees	persons	19	16	34
Employee turnover rate	%	4.5	3.8	8.0
Those who left voluntarily	persons	12	9	14
Voluntary turnover rate	%	2.8	2.1	3.3
Those who were dismissed	persons	7	7	20
Retirement by age	persons	4	4	10
Layoff in restructuring	persons	0	0	0
Others	persons	3	3	10

**Number of employees who had regular performance evaluation**

<b>Gender</b>				
Male	persons	416	415	408
Female	persons	26	25	27
<b>By type of employment</b>				
Regular permanent employees	persons	402	401	397
Part-time or temporary workers (contractual)	persons	14	14	11

**Occupational Injury**

Classification	Unit	2022	2023	2024
Total Lost Time Incident Rate (LTIR)	persons/ 200,000 hours	0.22	0.23	0.36
Lost Time Injury Frequency Rate (LTIFR) of employees	persons/ 200,000 hours	0.47	0.24	0.24
Lost Time Injury Frequency Rate (LTIFR) of partner employees	persons/ 200,000 hours	0	0.22	0.49
Total Lost Time Incident Rate (LTIR)	persons/ 1,000,000 hours	1.14	1.16	1.82
Lost Time Injury Frequency Rate (LTIFR) of employees	persons/ 1,000,000 hours	2.36	1.20	1.21
Lost Time Injury Frequency Rate (LTIFR) of partner employees	persons/ 1,000,000 hours	0	1.12	2.44
Total Recordable Incident Rate (TRIR)	persons/ 200,000 hours	0.57	0.34	0.73
Total Recordable Incident Rate (TRIR) of employees	persons/ 200,000 hours	0.94	0.48	0.48
Total Recordable Incident Rate (TRIR) of Partner Employees	persons/ 200,000 hours	0.22	0.22	0.98
Total Recordable Injury Frequency Rate (TRIFR)	persons/ 1,000,000 hours	2.87	1.74	3.65
Total Recordable Injury Frequency Rate (TRIFR) of Officers/Employees	persons/ 1,000,000 hours	4.73	2.41	2.42
Total Recordable Injury Frequency Rate (TRIFR) of Partner Employees	persons/ 1,000,000 hours	1.11	1.12	4.89
Total industrial accident rate	%	0.13	0.27	0.28
Occupational injury rate of employees	%	0.22	0.22	0.23
Occupational injury rate of partner employees	%	0	0.33	0.35
Total mortality rate (Employees + Partner employees)	%	0	0	0
Mortality rate of employees	%	0	0	0
Mortality rate of Partner Employees	%	0	0	0
Recordable Incidents (RI) of employees				
Lost Time Injury Frequency Rate (LTIFR) of employees	cases	2	1	1
Total Recordable Incident cases of employees	persons	4	2	2
Annual cumulative work hours of employees	hours	844,695	828,783	826,234
Number of employee fatalities	persons	0	0	0
Number of employee injuries	persons	1	1	1

Classification	Unit	2022	2023	2024
Number of Officers/Employees' occupational injury cases	cases	1	1	1
Number of near-miss cases for employees	cases	0	0	2
Lost Time Injury Frequency Rate (LTIFR) of partner companies				
Number of partner employees' occupational injury cases	cases	0	1	1
Total Recordable Incident cases of partner employees	persons	1	1	4
Annual cumulative work hours of partner employees	hours	895,835	892,562	818,721
Number of partner employees	persons	310	295	288
Number of partner employees' mortality cases	persons	0	0	0
Number of partner employees occupationally injured	persons	0	1	1
Number of partner employees' occupational injury cases	cases	0	1	1
Number of partner employees' near-miss cases	cases	2	3	6

**Safety Management**

Classification	Unit	2022	2023	2024
Certification of safety and health-oriented management system				
Number of business sites subject to Certification of safety and health-oriented management system (ISO45001/OHSAS18001/KOSHA-MS)	sites	2	2	2
Number of business sites that acquired Certification of safety and health-oriented management system (ISO45001/OHSAS18001/KOSHA-MS)	sites	2	2	2
Rate of business sites that acquired Certification of safety and health-oriented management system (ISO45001/OHSAS18001/KOSHA-MS)	%	100	100	100

**Quality Management**

Classification	Unit	2022	2023	2024
<b>Certification of Quality Management Systems</b>				
Business sites subject to Certification of Quality Management System (ISO9001, IATF16949)	sites	2	2	2
Business sites that have acquired Certification of Quality Management System (ISO9001, IATF16949)	sites	2	2	2
Rate of business sites that have acquired Certification of Quality Management System (ISO9001, IATF16949)	%	100	100	100

**Labor-Management Relations**

Classification	Unit	2022	2023	2024
<b>Labor-management relations</b>				
Ratio of employees to whom a collective bargain agreement applies	%	100	100	100
Number of work disruptions due to strike	times	0	0	0

**Education for Employees**

Classification	Unit	2022	2023	2024
Total education hours	hours	15,803	8,236	10,156
<b>By type of employment</b>				
Regular permanent workers	hours	15,215	7,896	9,646
Temporary contractual workers	hours	273	159	442
<b>By job grade</b>				
General employees	hours	10,563	5,390	6,446
Managers	hours	4,925	2,665	3,710
Officer	hours	315	180	250

Classification	Unit	2022	2023	2024
Education hours per person	hours/person	36	19	24
<b>By type of employment</b>				
Regular permanent employees	hours/person	37	19	24
Part-time or temporary workers (contractual)*	hours/person	23	11	18
<b>By job grade</b>				
General	hours/person	33	16	20
Administrative	hours/person	49	27	37
Officer	hours/person	31	18	25
Total education hours	KRW 1 mil.	223	289	353
Cost of education per person	KRW 1 mil./person	0.51	0.66	0.83
<b>Occupational safety training</b>				
Total education hours	hours	16,177	18,469	18,218
Regular permanent employees	hours	8,558	8,749	10,744
Part-time or temporary workers (contractual)	hours	72	102	110
Partner employees	hours	7,547	9,618	7,364
Number of those who have completed the mandatory education on occupational safety	persons	348	356	331
Regular permanent employees	persons	343	343	317
Part-time or temporary workers (contractual)	persons	5	13	14
<b>Information security training</b>				
Total education hours	hours	1,227	414	418
Number of those who have completed education on information security	persons	409	414	418
Regular permanent employees	persons	402	404	405
Part-time or temporary workers (contractual)	persons	7	10	13

\* 17 hours/person of temporary workers (contractual workers) previously reported in 2023 corrected to 11 hours/person (clerical error)

**Social Contribution**

Classification	Unit	2022	2023	2024
<b>Records of social contribution activities</b>				
<b>Volunteer service by employees</b>				
Volunteer service hours	hours	1,963	3,986	3,685
Number of employees who participated in volunteer service	persons	230	370	280
Volunteer service hours per person	hours	4.5	9.1	8.6
Social contribution expenditure	KRW 1 mil.	515	227	191

**Welfare for Employees**

Classification	Unit	2022	2023	2024
<b>Retirement pension scheme</b>				
<b>Defined Benefit Pension Plan (DB)</b>				
Present Value of Defined Benefit Obligations (PVDBO)	KRW 1 mil.	28,116	32,723	35,156
Fair value of assets accumulated outside the Company	KRW 1 mil.	37,671	38,363	39,171
Liability recognized for defined benefit plans	KRW 1 mil.	-9,555	-5,640	-4,015

**Supply Chain Management**

Classification	Unit	2022	2023	2024
<b>Assessment of suppliers' transactions performance</b>				
Number of suppliers	EA	140	124	300
Number of suppliers whose performance was assessed	EA	140	124	300
Rate of suppliers whose performance was assessed	%	100	100	100

**Work Conditions**

Classification	Unit	2022	2023	2024
<b>Flexible time service</b>				
Number of employees who have used flexible work hours	persons	69	71	85
<b>Nursing or childcare leave</b>				
Total number of employees who have used childcare leave	persons	3	4	5
Male	persons	1	2	3
Female	persons	2	2	2
<b>Infertility leave</b>				
Number of employees who have used infertility leave	persons	4	3	4

## Governance

### Organization of BOD

Classification	Unit	2022	2023	2024
Size of the board	persons	4	4	4
Number of inside directors	persons	2	2	2
Number of outside directors	persons	1	1	1
Other outside directors	persons	1	1	1
Ratio of outside directors	%	25	25	25

### Management of BOD

Classification	Unit	2022	2023	2024
Number of board meetings held	times	5	6	7
Agenda items approved	cases	13	19	17

### Legal Actions against Unfair Trade Practices and Violation of the Monopoly Regulation and Fair Trade Act

Classification	Unit	2022	2023	2024
Total number of cases of fine imposition		0	0	0
Total number of cases of imposition of non-monetary sanctions	cases	0	0	0

### Fair Trade Education

Classification	Unit	2022	2023	2024
Number of hours taken for fair trade education course	hours	210	297	1,629

### Ethics Education

Classification	Unit	2022	2023	2024
Total hours of ethics education	hours	832	415	421
Number of those who completed the mandatory ethical education	persons	416	415	421
Regular permanent employees	persons	408	405	402
Part-time or temporary workers (contractual)	persons	8	10	19

### Status of Unethical Behavior Reported and Actions Taken

Classification	Unit	2022	2023	2024
Number of cases of unethical behavior reported	cases	3	1	2
Corruption	cases	0	0	1
Violation of policy on respect for humanity	cases	2	0	0
Abuse of power or position	cases	0	1	0
Others	cases	1	0	1
Number of cases for which actions were completed for reported ethics issues	cases	3	1	2

# GRI Content Index

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2-21		Annual total compensation ratio	- Approx. 9.3 times (See p.195, 198 of the 37th-term business report)
<b>GRI 2: Strategy, policies and practices</b>	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	5, 106-125

Topic	GRI Disclosure	Page	Remarks	
<b>GRI 2: Strategy, policies and practices</b>	2-24	Embedding policy commitments	11	
	2-25	Processes to remediate negative impacts	20, 21, 40, 56, 84, 85, 89, 90	
	2-26	Mechanisms for seeking advice and raising concerns	56, 81	
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<b>GRI 2: Stakeholder engagement</b>	2-29	Approach to stakeholder engagement	13, 14	
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<b>Material Topics</b>				
<b>GRI 3: Disclosures on material topics</b>	3-1	Process to determine material topics	14	
	3-2	List of material topics	15	
	3-3	Management of material topics	15, 16	
<b>Economic</b>				
<b>GRI 201: Economic Performance</b>	201-1	Direct economic value generated and distributed	6	
	201-2	Financial implications and other risks and opportunities due to climate change	20, 21	
	201-3	Defined benefit plan obligations and other retirement plans	98	
	201-4	Financial assistance received from government	-	N/A
<b>GRI 203: Indirect Economic Impacts</b>	203-1	Infrastructure investments and services supported	70, 71, 72	
	203-2	Significant indirect economic impacts	17	
<b>GRI 205: Anti-corruption</b>	205-1	Operations assessed for risks related to corruption	56, 80	
	205-2	Communication and training about anti-corruption policies and procedures	61, 80	
	205-3	Confirmed incidents of corruption and actions taken	99	
<b>GRI 206: Anti-competitive Behavior</b>	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	99	No lawsuit
<b>Environmental</b>				
<b>GRI 301: Materials</b>	301-1	Materials used by weight or volume	29, 93	
	301-2	Recycled input materials used	93	
	301-3	Reclaimed products and their packaging materials	-	
<b>GRI 302: Energy</b>	302-1	Energy consumption within the organization	29, 91	
	302-2	Energy consumption outside of the organization	-	N/A
	302-3	Energy intensity	29, 91	

