

POSCO STEELEON SUSTAINABILITY REPORT 2025

Coated Steel Design the Future Value

posco
STEELEON



About This Report

Report Overview

POSCO STEELEON has actively communicated with its diverse stakeholders by publishing a sustainability report every year to transparently disclose its performance in the creation of economic, social, and environmental values. This report, the fourteenth iteration this year, presents the direction of our sustainable growth and responsible management by systematically compiling our ESG Policy Statement 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 Period and Scope

This report includes our activities and performance from January 1 to December 31, 2025 in our domestic business units. Depending on the timeliness and importance of the information, some content includes information up to the first half of 2026. The report also features quantitative performance data for three years to help enable trend identification. Where attention is required with regard to the reporting period and scope, this is stated separately.

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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).

Report Verification

As an independent verification agency, KPMG Samjong Accounting Corp., 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.

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Business Overview



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Highlights of Sustainable Management 2025

→ ESG Ratings, Certification, and Awards

Received Grade A for six consecutive years
KCGS 2025



Recognized as a community-contributing company

Hosted by the Ministry of Health and Welfare and the Korea Social Welfare Council, 2025



Certified as a family-friendly company

Hosted by the Ministry of Gender Equality and Family



Received the Minister of Health and Welfare Prize

Community Social Contribution Recognition Program (CSR in the Community)

→ Business

Sales



KRW **11,254** billion

Operating income



KRW **24.5** billion

Debt-to-Equity Ratio



31.0 %

→ Environmental

GHG reduction



5,130 tCO₂-eq

Air pollutant reduction rate



12 %

Total waste recycling rate



75.7 %

→ Society

Training hours per officer and employee



37.4 hours

Volunteer service hours by officers and employees



2,794 hours

Amount invested for social contribution



KRW **528** million

CEO Message



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

As a strategic partner in POSCO's steel business and a specialist in surface treatment, POSCO STEELEON has firmly established its position in domestic and overseas markets. These achievements are thanks to the unwavering support and encouragement of all our stakeholders, including our suppliers, customers, shareholders, and local communities. We take this opportunity to express our deep gratitude.

In 2025, despite an unprecedented management crisis marked by a worsening global market and rising uncertainty, we strengthened the substance of our ESG management for sustainable growth. In step with the Group's efforts to build a human rights management system, we conducted a human rights impact assessment and embedded human rights management into our corporate culture. We also reinforced our field-centered risk assessment and safety management systems, establishing practical mechanisms to achieve zero accidents.

In 2026, we expect an even harsher business environment than the previous year, driven by stronger global protectionism, changes in tariff policy, and a deepening downturn in downstream industries such as construction and home appliances. We intend to turn this crisis into an opportunity for innovation and to drive sustainable growth based on the following strategic priorities.

First, we will make safety and human rights our top management priorities and create a happy workplace.

With the urgent awareness that serious accidents and human rights violations can threaten a company's very existence, we will establish a culture in which every employee feels responsible as 'the last line of defense for our company's safety.' We will build the infrastructure to proactively identify and address not only hazards and risks but also potential human rights risks, creating a happy workplace where all our people and stakeholders are respected and can work safely.

Second, we will strengthen our competitive advantage by developing products that create social value and by securing global sales bases.

Through 'BigHit' products that proactively reflect customer needs, such as high weather-resistant printed steel and fingerprint-resistant STS, we will deliver differentiated social value. We will further solidify our earnings structure by establishing 'AlZiS', a new Al-Zn-based plated steel sheet, in the market and by expanding sales of the high-corrosion-resistant 'PosMAC 1.5'. In addition, we will strengthen our responsiveness to global markets by securing strategic export bases based on our Group network.

Third, we will become a small but strong company grounded in an agile and innovative organizational culture.

In an era of radical change led by AI, we will foster an organizational culture in which every employee builds professional expertise through self-development, creating a virtuous cycle between individual growth and organizational performance. We will pursue this by combining Smart innovation that actively uses AI and DX, shared through our 'VALUE+ FESTA' forum, with QSS (Quick Six Sigma) activities that continuously reduce chronic on-site waste. In this way, our people's capabilities become the company's value and their achievements turn into pride, enabling the substantive growth that lets us rise as a small but strong company.

We now stand at an inflection point where a new future is opening. POSCO STEELEON will not rest on its current achievements. Through relentless innovation and challenge, we will secure differentiated future growth engines and, together with our stakeholders, grow into a more valuable and respected company.

We ask for your continued support and encouragement.

Thank you.

June 2026

Choun Si-youl, President, POSCO STEELEON



Company Overview

Company Profile

Since its establishment in 1988, POSCO STEELEON has led the plated and color-coated steel sheet market as a specialist in steel surface treatment, driven by continuous technological innovation and premium quality. Our main products are aluminum- and zinc-plated steel sheets and color-coated steel sheets, supplied to a range of industries including construction, home appliances, and automobiles, and exported to major global markets such as North America, China, and Europe. Based on our 2025 consolidated financial statements, domestic sales reached KRW 573.4 billion (approximately 51.0%), while overseas sales reached KRW 552.1 billion (approximately 49.0%).

Company name	POSCO STEELEON
Date incorporated	February 15, 1988
CEO	Choun Si-youl
Products	Aluminum-plated, zinc-plated, and color-coated steel sheets
Key businesses	Plating, coloring, and other surface treatment of steel
Location of head office	173 Cheolgang-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do
Subsidiary	Myanmar POSCO C&C Co., Ltd.

Sales (Unit: KRW million)

2025	1,125,440
2024	1,209,865
2023	1,158,540
2022	1,202,121

Operating income (Unit: KRW million)

2025	24,459
2024	51,923
2023	30,632
2022	38,220

Vision and Strategy of POSCO STEELEON

Vision

“Coated Steel Design the Future Value”

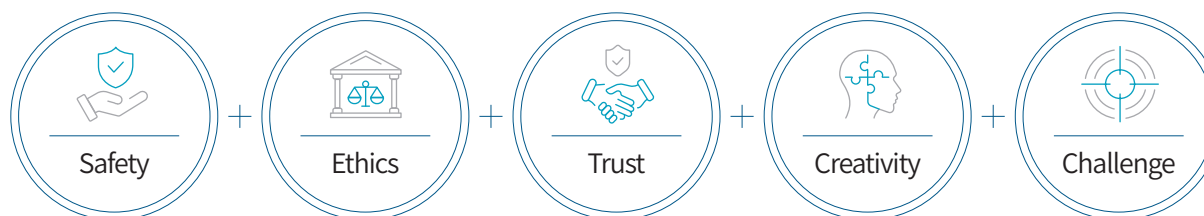
Strategic directions

BIZ PORTFOLIO	BIZ MODEL	BIZ MARKET	BIZ INFRA
Strengthening core business competitiveness	Strengthening upstream and downstream business cooperation	Reinforcing ESG management and embedding collaboration and innovation	CAPTIVE MARKET, Expanding global supply

Business strategies

Securing production capacity centered on competitive-advantage products	Securing new growth engines by developing demand for future industries	Advancing into overseas growth markets
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Core Values



POSCO STEELEON Real Value

Economic	Environmental	Social value
Expected returns from strengthening core business competitiveness through quantitative and qualitative growth	Expected returns from sustainable management through a decarbonized production system	New expected future returns through technological innovation and shared-growth management

Company Overview

Global Network

POSCO STEELEON operates its headquarters and plating and color-coating plants in Pohang, Korea, along with a sales office in Seoul and a branch office in Changwon. Overseas, we constructed the first local plating and color-coating plant in Yangon, Myanmar in 2014, which is now in full operation. With a total of eight production lines in Korea and abroad, we have further strengthened our position as a global steel company.

Overseas

Yangon, Myanmar

Domestic

Seoul Office

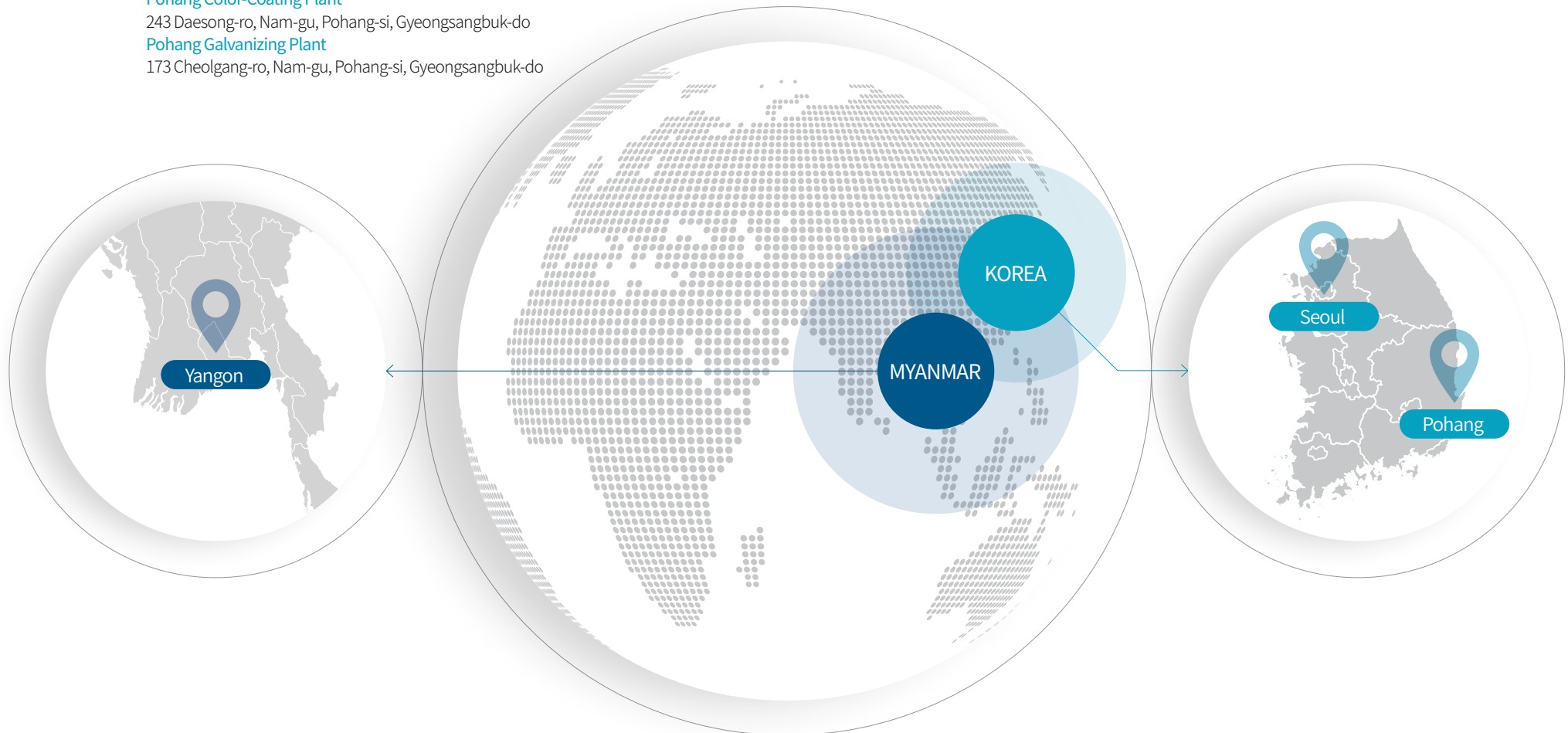
11F, West Wing, POSCO Center, 440 Teheran-ro, Gangnam-gu, Seoul

Pohang Color-Coating Plant

243 Daesong-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do

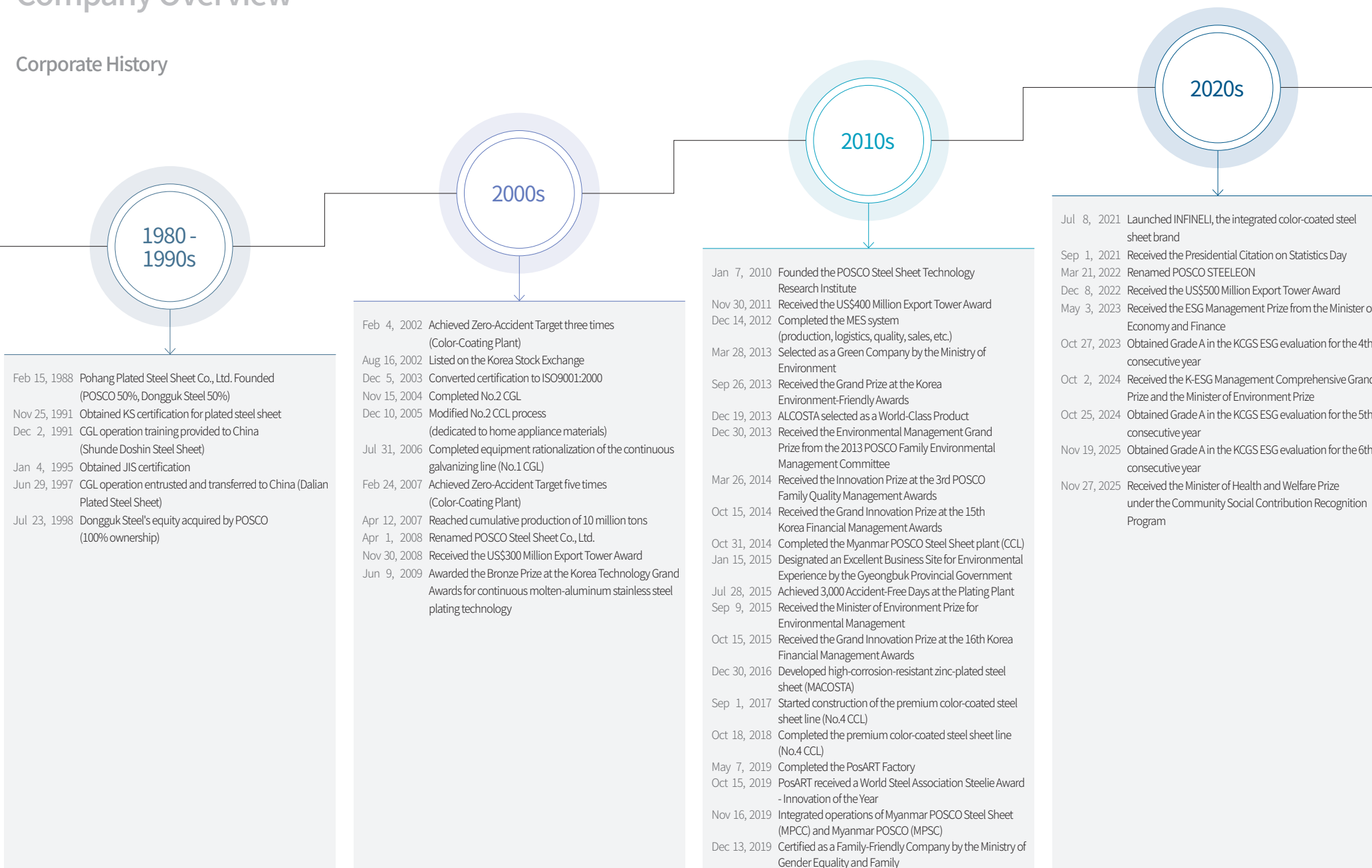
Pohang Galvanizing Plant

173 Cheolgang-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do



Company Overview

Corporate History



Product Overview

Plated Steel Sheet



Consistent quality maintained through strong corrosion resistance



Coated (Plated Steel Sheet)



Sales

4,907 KRW 100 million



Proportion of Sales

43.6 %

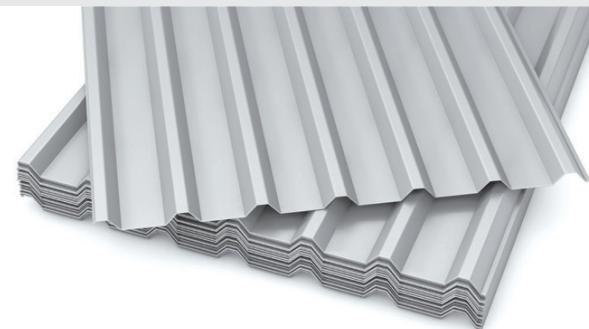


MACOSTA

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-coated steel sheets, etc.



AL-HPF

Aluminum-plated hot press forming

Prevents surface oxidation during hot pressing through Al plating

Applications | Automotive parts (front and rear bumpers, pillar reinforcement, door beams, etc.), chassis and body



ALCOSTA

Aluminum-plated steel sheet

High heat resistance and heat reflectivity, with an attractive surface

Applications | Automotive parts, home appliances



AL-STs

Aluminum-plated stainless steel sheet

Excellent resistance to salt and condensation corrosion

Applications | Automotive exhaust system, muffler case, and muffler pipe

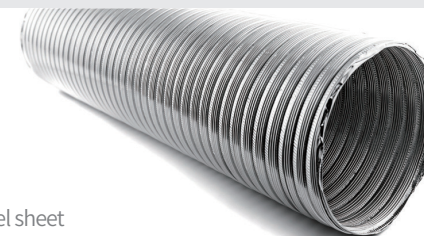


ALZASTA

Zinc-55% aluminum alloy-plated steel sheet

Excellent durability and paint adhesion compared to GI, with an attractive appearance from its unique spangle patterns (4x higher corrosion resistance than GI)

Applications | Ducts, power distribution panels, roofing, raw material for color-coated steel sheets, etc.



Product Overview

Color-Coated Steel Sheet

“Beauty and functionality in one”

→ INFINELI (Color-Coated Steel Sheet)



Sales

5,873 KRW
100 million



Proportion
of Sales

52.2 %



Color-Coated Steel Sheet for Building Materials

General-purpose grade

Applications | Interior and exterior materials such as building panels



Home Appliance Color-Coated Steel Sheet

Excellent workability

Applications | Refrigerator and washing machine side panels



High Weather-Resistant Color-Coated Steel Sheet

Delays discoloration and gloss loss

Applications | General home-appliance and building interior/exterior materials



Fluorine Color-Coated Steel Sheet

Ultra-high weather resistance (long-term warranty of 20+ years)

Applications | Building interior and exterior materials, ceilings, partitions, fire doors



PVC (Vinyl Chloride Resin) Color-Coated Steel Sheet

High weather resistance and workability (for chemical and coastal areas)

Applications | Interior and exterior materials such as building panels



Matte Color-Coated Steel Sheet

Premium texture with excellent corrosion and weather resistance

Applications | Roofing (metal tiles), walls (siding)



Printed Steel Sheet

Realizes diverse patterns and textures with excellent appearance and physical properties

Applications | Home appliances, building exterior materials, and interior finishing materials (EV, etc.)



Antibacterial Color-Coated Steel Sheet

Blended with a ceramic-based antibacterial agent to inhibit the growth of bacteria and viruses

Applications | Building interior and exterior materials



Non-Combustible Color-Coated Steel Sheet

Enhanced non-combustibility with insulation and excellent scratch resistance

Applications | Building interior and exterior materials



Organic-Coated Steel

STS product with excellent workability and image clarity

Applications | Refrigerators, washing machines, cold-storage warehouses, ovens



ESG Strategy & Management



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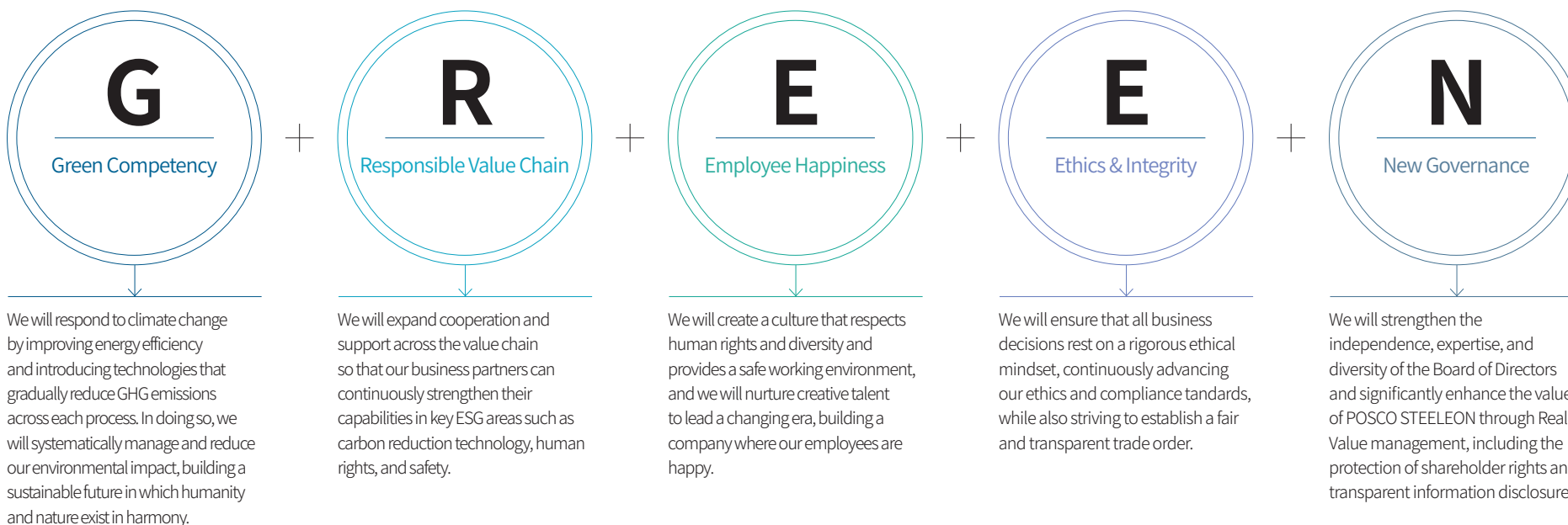
ESG Strategy

POSCO STEELEON recognizes the impact that its diverse stakeholders have on its business and practices responsible management that takes this into account. In particular, in connection with the POSCO Group's 'G.R.E.E.N' ESG strategy framework, we have set climate change response, safety and health, and compliance as our focus areas and are further strengthening our management systems for them. We are also building trust with our stakeholders by transparently disclosing our ESG management plans and performance, establishing an ESG management system for sustainable growth.

Strategic
Direction



Five
Strategies



Communication with Stakeholders

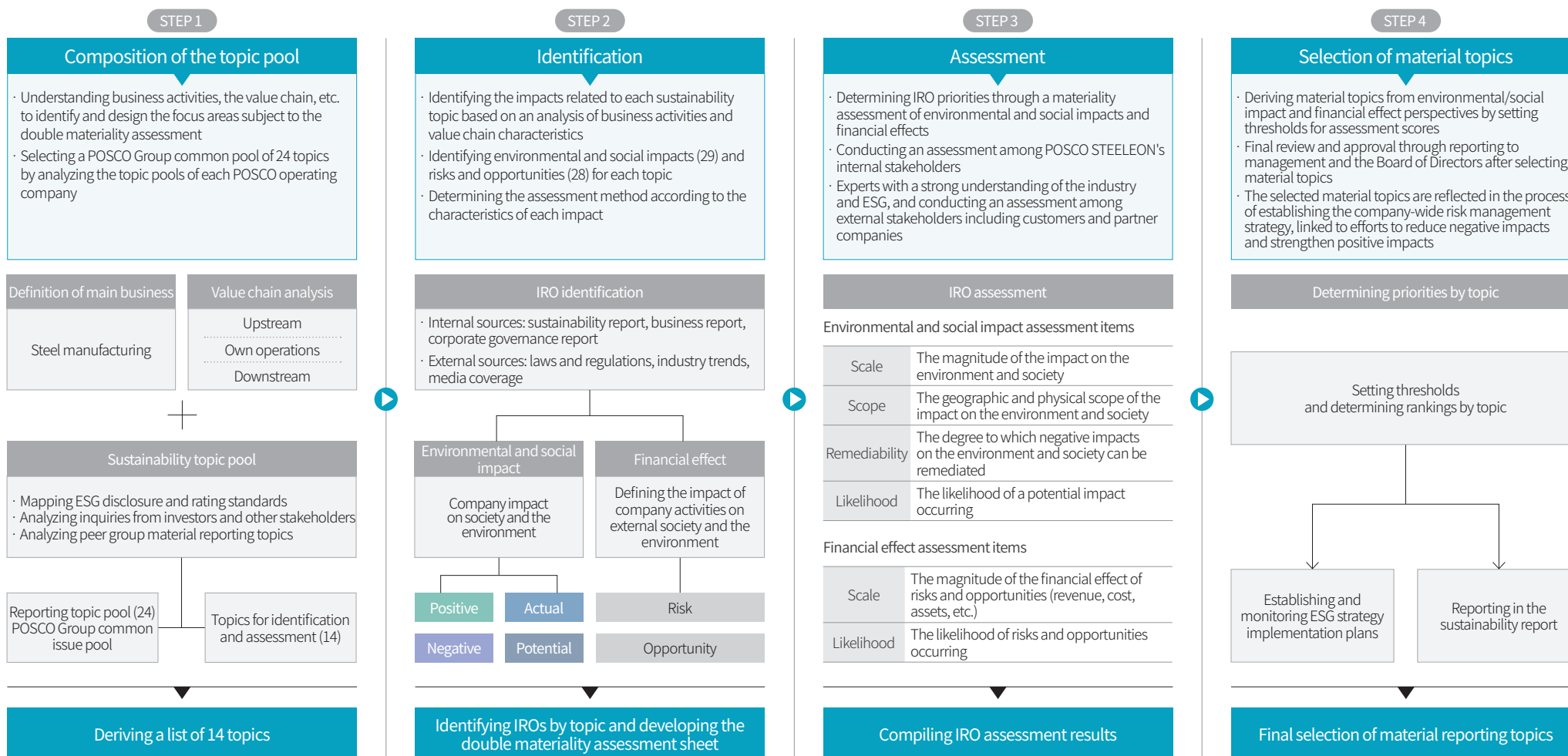
POSCO STEELEON categorizes stakeholders based on their sectors of environment, society, and governance, operating communication channels for each. Through these channels, we identify the key interests of our stakeholders and gather their opinions to improve our overall management systems and activities.



Double Materiality Assessment

POSCO STEELEON conducts a materiality assessment every year based on the Double Materiality principle to select the material topics for its sustainability report. The double materiality assessment simultaneously evaluates the impact of the company's activities on the environment and society (Impact Materiality) and the impact of the external environment on the company's financial position (Financial Materiality). Based on an analysis of the POSCO Group's common topic pool, we derived the topics for assessment by reflecting global disclosure and rating standards such as SASB and MSCI as well as peer benchmarking, and we selected the final material topics through review by internal and external stakeholders.

Double Materiality Assessment Process



1) SASB, MSCI ESG Rating

2) Laws, regulations, international issues, etc.

Double Materiality Assessment

Results of the Double Materiality Assessment

Through the double materiality assessment, POSCO STEELEON comprehensively analyzed the financial effect on its corporate management and the materiality of social and environmental aspects to select its material topics. We conducted a double materiality assessment of 14 sustainability topics and selected four final material topics. In the previous period, a total of 10 topics were selected. However, to enhance the level of management of critical issues, we integrated issues and identified those that are genuinely material to the company. For the material topics, we systematically pursue implementation activities to minimize risk factors and maximize opportunities, and the results of these activities and future plans are introduced in detail in this report.

Overall results of the Double Materiality Assessment ¹⁾

Division	Sustainability topic pool	Environmental/ social materiality	Financial materiality	Selected as a final material topic ²⁾
 Environment	Climate change	●	●	●
	Air pollution	◐	●	
	Water pollution	◐	●	
	Biodiversity	○	○	
	Substances of concern	○	◐	
	Water resources	○	○	
	Waste and resource circulation	◐	◐	
 Social	Safety · Health	◐	●	●
	Supply chain	●	○	●
	Child/forced labor across the value chain	●	○	
	Customer satisfaction	●	◐	●
	Consumer social inclusion	●	◐	
 Governance	Ethics · Compliance	◐	●	
	Fair trade	○	◐	

1) Among last year's material topics, 'GHG management' and 'energy management' were integrated into the 'climate change' topic, and the topics 'development of products with reduced impact on the environment,' 'creation of economic values,' 'ethical management,' and 'establishment of fair trade order' were excluded from the sustainability topic pool.

2) Only items above the threshold for environmental/social impact and financial effect are disclosed.



Double Materiality Assessment

Key Impacts and Response Activities by Material Topic

Based on the four material topics selected through the materiality assessment, POSCO STEELEON comprehensively analyzes the impacts on its financial performance and on social and environmental aspects. On this basis, we closely review the positive and negative impacts on the company and society, as well as risk and opportunity factors, and we establish and implement effective response strategies. We also pursue specific response activities for each material topic to create long-term corporate value and build trust with our stakeholders.

Division	Topic	Major Impacts	Nature of impact			Response activities and strategy	Reporting location
			Impact characteristic	Time Horizon	Impact type		
 Environment	Climate change	Environmental/ social Impact	Negative	Actual	-	- Strengthening the Board's ESG review - Implementing detailed decarbonization strategies - Strengthening ESG response cooperation with operating companies - Operating the Eco-Friendly Management Review Committee - Standardizing and systematizing ESG data - Sharing risk response performance with stakeholders	22
		Financial					
 Social	Safety · Health	Environmental/ social Impact	Negative	Actual	-	- Conducting workplace risk assessments - Inspecting the eight major risk factors and carrying out improvement and theme inspections to prevent falls, entrapment, and collision accidents - Expanding the provision of body cameras and installing additional fixed CCTV in workplaces - Inspecting and improving safety facilities such as investment works and protective devices - Conducting precise crane inspections and introducing an access permit system for heavy-equipment vehicles	42
		Financial					
	Supply chain	Environmental/ social Impact	Positive	Actual	-	- Establishing a partner company code of conduct - Conducting safety assessments of partner companies - Conducting supply chain ESG due diligence - Operating a partner company communication channel that guarantees whistleblower identity protection - Visiting the production sites of major partner companies at least once a year - Holding regular meetings and conducting training	30
		Financial					
	Customer satisfaction	Environmental/ social Impact	Positive	Actual	-	- Maintaining IATF 16949 (automotive quality management system) certification - Maintaining ISO 9001 (quality management system) certification - Managing customer complaints and claims through the VOC (Voice of Customer) system	48
		Financial					

Corporate Governance

Board of Directors ¹⁾

Status of the Board of Directors

POSCO STEELEON has stipulated the roles and responsibilities of the Board of Directors for key matters such as the environment and climate change and safety and health in its Board operating regulations, and it actively supports the establishment and implementation of company-wide ESG strategy.

Matters Submitted to the Board

Matters concerning management activities

- a. Basic management principles and policies
- b. Mid- to long-term management plans and annual operating plans (mid- to long-term management policies and plans, annual operating targets, management rationalization plans, etc.)
- c. Establishing low-carbon policies related to the environment and climate change
- d. Plans concerning safety and health
- e. Appointing the CEO from among the inside directors and conferring the positions of President, Senior Executive Vice President, Executive Vice President, and Senior Vice President
- f. Enacting, amending, or repealing important regulations (Board operating regulations, executive remuneration regulations, executive severance pay regulations, internal accounting control regulations)
- g. Matters concerning the reporting of the operating status of the internal accounting control system by the internal accounting manager and the auditor
- h. Decisions on directors' access to expert assistance



1) Among the topic-specific disclosures for the material topics selected during the reporting period, information related to the highest decision-making body in the governance area is consolidated in the Status of the Board of Directors on this page to avoid duplication. Accordingly, the topic-specific disclosure pages describe the organization from management level downward.

Board Composition

POSCO STEELEON's Board of Directors is the supreme decision-making body that resolves important management policies and deliberates on and decides the basic policies of management. As of the end of March 2026, the Board comprises four members: two inside directors, one other non-executive director, and one outside director, and the CEO also serves as Chair of the Board. Directors are appointed at the general shareholders' meeting, and the candidates for directors to be appointed are selected by the Board and finalized as agenda items submitted to the general shareholders' meeting.

Current Composition of the Board

Classification	Name	Position and duties	Key experience	
Inside director	Choun Si-youl	CEO-Representative director, Chair of the Board	· 2025.3 Current: President & CEO, POSCO STEELEON · 2025.1 Former: President, POSCO STEELEON	· 2024.1 Former: Head of POSCO Pohang Works · 2022.1 Former: Deputy Director of Process Quality, POSCO Pohang Works
	Jeong Yeon-su	Head of Planning & Support Department	· 2025.12 Current: Head of Planning & Support Department, POSCO STEELEON · 2025.1 Former: Head of Management Planning Office, POSCO STEELEON	· 2024.4 Former: Head of Management Planning Office, POSCO FUTURE M · 2024.1 Former: Standing Auditor, POSCO E&C
Other non-executive director	Ham Dong-eun	Head of POSCO Management Planning Office	· 2025.1 Current: Head of Management Planning Office, POSCO · 2024.1 Former: Leader of Management Planning Group, POSCO	· 2023.1 Former: Head of Marketing Strategy Group, POSCO · 2019.6 Former: Head of POSCO-Europe Brussels Office
Outside director	Lee Yeong-min	Outside director	· 2023.3 Current: Professor of Industry-Academia Collaboration, College of Business Administration, Seoul National University · 2019.9 Former: CEO, Korea Venture Investment	· 2016.1 Former: Director, Yoonmin Creative Investment Foundation · 2008.1 Former: CEO, Albatross Investment

Development of Board Capabilities

POSCO STEELEON systematically assesses whether the Board possesses the appropriate skills and capabilities to effectively oversee strategies for responding to climate-related risks and opportunities. Using the Board Skills Matrix, we assess the expertise of director candidates and incumbent directors against four capabilities: production/quality, investment/new business, industry/economy, and strategy/finance.

In addition, in December 2025, we conducted an on-site inspection so that our outside director could directly observe the status of management activities and the actual operating environment. We also supported the outside director in actively responding to external changes by providing education on key management activities related to changes in the domestic and international business environment.

Board Skills Matrix

Classification	Name	Board Skills Matrix			
		Production/Quality	Investment/New business	Industry/Economy	Strategy/Finance
Inside director	Choun Si-youl	●		●	
	Jeong Yeon-su		●		●
Other non-executive director	Ham Dong-eun		●		●
Outside director	Lee Yeong-min			●	

Corporate Governance

Board of Directors

Status of Board Operations

In accordance with the Board operating regulations, the Board holds regular meetings six times a year and extraordinary meetings as required. Resolutions on matters submitted to the Board are passed by a majority of the attending directors, who make up a majority of the directors, and any person with a special interest in a matter may not exercise voting rights on it.

Each year, the Board reviews mid- to long-term management plans and annual operating plans while addressing agenda items on key ESG-related activities such as the environment, safety, and health. In 2025, the Board took up items including the carbon reduction plan, safety and health plans, and the operation of the Fair Trade Compliance Program (CP).

Key Status of Board Operations

Number of Board meetings held	Unit	2023	2024	2025
Number of Board meetings held	Cases	6	7	5
Number of agenda items deliberated	Cases	19	17	17
Board attendance rate	%	100	100	95

Status of ESG-Related Agenda Items Reviewed by the Board in 2025

Date held	ESG-related agenda item	Reported/ Approved
2025.02.06	Fair Trade Compliance Program (CP) results and 2025 plan	Approved
2025.02.20	2025 safety and health plan	Approved
2025.12.17	Approval of the 2026 carbon reduction plan	Approved

Integrating ESG-related Risks and Opportunities

POSCO STEELEON's Board of Directors annually approves the following year's carbon reduction plan along with the annual plan for safety and health. In this process, it reflects ESG risks and opportunities across the board, including in the areas of climate change and safety, as key considerations.

The Board integrates ESG-related risks such as climate change and safety and health into the company-wide risk management system, reviewing them periodically and reflecting the results in follow-up measures such as additional investment or policy improvement. In accordance with its ESG management investment regulations (investments of 10% or more of capital), POSCO STEELEON comprehensively reviews ESG risks at the Board level before making a final decision on whether to proceed with an investment project, considering both business sustainability and environmental and social impact.

The company has also stipulated investment project management regulations based on the type and amount of investment, and it has added a clause requiring the review of ESG factors during investment projects to examine ESG impacts in advance. The Investment Review Committee examines the feasibility and potential risks of projects by investment type, and for already approved projects, it continuously monitors compliance with the business plan and the likelihood and magnitude of risks.

ESG Review Items for Investment Projects



Board Compensation System

Board remuneration is executed within the amount approved by the general shareholders' meeting, according to standards set by the Board in consideration of position and duties. For inside directors, performance-linked compensation is provided through a quantitative assessment of management performance and a qualitative assessment of ESG activities. Remuneration for outside directors is paid as fixed compensation in consideration of their independence, rather than compensation based on performance assessment. Please refer to the business report for details.

Audit System

At POSCO STEELEON, one auditor appointed by resolution of the general shareholders' meeting conducts audits of accounting and overall operations. As the audit support organization, the Corporate Audit Group reviews and plans diverse activities in advance, such as quarterly pre-settlement audits, business process improvement, and safety audits, and carries them out efficiently. Issues identified in audits are immediately reported to the relevant department head and management, corrective and improvement measures are taken, and appropriate follow-up management is conducted.

Corporate Governance

Risk Management

Risk Management Activities

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

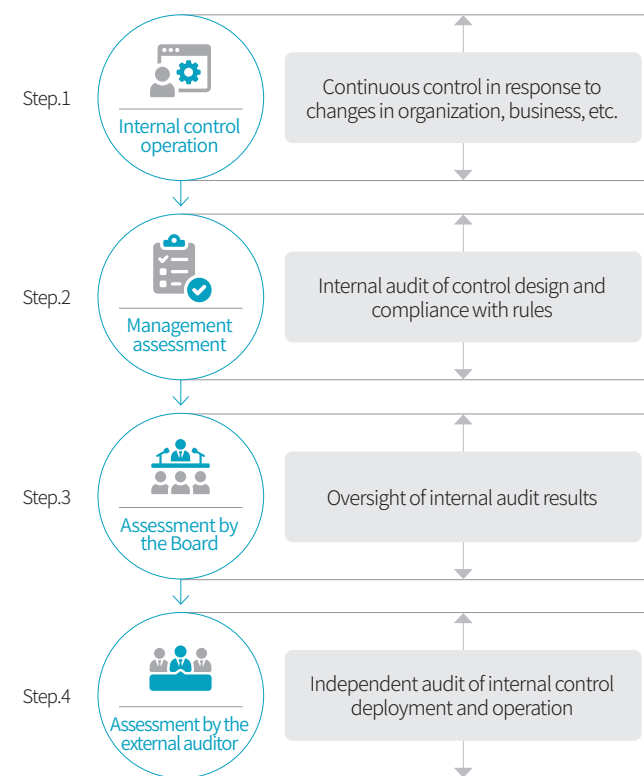
Key Risk Management System by Area

Division	Key risks	Risk Management
Financial risks	Market and credit risks	- Minimizing foreign exchange risk by managing foreign exchange exposure arising from market price fluctuations - Responding to potential losses in the foreign exchange management process through a foreign exchange risk management system - Managing the risk of default and payment refusal by regularly assessing the creditworthiness of counterparties
	Climate change and environmental risks	- Continuously monitoring GHG and environmental risks and operating a response system - Establishing a mid- to long-term reduction roadmap toward the 2050 decarbonization target and conducting scenario-based physical risk and opportunity analysis - Managing pollutant emission risks by monitoring environmental laws and operating a stack tele-monitoring system (TMS)
Non-financial risks	Safety and health risks	- Managing workplace hazards in advance through daily inspections and joint labor-management safety inspections - Establishing management standards by risk level based on risk assessments and intensively managing high-risk tasks - Raising employees' safety awareness and preventing industrial accidents through safety education and training
	Ethics and fair trade risks	- Preventing unethical conduct in advance through internal reporting and consultation systems - Operating ethics education, monitoring, and audit systems through a dedicated ethical management organization - Operating a fair trade compliance program and carrying out activities to prevent unfair collusion
	Information protection and IT risks	- Responding to information leaks and cyber threats by building a company-wide information protection management system - Continuously monitoring the risk of cyber intrusion and data leaks through an integrated security control system - Strengthening the protection of information systems and data through regular security inspections

Operation of the Internal Accounting Control System

POSCO STEELEON operates an internal accounting control system to enhance the level of its accounting management and conducts audits through external auditors. It also checks the operating status of the internal accounting control system each business year, and the CEO reports the results to the general shareholders' meeting, the Board of Directors, and the auditor. The adequacy and completeness of internal control activities and the actual state of controls are checked and evaluated, and any deficiencies found during the assessment are improved through discussions among the external auditor, the dedicated department, and the relevant control operators.

Internal Accounting Operation Process



Material Topics



Climate Change	022
Supply Chain	030
Safety · Health	042
Customer Satisfaction	048

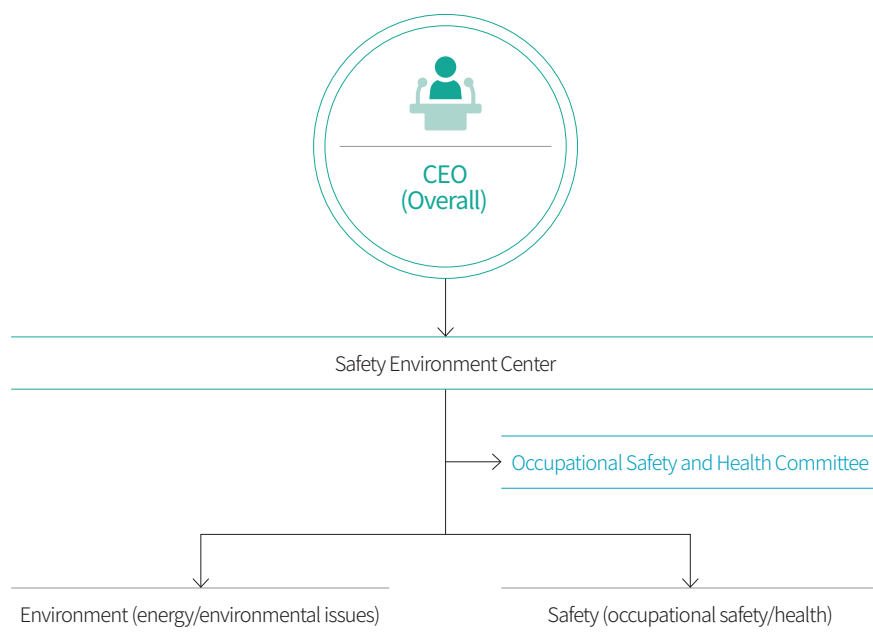
Climate Change

Governance ¹⁾

Organizational Structure

Dedicated Organization

At POSCO STEELEON, the CEO holds ultimate responsibility and authority as the executive in overall charge of environmental management, and the environmental organization operates around the Safety Environment Center under the CEO. The Safety Environment Center is divided into a Safety Part and an Environment Part, which are responsible for occupational safety and health, environmental protection, and energy efficiency improvement, supporting the achievement of company-wide environmental performance. The environmental management responsibilities and authority of top management are stipulated in the 'Responsibility and Authority Regulations.'



Responsibility and Authority Regulations

Item	Details	Department Head	Office Head	President
<Environment> a. Environmental management b. External affairs related to the environment c. Planning d. Operating consultative bodies e. Appointment and dismissal	1. Operating and recording emission and prevention facilities	●		
	2. Self-measurement, data analysis, and statistics	●		
	3. Managing industrial waste and maintaining treatment records	●		
	4. Managing and improving pollutant emissions		●	
	1. Permits and approvals		●	
	2. Reporting handling plans and results for related matters		●	
	3. Inspections by relevant authorities	●		
	1. Establishing plans for the environment, safety, health, and fire safety			●
	1. Reporting the results of the Occupational Safety and Health Committee/Council		●	
	1. Appointing and dismissing statutory managers (environment, safety, health, fire safety, hazardous materials)	●		

Controls and Procedures

Linkage to Performance Management and Remuneration

POSCO STEELEON incorporates environmental management items into the CEO's key performance indicators (KPIs), and these indicators are assessed under the POSCO Group's integrated performance management system. The CEO's KPIs include environmental indicators such as the management of total carbon emissions, and the targets are set through consultation within the Group. The total-carbon-emissions indicator is assessed annually against pre-set targets, and the assessment results apply to the CEO. This indicator is included in the ESG qualitative assessment items of the CEO's KPIs and is reflected in performance within a range of up to 5% of the qualitative assessment, operating as part of a system that links the ESG management direction set by the Board of Directors to management's performance management.

1) For information on the highest decision-making body for the climate change topic, please refer to ESG Strategy & Management > Board of Directors.

Climate Change

Strategy

Risk and Opportunity

Climate-related Risks and Opportunities

POSCO STEELEON has selected climate-related risks and opportunities as a material topic and manages them accordingly. We have identified the potential financial effects of climate change on our operations, and we have established and are implementing detailed response strategies to address them.

Category	Type of risk or opportunity	Impact	Financial effect	Time horizon ¹⁾			Detailed response strategy
				Short term	Medium term	Long term	
Transition risks	Policy and legal	Purchasing emission allowances and renewable energy	Rising emission allowance prices	●	●		- Strengthening the Board's ESG review - Implementing detailed decarbonization strategies - Strengthening ESG response cooperation with operating companies - Operating the Eco-Friendly Management Review Committee
		GHG emission regulations	Investment in new facilities and products	●	●		
		Stronger greenwashing regulations	Stronger overseas regulations	●	●	●	
	Technology	Low-carbon raw materials and products	Failure of new-technology investment	●	●		- Adopting commercialized technology for hydrogen-fueled heating ovens and hydrogen burners using POSCO hydrogen gas - Replacing boilers and switching fuel for wastewater facilities - Expanding rooftop solar facilities
		Eco-friendly processes and facilities	Introduction of low-emission facilities and the emergence of substitutes		●	●	
	Market	Growing demand for low-carbon products	Increasing market uncertainty		●	●	- Measuring carbon emissions based on LCA and obtaining certification - Research and development of low-energy products - Expanding applications of plated products for electric vehicles
		Intensifying new environmental trade barriers	Changes in consumer behavior	●	●	●	
		Demand for product carbon footprints	Rising raw material costs	●	●	●	
	Reputation	Growing and continuous stakeholder demand for eco-friendly practices	Negative perception of the steel industry	●	●		- Standardizing and systematizing ESG data - Sharing risk response performance with stakeholders
		Mandatory ESG disclosure	Responding to ESG disclosure		●	●	
Opportunities	Technology	Improving energy efficiency	Developing and adopting highly energy-efficient facilities		●	●	- Building solar power facilities at major business sites (plating plant, color-coating plant) - Developing Recycle-Bio color-coated steel that combines waste plastic and biomass raw materials
		Reducing water use and reusing waste	Improving water use efficiency and increasing waste reuse		●	●	
	Market	Developing a low-carbon product portfolio	Developing a low-carbon product portfolio		●	●	- Expanding the development and adoption of low-carbon, high-efficiency technologies - Entering new businesses by tracking GHG-related trends and developing emissions trading operations
		Participating in the carbon market	Activation of the emissions trading market		●	●	

1) Short term: within 1 year (2026), medium term: over 1 to 5 years (2027-2030), long term: after 5 years (from 2031)

Climate Change

Strategy

Strategy and Countermeasure

2050 Decarbonization Action Plan

In connection with the POSCO Group, POSCO STEELEON is strengthening its low-carbon management system through energy efficiency improvement, fuel switching, and the adoption of renewable energy, with the goal of achieving decarbonization by 2050. Based on an average of 117 thousand tons (ktCO₂) in 2017-2019, we plan to reduce emissions to 92 thousand tons by 2030 and to 59 thousand tons by 2040, and then achieve decarbonization by 2050.

Target	Strengthening the carbon reduction management system through energy efficiency improvement, fuel switching, renewable energy, etc.		
Strategic direction	Operational optimization Energy efficiency improvement (~2030)	Fuel transition Reduction of direct and indirect emissions (~2040)	New technology application Achievement of the decarbonization target (~2050)
Implementation tasks	Increasing steam through waste heat recovery switching boiler fuel Changing operating conditions Expanding renewable energy purchases (15%)	Fuel transition Facility replacement Developing carbon-reducing raw materials Expanding renewable energy purchases (30%)	Fuel transition Adopting new technologies Expanding renewable energy (100%)

2050 Decarbonization Roadmap

(Unit: tCO₂eq)

	2017	2019	2025	2030	2040	2050
Regulatory Target	117,130 ¹⁾		115,823	92,248	58,504	Achieving 2050 decarbonization
				△ 21%	△ 50%	△ 100%
Emissions reduction Milestones	Fuel transition (LNG - hydrogen)			6,255	32,889	60,928
	Facility replacement (boiler replacement, wastewater facilities, fuel substitution, etc.)			11,063	11,273	11,903
	Energy efficiency improvement (lower annealing temperature, LNG reduction, etc.)			1,264	1,414	1,584
	Renewable energy investment			6,300	13,050	42,661
	Total			24,882	58,626	117,076

1) Average emissions over the three years of 2017-2019, the allocation basis for 2021-2025

* Data scope: domestic business sites (plating plant, color-coating plant)

Climate Change

Strategy

Strategy and Countermeasure

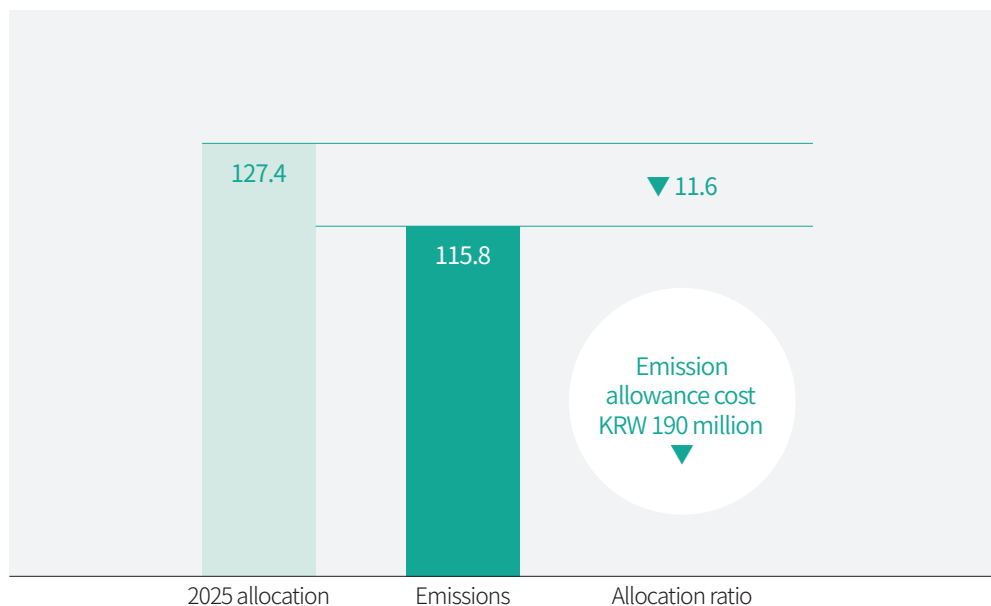
2025 Energy Savings and Carbon Emission Reduction

Focusing on carbon reduction activities, pollutant reduction activities, and environmental risk prevention activities, POSCO STEELEON completed six energy reduction improvement activities in 2025, achieving savings of 98 TJ, 4,900 tons of carbon, and KRW 1.98 billion in cost savings.

Category	Unit	2025 results		Carbon reduction ¹⁾ (thousand tons)
		Savings	Cost savings (KRW 100 million)	
Energy	TJ	98	19.8	4.9
LNG	thousand Nm ³	1,110	9.7	2.4
Electricity	MWh	4,212	7.6	1.9
Steam	thousand tons	3.24	2.5	0.6

1) Scope 1: LNG, Scope 2: electricity, steam

(Unit: thousand tons)



POSCO STEELEON is pursuing three core strategies to achieve its 2050 decarbonization target.

First, operational optimization that maximizes energy efficiency.

To this end, we are actively using waste heat to increase steam consumption and expanding the purchase of steam from external sources. We are also optimizing operating conditions to reduce energy consumption and actively pursuing facility improvements such as installing plating Pot Cellar Covers and increasing heat exchanger efficiency. In addition, we are reviewing measures to reduce the steam required in the wastewater treatment process, and we aim to increase the share of renewable energy to 15%.

Second, carbon emission reduction through fuel switching.

To gradually replace natural gas with hydrogen, we are switching fuel for plating line 1 and color lines 1 and 3. We also plan to convert facilities that previously used natural gas to steam-based operation, transitioning to processes with reduced environmental impact. In addition, we will develop carbon-reducing raw materials for use in road paving and new materials to reduce carbon emissions, and we will expand the renewable energy purchase ratio to 30%.

Third, achieving decarbonization through the adoption of new technologies.

Taking fuel switching a step further, we plan to replace natural gas with hydrogen for plating line 2 and color lines 2 and 4, and we will introduce pure-oxygen combustion technology to increase combustion efficiency. We will also apply an innovative approach that operates processes at low temperatures of 60°C or below, lower than before, and expand the share of renewable energy to 100% to achieve full decarbonization.

Based on its cooperation with the POSCO Group, POSCO STEELEON is actively pursuing strategic renewable energy projects and making company-wide efforts to build a sustainable carbon reduction management system.

Climate Change

Strategy

Strategy and Countermeasure

Transition to a Sustainable Industrial Structure

With the goal of achieving 2050 decarbonization, POSCO STEELEON continuously pursues efforts to transition to an environmentally friendly industrial structure and is accelerating its decarbonization by expanding the use of renewable energy. In 2025, we installed and are operating solar power facilities at major business sites such as the plating and color-coating plants, through which we plan to replace 6-6.5% of our annual electricity consumption with renewable energy. By directly purchasing the electricity generated from solar panels covering a total area of approximately 20,000 m² and using it in plant operations, we are strengthening the foundation for expanding renewable energy and achieving the 2050 decarbonization target.

Going forward, POSCO STEELEON plans to strengthen its ESG management through continuous investment and R&D for energy efficiency improvement and carbon emission reduction process innovation, pursuing sustainable growth from a mid- to long-term perspective.

Key Green Investments in 2025

POSCO STEELEON continuously expands its investment to reduce environmental impact. In 2025, we expanded investment focused on the energy area, recording KRW 662 million in investment.

Category	Unit	Environmental impact reduction investment		
		2023	2024	2025
Air	KRW million	255	3,332	166
Water		0	58	72
Other (soil, energy, etc.)		55	28	424
Total		310	3,418	662

Resilience Assessment

Scenario Analysis Overview

To systematically assess the impact of climate change on its business, POSCO STEELEON conducted a climate-related scenario analysis using the S&P Climonomics tool.

POSCO STEELEON conducted a physical risk analysis for its Pohang color-coating and plating plants. For the physical risk assessment, we used the IPCC SSP1-2.6 (1.8°C rise) and SSP5-8.5 (4.4°C rise) scenarios, analyzing the period from the 2020s to the 2050s in 10-year intervals.

Physical Risk Scenario Analysis Overview

Category	Details	
Natural hazards analyzed	Acute	Rainfall flooding, river flooding, typhoons, coastal flooding
	Chronic	Extreme temperatures, drought, water stress, wildfires
Target sites	Domestic business sites (plating plant, color-coating plant)	
Analysis period	2020-2050 (Risk analysis in 10-year intervals. Results of the risk analysis for 2020-2050 disclosed)	
Scenarios	Applying the four SSP scenarios presented in the IPCC Sixth Assessment Report	

Scenarios	Global average temperature rise by 2100	Description
SSP1-2.6	1.8°C	· Low-emission scenario · Achieving Net-Zero GHG emissions by 2050, with the global average temperature rise by 2100 in line with the Paris Agreement target
SSP2-4.5	2.7°C	· Intermediate-emission scenario · Maintaining GHG emissions at current levels until 2050, then reducing them through 2100
SSP3-7.0	3.6°C	· A scenario with emissions higher than the intermediate level but lower than the high-emission scenario · GHG emissions in 2100 double compared with the present
SSP5-8.5	4.4°C	· High-emission scenario · GHG emissions in 2050 rise to about three times the current level

Climate Change

Strategy

Resilience Assessment

Scenario Analysis Results

The scenario analysis showed that under both the SSP1-2.6 and SSP5-8.5 scenarios, the asset value loss rate due to extreme temperatures was relatively high, and losses from extreme temperatures acted as a key risk factor. In particular, under SSP5-8.5, the high-emission scenario, the asset value loss rate from extreme temperatures expands markedly compared with the low-emission SSP1-2.6 scenario, and it is expected to more than double, from about 0.96% in the 2020s to about 2.06% in the 2050s.

Average Annual Asset Value Loss Rate by Hazard Type

■ <0.1% ■ 0.1 – 0.5% ■ 0.5 – 1% ■ 1% or higher

Year	Scenario	Pluvial Flooding	Extreme temperatures	Coastal flooding	Drought	Wildfire	Typhoon	Water stress	Fluvial Flooding
2020s	SSP1-2.6	0.1 – 0.5%	0.5 – 1%	<0.1%	0.1 – 0.5%	<0.1%	<0.1%	<0.1%	<0.1%
	SSP5-8.5	0.1 – 0.5%	0.5 – 1%	<0.1%	0.1 – 0.5%	<0.1%	<0.1%	<0.1%	<0.1%
2030s	SSP1-2.6	0.1 – 0.5%	0.5 – 1%	<0.1%	0.1 – 0.5%	<0.1%	<0.1%	<0.1%	<0.1%
	SSP5-8.5	0.1 – 0.5%	0.5 – 1%	<0.1%	0.1 – 0.5%	<0.1%	<0.1%	<0.1%	<0.1%
2040s	SSP1-2.6	0.1 – 0.5%	0.5 – 1%	<0.1%	0.1 – 0.5%	<0.1%	<0.1%	<0.1%	<0.1%
	SSP5-8.5	0.1 – 0.5%	0.5 – 1%	<0.1%	0.1 – 0.5%	<0.1%	<0.1%	<0.1%	<0.1%
2050s	SSP1-2.6	0.1 – 0.5%	0.5 – 1%	<0.1%	0.1 – 0.5%	<0.1%	<0.1%	<0.1%	<0.1%
	SSP5-8.5	0.5 – 1%	1% or higher	<0.1%	0.1 – 0.5%	<0.1%	<0.1%	<0.1%	<0.1%

Physical Risk Response Activities

To minimize damage to its business sites from natural disasters such as storms and floods, POSCO STEELEON operates a BCP (Business Continuity Plan) manual. Taking into account the location and climate vulnerability of each site, the manual classifies risk into five levels and systematically prescribes departmental response procedures by level, such as operating a situation room, protecting facilities, cutting off power, and relocating assets. This prevents production disruptions and facility damage and strengthens the system for protecting assets and personnel.

Case Study

POSCO STEELEON's Damage from Typhoon Hinnamnor in 2022

In 2022, POSCO STEELEON experienced financial damage of approximately KRW 23.2 billion due to Typhoon Hinnamnor, of which losses from downtime accounted for the largest share at KRW 9.7 billion. This case brought home the impact that physical risks from climate change can have on business operations, and we determined that, given the location and climate vulnerability of the site, natural disasters such as typhoons and floods carry a high risk of leading to production disruptions and facility damage. Accordingly, POSCO STEELEON is expanding its flood-response infrastructure, including installing flood barriers, improving drainage channels, and reinforcing disaster-prevention facilities, and is strengthening its physical risk response system to protect assets and personnel from natural disasters.

Financial Effects of the 2022 Hinnamnor Damage

KRW **23.2** billion

Downtime loss	Recovery cost	Reprocessing cost	Reduced sales volume
KRW 9.7 billion	KRW 5.0 billion	KRW 4.5 billion	KRW 4.0 billion



Climate Change

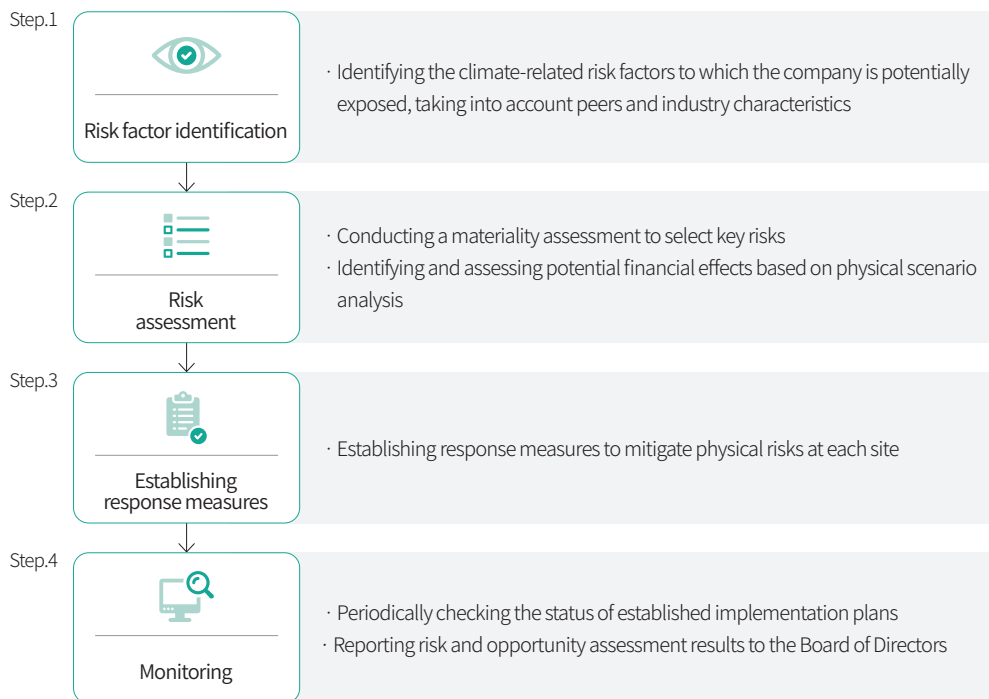
Risk Management

Climate Risk Management Process

Assessment of Climate-related Risks and Opportunities

POSCO STEELEON analyzes climate risk and opportunity factors. To this end, we review peers, industry trends, and climate-related disclosure requirements to assess the impact on our business. In particular, taking into account the characteristics of the industry to which POSCO STEELEON belongs, we identify transition risks and opportunities arising from climate change and, on this basis, have established a risk management system. Through this, we analyze the likelihood and impact over the short, medium, and long term and establish response measures, strengthening our sustainable management strategy.

Climate-related Risk and Opportunity Assessment Process



Metrics and Targets

Metrics

Emissions Measurement Methodology

To measure its GHG emissions, POSCO STEELEON applies the operational control approach to calculate emissions, clearly defining the business sites and facilities that it can actually operate and control as the GHG accounting boundary.

GHG measurement approach

Category	Measurement approach
Scope 1 and Scope 2 emissions	- IPCC Guidelines for National Greenhouse Gas Inventories, 2006 - Guidelines on Emissions Reporting and Certification under the Emissions Trading Scheme - The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Input variables and parameters

GHG measurement input variables

	Category	Input variables
Scope 1 emissions	Stationary combustion	- Activity data: consumption of LNG, propane, acetylene, and diesel - Parameter: IPCC emission factors
	Mobile combustion	- Activity data: gasoline consumption - Parameter: IPCC emission factors
Scope 2 emissions	Electricity	- Activity data: electricity consumption - Parameter: national emission factors
	Steam	- Activity data: steam consumption - Parameter: site-specific emission factors

Climate Change

Metrics and Targets

Targets

GHG Reduction Metrics and Targets

To effectively manage its GHG emissions, POSCO STEELEON establishes annual GHG emission targets and manages its performance. In 2025, through process energy efficiency improvement activities to reduce GHG emissions, such as installing covers to prevent heat loss from plating air pots and restoring the waste-heat boiler facility of plating line 1's heating furnace, we achieved a reduction in GHG emissions compared with 2024.

Target metric	Unit	2023	2024	2025	
				Targets	Result
Scope 1 emissions	tCO ₂ eq	58,699	64,212	57,747	64,114
Scope 2 emissions		55,718	56,741	53,726	51,709
Total		114,417	120,953	111,473	115,823

Energy Consumption Targets

POSCO STEELEON uses fuel, electricity, and steam as its main energy sources, and it establishes targets by fuel type and systematically manages its performance. In addition, in 2025 we achieved energy use reductions by reducing electricity consumption, including adopting solar power facilities at major business sites and replacing transformers with high-efficiency distribution transformers.

Division	Unit	2023	2024	2025	
				Targets	Result
Energy Consumption	Fuel	1,132,042	1,187,224	1,139,453	1,184,612
	Electricity	1,101,172	1,115,265	1,074,189	1,051,018
	Steam	98,685	67,003	70,420	26,279

Supply Chain

Governance¹⁾

Organizational Structure

Dedicated Organization

POSCO STEELEON operates a dedicated organization responsible for partner company and procurement policy, centered on the Purchasing Section of the General Affairs and Procurement Group under the Planning & Support Department, systematically carrying out supplier management and ESG-related activities.



1) For information on the highest decision-making body for the supply chain topic, please refer to ESG Strategy & Management > Board of Directors.

Policy Development

Supplier Code of Conduct

POSCO STEELEON established the Supplier Code of Conduct to establish a fair trade order, build a sustainable supply chain, and promote win-win and shared growth. The Supplier Code of Conduct sets out the rules that partner companies must observe in areas such as labor and human rights, safety and health, the environment, and ethics and fair trade. We apply sanction standards for violations of the Supplier Code of Conduct to the terms and conditions of all purchase contracts with suppliers, requiring partner companies to comply with the Code. In addition, when a violation of the Code by a partner company is reported through a stakeholder or the POSCO STEELEON reporting center, we apply strict operating standards, such as restricting bidding eligibility for a certain period and terminating contracts, in accordance with the sanction standards for improper conduct in the general terms and conditions of purchase contracts.

Partner Company Code of Conduct Summary

➔ Labor and human rights · Voluntary employment · Compliance with working hours · Humane treatment · Freedom of association · Prohibition of child labor · Wages and benefits · Prohibition of discrimination	➔ Safety and health · Industrial safety · Industrial hygiene · Physical labor · Safety management of hazardous tools and facilities · Health and safety education · Emergency response · Industrial accidents and diseases · Hygiene, food, and housing	➔ Environment · Obtaining environmental permits · Solid waste · Substance regulations · Pollution prevention and resource conservation · Energy consumption and GHG emissions · Hazardous substance · Air pollutant emissions · Water resource management
➔ Ethics and fair trade · Business integrity · Prohibition of improper gains · Compliance with the special terms for ethics practice · Fair trade, advertising, and competition · Identity protection and prohibition of retaliation · Responsible minerals management · Personal data protection · Information disclosure · Intellectual property protection	➔ Quality management · Improvement targets · Audit and assessment · Documentation and records · Corrective action procedures · Risk assessment and management · Education and communication · Worker feedback, participation, and grievance handling · Supply chain participation and responsibility · Corporate commitment to compliance · Obligations and responsibilities of management · Laws and customer requirements	➔ Quality management · Quality management · Change management · Quality management among partner companies
		➔ Win-win growth and social contribution · Win-win growth · Social contribution

Supply Chain Sustainability Management Policy

➔ Supply Chain Sustainability Management Policy

POSCO STEELEON established a supply chain policy to support the building of a sustainable supply chain. This policy applies across all of POSCO STEELEON, and we recommend that all suppliers we trade with comply with this policy or an equivalent policy and code of conduct. We also expect suppliers to extend the same standards to their sub-suppliers, pursuing responsible management across the entire supply chain.

POSCO STEELEON operates a supply chain risk management and ESG due diligence system to systematically manage ESG risks such as the environment, human rights, safety, and ethics within the supply chain. We check compliance with the Code of Conduct from the supplier selection stage, and we explicitly require compliance with our policy when concluding contracts.

Supply Chain

Strategy

Risk and Opportunity

Supply Chain-related Risks and Opportunities

POSCO STEELEON has selected "Supply Chain" as a material topic and manages them accordingly. We have identified the potential financial effects of the supply chain on our operations, and we have established and are implementing detailed response strategies to address them.

POSCO Group topic	Risk/ Opportunity	Value chain	Driver	Financial effect	Time horizon ¹⁾			Detailed response strategy
					Short term	Medium term	Long term	
Supply Chain	Risk	Upstream	· Growing demand to expand the scope of safety and health management across the entire supply chain	· Higher selling and general administrative expenses due to strengthened supply chain ESG risk management		●	●	· Partner company hazard and risk assessment · Conducting safety assessments of partner companies, consignees, and outsourced companies four times a year
			· Worker safety accidents when suppliers' safety and health management is inadequate	· Higher cost of goods sold due to increased substitute purchasing costs when a supplier suspends operations		●	●	· Actively accepting and acting on partner companies' safety-related suggestions · Supporting partner companies by expanding safety and health budgets and providing safety equipment
	Risk	Upstream	· Deteriorating working conditions due to inadequate management of partner companies' working conditions, such as working hours, shift work, and rest	· Possible decline in productivity and departure of partner companies due to deteriorating working conditions		●	●	· Supporting improvements in the safety and health of partner companies and SMEs through win-win cooperation projects
			· Possible legal violations due to inadequate compliance with regulations such as the Labor Standards Act, labor-related laws, and the RBA Code of Conduct	· Litigation costs, provisions, and settlements from disputes and lawsuits over working conditions		●	●	· Establishing a Partner Company Code of Conduct · Applying strict sanction standards, such as restricting bidding and contract rights for a certain period under the general terms and conditions of purchase contracts, when a violation of the Code is confirmed through a report
	Risk	Upstream	· Increased compliance burden due to stronger supply chain human rights laws (such as the CSDDD)	· Higher costs of securing new partners and managing the supply chain due to partner company departures, and higher production costs when procurement is delayed		●	●	· Operating a partner company communication channel · Visiting the production sites of major partner companies at least once a year and holding regular meetings (once a month) · Maintaining a communication channel through which concerns can be raised about improper demands or violations of company regulations (with whistleblower identity protection)

1) Short term: within 1 year (2026), medium term: over 1 to 5 years (2027-2030), long term: after 5 years (from 2031)

Supply Chain

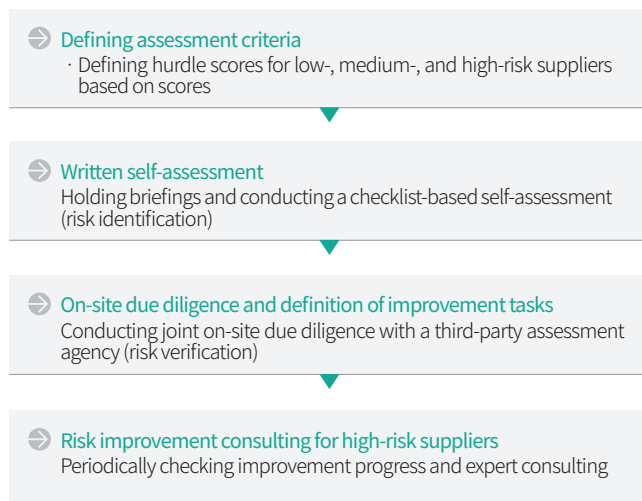
Strategy

Strategy and Countermeasure

Supply Chain Risk Assessment

To manage ESG risks across its supply chain, POSCO STEELEON has operated a supply chain due diligence process since 2023. The supply chain due diligence proceeds through the stages of defining assessment criteria, a written self-assessment, on-site due diligence and definition of improvement tasks, and risk improvement for high-risk suppliers. In the stage of defining assessment criteria, we classify suppliers' ESG risk levels as low, medium, or high risk using score-based assessment criteria, and on this basis we systematically set the targets for management. In the written self-assessment stage, we conduct a checklist-based self-assessment to review suppliers' ESG management status and identify potential risks in advance. We then comprehensively verify the self-assessment results through on-site due diligence and derive matters requiring improvement. For high-risk suppliers, we continuously monitor the progress of improvements and, where necessary, support the enhancement of suppliers' ESG management through expert consulting.

Supply Chain ESG Due Diligence Process



Supply Chain Written Assessment

POSCO STEELEON structures its written assessment based on domestic and international laws and regulations and ESG guidance standards such as the Responsible Business Alliance (RBA). The written assessment is centered on five areas: the environment, labor and human rights, safety and health, ethics, and management systems.

Supplier Written Assessment Areas



Supply Chain ESG Due Diligence Results and Plans

For suppliers with key risks identified through the written assessment, we conduct additional verification and inspection through on-site due diligence.

In 2023, we conducted ESG due diligence on six suppliers of paint and ingot items. Of these, five paint suppliers are subject to a written assessment every other year in consideration of their ESG report publication status, and one ingot supplier is managed through an annual written assessment.

In 2024, we added six protective film suppliers to the due diligence scope and inspected their environmental and social ESG risks, and the average on-site due diligence score for these suppliers was 66. In the first half of 2025, we supported the enhancement of suppliers' ESG management capabilities by sharing best practices, discussing improvement measures, and conducting additional due diligence for the six suppliers assessed in 2024.

In 2025, we included four chemical suppliers as new due diligence targets and performed ESG due diligence. The average on-site due diligence score for the chemical suppliers was 97, indicating an excellent overall level of ESG management.

From 2023 to 2025, we conducted ESG supply chain due diligence on a total of 16 companies, and from 2026 we plan to strengthen the level of ESG management across the supply chain step by step by conducting third-party ESG assessments in parallel for 59 major sub-material suppliers.