Topic	GRI Disclosure	Page	Remarks
GRI 302: Energy	302-4 Reduction of energy consumption	23, 24, 29	
	302-5 Reductions in energy requirements of products and services	-	Incomplete information
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	34	
	303-2 Management of water discharge-related impacts	34	
	303-3 Water withdrawal	-	Not yet compiled
	303-4 Water discharge	34, 91	
	303-5 Water consumption	34, 91	
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	N/A
	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	29, 91	
	305-2 Energy indirect (Scope 2) GHG emissions	29, 91	
	305-3 Other indirect (Scope 3) GHG emissions	-	Not yet compiled
	305-4 GHG emissions intensity	91	
	305-5 Reduction of GHG emissions	23, 24, 29, 91	
	305-6 Emissions of ozone-depleting substances (ODS)	-	N/A
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	30	
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	-	N/A
	306-2 Management of significant waste-related impacts	-	N/A
	306-3 Waste generated	33, 92	
	306-4 Waste diverted from disposal	33, 92	
	306-5 Waste directed to disposal	33	
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	-	Not yet enforced
	308-2 Negative environmental impacts in the supply chain and actions taken	62-64	
<b>Social</b>			
GRI 401: Employment	401-1 New employee hires and employee turnover	95	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	48, 49, 50, 57	
	401-3 Parental leave	57, 98	

Topic	GRI Disclosure	Page	Remarks
<b>GRI 403: Occupational Health and Safety</b>	403-1 Occupational health and safety management system	37	
	403-2 Hazard identification, risk assessment, and incident investigation	39, 40, 41	
	403-3 Occupational health services	42	
	403-4 Worker participation, consultation, and communication on occupational health and safety	44, 45	
	403-5 Worker training on occupational health and safety	37, 42, 97	
	403-6 Promotion of worker health	42	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	40, 41, 42	
	403-8 Workers covered by an occupational health and safety management system	37, 38, 96, 97	
	403-9 Work-related injuries	38, 39, 41, 42, 43, 96	
	403-10 Work-related ill health	38, 39, 41, 42, 43	
<b>GRI 404: Training and Education</b>	404-1 Average hours of training per year per employee	97	
	404-2 Programs for upgrading employee skills and transition assistance programs	53	
	404-3 Percentage of employees receiving regular performance and career development reviews	95	
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1 Diversity of governance bodies and employees	57, 94, 95, 99	
<b>GRI 406: Non-discrimination</b>	406-1 Incidents of discrimination and corrective actions taken	-	N/A
<b>GRI 407: Freedom of Association and Collective Bargaining</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	N/A
<b>GRI 408: Child Labor</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	-	N/A
<b>GRI 409: Forced or Compulsory Labor</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	N/A
<b>GRI 411: Rights of Indigenous Peoples</b>	411-1 Incidents of violations involving rights of indigenous peoples	-	N/A
<b>GRI 413: Local Communities</b>	413-1 Operations with local community engagement, impact assessments, and development programs	71, 72, 90	
	413-2 Operations with significant actual and potential negative impacts on local communities	-	N/A
<b>GRI 414: Supplier Social Assessment</b>	414-1 New suppliers that were screened using social criteria	-	Not yet enforced
	414-2 Negative social impacts in the supply chain and actions taken	62, 63, 64	
<b>GRI 415: Public Policy</b>	415-1 Political contributions	-	N/A
<b>GRI 416: Customer Health and Safety</b>	416-1 Assessment of the health and safety impacts of product and service categories	66-69	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	N/A
<b>GRI 417: Marketing and Labeling</b>	417-1 Requirements for product and service information and labeling	-	N/A
	417-2 Incidents of non-compliance concerning product and service information and labeling	-	N/A
	417-3 Incidents of non-compliance concerning marketing communications	-	N/A
<b>GRI 418: Customer Privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	N/A

# SASB

## Industry: Iron & Steel Producers

### Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Metric	Unit	Response by POSCO STEELEON
Greenhouse Gas Emissions	EM-IS-110a.1	1) Gross global Scope 1 emissions	tCO <sub>2</sub> -e	64,212
		2) Percentage covered under emissions-limiting regulations	%	100 {POSCO STEELEON's Scope 1 emissions range is based on domestic business sites (plating, color-coating, PosART plants, Seoul office), and the Scope 1 data is verified through verification of greenhouse gas statement}.
	EM-IS-110a.2	Discussion of long- 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 the reduction path to 21% in 2030 and 50% in 2040, targeting carbon neutrality in 2050 based on Scope 1 & Scope 2.
Air Emissions	EM-IS120a.1	1) NOx (excluding N <sub>2</sub> O)	tons	76.8
		2) SOx	tons	11.5
		3) Particulate matter (PM10)	tons	10.63
		4) CO	tons	55
Energy Management	EM-IS-130a.1	1) Total energy consumed	GJ	2,369,492
		2) Percentage grid electricity	%	47
	EM-IS-130a.2	3) Percentage renewable	%	0.01
		1) Total fuel consumed	GJ	1,187,224
Water Management	EM-IS-140a.1	2) Percentage coal	%	N/A
		3) Percentage natural gas	%	100
		4) Percentage renewable	%	0
		1) Total water withdrawn	tons	611,682 (We are building a water supply network using recycled wastewater.)
Waste Management	EM-IS-150a.1	2) Percentage recycled	%	0
		3) Percentage of each in regions with High or Extremely High Baseline Water Stress	%	N/A (Since the Pohang area where POSCO STEELEON is located has a water stress index of less than 40%, no corresponding water use is recorded.)
Workforce Health & Safety	EM-MM-320a.1	1) Amount of waste generated	tons	3,282.01
		2) Percentage hazardous	%	The wastes generated are controlled based on the guidelines provided in the Wastes Control 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. 60% of POSCO STEELEON's wastes are designated wastes.
		3) Percentage recycled	%	78.48
Supply Chain Management	EM-MM-420a.1	1) Total recordable incident rate (TRIR)	%	0.73
		2) Fatality rate	%	0 (Full-time + Contractual, Rate per 1 million hours)
		Discussion of the process for managing iron ore or coking coal sourcing risks arising from environmental and social issues	-	N/A

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

# TCFD

Recommendations of TCFD	Responding activities
<p><b>Governance</b></p> <p>Disclose the organization’s governance around climate-related risks and opportunities.</p>	<ul style="list-style-type: none"> <li>• We plan to enhance its enterprise-wide competence in responding to climate change by developing a system for managing and supervising the board of directors to respond to future climate change.</li> <li>• We have enforced the Emissions Trading Scheme to attain the state target for the reduction of GHG emissions. We have our climate change-related performances verified by a third-party entity by preparing the discharge statement each year. The management has also developed plans for carbon neutrality, reviewing its plans for Carbon Dioxide Removal (CDR) as required.</li> </ul>
<p><b>Strategy</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>• POSCO STEELEON is engaged in environmental management activities at the POSCO Group level, including the development of POSCO Carbon Neutrality Vision for 2050. In addition, to respond to rapidly changing international environmental management needs and promote carbon neutrality in 2050, we develop a detailed strategy by analyzing the external environment and internal capabilities. We aim to enhance our eco-friendly business competitiveness by developing response strategies to mitigate climate change risks through the analysis of risks and opportunities</li> </ul>
<p><b>Risk Management</b></p> <p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<ul style="list-style-type: none"> <li>• We identify and assess risks related to climate change by third-party assurance or assurance of its GHG statement and monitoring plans while controlling its green environmental management under the Safe Environment Group’s initiative.</li> <li>• We identify risk factors by type to establish climate scenario strategies and derive opportunity factors to develop response strategies and management systems for transition risks.</li> <li>• We have upgraded our internal disaster management system for responding to physical risks. We have also analyzed risks and opportunities when environmental issues arise through our environmental risk management processes to reflect their materiality and impact level by surveying the priority order.</li> </ul>
<p><b>Metrics and Targets</b></p> <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<ul style="list-style-type: none"> <li>• POSCO STEELEON discloses its key indicators including those for energy use and greenhouse gas emissions in its Sustainability Management Report and the National Greenhouse Gas Management System.</li> <li>• POSCO STEELEON emitted 120,953 tCO<sub>2</sub>e, which slightly exceeded the 2024 greenhouse gas emissions target of 118,487 tCO<sub>2</sub>e. The greenhouse gas emissions intensity (based on sales) stood at 10.29 (tCO<sub>2</sub>e/KRW100 million).</li> </ul>

# ESG Policy Statement

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# 1. Environmental policies

## Purposes

These policies aim to contribute to environmental protection through cooperation between POSCO STEELEON and its stakeholders by deploying sustainable management and environmental management systems and enhancing its environmental risk response capabilities.

## Scope of application

These policies apply to POSCO STEELEON, which recommends that its business partners also comply with these policies or those of a similar level to these policies.

## Basic principles

### 1. Compliance with environmental laws and regulations and improvement of environmental impact

- We comply with international agreements and statutes on the environment and energy, and strive to improve environmental impact throughout the processes of product development, production, use, and disposal.
- We minimize pollutant emissions by applying optimal technologies to prevent environmental pollution.

### 2. Response to climate change

- We develop a potential risk assessment system that responds to climate change and set achievable goals to improve and manage the risks.
- We strive to reduce greenhouse gas emissions by reducing the use of fossil fuels and materials and enhancing energy efficiency while utilizing new and renewable energy.

### 3. Preservation of biodiversity and restoration of the natural environment

- We strive to restore the nature’s ecosystem and preserve biodiversity by efficiently utilizing natural resources, by-products, etc.
- To minimize damage to the environment such as green belts, forests, wetlands, and oceans, we conduct risk assessment when expanding business sites and constructing new business facilities. We also strive to restore the existing natural environment through reforestation and development of forests when withdrawing a business facility.

### 4. Raw and accessory materials and service water

- We also strive to reduce the amount of resources consumed by considering the amount of resources used for finished products, replacing currently used materials with renewable raw materials or raw materials with less impurities, or improving facilities for reusing water.

### 5. Wastes and wastewater

- We seek to minimize the wastes and wastewater generated during the production process and recycle the generated wastes and wastewater as much as possible. For wastes and wastewater discharged outside the business sites, we also thoroughly perform lawful waste

## 6. Harmful chemical substances

- We systematically manage hazardous chemicals to prevent spills and leaks. We also strive to reduce the use and discharge of hazardous chemicals.

## Implementation plans

### 1. Deployment of an Environmental Management System

- We establish an environmental management system (Environmental Management System) that can assess and respond to unique environmental risks specific to the company’s business activities. We also continuously improve the specific performance goals we set in relation to the environment.
- The board of directors and management team actively participate in important decision making and management/supervision related to the environmental management system. They assign staff members to provide human and material support so that the environmental management system can be practically deployed and operated.
- To operate the environmental management system, they include environmental elements in existing policies in accordance with the company’s business conditions. They establish and comply with specific policies, guidelines, and regulations for detailed environmental fields such as biodiversity, forests, wetlands, and climate risks as required.
- We communicate the importance of environmental protection and climate change response to our stakeholders such as partners, suppliers, and business partners to support them in deploying an environmental management system.
- Officers and department heads provide education so that employees can recognize the importance of environmental management and understand the environmental management system.

### 2. Response to climate change

- We ensure that the assessment of risks and strategies related to climate change is properly reported to the board of directors and management.
- We develop and implement specific practical measures to achieve the goals set for reducing greenhouse gas emission and carbon neutrality.
- We disclose climate change response efforts and their status within a reasonable extent through measures that follow—or which are equivalent to—climate change-related certification and disclosure frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD).

### 3. Environmental management for production and business sites

- We ensure that environmental management is properly carried out for production and business sites through process procedures for KPI and other goals management, education/training, guidelines establishment and management, and internal audits.
- We minimize the environmental impact of pollutant emissions and emitted pollutants by applying optimal prevention technologies.
- We develop and use an environmental management manual tailored to the features of our production facilities and business sites, and continuously monitor and reduce the environmental impact that occurs when facilities are operated.

- We thoroughly assess the risks to preserve the ecosystem and environment and strive for zero net environmental impact when a business site is newly opened, expanded, or withdrawn. We abstain from conducting any business activities that may destroy forests and wetlands while seeking and implementing the best means to mitigate the impact on the ecosystem, such as efforts for forest and wetland restoration.

**4. Product and service development and distribution**

- We increase the supply of products and by-products with reduced environmental impact by recognizing the risks and opportunities in the transition to a low-carbon economy. We strive to minimize environmental impact throughout the process of product and service development and supply by assessing environmental risks during transportation and logistics as well.