ESG Due Diligence Results and Plans by Year

Category	2023	2024	2025	2026	2027
Target items	Paint, INGOT	Protective film	Chemicals	Major subsidiary material suppliers 59 companies	
New Number of companies	6	6	4		

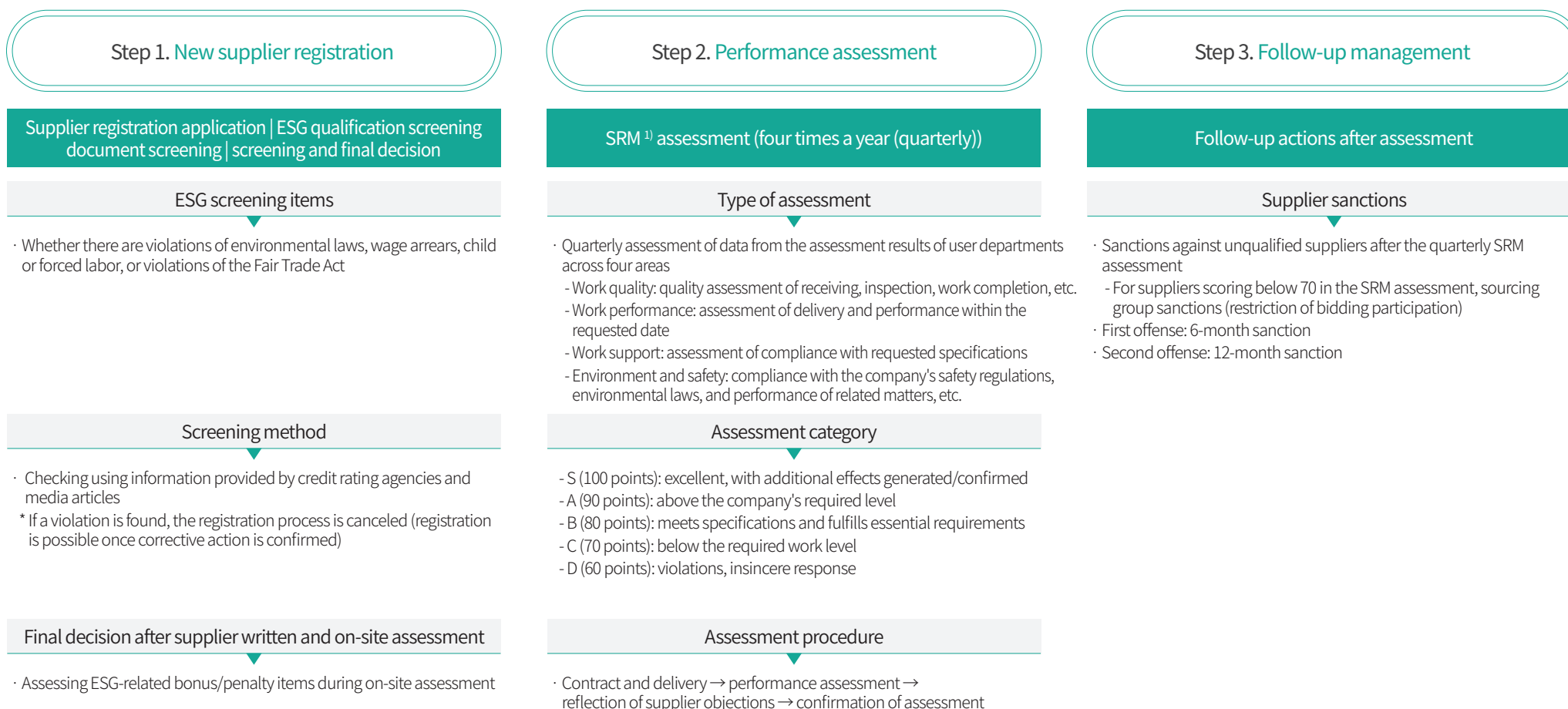
Supply Chain

Strategy

Strategy and Countermeasure

Supplier Management Process

To prevent issues such as those related to the environment and human rights from arising within its supply chain, POSCO STEELEON operates a systematic ESG risk management process from the supplier registration stage through performance assessment and follow-up management of contract performance. When improper conduct or serious ESG-related violations are confirmed, we immediately take sanction measures.



1) Supplier Relationship Management

Supply Chain

Strategy

Strategy and Countermeasure

Step 1. New Supplier Registration

POSCO STEELEON manages purchased items by 'Sourcing Group.' The supplier registration criteria for each sourcing group are disclosed at all times through E-Procurement, and suppliers wishing to register must agree to the 'Partner Company Code of Conduct' and the 'Special Terms for Ethics.' For applicants for new supplier registration, we check whether there are violations related to environmental laws, serious accidents, wage arrears, and tax payments, and we screen basic qualifications such as credit rating, financial capacity, and supply capacity. We then visit the supplier's site to investigate the actual situation and, where necessary, verify quality stability through quality testing.

Supplier On-site Assessment Bonus/Penalty Items

Category	ESG-friendliness details	
Bonus points	· Holding ISO14001 environmental management certification · Designation as an eco-friendly company · Implementing environmental management accounting · Holding KOSHA18001 and ISO45001 health and safety certifications · Using eco-friendly purchased items from a 3R (Recycle, Reduce, Reuse) perspective · Building eco-friendly operating processes and supply chains · SH grade 3 or higher, or ESG grade 3 or higher	· Having in-house anti-corruption activities (internal reporting system, ethics pledge, etc.) and in-house performance/operating systems · Having a record of improving safety measures at business sites within the past year · Having a record of operating channels to gather the opinions of field/office workers within the recent quarter · Manufacturing government-certified eco-friendly products for the relevant item · Publishing an environmental report · Implementing green procurement
	· Companies that cause complaints or violate ESG-related matters · (Operations) Failure to lock material storage areas separately in the workplace or to install safety guides · Failure to provide personal protective equipment for the number of workers or negligent management · No record of mandatory occupational safety and health education within the past year · Having a history of legal lawsuits, complaints, or incidents related to ESG within the past year	

Step 2. Performance Assessment

POSCO STEELEON conducts SRM¹⁾ assessments, its supplier performance assessment, on a quarterly basis for all suppliers with a trading record. The assessment comprises user-department evaluations of four areas (quality, performance, support, and environment and safety) and a comprehensive evaluation of credit scores, days of delay, and so on, and we use the results to manage the supply chain. Since 2023, we have carried out activities to identify and improve supply chain ESG risks such as the environment and human rights through supply chain ESG due diligence.

1) Supplier Relationship Management

Step 3. Follow-up Management

After the SRM assessment, we restrict bidding participation by unqualified suppliers through sanctions, and POSCO STEELEON's Safety Environment Center continuously assesses the safety performance of suppliers performing in-house construction, repair, and services, applying supplier sanctions in parallel when it deems them unqualified due to safety violations or accumulated warnings.

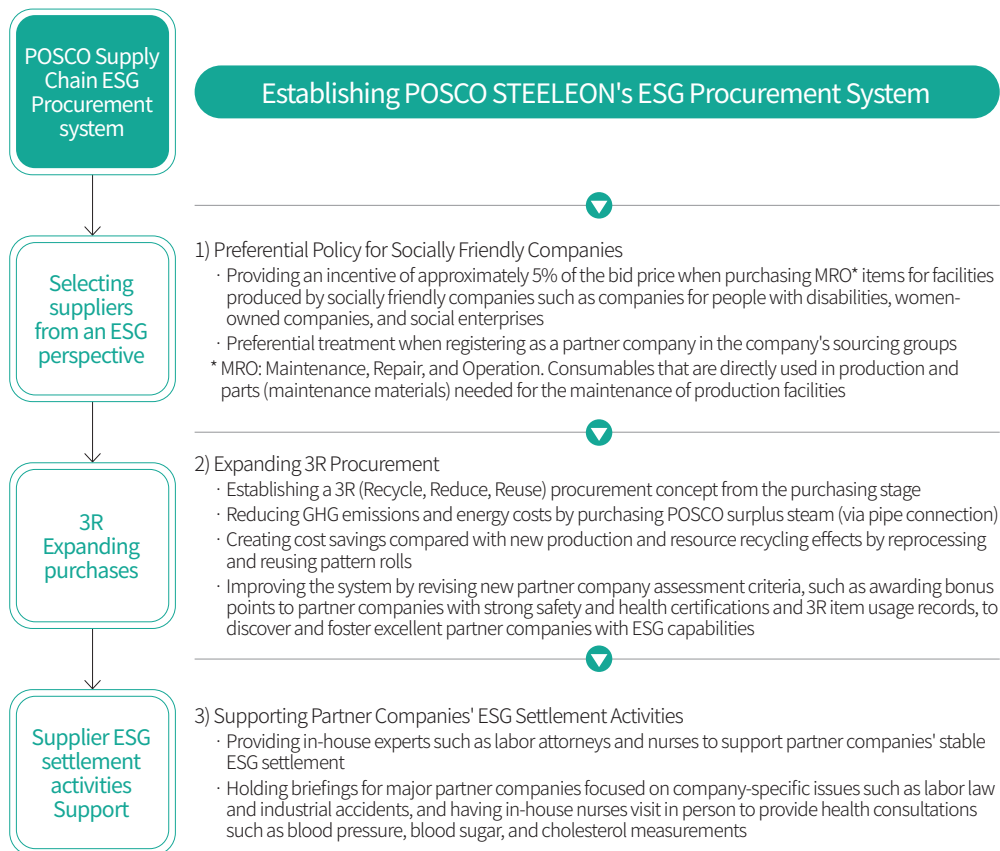
Supply Chain

Strategy

Strategy and Countermeasure

Establishing the ESG Procurement System

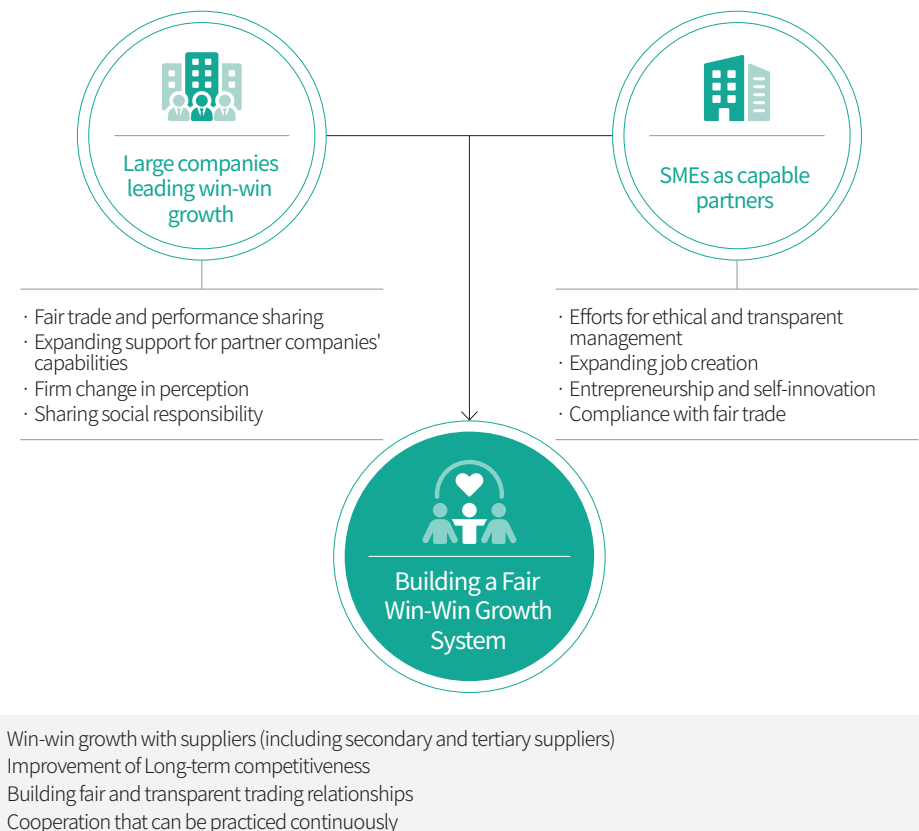
By adopting the POSCO Group's Supply Chain ESG procurement system, POSCO STEELEON is establishing its standing as an ESG-leading company while participating in the 2050 decarbonization policy. In accordance with the POSCO-style ESG procurement system covering the environment, human rights, and ethics, we are expanding the share of purchases from partner companies that fulfill their corporate social responsibility.



Supporting Partner Companies in Fulfilling Social Responsibility

Win-Win Growth Direction

To create shared value with its partner companies, POSCO STEELEON is building a win-win growth system based on trust and cooperation. Shared value is being reborn as a win-win growth brand in harmony with the POSCO Group's ESG management philosophy, and it aims for coexistence with local communities through improving partner companies' competitiveness and creating social value.



Supply Chain

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Win-Win Cooperation Projects

POSCO STEELEON pursues win-win cooperation projects to improve the safety and health level of its partner companies. In 2025, we operated a dedicated safety and health win-win cooperation organization, continuously conducting partner company safety management assessments and improving safety facilities, and we strengthened the foundation for win-win growth by expanding safety and health investment and paying zero-accident incentives. We also supported practical safety and health activities for local SMEs, such as supporting risk assessment recognition, providing safety and health consulting and education, and supplying protective equipment, and we regularly share improvement status through a win-win council. In addition, by establishing criteria for allocating safety and health costs in subcontracting and operating emergency response plans for high-risk work and a right-to-suspend-work system, we contribute to creating a safe working environment for partner companies.

2025 Win-Win Cooperation Project Results

Partner Company Support Program	Detailed Support Content	Partner Company Support Program	Detailed Support Content
Building safety and health win-win cooperation infrastructure and sharing benefits	1) Establishing and operating a dedicated organization for win-win cooperation activity support - Conducting partner company safety management assessments every quarter (Awarding scores for participation and activity in safety and health win-win cooperation projects) - Gathering and acting on partner companies' suggestions for improving safety facilities (As of the 2025 cumulative total, 450 of 518 cases completed, an improvement rate of 87%) 2) Expanding safety and health investment for partner companies and local SMEs and establishing a basis for continued investment - Purchasing and installing fans, blowers, and air coolers for partner companies to prepare for heat-related illnesses - Sharing the status and results of weekly safety facility improvements 3) Sharing the benefits of win-win cooperation activities with partner companies and local SMEs - Conducting assessments based on the criteria for selecting qualified subcontractors for subcontracting projects - Paying zero-accident incentives when partner companies, service providers, etc. achieve zero accidents (50% of the average bonus-base wage)	Safety and health consulting and activity support for SMEs	1) Supporting improvements in the safety and health level of partner companies and local SMEs - Supporting risk assessment recognition and providing special coaching (four companies recognized as of 2025) - Providing occupational health promotion programs, such as recruiting participants from all partner companies for a smoking cessation project and conducting follow-up management 2) Efforts to improve the quality of safety and health consulting reports - Conducting special lectures on implementing the Serious Accidents Punishment Act and on safety and health management 3) Supporting improvement of harmful and hazardous factors for partner companies and local SMEs (safety and health activity tasks) - Providing safety protective equipment - Supporting external (Korea Industrial Safety Association) training for risk assessment officers - Producing and distributing safety and health materials (safe work guidebooks, process safety management) - Running a heat-wave safety campaign
		Operating a safety and health win-win council	1) Forming and operating a win-win council of the parent company, partner companies, and local SMEs - Holding a win-win council meeting each month after the Occupational Safety and Health Council - Status of safety facility improvements (2025 cumulative: 518 identified, 450 improved)
Efforts to secure costs for SME safety and health	1) Establishing and operating criteria for allocating safety and health costs in subcontracting - Establishing subcontracting agreements, internal assessment guidelines for selecting qualified subcontractors, regulations, etc. 2) Establishing and operating criteria for selecting qualified subcontractors in subcontracting - Conducting a safety and health level assessment for each partner company once a quarter and checking compliance	Establishing and implementing emergency response plans for high-risk work	1) Emergency response plans and safety measures for high-risk work - Operating partner company emergency response manuals and safe-work permit guidelines - Operating a right-to-suspend-work standard (guideline), specifying workers and partner company workers in the procedure - Distributing right-to-suspend-work pamphlets (approximately 400 to partner companies) and printing the right-to-suspend-work content on safe-work permits

Supply Chain

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Operating Win-Win Growth Support Programs

POSCO STEELEON pursues wide-ranging support activities that partner companies need for long-term growth, such as financing, education, hiring, and technical support. With the belief that the growth of our partner companies is our own growth, we sincerely seek a continuous path of win-win cooperation.

Relieving Partner Companies' Financial Difficulties



- Full cash payment of delivery amounts
- Financial support such as win-win funds and network loans
- Early payment of delivery amounts before holidays
- Unit price adjustments in response to price changes

Partner Company Technical Support



- Techno-partnership technical support
- Operating a performance-sharing system
- Joint development of new products and new-application products
- Joint patent applications and operating a technology escrow system

Partner Company Management Support/Procurement Cooperation



- Customized management consulting and a management doctor system
- Partner company meetings and site visits
- Executive win-win growth support group activities
- Support for secondary partner companies

Partner Company Education and Training



- Support for the partner company vocational training consortium
- Conducting QSS on-site consulting
- Conducting safety and health consulting
- Other support

Operating a Fair-Trade Bidding System

To practice fair and transparent trading and management, we operate a fair-trade bidding system using an electronic system, and we work to maintain the transparency of our procurement procedures and methods. We operate a fair trading system that provides equal bidding opportunities to new partner companies by disclosing information on long-term contracts and repeated private contracts.



Supplier registration

- Disclosing and searching purchased items
- New supplier registration
- Supplier assessment
- Selecting suppliers for bidding and confirming registration



Purchase contract

- Setting purchase conditions and issuing bid announcements
- Registering and notifying new companies
- Sending RFQs and submitting quotations
- Participating in electronic bidding and winning bids
- Adjusting unit prices and concluding contracts



Order and delivery

- Ordering and delivery
- Inspection and receiving
- Settlement and payment
- Tax invoices



Follow-up management

- Supplier performance assessment
- Notification of assessment results
- Confirming assessment results

Supply Chain

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Full Cash Payment to Partner Companies

To support the stable improvement of its partner companies' cash flow, POSCO STEELEON operates on the principle of cash payment when trading with partner companies and strictly observes the payment dates agreed with suppliers. Through this, we ease suppliers' cash liquidity burden and strengthen the foundation for win-win growth. Regardless of the transaction amount, we pay in full in cash, and for a total of 12 subcontractors we paid approximately KRW 13.2 billion in the first half of 2025 and approximately KRW 14.4 billion in the second half.

Category	Unit	Cash and checks	Win-win payment	Notes-substitute payment method	Promissory notes
Payment amount (first half)	KRW thousand	13,212,166	-	-	-
Payment amount (second half)	KRW thousand	14,368,780	-	-	-
Proportion	%	100	-	-	-

Establishing a Fair Trade Order with Partner Companies

In selecting partner companies, concluding contracts with them, and executing those contracts, we have adopted and operate four practices for fair trade. By operating the E-Pro electronic procurement system, we provide the same opportunities to existing and new suppliers alike, realizing a fair trade order with partner companies. Through the electronic procurement system, we discovered 51 new partner companies in 2023, 52 in 2024, and 34 in 2025.

Four Fair Trade Practices with Partner Companies

➡ Practices for desirable contract conclusion

- Specifying key matters to observe at the time of contract, such as the contract method, unit price, and delivery

➡ Practices for the fair selection of partner companies

- Presenting fairness in the procedures for selecting, registering, and operating partner companies

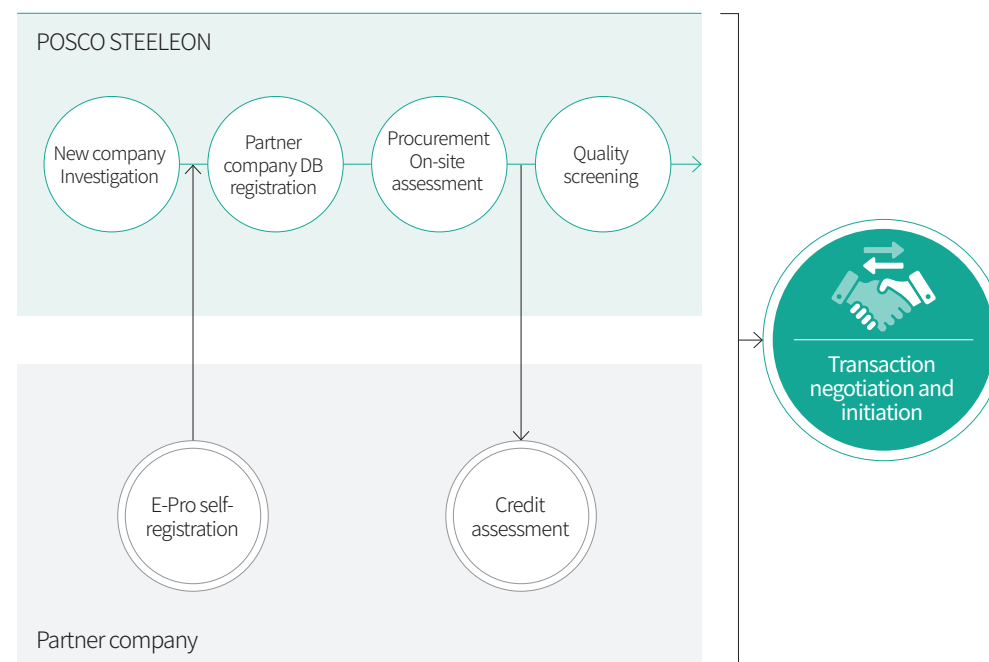
➡ Practices for establishing and operating an internal subcontracting review committee

- Operating an internal review committee to review in advance the fairness and legality of subcontracting transactions

➡ Practices for issuing and retaining written documents

- Matters concerning the issuance and retention of written documents in the contract and transaction process

When assessing new transactions with partner companies, POSCO STEELEON selects partner companies through a fair and transparent process that combines internal evaluations of procurement, technology, and quality with external evaluations such as credit ratings. In 2025, we worked to establish a fair trade culture by adding fair-trade-violation bonus/penalty items to the new partner company registration assessment and reflecting related matters in the purchase contract work standard.



Supply Chain

Strategy

Strategy and Countermeasure

Introduction and Selection of the Honored Partner (PsHP) Certification System

In 2024, POSCO STEELEON introduced the PsHP Honored Partner certification system (hereinafter the PsHP system) for the first time. The PsHP (PoscoSteeleon Honored Partner) system assesses sub-material suppliers' delivery performance over one year and grants PsHP status to companies with excellent performance in technology, quality, and delivery, providing various preferential benefits such as exemption from contract deposits and the issuance of permanent access passes. Through the PsHP system, POSCO STEELEON supports suppliers' self-promotion and management activities and builds partnerships of mutual trust, inducing stable supply chain operation.

2026 Excellent Supplier Selection Results

7 of 33 assessed companies selected

Excellent Supplier Assessment and Selection Criteria

- **Assessment targets**
Suppliers with annual sales of KRW 500 million or more in the previous year, based on the company's financial statements
- **Assessment criteria**
Suppliers with a total of 70 points or more from user-department evaluation (70 points) + cost reduction (15 points) + sales dependency (10 points) + ESG assessment (5 points) are selected as candidate suppliers and then finalized through procurement-department evaluation

Preferential Policy for Excellent Suppliers

- Issuing a 'PsHP Supplier Certificate' (PosART) so that PsHP companies can promote themselves internally and externally with pride
- Exemption from contract-related guarantees: advance payment/interim payment/contract performance bonds (except in cases of signs of insolvency or a credit rating of C or below)
- Granting priority negotiation opportunities for urgent purchases/work and issuing permanent access passes to each plant during work
- Exemption from pre-audit when renewing unit price contracts (a pre-audit is conducted when contract terms change)
- Sending a wreath in the company's name for family events of the CEO (relatives)



Partner Company Grievance Handling Channel

POSCO STEELEON works to receive and resolve partner company grievances through three departments in total: the Procurement Group, the Safety Department, and Integrity Management.

Operating a Partner Company Communication Channel

POSCO STEELEON visits the production sites of major partner companies at least once a year to actively listen to their requirements. We also build cooperative relationships through regular meetings with partner companies (once a quarter), sharing workplace hazards in advance for zero-accident business sites and discussing difficulties. In 2025, through regular partner company meetings, we improved all 55 matters related to work safety and environmental improvement, achieving a 100% resolution rate.

POSCO STEELEON maintains a communication channel through which opinions can be raised at any time in the event of improper demands on partner companies or violations of the company's regulations. This reporting channel is open not only to partner companies but to all stakeholders, and the content of reports and the identity of whistleblowers are strictly protected. In addition, to firmly establish an ethical corporate culture through the prevention of unethical conduct, we operate a reward system for external stakeholders who report unethical conduct.

➔ Cyber Reporting Center

➔ Types of reports

- Unfair trade practices, receiving entertainment or hospitality, receiving money or gifts (cash, gifts), discriminatory (improper) acts, leaking non-public information, and other unethical or illegal acts.

➔ Reporting guidelines and procedures

- Reporting by phone or in writing is possible, but we strongly recommend cyber reporting on this website.
- After the Audit Group investigates the report internally, the results are notified to the reporter by e-mail.
- Results are not notified for anonymous reports.

➔ Types of reports

- **Reporting phone:** 054-280-6411, FAX: 054-280-6714
- **In writing:** (37866) Corporate Audit Group, POSCO STEELEON, 173 Cheolgang-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do
- **E-mail:** st_audit@poscosteeleon.com

Supply Chain

Strategy

Strategy and Countermeasure

Partner Company Grievance Handling Channel

Regular Partner Company Meetings

POSCO STEELEON holds regular partner company meetings each month, presided over by the Head of the Planning & Support Department. As a regular consultative body of partner company representatives and the executives in charge of partner companies, these meetings discuss partner company difficulties and the spread and dissemination of the safety and health management system.



Safety Communication Channel - Safety Report Center

This is a system for reporting hazards for the safety of everyone, including partner company employees. Workers can report when they are asked to perform unsafe work, discover factors that threaten safety, face restrictions on using the right to suspend work, or are forced to work in ways that undermine safety.

Preventing Partner Company Ethics Risks

POSCO STEELEON actively supports follow-up measures based on the results of online surveys of partner companies. In 2025, through site inspections and interviews with officers and employees, we pursued the following support activities so that ethical management can take root at partner companies as well.

2025 Partner Company Ethical Management Support Activities

Category	Details
Conducting a survey on a human-respecting organizational culture at partner companies and supporting follow-up measures	Gathering VOC through an anonymous survey on 9 items related to abusive conduct and unfair practices at partner companies, and establishing a healthy workplace culture
Supporting ethics education for partner company officers and employees	Supporting case-based education on abusive conduct and violations of human respect
Listening to the grievances of partner company officers and employees and encouraging safety risk prevention activities	- Education on the New 10 Safety Rules (6 absolute prohibitions, 4 absolute practices) and material support - Supporting the establishment of an autonomous safety system (conducting safety and health win-win cooperation projects and supporting risk assessment excellent-business-site recognition) - Education and material support on amendments to occupational safety and health laws and the status of the Serious Accidents Punishment Act

Supply Chain

Strategy

Strategy and Countermeasure

Partner Company Safety Capability Assessment and Management

To respond to safety-related laws such as the Serious Accidents Punishment Act and to prevent and mitigate business-linked workplace health and safety impacts, we conduct safety assessments and hazard and risk assessments of partner companies, consignees, and outsourced companies.

Partner Company Safety Assessment

POSCO STEELEON conducts quarterly SRM post-assessments in accordance with its supplier follow-up management criteria and, on this basis, conducts safety performance assessments in parallel to systematically manage suppliers' safety management levels. Safety performance assessment results are managed as scores, and when they fall short of the assessment criteria, we apply sanction measures such as bidding restrictions. As a result of the 2025 SRM assessment, 331 suppliers in the materials, construction, and repair areas received a suitable rating by exceeding the passing standard of 70 points, and 3 suppliers received a fail rating. In addition, as a result of the safety performance assessment, all suppliers except one met the standard. For suppliers classified as high risk due to insufficient scores, we notify them of the assessment results and manage them by applying a 6-month bidding restriction in accordance with the fail standard.

Results of Suggestion Improvements

To prevent and mitigate workplace health and safety impacts directly linked to business relationships, we actively accept partner companies' safety-related suggestions and carry out improvement activities. As a key improvement in 2025, since the manual binding of sheet scrap posed a risk of musculoskeletal disorders, we produced and installed rechargeable electric band binders. We also improved the risk of traffic accidents caused by potholes on the vehicle access road in front of the automated warehouse through floor repair work. Of a total of 190 improvement suggestions in 2025, 158 were completed, and the remainder are under improvement (planned).

Results of Improvements to Partner Company Suggestions (Unit: cases, %)

2023	2024	2025	vs. previous year	Improvements completed	Improvement rate
148	132	190	+58	158	83%

* Includes the results of daily safety activities, councils, and joint safety and health inspections

Hazard and Risk Assessment

We provided partner companies with two risk assessment method training sessions and support for training risk assessors in 2025. Of four companies, one partner company (two companies certified in 2023 and one in 2024) newly obtained the excellent risk assessment business site certification hosted by the Korea Occupational Safety and Health Agency, so that all partner companies were designated as excellent risk assessment business sites. In addition, we supported joint assessments with a risk-item checklist for three consignees, and we conduct pre-work risk assessments for service companies in the first and second halves of the year. Through joint inspections, we conduct checks in preparation for fire, explosion, and leak accidents, and we identified improvements such as the risk of falling into drainage on the safety passage side and tripping due to level differences in a warehouse at the plating plant. We also conduct checks such as observation of worker behavior, facility inspections, safe-work permits, and TBM through inspection rounds every other day.

Safety and Health Support

To prevent and mitigate workplace health and safety impacts, we pursue safety and health support for partner companies. In 2025, we spent a total of KRW 267 million, including providing safety protective equipment, to improve partner companies' working environment.

Safety · Health

Governance ¹⁾

Organizational Structure

Dedicated Organization

At POSCO STEELEON, the CEO holds ultimate responsibility and authority as the person in overall charge of safety and health, and the safety organization operates around the Safety Environment Center, which reports directly to the CEO. The Safety Environment Center is responsible for occupational safety and health and supports company-wide safety and health activities and performance.



1) For information on the highest decision-making body for the safety and health topic, please refer to ESG Strategy & Management > Board of Directors.

Policy Development

Safety and Health Management Policy

To create a safe working environment, POSCO STEELEON has established and operates a safety and health management policy and an occupational safety and health policy.

Safety and Health Management Policy

POSCO STEELEON sets the safety and health of customers and workers as a core management value and seeks to create a safe and comfortable working environment.

1. Safety and health take precedence over all other values, including production, quality, schedule, and delivery.
2. We thoroughly comply with laws and company regulations concerning safety and health.
3. We cultivate safety awareness and practical capability through systematic education and training.
4. We identify all hazards in advance and pursue prevention and improvement activities.
5. All officers and employees actively participate in safety and health activities.
6. We build a safety and health system and check and improve its implementation status.
7. We maintain a safety management system together with stakeholders such as partner companies.



Safety · Health

Strategy

Risk and Opportunity

Safety and Health-related Risks and Opportunities

POSCO STEELEON has selected "Safety·Health" as a material topic and manages them accordingly. We have identified the potential financial effects of safety·health on our operations, and we have established and are implementing detailed response strategies to address them.

POSCO Group topic	Risk/ Opportunity	Value chain	Driver	Financial effect	Time horizon ¹⁾			Detailed response strategy
					Short term	Medium term	Long term	
Safety and Health	Risk	Own operations	· Possible operational disruption due to stronger safety and health laws and punishment of management for violations	· Possible capacity utilization loss* and reduced sales due to operational suspension when an accident occurs * Capacity utilization loss: manufacturing overhead such as labor costs and depreciation is incurred when plant operation is suspended		●	●	· Improving work safety by expanding monitoring systems such as body cameras and CCTV · Systematic management through building a safety and health management system and KOSHA MS certification
			· Constant risk of industrial accidents in manufacturing processes involving the use of heavy equipment	· Possible financial burden such as litigation costs, provisions, and penalties in case of non-compliance with related laws		●	●	· Strengthening on-site inspections and accident prevention activities focused on serious hazards · Systematic management through building a safety and health management system and KOSHA MS certification

1) Short term: within 1 year (2026), medium term: over 1 to 5 years (2027-2030), long term: after 5 years (from 2031)

Strategy and Countermeasure

Risk Assessment

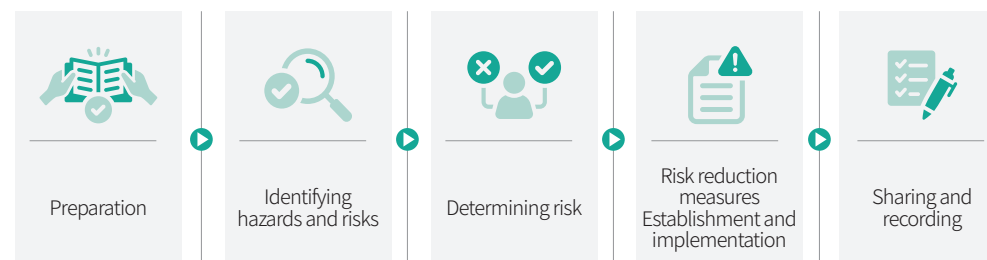
POSCO STEELEON conducts risk assessments in accordance with the 'Guidelines on Workplace Risk Assessment,' defining the purpose and method of assessment and appointing persons in charge and responsible persons to operate it. We conduct risk assessments according to the method of worker participation and the timing and procedures of assessment, and we record, retain, and share the results.

To systematically identify hazards and risks, POSCO STEELEON conducts business-site inspection rounds by managers and supervisors of the plant, maintenance, and safety departments, as well as company-wide Near Miss and potential-hazard-surfacing activities. In accordance with the revised 'Guidelines on Workplace Risk Assessment,' we conduct risk assessments by subdividing processes based on work standards, and for each work process we quantitatively assess the likelihood (frequency) and severity (intensity) of injury or illness according to hazards and risks to determine the risk grade.

In addition, we minimize on-site risks by conducting safety CCTV monitoring, operating safety communication rooms for position holders (daily safety activities), operating the Safety Report Center, consulting on and reporting safe-work plans in advance, and holding safety consultations before outsourced construction. We are also expanding participation by linking safety suggestions and Near Miss and potential-hazard identification activities to rewards, and in particular, we derive serious risk factors (Fatal Top) and operate

provisional standards until the improvement of risk factors is complete, conducting routine inspections based on a safety management check sheet. After these improvement activities are complete, we reflect them in standards and risk assessments and link them to worker education, continuously pursuing the creation of a safer working environment.

Risk Assessment Procedure

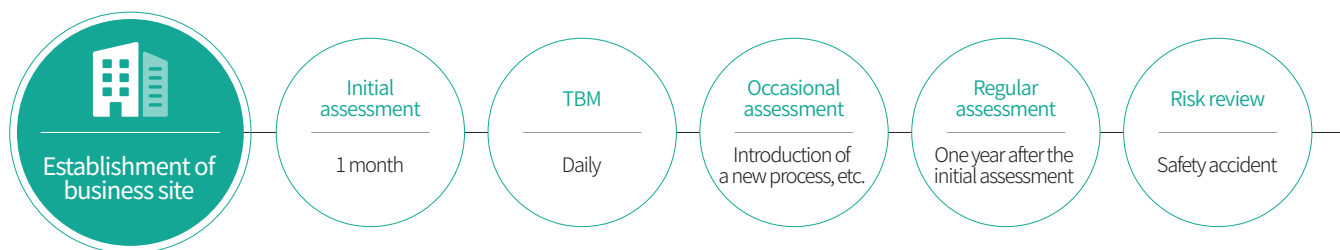


Safety · Health

Strategy

Strategy and Countermeasure

Conducting Regular and Occasional Assessments



Category	Timing of risk assessment
Process risk assessment	· Before changes when facilities or procedures need to be changed · Before use when a new substance is used · When an accident such as a serious industrial accident occurs · When deemed necessary by internal audit or external inspection
Work risk assessment	· Before performing work · When identifying the cause of an accident and assessing the adequacy of measures · When changing a process or work method · When using a new substance · When wishing to easily explain the safety of the facilities in use to stakeholders
Regular assessment	· Performance degradation of machinery, tools, and facilities over time (deterioration, loosened screws, etc.) · Changes in safety and health knowledge or experience accompanying worker replacement, etc. · Acquisition of new safety and health knowledge · The effectiveness of currently established risk reduction measures, etc.
Occasional assessment	· Installation, relocation, change, or dismantling of business-site structures · New introduction or change of machinery, tools, facilities, raw materials, etc. · Maintenance or repair of structures, machinery, tools, facilities, etc. (except when a regular assessment has been conducted for periodic, repetitive work) · New introduction or change of work methods or procedures · Occurrence of a serious industrial accident or industrial accident (limited to cases requiring medical treatment involving work absence or more. In this case, conducted before resuming work on the affected task) · In other cases deemed necessary by the employer

Risk Assessment Results and Improvement of Hazards and Risks

In 2025, we conducted regular assessments for the Galvanizing Plant, the Color Coating Plant, and the Production Technology Group, and we conducted occasional risk assessments in parallel for non-standard work, facility improvements, prevention of recurrence of accidents including serious near misses, and outsourced facility improvement work. In this process, managers and supervisors reviewed the risk assessment results, and we reflected 42 assessment results in revisions to work standards. Based on the risk level identified through the risk assessment, we establish management standards and take action.

In particular, in 2025 we proactively identified an additional 504 hazards and risks, a decrease from the 881 potential hazards identified through the 2024 regular risk assessment. For the risk factors classified as high-grade among these, we established specific improvement plans by priority. For the identified risk factors, we implemented mitigation measures such as improving high-risk facilities and equipment, changing work methods, and installing safety devices, and for key improvement items, we manage and supervise whether improvements are complete through separate compliance checks. As a result of implementing improvement measures, all 504 of the 504 risk factors were improved, achieving a 100% improvement completion rate, and through this we continuously manage safety and health risks at our business sites.

In addition, we are strengthening the roles of managers and supervisors, such as eliminating non-standard work, observing unsafe behavior, and identifying manual-work locations. We are also continuously strengthening execution-based accident prevention activities by expanding plant rationalization, operating special inspection teams for investment works, and providing guidance on partner companies' safety and health management systems.

Safety · Health

Strategy

Strategy and Countermeasure

Risk Assessment Results and Improvement of Hazards and Risks

Risk Improvement (Color Coating Plant)

Category (points)	1CCL	2CCL	3CCL	4CCL
Average risk before improvement	2.7	3.5	2.2	3.9
Average risk after improvement	2.5	2.3	2.1	3.7

2025 Risk Assessment - Regular and Occasional Assessments

(Unit: cases)

Category	Galvanizing Plant	Color Coating Plant	Facility and technology
Regular risk assessment	288	656	589
Potential hazards	146	309	49
Risk factor improvement	146	309	49
Improvement rate	100%	100%	100%
Occasional risk assessment	23	21	20

Methods for Improving Risk Factors

Risk level	Management standard	Remarks
1-3 Negligible risk	Maintain current safety measures	
4-6 Minor risk	Risk requiring the provision of safety information and periodic standard-work safety education	Risk work accepted (Work can continue in the current state)
8 Slight risk	Risk requiring administrative measures such as attaching hazard signs and noting them in work procedures	
9-12 Considerable risk	Risk requiring risk reduction measures such as facility improvement during planned maintenance and repair periods	Conditional acceptance of risk work (work continues if there is no risk, but risk reduction activities must be carried out)
15 Serious risk	Risk requiring work after establishing urgent temporary safety measures, and requiring stabilization measures such as facility improvement during planned maintenance and repair periods	
16-20 Unacceptable risk	Immediate suspension of work (risk requiring immediate facility improvement to continue work)	Risk work not permitted (work must be stopped immediately)

Work Environment Measurement and Management of Locations Handling and Generating Hazardous Factors

For the maintenance of safety and health, we conduct work environment measurement and manage locations handling and generating hazardous factors, carrying out work environment measurement, health checkups, proactive management of occupational diseases, stress management, and hazardous chemical management every first and second half of the year.