**5. Supply chain management, supplier selection and appraisal**

- We minimize environmental impact by reflecting appraised items such as their environmental management level when selecting external vendors (supplies, contractors, and service providers).
- We support our suppliers and partner companies in deploying a high-level environmental management system. We proactively manage environmental risks throughout the supply chain by assessing their environmental management performance.
- We comply with the green purchasing policy when procuring materials and supplies.

**6. New projects and M&A**

- We minimize the environmental risks of new projects through the assessment of environmental management plans and environmental impact during the review process for new projects/investments.
- We proactively identify and address environmental risks through advance due diligence during the M&A review.

## 2. Green purchase policies

**Purposes**

These policies should be designed to ensure that POSCO STEELEON practices sustainable purchasing that prevents resource wastage and environmental pollution throughout all business processes, complies with the relevant laws and regulations, and fulfills its social responsibility.

**Scope of application**

These policies apply to POSCO STEELEON, which recommends that its suppliers also comply with these policies or those of a similar level to these policies.

**Definition**

The terms used in these Policies are defined as follows:

**1. “Green purchasing” refers to any of the purchasing activities that handle the purchasing contracts and supply chain management in an environment-friendly manner during the purchase by evaluating the environmental impact of the processes of production, supply, distribution, and post-processing of the products, raw materials, and equipment required for business activities.**

**2. “Green products” refer to products falling under the following categories:**

- Products certified to be eco-friendly or recognized as meeting the certification criteria in accordance with the relevant laws and regulations of the Republic of Korea and policies of the government or public agencies, including those exemplified below and green products added or expanded in accordance with changes in the laws and regulations:
  - Products whose suitability has been certified in accordance with Article 60 Paragraph 2 of the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis among those that minimize the input of energy and resources and generate minimum greenhouse gases and pollutants in accordance with Article 66 Paragraph 4 of the same Act
  - (Eco-labeled products) Products whose environmental improvement has been recognized by the Minister of Environment in accordance with Article 17 Paragraph 1 of the Environmental Technology and Industry Support Act or those that meet the certification criteria published by the Minister of Environment in accordance with Paragraph 3 of the same Article
  - (Low-carbon products) Products with reduced greenhouse gas emissions based on Article 2 Paragraph 5 of the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis in accordance with the criteria published by the Minister of Environment among those that have received certification for their environmental performance labeling in accordance with Article 18 Paragraph 1 of the Environmental Technology and Industry Support Act
  - (Excellent recycled products) Products that have been certified and which meet the certification criteria or criteria for judgment for each target item published by the Minister of Environment in consultation with the relevant ministers among those subject to quality certification for recycled products as determined and published by the Minister of Trade, Industry, and Energy in accordance with Article 33 of the Act on the Promotion of Saving and Recycling of Resources and Article 15 of the Industrial Technology Innovation Promotion Act

- b. Products that have received eco-friendly, sustainable, low-carbon, or green certifications equivalent to those in “a” above from foreign governments such as EU Ecolabel, Nordic Swan, etc.
- c. Products that have received eco-friendly, sustainable, low-carbon, or green certifications from internationally trusted independent certification agencies such as LEED, OEKO-TEX, Green Seal, ENERGY STAR, and Cradle to Cradle

### Basic principles

- 1. We must practice substantial green purchasing programs that consider eco-friendliness and sustainability in all stages of business activities, including procurement of raw materials, operation of processes, logistics/distribution, and waste disposal.**
- 2. To practice substantial and effective environmental management, we must practice green purchasing in all company-wide purchasing activities including not only material purchasing in the main business activities but also consumable materials, including furniture and fixtures used in the workplace.**

### Implementation plans

- 1. Establishment of green purchasing standards for company-wide purchasing operations**
  - Purchases should be made by actively adopting the POSCO Group’s existing green purchasing guidelines and systems. Institutional support measures should be provided so that green products may be given priority in all purchasing procedures by sector, such as construction work, services, and materials.
  - In cases wherein there are no related certification systems or no certified raw materials in the market, the relevant items should be classified as subject to green purchasing by the related sector according to their environmental impact, etc. based on the grades under the existing eNtoB green purchasing guidelines.
- 2. Deployment of Green Purchasing Management System**
  - To practice green purchasing effectively and improve it continuously, the status of green purchasing must be monitored.
  - Measures must be taken to share information on green purchasing performance and goals with stakeholders.
- 3. Recommendation of green purchasing in the supply chain**
  - To the extent permitted by the statutes, practice of green purchasing should be recommended to affiliates, partners, suppliers, and transaction counterparts. The criteria or guidelines related to green purchasing must be established and reflected when suppliers are selected and appraised.

## 3. Occupational safety and health policies

### Purposes

These policies aim to develop a safe working environment optimized for the physical and mental comfort and stability of workers under the Occupational Safety and Health Act by ensuring that POSCO STEELEON continuously improves its industrial safety and health management system while complying with domestic and international laws and standards concerning industrial safety and health.

### Scope of application

These policies applies to POSCO STEELEON and its officers and employees. POSCO STEELEON also encourages the officers and employees of its partners to comply with these policies or those of a similar level.

### Basic principles

#### 1. Business units or workplace

- We identify the hazards and risks related to all facilities and operations of our business sites and establish priority action orders and improvement plans for the identified hazards and risks. We ensure that the hazards and risks can be continuously managed by setting quantifiable goals for their performance assessment.
- We establish safety rules for the business sites and strictly comply with them. This way, we ensure that the workers can work in a safe, pleasant environment.

#### 2. Products and services

- We place priority on safety in the process of producing products and services and delivering them to consumers.
- We periodically identify issues that may pose a risk to the safety of products and services to develop improvement measures and set goals for the correction or improvement of the identified issues. We transparently disclose these issues and goals to our stakeholders, including consumers.

#### 3. Enhancement of health of officers and employees

- We promote the health of our officers and employees by conducting activities that can improve their lifestyle habits. We operate psychological counseling programs to promote mental health and to prevent and manage job-related stress. We also provide treatment and counseling as required.

### Implementation plans

- 1. We evaluate harmful and hazardous factors related to occupational safety and health and deploy a safety and health management system that can respond to them. We strive to improve them continuously after setting specific performance goals.**
- 2. The board of directors and management team actively participate in important decision making and management/supervision of the deployment and operation of the company’s safety and health management system. They consult with workers or their representatives as required.**
- 3. Executive officers and department heads provide appropriate education so that their subordinates may understand the safety and health management system by realizing the importance of maintaining and promoting their safety and health.**
- 4. We provide plans to prepare against and respond to emergency situations.**

## 4. Human rights-oriented management policies

### Purposes

These policies aim to ensure that POSCO STEELEON complies with various international standards related to human rights, such as the UN Guiding Principles on Business and Human Rights, UN Global Compact, Universal Declaration of Human Rights, and OECD Guidelines for Multinational Enterprises, and performs human rights management based on its respect for the labor principles recommended by the International Labor Organization (ILO) and ratified by the state.

### Scope of application

These policies apply to POSCO STEELEON and its officers and employees. POSCO STEELEON also encourages the officers and employees of its partners to comply with these policies or those of a similar level.

### Basic principles

#### 1. Basic policies

- We respect the UN Guiding Principles on Business and Human Rights and acknowledge that all human beings have the right to be treated with dignity and that such rights include the right to life and physical security, freedom of thought, expression, and religion, freedom of association, freedom of family and privacy, freedom from food and water shortage, torture, slavery, or forced labor, right to fair and decent working conditions, and right to non-discrimination.
- Accordingly, we take appropriate measures to prevent infringements of the human rights of others. We also prevent and resolve the negative impacts on human rights that arise in the course of the company's business activities.
- To that end, in fulfillment of the responsibility of respecting human rights and meeting the expectations of the stakeholders, our executives and employees comply with the following recommendations related to human rights management:
  - ① We comply with the laws and regulations and internationally recognized global human rights standards applicable in all locations where business activities are conducted.
  - ② In cases where we encounter contrary local regulations in a foreign country, we seek ways to comply with the global human rights standards.
  - ③ We treat risks that may cause a serious infringement of human rights as important management issues for the company.

#### 2. Major issues related to human rights

We manage human rights-related risks arising in the following human rights domains at the enterprise level to fulfill our responsibility of respecting human rights:

##### ① Prohibition of discrimination

We do not discriminate or harass anyone by race, nationality, gender, age, academic background, religion, region of origin, disability, marital status, or gender identity. We provide equal employment opportunities to everybody possessing job qualifications and capability. We respect diverse cultural differences. We provide equal wages to workers performing the same work without discrimination by gender or employment type so as to prevent any gap in wages and working conditions without any reasonable

cause. We ensure appropriate compensation by conducting fair appraisal based on the capabilities and performance of each officer and employee and systematically reflecting these to their compensation.

##### ② Prohibition of forced labor and child labor

We prohibit not only forced labor of the workers through violence, threats, confinement, or any other means that unfairly restricts their mental or physical freedom, including human trafficking, but also any additional forced contracts as an annex to a labor contract while prohibiting the advance determination of the amount of compensation for non-performance of a labor contract, and binding of the status of workers for reasons of loans. Child labor is also prohibited, in principle. We follow the national labor laws and international standards for the working conditions of minors and minimum working age standards.

##### ③ Guarantee of freedom of association and collective bargaining

We recognize that workers have the freedom of association and freedom to join labor unions or other labor organizations in accordance with the basic labor rights stipulated by domestic laws and International Labor Organization. We do not impose disadvantages on workers for joining a labor union or participating in union activities. Neither do we refuse collective bargaining without just cause. We respect and faithfully implement the results of collective bargaining.

##### ④ Guarantee of occupational safety

Under the principle that all types of accidents and work-related diseases should be prevented, we thoroughly comply with international safety regulations by developing a company-wide health and safety policy. We take appropriate measures for the discovered risk factors.

##### ⑤ Prevention of bullying in the workplace

We thoroughly prevent employees from using their superior position or relationship at work to cause physical or mental pain to other employees beyond the appropriate scope of work or exacerbate their work environment. We also foster a workplace culture that respects humanity by preventing any verbal, physical, and visual behaviors that cause discomfort to others, including sexual harassment that infringes on individual human rights.

##### ⑥ Responsible supply chain management

We manage the human rights-related risks of our suppliers, subcontractors, subsidiaries, and other major partners under our influence to assess and manage whether any forced labor and child rights issues occur in the supply chain. In addition, we ensure that transactions with our partners are conducted fairly based on mutual respect and equal relationships. We also support them in complying with the statutes and regulations related to fair trade.

##### ⑦ Prevention of corruption and bribery

To maintain fair trade order in all transactions, we comply with all domestic and international anti-bribery and corruption laws and regulations including the Improper Solicitation and Graft Act, UN Convention Against Corruption, Foreign Corrupt Practices Act (FCPA), and Act on Combating Bribery of Foreign Public Officials in International Business Transactions.

##### ⑧ Guarantee of environmental rights

We strive to reduce greenhouse gas emissions by lowering the consumption of fossil fuels and raw materials and improving energy efficiency. We also work to efficiently utilize natural resources and

by-products to support the restoration of natural ecosystems and the conservation of biodiversity. In addition, we are committed to establishing an environmental management system, strengthening our capacity to respond to environmental risks, and promoting open communication.

⑨ Protection of human rights of local residents

In cases wherein human rights are violated in the local community due to our business activities, we strive to resolve the human rights issues by collecting opinions. In addition, since the company may wield social and environmental impacts on the local residents and the region in its business process, it minimizes and prevents human rights risks related to it. We consider issues related to the preservation of the local culture and biodiversity as well as the impact on the local environment and safety, health, food, and economic activities of the residents.

⑩ Protection of human rights of customers

We conduct business activities focusing on the customers, listen to and respect their voices, and actively accommodate their legitimate demands and reasonable suggestions. We do not provide any products and services that threaten the safety and health of our customers by fully considering their safety and health in our business activities. We also protect customer-related information.