Work environment measurement

We measured the work environment, including partner companies, in the first half (April) and second half (October), and the results were within legal standards and good across all areas. This was the result of measuring approximately 300 substances, such as sulfuric acid, dust, and noise, at 40 locations each in the first and second halves.

Health, hygiene, and welfare

We conduct comprehensive health checkups for all employees. In 2025, checkups were completed for 414 employees (including 240 special health checkups) and 93 spouses, and two employees were able to detect cancer at an early stage through the checkups. We provide close guidance and follow-up management for employees with abnormal findings in their health checkup results.

Proactive management of occupational diseases

We carry out management activities to prevent occupational diseases.

Management activity	Remarks
Musculoskeletal disorder prevention education	Conducting prevention education for on-site shift workers
Operating a confined-space work program	Prohibiting confined-space work at oxygen concentrations of 20.9% or below, designating 208 confined spaces, and managing them through confined-space layout photos Conducting hands-on training on wearing gas masks and using rescue tripods
Operating CPR education	Conducting in-house education four times for shift workers and expert education entrusted to hospitals
Conducting noise-induced hearing loss prevention education	Although POSCO STEELEON's business sites do not exceed the legal standard of 85 dB, we conduct special noise health checkups every year and provide education to prevent hearing loss
Conducting health promotion programs	Supporting mental health psychological counseling, conducting resilience education in cooperation with public health centers, and running the ACE (diabetes, weight, smoking cessation) health challenge
Conducting heat-illness prevention activities	Conducting heat-illness prevention education for on-site shift workers, providing heat-illness prevention kits, running campaigns and putting up banners, and conducting risk assessments

Safety · Health

Strategy

Strategy and Countermeasure

Work Environment Measurement and Management of Locations Handling and Generating Hazardous Factors

Conducting Job Stress Assessments

We conduct job stress assessments for all employees. By quantitatively identifying and analyzing the stress factors most frequently experienced in the workplace, we create a healthy workplace culture through appropriate measures. For employees in the key high-risk group, we operate a separate follow-up management program on a voluntary basis.

Chemical Substance Management

We manage a total of 269 substances and provide MSDS (Material Safety Data Sheet) education for on-site shift workers. We also conducted hazardous chemical risk assessments for 23 locations.

Operating Employee Health Programs

POSCO STEELEON operates comprehensive checkups and health programs, and to remedy shortcomings in the follow-up management of checkup results, we pursue practical health improvement through individual counseling and the management of blood pressure, blood sugar, and triglycerides. We conduct comprehensive checkups for all employees every year and provide equipment such as blood pressure monitors, body fat analyzers, and blood glucose meters for personal health management. We also operate smoking-cessation programs and psychological counseling in cooperation with external institutions, and we provide nutritional supplements to position holders and field workers to promote health. Each year, we select 10% of employees as a management target group for intensive management, and health managers make site rounds to measure and manage metabolic syndrome items. Using the in-house messenger, we conduct self-management checks and counseling, and we provide follow-up management of and feedback on checkup results to encourage health improvement.

Operating a Health Care Room

We operate a health care room to protect employee health and prevent general and occupational diseases in advance by providing healthcare services such as primary care (basic health assessment, first aid, etc.) and health counseling for employees.

Psychological Counseling Support for Mental Health Promotion

We conducted group stress management and resilience education for all employees (5 sessions), and for interested employees we support the cost of one-on-one counseling through individual visits to specialized institutions. Using specialized psychological counseling institutions, we aim to create a working environment in which employees can voluntarily participate to find appropriate ways of coping with various psychological issues such as everyday stress, job stress, and relationship problems.

Conducting a Smoking-Cessation Project

For employees who recognized the need to quit smoking but found it difficult to do so, we are running a Health-Up smoking-cessation project over six months in cooperation with the Gyeongbuk Smoking Cessation Support Center.

Conducting a Blood Sugar Management Program

For employees with high blood sugar levels (20 selected), we provided continuous glucose monitors and had them worn for 15 days (24 hours). Based on blood sugar records, they carried out dietary management and exercise, and through one-on-one personalized counseling, the blood sugar levels of all 20 improved.

Safety · Health

Risk Management

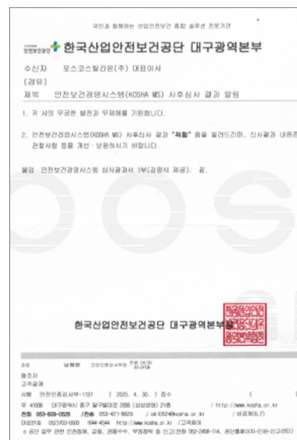
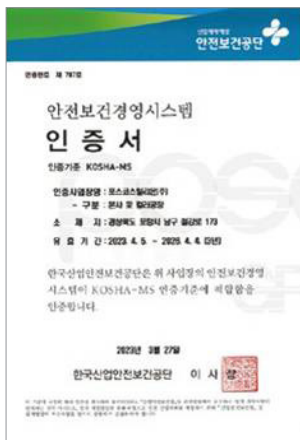
Risk Management Activities

Advancing the Safety and Health Management System

To advance its safety and health management system, POSCO STEELEON has adopted and is establishing a safety and health platform. Through this, we meet legal requirements such as the Occupational Safety and Health Act and the Serious Accidents Punishment Act and systematically build a safety execution system based on our own operating plan. In addition, to strengthen the safety capabilities of all employees, we operate Safety Learning Days and a Safety Audit Checklist to improve self-diagnosis capability and enhance the substance of diagnosis. We also strive for win-win safety by strengthening activities that support and guide affiliates in building their safety and health management systems. Furthermore, by expanding direct safety infrastructure support, including support for obtaining excellent risk assessment business site recognition and Serious Accidents Punishment Act inspections, we are raising the overall level of our safety and health management system.

Safety and Health Management System Certification

Through building a safety and health management system and obtaining KOSHA MS certification, POSCO STEELEON has demonstrated its commitment to accident prevention and the creation of a safe working environment. Through systematic safety activities, inspections, and education, we identify potential hazards in advance and prevent accidents. Obtaining KOSHA MS certification has enabled us to standardize and continuously improve our safety and health management system, and we practice the corporate belief of giving top priority to employee safety. Going forward, we will do our utmost to create a safe working environment with the goal of a zero-accident workplace.



Metrics and Targets

Targets

Mid- to Long-Term Safety and Health Targets

To create a safe working environment, POSCO STEELEON establishes short- and mid-term targets for key safety and health metrics and manages them systematically. The Lost Time Injury Frequency Rate (LTIFR) is a metric that indicates the frequency of lost-time injuries per one million working hours, and as of 2025 the LTIFR is 2.29. As short-term targets, POSCO STEELEON has set and operates a zero-accident goal of an LTIFR of 1.12 in 2026, 0.52 in 2027, and 0 in 2028.

To achieve its mid- to long-term targets, POSCO STEELEON operates a monitoring system that checks performance against targets and derives key improvement tasks through quarterly Safety and Health Committee reports and management meetings. We also transparently disclose the status of implementation against targets once a year through our sustainability report.

Safety and Health Targets

Vision

POSCO STEELEON sets the safety and health of customers and workers as a core management value and creates a 'safe and comfortable working environment.'

Targets



Strengthening
Safety
Capabilities



Strengthening safety
accident prevention
audits

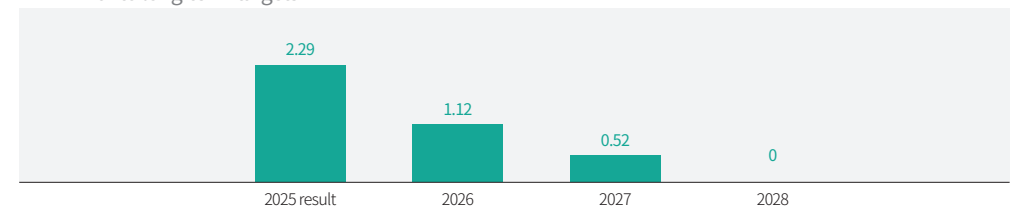


Embedding core
safety activities

Implementation tasks

- Conducting safety education focused on accident cases
- Potential-hazard improvement activities with full participation
- Occasional risk assessment of high-risk work, near misses, and non-standard work
- Preventing serious accidents by strengthening PSM implementation
- Checking the consistency and implementation status of ILS operation
- Identifying and inspecting improvements to hazards and risks at affiliated subcontractors
- Embedding the 10 Safety Rules
- Strengthening monitoring of compliance with safety-focused safety activities.
- Providing result feedback and imposing penalties on non-compliers

LTIFR mid- to long-term targets



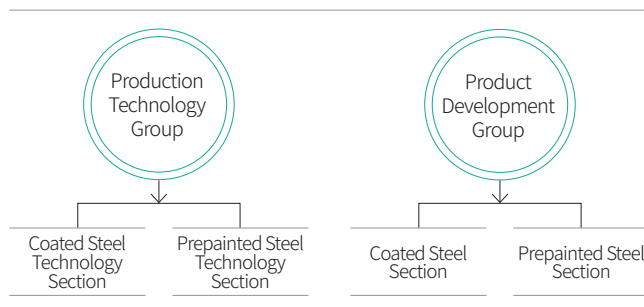
Customer Satisfaction

Governance ¹⁾

Organizational Structure

Dedicated Organization

POSCO STEELEON operates a dedicated organization responsible for customer satisfaction, centered on the Production Technology Group and the Product Development Group, systematically carrying out customer management activities.



Policy Development

Customer-related Policy

POSCO STEELEON recognizes customer satisfaction as a core value of sustainable growth and has established and faithfully implements customer practice guidelines to put it into practice. As a member of the POSCO Family, we carry out continuous quality improvement and quality assurance activities based on the three core values of the POSCO Group Quality Charter: rapid response to customer requirements, building a systematic quality management system, and reasonable supply management principles. We also regularly review and advance our management system through international certifications such as IATF 16949 (automotive quality management system) and ISO 9001 (quality management system), and we will continue to do our utmost to establish a quality management system that meets customers' expectations and requirements.

¹⁾ For information on the highest decision-making body for the customer satisfaction topic, please refer to ESG Strategy & Management > Board of Directors.

Customer Practice Guidelines

Creating customer value and securing trust



Quality Management Charter

In accordance with the three core values of the POSCO Family Quality Charter (response to customer requirements, building a quality management system, and supply management), we realize complete customer satisfaction through continuous quality improvement and quality assurance activities, and we produce and supply the highest-quality surface-treated products.

The POSCO STEELEON Quality Policy

Continuous quality improvement, complete customer satisfaction

First, response to customer requirements (Customer Inside)

We create customer value by reflecting even customers' potential needs.

Second, building a quality management system (Basic Inside)

We value fundamentals and principles to eliminate deviation and waste.

Third, supply management (Synergy Inside)

We pursue win-win growth of the supply chain through 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 Certification Status

	Certification category	Certification period
International	ISO 9001 (quality management system)	2026-11-29
	IATF 16949 (automotive quality management system)	2026-11-27
Domestic	KS D3520 (prepainted hot-dip zinc-coated steel sheets and coils)	2027-06-07
	KS D3862 (prepainted hot-dip 55% aluminum-zinc alloy-coated steel sheets and coils)	2027-06-07
	KS D6711 (prepainted aluminum and aluminum alloy sheets and strips)	2027-07-02

Customer Satisfaction

Strategy

Risk and Opportunity

Customer-related Risks and Opportunities

POSCO STEELEON has selected "Customer Satisfaction" as a material topic and manages them accordingly. We have identified the potential financial effects of customer satisfaction on our operations, and we have established and are implementing detailed response strategies to address them.

POSCO Group topic	Risk/ Opportunity	Value chain	Driver	Financial effect	Time horizon ¹⁾			Detailed response strategy
					Short term	Medium term	Long term	
Customer satisfaction	Risk	Downstream	- Growing customer demand for ensuring quality and safety to prevent product safety accidents - Expanding investor demand for compliance with product quality standards	- Recall, improvement, and litigation costs when product safety or quality incidents occur - Loss of long-term business and new-order opportunities due to reduced credibility		●	●	- Maintaining IATF 16949 (automotive quality management system) certification - Maintaining ISO 9001 (quality management system) certification
Consumer social inclusion	Opportunity	Downstream	- Growing stakeholder expectations for corporate social responsibility - Expanding demand for inclusiveness toward the socially vulnerable and for product accessibility	Potential to enhance brand value and expand sales through social contribution based on innovative products	●	●		- Supporting the cultivation of students' culture and sensitivity by improving spaces with INFINELI interior materials and exhibiting artworks - Expanding the housing repair support project for housing-vulnerable households (Toad House Project)

1) Short term: within 1 year (2026), medium term: over 1 to 5 years (2027-2030), long term: after 5 years (from 2031)

Strategy and Countermeasure

Customer Satisfaction Management

To improve customer satisfaction, POSCO STEELEON measures and evaluates its customer satisfaction index every year. The 2025 customer satisfaction index was 89 out of 100. Scores were relatively high in the areas of customer VOC, proactive service, and manufacturing process management, but the score in the product claim area was somewhat weak. Based on the customer satisfaction index assessment results, we derive improvements and continuously work to enhance customer satisfaction.

Quality assurance	Quality improvement
a. Statistical analysis - Analyzing COPQ and quality metrics and establishing measures - Raw material usage performance and quality assessment - Nonconforming product status and performance analysis b. Quality assessment - Current supplier audit - Conducting trials of newly sourced raw and sub-materials and quality assessment c. Certificate issuance - Issuing product inspection certificates, product warranties, and accredited-institution test reports d. Inspection, calibration, and maintenance of testing and inspection equipment	a. Corrective and preventive actions - Improving/enhancing the quality of raw materials (materials) and sub-materials (paint, protective film, pretreatment chemicals, etc.) - Analyzing the causes of customer complaints and claims, and establishing measures and improvements b. Change management - Reviewing the feasibility of 4M changes and leading validity assessments c. Developed products such as new products and new demand - Quality stabilization and application development d. Quality improvement activities based on customer and market needs survey results e. Investigating the causes of quality defects in manufacturing-process auxiliary materials and improving quality

Customer Satisfaction Index Assessment Items

	Product claims	- Claim filing rate - Claim compensation rate	30%
	Customer VOC	- VOC share (quality complaints) - Customer touchpoint score (customer satisfaction)	30%
	Proactive service (performance/plan)	Service fulfillment rate	15%
	Manufacturing process management	- Delivery compliance rate - Number of special acceptances	25%

Customer Satisfaction

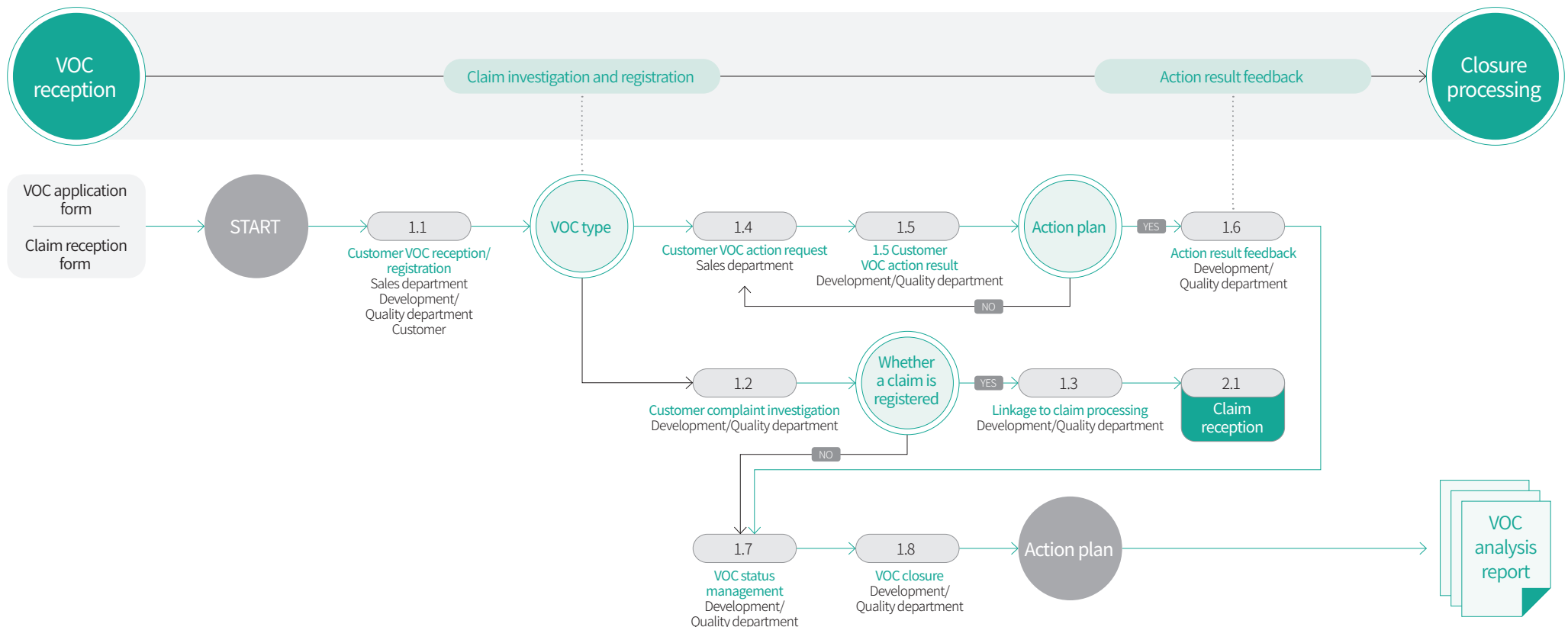
Strategy

Strategy and Countermeasure

Customer Complaint Management

Through the operation of its VOC (Voice of Customer) system, POSCO STEELEON systematically manages and monitors customer complaints and claims. When a customer complaint or claim is received, we request prompt handling from the person in charge of the responsible department, and that person enters the status of the relevant actions into the related system and reports periodically at quality management meetings and elsewhere. We will further strive to realize customer-oriented service activities by always listening directly to the voice of the customer and making improvements.

PROCESS FLOW



Customer Satisfaction

Strategy

Strategy and Countermeasure

Providing Products with Social Value

POSCO STEELEON's printed steel sheets, with environmental friendliness and sustainability as core values, contribute to reducing harmful environmental impacts in various fields.

They precisely reproduce the colors and patterns of wood and stone as if they were real, while completing a beautiful appearance without environmentally destructive acts such as logging or quarrying. In addition, as steel products that can be recycled even after the end of their lifespan, they lead the way in building a resource circulation system.

Furthermore, using its color-coated steel technology, POSCO STEELEON actively engages in public-interest social contribution projects that solve social problems. By building design fences and ecological corridors using PosMAC color-coated steel, we guarantee the right of movement of endangered species, which prevents roadkill accidents and secures the safety of drivers as well.

POSCO STEELEON will strengthen its market dominance by responding quickly to rapid market changes and lay the foundation for continued growth. Going forward, we will do our utmost to become a company that grows together with its customers and creates a healthy ecosystem in which humanity and nature coexist.



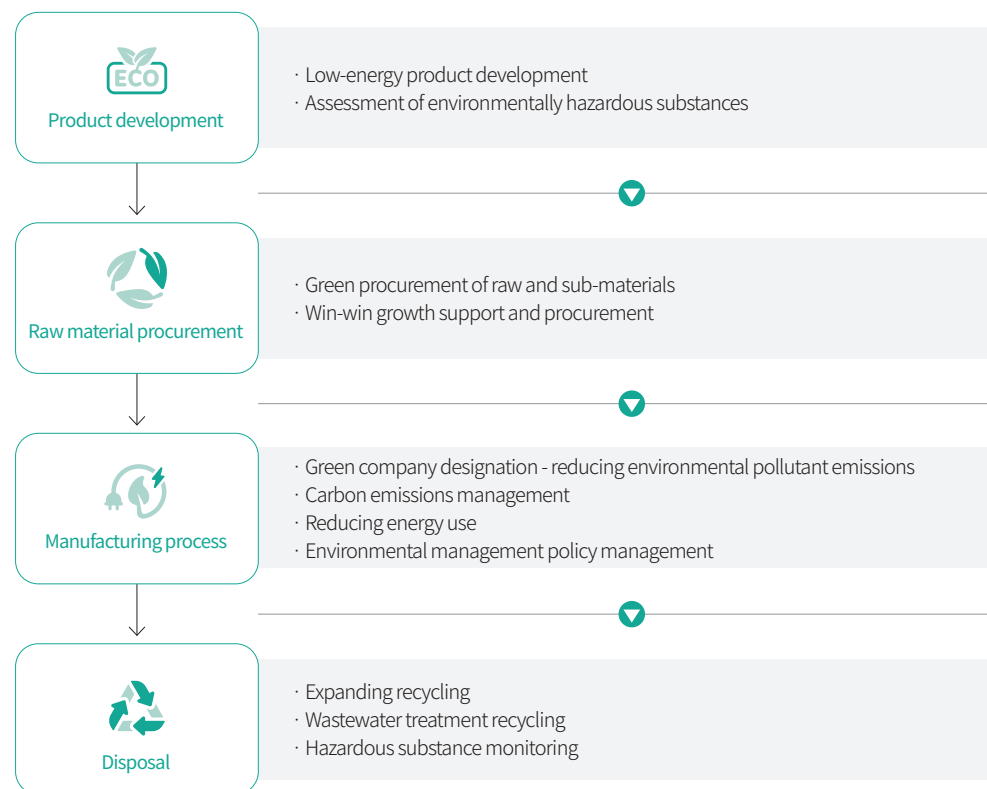
Risk Management

Risk Management Activities

Product Stewardship Activities

POSCO STEELEON places emphasis on the development and management of products that reduce environmental impact, and as part of its efforts to achieve this, it has built and operates 'product stewardship' across the entire product life cycle, from the raw material selection stage. Life-cycle product stewardship carries out continuous risk assessment, ensures safety through improvement, and conducts maintenance not only for products that reduce environmental impact but also for environment-related raw and sub-materials used in the manufacturing process, realizing 'life-cycle product stewardship.'

Product Stewardship Activities by Stage



General Topics



Environmental Impact	053
Human Resources	062
Local Community	072
Information Security	074
Shareholder Rights	076
Ethics · Compliance	077

Environmental Impact

Management Framework

Environmental Policy

POSCO STEELEON has declared an environmental management policy and carries out environmental management activities based on it.

Environmental Management Policy

Since declaring the 'POSCO Family Global Environmental Management Policy,' the company has recognized the environment as a core element of management strategy and practices the following in order to pursue the vision, strategy, and action plans for building and implementing an environmental management system and to be reborn as a company of integrity in a sustainable society.

- Secure global leadership by building a Family environmental management system based on ISO 14001
- Comply with environmental laws and continuously improve the environment by considering the entire process
- Minimize pollutant emissions by adopting clean production processes and applying optimal prevention technologies
- Build a resource-circulating society and improve eco-efficiency by efficiently using natural resources and by-products
- Lead low-carbon green growth by reducing GHG emissions through clean energy use and green technology
- Secure management transparency and pursue sustainability by disclosing the performance of 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

To realize sustainable management, POSCO STEELEON continuously improves and develops its environmental education, focusing on cultivating professional talent so that officers and employees can deeply understand and practice their awareness of and role in environmental conservation. Through environmental education, we induce customers and local communities to understand the importance of environmental conservation activities and participate actively, and on this basis we fulfill our corporate social responsibility and contribute to building a sustainable society. We also continuously operate internal environmental capacity-building programs to encourage employees' participation in and contribution to environmental conservation.

Number of Environmental Education Participants ¹⁾

Division	2023	2024	2025
Number of environmental education participants (persons)	448	438	469

1) The number of participants counts all workers on-site, including those of the company and partner companies

Environmental Management Certification

POSCO STEELEON has built an environmental management system based on ISO 14001 certification, the international standard for environmental management, and applies it to environmental management at its business sites. Every year, under the direction of the environmental department, we undergo internal audits at the individual department level and follow-up management and recertification audits by external professional certification bodies. The audit results are reported to top management, and according to the results we supplement our environmental strategy and targets to maintain an efficient environmental management system.



Securing LCA-based EPD Certification and Responding to Global Environmental Regulations

Through a Life Cycle Assessment (LCA) of its products, POSCO STEELEON quantitatively identifies and manages the environmental impacts that its products generate across the entire process, from raw material extraction through manufacturing, use, and disposal. On this basis, we pursue various improvement activities to minimize environmental impact and proactively respond to global environmental regulations such as the EU Carbon Border Adjustment Mechanism (CBAM).

As a result of these efforts, POSCO STEELEON obtained International EPD (Europe) certification for a total of 12 products, including 8 plated products and 4 color products. This objectively verifies the environmental performance of the products and can be used as evidence of compliance with environmental regulations when bidding for public facility and construction projects in Europe. In addition, for customers using certified products, benefits such as simplified certification procedures and reduced related costs can be expected, contributing to environmentally friendly construction. Going forward, POSCO STEELEON will continue to build a system that can actively respond to environmental regulations by precisely calculating and analyzing carbon emissions by product and unit process.

➡ Check the certified product certificate

Category	Certified product	Application	Certification period	Certification body
Plated (8 cases)	- MACOSTA: 1 for construction, 1 for general use - ALZASTA: 1 for construction, 1 for general use - ALCOSTA: 1 for construction, 1 for general use - ALSUSTA: 1 for construction, 1 for general use	Building materials and others	2024.11.11 ~ 2029.11.11	EPD International
Color (4 cases)	- PVS2: 1 for construction - PGS, PES2, PSP22, PPG, PBG2: 1 for construction - PCS, PCS3, PCS5, PCS11, PLY2, POR2, PPH, POR: 1 for general use - PGS, PES2, PSP2, PPG, PBG2, PVS2: 1 for general use	Building materials, home appliances		EPD THE INTERNATIONAL EPD SYSTEM

* International standards for assessing and reporting the environmental performance of products include EU International certification, U.S. UL certification, and Korea's Ministry of Climate, Energy and Environment certification. EPD International, based in Sweden, is the oldest certification body and has the largest track record among certification bodies worldwide.

Environmental Impact

Management Framework

Operating a Compliance System

POSCO STEELEON has built a company-wide environmental management framework to identify in advance the environmental impacts that may arise across its management activities and to pursue activities that continuously improve them. Through this, we systematically manage and minimize environmental risks.

Major laws/regulations	Response status
Act on the Integrated Control of Pollutant-Discharging Facilities	- Implementing pollutant management activities such as applying best available techniques, improving management processes, and reviewing emission standards in advance - Executing integrated permit implementation tasks and applying strict internal emission standards
Wastes Control Act	- Managing the generation of general/designated waste, registering with the Allbaro waste treatment system, and reporting performance - Improving the waste recycling rate through enhanced separate discharge and converting landfilled/incinerated waste to recycling
Act on Liability for Environmental Damage and Relief Thereof	- Subscribing to environmental liability insurance - Preventing environmental accidents through regular facility inspections and emergency response drills
Special Act on the Improvement of Air Quality in Air Control Zones	- Operating a tele-monitoring system (TMS) to respond to stack emission cap regulations - Setting emission targets stricter than legal limits and improving the efficiency of reduction facilities and expanding investment in prevention facilities
Chemical Substances Control Act	- Conducting ongoing self-inspections of hazardous chemical handling facilities - Preventing accidents through early detection of potential hazards - Familiarizing officers and employees with proper handling methods for hazardous chemicals and emergency response procedures through safety education
Act on the Allocation and Trading of Greenhouse Gas Emission Permits	- Calculating GHG emissions and conducting third-party verification every year - Building a system for complying with allocations through emission allowance carryover and trading strategies - Expanding investment in process improvement and energy efficiency
Framework Act on Carbon Neutrality and Green Growth for Coping with the Climate Crisis	- Setting GHG reduction targets - Establishing a reduction roadmap and pursuing a renewable energy transition to achieve the 2050 carbon neutrality target

Environmental Law Compliance Status and Measures

Environmental law violations

POSCO STEELEON checks compliance with major environmental laws such as the Clean Air Conservation Act, the Water Environment Conservation Act, the Wastes Control Act, and the Chemical Substances Control Act at all its domestic business sites. In 2025, the number of environmental law violations was zero, showing faithful compliance with the relevant laws.

Environmental law compliance

POSCO STEELEON has built a company-wide environmental management framework to identify in advance the environmental impacts that may arise across its management activities and to carry out activities that continuously improve them, thereby minimizing environmental risks. In particular, we thoroughly comply with major environmental laws and regulations, such as the Act on the Integrated Control of Pollutant-Discharging Facilities, and fulfill our corporate environmental responsibility through active responses to them. We are also further strengthening our ESG management by preparing practical environmental improvement measures that can effectively reduce pollutant emissions.

Measures for law violations

(Unit: KRW million)

Date	Punishment or action details	Monetary sanction amount	Grounds	Company's implementation regarding the punishment or action	Specific measures
2023.3.24	Administrative fine	0.8	Failure to file a waste change report	Administrative fine paid (Apr 10, 2023)	Mandating prior review by the environmental department and confirmation of change reporting when changes occur
2023.11.20	Improvement order	-	Air pollutants (exceeding the THC permitted emission standard)	Complying with the improvement order through facility improvement	Improving air prevention facility performance by replacing aged parts (dampers, gaskets, etc.)
2024.2.1	Improvement order and warning	-	Exceeding the air pollutant permitted emission standard	Complying with the improvement order through facility improvement	Improving air prevention facility performance by replacing aged parts (dampers, gaskets, etc.)
2024.12.24	Emission charge	29	Exceeding the water pollutant permitted emission standard	Emission charge paid (Dec 30, 2024)	Preventing abnormal wastewater discharge due to human error by revising the operating manual

Environmental Impact

Management Activities

Pollution Management

Pollution-related Risks and Opportunities

POSCO STEELEON identifies the financial effects that pollution factors related to its business activities could have on the company, and systematically reviews the associated risks and opportunities. To strengthen its capacity to respond to pollution-related issues, the company establishes detailed response strategies and implements them step by step.

POSCO Group topic	Risk/ Opportunity	Value chain	Driver	Financial effect	Time horizon ¹⁾			Detailed response strategy
					Short term	Medium term	Long term	
Air pollution	Risk	Upstream	· Stronger air pollutant emission standards and increased mandatory adoption of clean technologies	· Higher cost of goods sold as air pollution compliance costs are passed on to raw material prices		●	●	· Reflecting air pollutant emission requirements in the Partner Company Code of Conduct
	Risk	Own operations	· Continued strengthening of domestic air pollution laws (such as the Special Act on the Improvement of Air Quality in Air Control Zones)	· Higher costs of developing air pollution reduction technologies and investing in facilities · Fines and administrative actions in case of non-compliance with air pollution laws		●	●	· Operating a stack tele-monitoring system (TMS) to respond to stack emission cap regulations
	Risk	Downstream	· Growing customer demand for production process improvement due to stronger air pollution regulations · Expanding preference for eco-friendly, low-emission materials and higher quality standards for existing products due to the EU Industrial Emissions Directive and stronger ESG regulations	· Possible increase in manufacturing costs from changing packaging and adopting eco-friendly, low-emission products due to stronger customer environmental specifications		●	●	· Holding customer quality improvement exchange meetings · Collecting quality issues and VOC · Jointly reviewing changes in packaging types and process difficulties
Water pollution	Risk	Upstream	· Growing demand for water quality, discharge volume, and wastewater management due to stronger environmental laws and permits in raw material supply area	· Higher cost of goods sold when part of the process costs are passed on due to stronger water regulations in raw-material-producing countries		●	●	· Including provisions on pollution prevention and resource conservation in the Partner Company Code of Conduct
	Risk	Own operations	· Increased compliance burden due to stronger environmental pollution (water/air) management laws · Possible excess charges from legal violations when water pollutant standards are exceeded	· Penalties and related legal costs in case of non-compliance with water laws		●	●	· Preparing measures to effectively reduce pollutant emissions, such as applying best available techniques and improving management processes
	Risk	Downstream	· Possible customer shutdowns and delays from environmental regulation violations when water pollution standards are exceeded during the transport and use of steel products and the processing and use of building material	· Possible sales decline from reduced product demand when customer production is disrupted by stronger wastewater regulations · Expanded uncertainty in fulfilling long-term supply contracts and profit volatility due to adjustments in customer facility investment schedules and industry fluctuations		●	●	· Gradually expanding the development of products that can apply alternative raw materials with low contents of substances of concern or low impact on water systems, and low-risk chemicals
Substances of concern	Risk	Downstream	· Growing stakeholder demand for the development of products that reduce environmental impact and for overall chemical management	· Higher costs from developing eco-friendly products and obtaining certification · Legal costs in case of non-compliance with chemical management laws, and possible sales decline from adjustments to trading relationships		●	●	· Gradually expanding the development of products that can apply alternative raw materials or low-risk chemical

1) Short term: within 1 year (2026), medium term: over 1 to 5 years (2027-2030), long term: after 5 years (from 2031)

Environmental Impact

Management Activities

Pollution Management

Mid- to Long-Term Air Pollutant (NOx) Reduction Target

POSCO STEELEON sets the nitrogen oxides (NOx) emitted from all its domestic business sites (headquarters, Galvanizing Plant, Color Coating Plant) as a key air pollutant management target and systematically manages the total air pollutant emissions as a key metric. By applying an internal management standard 20% stricter than the legal standard, we stably maintain emission concentrations, and during the high-concentration fine-dust period (December to March) we make additional reduction efforts by concluding an agreement with the Daegu Regional Environmental Office. In 2025, we reduced emissions by approximately 21 tons compared with the target, and we will pursue facility investment and process improvement to reduce nitrogen oxides (NOx) by 7.4 tons by 2029, comply with environmental regulations, and continue our air quality improvement activities.



1) Cumulative reduction by 2029

2) Cumulative reduction by 2027

Products That Reduce Environmental Impact

POSCO STEELEON classifies its products that reduce environmental impact according to the environmental labelling* standards of the ISO (International Organization for Standardization).

ALZASTA with 'Bio Z,' a BioMass-based Cr-Free surface treatment agent, applied to the hot-dip 55% aluminum-zinc alloy-plated steel sheet (ALZASTA)

'Bio Z' is a water-dispersed polyurethane coating agent manufactured through the polymerization of isocyanate and bio-based polyol, using water as a solvent and applying a hardener and wetting agent together. In particular, the main raw material, polyol, uses BioMass polyol obtained through microbial cultivation of sugar extracted from sugarcane, replacing petroleum-based raw materials. Bio Z was verified to have a biomass content of 29% by an official testing institution (Beta Analytic), exceeding the 25% standard of the US Department of Agriculture (USDA) BioPreferred program, and obtained USDA certification in May 2023. This certification can also be checked on the official BioPreferred website. This product forms a solid coating film through a thermosetting process and has excellent environmental resistance, including moisture resistance, acid resistance, alkali resistance, and weather resistance. It also shows outstanding performance in fingerprint resistance, workability, and formability, drawing attention as a product applicable to various industrial fields such as home appliances and building materials. Bio Z ALZASTA is a single-environmental-attribute environmental label corresponding to Type II of ISO 14021.



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* 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

Environmental Impact

Management Activities

Pollution Management

Hazardous Chemical Substitution

Developing an Ultra-High Weather-Resistant Urethane Color-Coated Steel Sheet to Replace PVC-Sol

POSCO STEELEON has successfully developed and completed the commercialization of a nitrogen oxide (NOx)-reducing urethane steel sheet. To solve the problem of nitrogen oxide emissions generated during the thermosetting of isocyanate, the curing resin in urethane paint, we developed a urethane steel sheet that applies nitrogen oxide (NOx) reduction technology.

In 2025, in response to stronger environmental regulations and demand for an eco-friendly transition of PVC-Sol products, we developed an ultra-high weather-resistant urethane color-coated steel sheet to replace PVC-Sol. Aiming to secure both weather resistance and environmental performance compared with existing PVC-Sol sheets, this product applies ultra-high weather-resistant polyurethane (PU) paint and underwent property evaluation and line trial production step by step through Lab and Line Tests. In particular, we set quality targets based on ultra-high weather-resistant PU performance at the level of global steelmakers, and we strengthened corrosion resistance and durability through Cr-free pretreatment and optimized coating thickness (primer 25 μm, top 30 μm), designing the product to meet key quality standards such as UV/weather resistance, corrosion resistance, and condensation resistance. In the second half of 2025, we conducted trial tests and quality verification for customers to confirm the possibility of commercialization, through which we expanded our portfolio of PVC-Sol replacement products, centered on the eco-friendly building panel and exterior material markets.

Recycle-Bio Color-Coated Steel Sheet

POSCO STEELEON's Recycle-Bio color-coated steel sheet, which applies technology that combines waste plastic and biomass raw materials, chemically recycles by thermally decomposing molecular-structure PET to extract polymers, and it replaces existing fossil-fuel-based raw materials by using monomers obtained from corn extracts and the like. Going forward, we will review expanded application to various uses to broaden the application scope of the Recycle-Bio color-coated steel sheet and further strengthen our response to environmental regulations.

Hazardous Chemical Management

POSCO STEELEON has built an ISO 14001-based environmental management framework and sets creating a safe and healthy working environment as its top priority. Accordingly, we systematically assess the risks of the hazardous chemicals handled at our business sites and continuously strengthen our prevention and response systems. We conduct self-inspections of hazardous chemical handling facilities to identify and manage potential hazards from chemicals within our business sites in advance. We systematically manage 8 hazardous chemicals at the Galvanizing Plant and 5 at the Color Coating Plant, and we continuously pursue improvements through self-inspections of handling facilities. In addition, we do our utmost to secure the safety of workers and local communities through regular repair and replacement of aged facilities to improve the working environment, the installation of containment dikes to prepare for hazardous material accidents, and the provision of remediation chemicals. Furthermore, we conduct emergency drills for environmental accident response once a year to maintain a system for prompt and effective response in the event of an accident. We operate a management framework that complies with the government's chemical regulations and transparently report the results of regular inspections of hazardous chemical handling facilities to the Ministry of Climate, Energy and Environment. We also strengthen preventive measures such as installing leak detectors and build containment dikes to prepare for unexpected leak accidents, doing our utmost to ensure the safety of local communities.

Through systematic hazardous chemical management and continuous environmental and safety improvement activities, POSCO STEELEON practices management that gives top priority to the health and safety of workers and local communities. Going forward, we will thoroughly comply with the relevant laws while further strengthening our hazardous chemical management framework to do our utmost to create a sustainable and safe environment.

Hazardous Chemical Management framework



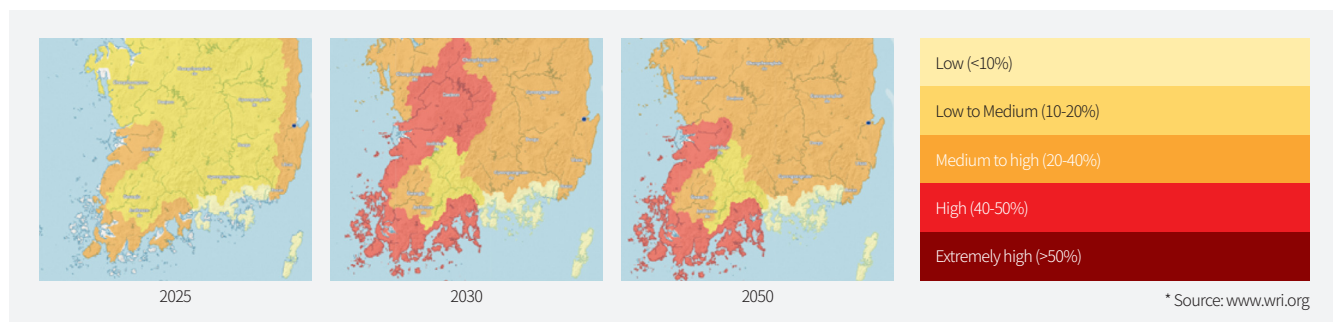
Environmental Impact

Management Activities

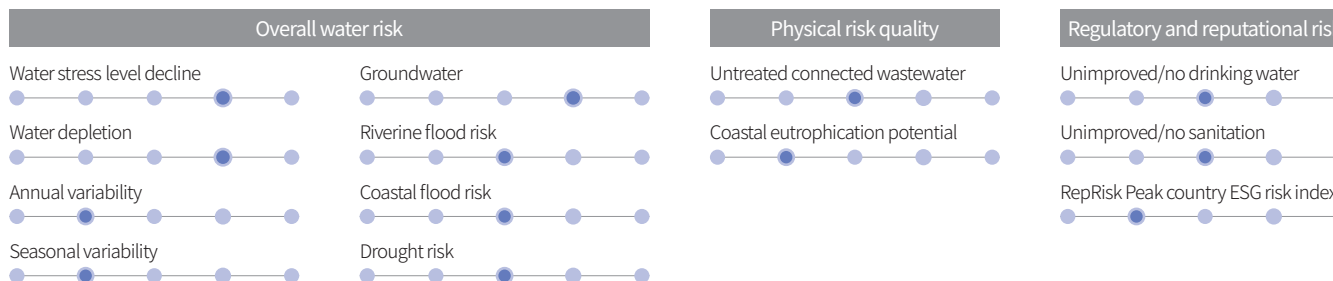
Water Resource Management

Water Management and Water Risk

To practice management that considers environmental sustainability, POSCO STEELEON continuously pursues activities to optimize water use at its business sites. In particular, we reduce water use by improving the pretreatment facilities at the Color Coating Plant and circulating water for the air prevention facilities at the Galvanizing Plant, and we continuously repair and improve aged facilities. In addition, as a result of analyzing water shortage risk in the Pohang area using the World Resources Institute (WRI) Aqueduct Water Risk Atlas, the water risk of the area where the Galvanizing and Color Coating Plants are located was assessed as 'Medium-High (2-3)'. Physical risk factors such as the water stress index and water depletion were at a medium or higher level, but regulatory and reputational risks were confirmed to be relatively low. However, considering the possibility of increasing physical risk, we plan to proactively respond to water shortage issues through continuous monitoring and the optimization of water resource management, and to strengthen sustainable water resource utilization measures.



Metrics and weights



1) Risk of securing water due to water shortage, drought, and supply-demand imbalance

2) Risk that may affect business site operation or compliance with discharge standards due to water pollution and the burden of wastewater treatment

3) Legal and operational burden and reputational risk from stronger water-related regulations and increasing stakeholder interest

Water Use Target and Performance

(Unit: tons)

Category	2023	2024	2025	
			Target	Performance
Total water withdrawal	645,896	611,682	651,575	671,796
Municipal water	21,673	22,227	23,097	29,042
Plating	13,008	14,317	14,938	19,610
Color-coating	8,665	7,910	8,159	9,432
Industrial water	624,223	589,455	628,478	642,754
Plating	340,575	348,263	345,595	367,020
Color-coating	283,648	241,192	282,883	275,734
Usage	133,875	143,457	149,138	195,540
Plating	82,914	104,325	85,658	137,502
Color-coating	50,961	39,132	63,480	58,038
Wastewater discharge	512,021	468,225	502,437	476,256
Plating	270,669	258,255	274,875	249,128
Color-coating	241,352	209,970	227,562	227,128

Environmental Impact

Management Activities

Biodiversity Management

Biodiversity Conservation

Responding to Biodiversity Risk

According to the World Economic Forum (WEF) 'Global Risks Report 2025,' 'biodiversity loss and ecosystem collapse' was selected as the second most significant long-term risk factor threatening humanity over the next 10 years. This was cited as one of the environmental crisis factors that global business leaders are most concerned about, following extreme weather events. Accordingly, POSCO STEELEON recognizes the importance of biodiversity conservation and actively participates in protecting natural habitats and maintaining sustainable ecosystems.

We continuously monitor the species composition and population status of wildlife to identify ecosystem changes, and on this basis we implement appropriate conservation measures. We also pursue operating measures such as sustainable agriculture, fish farms, and forest and fishery resource management, and we continuously strengthen our efforts to preserve genetic diversity and minimize the loss of natural habitats.

Going forward, POSCO STEELEON plans to expand continuous research and environmentally friendly policies to protect biodiversity.



	Mammals	Terrestrial plants
Nam-gu, Pohang-si	Otter (Class I endangered wildlife)	Prickly waterlily, sea primrose (Class II endangered wildlife)

* Source: National Institute of Biological Resources, Biodiversity of the Korean Peninsula

Marine Ecosystem Protection Activities

As part of its marine ecosystem protection activities, POSCO STEELEON pursues social contribution activities for marine life conservation in cooperation with the Korea National Park Service and POSCO DX. After concluding a business agreement for marine life conservation in April 2025, we completed the installation of roadkill-prevention PosART¹⁾ fences and marine life protection guidance facilities in June and held a joint completion ceremony.

This project consisted of protection activities that consider the habitat environment and movement characteristics of marine and coastal life, such as installing PosART fences to prevent roadkill of crabs along the Wangji tidal flat coastal road section in Seolcheon-myeon, Namhae, Gyeongnam, and creating PosART information boards to protect finless porpoises (a native dolphin) near Samcheonpo Bridge in Sacheon, Gyeongnam. In particular, POSCO STEELEON considered both ecological protection functions and landscape harmony through facilities applying color-coated steel technology, and enhanced the effectiveness of protection activities by linking POSCO DX's AI monitoring system.

The Korea National Park Service, POSCO DX, and POSCO STEELEON jointly participated in this project, which is regarded as a case of marine life conservation based on public-private-corporate cooperation involving diverse stakeholders such as related institutions, local governments, partner companies, and NGOs. Going forward, POSCO STEELEON plans to continue expanding biodiversity conservation activities using its products and technological capabilities to contribute to marine environmental protection and the creation of value for local communities.

PosART fence to prevent crab roadkill



Finless porpoise PosART information board



1) PosART (POSCO Advanced (High) Resolution printing Technology): a premium inkjet-printed steel sheet capable of expressing vivid colors and delicate textures

Environmental Impact

Management Activities

Waste and Resource Circulation Management

Waste and By-product Management

POSCO STEELEON has established a waste management policy, clarifies the responsibilities and principles for waste treatment and management, and shares them with its employees. On this basis, we actively practice efficient management methods such as waste separation and recycling, and we continuously monitor and improve our by-product treatment performance. We discover and apply efficient and environmentally friendly waste and by-product management methods and research and develop sustainable management measures. We minimize waste generation through measures such as expanding the use of coil scrap packaging materials at the Color Coating Plant, recycling inner rings and sleeves, reducing the deviation in the intensity unit of textured paint and supplying the minimum amount of ink, the in-house 5P campaign, and a cafeteria food-waste reduction campaign. Of a total of 3,326 tons of waste generated in 2025, the recycled amount was 2,519 tons, achieving a recycling rate of 76%.

Waste Recycling Target

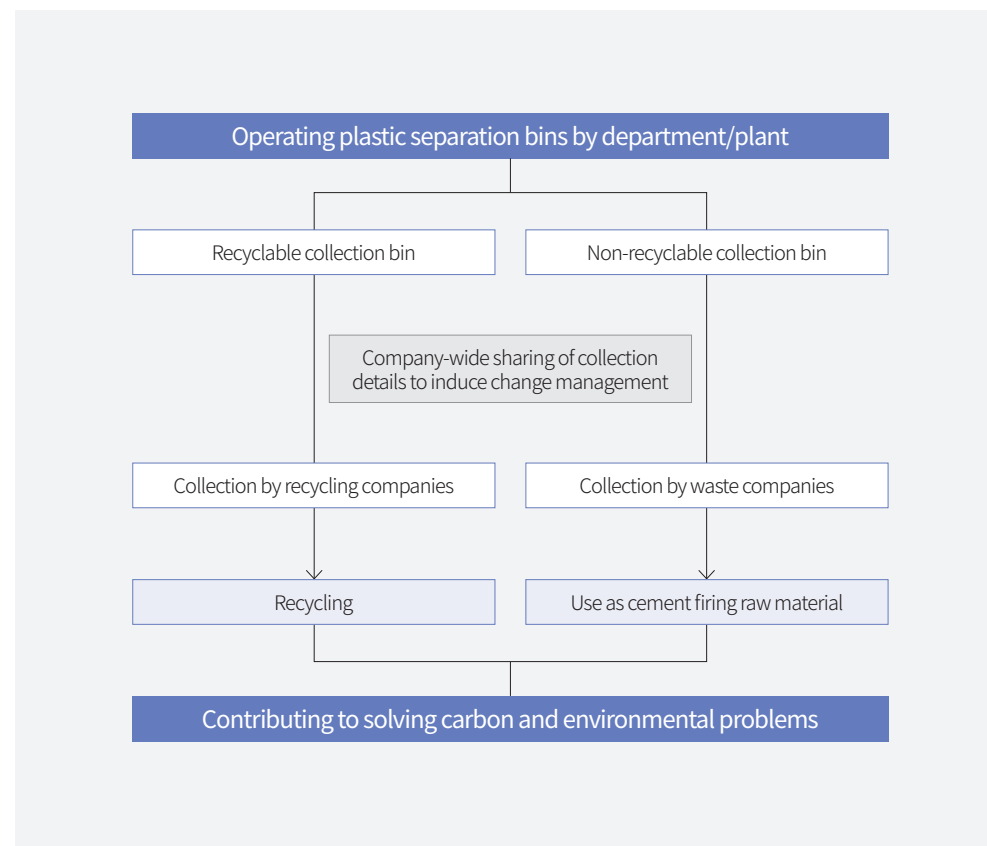
Waste Generation and Recycling

Category	Unit	2023	2024	2025	
				Target	Performance
Waste generation	Tons	3,077	3,282	3,389	3,326
General waste		816	1,323	1,236	1,456
Designated waste		2,261	1,959	2,153	1,870
Recycled amount		2,388	2,576	2,336	2,519
Recycling rate	%	78	79	70	76

* Data scope: domestic business sites (Galvanizing, Color Coating, PosART)

Conducting the In-House 5P Campaign

POSCO STEELEON runs a 5P campaign so that all officers and employees can practice carbon reduction activities in their daily lives. The 5P campaign consists of practicing Private Cup use, Power Off (cutting off standby power), Proper Temperature (maintaining appropriate heating and cooling temperatures), Plasticless (separate collection of waste plastic), and Paperless (refraining from using printed materials). We also designate every Thursday as 'Green Day' to remind employees of the 5P campaign and continuously pursue ESG management.



Environmental Impact

Management Activities

Waste and Resource Circulation Management

Green procurement

As a member of the POSCO Group, POSCO STEELEON established a green procurement policy for the purpose of sustainable procurement that prevents resource waste and environmental pollution across the entire process of its business activities, complies with relevant laws, and fulfills social responsibility. The green procurement policy recommends that not only POSCO STEELEON but also suppliers trading with POSCO STEELEON comply with a policy at a level similar to this policy. Through green procurement, we consider the eco-friendliness of suppliers or materials from the early purchasing stage so that humanity can sustain a continuous life, including through decarbonization, minimizing environmental impact, and effective resource use. We have established a procurement concept from the perspectives of certified green procurement (GP1-GP2) and POSCO-designated green procurement (GP3-GP7) and continuously expand purchases that reduce environmental impact. The 2025 green procurement performance was KRW 34 million in green procurement out of a total purchase amount of KRW 235,933 million, recording 0.014% of the total purchase amount.

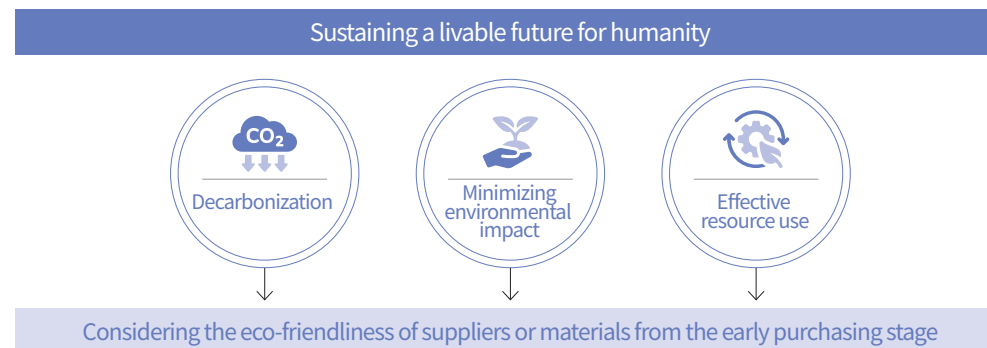
Basic Principles of the Green Procurement Policy

We must practice substantive green procurement activities that consider eco-friendliness and sustainability across the entire process of business activities, including the procurement of raw and sub-materials, processes, operations, logistics/distribution, and waste treatment.

To practice substantive and effective environmental management, we must practice green procurement not only in material purchasing for main business activities but also across company-wide procurement work, including consumable materials such as fixtures and equipment used at business sites.



POSCO STEELEON Green Procurement Concept



Category	GP	Details
Certified green procurement	GP1	Eco-label products
	GP2	GR (Good Recycle) mark products
POSCO's own green procurement	GP3	Energy-saving items (energy efficiency grade 1-2, energy-saving mark products, high-efficiency energy equipment, etc.)
	GP4	Hazardous substance reduction items (lead, mercury, cadmium, hexavalent chromium, PCB, asbestos)
	GP5	Waste reduction items (packaging unit adjustment, purchasing based on waste recovery standards, refill contracts, rechargeable, etc.)
	GP6	Others (flame retardant, items with foreign environmental labels)
	GP7	Items requiring eco-friendly consideration

POSCO STEELEON Green Procurement Performance

Category	Unit	2023	2024	2025
Total purchase amount ¹⁾	KRW million	222,662	234,969	235,933
Purchase amount of products that reduce environmental impact ²⁾	KRW million	44	66	34
Purchase proportion	%	0.02	0.028	0.014

1) The total purchase amount paid for all items purchased from suppliers for product production and operation, such as main raw materials, auxiliary materials, sub-materials, facilities, materials, and services

2) GP1-GP7 grade items purchased from eNtoB, which handles the delivery of group MRO materials; eNtoB combines the certified green procurement policy with POSCO's own green procurement policy to assign green procurement grades (GP1-GP7) to MRO materials before delivering them to operating companies

Human Resources

Management Framework

Human rights management policy

POSCO STEELEON supports international human rights standards such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs), and the UN Global Compact. Through building human rights management governance, establishing a human rights due diligence system, and operating a grievance handling system, we strive to prevent and mitigate company-wide human rights risks. POSCO STEELEON established a human rights management policy to identify and stipulate stakeholder groups vulnerable to human rights (officers and employees, suppliers, local communities, etc.). The human rights management policy applies to POSCO STEELEON's officers and employees, and it recommends that partner companies trading with the company and their officers and employees also comply with this policy or a policy at a similar level. In addition, to effectively realize human rights management, we have also established separate guidelines for human rights due diligence implementation and grievance handling procedures.

→ Human rights due diligence implementation guidelines

→ Human rights management policy

→ Grievance handling procedure operating guidelines

Operating a Stakeholder Human Rights Grievance Handling Channel

To protect the human rights of all stakeholders, including officers and employees, POSCO STEELEON operates a human rights grievance handling channel and receives reports of general human rights violations that may occur across the company, operating companies, and the supply chain. The reporting scope includes major human rights issues stipulated in the human rights management policy, such as non-discrimination in employment, infringement of the freedom of association and collective bargaining, forced and child labor, human rights violations due to non-compliance with industrial safety, human rights violations in the supply chain, human rights violations of local communities and local residents (including indigenous peoples), infringement of environmental rights, and infringement of consumer human rights. Human rights grievances can be received online and offline, such as through the cyber reporting channel, e-mail, and telephone, and received matters are handled fairly and systematically in accordance with internal procedures. The company thoroughly guarantees the anonymity and personal protection of reporters and applies protective measures to prevent disadvantages resulting from reporting. Handling results are shared with relevant departments and management and reflected in preventing recurrence and improving the system.

→ General human rights violation reporting

Case Study

Proclamation of the 2025 POSCO Group Human Rights Management Declaration

With the expansion of corporate business areas and the internationalization of supply chains, the importance of human-rights-related assessment across the value chain is rising. The POSCO Group established a plan to advance group-level human rights management by operating a human rights management TF (October-December 2024) involving major human-rights-related departments within the group. Accordingly, under the direction of POSCO Holdings, six major operating companies of the POSCO Group, including POSCO STEELEON, agreed to pursue human rights management in earnest from 2025.

1. Building group-level human rights management governance

Establishing the declaration | The CEO and the representatives of the six companies jointly sign to raise the awareness and participation of all group officers and employees and to effectively spread the commitment to human rights practices internally and externally

Forming a consultative body | Establishing a group human rights management consultative body to pursue the minimization of the human rights management level gap among 'holding company - operating companies - overseas subsidiaries'



POSCO Group Human Rights Management Declaration Ceremony held on February 20, 2025

2. Establishing group human rights due diligence methodology

Written due diligence | Developing a written due diligence methodology that can check human-rights-related risk factors and identify negative impacts in accordance with global assessment standards

On-site due diligence | Defining vulnerable groups to include high-risk subjects during on-site due diligence of business sites where company-level risk factors have been identified

Schedule	April	May	June	July	August	September
2025 Human Rights Impact Assessment Schedule	Forming the Working Group / change management education	Written due diligence Human rights management system assessment Employee awareness survey	First report and selection of on-site due diligence targets	On-site due diligence	Selecting priority issues and preparing improvement plans	Comprehensive report and connection to the holding company Report to the Group ESG Council

3. Operating a group integrated grievance handling mechanism

Grievance types | Standardizing grievance types at the group level and building a monitorable system for the fair, transparent, and prompt resolution of human rights issues

On-site due diligence | Setting and operating standards for reporting or transferring to the holding company when human rights issues arise at operating companies

Human Resources

Management Activities

POSCO Group Human Rights Management Declaration

To practice human rights management and internalize more systematic human rights management at the group level, the POSCO Group established the 'Group Human Rights Management Declaration,' and in February 2025 the representatives of a total of six operating companies, including the CEO of POSCO STEELEON, jointly signed and proclaimed it on behalf of the entire POSCO Group.

포스코그룹 인권경영 선언문

포스코그룹은 구성원, 주주, 고객, 비즈니스 파트너, 지역사회 등 경영활동 과정에서 관계를 맺고 있는 모든 이해관계자의 인권을 존중하며, 사회와 조화를 통해 성장하고 영속하는 기업이 되고자 합니다.

포스코그룹은 인권경영을 통해 인권경영의 기본 원칙과 실행 방안을 제시하고 있으며, 세계 인권선언, 국제인권장전, 유엔 기업과 인권 이행원칙 및 국제노동기구 핵심협약, 경제협력개발기구 다국적기업 가이드라인, 유엔 아동권리 협약, 유엔 선주민 권리 선언, 유엔 인권옹호자 선언, 기타 아동노동자, 여성, 장애인 등의 권리를 명시한 국제 기준을 바탕으로 인권경영 실천 및 점검체계를 수립하여 운영합니다.

※ 인권정책은 인권경영 정책, 다양성·평등성·포용성 정책, 책임투자 정책, 공급망 정책, 이해관계자 참여 정책을 포함합니다.

우리는 포스코그룹의 임직원뿐만 아니라 모든 이해관계자의 인권을 보호하고 증진하기 위해 최선을 다할 것을 선언합니다.

1. 인권보호를 위한 핵심 관리 영역

포스코그룹은 모든 경영활동에서 다음의 인권 영향을 고려하여, 인권 침해 예방 및 피해자 구제에 앞장섭니다. 나아가 경영 환경의 변화나 사업 확장에 따라 인권 영향 관리의 우선순위가 변동될 수 있음을 인지하고, 정기적 인권실사 및 대내외 이해관계자들과 협의를 통해 인권 영향 관리영역을 지속적으로 조정합니다.

- 차별금지: 인종, 성별, 연령, 장애, 국적 등 개인의 고유한 특성을 이유로 차별하지 않으며, 동등한 고용 기회를 제공하고 공정한 평가를 보장합니다.
- 강제노동 및 아동노동 금지: 강제노동, 헌신계약, 아동노동을 금지하며, 모든 근로자는 자주의사에 따라 일할 권리를 보장받습니다.
- 결사 및 단체교섭의 자유 보장: 근로자의 결사의 자유와 단체교섭권을 보장하고, 노동조합 활동으로 인한 불이익을 금지합니다.
- 정의로운 전환: 환경적으로 지속 가능한 경제에 사회를 추구하는 과정에서 모든 이해관계자에게 가능한 한 정의롭고 포용적인 방식으로 접근하며, 양질의 일자리를 창출하고 소외되는 사람이 없도록 노력합니다.
- 산업안전 보장: 안전하고 건강한 근무환경을 조성하기 위해 국제적 수준의 안전 기준을 철저히 준수하며, 작업 중 발생할 수 있는 위험을 예방합니다.
- 직장 내 괴롭힘 방지: 직장 내 괴롭힘, 성희롱을 포함한 모든 형태의 신체적, 정신적 침해 행위를 방지하여 존중과 배려의 조직문화를 형성합니다.
- 책임 있는 공급망 관리: 비즈니스 파트너의 인권경영을 지원하며 공급망에서 발생할 수 있는 인권 리스크를 평가하고 관리하여 공정한 거래 관계를 유지합니다.
- 부패 및 뇌물방지: 모든 거래에서 공정한 거래원칙을 유지하기 위해 국내외 뇌물 및 부패방지 법률과 규범을 준수합니다.
- 환경권 보장: 온실가스 배출을 감축하며, 천연자원과 부산물을 효율적으로 활용해 자연 생태계의 복원과 보전을 위해 노력합니다.
- 지역주민 인권 보호: 회사가 경영활동으로 지역사회에서 인권 침해가 발생할지 않도록 의견을 수렴하고 인권 문제가 해결될 수 있도록 노력하며, 지역 특성과 주민의 안전, 보건, 경제 활동에 미치는 영향을 평가하고 문화 보전 및 생물 다양성을 고려합니다.
- 소비자 인권 보호: 고객의 목소리를 경청하고 안전하고 신장에 위협이 되지 않는 제품과 서비스를 제공합니다. 고객과 관련된 정보 보호에도 철저히 임하여 고객의 신뢰를 지키기 위해 노력합니다.

2. 인권경영 관리체계

포스코그룹은 유엔 기업과 인권 이행원칙에 기반하여 보호, 존중, 구제의 원칙을 중시하고, 임직원 등 모든 이해관계자의 체계적인 인권경영 관리를 위해 인권 관련 리스크 식별, 방지, 완화, 대처하기 위한 인권 관리체계를 수립하여 운영합니다.

- 인권 거버넌스: 포스코홀딩스 이사회 및 최고경영진은 인권경영 정책과 전략을 수립하며, 임직원과 인권경영 실천을 위한 전반적인 방향과 정책을 도모합니다. 포스코그룹의 최고경영진은 사명 활동 전반에서 인권관행체계를 이행하고 관리하는 책임을 다합니다.
- 인권 실사: 회사는 인권 실사를 통해 회사, 사회사, 공급망에서 발생할 수 있는 부정적 인권 영향을 파악하고, 이를 방지하고 완화하며 인권에 대한 책임을 다합니다. 실사를 통해 발견된 문제는 내외부 전문가의 도움을 받아 적극적으로 해결하며, 개선 조치의 효과성을 정기적으로 점검합니다.
- 고충처리제도: 인권 관련 문제 제기와 구제를 위한 고충처리제도를 운영하며, 윤리상담센터 및 비유리 신고센터 등을 통해 모든 이해관계자가 불이익 없이 고충을 제기할 수 있도록 지원합니다. 고충 제기자에게 적절한 코드백과 후속조치를 제공하며, 이해관계자가 고충처리제도를 통해 효과적으로 문제를 맞출 수 있었는지 정기적으로 평가합니다.
- 이해관계자와의 소통: 이해관계자의 인권 우려에 책임감 있게 응답하며, 공식 보고서와 온라인 채널을 통해 투명하게 소통합니다. 인종, 성별, 연령, 장애, 국적 등으로 인해 취약성을 지닌 이해관계자의 의견에 특별한 주의와 관심을 기울여 경영활동을 개선합니다.

포스코그룹은 모든 임직원과 이해관계자가 존중받을 수 있는 환경을 조성하고, 국제 사회의 인권원칙을 지지하고 준수하는 데 앞장서겠습니다.

포스코그룹을 대표하여 그룹 CEO 및 주요 계열회사 대표이사가 함께 인권경영을 선언합니다.

2025.2.20.

포스코홀딩스
그룹 CEO 장인화

포스코
사장 이희곤

포스코인터내셔널
대표이사 사장 이계인

포스코이앤씨
사장 정희민

포스코퓨처엠
대표이사 부장 엄기천

포스코 DX
사장 심민석

포스코스틸리온
사장 최사열

posco

Human Resources

Management Activities

Mid- to Long-Term Human Rights Management Targets

To protect and respect the human rights of all stakeholders, POSCO STEELEON has established mid- to long-term human rights management targets and pursues them step by step.

Mid- to Long-Term Human Rights Management Targets

Vision

Creating a corporate culture in which both members and stakeholders are respected through people-centered value management

Target



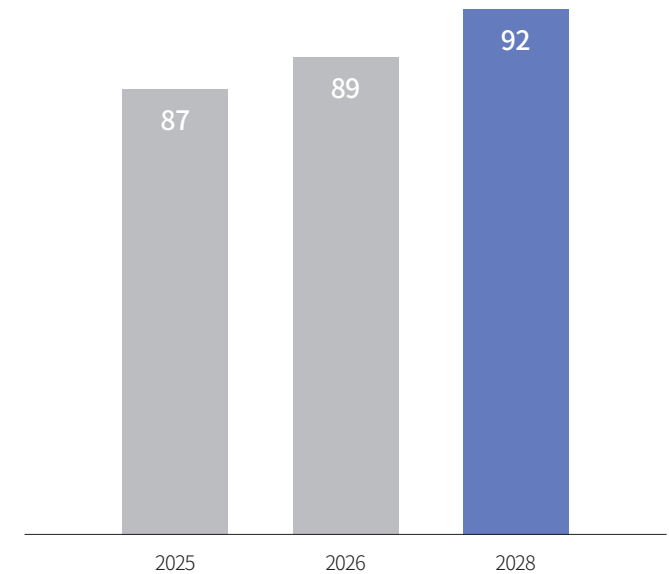
Implementation strategy

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> · Establishing a human rights management declaration and management system (assessment scope and entities) · Newly establishing 2 human-rights-related work guidelines · Conducting human rights impact assessments of domestic business sites | <ul style="list-style-type: none"> · Expanding the scope of the human rights impact assessment (domestic - partner companies and overseas subsidiaries) · Monitoring human rights management implementation · Improving the website human rights violation reporting center (centered on the 8 human rights areas) | <ul style="list-style-type: none"> · Establishing a human-rights-centered organizational culture (regularizing human rights sensitivity education for all officers and employees) · Linking performance metrics (reflecting human rights management practice items in department KPIs) · Strengthening Individual Care activities to listen to officers' and employees' difficulties |
|--|---|---|

Mid- to long-term metric

Human rights management internalization metric score

(Human rights management system assessment 50%, human rights awareness survey 50%)



Human Resources

Management Activities

Human Rights Impact Assessment

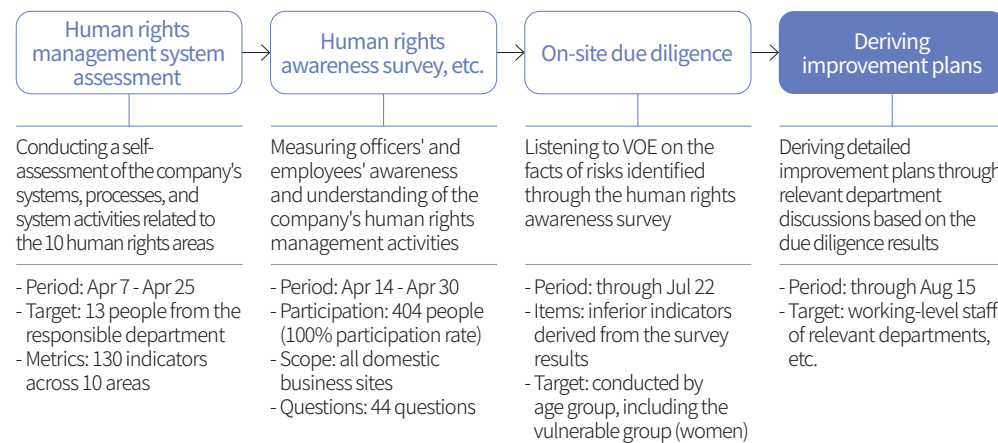
In line with the policy to advance the group human rights management system, POSCO STEELEON conducted a human rights impact assessment of officers and employees at its domestic business sites in 2025, based on the group common checklist.

In particular, POSCO STEELEON focuses on proactively identifying vulnerable stakeholders and resolving risks through human rights due diligence. In 2023, we conducted a human rights impact assessment of our Myanmar subsidiary, which is relatively vulnerable in terms of human rights, and in the 2025 assessment of domestic business sites, we conducted an in-depth investigation covering the full range of human-rights-vulnerable groups stipulated in our human rights due diligence implementation guidelines, such as female employees, older workers, interns, and contract/dispatch workers. In particular, for female employees, female worker representatives conducted in-depth interviews directly, enhancing the authenticity and effectiveness of the assessment by gathering opinions tailored to each vulnerable group.

Human rights vulnerable groups

Category	Type
Women	· Pregnancy/childbirth period (within 12 weeks or after 38 weeks of pregnancy), child-rearing period
Age	· Young workers aged 15 to 29 · Workers aged 55 or older or 60 or older
High-risk jobs	· Workers engaged in processes and production where one or more industrial accidents have occurred
Employment type	· Interns, contract workers, dispatch/service workers
Wage level	· Low-wage workers earning less than two-thirds of the median income based on OECD standards
Minorities	· Persons with disabilities, those with a medical history, foreign/migrant workers · Religious/racial/ethnic/sexual minorities
Others	· Workers who have raised a specific human rights issue through grievance handling procedures, etc., or whom the company or an operating company has designated as requiring in-depth assessment
Local residents	· Indigenous people residing near the company or a local community business site · Residents living near a business site of the company or an operating company located in a conflict-affected area · Those who have raised a specific human rights issue through grievance handling procedures, etc., or whom the company or an operating company designates as requiring in-depth assessment
Consumers	· Consumers who have raised a specific human rights issue through grievance handling procedures, etc., or whom the company or an operating company has designated as requiring in-depth assessment

2025 Human Rights Due Diligence Details



Human rights areas assessed for awareness

- Building a human rights management system
- Prohibition of forced labor
- Non-discrimination in employment
- Prohibition of child labor
- Guaranteeing freedom of association and collective bargaining
- Ensuring industrial safety
- Preventing workplace harassment
- Responsible supply chain management
- Protecting the human rights of local residents
- Guaranteeing environmental rights

Human Rights Risk Mitigation

As a result of the 2025 human rights impact assessment, internal awareness of POSCO STEELEON's human rights management was confirmed to be generally positive, but some areas requiring supplementation were also identified.

For the vulnerable areas, we first closely identified the facts against the results shown in the awareness survey through on-site in-depth interviews, and then held a discussion of relevant departments chaired by the executive in charge of human rights management to derive improvement tasks. In the 2025 human rights impact assessment, we identified a total of 5 improvement tasks and completed all of them within 2025. Going forward, POSCO STEELEON plans to regularize the human rights impact assessment and manage human rights risks by measuring the effectiveness of improvement tasks.

* Improvement tasks: appointing official in-house grievance handling members, posting human rights management campaigns in-house, etc.

Human Resources

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Human Rights Due Diligence of the Myanmar Subsidiary (MPCC)

In relation to recent human rights issues in Myanmar, POSCO STEELEON fundamentally blocks any funds arising from the management of its Myanmar subsidiary from being involved in human rights issues, and it conducts regular human rights due diligence of the Myanmar subsidiary. This is part of measures to identify the negative impacts that the company's business activities may have on the local community and to carry out management activities to address them.

ESG Response Status of the Myanmar Subsidiary (MPCC)

In relation to recent human rights issues in Myanmar, POSCO STEELEON fundamentally blocks any funds arising from the management of its Myanmar subsidiary from being involved in human rights issues. Ultimately, in order to terminate the joint venture, it continues its efforts to acquire MEHL's stake, and at the same time, through the Myanmar subsidiary's general shareholders' meeting in January 2021, it resolved not to pay any dividends until human rights issues are resolved. In addition, in accordance with economic sanctions from countries around the world, it is currently not paying land rent for the plant site it is leasing.

Based on its majority stake, POSCO STEELEON conducts independent management and can continue to maintain this fund blocking, and although the normal operation of the Myanmar subsidiary is restricted under Myanmar's unstable political and economic situation, it maintains the employment of all personnel to sustain the stable livelihood of locally hired employees. This response by the Myanmar subsidiary was, at the time of the 2022 visit to Korea by the UN Special Rapporteur on the situation of human rights in Myanmar,

introduced in the official results [Go to link](#) and although the report did not directly mention POSCO STEELEON's company name, based on the report prepared at that time, content of the meeting with the company it states that 'the efforts made to prevent revenue from flowing into the military regime without harming the livelihoods of Myanmar employees are commendable.'

The company will balance and maintain this series of measures that sustain the employment stability of local employees while ensuring that the Myanmar subsidiary's funds are not used for human rights issues.

In addition, separately from these response measures toward MEHL, to check whether the Myanmar subsidiary itself complies with international human rights norms and local law, POSCO STEELEON has been improving potential and actual human rights risks after conducting human rights due diligence through a third-party institution in 2023. In this way, POSCO STEELEON continuously pays attention and makes efforts to ensure that the internal and external management activities of the Myanmar subsidiary do not infringe on human rights, and transparently discloses this to stakeholders.

The products manufactured by the Myanmar subsidiary are used to improve the housing environment of the Myanmar people and for industrialization, such as housing roof improvement and factory walls, contributing to Myanmar's economic and social development. In addition, the Myanmar subsidiary carries out various social contribution activities such as building schools for the vulnerable and installing water purification wells.

Going forward, the Myanmar subsidiary will strive to develop together with the local community and fulfill its corporate social responsibility to grow into a company loved by local people.

POSCO STEELEON External Response Disclosure

➔ Response to the inquiry from the Business & Human Rights Resource Centre (Business & Human Rights Resource Centre)

➔ OECD Korea NCP assessment results



POSCO STEELEON's Myanmar subsidiary (MPCC, Myanmar POSCO C&C) is a plated/color-coated steel sheet manufacturer located in Yangon, Myanmar, producing steel materials used for roofing to improve the housing environment of the Myanmar people and for factory walls for industrialization. When the subsidiary entered Myanmar in 1997, a joint venture with a designated local government enterprise was required under local Myanmar law, so it was established and operated as a joint venture with Myanma Economic Holdings Ltd (MEHL).