**Implementation plans**

**1. Governance for human rights-oriented management**

The department in charge of Human Rights Management is responsible for setting overall policies and directions related to human rights management and monitoring the company’s performance of human rights management. The Human Rights Management Department carries out human rights education, information disclosure, human rights due diligence, victim relief, etc.

**2. Human rights due diligence**

a. Key considerations

Executives and employees prevent and mitigate negative impacts on human rights by identifying them and conduct human rights due diligence when deemed necessary to fulfill their responsibilities for human rights management. This procedure includes identifying and assessing actual and potential impacts on human rights, responding to discovered issues, recording response activities, and communicating with the stakeholders. The following are considered in human rights due diligence:

- ① Due diligence should include negative impacts related to human rights that may arise directly or indirectly during the company’s business activities.
- ② Due diligence should consider various related matters based on the location and size of the business site, human rights-related risks, nature and contents of the business, and political and economic conditions and characteristics of the local country.
- ③ Due diligence should be performed continuously by recognizing that the risks affecting human rights gradually change along with changes in the company’s activities and business operation environment.

b. How to implement

Efforts to identify and inspect actual and potential negative impacts on human rights due to domestic and international business activities should be carried out according to the following process:

- ① In cases wherein human rights-related risks are detected at major domestic or overseas business sites, human rights due diligence should be conducted to analyze the current situation and derive improvement measures.
- ② Due diligence should be conducted by internal experts, in principle. When necessary, however, it may be conducted with the support of external experts.
- ③ Substantive interviews should be conducted with the groups and relevant stakeholders that may be potentially affected.
- ④ During due diligence, potential and actual impacts must be identified. The assessment results of the potential impacts should be shared at the company-wide level. Measures to prevent and mitigate them should be implemented by carrying out related procedures. Actual impacts that have already occurred should be subject to remedies and resolution.
- ⑤ Due diligence should be conducted using a checklist that diagnoses key elements related to human rights management based on international human rights guidelines such as those of OECD and ILO.

c. Response and follow-up measures

A response system should be established and follow-up measures should be taken based on the findings from the human rights due diligence to prevent and mitigate negative impacts on human rights.

- ① Establish an internal response system
  - i. The roles and responsibilities of the relevant departments should be clearly defined to resolve the discovered issues.
  - ii. The procedures for internal decision making, budget allocation, and monitoring should be followed to respond to these impacts effectively.
  - iii. The relevant departments should be made to understand duly the issues identified through the human rights due diligence to respond to them by managing them as important issues.
- ② Follow-up measures and remedies
  - i. When adverse impacts on human rights have occurred, or they are likely to occur, the necessary measures should be taken to prevent and mitigate them.
  - ii. When an unexpected adverse impact occurs even though the best policies and procedures are in place, efforts should be made alone or in cooperation with other entities to resolve or mitigate the adverse impact.
  - iii. If the company has not directly contributed to the adverse impact on human rights, but such is intricately related to its operations, production, or services in its relationship with other entities (e.g., suppliers), the company should assume the given role even though it does not have any direct responsibility for developing systematic improvement measures.
  - iv. If the company wields influence to prevent and mitigate adverse impacts on human rights, it should utilize such. If not, it can increase its influence by cooperating with the relevant entities.
  - v. The company should operate a grievance-handling system for potentially affected stakeholders as an effective remedial means.

d. Communication with stakeholders

The company should communicate in a responsible manner when any stakeholders raise concerns about human rights impacts.

- ① The company should communicate with stakeholders including affected groups, individuals, and investors based on accountability and transparency. It should also consider various forms of communication such as face-to-face meetings, issuance of official reports, and use of online channels (e.g., the company’s official website, helpline, etc.) to ensure that the stakeholders can easily access information.
- ② When official reports are issued, they should include actual and potential negative impacts. An independent verification procedure should be considered to enhance the reliability of the reported contents.
- ③ Information that helps stakeholders assess whether the company is responding appropriately to specific human rights impacts should be provided.

e. Integration and system improvement

Substantial improvement in human rights management should be promoted through the integration of the results of human rights due diligence into the corporate culture and system improvement activities.

- ① Activities should be carried out to integrate human rights management into the corporate culture, such as education to build consensus among all officers and employees, education on human rights management-related norms, and sharing of success and failure cases.
- ② The human rights management system should be improved continuously with expert advice through communication with the stakeholders and discovery of areas for improvement through system implementation.

**3. Grievance handling system**

- To ensure that the issues raised are promptly discussed and remedied, a grievance-handling system is operated for individuals and communities who/that are negatively affected.
- We strive to find a reasonable solution speedily by utilizing existing means such as the Ethics Counseling Center (Helpline) and the Un-ethics Reporting Center (Hotline). We must not take disadvantageous measures against the employment of reporters (whistleblowers), victims, and collaborators for reasons such as their requests for consultation or investigation or cooperation with such requests.
- The grievance-handling system performs the following important functions in relation to the company’s responsibility of respecting human rights:
  - ① The negative impacts on human rights should be easy to identify, and a channel should be provided wherein stakeholders can raise issues when they have been or may be directly affected. They can report concerns related to human rights to the Upright Management Group in person, by mail, phone, or e-mail. They can also request grievance handling to the Group.
  - ② It should prevent the spread of human rights damages by directly collecting grievances to offer prompt relief to the victims.
  - ③ It should identify and improve problem areas related to human rights policies and procedures through the analysis of the operating conditions.

**4.1 Human rights due diligence guidelines**

**Chapter 1 General rules**

**Article 1 Purposes**

These guidelines are designed to provide matters necessary for protecting and promoting the human rights of our stakeholders by systematically conducting human rights due diligence.

**Article 2 Scope of application**

The company shall comply with these guidelines, which shall apply to matters related to the implementation of human rights due diligence, except matters separately stipulated in the relevant laws, regulations, and the company’s articles of incorporation.

**Article 3 Definition of terms**

- ① “Human rights due diligence” refers to a series of continuous procedures wherein the company identifies and assesses negative impacts on human rights, takes measures to prevent, mitigate, or resolve them, tracks and verifies the effectiveness of the measures, and explains and discloses the assessment processes and their results to its stakeholders.
- ② “Negative impacts on human rights” refer to adverse or negative impacts on individuals, groups, or communities caused by human rights violations or lack of human rights protection occurring or likely to occur in the company’s business activities and supply chain.
- ③ “Human rights violation” means any act that violates the rights guaranteed by the international human rights norms or domestic human rights-related laws or which undermines human dignity and value, including specific acts such as discrimination, verbal abuse, violence, harassment, forced labor, child labor, and provision of unsafe work environments.
- ④ “Human rights impact assessment” refers to a systematic procedure for identifying and assessing in advance the negative impacts on human rights that may occur in the company’s business activities and supply chain. It is divided into document-based and on-site inspections.
  - 1. “Document-based due diligence or inspection” refers to a basic assessment to identify general areas where the most serious negative impacts on human rights are most likely to occur in the company, its subsidiaries, or the supply chain.
  - 2. “On-site due diligence inspection” refers to an assessment through an in-depth analysis of negative human rights impacts, targeting specific high-risk areas or vulnerable stakeholders.
- ⑤ “Stakeholders” refer to individuals, groups, or organizations affected in connection with the company’s business activities and supply chain, including the executives and employees, partners, local community residents, and consumers.
- ⑥ “Vulnerable stakeholders” refer to individuals or groups who/that are more susceptible to human rights violations due to social, economic, geopolitical, or cultural factors, including children, women, persons with disabilities, indigenous communities, and ethnic minorities.
- ⑦ “Risk factors” refer to facts, situations, and circumstances related to the severity and likelihood of adverse human rights impacts including company-level risk factors and those related to business operation, geographic, and sectoral factors.
- ⑧ The terms used in these guidelines shall follow the examples of terms used in the relevant laws and regulations, except for cases wherein these guidelines specifically provide otherwise.

## Chapter 2 Identification and assessment of human rights impacts

### Article 5 Criteria for assessments of human rights impacts

When conducting document-based and on-site inspections, the company may identify and manage adverse human rights impacts by considering the risk factors below:

1. Company-level (CL) risk factors: Factors that increase the possibility of human rights violations occurring within a company, such as the company's lack of human rights management policy and governance system, absence of a grievance-handling procedure, and lack of human rights education.
2. Business operation-related (BO) risk factors: Factors that increase the possibility of human rights violations occurring in the business operation process, including business models such as the company's rate of non-regular employment or lowest-price bidding policy, and business procedures such as those for accepting grievances or filing disputes.
3. Geographic risk factors (GE): Factors that increase the possibility of human rights violations occurring in carrying out business or procurement in areas with poor social and economic conditions, areas where indigenous people reside, areas where forced labor or child labor occurs, and conflict or disputed areas.
4. Sectoral risk factor (SEC): Factors that increase the possibility of human rights violations falling under high-risk industry groups designated by the international community in consideration of the characteristics, activities, products, and production processes of the sector.

### Article 6 Subjects of documentary due diligence or inspection

- ① The company conducts document-based due diligence or self-inspection or inspection of its subsidiaries and partner personnel stationed in its premises, and direct/indirect suppliers identify general areas with high possibility of highly severe negative human rights impacts.
- ② In cases wherein the objects of the documentary due diligence or inspection of the company and its subsidiaries overlap, the objects may be determined through mutual consultation between the parent and subsidiary companies within the extent that does not violate the relevant laws and regulations.
- ③ The objects of the documentary due diligence or inspection among those belonging to the company's supply chain are as follows:
  1. Partner companies stationed in the company's premises: Corporations that provide services directly to the company by stationing their employees at the company's business premises based on a commercial contract signed with the company directly
  2. Direct suppliers: Corporations that have entered into a direct commercial contract with the company, excluding those partner companies stationing their employees in the company's premises
  3. Indirect suppliers: Corporations that have not entered into any commercial contract directly with the company, but operates a business necessary for the company's operation, products, or service use by providing products or services to the direct suppliers

### Article 7 Documentary and on-site due diligence or inspection of the company

The documentary and on-site inspection of the company must be conducted regularly at least once a year, considering the following methods:

1. Company-level (CL) risk factors: Factors that increase the possibility of human rights violations occurring within a company, such as the company's lack of human rights management policy and governance system, absence of a grievance-handling procedure, and lack of human rights education.
2. Business operation-related (BO) risk factors: Factors that increase the possibility of human rights violations occurring in the business operation process, including business models such as the company's rate of non-regular employment or lowest-price bidding policy, and business procedures such as those for accepting grievances or filing disputes.

### Article 8 Documentary and on-site due diligence or inspection of the company

- ① The objects of documentary due diligence are selected by considering the following methods among partner companies stationed in the company's premises and direct suppliers:
  1. Business materiality: Business materiality is assessed by inclusively considering whether strategic items/services are supplied as well as the purchase amount, contract or transaction periods, etc. However, the company may set the criteria and procedures for calculating business materiality at its discretion considering the management needs and practical circumstances.
  2. Analysis of geopolitical risk factors (GE): The human rights and social risks in countries and regions where partners stationed in the company's premises and direct suppliers are located are assessed, and the specificity and conflict risks of the regions are analyzed.
  3. Analysis of sector-specific risk factors (SEC): The possibility of human rights violations is assessed by analyzing whether the characteristics and activities of the industries where partner companies stationed in the company's premises and direct suppliers belong fall under the OECD High-Risk Industry Due Diligence Guidelines.
- ② The indirect suppliers that should be subject to documentary due diligence are selected from among companies that have been confirmed to have a possibility of human rights violations by using the following methods:
  1. Analysis of business operation-related risk factors (BO): We analyze cases wherein human rights issues are received through the company's grievance-handling procedure or wherein lawsuits, declarations, or other legal disputes are filed with courts or government agencies.
  2. Others: We analyze other cases wherein there are certain reasonable grounds to believe that human rights violations have occurred with indirect suppliers.
  3. The company selects the objects of documentary due diligence at least once a year based on the procedures stipulated in Articles 1 and 2.
  4. However, priority is given to ESG due diligence to be conducted by the purchasing department on the supply chain in accordance with the EU Supply Chain Due Diligence Guidelines.