* Equity structure: POSCO STEELEON 70%, MEHL 30%

Human Resources

Management Activities

Special Page

Human Rights Due Diligence of the Myanmar Subsidiary (MPCC)

Human Rights Due Diligence of the Myanmar Subsidiary (MPCC)

POSCO STEELEON conducted human rights due diligence in 2023 to protect the human rights of local people at Myanmar POSCO Steel Sheet, and the main content of the human rights due diligence is as follows.

1. Overview of the Human Rights Due Diligence

The human rights due diligence was conducted for the purpose of diagnosing the level of human rights management implementation of the Myanmar subsidiary by investigating actual human rights risks and measuring the performance of human rights management, and of advancing the human rights management system by improving and supplementing human-rights-related company regulations and systems in consideration of global guidelines and local law. Five tools were used as due diligence criteria, such as the POSCO overseas human rights diagnosis subsidiary self-inspection survey, and the due diligence period was conducted over two months from July to September 2023. The assessment was conducted for all officers and employees of the Myanmar subsidiary through employee surveys and in-depth interviews.

2. Human Rights Due Diligence Results

Overall at a good level, but recommendations for revising regulations and conducting education in the following 5 areas.

Category	Main recommendations
Human rights management	Specifying grievance handling procedures and the roles of responsible departments in regulations and educating employees on the procedures
Prohibition of discrimination	Specifying in the regulations the probationary period wage details paid by the subsidiary
Safety	Conducting periodic hygiene inspections and education, and reporting education results to management
Prohibition of child labor	Specifying in the regulations that the subsidiary does not hire workers under 18
Guaranteeing freedom of association	Reflecting in the regulations wording that guarantees the collective bargaining rights of bodies representing workers

3. Future Plans

For the areas pointed out as recommendations, such as human rights management education and stipulating a human rights management policy, improvements have been completed, and we plan to disclose the results of the human rights due diligence in the sustainability report and on the website to use them as official responses when stakeholders raise issues. We also plan to set the protection and promotion of the human rights of the Myanmar subsidiary's officers and employees as our top priority and devote all our efforts to achieving the target.

Win-Win Growth Between the Myanmar Subsidiary (MPCC) and the Local Community

The products manufactured by the Myanmar subsidiary are used to improve the housing environment of the Myanmar people and for industrialization, such as housing roof improvement and factory walls, contributing to Myanmar's economic and social development. In addition, the Myanmar subsidiary carries out various social contribution activities such as building schools for the vulnerable and installing water purification wells. Going forward, the Myanmar subsidiary will strive to develop together with the local community and fulfill its corporate social responsibility to grow into a company loved by local people.



Human Resources

Management Activities

Respecting Officer and Employee Diversity

POSCO STEELEON seeks to enhance the Diversity, Equity, and Inclusion (DE&I) of all officers and employees and to create a healthy working environment in which officers and employees can fully demonstrate their capabilities by preventing discrimination, harassment, and sexual harassment in the workplace. To this end, we established a Diversity, Equity, and Inclusion policy on October 22, 2024, and based on this policy we systematically reflect the values of diversity and inclusion across employee recruitment and employment.

In addition, despite an environment in which the labor participation of women and persons with disabilities is relatively limited due to the nature of the industry, we recognize expanding gender diversity as a key task and continue our efforts to raise the proportion of female personnel.

Furthermore, the company strives to create a workplace where all officers and employees can work equally regardless of disability. To this end, we steadily improve the working environment and organizational culture, and we carefully examine working conditions so that there are no difficulties or constraints in performing work.

We also do our utmost to create an environment in which officers and employees can work comfortably and safely. In particular, based on an inclusive working atmosphere that recognizes and respects each individual's abilities and characteristics, we actively recruit talent with diverse backgrounds to expand employment diversity.

Female and Persons-with-Disabilities Employment Status (Unit: persons)

Category	2023	2024	2025
Total number of officers and employees	440	427	423
Number of women	32	32	35
Number of employees with disabilities	13	13	14

Officer and Employee Diversity Education

POSCO STEELEON conducts diversity education to internalize an organizational culture that respects social diversity. We regularly conduct disability awareness improvement education for all officers and employees to increase understanding of disability and to prevent discrimination or exclusion in the workplace. We also conduct related education in accordance with guidelines for preventing sexual harassment and workplace harassment, thereby preventing discrimination and conflict due to gender in advance and preventing acts that infringe on employees' dignity and integrity in the workplace. This education is operated in an e-learning format so that all officers and employees can complete education according to the same standards, and it is used as basic infrastructure for establishing an inclusive organizational culture.

Regular One-Family Council and Tiered Meetings for Social Dialogue

POSCO STEELEON leads the way in labor-management harmony and the establishment of a healthy organizational culture through social dialogue, and it has established and operates the One-Family Council (Labor-Management Council) in accordance with the Act on the Promotion of Workers' Participation and Cooperation. The One-Family Council comprises 6 management members and 6 worker representatives, and in 2025 it held one meeting each quarter to consult on various agenda items such as improving working conditions, welfare systems, safety and health, and personnel systems. The One-Family Council continuously receives employees' opinions through frequent interviews and provides feedback. It transparently records and manages the agenda items discussed at meetings, and agreed matters are announced and applied to all officers and employees through posting.

In addition, POSCO STEELEON holds tiered meetings to strengthen communication between management and employees. Tiered meetings are conducted in a way that employees at each level, such as new and low-tenure employees, experienced employees, and middle managers, participate and exchange opinions on set topics, and various opinions are presented to discover areas for improvement across the company.

Key Consultation Content of the 2025 One-Family Council

Category	Main agenda	Date	Attendees
Q1	- Raising welfare points - Expanding comprehensive checkup targets - Raising childbirth congratulatory payments - Paying duplicate-holiday allowance for the founding anniversary - Supporting Seoul office parking fees - Criteria for paying incentives for acquiring safety qualifications improvement - Adjusting the number of times spousal childbirth leave can be split	2025.03.24	12 people
Q2	- Improving the method of supporting recreational facilities - Improving weekend transportation support	2025.06.20	12 people
Q3	- Base pay increase of 2.7% - Paying labor-management harmony incentives - Improving the medical expense support system - Raising event support for retirees - Raising holiday work incentives - Improving job environment allowances - Raising emergency call payments - Improving the zero-accident incentive system - Adjusting compensation allowances	2025.10.31	12 people
Q4	Reporting on the management situation and pledging a safe workplace	2025.12.24	12 people

2025 One-Family Council



Human Resources

Management Activities

Operating Various Work Systems

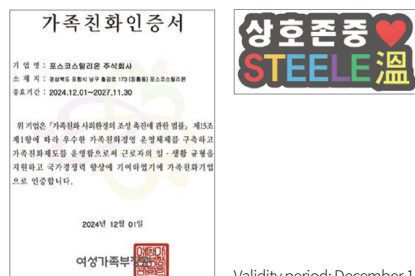
To innovate corporate culture and strengthen officers' and employees' work-life balance, POSCO STEELEON consulted on introducing a flexible working hours system and a selective working hours system through the One-Family Council in 2018, and based on this it has built a flexible working hours operation system step by step.

Accordingly, to simultaneously enhance officers' and employees' work efficiency and quality of life, we operate a 'biweekly four-day workweek' and implement various flexible work systems such as a selective working hours system, contributing to creating a working environment that fits each individual's living conditions.

The flexible work system is operated by clearly stipulating the applicable subjects, application/approval procedures, attendance management methods, and information security compliance matters for remote work in accordance with the 'Flexible Work Operation Guidelines.' In addition, to create a female-friendly working environment, we support remote work during pregnancy and actively support balancing work and childcare through the reduced-working-hours system during pregnancy and child-rearing.

As a result, the number of people using the flexible work system increased from 85 in 2024 to 131 in 2025, and POSCO STEELEON monitors the utilization status of each system on a monthly basis through its HR system and continuously manages the effectiveness of the systems.

Family-Friendly Certificate



Validity period: December 1, 2024 - November 30, 2027

Operating Family-Friendly Systems

POSCO STEELEON recognizes creating a working environment in which officers and employees can harmoniously balance work and family as an important management task, and it operates family-friendly systems that reflect the needs of each life stage. In particular, to minimize career interruption due to childcare, we introduced a child-rearing remote work (full-day or half-day) system as a work arrangement that allows balancing childcare and work. This system is operated for employees with children aged 8 or under or in the second grade of elementary school or below, and it applies the same standards as regular working employees across personnel systems such as welfare, promotion/pay-step advancement, and salary adjustment, so that no disadvantage arises from using the system.

Along with this, through various systems such as remote work during pregnancy, the reduced-working-hours system, and infertility treatment leave, we ease the work burden caused by childbirth and childcare and support the career maintenance and continuous growth of female personnel within the organization. We also pay childbirth congratulatory payments of KRW 3 million for the first child, KRW 7 million for the second child, and KRW 10 million for the third or more child to childbearing families, and when the employee or their spouse gives birth,

we also provide practical financial support such as a 'baby's first meeting gift' worth KRW 1 million.

POSCO STEELEON systematically manages the operating performance of these family-friendly systems, and as a result it obtained the Ministry of Gender Equality and Family's family-friendly company certification in 2024. It plans to continuously maintain and improve the level of family-friendly management even after the certification's validity period. Going forward, POSCO STEELEON will enhance officers' and employees' quality of life through work-life balance support and strengthen sustainable organizational competitiveness based on a stable working environment.

Organizational Health Survey

The POSCO Group surveys organizational health among the employees of each operating company, shares it with the operating company, and takes measures for the company to establish satisfaction improvement plans on its own. POSCO STEELEON establishes necessary action plans for improvements derived through the relevant survey, and it continuously improves the working environment through its own employee satisfaction improvement activities, improving the following in 2025.

Key Performance of 2025 Employee Satisfaction Improvement Activities

- Expanding comprehensive checkup targets (March)
- Expanding the safety qualification acquisition support system (May)
- Expanding the split use of spousal childbirth leave (May)
- Conducting Empathy Plus workshops (for all employees, May-July, 8 rounds)
- Job stress assessment and psychological counseling support for all employees (June)
- Strengthening employee health management during the heat wave (June)
- Implementing measures to revitalize in-house clubs (June)
- ACE (Avoid Sweet - blood sugar control, Control weight, End Smoking)
- Health
- Implementing a challenge program (July-November)
- Installing measurement equipment for employee health management and conducting expert counseling (August)
- Providing services through an MOU with a medical institution (September)



Human Resources

Management Activities

Officer and Employee Diversity

POSCO STEELEON establishes quantitative targets related to worker diversity so that officers and employees with diverse backgrounds, such as gender and disability, can grow based on fair opportunities, and it systematically manages them.

For the female worker employment rate, we set a target of 4.58%, corresponding to '70% of the average of comparison-group companies' under the Affirmative Action (AA) operated by the Ministry of Employment and Labor. As of the end of 2025 (based on the reporting date of the Ministry of Employment and Labor's 'Analysis Results of the Status of Male and Female Workers'), POSCO STEELEON's female worker employment rate is 8.5%. In addition, the proportion of female managers in 2025 was 1.8%, and we aim to expand it to 5.4% by 2028.

Gender Composition Status and Targets of Managerial Positions

(Unit: persons)

Category	2025 result			2028 target		
	Total	Male	Female	Total	Male	Female
Managerial positions (leader to group head) ¹⁾	56	55	1	56	53	3
Ratio (%)	100.0	98.2	1.8	100.0	94.6	5.4

1) Excluding the number of on-site managers

Expanding Employment of Female and Persons-with-Disabilities Workers

Regarding the employment of persons with disabilities, POSCO STEELEON sets a target of continuously maintaining a rate above the statutory mandatory employment rate (3.1%) under the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities. While the Korea Employment Agency for Persons with Disabilities imposes a 3.1% mandatory employment rate for persons with disabilities on employers with 50 or more full-time workers as of 2025, POSCO STEELEON's employment rate of persons with disabilities as of December 31, 2025 was 3.4%, exceeding the statutory standard and faithfully fulfilling it.

Education and Training System and Programs

POSCO STEELEON selects key agenda items by core value and introduces and operates new education and systems based on them, systematically supporting the strengthening of officers' and employees' capabilities.

In addition, POSCO STEELEON operates an education system that considers the roles and capability levels of each job grade, and it provides education courses divided into common courses, leadership and organizational culture courses, and job competency courses. Common courses are operated for all job grades, centered on core competencies commonly required of organizational officers and employees, such as safety, ethics, and basic management literacy. Leadership and organizational culture courses are composed of differentiated programs reflecting the characteristics of each job grade, systematically operated from leadership courses for leaders to step-by-step leadership education for position holders and senior associate/associate levels. In particular, some leadership courses are operated as POSCO Group University courses linked to the group talent development system, supporting the strengthening of organizational management and leadership capabilities.

Job competency courses are designed for the purpose of strengthening the professional competencies needed to perform on-the-job duties, and they provide education programs tailored to job characteristics such as technology/engineering, DX, quality, and production. Some of these professional courses are operated as POSCO Group University courses, systematically enhancing job expertise and practical competencies.

2025 HRD Core Values

Strengthening safety education	· Strengthening support for acquiring safety qualifications → Expanding congratulatory payments for acquiring safety-related qualifications
Strengthening job expertise	· Strengthening DX capabilities for business innovation → Conducting company-wide common basic education → Newly establishing advanced courses for key personnel
Strengthening position holders' capabilities	· Enhancing the substance of the Leaders' Forum for position holders → Operating special lectures to strengthen trust, such as consideration/respect, conflict management, and interview techniques
Boosting pride	· Conducting company-wide education to realize a positive organization → Building a communicative and harmonious organizational culture through wall-breaking workshops for all employees

Human Resources

Management Activities

2025 Education System Chart

 POSCO Group University courses

Division	Education course												
	Common				Leadership/organizational culture			Job competency (including collaboration)					
Group head	Regular statutory education (safety, ethics, etc.)	Safety e-learning			New group head course	Position holder Leaders' Forum	PIUM	Empathy Plus workshop	Qualification acquisition support	Statutory qualification manager education	Engineer DX Education	TL/office skills education	Key personnel degree support
Leader					New leader course								
P-job group general					Promotion education by job grade (including new employee orientation)								
General part leader					Position holder Leaders' Forum								
Senior associate/ E-job group general				PSM	Risk assessment education	Senior associate leadership education (for on-site and maintenance senior associates)							
											QSS, innovation education		

2025 Newly Established and Expanded Courses

POSCO STEELEON regularly reviews education and training courses, identifies officers' and employees' needs, and reflects them in the existing education and training system. In 2025, we expanded and newly established education courses that align with the 4 key goals of the education and training system (safety, position holders' capabilities, job expertise, and boosting employee pride) and operated them.

2025 Newly Established and Expanded Education Courses

Category		Course name	Main content
Expanded	Safety	Strengthening support for acquiring safety qualifications	- Expanding congratulatory payments for acquiring safety-related qualifications - Enhancing safety capabilities by motivating interest in safety and the acquisition of expertise
Newly established	Improving position holders' capabilities	Enhancing the substance of the Leaders' Forum for position holders	Holding the position holder leadership academy every other month
Newly established		Diversifying education topics	Enhancing expertise and participation with substantive and diverse topics, such as inviting notable speakers and psychology-based coaching (the role of middle managers, intergenerational communication, coaching, etc.)
Newly established	Strengthening job expertise	Establishing an engineer DX capability system and education	2025 completion performance - Lv1: 21 completed (completion rate 97.5%) - Lv2: 12 completed (completion rate 54.0%) - Lv3: 1 completed (completion rate 4.2%)
Newly established		Strengthening the expert development course	Supporting one person each for MBA/steel technology university
Newly established	Boosting pride	Conducting company-wide education to realize a positive organization	- Empathy Plus workshop: 8 rounds completed (May-July, 363 people) - Sharing management strategy and future vision - Promoting company-wide positivity/empathy - Realizing an organizational culture of employee communication and harmony

Qualification acquisition support

We support qualification acquisition to enhance expertise and strengthen organizational competitiveness, and as a result 11 people newly acquired qualifications as of 2025.



Qualification Acquisition Performance

Number of qualification acquirers in 2024



26 people

Number of qualification acquirers in 2025

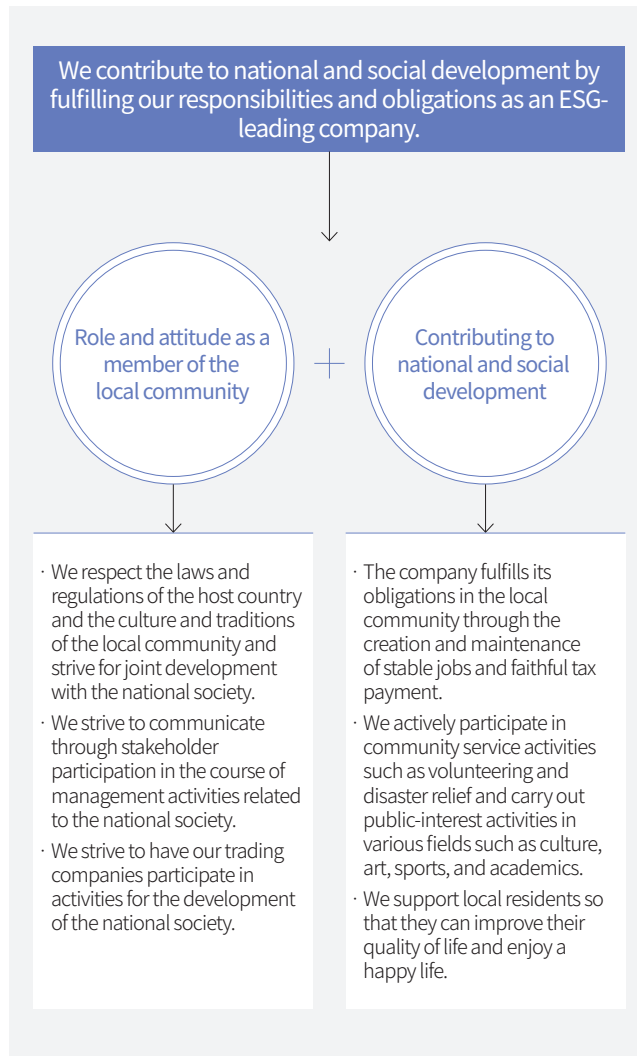


11 people

Local Community

Management Framework

Local Community Practice Guidelines



Social Contribution Activities

POSCO STEELEON 'Toad House Project'

On November 25, 2024, POSCO STEELEON concluded a 'Toad House Project' housing environment improvement project agreement with Pohang City and Save the Children, and it continues social contribution activities to create a safe and healthy housing environment for the vulnerable in the region. In the first half of 2025, it completed a housing environment improvement project for a grandparent-headed and a single-parent household in Cheongnim-dong, Pohang, linking the company's products such as PosMAC fences, wood-pattern prints, and roofing with paint and window support from a partner company (KCC).

In July 2025, it completed Toad House Project No. 2, and in December 2025, No. 3, creating results in improving the local community's housing environment through public-private-corporate cooperation. Through this project, POSCO STEELEON provided a total of KRW 70 million in social contribution funds and strengthened the safety and quality of living spaces through home remodeling using its color-coated steel. In addition, an officer and employee volunteer group directly participated in wallpapering and painting work, practicing social responsibility as a corporate citizen.

This project was recognized as an excellent social contribution model based on public-private-corporate cooperation, winning the 'Korea Social Contribution Company Grand Prize' hosted by the Korea Economic Daily. It was also selected for the Community Social Contribution Recognition Program for the fifth consecutive year in 2025 and received the Minister of Health and Welfare Prize, contributing to enhancing the quality of life of the housing-vulnerable in the local community and to the continuous spread of social contribution activities based on public-private-corporate cooperation.

Toad House Project

POSCO
STEELEON
Product
provision

Save the
Children
Project
implementation

Pohang City
Discovery/
promotion



Toad House Project social contribution fund support



Toad House Project before improvement



Toad House Project after improvement

Local Community

Management Framework

Social Contribution Activities

POSCO STEELEON Selected as a 'Rural ESG Practice Recognized Company'

In recognition of its efforts to promote rural ESG activities and win-win cooperation, POSCO STEELEON was selected as a 'Rural ESG Practice Recognized Company' on January 16, 2025, and again on January 22, 2026, for the second consecutive year. The 'Rural ESG Practice Recognition System' is a system that recognizes companies that have realized win-win cooperation with rural areas using their human and material resources and practiced ESG management, jointly hosted by the Ministry of Agriculture, Food and Rural Affairs, the Ministry of Oceans and Fisheries, and the Korea Foundation for Cooperation of Large & Small Business, Rural Affairs. POSCO STEELEON improves the housing environment and educational infrastructure in rural areas, and contributes to revitalizing the rural community economy through activities such as the kimjang sharing volunteer activity conducted since 2008 and sponsorship of local community festivals. Going forward, POSCO STEELEON plans to continuously expand win-win cooperation activities with rural and fishing areas and pursue practical support projects to contribute to the sustainable development of rural and fishing areas facing difficult conditions.



Korea National Arboretum Forest Conservation Activities

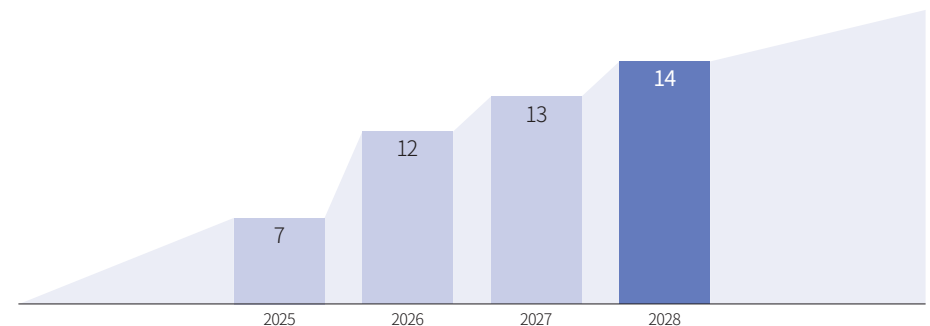
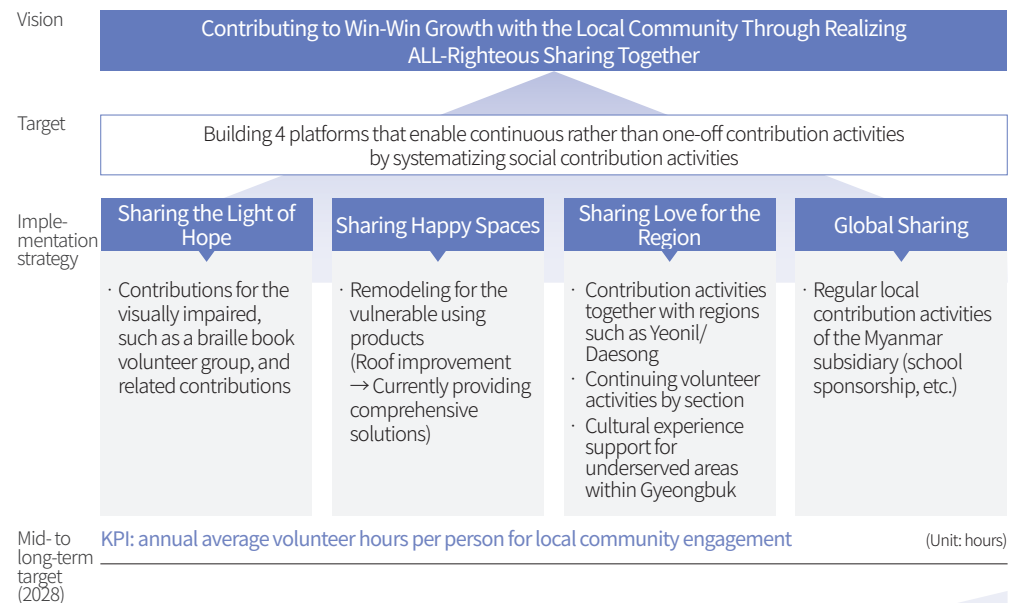
Together with POSCO E&C, POSCO STEELEON held an event to plant and tend seedlings at the Korea National Arboretum, a UNESCO biosphere reserve located in Pocheon, Gyeonggi Province, on the occasion of the 80th anniversary of Arbor Day in 2025. About 50 officers and employees of POSCO STEELEON and POSCO E&C participated in the event, conducting activities such as planting fir trees, pruning branches, and applying eco-friendly fertilizer, contributing to the healthy and sustainable conservation of the Gwangneung Forest of the Korea National Arboretum, a treasure trove of biodiversity. POSCO STEELEON has concluded a business agreement with the Korea National Arboretum since 2021 and has continued collaboration to strengthen public-private cooperation in the forestry sector and to develop eco-friendly products and decarbonization technologies. It also visits the Korea National Arboretum every Arbor Day to continue forest-tending activities, striving for biodiversity conservation and the protection of forest ecosystems. Going forward, POSCO STEELEON plans to continue social contribution activities that contribute to natural environment conservation and the realization of a sustainable society by continuously supporting various activities for forest conservation and biodiversity protection.



Mid- to Long-Term Local Community Engagement Targets

For continuous win-win growth with the local community, POSCO STEELEON establishes mid- to long-term targets for social contribution activities and manages them systematically.

Local Community Engagement Vision and Mid- to Long-Term Targets

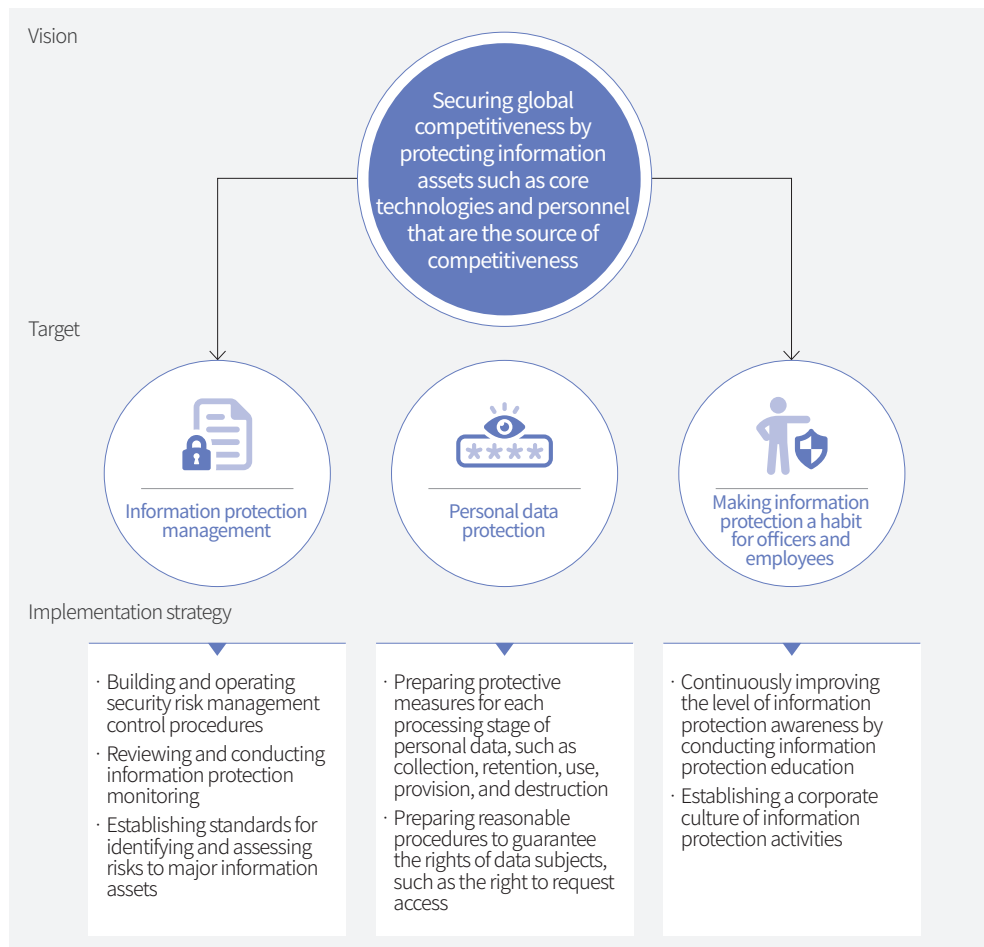


Information Security

Management Framework

Information Protection Framework

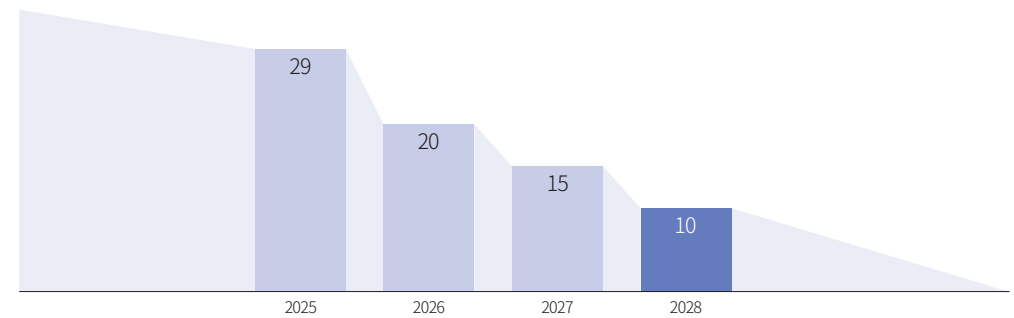
POSCO STEELEON sets information protection and personal data protection as its top values and thoroughly complies with domestic and international laws. It operates a company-wide security system centered on the Information Protection Committee and continuously conducts education for employees and partner companies to strengthen security awareness. In addition, it safely protects stakeholders' information and the company's assets by complying with strict procedures when processing personal data.



Mid- to long-term target

(Unit: persons)

Number of phishing email violators



8 Information Protection Management Items



Information Security

Management Framework

Information Protection Management System

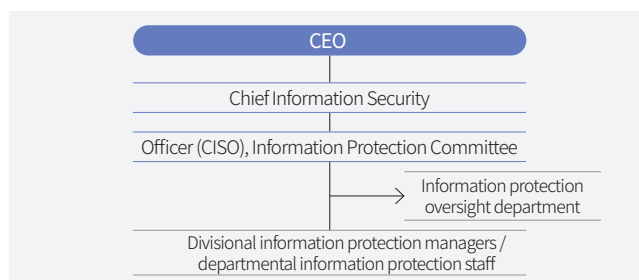
Chief Information Security Officer

POSCO STEELEON's Chief Information Security Officer (CISO) is an IT lead with more than 10 years of experience overseeing information-protection-related work. Accordingly, the company meets the requirements for designating a Chief Information Security Officer specified in Article 36-7 of the Enforcement Decree of the Network Act, and it has completed the reporting of the designation of the Chief Information Security Officer to the Minister of Science and ICT in accordance with the relevant law.

Information Protection Management System

POSCO STEELEON complies with information-protection-related laws and strengthens its information security systems and information protection activities to protect personal data and prevent cyber breaches. The IT department oversees information protection work, and each department establishes an internal management plan according to the 8 information protection management items and implements active information protection activities. In addition, it revised the security management standard to reflect operating companies' information security guidelines and personal data processing standards, and it revised and announced the personal data processing policy. Each department's information protection managers and staff protect information assets within the department and conduct information protection education for officers and employees, continuously striving to raise security awareness and strengthen security in practice.

Information Protection Management Organization Chart



Information Protection Activities

Security Systems and Information Protection Activities

POSCO STEELEON introduces and regularly inspects various security systems to prevent security incidents and respond to new security issues. It operates an integrated security control system for cyber intrusion blocking, intrusion prevention, and vulnerability diagnosis, and it monitors information-leak-related matters through an information leak management system. In addition, to internalize information protection activities, it conducts quarterly everyday security inspections.

Key Management Items of Security Systems



Security Audit

POSCO STEELEON conducts quarterly everyday security inspections to assess the status of information protection management and supplement vulnerabilities, thereby enhancing the level of information protection. It also has its operating company information security level diagnosed every year and conducts information protection investment and improvement activities based on the diagnosis results.

Information Protection Education

To raise the organization's information protection awareness, POSCO STEELEON collects an information protection pledge from all officers and employees every year and conducts cyber breach drills and information protection education at least once a year. In addition, it conducts separate education to make in-house partner company employees aware of the importance of security. It educates on basic everyday security compliance matters such as wearing access passes at all times, prohibiting the use of unauthorized storage devices, and prohibiting access to harmful/unnecessary sites. It also shares ransomware attack guidance and cases of phishing emails and malicious code infiltration and conducts education on response measures for security problems.

Information Protection Awareness Enhancement Education Programs

Category	Details	Frequency
Information Protection Education	The latest security trends and issues, such as personal data protection, security compliance matters, and preventing phishing/smishing damage	Once a year
New employee information protection education	Education to raise information protection awareness and management, such as the management system and violation cases	Upon joining
Strengthening security staff's professional capabilities	Security staff participating in professional education and acquiring information-security-related qualifications	As needed
Partner company security education support	Supporting separate education such as security compliance matters and raising information protection awareness	As needed

Shareholder Rights

Management Activities

Protection of Shareholder Rights and Interests

As of the end of December 2025, based on common stock, the total number of issued shares is 6,000,000. The largest shareholder is POSCO, which owns approximately 57% of all shares, and the rest are held by institutional investors, the National Pension Service, and other minority shareholders. To enhance the understanding and trust of shareholders and investors, POSCO STEELEON discloses IR (Investor Relations) materials, its sustainability report, and more on the corporate website and the Financial Supervisory Service's electronic disclosure system.

Shareholder Status



* Based on common stock at the end of 2025

Shareholder name	Number of shares owned (shares)	Shareholding (%)
POSCO Co., Ltd.	3,412,000	56.87
National Pension Service	46,631	0.78
Institutional	148,344	2.47
Others	2,393,025	39.88
Total	6,000,000	100

Dividend Policy

POSCO STEELEON operates a dividend policy that considers the balance between corporate growth and shareholder returns. It pays dividends through a Board resolution and general shareholders' meeting approval, and it determines an appropriate dividend rate by comprehensively considering continuous growth investment, enhancing shareholder value, and the management environment within the scope of distributable profit. The total cash dividend in 2025 was KRW 6,500 million.

Category	Unit	2023	2024	2025
Total cash dividend	KRW million	9,675	12,940	6,500
Dividend per share	KRW	1,615	2,160	1,085
(Consolidated) cash dividend payout ratio	%	39.1	37.8	38.1

Shareholder-Friendly Management

POSCO STEELEON is expanding activities to strengthen communication with shareholders and stakeholders. In 2025, it conducted a total of 14 communication activities, including regular investor relations (IR) and Non-Deal Roadshows (NDR). In addition, to expand the participation of minority shareholders and facilitate the exercise of voting rights, it introduced an electronic voting system to create a shareholder-friendly environment. Meanwhile, from 2025 it has standardized financial information through XBRL-converted disclosure of the business report and strengthened accounting transparency to support the decision-making of information users.

2025 Shareholder and Stakeholder Communication Activities

No	Category	Number of times
1	Steel analyst meeting	2
2	Quarterly earnings investor relations (IR)	4
3	Non-Deal Roadshow (NDR) for institutional investors and analysts	5
4	Individual investor meeting	3

Ethics · Compliance

Management Framework

Ethical Management System

Ethical Management Core Values

The POSCO Group has grown with the mission of contributing to national development, and in that process it has continuously strived to do the right thing in the right way. To make it the driving force for pioneering the trust and future of the people, the Group newly established 'ethical management core values' that reflect the values and demands of the times.



Code of ethics

The POSCO Group's ethical management is based on the philosophy of 'doing the right thing in the right way.' The POSCO Group practices ethical management according to the following four ethical management standards, and all officers and employees reaffirm their commitment to practicing ethical management by signing a code-of-ethics compliance pledge at the beginning of each year.

- **Ethics charter** | The basic philosophy and direction of the POSCO Group's ethical management
- **Ethics principles** | The core ethical standards the POSCO Group must observe
- **Code of conduct** | The ethical behavior norms officers and employees must follow
- **Practice guidelines** | Specific guidelines for practicing the code of conduct

Ethical Management Organization

For systematic ethical management, POSCO STEELEON organizes a dedicated organization and operates an Ethics Committee. The Corporate Audit Group is an independent organization that exclusively handles overall ethical management activities such as ethics education, monitoring of unethical conduct, and ethical management audits, and supports the auditor's work. The Ethics Committee is an ethical management consultative body based on the code of ethics that shares related issues and performs decision-making. The committee is held twice a year, chaired by the Head of the Cooperate Audit Department, and is attended by about 40 people, including each department's compliance members and ethics practice leaders. In 2025, a total of two Ethics Committee meetings were held to discuss fair trade assessments and ethical management operation agenda items.

Ethics · Compliance

Management Activities

Ethical Management Activities

Ethics Education and Campaigns

We conduct regular ethics education for all officers and employees with the goal of preventing unethical conduct in advance and establishing an in-house ethics culture. In 2025, we conducted 60 sessions of group education for new employees and all departments. Along with this, we conduct a common operating-company e-learning mandatory education program to improve the ethical awareness of all officers and employees. We also conduct an ethical management campaign every month, covering a new topic each time to raise awareness of ethical leadership and create a more transparent and ethical organizational culture.

e-Learning Ethics Education Status

Category		Unit	2023	2024	2025
Ethics education and sexual harassment prevention education	Completion rate	%	100	100	100
	Number of completers	Persons	415	421	426

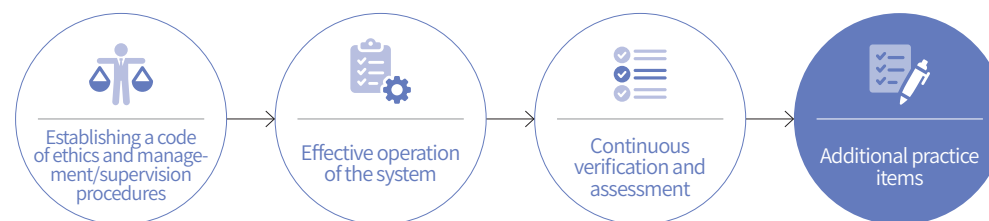
Forming a Human-Respecting Organizational Culture

Every year, POSCO STEELEON conducts an online 'human-respecting organizational culture' survey of officers and employees and in-house partner companies to check the ethics culture within the organization. This survey is conducted to identify human-respect violation cases such as workplace harassment and sexual ethics violations, and unethical conduct such as embezzlement and receiving money or gifts. As a result of the 2025 survey, the number of human rights violations was 1, the same as the previous year. In response, the Corporate Audit Group establishes improvement and recurrence prevention measures and strengthens an ethical organizational culture through continuous monitoring and prevention activities.

Ethical Management Activity Assessment

Every year, to check and strengthen the practice of ethical management, we assess broadly four items, from the management organization to measures to prevent the recurrence of violations. This ethical management activity assessment is integrated and managed through POSCO operating companies.

Ethical Management Assessment Items



Ethics · Compliance

Management Activities

Reporting Center Operation

POSCO STEELEON operates a reporting center at all times to prevent unethical conduct and violations of the human-respect principle by officers and employees and to protect stakeholders' rights and interests. The reporting center is operated in a total of 5 types, and through the company website it is possible to report unethical conduct, abusive conduct, workplace harassment/sexual harassment, fair trade consultation and reporting, and general human rights violations.

General human rights violation reporting is exclusively handled by the ESG department, and other reporting matters are overseen from receipt through investigation to follow-up management by the Corporate Audit Group. As a principle of conducting 100% investigation of all reports, we maintain a fair and strict handling system.

Reporting and consultation can be used by all stakeholders, including officers and employees, and any act that may expose one's identity in the reporting process is strictly prohibited. In 2025, a total of 1 report of unethical conduct received through the reporting center was confirmed, and action was completed.

Reporting Center Operation Status

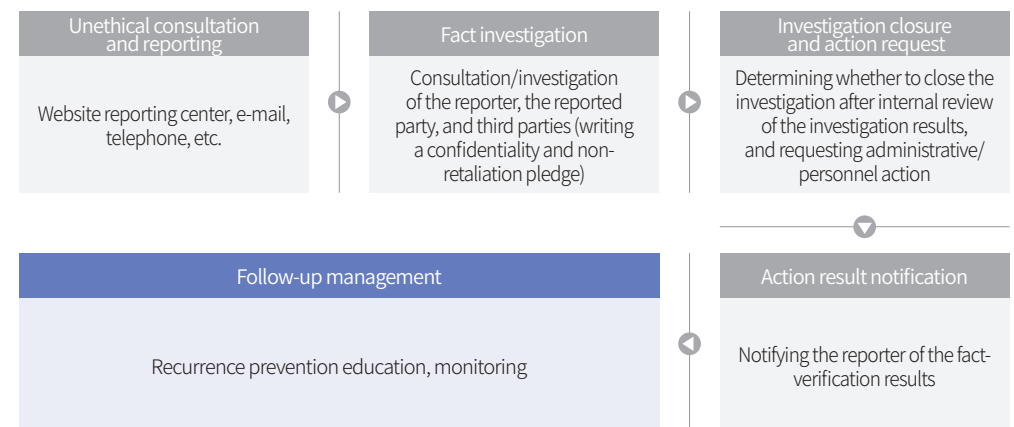
Category	Unit	2023	2024	2025
Number of ethics reports received		1	2	1
Misconduct/corruption	Cases	0	1	0
Human-respect violation		0	0	1
Abusive conduct		1	0	0
Other		0	1	0
Number of ethics reports with completed action		1	2	1

Risk and Opportunity Assessment Method and Results

In accordance with its compliance control standards, POSCO STEELEON regularly assesses compliance risks and opportunities centered on major laws and ethics issues for its company-wide and overseas business sites, and it identifies and manages potential risks in advance through self-inspections of high-risk departments and inspections of contract and transaction structures. In addition, along with compliance education for officers and employees, it conducts customized education that considers business characteristics, including overseas subsidiaries, and operates a prevention-centered control system to raise compliance awareness. In particular, as a company that has invested in an overseas subsidiary in Myanmar, from a compliance control perspective it conducts FCPA (Foreign Corrupt Practices Act) education for Myanmar subsidiary employees and reports the main content and results to the Board of Directors, thereby systematically managing anti-corruption risks in overseas business. Through these assessment and management activities, the company minimizes the possibility of legal violations while continuously expanding opportunity factors that strengthen a transparent and responsible management foundation.

 Myanmar Subsidiary Anti-Corruption Education	[Overseas Fair Trade and Anti-Corruption (FCPA) Education] Target: expatriates (subsidiary head, deputy subsidiary head) and current employees (general manager level) Method: group education after a local business trip (Nov 19)
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Reporting Handling Process



Ethics · Compliance

Management Activities

Unfair Trade Management Activities

Fair Trade Compliance Program Operation

Since 2006, POSCO STEELEON has introduced a Fair Trade Compliance Program (CP: Compliance Program) and strives to establish a competitive order and comply with fair-trade-related laws. Every year, it pursues various activities according to the 8 key elements of the CP. CP operation consists of the stages of collecting operating status information, establishing a plan and reporting to the Board of Directors, operating the program, and assessment, and the assessment is operated separately as internal assessment and external assessment. In 2025, it obtained an AA grade from the Fair Trade Commission, being recognized for the excellence of its Fair Trade Compliance Program.

Fair Trade Compliance Organizational Structure

POSCO STEELEON operates a Compliance Council as an advisory body for CP operation. This consultative body is composed of the group heads of each department and, through meetings held at least once every half year, performs work such as setting basic compliance policies, investigating legal violations, deliberating on and recommending important matters related to sanctions, and providing advice. The compliance officer is appointed through the Board of Directors and concurrently serves as chair of the Compliance Council, and the dedicated fair trade practice leader of each department oversees the fair trade compliance activities of each department. In addition, POSCO STEELEON actively supports the human and material resources needed for the compliance officer to perform work efficiently. The Corporate Audit Group assists the compliance officer in performing duties and carries out the company's overall CP work.

Key Fair Trade Compliance Activities

Key elements	Main activities
(1) Preparing and implementing CP standards and procedures	Operating the CP-related document system and preparing and implementing standards, procedures, and forms
(2) Top management's compliance commitment and support	The CEO's expression of commitment, CP operating performance, and holding/reporting to the Board of Directors, etc.
(3) Designating and operating a compliance officer	Appointing and disclosing the compliance officer through the Board of Directors
(4) Producing and using a compliance handbook	Producing and distributing a fair trade compliance handbook (latest revision: Nov 2024)
(5) Conducting compliance education	Conducting fair trade e-learning education (2 courses), etc.
(6) Building an internal monitoring system	Building an ongoing monitoring system, quarterly pre-settlement audits, etc.
(7) Temporary sanctions for violations of fair-trade-related laws	Inspecting violations and rewarding excellent fair trade practice leaders
(8) Effectiveness assessment and improvement measures	Checking operating effectiveness and holding the Compliance Council once every half year

Fair Trade Education

POSCO STEELEON regularly operates fair trade education to improve officers' and employees' fair trade awareness and enhance their ethical responsibility. To this end, it prepares differentiated education programs tailored to job grade and duties and supports all officers and employees in complying with fair-trade-related laws through online and group education. In addition, it conducts external education for executives and position holders to hold fair trade special lectures, thereby preventing management risks from unfair transactions and minimizing corporate risk.

Fair Trade Education Performance

Category	Main education name	Target
Online education	Understanding POSCO Ethical Management 2025	All executives/employees
	PIUM education inviting the Chair of the POSCO Clean Committee and a Kim & Chang attorney (Jul 2025)	Executives/position holders/practice leaders
	Fair trade and ethics education for new and experienced employees	New and experienced employees
Offline education	Marketing division on-site compliance education	Seoul office employees
	First-half Compliance Council, fair trade and unethical issues	Council members, practice leaders
	Second-half Compliance Council, fair trade and unethical issues	Council members, practice leaders
	Fair trade special lecture inviting the POSCO HOLDINGS compliance officer (Nov 2025)	Executives/position holders/practice leaders
	Establishing a compliance management organizational culture	Executives/position holders/deputy managers and managers

Ethics · Compliance

Management Activities

Preventing Unfair Collusion

To prevent unfair collusion, POSCO STEELEON clearly records the causes and sources of price changes, such as market conditions, in documents when changing product prices, thereby preventing violations of the Fair Trade Act. In addition, to prevent acts of adjusting shipments by colluding on the scale of production facilities among businesses, it accurately records the status of new/expanded facilities in various documents. As a result, there have been no violations of unfair collusion over the past three years.

Establishing Fair Contract Practices

To create a culture of fair competition and win-win growth, POSCO STEELEON operates a pre-audit system for private procurement contracts. By conducting audits before concluding private contracts above a certain amount in all areas the company performs, such as materials, facilities, and cooperation, it blocks inappropriate or unnecessary contracts in advance. In addition, it proactively identifies subcontracting-related legal risk factors to establish a fair trade order. During subcontracting inspections, it identifies matters such as conditions unilaterally favorable to the prime contractor, omissions/errors in contract content, and delays in payment, and improves and corrects contracts. In addition, when violations occur, it prepares contract corrections and recurrence prevention measures to eradicate illegal subcontracting.

Unfair Trade Risk Assessment

POSCO STEELEON conducts a quarterly fair trade risk assessment considering each department's fair trade (CP) relevance, such as marketing and procurement, and it prevents fair trade risks in advance by checking the possibility of legal violations by department and task.

The risk assessment is scored by comprehensively considering the expected frequency of occurrence, the impact of a violation, and the violation record for the year, and according to the assessment results, risk levels are managed by dividing them into three levels: high, medium, and low. In addition, through the pre-audit system for private procurement contracts and the operation of the internal accounting control system, it blocks the risk of fair trade law violations in advance. For identified risk departments, it implements mitigation measures such as re-education and taking external education, and it assesses the adequacy and effectiveness of the measures and reflects them in improving the risk assessment standards. These fair trade risk management results and improvements are reported to the Board of Directors once a year, and derived improvements are reflected in the next CP operation plan and used to build a more systematic fair trade compliance management system.

In 2025, of a total of 23 departments, 3 departments received a mitigated grade as of the first half, and in the second half 1 department received a mitigated grade and completed improvement measures.

Number of Fair Trade Act Violations (2023-2025)



ZERO

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ESG Factbook

Environmental

GHG Emissions

Metric	Unit	2023	2024	2025
GHG emissions - Total scope 1 & 2 ¹⁾		114,417	120,953	115,823
GHG emissions(Scope 1)	tCO ₂ eq	58,699	64,212	64,114
GHG emissions(Scope 2)		55,718	56,741	51,709
Direct/Indirect GHG emissions intensity(Scope 1,2) per sales	tCO ₂ eq/ KRW 100 million	10.10	10.29	10.59
Direct GHG emissions(Scope 1) intensity per sales		5.20	5.46	5.86
Indirect GHG emissions(Scope 2) intensity per sales		4.90	4.83	4.73

1) Data scope: domestic business sites (Galvanizing Plant, Color Coating Plant, PosART Plant, Seoul office), Guidelines on Emissions Reporting and Certification under the Emissions Trading Scheme applied

Energy Use ¹⁾

Metric	Unit	2023	2024	2025
Total energy consumption		2,332,123	2,369,708	2,270,721
Total direct energy		1,132,042	1,187,224	1,184,612
Natural gas		1,130,445	1,185,801	1,183,366
Gasoline		1,103	1,026	994
Diesel fuel		202	94	139
Propane	GJ	292	303	113
Energy indirectly consumed		1,199,857	1,182,268	1,077,297
Electricity		1,101,172	1,115,265	1,051,018
Steam		98,685	67,003	26,279
Total renewable energy procured ²⁾		223.9	215.6	8,811.5
Renewable Energy Transition Rate	%	0.01	0.01	0.39
Energy intensity per sales	GJ/KRW 100 million	206	202	208

1) Data scope: domestic business sites (Galvanizing Plant, Color Coating Plant, PosART Plant, Seoul office)

2) Data scope: domestic business sites (Galvanizing Plant, Color Coating Plant (newly added from 2025))

Pollutants ¹⁾

Metric	Unit	2023	2024	2025
Air pollutants ²⁾		235.53	201.95	177.62
NOx ³⁾		100.15	76.80	67.50
SOx		9.13	11.50	3.66
VOCs		38.70	2.06	1.72
Dust		8.16	10.64	7.62
Water pollutant	Tons	19.36	10.89	13.40
TOC		8.01	6.82	5.98
BOD		8.78	2.57	4.67
SS		1.35	0.52	0.69
T-N		1.19	0.95	2.03
T-P		0.03	0.02	0.03

1) Data scope: domestic business sites (Galvanizing Plant, Color Coating Plant)

2) Aggregated as the total based on NOx emissions from all emission outlets at the business sites

3) Aggregated only for NOx emissions from emission facilities subject to the 'Special Act on the Improvement of Air Quality in Air Control Zones'

Water ¹⁾

Metric	Unit	2023	2024	2025
Total water withdrawal		645,896	611,682	671,796
Freshwater		21,673	22,227	29,042
Industrial water	Tons	624,223	589,455	642,754
Total water consumed		133,875	143,457	195,540
Total water discharged		512,021	468,225	476,256

1) Data scope: domestic business sites (Galvanizing Plant, Color Coating Plant)

ESG Factbook

Environmental

Waste ¹⁾

Metric	Unit	2023	2024	2025
Total waste generated		3,077.48	3,282.01	3,326.20
Total Waste recycled		2,388.04	2,575.79	2,518.71
Total Waste incinerated		426.15	467.31	507.22
Total Waste landfilled		262.68	238.91	300.20
Total Waste disposed in other ways		0.00	0.00	0.00
Hazardous waste generated		2,261.74	1,959.19	1,870.10
Hazardous waste recycled		1,875.88	1,539.15	1,414.57
Hazardous waste incinerated		385.86	420.04	455.53
Hazardous waste landfilled	Tons	0.00	0.00	0.00
Hazardous waste disposed in other ways		0.00	0.00	0.00
Non-hazardous waste generated		815.74	1,322.82	1,456.03
Non-hazardous waste recycled		512.16	1,036.64	1,104.14
Non-hazardous waste incinerated		40.90	47.27	51.69
Non-hazardous waste landfilled		262.68	238.91	300.20
Non-hazardous waste disposed in other ways		0.00	0.00	0.00
Total waste generated intensity	Tons/KRW 100 million	0.27	0.28	0.30
Percentage of total Waste recycled	%	77.60	78.48	75.72

1) Data scope: domestic business sites (Galvanizing Plant, Color Coating Plant, PosART plant, Seoul office)

Hazardous Chemicals ¹⁾

Metric	Unit	2023	2024	2025
Hazardous chemicals consumed		3,132.00	2,938.95	2,257.50
Total hazardous chemicals discharge	Tons	1.45	0.83	0.03

1) Data scope: domestic business sites (Galvanizing Plant, Color Coating Plant)

Environmental Management and Performance

Metric	Unit	2023	2024	2025
Percentage of EMS (ISO 14001) certified ¹⁾	%	100	100	100
Worksites requiring EMS (ISO 14001) certification		2	2	2
Certified worksites with EMS (ISO 14001)	Sites	2	2	2
Number of incidents of non-compliance with environmental laws ²⁾	Cases	2	2	0
Total amount of Monetary sanctions of non-compliance with environmental laws	KRW million	0.8	0	0
Number of Monetary sanctions of non-compliance with environmental laws		1	0	0
Number of administrative surcharges for environmental law violations		0	0	0
Number of administrative fines for environmental law violations	Cases	1	0	0
Number of judicial fines for environmental law violations		0	0	0
Number of Non-monetary sanctions of non-compliance with environmental laws (warnings, improvement orders, etc.)		1	2	0
Percentage of eco-friendly vehicles owned	%	4	44	45
Number of eco-friendly vehicles owned ³⁾		1	11	10
Total number of vehicles owned	Vehicles	24	25	22
Sales of green products and services	KRW million	0	2,057	2,101
Proportion of sales of green products and services	%	0.00	0.17	0.19
Purchases of green products and services	KRW million	44	66	34
Proportion of purchases of green products and services	%	0.02	0.03	0.01

1) Data scope: domestic business sites (Galvanizing Plant, Color Coating Plant)

2) Data corrected due to misstatement of 2023 and 2024 data

3) Number of vehicles increased due to including hybrids from 2024

ESG Factbook

Environmental

Production Information ¹⁾

Metric	Unit	2023	2024	2025
Total production		954,834	984,826	876,906
Materials used		948,591	975,902	873,920
Recycled materials used ²⁾	Tons	163	114	99
Non-recycled materials used		948,428	975,788	873,821
Recycled raw material usage ratio	%	0.02	0.01	0.01
Non-recycled raw material usage ratio		99.98	99.99	99.99

1) Data scope: domestic business sites (Galvanizing Plant, Color Coating Plant)

2) Waste thinner usage

Social

Officer and Employee Status

Metric	Unit	2023	2024	2025
Number of employees		440	427	423
Executive level		10	10	9
By gender	Persons			
Male		10	10	9
Female		0	0	0
Female ratio	%	0	0	0
By age				
Under 30		0	0	0
30-50		0	0	0
Over 50		10	10	9
Employees excluding executives	Persons	430	417	414
By gender	Persons			
Male		398	385	379
Female		32	32	35
Female ratio	%	7	8	9
By age				
Under 30		58	57	50
30-50		263	241	251
Over 50		109	119	113
Management level ¹⁾	Persons	100	99	99
By gender	Persons			
Male		100	99	98
Female		0	0	1
Female ratio	%	0	0	1

1) Including on-site senior associates/part leaders who receive a position allowance

By employment type

Metric	Unit	2023	2024	2025
Permanent employees		415	398	403
By gender	Persons			
Male		385	369	369
Female		30	29	34
Female ratio	%	7.20	7.30	8.40
Temporary employees (contractors) ¹⁾		20	24	15
By gender	Persons			
Male		18	21	14
Female		2	3	1
Female ratio	%	10.00	12.50	6.70
Percentage of temporary employees (contractors)		4.50	5.70	3.50

1) The number of fixed-term workers (contract) includes unregistered executives

ESG Factbook

Social

Hiring

Metric		Unit	2023	2024	2025
Total hiring			23	27	36
By gender	Male	Persons	19	25	33
	Female		4	2	3
	Female ratio	%	17.39	7.41	8.33

Turnover

Metric		Unit	2023	2024	2025
Voluntary employee turnover		Persons	9	14	14
Rate of voluntary employee turnover		%	2.10	3.30	3.30
Non-voluntary employee turnover			7	20	21
	Non-voluntary employee turnover - Retirement	Persons	0	10	9
	Non-voluntary employee turnover - Other types		7	10	12

Training

Metric		Unit	2023	2024	2025
Total employee training hours		Hours	8,236.0	10,156.0	15,833.6
Average hours of training per employee		Hours/person	18.7	24.0	37.4
By job grade	Executives	Hours	18.0	25.0	36.8
	General employees		16.0	19.7	37.6
Total training expenses		KRW million	289.0	353.0	469.0
Average training expenses per employee		KRW million/person	0.66	0.83	1.11
Training on information security - Total hours of employee training		Hours	414	418	341

Diversity

Metric		Unit	2023	2024	2025
Employees with disabilities		Persons	13	13	14

Labor-management relations

Metric		Unit	2023	2024	2025
Percentage of employees covered by collective bargaining agreements		%	100	100	100
Number of lockouts due to strikes		Times	0	0	0

Social contribution

Metric		Unit	2023	2024	2025
Hours spent on voluntary work		Hours	3,986	3,685	2,794
Donations		KRW million	227	191	528

Safety Management

Metric		Unit	2023	2024	2025
Safety and health management system (ISO 45001/ OHSAS 18001/KOSHA-MS)					
Percentage of worksites with OHSMS (ISO 45001) certification		%	100	100	100
Worksites requiring OHSMS (ISO 45001) certification		Sites	2	2	2
Certified worksites with OHSMS (ISO 45001)			2	2	2

ESG Factbook

Social

Safety and Health

Metric	Unit	2023	2024	2025
Total Lost Time Injury Frequency Rate (LTIFR)		1.16	1.82	2.29
Employee LTIFR	Persons/1 million hours	1.20	1.21	2.38
Supplier LTIFR		1.12	2.44	2.21
Total Recordable Injury Frequency Rate (TRIFR)		1.74	3.65	4.00
Employee TRIFR		2.41	2.42	3.56
Supplier TRIFR		1.12	4.89	4.41
Employee accidents				
Lost Time Injury (LTI) of employees	Cases	1	1	2
Total Recordable Injury (TRI) of employees	Persons	2	2	3
Hours worked annually by employees	Hours	828,783	826,234	842,080
Fatalities		0	0	0
Injuries	Persons	1	1	2
Employees who are injured in serious accidents		0	0	0
Incidents		1	1	2
Number of high-consequence work-related injury of employees	Cases	0	0	0
Number of victims of Lost Time Injury (LTI) of employees	Persons	0	1	2
Near miss accidents	Cases	0	2	1
Near Miss Frequency Rate (NMFR) of employees	Cases/200,000 hours	0	0.48	0.23
Suppliers accidents				
Supplier LTI	Cases	1	1	2
Supplier TRI	Persons	1	4	4
Hours worked in a year by suppliers	Hours	892,562	818,721	906,144
Number of employees of suppliers	Persons	295	288	285
Fatalities by suppliers		0	0	0
Injuries by suppliers	Persons	1	1	2
Serious Accidents Injuries by suppliers		0	0	0

Metric	Unit	2023	2024	2025
Suppliers accidents				
Incidents by suppliers	Cases	1	1	2
Serious Accidents Incidents by suppliers		0	0	0
Number of victims of Lost Time Injury (LTI) of suppliers	Persons	0	2	2
Near miss accidents by suppliers	Cases	3	6	2
Near Miss Frequency Rate (NMFR) of suppliers	Cases/200,000 hours	0.67	1.46	0.44

Governance

Fair Trade/Anti-Corruption

Metric	Unit	2023	2024	2025
Total Number of Cases with Monetary Sanctions for Fair Trade Law Violations		0	0	0
Penalties	Cases	0	0	0
Administrative Fines		0	0	0
Fines		0	0	0
Instances for which non-monetary sanctions were incurred		0	0	0

Ethics

Metric	Unit	2023	2024	2025
Training hours provided to employees on ethics standards	Hours	415	421	426
Number of issues filed		1	2	1
Number of issues filed - Bribery and corruption	Cases	0	1	0
Number of issues filed - Violation of human rights		0	0	1
Number of issues filed - Abuse of power		1	0	0
Number of issues filed - Other		0	1	0
Number of issues rectified		1	2	1

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	2-2	Entities included in the organization's sustainability reporting	7-8
	2-3	Reporting period, frequency and contact point	2
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	2-13	Delegation of responsibility for managing impacts	18-19, 22
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	2-15	Conflicts of interest	- Directors are appointed in accordance with Article 382 of the Commercial Act
	2-16	Communication of critical concerns	18-19 The 2025 materiality assessment results are scheduled to be reported to the Board
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	2-18	Evaluation of the performance of the highest governance body	19
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Topic	GRI Disclosure	Page	Remarks
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GRI 3: Material Topics disclosures	3-3	Management of material topics	22-29
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	302-3	Energy intensity	83
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	305-4	GHG emissions intensity	83
	305-5	Reduction of GHG emissions	28-29
	305-6	Emissions of ozone-depleting substances (ODS)	- Not applicable
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	56
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GRI 3: Material Topics disclosures	3-3	Management of material topics	30-41
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	201-4	Financial assistance received from government	- Not applicable
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	72-73
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GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	65, 79
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	205-3	Confirmed incidents of corruption and actions taken	87
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GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	58
	303-2	Management of water discharge-related impacts	58
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GRI 401: Employment	401-1	New employee hires and employee turnover	86
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46, 69
	401-3	Parental leave	- 2025 Business Report VIII. Matters concerning executives and employees, 1. Matters concerning executives and employees
GRI 404: Training and Education	404-1	Average hours of training per year per employee	86
	404-2	Programs for upgrading employee skills and transition assistance programs	70-71
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GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	-
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	-
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	-
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	- Not applicable
	413-2	Operations with significant actual and potential negative impacts on local communities	-
GRI 415: Public Policy	415-1	Political contributions	-
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	-
	417-2	Incidents of non-compliance concerning product and service information and labeling	-
	417-3	Incidents of non-compliance concerning marketing communications	-
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-

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 ₂ -eq	64,114
		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-IS-120a.1	1) NOx (excluding N ₂ O)	tons	67.50
		2) SOx		3.66
		3) Particulate matter (PM10)		7.62
		4) CO		82
Energy Management	EM-IS-130a.1	1) Total energy consumed	GJ	2,270,721
		2) Percentage grid electricity	%	46
		3) Percentage renewable		0.39
	EM-IS-130a.2	1) Total fuel consumed	GJ	1,184,612
		2) Percentage coal		0
		3) Percentage natural gas	%	100
		4) Percentage renewable		0
Water Management	EM-IS-140a.1	1) Total water withdrawn	tons	671,796 (We are building a water supply network using recycled wastewater.)
		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.)
Waste Management	EM-IS-150a.1	1) Amount of waste generated	tons	3,326.20
		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. 56% of POSCO STEELEON's wastes are designated wastes.
		3) Percentage reused, recycled, and reprocessed		75.72
Workforce Health & Safety	EM-IS-320a.1	1) Total recordable incident rate (TRIR)	%	4.00
		2) Fatality rate		0 (Full-time + Contractual, Rate per 1 million hours)
Supply Chain Management	EM-IS-420a.1	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
Governance	Disclose the organization's governance around climate-related risks and opportunities.	· POSCO STEELEON clarifies the roles and responsibilities of the board of directors regarding climate change in accordance with its board operating regulations. · The board of directors reviews and approves the carbon reduction plan for the following year on an annual basis, and considers climate-related risks and opportunities as key factors in its decision-making · We operate a climate change response organization centered on the Safe Environment Center under the CEO. Key climate-related performances are reflected in the CEO's Key Performance Indicators (KPIs) and managed in connection with the performance evaluation and compensation system.
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	· POSCO STEELEON is engaged in climate change mitigation activities at the POSCO Group level, including the development of POSCO Carbon Neutrality Vision for 2050. In particular, we have established and implemented a mid- to long-term climate change response strategy centered on improving energy efficiency, switching fuels, and introducing new and renewable energy.
• We identify risk and opportunity factors arising from climate change and conduct physical scenario analysis, establishing response strategies based on the analysis results.
• We aim to strengthen our business competitiveness while responding to climate change through the development of low-carbon and high-efficiency products, investment in process efficiency, and the expansion of renewable energy.
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	· POSCO STEELEON manages climate change-related risks in an integrated manner, and systematically identifies and assesses both transition risks and physical risks. · Climate-related risks and opportunities are prioritized based on the results of the materiality assessment, and are reflected in the decision-making process of the board of directors and the management.
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	· 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. · POSCO STEELEON emitted 115,823 tCO₂eq, which slightly exceeded the 2025 greenhouse gas emissions target of 111,473 tCO₂eq. The greenhouse gas emissions intensity (based on sales) stood at 10.59 (tCO₂eq/KRW100 million).

ESG Policy Statement

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1. Environmental Policy

Purpose

The purpose of this policy is to build a sustainable management and environmental management system, strengthen the capacity to respond to environmental risks, and contribute to environmental protection through the cooperation of POSCO STEELEON and its stakeholders.

Scope of Application

This policy applies to POSCO STEELEON. POSCO STEELEON recommends that partner companies trading with it also comply with this policy or a policy at a similar level.

Basic Principles

1. Compliance with environmental laws and improvement of environmental impact

- We comply with international agreements and laws related to the environment and energy and strive to improve environmental impact across the entire process of product development, production, use, and disposal.
- We minimize pollutant emissions by applying best pollution-prevention technologies.

2. Response to climate change

- We establish a system for assessing potential risks from climate change, set achievable targets, and manage improvements. We strive to reduce GHG emissions by reducing the use of fossil fuels and fossil raw materials and by improving energy efficiency and using renewable energy.

3. Biodiversity conservation and restoration of the natural environment

- We strive to restore natural ecosystems and conserve biodiversity by efficiently using natural resources, by-products, etc.
- To minimize damage to the global environment such as green areas, forests, wetlands, and oceans, we conduct risk assessments when expanding business sites or establishing new ones, and we strive to restore the existing natural environment through reforestation, greening, etc. when withdrawing from a business.

4. Raw and sub-materials and water

- We consider the resource usage of finished products and strive to reduce the amount of resources by replacing the materials used with renewable raw materials or raw materials with fewer impurities, or by improving facilities for water reuse.

5. Waste and wastewater

- We minimize the generation of waste and wastewater arising in the product production process, recycle generated waste and wastewater as much as possible, and thoroughly manage lawful waste treatment or wastewater treatment systems to minimize the environmental impact of waste and wastewater discharged outside business sites.

6. Hazardous Chemicals

- We systematically manage hazardous chemicals to prevent chemical accidents such as spills and leaks, and we strive to reduce the use and emission of hazardous chemicals.

Implementation Measures

1. Building an environmental management system

- We assess environmental risks specific to the company's business activities, build an Environmental Management System that can respond to them, set specific environmental performance targets, and continuously improve them.
- The Board of Directors and management actively participate in important decision-making and management/supervision related to the Environmental Management System, and they provide human and material support by placing working-level staff so that the Environmental Management System can be substantively established and operated.
- For the operation of the Environmental Management System, we include environmental elements in existing policies to suit the company's business situation, and where necessary, establish and comply with specific policies, guidelines, and company regulations for detailed environmental areas such as biodiversity, forests, wetlands, and climate risk. We also communicate the importance of environmental protection and climate change response to stakeholders such as partner companies, suppliers, and counterparties and support them in building an environmental management system.
- Executives and department heads conduct education so that their officers and employees recognize the importance of environmental management and understand the Environmental Management System.

2. Response to climate change

- We ensure that climate-change-related risk and strategy assessments are appropriately reported to the Board of Directors and management.
- We prepare and implement specific and realistic measures to reduce GHG emissions and achieve the carbon neutrality target. We disclose our climate change response efforts and status within a reasonable scope by following climate-change-related certification/disclosure frameworks such as TCFD or by equivalent means.

3. Production and business site environmental management

- We ensure that production and business site environmental management is carried out appropriately through processes and procedures such as target management including KPIs, education/training, establishing and managing guidelines, and internal audits.
- We minimize pollutant emissions and the environmental impact of emitted pollutants by applying best prevention technologies.
- We establish and operate environmental management manuals tailored to the characteristics of production facilities and business sites, and we monitor and continuously improve the environmental impact arising during facility operation.
- When opening, expanding, or withdrawing from a business site, we thoroughly assess risks to preserve the ecosystem and global environment and strive for net-zero environmental impact. We do not conduct business activities that destroy forests and wetlands, and we seek and implement the best direction to mitigate impacts on the ecosystem, such as forest and wetland restoration activities.

4. Product and service development/distribution

- We recognize the crisis and opportunity factors in the transition to a low-carbon economy and strive to minimize environmental impact across the entire process of product/service development and supply by expanding the supply of products and by-products that reduce environmental impact and by assessing environmental risks in the transport/logistics process.

5. Supply chain management, company selection and assessment

- We minimize environmental impact by reflecting assessment items such as the level of environmental management when selecting external companies (supply/contract/service provision).
- We support suppliers and partner companies in building a high-level environmental management system, and we proactively manage the environmental risks of the entire supply chain through our own supplier environmental management performance assessment.
- We comply with the green procurement policy when procuring materials and supplies.

6. New projects and mergers and acquisitions

- We minimize the environmental risks of new businesses through environmental management plans and environmental impact assessments in the process of reviewing new businesses/investments.
- When reviewing mergers and acquisitions, we identify environmental risks through prior due diligence and respond in advance.

2. Green Procurement Policy

Purpose

The purpose of this policy is for POSCO STEELEON to practice sustainable procurement that prevents resource waste and environmental pollution across the entire process of its business activities, complies with relevant laws, and fulfills social responsibility.

Scope of Application

This policy applies to POSCO STEELEON. POSCO STEELEON recommends that suppliers trading with it also comply with this policy or a policy at a similar level.

Definitions

The definitions of terms used in this policy are as follows.

1. 'Green procurement' refers to procurement activities that operate purchase contracts and supply chain management in an eco-friendly manner by assessing the environmental attributes of the production, supply, distribution, and post-treatment processes of a product at the stage of procuring products needed for business activities, such as raw and sub-materials and fixtures and supplies.
2. 'Green product' refers to a product that falls under the following.
 - a. A product whose eco-friendliness has been certified in accordance with the relevant laws of the Republic of Korea and the policies of the government and public institutions, or that is recognized as meeting such certification criteria (including the green products exemplified below and green products added/expanded in accordance with changes in laws and systems)
 - A product that minimizes the input of energy and resources and the generation of GHGs and pollutants in accordance with Article 66(4) of the 'Framework Act on Carbon Neutrality and Green Growth for Coping with the Climate Crisis,' and that has obtained conformity certification in accordance with Article 60(2) of the same Act
 - (Eco-label product) A product recognized by the Minister of Environment as having improved environmental attributes in accordance with Article 17(1) of the 'Environmental Technology and Industry Support Act,' or a product that meets the certification criteria announced by the Minister of Environment in accordance with paragraph 3 of the same Article
 - (Low-carbon product) Among products that have obtained Environmental Product Declaration certification in accordance with Article 18(1) of the 'Environmental Technology and Industry Support Act,' a product that has reduced GHG emissions under Article 2(5) of the 'Framework Act on Carbon Neutrality and Green Growth for Coping with the Climate Crisis' in accordance with the standards set and announced by the Minister of Environment
 - (Excellent recycled product) A product that has obtained certification as an item subject to quality certification of recycled products set and announced 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,' or a product that meets the certification criteria, or a product that meets the judgment criteria by target item announced by the Minister of Environment in consultation with the ministers of relevant ministries
 - b. A product that has obtained eco-friendly/sustainable/low-carbon/green certification from a foreign government equivalent to a. above, such as the EU Ecolabel and Nordic Swan
 - c. A product that has obtained eco-friendly/sustainable/low-carbon/green certification from an internationally trusted independent certification body such as LEED, OEKO-TEX, Green Seal, ENERGY STAR, and Cradle to Cradle

Basic Principles

1. We must practice substantive green procurement activities that consider eco-friendliness and sustainability across the entire process of business activities, including the procurement of raw and sub-materials, processes, operations, logistics/distribution, and waste treatment.
2. To practice substantive and effective environmental management, we must practice green procurement not only in material purchasing for main business activities but also across company-wide procurement work, including consumable materials such as fixtures and equipment used at business sites.

Implementation Measures

1. Establishing green procurement standards in company-wide procurement work
 - We must actively adopt the existing POSCO Group green procurement guidelines and existing systems for procurement, and prepare institutional support measures so that green products can be given priority consideration in all procurement procedures by area, such as construction, services, and materials.
 - When there is no relevant certification system or certified raw material in the market, we must classify items as green procurement by relevant area according to environmental impact, etc., in accordance with the existing eNtoB green procurement guide grades.
2. Building a green procurement management system
 - We must monitor the status of green procurement for effective green procurement practice and continuous improvement. We must prepare measures to share information on green procurement performance and targets with stakeholders.
3. Encouraging green procurement within the supply chain
 - Within the scope permitted by law, we must encourage affiliates, partner companies, suppliers, and counterparties to practice green procurement, and we must establish and reflect recommended criteria related to green procurement when selecting and assessing suppliers.

3. Occupational Safety and Health Policy

Purpose

The purpose of this policy is for POSCO STEELEON to comply with domestic and international laws and standards on occupational safety and health and to continuously improve its occupational safety and health management system, thereby creating a safe working environment optimized for the physical and mental convenience and stability of occupational safety and health workers.

Scope of Application

This policy applies to POSCO STEELEON and its officers and employees. POSCO STEELEON recommends that partner companies trading with it and their officers and employees also comply with this policy or a policy at a similar level.

Basic Principles

1. Business sites
 - We identify hazards and risks related to all facilities and operations of business sites, and for identified hazards and risks, we establish priority action orders and improvement plans and improve them, setting quantified targets for performance judgment so that hazards and risks can be continuously managed.
 - We prepare business site safety rules and thoroughly comply with them, so that workers can work in a safe and comfortable working environment.
2. Products and services
 - We give priority consideration to safety in the process of producing products and services and delivering them to consumers.
 - We regularly identify issues that could harm the safety of products and services, prepare improvement measures for identified issues, and set targets. We transparently disclose these issues and targets to stakeholders, including consumers.
3. Promoting officer and employee health
 - We promote officers' and employees' health by conducting activities that can improve lifestyle habits, and we prevent and manage job stress by operating mental health promotion and psychological counseling programs, supporting treatment and counseling where necessary.

Implementation Measures

1. We assess hazards and risks related to occupational safety and health, build a safety and health management system that can respond to them, set specific performance targets, and strive to continuously improve them.
2. The Board of Directors and management actively participate in important decision-making and management/supervision related to building and implementing the safety and health management system, and consult with workers or worker representatives where necessary.
3. Executives and department heads recognize the importance of maintaining and promoting the safety and health of their officers and employees and conduct appropriate education so that they can understand the safety and health management system.
4. We prepare plans to prepare for and respond to emergency situations when they occur.