### Article 9 Methods and frequency of on-site inspection

- ① On-site due diligence is conducted at least once a year targeting the officers and employees of a specific corporation, with particular focus on vulnerable stakeholder groups (hereinafter referred to as "vulnerable groups"). However, the implementation frequency may be adjusted in consideration of the company's business environment, level of risk of the targets, and requests from stakeholders.
- ② The methods of the on-site inspection are as follows:
  1. Focus group interview (FGI): Negative human rights impacts are identified and grievances are received by conducting in-depth interviews with the employees of the relevant company, partners stationed in the company's premises, direct and indirect suppliers, or representatives of the vulnerable groups listed in [Appendix 1].
  2. On-site inspection: The working and living conditions are analyzed, and structural human rights risks are assessed by visiting the business sites of the relevant company, partners stationed in the company's premises, direct or indirect suppliers, or workplace of vulnerable groups falling under Appendix 1.
- ③ Vulnerable groups are identified according to the criteria listed in [Appendix 1] during the on-site inspection. They will be the focus during the due diligence.
- ④ The company may seek advice from external experts in case of a need to determine the scope of high-risk areas and vulnerable groups or to adjust the calculation criteria.

**Article 10 Priority assessment**

- ① The company may assess the priority of negative human rights impacts as identified through the assessment of human rights impacts according to the following criteria and [Appendix 2]:
  1. Severity: The scale, scope, and irremediability of the human rights impacts are inclusively considered to determine the level of severity.
  2. Likelihood: The likelihood of the relevant human rights impacts is assessed based on the frequency of their occurrence.
- ② The priority assessment under Paragraph 2 may be conducted with the assistance of external experts. The results of the assessment may be reflected to the development of the company’s human rights policy and response plans.

**Article 11 Derivation and management of salient human rights issues**

The company derives salient human rights issues based on the results of the priority assessment and monitors the management status and performance. It also develops improvement measures when necessary.

**Chapter 3 Preparation of Response Measures**

**Article 12 Preparation and execution of response measures**

- ① The company develops and implements response measures to prevent and mitigate negative human rights impacts based on the results of the human rights impact assessment on its own officers and employees and those belonging to partner companies stationed in the company’s premises, and the supply chain. It may prioritize salient issues when necessary.
- ② The company may utilize the advice of external experts when necessary to increase the effectiveness of its response measures.

**Article 13 Measures to respond to human rights issues in the supply chain**

The company may prepare the measures below to manage systematically the human rights issues in the supply chain:

1. Contractual warranty clauses: The purchase contract may include a clause guaranteeing compliance with the supplier’s code of conduct and human rights protection, etc.
2. Support to the supply chain: The company may provide education and technical support to the supply chain to strengthen its capacity for human rights management.
3. Improvement of trade practices: We improve purchasing procedures and standards to prevent human rights abuses in the course of trading with the supply chain. We also establish fair and sustainable trade practices.
4. Discontinuance of contracts: If a supplier continuously fails to correct serious human rights abuses, the company may consider discontinuance or suspension of a contract.

**Chapter 4 Monitoring and Reporting**

**Article 14 Monitoring procedures**

- ① The company may perform monitoring by setting quantitative or qualitative indicators to check the implementation of response measures and to monitor their effectiveness.
- ② The department responsible for due diligence of human rights may report the monitored results to the management, which in turn may take the necessary measures to prevent human rights violations by reviewing the monitoring reports.

**Article 15 Establishment of communication plans**

- ① The company may develop a plan for transparent communication with stakeholders regarding the results of human rights due diligence and response procedures.
- ② The communication plan may be prepared in such a way that trust is built through exchange of opinions and interaction with stakeholders.

**Article 16 Standards for disclosure**

- ① The company internally and externally discloses the salient human rights issues and response measures identified as a result of its assessment of the human rights impact.
- ② The disclosure in Paragraph 1 may be performed through various methods, including disclosure on the company’s website, disclosure of the sustainable management report, and separate human rights report.

**Chapter 5 Stakeholders’ participation**

**Article 17 Stakeholders’ participation**

- ① The company may collect opinions from its stakeholders throughout the entire process of its human rights due diligence, including assessments of human rights impact, establishment of response measures, development of monitoring indicators, and remedial procedures.
- ② The company should provide sufficient information during the participation process of the stakeholders and endeavor to ensure their participation through continuous interaction.

**Article 18 Elimination of barriers to participation**

- ① The company should endeavor to identify physical, cultural, and linguistic barriers and establish measures to eliminate them.
- ② The company should ensure participation by the vulnerable groups and endeavor to prevent retaliation by ensuring confidentiality and anonymity.

**Article 19 Participation by third-party experts and due diligence**

Upon seeing the need to conduct third-party due diligence of its workplace and supply chain, the company should decide based on the following criteria and may seek advice from external experts when necessary:

- ① Violation of human rights and environmental standards defined by major countries, due diligence laws, or international norms (such as the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, etc.);
- ② Cases raised by regulatory authorities and directly or indirectly related to the company’s activities;
- ③ Cases falling under items received in accordance with Article 5 of the Operation Guidelines of Grievance-Handling Procedure; or
- ④ Other cases deemed necessary by the company

**Addendum**

**Article 20 Enforcement date**

These guidelines are enforced from February 27, 2025.

## 4.2 Guidelines for implementing grievance-handling procedures

### Chapter 1 General rules

#### Article 1 Purposes

These guidelines seek to define matters necessary for the deployment and implementation of grievance-handling procedures for generating a fair, trustworthy management environment while comprehensively resolving stakeholders' grievances in realizing human rights management.

#### Article 2 Scope of application

The company should comply with these guidelines. If the regulations on its grievance-handling procedures are stricter than these guidelines, however, such regulations may be applied preferentially.

#### Article 3 Definition

- ① "Grievance" refers to dissatisfaction, disputes, issues related to actual or potential infringement of human rights, damage, etc. experienced by the company's employees, suppliers, customers, or other stakeholders due to the company's activities.
- ② "Grievance filers" refer to individuals or groups who/that have filed a grievance in accordance with these guidelines.
- ③ "Stakeholders" refer to individuals, groups, or organizations transacting with the company or who/which may be affected by the company's business activities. Examples include suppliers, service providers, customers, non-government organizations (NGOs), and local communities.

#### Article 4 Operating principles

- The company implements its grievance-handling procedures in accordance with the following principles:
- 1. The company secures trust by maintaining the independence and fairness of its grievance-handling procedure while safeguarding the confidentiality of grievances filed by employees and stakeholders.
  - 2. The company prevents all forms of retaliation by safeguarding confidentiality in the grievance-handling procedure. It also takes reasonably available measures while complying with the policy of prohibiting disadvantages to reporters (whistleblowers).
  - 3. The company clearly notifies the parties of the time limit for processing and progress of each stage of the grievance-handling procedure, and continuously provides the necessary information so that the victim can participate in the processing process.
  - 4. The company provides the necessary support so that the victim can participate fairly in the grievance-handling procedure. It also takes institutional measures to ensure that participation in the procedure is not restricted due to gender, age, nationality, disability, etc.
  - 5. The company publicizes the policies and procedures related to the grievance-handling procedure in such a way that the stakeholders can understand them. It also transparently discloses the results and improvements of the procedure.
  - 6. The company complies with domestic laws and international human rights norms in the grievance-handling process while abstaining from impeding the use of external relief agencies.
  - 7. The company periodically assesses the effectiveness of its grievance-handling procedure, improves the procedure based on the assessment results, and conducts education and awareness-enhancing activities for structural changes and prevention of recurrence.

- 8. The company enhances the effectiveness of grievance-resolution procedures through dialogue and cooperation while collecting opinions from diverse stakeholders in the process of designing and improving the grievance-handling procedure.

#### Article 5 Scope of reporting (whistleblowing)

- ① The scope of grievances that can be received according to these guidelines is as follows:
  - 1. Unethical conducts
  - 2. Abusive conducts
  - 3. Workplace bullying and sexual harassment
  - 4. Fair trade
  - 5. General human rights issues
- ② The general human rights issues under Article 1 Item 5 include the following grievances related to human rights that occurred in the company, subsidiaries, and supply chain:
  - 1. Deployment of a human rights management system
  - 2. Non-discrimination in employment
  - 3. Guarantee of freedom of association and collective bargaining
  - 4. Prohibition of forced labor
  - 5. Prohibition of child labor
  - 6. Guarantee of occupational safety
  - 7. Responsible management of supply chain
  - 8. Protection of human rights of local residents
  - 9. Guarantee of environmental rights
  - 10. Protection of consumer human rights

### Chapter 2 Installation of grievance-handling window

#### Article 6 Grievance-handling window

- ① The company installs a grievance-handling window (hereinafter referred to as "Grievance-Handling Window") within the company to receive, consult on, investigate, and process grievances under Article 5. The grievance-handling window may be set up in the formats below:
  - 1. Receiving of grievances online (representative email address, website, etc.)
  - 2. Receiving of grievances by mail
  - 3. Receiving of grievances through grievance-handling staff (by phone, face-to-face)
  - 4. Receiving of grievances through other methods similar to those under subparagraphs 1 through 4 above
- ② The company designates a department in charge of grievance-handling duties by considering the organizational structure and situation of the company. For grievances for which a department in charge has not been designated, an appropriate department is designated to handle them depending on the cases.
- ③ The company appoints a grievance-handling staff including at least one male and one female employee to handle the grievances reported. However, exceptions may be made in cases wherein internal manpower conditions are tight. The company may seek assistance from external experts when necessary.
- ④ The duties of the grievance-handling window are as follows:
  - 1. Counseling on, reception, investigation, and processing of grievances

2. Handling of cases with cooperation and coordination between departments
3. Development and implementation of measures to prevent the recurrence of grievances
4. Preventive activities such as education and publicity for preventing grievances

### Chapter 3 Operation of grievance-handling procedure

#### Article 7 Reporting and acceptance

- ① The grievance reporters may report the contents to the grievance-handling window anonymously or by name.
- ② The report may be submitted in Korean, English, or the language selected by the reporter. All subsequent communications are conducted in Korean, English, or the language preferred by the grievance reporter.
- ③ When a grievance report is received, the company should notify the party of the details within seven (7) working days of the date of report by an appropriate means (writing, e-mail, or telephone). However, exceptional treatment may be allowed in cases where no means of notification is available or in similar cases. An additional processing time may be allowed in circumstances where translation takes time, etc.

#### Article 8 Dismissal of reports

- ① The company may dismiss a grievance report if it falls under any of the following:
  1. When it is clear that the complainant and the complainer do not fall under the members or the company's stakeholders;
  2. When the victim clearly does not want an investigation in a case reported by someone other than the victim;
  3. When the reported case is clearly irrelevant to the company's business or is not a true grievance;
  4. When it is remarkably difficult to conduct the investigation; or
  5. When the case is similar to those under subparagraphs 1 through 4 above
- ② When dismissing a report, the company must notify the parties of the results and reasons by an appropriate method (writing, e-mail, telephone, etc.) within three (3) working days of the date the dismissal is decided. Where there is no method of notification, however, exceptional treatment is allowed.
- ③ The dismissal decision under paragraph 2 must be notified within three months of the date the parties receive the notice of receipt of the report under Article 7.

#### Article 9 Counseling on reported cases

- ① Upon receiving a grievance report, the company must provide counseling service through a complaint-handling person, etc. without delay. It also provides detailed explanation of the grievance-handling procedure to the victim or those claiming to have been damaged so that the victim can fully understand and utilize the company's grievance-handling procedure.
- ② Upon directly recognizing a case, the company guides the victim on the procedure for applying for counseling or investigation. It carries out the counseling and investigation procedures considering the victim's wishes.

#### Article 10 Reporting of salient human rights issues to the holding company

- ① Upon identifying the salient human rights issues listed below or receiving a related case, the company reports it to the grievance-handling department of the holding company.

1. Cases of violation of core International Labor Organization (ILO) conventions, including those on forced labor, child labor, and discrimination
  2. Violation of land rights and rights on natural resource use of indigenous peoples or local communities
  3. Cases under investigation or received by a local liaison office of OECD or competent due diligence or law-enforcement authorities of major foreign countries
  4. Cases of violation raised with a letter or an open disclosure by an international non-government organization (NGO)
  5. Other salient human rights issues comparable to items 1 through 4
- ② The company may request the holding company to provide the necessary support for cases reported in accordance with paragraph 1.
  - ③ The company reports to the holding company the progress and results of handling of the cases reported in accordance with paragraph 1. The reporting frequency and contents are determined through consultation between the company and the holding company depending on the specific nature of each case, but the following items should be included in the contents of the report:
    1. Determination of the investigator and investigation methods (e.g., third-party investigation)
    2. Temporary measures and relief measures for the victims, etc.
    3. Key contents of the report on the investigation results
    4. Presence and progress of legal disputes related to the case
    5. Other key demands of the victims, stakeholders, etc.
  - ④ When the holding company requests information to check a salient human rights issue, the company must cooperate in good faith by providing related information within the scope permitted under the Personal Information Protection Act and other relevant statutes.

#### Article 11 Transfer of salient cases to the holding company

- ① Upon receiving a case that falls under any of the items listed below, the company must consult with the relevant department of the holding company on the means to transfer the case to the holding company; upon determining based on the consultation results that it is appropriate for the company to handle a case internally, the company will handle it itself instead of transferring the case.
  1. Cases involving the company's top management team members or senior executive officers
  2. Cases involving multiple affiliates
  3. Other cases concerning structural issues affecting the entire POSCO Group
- ② In transferring a case according to the foregoing paragraph, the company must obtain consent by explaining the reason and procedure for transfer to the victims and the grievance reporter in advance.
- ③ The company will provide information and assistance regarding cases transferred to the holding company as required.

#### Article 12 Investigation of cases

- ① Upon determining that an investigation into a reported case is necessary in accordance with the relevant laws, etc., the department in charge of handling grievances will investigate the case received considering the wishes of the filers or victims.

- ② The investigation should be completed within two months of the date of receipt, but the investigation period may be extended in extraordinary circumstances. The grievance reporter should be notified of the reason for the extension and the expected time limit by an appropriate method (writing, e-mail, telephone, etc.). However, this does not apply in cases wherein there is no means for notification, including a case anonymously reported.
- ③ During the investigation process, the department in charge of handling grievances may request cooperation from the relevant departments, which in turn should comply with such request.
- ④ If the administrative agency or judicial agency is already in the process of handling the same case in accordance with the relevant laws, the company suspends the investigation and related measures. It may handle the case by checking the results after the relevant procedures are concluded.
- ⑤ The department in charge of handling grievances may utilize the participation or advice of external experts when necessary to conduct a fair, professional investigation.

**Article 13 Deliberation, resolution, and remedy**

- ① The company reviews and resolves the results of the investigation into the received grievance report in accordance with the relevant statutes and the company’s regulations. It may dismiss the report if it falls under any of the following reasons based on the results of the review:
  - 1. When the contents of a report are determined to be untrue
  - 2. When the investigation results show that it is a grievance
  - 3. When it is acknowledged that no separate remedies are necessary since damages have already been recovered
  - 4. When any of the reasons above apply to a case
- ② When damages, etc. are acknowledged based on the result of review, the following measures may be taken:
  - 1. Disciplinary action against the perpetrator
  - 2. Remedy for the victim
  - 3. Measures for improving the system or practices that caused the incident
- ③ The victim may request the temporary or follow-up actions below for the necessary protection and recovery during the incident’s handling process. The company takes the necessary actions after reviewing the validity of the request:
  - 1. Immediate stopping of additional damages
  - 2. Actions separating the office space, etc. between the victim and the perpetrator
  - 3. Other necessary and appropriate actions for the safety and recovery of the victim
- ④ The department in charge of handling grievances should notify the parties of the results of the resolution within three working days of the date of the resolution by an appropriate means (in writing, e-mail, telephone, etc.). However, this does not apply when no notification means is available as it is an anonymous report.
- ⑤ The results of the investigation and resolution should be notified within three months of the date the notification is received. When the investigation period is extended, however, the time limit for the notification of the results may also be extended by that period.

**Chapter 4 Protection of victims, etc.**

**Article 14 Duty to maintain confidentiality**

- ① During the grievance-handling process, the grievance reporter, victim, perpetrator, witness, and investigator must comply with the duty of confidentiality. They also write and sign a confidentiality pledge.
- ② The identity of the persons concerned, contents of the case, handling process, etc. must not be leaked, except for cases where it is necessary for the investigation and handling of the case.
- ③ The company will take actions in accordance with the relevant statutes when a violation of the duty of maintaining confidentiality is confirmed. When necessary, it may hold the violator accountable in accordance with the law and company regulations.

**Article 15 Prohibition of disadvantages and reporting**

- ① No one shall be dismissed, transferred, slapped with disciplinary action, treated unfairly, or subjected to any other disadvantages in relation to his/her status or treatment for having reported, made a statement, testified, submitted information, etc., or responded to the grievance-handling window in accordance with these guidelines.
- ② If the grievance reporters, victims, etc. receive any disadvantageous HR action in relation to the fact that the grievance has occurred or its reporting, they may report it to the head of their department or the grievance-handling window.

**Chapter 5 Group-level operation of grievance-handling procedures**

**Article 16 Establishment of grievance-handling policies**

- ① The company should systematically understand international human rights norms, related statutes, and Group-level human rights issues and policies. It may also collect opinions from its stakeholders or experts to compile a grievance-handling policy.
- ② The company provides support and cooperation necessary for the holding company to implement the Group-level grievance-handling procedure.
- ③ The company periodically amends or supplements the policy under Paragraph 1 to reflect the operational status of the grievance-handling procedure.

**Article 17 Support for education and training of personnel handling human rights-related grievance**

- ① The company provides education and training necessary for personnel handling human rights-related grievance. It may seek or receive support from the holding company as required.
- ② The contents of the education and training pursuant to Paragraph 1 may include the following:
  - 1. Reporting and transfer procedures for salient human rights issues
  - 2. Industry-specific characteristics and salient human rights issues occurring in affiliated companies
  - 3. Reported cases and major human rights risks by country
  - 4. Trends of human rights-related policy and legal responsibilities

- 5. Best practices and response measures related to salient human rights issues
- 6. Roles and responsibilities as the company's human rights officer
- ③ The company should ensure that its grievance-handling officer completes in-house and external training. It reports the results to the holding company.

**Article 18 Assessment and improvement of the effectiveness of grievance-handling procedures**

- ① The company's grievance-handling department should endeavor to ensure that the internal grievance-handling procedure is implemented in accordance with the following eight criteria provided under Article 31 of the UN Guiding Principles on Business and Human Rights (hereinafter referred to as "UNGPs"):
  - 1. Legitimate: Ensure that the grievance-handling procedure is implemented fairly and that the stakeholders have confidence in the procedure.
  - 2. Accessible: Ensure that the grievance-handling procedure is accessible to all stakeholders and is duly provided to the affected groups facing specific barriers.
  - 3. Predictable: Clearly inform each step of the grievance-handling procedure and its progress, including how to implement the results.
  - 4. Equitable: Provide appropriate information to the affected groups and support them in participating fairly in the procedure.
  - 5. Transparent: Provide sufficient information to notify the progress and results of the grievance-handling procedure.
  - 6. Rights-compatible: Ensure that the grievance-handling outcome and remedies are consistent with internationally recognized human rights standards.
  - 7. A source of continuous learning: Improve the procedure by reflecting the lessons learned from the operation of the procedure, and implement education and measures to prevent recurrence.
  - 8. Based on engagement and dialogue: Design and implement the procedure by reflecting the stakeholders' opinions through dialogue and engagement.
- ② The company may assess the effectiveness of the grievance-handling procedure by referring to the criteria or standards under each item of Paragraph 1.
- ③ When improvement areas can be commonly applied to the POSCO Group based on the results of the effectiveness assessment under Paragraph 2, the company reports this to its ESG department and endeavors to establish and implement improvement tasks in cooperation with the holding company.
- ④ The company shares key lessons and success stories derived from the grievance-handling process within the group through the Group Human Rights Council meetings, etc. The company strives to improve the level of its human rights risk management continuously.

**Addendum**

**Article 19 Enforcement date**

These guidelines are enforced from February 27, 2025.

## 5. Policies for diversity, equality, and inclusiveness

**Purposes**

These policies are designed to develop a healthy work environment wherein officers and employees can demonstrate their abilities to the maximum by preventing discrimination, bullying, and sexual harassment in the workplace while improving diversity, equity, and inclusiveness for all POSCO STEELEON officers and employees.

**Scope of application**

These policies apply to POSCO STEELEON and its officers and employees. POSCO STEELEON also encourages the officers and employees of its partners to comply with these policies or those of a similar level.

**Basic principles**

**1. Diversity and inclusiveness**

Diversity means respecting the characteristics of the officers and employees including their culture, gender, nationality, race, religion or belief, social and economic status, and ability, whereas inclusiveness means that all employees participate in work and maximize their potential with a sense of belonging to the organization. Diversity and inclusiveness mean that the company should develop a work environment wherein its constituents are not unreasonably discriminated while respecting each other. Their purposes can be achieved specifically when the following are observed:

- ① Maintain an inclusive work environment by respecting cultural differences.
- ② Create an environment wherein all officers and employees can contribute by utilizing their abilities, experience, and knowledge in the company's work process.
- ③ Support the officers and employees in achieving their individual vision and ensure that they perform their work flexibly in terms of time, place, and method.
- ④ Pursue an open corporate culture wherein the constituents cooperate with each other through open communication by removing barriers between organizational divisions.
- ⑤ Organize diverse networking groups where officers and employees can interact with each other.
- ⑥ Do not exclude or alienate any disabled persons from the company due to their disabilities by recognizing that certain employees may have difficulties in performing their duties due to their physical or mental disabilities.
- ⑦ The constituents should recognize that the company is a place where diverse generations coexist while providing different capabilities, and that officers and employees with diverse backgrounds, nationalities, and races work together.
- ⑧ The company should develop an environment wherein all its officers and employees can coexist despite their different family relationships, such as those related to marital or divorce status and children.
- ⑨ The company introduces a promotion system based on merits.
- ⑩ When artificial intelligence (AI) is used in the hiring, management, and training of officers and employees, the company should not use algorithms that promote prejudice against certain groups, etc. but should take care to prevent discriminatory results.

**2. Equality**

Equity means providing equal opportunities in promotion, hiring, education, etc. so that the officers and employees can fully demonstrate their individual abilities. The constituents should specifically observe the following:

- ① Constituents should not be discriminated based on factors not related to their ability including their race, nationality, gender, age, academic background, religion, region of origin, disability, marital status, and gender identity.
- ② Constituents should ensure that the principle of gender equality is observed
  - within the company, affiliates, suppliers, and partners.
  - They should also ensure that female employees are not unfairly discriminated due to their pregnancy, childbirth, or childcare.
  - They should ensure that individual growth within the workplace is not hindered due to gender.
  - The same work environment should be provided for the same work with the same value.
  - Appropriate compensation is ensured by conducting fair appraisal based on the capabilities and performance of each officer and employee and systematically reflecting these to their compensation.
  - They should ensure that equal opportunities in employment are provided to those with the job qualifications and abilities.
  - They should treat others without prejudice based on social, cultural, or academic background.

**3. Prohibition of harassment at the workplace**

The following and similar acts are prohibited when they cause physical or mental suffering to other employees or exacerbate the work environment by using an advantageous position/relationship in the workplace beyond the appropriate scope for performing work:

- ① Physical harassment   ② Mental harassment   ③ Work-related harassment   ④ Personal harassment

**4. Prohibition of sexual harassment**

These guidelines prohibit acts by officers or employees that cause sexual humiliation or disgust to others, such as sexual remarks or demands, etc. using their position or in relation to work, etc. or those that impose disadvantages in employment due to noncompliance with sexual remarks or demands, or express an intention to provide benefits on the condition of compliance with such demands.

**Implementation plans**

- ① The company should periodically conduct education to improve diversity, equity, and inclusiveness and prevent discrimination, bullying, and sexual harassment in the workplace while taking the necessary preventive measures.
- ② The management or the board of directors should monitor the implementation of these policies, organize a dedicated organization to receive reports, and consult on, investigate, and process violations. A separate consulting and reporting center should be operated as a dedicated organization for sexual harassment in particular.
- ③ The company should establish a reporting system for anyone that becomes aware of an act that violates these policies to report it by directly visiting the dedicated organization or by mail, phone, or email to the dedicated organization.
- ④ The dedicated organization should conduct an investigation to confirm the facts when it becomes aware of a violation of these policies. It should take the necessary actions such as disciplinary actions against the perpetrator, inter-department transfer, or education to prevent recurrence based on the results of the investigation.
- ⑤ The dedicated organization should take actions to ensure that victims and cooperators do not suffer disadvantages in employment or other unfavorable treatment. It should not leak any information related to the case, except where necessary for the investigation and processing of the case.

## 6. Supply chain policies

**Purposes**

These policies are designed to establish a healthy business ecosystem wherein the company can coexist and grow together with its stakeholders while deploying a sustainable supply chain in the course of establishing a fair trade order based on mutual trust between POSCO STEELEON and its supply chain and suppliers. In addition, POSCO STEELEON should develop specific measures that can contribute to suppliers’ understanding of all provisions written in the code of conduct established by the company.

**Scope of application**

These policies apply to POSCO STEELEON, which should encourage its suppliers (hereinafter referred to as “suppliers”) to comply with these policies or those of a similar level.

**Supplier’s Code of Conduct**

**1. Labor and human rights**

Suppliers are expected to 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, and direct-hire workers. Workers must be guaranteed legitimate work and rights in accordance with local statutes and regulations.

**2. Safety and health**

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

**3. Environment**

Suppliers must comply with statutes and regulations regarding environmental protection, cognizant of the fact that environmental protection is a fundamental corporate social responsibility. They should also identify the environmental impacts of manufacturing processes and minimize negative impacts on communities as well as the environment and natural resources while protecting public health and safety.

**4. Ethics and fair trade**

To fulfill its social responsibility and achieve sustainable growth, POSCO STEELEON and its suppliers must comply with items related to business integrity, prohibition of unfair gains, compliance with special terms and conditions for ethical practices, information disclosure, intellectual property protection, fair trade, advertising and competition, identity protection and prohibition of retaliation, responsible minerals management, and personal information protection.

**5. Management System**

Suppliers should adopt or deploy a management system related to the contents of this Code. The management system should be designed to ensure compliance with the applicable laws and regulations and customer requirements as well as this Code, and to enable the identification of risks related to this Code. Suppliers should continuously improve their management system.

**6. Win-win growth and social contribution**

Suppliers should actively participate in various activities for the development of local communities as well as a healthy corporate ecosystem through win-win growth and social contribution activities.

**7. Quality management**

Suppliers should do their best to realize the World’s Best Supply Chain by providing the highest-quality products and services to POSCO STEELEON.

**8. Prevention of conflict of interests**

Suppliers should avoid circumstances that actually conflict—or may conflict—with the interests of the company. They should neither disclose nor inappropriately use any confidential or non-public information obtained in transactions with the company.

**9. Confidential internal reporting system**

Suppliers should develop and operate an internal reporting system that enables workers to report unethical or potentially illegal conducts anonymously. They should investigate such reports and prepare appropriate corrective or improvement measures.

**10. Wages**

Suppliers should comply with all wage-related laws including those on minimum wages, salaries, overtime pay, and salary deductions.

**Implementation plans**

**1. Supply chain risk management and due diligence**

- A supply chain risk management and monitoring system should be deployed to identify risks that may undermine the sustainability of the supply chain and to minimize negative impacts due to suppliers’ failure to comply with the basic principles of these policies.
- When selecting suppliers, the company should check whether they comply with the Supplier’s Code of Conduct under these policies.
- When contracting with suppliers in the supply chain, the contract should include provisions to ensure that suppliers comply with these policies and also have similar contract provisions for suppliers.
- In the process of supply chain risk management, supply chain due diligence may be conducted within the scope permitted by law when it is determined that there is a need to identify and prevent or mitigate negative impacts on human rights, environment, product safety, etc.

- The supply chain due diligence should include the identification and assessment of actual or potential negative impacts in the supply chain, development and implementation of an action plan to prevent, mitigate, and improve negative impacts, communication with stakeholders about the due diligence process and results, and procedures for stakeholders to report grievances.
- The scope of the supply chain subject to due diligence may be selected independently by considering the impact on the company. It may include first-tier, second-tier, or even higher suppliers.
- Through supply chain risk management and due diligence, the company may evaluate the level of implementation of these policies by the suppliers. Based on the results, the company can request the suppliers to establish and implement plans to improve and mitigate the negative impact caused by their business activities. If the efforts of suppliers to improve the supply chain risk are deemed insufficient and they are not likely to mitigate their negative impact risk despite such request, the company may discontinue transactions with them.

**2. Deployment of mutual growth and win-win relationship with suppliers**

To establish fair trade order based on mutual trust and to develop a corporate ecosystem wherein the company may coexist with the suppliers through mutual growth, it should make the following efforts:

- It must respect the rights of the suppliers (intellectual property rights, physical rights, etc.) and strive to ensure that transactions with them are conducted fairly in a mutually respectful, equal relationship.
- It must share its performance with suppliers to pursue mutual benefits and ensure that suppliers can provide high-quality products and high-level services through smooth communication and mutual cooperation with suppliers.
- It must strive to deploy a stable supply chain by improving the payment terms for the suppliers and providing technical and financial support. It must also support the suppliers in complying with laws and regulations related to fair trade.
- It must continuously expand the scope of suppliers for mutual growth to ensure the overall mutual growth of the business ecosystem.

## 7. Policies for participation by stakeholders

### Purposes

POSCO STEELEON declares that changing and innovating while communicating and empathizing with its stakeholders, including customers, constituents, and shareholders, are the ultimate path to realize greater corporate value. These policies seek to define the principles and implementation plans for actively communicating with the stakeholders by collecting their demands and opinions in order to realize the values of coexistence and symbiosis.

### Scope of application

These policies apply to POSCO STEELEON, which also encourages the officers and employees of its partners to comply with these policies or those of a similar level.

### Basic principles

#### 1. Definition of stakeholders

Stakeholders refer to individuals or groups that may influence—or may be influenced by—the company’s management activities, products, services, or decision making. Stakeholders may include diverse groups such as customers, officers and employees, shareholders, partners, local communities, governments, non-government groups, and domestic and foreign investors.

#### 2. Stakeholders’ participation and communication

- We recognize that truth, fairness, and honesty are the top-priority values with which we should strive to build a corporate image of a company that is trusted by all stakeholders. We encourage the participation of stakeholders and actively communicate with them.
- We objectively assess the positive and negative impacts that our corporate activities may have on society and environment from the outsiders’ perspective through the participation of stakeholders and periodic communication with them. We also strive to reflect to our management activities their demands and expectations regarding socially responsible management issues discovered in the process.

#### 3 Respect for and participation in the local community

- We respect and protect the culture and traditions of the local community. We support the minimization of negative impacts and maximization of positive impacts due to corporate activities on the local community and the environment.

#### 4. Community development

- We strive to provide a foundation for sustainable growth by contributing to the development of the local community and to ensure that active participation in the community affairs leads to our creation of social and economic values.

### Implementation plans

#### 1. Provision of procedures for identification, participation by, and communication with stakeholders

- We provide the procedures for identifying individuals or groups that may be affected by—or which may affect—our corporate activities, and for determining the level of their impact.
- We provide procedures and methods for efficiently collecting the opinions of stakeholders so that we can induce their active participation. We also ensure that the procedures and methods include the operators, frequency, and modes of communication channels.

#### 2. Provision of procedures for protecting and participating in community affairs

- We provide procedures for identifying and protecting the rights of local residents in cases wherein our corporate activities may affect their rights. We also ensure that local residents can freely express their opinions in advance based on the sufficient information we provide on whether and how the business activities will be carried out.
- We strive to improve systematically the resettlement and compensation issues of the local residents by actively identifying how our corporate activities affect the relevant issues.
- We strive to deploy a consultation system with the local community from the initial stage of our business activities so that the activities can be carried out based on continuous consultation with the local community.

#### 3. Community development programs

- We provide programs for community development in consultation with stakeholders in the local community. We also monitor the progress of the programs and periodically share with stakeholders the achievements in community development based on the program implementation.

#### 4. Grievance-handling system

- We operate a grievance-handling system for individuals and local communities that are negatively affected by our business activities. We strive to achieve a quick, reasonable solution by utilizing the existing means such as cyber reporting. We also ensure that reporters (whistleblowers), victims, and cooperators do not suffer disadvantages due to their requests for counseling or investigation.

## 8. Tax policies

### Purposes

These policies seek to provide the tax policies that should be followed by POSCO STEELEON so that it faithfully fulfills its tax obligations and complies with tax laws in the Republic of Korea and in countries where it does business.

### Scope of application

These policies shall apply to POSCO STEELEON, which recommends that its customers, partners, and contractors also comply with these policies or those of a similar level.

### Basic principles

#### 1. Compliance with tax laws

The company must fulfill its social responsibility by faithfully fulfilling its tax obligations, such as calculation of the amount of tax to be paid and timely payment of the tax after understanding and observing the tax laws and purposes of their enactment in the Republic of Korea and other countries where it does business.

#### 2. Deployment of a transparent relationship with tax authorities

The company deploys a transparent relationship with tax authorities, faithfully fulfilling tax returns and tax payment obligations based on the principle of good faith as a responsible taxpayer and contributing to the strengthening of national competitiveness through the progressive revision of its systems, related regulations, and procedures. It also strives to minimize related risks by closely consulting with tax authorities when its tax payment obligations are unclear.

#### 3. Prohibition of tax evasion

We neither establish any paper companies in tax havens nor unlawfully transfer income to regions with favorable tax rates under tax treaties for purposes of unfairly reducing tax burdens. In addition, when transactions are conducted between affiliates, transaction prices are determined in accordance with the arm's length principle and OECD's transfer pricing guidelines. The appropriateness of prices is verified by an external expert agency as required.

#### 4. Minimizing tax risks

We minimize tax risks by preemptively considering tax issues before making salient decisions on overall management, such as enhancement of business competitiveness and global investment.

### Implementation plans

#### 1. Tax risk management

- We operate an in-house tax department that monitors the analysis of internal and external business conditions and structure, and transactions. We make decisions based on the assessment review by reviewing tax risks in advance.
- We observe all tax filing and payment deadlines and also document and keep tax-related data.

#### 2. Roles and responsibilities of the Board of Directors and officers and employees responsible for tax returns

The Board of Directors will review and approve these policies. The officers and employees responsible for tax returns will perform their duties under the principle of complying with tax laws and regulations in accordance with POSCO STEELEON's tax policies and maintaining transparent relationships with tax authorities.

#### 3. Use of external expert agencies

We undergo objective reviews by independent agencies on salient tax-related issues. We also minimize tax risks by receiving advice from external expert agencies when making important decisions.

#### 4. Transparent disclosure of information

We transparently disclose the amount of taxes paid in the Republic of Korea and other countries where we do business.

## 9. Anti-corruption policies

### Purposes

These policies are designed for POSCO STEELEON to comply with the laws and regulations of all countries where it does business, including the Criminal Act, Act on the Aggravated Punishment of Specific Crimes, Act on the Aggravated Punishment of Specific Economic Crimes, and Improper Solicitation and Graft Act of the Republic of Korea, Foreign Corrupt Practices Act (FCPA) of the United States, and Bribery Act of the United Kingdom, and follow international standards such as the OECD Anti-Bribery Convention, the UN Convention Against Corruption, and the UN Global Compact.

### Scope of application

These policies apply to POSCO STEELEON, its officers and employees, and those who do business on POSCO STEELEON's behalf. POSCO STEELEON also encourages the officers and employees of its partners to comply with these policies or those of a similar level.

### Definition

The terms used in these policies are defined as follows:

1. "Items of monetary value" refer to money (cash, gift certificates, vouchers, etc.), goods, etc. that can bring economic benefits
2. "Express fares" refer to small amounts of money paid to public officials to expedite routine and repetitive tasks such as receiving and processing visa-related administrative documents, customs inspections, etc.
3. "Agents" refer to those who act on behalf of the company in business order acquisition, customs clearance, licensing, taxation, etc., regardless of the name
4. "Stakeholders" refer to those who have interest in the company, including domestic and foreign public officials and business partners
5. "Conflict of interest" refers to a case where personal interests with an officer or an employee of a business partner inappropriately influence the performance of duties by an officer or an employee of the company
6. "Entertainment" refers to various activities performed for personal gatherings and interactions due to business, such as meals, drinking parties, golf, artistic performances, and amusement
7. "Convenience" refers to the provision or acceptance of benefits such as transportation means, accommodations, tourism, and support for events

### Basic principles

#### 1. Compliance

- To maintain fair trade order in all transactions, we observe all domestic and international anti-bribery and anti-corruption laws and international standards. We follow the strictest standard in the event of a conflict between laws, international standard, and these policies.
- Violations of laws and these policies are not justified simply because they correspond to local practices.

#### 2. Items of monetary value

- We must neither offer, request, nor accept items of monetary value from any stakeholders under any pretext. We must not provide express fares or facilitation payments to public officials for the purpose of facilitating the performance of their duties.

#### 3. Entertainment expenses

- Entertainment may be given to or accepted from stakeholders only when reasonably necessary for legitimate business purposes. Even in such case, entertainment exceeding KRW 100,000 may be neither given nor accepted.
- For those subject to the Improper Solicitation and Graft Act by Public Officials, Journalists, Faculty, etc., meals and beverages worth KRW 30,000 or less per person may be provided only when recognized as a legitimate purpose such as smooth performance of duties, social interaction, or courtesy.

#### 4. Convenience

- The company's constituents should neither accept nor offer conveniences of transportation and accommodations that exceed the customary level. However, this excludes conveniences generally provided to all attendees at events, etc.

#### 5. Solicitation/Recommendation

- We do not make any solicitation/recommendation related to the company's business through internal colleagues or outsiders. When a solicitation/recommendation is received, we must register it with the company's "Cyber Reporting Office."
- We must not make improper solicitations directly or through a third party in relation to the duties listed in the Improper Solicitation and Graft Act.

#### 6. Monetary transactions

- You must not engage in monetary transactions with interested parties or stakeholders such as lending of money, loan guarantee, and lease of real estate.
- You must not engage in money-laundering activities such as illegal financial transactions.

#### 7. Selection of agents or business partners, etc.

- When selecting agents and business partners, you must notify the candidates of these policies and ensure that they comply with the relevant regulations.
- You must conduct detailed due diligence on the agents and business partners to review whether there is risk of violating these policies when concluding a contract.
- Even after the candidates get selected and become business partners, you must continuously monitor whether they comply with these policies.

#### 8. M&A

- In the event of M&A, we check if the target company and its suppliers are compliant with anti-corruption laws and regulations. If corruption issues are identified during the due diligence process, we strive to terminate them.

**9. Donations and sponsorship**

- Donation and sponsorship must comply with the law. They should not be done for the purpose of obtaining business gains or receiving any reward or consideration in the future. They are permitted only when made through legally established charitable organizations.
- All donations and sponsorships must be reported and approved by the decision maker, and related records must be archived.
- No officer or employee shall provide donation or sponsorship to political parties, political candidates, or candidates in the name or on behalf of the company.

**Implementation plans**

**1. Responsibilities of officers and department heads**

- The officers and department heads must take appropriate preventive measures to prevent their subordinates from violating these policies.
- The officers and department heads must periodically provide anti-corruption training to ensure that their subordinates fully understand these policies, and must also provide a window for their subordinates to consult on ethical issues related to anti-corruption.

**2. Provision of internal reporting procedures**

- Upon becoming aware that your own or another person’s actions violate these policies, you must immediately report or consult with your department head or the Upright Management Group.
- The officers and employees must neither impose disadvantage on the reporter or informant of a corruption case nor disclose his/her identity.

**3. Measures taken for violations**

- The officers and employees who violate these policies may be subject to disciplinary actions in accordance with the relevant regulations, including dismissal. The following acts are subject to disciplinary action:
  - When you violate these policies or ask others to violate the rules or standards
  - When you fail to report promptly any violations that you are already aware or which you suspect
  - When you fail to cooperate in the investigation of potential violations by the Upright Management Group
  - If you retaliate against other employees who have reported ethical management issues

**4. Accounting and record management**

- Invoices, receipts, and other related supporting documents must be kept on the internal accounting management system. All expenditures must be accurately recorded in the accounting books. False bookkeeping including false records is prohibited.

**10. Information security and privacy policies**

**Purposes**

These policies are designed to protect the information assets of POSCO STEELEON securely and effectively and to stipulate the compliance requirements of its officers and employees to protect the personal information of customers, officers and employees, and partners’ personnel who use POSCO STEELEON’s services.

**Scope of application**

These policies apply to POSCO STEELEON and its officers and employees. POSCO STEELEON also encourages the officers and employees of its partners to comply with these policies or those of a similar level.

**Basic principles**

- We do our best to secure and maintain global competitiveness by protecting information assets such as core technologies and personnel as the source of competitiveness, while complying with international standards and domestic and international laws related to information protection.
- The officers and employees recognize that they are the subject entities of information protection and continuously participate in information protection education and training to improve the level of information protection.
- The officers and employees should make information protection part of their daily life and establish information protection activities as part of the corporate culture.
- The purposes of collecting personal information should be clearly defined at the time of collection. The personal information processors should process personal information only to the extent directly necessary to achieve such specific purposes.
- Personal information should be used within the extent of the purpose. You should select a method that minimizes infringement on the privacy of the information subject.

**Implementation plans**

**1. Information protection management system**

- We deploy and operate an information protection management system to ensure the stable operation of information systems and minimize occupational losses from security accidents.
- We deploy and implement control procedures for managing security risks to monitor and review information protection activities.
- We periodically conduct risk assessments by developing methods and standards for identifying and assessing risks to key information assets.
- We ensure the effectiveness of information security by establishing a continuous management and inspection system while providing periodic training to all officers and employees.

**2. Personal information protection measures**

- We ensure that the privacy, freedom, and rights of the information subjects are protected at all stages by developing protective measures for each stage of processing, including collection, retention, use, provision, and destruction of personal information.
- Personal information must be securely managed with appropriate technical, administrative, and physical protection measures commensurate with the possibility of infringement of the information subject’s rights and degree of risk.
- The information related to the processing of personal information, such as those related to the “Personal Information Processing Policy,” must be generally disclosed. Reasonable procedures must be established to ensure that the rights of the information subject are guaranteed, including the right to request access to his/her personal information.
- The personal information management department must conduct education on personal information protection to raise awareness among the personal information managers to prevent misuse, abuse, and leak of personal information.

**3. Roles of the officers responsible for information protection and personal information protection**

- The officers responsible for information protection and personal information protection should establish and manage the management system while overseeing the information protection policy and personal information protection policy.
- The department in charge monitors the implementation of policies for information protection and personal information protection to improve vulnerabilities.

**4. Reporting and disciplinary action**

- In the event of a security incident, the officers and employees must immediately report it to the responsible officer or department in charge.
- The company should establish criteria and operating standards for violation of information protection and personal information protection. Disciplinary actions can be imposed based on them.

# Verification Opinion on GHG Emissions

## 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. 2024-155 provided by Ministry of Environment, Republic of Korea)
- Verification Guidelines for the Operation of the Greenhouse Gas Emission Trading System (No. 2024-169 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.'s GHG emissions satisfies the under Reasonable Assurance (less than  $\pm 5.0\%$  of total emissions).

### Verification Conclusion

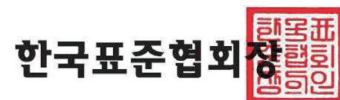
As a result of verification activities, verification team has found no significant errors, omissions, and misstatements. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

### 2024 GHG Emissions(Scope 1, Scope 2)

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

Year	Scope 1	Scope 2	Total
2024	64,212.074	56,742.574	120,953

- ※ This emission is the baseline for the 2024 submission under the Emissions Trading Scheme (ETS)
- ※ Decimal place is not considered when calculating the emission of each workplace.



June 19, 2025

MOC-25-216-3

## 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.  
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· Verification Guidelines for the Operation of the Greenhouse Gas Emission Trading System (No. 2024-169 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.'s GHG emissions satisfies the under Reasonable Assurance (less than  $\pm 5.0\%$  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.

• 2024 GHG Emissions(Scope1, Scope2)

Year	Scope 1	Scope 2	Total
2024	64,212.074	56,742.574	120,953

※ This emission is the baseline for the 2024 submission under the Emissions Trading Scheme (ETS)  
※ Decimal place is not considered when calculating the emission of each workplace.

June 19, 2025  
*Virginia Moon*

**KOREAN STANDARDS ASSOCIATION**

KSA-MOF-644(Rev.0, 24.02.14)

# Independent practitioners' limited assurance report

## Based on a report originally issued in Korean

### Conclusion

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

SMI	Period	Sustainability Report	Criteria
Global Reporting Initiative (GRI) Standards Index within the Report	As of the year ended 31 December, 2024	p100-103	GRI Standards (Global Reporting Initiative)
SASB Standards Index within the Report	As of the year ended 31 December, 2024	p104	SASB Standards (Sustainability Accounting Standards Board)
ESG Data within the ESG Factbook	As of the year ended 31 December, 2024	p91-99	POSCO Group Index

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that POSCO STEELEON has not complied as of the year ended 31 December, 2025, in all material respects, with Criteria.

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

### Basis for conclusion

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

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

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

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

### Responsibilities for the SMI

Management of Company is responsible for:

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

**Inherent limitations**

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

**Our responsibilities**

We are responsible for:

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

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

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

- Understand the systems and processes in place for managing and reporting the Identified Sustainability Information
- Review documents and interview with the personnel relevant to the risk assessment process and materiality assessment
- Interview with the personnel responsible for internal reporting and data collection regarding POSCO's Identified Sustainability Information to understand their approaches to manage material issues

- Review the underlying data for sustainability information related to material issues
- Perform inquiries and analytical reviews on the SMI
- Performed limited verification procedures on the data related to the SMI
- Verify that the financial information presented in the report is consistent with the audited financial statements of the company
- Assess whether the information presented in the report is consistent with our overall knowledge and experience of the company's sustainability performance

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

*KPMG SamJong Accounting Corp.*

Seoul, Korea  
June 26, 2025

This report is effective as of 26 June, 2025, the assurance report date. Certain subsequent events or circumstances, which may occur between the assurance report date and the time of reading this report, could have a material impact on the Company's Sustainability Report. Accordingly, the readers of the assurance report should understand that the above assurance report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

# Awards and Memberships

## Prizes Awarded (2022 - 2024)

Name of award	Date
Silver Industrial Medal (during the 23rd Steel Day)	Jun . 9, 2022
500 Million Dollar Export Tower Award	Dec. 8, 2022
Received the Cultural Heritage Administration Director’s prize (PosArt Cultural Heritage Information Board)	Dec. 13, 2022
Received the Deputy Prime Minister and Minister of Strategy and Finance prize at the 17th National Sustainable ESG Conference	May 3, 2023
Received the Sustainability Report prize at the 2023 Standards Association Sustainability Competition	Nov. 24, 2023
Received the Minister of Environment prize and Comprehensive ESG Award at the “2024 K-ESG Management Awards”	Oct. 18, 2024

## Memberships

Korea International Trade Association (KITA)	Pohang Chamber of Commerce and Industry (Pohang CCI)
Pohang Iron & Steel Industrial Complex Administration Corporation (PHSIC)	Korea Iron & Steel Association (KOSA)

posco  
STEELEON



This report has been printed with soybean ink.