4. Human Rights Management Policy

Purpose

The purpose of this policy is for POSCO STEELEON to comply with human-rights-related international standards such as the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the Universal Declaration of Human Rights, and the OECD Guidelines for Multinational Enterprises, and to implement human rights management based on respect for the labor principles recommended by the International Labour Organization (ILO) and ratified by the state.

Scope of Application

This policy applies to POSCO STEELEON and its officers and employees. POSCO STEELEON recommends that partner companies trading with it and their officers and employees also comply with this policy or a policy at a similar level.

Basic Principles

1. Basic policy

- Respecting the UN Guiding Principles on Business and Human Rights, we recognize that all human beings have the right to be treated with dignity, and that such rights include life and physical safety, freedom of thought, expression, and religion, freedom of association, freedom of family life and privacy, food and water, freedom from torture, slavery, or forced labor, the right to fair and decent working conditions, and non-discrimination.
- Accordingly, we take appropriate measures to prevent infringing on the human rights of others and to prevent and resolve negative human rights impacts arising in the course of the company's management activities.
- To this end, to fulfill the responsibility to respect human rights and meet stakeholder expectations, officers and employees comply with the following recommendations related to human rights management.
 - (1) We comply with the laws that apply everywhere we conduct corporate activities and internationally recognized global human rights standards.
 - (2) When faced with conflicting regulations in the host country, we seek ways to comply with global human rights standards.
 - (3) We treat risks that could cause serious human rights violations as important management issues of the company.

2. Key human rights issues

We manage human rights risks arising in the following human rights areas at the company-wide level and fulfill the responsibility to respect human rights.

(1) Prohibition of discrimination

We do not discriminate against or harass anyone on grounds of race, nationality, gender, age, educational background, religion, region, disability, marital status, gender identity, etc., and where a person meets the job qualification requirements and abilities, we provide equal opportunities in employment and respect various cultural differences. We provide equal pay to workers performing work of equal value without discrimination based on gender and employment type, so that gaps in wages and working conditions do not arise without reasonable grounds. We conduct fair evaluations based on the individual capabilities and performance of officers and employees and systematically reflect them so that appropriate compensation is made.

(2) Prohibition of forced labor and child labor

We do not compel labor against a worker's free will by means of assault, threat, confinement, human trafficking, or other means that unjustly restrict mental or physical freedom, and we prohibit the setting of predetermined compensation for non-performance of an employment contract, do not restrict a worker's status on grounds of a monetary loan, and prohibit the conclusion of additional forced contracts incidental to an employment contract. In addition, we prohibit child labor in principle, and the working conditions of minors and the minimum working age standard comply with the labor laws of each country and international standards.

(3) Guaranteeing freedom of association and collective bargaining

In accordance with fundamental labor rights stipulated by domestic law and the International Labour Organization, we recognize workers' freedom of association and freedom to join worker organizations such as trade unions, and we do not disadvantage workers on grounds of joining or engaging in trade union activities. In addition, we do not refuse collective bargaining without justifiable reason and respect and faithfully implement the results of collective bargaining.

(4) Ensuring industrial safety

Under the principle that all types of accidents and work-related diseases must be prevented, we prepare a company-wide health and safety policy, thoroughly comply with international-level safety rules, and take appropriate measures for identified hazards.

(5) Preventing workplace harassment

We thoroughly prevent acts in which officers and employees use the superiority of their position or relationship in the workplace to cause physical or mental pain to other employees beyond an appropriate scope of work or to worsen the working environment, and we realize a human-respecting workplace culture by preventing verbal, physical, and visual acts that cause displeasure to others, including sexual harassment that infringes on individual human rights.

(6) Responsible supply chain management

To assess and manage whether forced labor and child human rights issues occur in the supply chain, we manage the human rights risks of suppliers, subcontractors, subsidiaries, and other major partner companies within our sphere of influence. In addition, we ensure that transactions with partner companies are conducted fairly through mutual respect and an equal relationship, and we support partner companies in complying with laws and regulations related to fair trade.

(7) Preventing corruption and bribery

To maintain a fair trade order in all transactions, we comply with all domestic and international bribery and anti-corruption laws and regulations, including the Improper Solicitation and Graft Act, the UN Convention Against Corruption, the FCPA (Foreign Corrupt Practices Act), and laws against bribery of foreign public officials.

(8) Guaranteeing environmental rights

We reduce the use of fossil fuels and raw materials, reduce GHG emissions through improved energy efficiency, and strive to restore natural ecosystems and conserve biodiversity by efficiently using natural resources, by-products, etc. In addition, we build an environmental management system, strengthen the capacity to respond to environmental risks, and promote open communication.

(9) Protecting the human rights of local residents

When human rights violations occur in the local community due to the company's management activities, we gather opinions and strive to resolve the human rights issues. In addition, because the business process may have social and environmental impacts on local residents and the region, we minimize and prevent related human rights risks, and along with assessing the impacts on the local environment and residents' safety, health, food, and economic activities, we also consider the region's cultural preservation and biodiversity issues.

(10) Protecting customer human rights

We listen to and respect the voice of the customer, perform customer-centered work, and actively accept customers' legitimate demands and reasonable suggestions. We fully consider customers' safety and health in our management activities, do not provide products or services that threaten customers' safety and health, and protect customer-related information.

Implementation Measures

1. Human rights management governance

Setting overall policy and direction related to human rights management and monitoring human rights management implementation are performed by the dedicated human rights management department. The dedicated human rights management department performs human rights education, information disclosure, human rights due diligence, victim remedy, etc.

2. Human rights due diligence

a. Key considerations

Officers and employees conduct human rights due diligence when deemed necessary to identify, prevent, and mitigate negative human rights impacts and to fulfill the responsibility for human rights management. This procedure includes identifying and assessing actual and potential human rights impacts, responding to identified problems, recording response activities, and communicating with stakeholders. Human rights due diligence considers the following.

- (1) It includes negative human-rights-related impacts that may be caused directly or indirectly in the course of the company's management activities.
- (2) It considers various relevant matters according to the location and size of the business site, human-rights-related risks, the characteristics and content of the business, and the political and economic conditions and characteristics of the host country.
- (3) It is continuously implemented while recognizing that human rights risks gradually change as the company's activities and business operating environment change.

b. Implementation method

We make efforts to identify and check actual and potential negative impacts that may affect human rights due to domestic and international business activities according to the following process.

- (1) When human-rights-related risks are detected at major domestic and international business sites, we derive a situation analysis and improvement measures through human rights due diligence.
- (2) Due diligence is conducted by internal experts in principle, and may be conducted together with the support of external experts where necessary.

(3) We conduct substantive interviews with groups that may be potentially affected in certain cases and related stakeholders.

(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 is conducted using a checklist that diagnoses key elements related to human rights management based on international human rights guidelines such as those of the OECD and ILO.

c. Response and follow-up measures

Based on facts found through human rights due diligence to prevent and mitigate negative impacts that may affect human rights, we establish a response system and take follow-up measures.

(1) Establishing an internal response system

- i. We clarify the roles and responsibilities of relevant departments to resolve identified problems.
- ii. We apply internal decision-making, budget allocation, and monitoring procedures so that these impacts can be effectively addressed.
- iii. We accurately make relevant departments understand the problems derived through human rights due diligence and manage and respond to them as important matters.

(2) Follow-up measures and remedy

- i. When we have caused or may cause negative human rights impacts, we take all possible necessary measures to prevent and mitigate them.
- ii. Even when we have the best policies and procedures in place, if unforeseen negative impacts arise, we strive, alone or in cooperation with other entities, to improve the negative impacts.
- iii. Even if we have not directly contributed to a negative human rights impact, if that negative impact is complexly related to the company's operation, production, and services in a relationship with another entity (e.g., a supplier), we do not have direct responsibility to prepare a systematic remedy but play a certain role.
- iv. Where the company has the leverage to prevent and mitigate a negative human rights impact, it must use it, and where it does not, it may strengthen its leverage in cooperation with related entities.
- v. As an effective means of remedy, we operate a grievance mechanism for stakeholders who may be potentially affected.

d. Stakeholder communication

When stakeholders raise concerns about human rights impacts, we communicate responsibly.

- (1) We communicate with stakeholders, including affected groups, individuals, and investors, based on accountability and transparency, and we consider various forms of communication so that stakeholders can easily access information, such as face-to-face meetings, issuing official reports, and using online channels (e.g., the company's official website, Helpline, etc.).
- (2) When issuing official reports, we include actual and potential negative impacts, and we consider an independent verification procedure to enhance the reliability of the reported content.

(3) We provide information that helps stakeholders assess whether the company is appropriately responding to specific human rights impacts.

e. Internalization and system improvement

We induce substantive improvement in human rights management through internalizing human rights due diligence results into the organizational culture and system improvement activities.

(1) We carry out activities to internalize human rights management into the organizational culture, such as consensus-building education for all officers and employees, education on human-rights-management-related norms, and sharing success and failure cases.

(2) We continuously improve the human rights management system through expert advice, communication with stakeholders, and identifying improvements through system implementation.

3. Grievance Mechanism

· We operate a grievance mechanism for individuals and local communities that are negatively affected so that raised issues can be promptly discussed and remedied.

· We strive for prompt and reasonable resolution using existing means such as the Ethics Counseling Center (Helpline) and the Unethical Conduct Reporting Center (Hotline), and we must not take disadvantageous employment measures against reporters, victims, and cooperators on grounds of applying for consultation or investigation or cooperating with it.

· The grievance mechanism performs the following important functions related to the company's responsibility to respect human rights.

(1) It allows negative human rights impacts to be easily identified and provides a channel through which stakeholders who have been or may be directly affected can raise issues. They can report human-rights-related concerns to the Corporate Audit Group by direct visit, mail, telephone, e-mail, etc., and apply for grievance handling.

(2) It directly handles grievance collection and victim remedy early to prevent the spread of human rights harm.

(3) It identifies and improves problems with human rights policies and procedures through operating-status analysis.

4.1 Human Rights Due Diligence Implementation Guidelines

Chapter 1 General Provisions

Article 1 Purpose

The purpose of these guidelines is to set out matters necessary to protect and promote stakeholders' human rights by systematically conducting human rights due diligence.

Article 2 Scope of Application

The company must comply with these guidelines, and matters concerning the implementation of human rights due diligence are governed by these guidelines except as prescribed by laws, related regulations, and the company's articles of incorporation.

Article 3 Definitions

(1) 'Human rights due diligence' refers to a series of continuous procedures in which the company identifies and assesses negative human rights impacts through a human rights impact assessment, takes measures to prevent, mitigate, and resolve them, tracks and verifies the effectiveness of the measures, and explains and discloses the assessment process and the results of the measures to stakeholders.

(2) 'Negative human rights impact' refers to a negative impact caused to individuals, groups, or local communities by human rights violations or the absence of human rights protection that occur or may occur in the company's business activities and supply chain.

(3) 'Human rights violation' means any act that infringes on the rights guaranteed by international human rights norms or domestic human-rights-related laws or that damages human dignity and value, and includes specific acts such as discrimination, verbal abuse, violence, harassment, forced labor, child labor, and provision of an unsafe working environment.

(4) 'Human rights impact assessment' refers to a systematic procedure for identifying and assessing in advance negative human rights impacts that may occur in the company's business activities and supply chain, and is divided into written due diligence and on-site due diligence.

1. 'Written due diligence' means a basic assessment to identify the general areas where negative human rights impacts are most likely to occur and are most serious in the company, subsidiaries, and supply chain.

2. 'On-site due diligence' means an assessment that analyzes negative human rights impacts in depth for specific high-risk areas or vulnerable stakeholders.

(5) 'Stakeholder' is a concept that refers to individuals, groups, or organizations affected in relation to the company's business activities and supply chain, including officers and employees, partner companies, local residents, and consumers.

(6) 'Vulnerable stakeholder' is a concept that refers to individuals or groups more easily exposed to the risk of human rights violations due to social, economic, geopolitical, or cultural factors, including children, women, persons with disabilities, indigenous communities, and ethnic minorities.

(7) 'Risk factor' means facts, circumstances, and situations related to the severity and likelihood of negative human rights impacts, and includes company-level, business operation, geographic, and sectorial risk factors.

(8) With respect to the terms used in these guidelines, except as specifically prescribed in these guidelines, the examples of terms used in relevant laws apply.

Chapter 2 Identification and Assessment of Human Rights Impacts

Article 5 Criteria for the Human Rights Impact Assessment

When conducting written and on-site due diligence, the company may identify and manage negative human rights impacts in consideration of the following risk factors.

1. Company-level risk factor (CL): Factors that raise the possibility of human rights violations within the company, such as a lack of the company's human rights management policy and governance system, the absence or inadequacy of grievance handling procedures, and the lack of human rights education.
2. Business operation risk factor (BO): Factors that raise the possibility of human rights violations in the course of business operation, such as the company's ratio of non-regular employment, lowest-bid policies, and other business models, or the receipt of grievances or the filing of disputes.
3. Geographic risk factor (GE): Factors that raise the possibility of human rights violations by operating a business or receiving supplies in regions with poor social and economic conditions, regions inhabited by indigenous peoples, regions where forced labor and child labor occur, and conflict areas.
4. Sectorial risk factor (SEC): Factors that raise the possibility of human rights violations by belonging to a high-risk industry group designated by the international community in consideration of the characteristics, activities, products, and production processes of the sector.

Article 6 Targets of Written Due Diligence

- (1) The company conducts written due diligence on itself, its subsidiaries, in-house partner companies, and direct/indirect suppliers, and identifies the general areas where the possibility and severity of negative human rights impacts are high.
- (2) In cases where the written due diligence targets of the company and a subsidiary overlap, the parent company and subsidiary may mutually consult to decide the written due diligence targets, etc., within the scope not violating relevant laws.
- (3) The targets of written due diligence in the company's supply chain are as follows.
 1. In-house partner company: A legal entity that concludes a direct commercial contract with the company and whose employees are stationed at the company's business site and directly provide services to the company.
 2. Direct supplier: Among legal entities that conclude a direct commercial contract with the company, the remaining entities excluding in-house partner companies.
 3. Indirect supplier: A legal entity that has not concluded a direct commercial contract with the company but operates a business necessary for the company's operation, products, or use of services, such as by providing products or services to direct suppliers.

Article 7 Written and On-site Due Diligence of the Company

Written and on-site due diligence of the company must be conducted regularly at least once a year in consideration of the following methods.

1. Company-level risk factor (CL): Factors that raise the possibility of human rights violations within the company, such as a lack of the company's human rights management policy and governance system, the absence or inadequacy of grievance handling procedures, and the lack of human rights education.
2. Business operation risk factor (BO): Factors that raise the possibility of human rights violations in the course of business operation, such as the company's ratio of non-regular employment, lowest-bid policies, and other business models, or the receipt of grievances or the filing of disputes.

Article 8 Written and On-site Due Diligence of the Supply Chain

- (1) Among in-house partner companies and direct suppliers, the targets of written due diligence are selected in consideration of the following methods.
 1. Business materiality: Business materiality is assessed by comprehensively considering the supply of strategic items/services, the purchase amount, and the contract or transaction period. However, the company may set the criteria and procedures for calculating business materiality at its discretion in consideration of management needs and practical circumstances.
 2. Geographic risk factor (GE) analysis: The human rights and social risks of the countries and regions where in-house partner companies and direct suppliers are located are assessed, and the specificity and conflict risk of the relevant region are analyzed.
 3. Sectorial risk factor (SEC) analysis: Whether the characteristics and activities of the industry to which in-house partner companies and direct suppliers belong fall under the OECD sector-specific due diligence guidance for high-risk industries is analyzed to assess the possibility of human rights violations.
- (2) Among indirect suppliers, the targets of written due diligence are selected from among companies whose possibility of human rights violations has been confirmed through the following methods.
 1. Business operation risk factor (BO) analysis: Cases where a human rights issue is received through the company's grievance handling procedure and cases where a lawsuit, report, or other legal dispute is filed with a court or government agency are analyzed.
 2. Others: Cases where reasonable grounds to judge that a human rights violation has occurred at another indirect supplier are found are analyzed.
 3. The company selects the targets of written due diligence at least once a year through the procedures set out in paragraphs 1 and 2.
 4. However, the supply chain ESG due diligence conducted by the procurement department in accordance with the EU supply chain due diligence directive takes precedence.

Article 9 Method and Cycle of On-site Due Diligence

- (1) On-site due diligence is conducted at least once a year for the officers and employees of a specific entity, focusing in particular on vulnerable stakeholder groups (hereinafter 'vulnerable groups'). However, the implementation cycle may be adjusted in comprehensive consideration of the company's business environment, the risk level of the subject, and stakeholder requests.
- (2) The methods of on-site due diligence are as follows.
 1. Focus group interview (FGI): In-depth interviews are conducted with workers belonging to the company, in-house partner companies, direct suppliers, and indirect suppliers, or with representatives of the vulnerable groups falling under [Attachment 1], to identify negative human rights impacts and hear grievances.
 2. On-site inspection: The business sites of the company, in-house partner companies, direct suppliers, and indirect suppliers, or the workplaces of the vulnerable groups falling under [Attachment 1], are visited to analyze the working and living environments and assess structural human rights risks.
- (3) Vulnerable groups are identified according to the criteria of [Attachment 1] during the on-site due diligence process, and investigations of them are conducted intensively during due diligence.
- (4) The company may receive advice from external experts when it is necessary to set the scope of high-risk areas and vulnerable groups or to adjust the calculation criteria.

Article 10 Priority Assessment

- (1) For negative human rights impacts identified through the human rights impact assessment, the company may assess priorities according to the following criteria and [Attachment 2].
 1. Severity: Judged by comprehensively considering the scale, scope, and irremediability of the human rights impact.
 2. Likelihood: The likelihood of the relevant human rights impact occurring is assessed based on the frequency of occurrence.
- (2) The priority assessment in paragraph 1 may be conducted with the assistance of external experts, and the assessment results may be reflected when establishing the company's human rights policy and response plan.

Article 11 Derivation and Management of Salient Human Rights Issues

The company derives salient human rights issues according to the priority assessment results, monitors the management status and performance, and establishes improvement measures where necessary.

Chapter 3 Preparation of Response Measures

Article 12 Establishment and Implementation of Response Measures

- (1) The company establishes and implements response measures to prevent and mitigate negative human rights impacts according to the results of the human rights impact assessment of the officers and employees of itself and its in-house partner companies and of the supply chain, and may prioritize handling salient issues where necessary.
- (2) The company may use the advice of external experts where necessary to enhance the effectiveness of response measures.

Article 13 Supply Chain Human Rights Issue Response Measures

To systematically manage supply chain human rights issues, the company may prepare the following measures.

1. Contractual guarantee clauses: The company may include clauses in purchase contracts that guarantee compliance with the supplier code of conduct and the protection of human rights.
2. Supply chain support: The company may provide education, technical support, etc., to strengthen the human rights management capabilities of the supply chain.
3. Improvement of transaction practices: The company improves procurement procedures and criteria to prevent human rights violations in the course of transactions with the supply chain and establishes fair and sustainable transaction practices.
4. Contract suspension: The company may review contract suspension when a supplier continuously fails to rectify a serious human rights violation.

Chapter 4 Monitoring and Reporting

Article 14 Monitoring Procedure

- (1) The company may set quantitative or qualitative indicators to monitor the implementation and effectiveness of response measures.
- (2) The [human rights due diligence oversight department] may report the monitoring results to management, and management may review them and take necessary measures to prevent human rights violations.

Article 15 Establishment of a Communication Plan

- (1) The company may establish a plan for transparent communication with stakeholders on the results of human rights due diligence and response procedures.
- (2) The communication plan may be prepared in a direction that builds trust through the exchange of opinions and interaction with stakeholders.

Article 16 Disclosure Criteria

- (1) The company discloses internally and externally the salient human rights issues identified as a result of the human rights impact assessment and the response measures, etc.
- (2) The disclosure in paragraph 1 may be pursued through various methods, such as disclosure on the company website, disclosure in the sustainability report, and disclosure in a separate human rights report.

Chapter 5 Stakeholder Engagement

Article 17 Stakeholder Engagement

- (1) The company may gather opinions from stakeholders across the entire implementation of human rights due diligence, such as the human rights impact assessment, establishment of response measures, development of monitoring indicators, and remedy procedures.
- (2) The company provides sufficient information in the stakeholder engagement process and strives to ensure participation through continuous interaction.

Article 18 Removal of Participation Barriers

- (1) The company strives to identify physical, cultural, and linguistic barriers and to prepare measures to remove them.
- (2) The company ensures the participation of vulnerable groups and strives to prevent retaliation through confidentiality and anonymity.

Article 19 Participation and Due Diligence by Third-Party Experts

When it is necessary to conduct third-party due diligence at the business sites of the company and within the supply chain, the company makes a judgment according to the following criteria, and may receive advice from external experts where necessary.

- (1) Where human rights and environmental standards defined by major countries' due diligence legislation or international norms (the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, etc.) have been violated
- (2) A matter directly or indirectly related to the company's activities that is a case raised by regulatory authorities
- (3) Where it falls under a matter received in accordance with Article 5 of the Grievance Handling Procedure Operating Guidelines
- (4) Where the company otherwise deems it necessary

Supplementary Provisions

Article 20 Effective Date

These guidelines take effect from February 27, 2025.

4.2 Grievance Handling Procedure Operating Guidelines

Chapter 1 General Provisions

Article 1 Purpose

The purpose of these guidelines is to set out matters necessary for the establishment and operation of a grievance handling procedure to comprehensively resolve stakeholders' grievances in realizing human rights management and to create a fair and reliable management environment.

Article 2 Scope of Application

The company must comply with these guidelines, and where the company's own regulations on grievance handling procedures are stricter than these guidelines, those regulations may be applied first.

Article 3 Definitions

- (1) 'Grievance' refers to matters, damage, etc., related to complaints, disputes, human rights violations, or the possibility of violations experienced by employees, suppliers, customers, or other stakeholders due to the company's activities.
- (2) 'Grievance filer' means an individual or organization that has raised a matter falling under a grievance in accordance with these guidelines.
- (3) 'Stakeholder' refers to individuals, organizations, or entities that transact with or may be affected in relation to the company's business activities, examples of which include suppliers, service providers, customers, non-governmental organizations (NGOs), and local communities.

Article 4 Operating Principles

The company operates the grievance handling procedure according to the following principles.

1. It guarantees the confidentiality of the grievances of employees and stakeholders and maintains the independence and fairness of the grievance handling procedure to secure trust.
2. By guaranteeing confidentiality in the grievance handling procedure, it prevents all forms of retaliation, takes reasonably available measures, and complies with a policy prohibiting disadvantage to reporters.
3. It clearly notifies the parties of the processing deadline and progress at each stage of the grievance handling procedure and continuously provides the information necessary for the victim to participate in the handling process.
4. It provides the support necessary for the victim to legitimately participate in the grievance handling procedure and takes institutional measures so that participation in the procedure is not restricted on grounds of gender, age, nationality, disability, etc.
5. It discloses the policies and procedures related to the grievance handling procedure in a way that stakeholders can understand and transparently discloses the performance and improvements of the procedure.
6. In the grievance handling process, it complies with domestic law and international human rights norms and does not obstruct the use of external remedy institutions.
7. It regularly assesses the effectiveness of the grievance handling procedure, improves the procedure based on the assessment results, and conducts education and awareness-raising activities for structural change and recurrence prevention.
8. In the design and improvement of the grievance handling procedure, it gathers the opinions of diverse stakeholders and enhances grievance resolution and the effectiveness of the procedure through dialogue and cooperation.

Article 5 Scope of Report Receipt

- (1) The scope of grievance report receipt under these guidelines is as follows.
 1. Unethical conduct
 2. Abusive conduct
 3. Workplace harassment/sexual harassment
 4. Fair trade
 5. General human rights issues
- (2) The general human rights issues in paragraph 1, subparagraph 5, include the following human-rights-related grievances arising at the company, subsidiaries, and the supply chain.
 1. Building a human rights management system
 2. Non-discrimination in employment
 3. Guaranteeing freedom of association and collective bargaining
 4. Prohibition of forced labor
 5. Prohibition of child labor
 6. Ensuring industrial safety
 7. Responsible supply chain management
 8. Protecting the human rights of local residents
 9. Guaranteeing environmental rights
 10. Protecting consumer human rights

Chapter 2 Establishment of a Grievance Handling Channel

Article 6 Grievance Handling Channel

- (1) The company establishes an in-house grievance handling channel (hereinafter 'grievance handling channel') for the receipt, consultation, investigation, and handling of grievances under Article 5. The grievance handling channel may be established in the following forms.
 1. Receipt of grievances through online means (representative e-mail, website, etc.)
 2. Receipt of grievances by mail
 3. Receipt of grievances through a grievance handling officer (including by telephone and in person)
 4. Receipt of grievances through other methods equivalent to subparagraphs 1 through 4
- (2) The company designates an oversight department in consideration of the company's organizational structure and situation, and grievances for which an oversight department is not designated are handled by designating an appropriate department according to the matter.
- (3) The company designates grievance handling officers, including at least one male and one female employee each, to handle grievance reports. However, exceptions may be made where internal personnel conditions are difficult, and the help of external experts may be received where necessary.

(4) The work of the grievance handling channel is as follows.

1. Consultation, receipt, investigation, and handling of grievance
2. Case handling through inter-departmental cooperation and coordination
3. Establishment and implementation of measures to prevent the recurrence of grievances
4. Prevention activities such as education and promotion to prevent grievances

Chapter 3 Operation of the Grievance Handling Procedure

Article 7 Reporting and Receipt

- (1) A grievance filer may report the content to the grievance handling channel either by name or anonymously.
- (2) A report may be submitted in Korean, English, or a language chosen by the submitter, and all subsequent communication is conducted in Korean, English, or the grievance filer's preferred language.
- (3) When a grievance report is received, the company must notify the parties of the fact by an appropriate method (in writing, by e-mail, or by telephone) within [7 working days] from the date of report. However, exceptions apply in cases such as where there is no method of notification, and additional time may be allowed for handling in situations such as where translation takes time.

Article 8 Dismissal of a Report

- (1) The company may dismiss a received grievance report where it falls under any of the following.
 1. Where it is evident that the grievance filer and the person against whom the grievance is filed are not members or stakeholders of the company
 2. Where, in a case reported by a person who is not the victim, it is evident that the victim does not want an investigation
 3. Where it is evidently unrelated to the company's work or does not constitute a grievance
 4. Where it is markedly difficult to conduct an investigation
 5. Where it is equivalent to subparagraphs 1 through 4 above
- (2) Where the company dismisses a report, it must notify the parties of the result and reason by an appropriate method (in writing, by e-mail, by telephone, etc.) within [3 working days] from the date of the dismissal decision. However, exceptions apply where there is no method of notification, etc.
- (3) The dismissal decision in paragraph 2 must be notified within [3 months] from the date on which the parties received the receipt notification under Article 7.

Article 9 Consultation on a Reported Case

- (1) When the company receives a grievance report, it must conduct consultation without delay through a grievance handling officer, etc., and it supports the victim in sufficiently understanding and using the company's grievance handling procedure by specifically explaining the grievance handling procedure to the victim or the person claiming to have been harmed.
- (2) Where the company directly becomes aware of a case, it guides the victim on the consultation and investigation application procedure and proceeds with the consultation and investigation procedure in consideration of the victim's intention.

Article 10 Reporting Serious Human Rights Issues to the Holding Company

- (1) When the company identifies the following serious human rights issues or receives a related case, it reports them to the holding company's grievance handling oversight department.
 1. Violations of ILO core conventions, such as forced labor, child labor, and discrimination
 2. Infringement of the land rights and natural resource use rights of indigenous peoples or local communities
 3. Cases under investigation or received by the OECD National Contact Point or the competent authorities of major countries' due diligence legislation
 4. Cases where an international non-governmental organization (NGO) has raised an issue through a letter or public statement
 5. Other serious human rights issues equivalent to subparagraphs 1 through 4
- (2) The company may request necessary support from the holding company for cases reported in accordance with paragraph 1.
- (3) The company reports to the holding company the progress and results of handling cases reported in accordance with paragraph 1. The frequency and content of reporting are determined by consultation between the company and the holding company according to the specificity of the individual case, but the following matters are included in the content of reporting.
 1. Decision on the investigator and investigation method (e.g., conducting a third-party investigation)
 2. Temporary measures and remedy measures for victims, etc.
 3. Main content of the investigation results report
 4. The presence and progress of legal disputes related to the case
 5. Other major requirements of victims or stakeholders, etc.
- (4) Where the holding company requests information to identify a serious human rights issue, the company must faithfully cooperate, such as by providing relevant information within the scope permitted by relevant laws such as the Personal Information Protection Act.

Article 11 Transfer of Important Cases to the Holding Company

- (1) When the company receives a case falling under any of the following, it must consult with the holding company's oversight department on measures to transfer the case to the holding company. Where, as a result of consultation, it is judged appropriate to handle it within the company, the case is not transferred and the company handles it.
 1. Cases involving the company's top management or senior executives
 2. Cases linked to multiple affiliates
 3. Other cases concerning structural problems affecting the entire POSCO Group
- (2) Where a case is transferred in accordance with the preceding paragraph, the company must explain the reason and procedure for transfer to the victim and grievance filer in advance and obtain their consent.
- (3) The company provides materials and cooperates as necessary for cases transferred to the holding company

Article 12 Investigation of a Case

- (1) Where the grievance handling department judges that an investigation of a grievance report case is necessary in accordance with relevant laws, etc., it investigates the received case in consideration of the intention of the grievance filer or victim.
- (2) The investigation is completed within [2 months] from the date of receipt, but where there are special circumstances, the investigation period may be extended, and the reason for extension and the expected deadline are notified to the grievance filer by an appropriate method (in writing, by e-mail, by telephone, etc.). However, this does not apply where there is no method of notification, such as anonymous reports.
- (3) The grievance handling department may request cooperation from relevant departments in the course of the investigation, and the relevant department must comply.
- (4) Where the same case is already being contested in a procedure under relevant laws at an administrative or judicial agency, the company may suspend the investigation and measures and handle it after confirming the result once the relevant procedure is concluded.
- (5) The grievance handling department may use the participation or advice of external experts where necessary to conduct a fair and professional investigation.

Article 13 Deliberation, Resolution, and Remedy

- (1) The company deliberates on and resolves the investigation results of a received grievance report in accordance with relevant laws and company regulations, and where the deliberation result falls under the following reasons, it may reject the report.
 1. Where the content of the report is judged not to be true
 2. Where, as a result of the investigation, it does not constitute a grievance
 3. Where it is recognized that a separate remedy measure is not necessary, such as where recovery from harm has already been made
 4. Where it is equivalent to the reasons above
- (2) Where harm, etc., is recognized as a result of deliberation, the following measures may be taken.
 1. Disciplinary action against the perpetrator
 2. Remedy for the victim
 3. Improvement measures for the systems and practices that caused the case
- (3) The victim may request the following temporary or follow-up measures for necessary protection and recovery in the course of case handling, and the company reviews the validity of the request and takes necessary measures.
 1. Immediate cessation of additional harm
 2. Separation measures such as separating the office space of the victim and the perpetrator
 3. Other necessary and appropriate measures for the victim's safety and recovery
- (4) The grievance handling department must notify the parties of the resolution result by an appropriate method (in writing, by e-mail, by telephone, etc.) within [3 working days] from the date of resolution. However, this does not apply where there is no method of notification, such as anonymous reports.
- (5) The investigation and resolution results must be notified within [3 months] from the date on which the receipt notification was received. However, where the investigation deadline is extended, the result notification may also be extended by that period.

Chapter 4 Protection of Victims, etc.

Article 14 Duty of Confidentiality

- (1) In the grievance handling process, the grievance filer, victim, actor, witness, and investigator must comply with the duty of confidentiality and prepare and sign a confidentiality pledge.
- (2) Except where necessary for the investigation and handling of a matter, the identity of the parties concerned, the content of the matter, and the progress of handling, etc., must not be leaked.
- (3) Where a violation of the duty of confidentiality is confirmed, the company takes measures in accordance with relevant regulations and may hold the violator responsible in accordance with law and company regulations where necessary.

Article 15 Prohibition of Disadvantage and Reporting

- (1) No one shall be subject to dismissal, transfer, disciplinary action, unfair treatment, or any other disadvantage related to status or treatment on grounds of having reported, made a statement, testified, submitted materials, etc., or given an answer to the grievance handling channel in accordance with these guidelines.
- (2) Where a grievance filer or victim, etc., receives a disadvantageous personnel measure related to the occurrence of a grievance or a report, they may report it to the head of their department or the grievance handling channel, etc.

Chapter 5 Group-Level Operation of the Grievance Handling Procedure

Article 16 Establishment of a Grievance Handling Policy

- (1) The company may systematically identify international human rights norms, relevant laws, and group-level human rights issues and policies, and establish a grievance handling policy by gathering the opinions of stakeholders or experts.
- (2) The company provides the support and cooperation necessary for the holding company to operate the group-level grievance handling procedure.
- (3) The company regularly revises or supplements the policy in paragraph 1 to reflect the status of grievance handling procedure operation.

Article 17 Education and Training Support for Human-Rights-Related Grievance Handling Officers

- (1) The company conducts the education and training necessary for in-house grievance handling officers and may receive support from the holding company as needed.
- (2) The content of the education and training under paragraph 1 may include the following.
 1. Reporting and transfer procedures for serious human rights issues
 2. Industry-specific characteristics and major human rights issues arising at affiliates
 3. Reported cases and major human rights risks by country
 4. Human-rights-related policy trends and legal responsibility
 5. Best practices and response measures related to serious human rights issues
 6. The role and responsibility as the company's human rights officer.

- (3) The company ensures that its grievance handling officers complete internal and external education, and reports the results to the holding company.

Article 18 Effectiveness Assessment and Improvement of the Grievance Handling Procedure

- (1) The company's grievance handling oversight department strives to ensure that the in-house grievance handling procedure is operated according to the following 8 criteria presented in Article 31 of the UN Guiding Principles on Business and Human Rights (hereinafter 'UNGPs').
1. Legitimate: Ensuring that the grievance handling procedure is operated fairly and can secure the trust of stakeholders
 2. Accessible: Making the grievance handling procedure accessible to all stakeholders and appropriately providing it to affected groups facing particular barriers
 3. Predictable: Clearly notifying each stage and progress of the grievance handling procedure and the method of implementing the outcome
 4. Equitable: Supporting affected groups so that they are provided with appropriate information and can participate fairly in the procedure
 5. Transparent: Sufficiently notifying and providing information on the progress and results of the grievance handling procedure
 6. Rights-compatible: Ensuring that grievance handling outcomes and remedy measures conform to internationally recognized human rights standards
 7. A source of continuous learning: Improving the procedure by reflecting lessons learned through procedure operation and conducting education and measures to prevent recurrence
 8. Based on engagement and dialogue: Designing and operating the procedure by reflecting stakeholders' opinions based on dialogue and participation
- (2) The company may conduct an effectiveness assessment of the grievance handling procedure with reference to the criteria in each subparagraph of paragraph 1.
- (3) Where improvements that can be commonly applied to the POSCO Group are derived as a result of the effectiveness assessment in paragraph 2, the company reports them to the in-house ESG department and strives to establish and implement improvement tasks in cooperation with the holding company.
- (4) The company shares major lessons and success cases derived in the grievance handling process within the group through the Group Human Rights Council, etc., and strives to continuously improve the level of human rights risk management.

Supplementary Provisions

Article 19 Effective Date

These guidelines take effect from February 27, 2025.

5. Diversity, Equity, and Inclusion Policy

Purpose

The purpose of this policy is to improve the diversity, equity, and inclusion of all POSCO STEELEON officers and employees and to prevent discrimination, harassment, and sexual harassment in the workplace, thereby creating a healthy working environment in which officers and employees can fully demonstrate their abilities.

Scope of Application

This policy applies to POSCO STEELEON and its officers and employees. POSCO STEELEON recommends that partner companies trading with it and their officers and employees also comply with this policy or a policy at a similar level.

Basic Principles

1. Diversity and inclusion

Diversity means respecting officers' and employees' characteristics such as culture, gender, nationality, race, religion or belief, social and economic status, and ability, and inclusion means enabling all officers and employees to have a sense of belonging to the organization, participate in work, and fully demonstrate their potential. Diversity and inclusion mean creating a working environment in which organizational members are not unreasonably discriminated against and respect one another, and specifically, their purpose can be achieved by complying with the following.

- (1) We maintain an inclusive working environment by respecting various cultural differences.
- (2) We create an environment in which all officers and employees can contribute by utilizing their abilities, experience, and knowledge in the course of company work.
- (3) We support officers and employees in achieving their personal visions and enable them to perform work flexibly in terms of time, place, method, etc.
- (4) We aim for an open corporate culture that removes walls between organizations and cooperates mutually through open communication.
- (5) We prepare various networking groups through which officers and employees can interact with one another.
- (6) Recognizing that certain officers and employees may experience difficulties in work due to physical or mental disabilities, we do not alienate or exclude them from the company on grounds of disability.
- (7) We recognize that it is a place where diverse generations coexist while providing different abilities, and where officers and employees of diverse backgrounds, nationalities, and races gather and work together.
- (8) We create an environment in which all officers and employees with different family relationships, such as marital status, divorce status, and whether they have children, can coexist.
- (9) We introduce an ability-based promotion system.
- (10) Where artificial intelligence (AI) is used in the course of recruiting, managing, and educating officers and employees, we do not use algorithms that foster bias against certain groups, etc., and take care that discriminatory results do not arise.

2. Equity

Equity means providing equal opportunities in promotion, recruitment, education, etc., so that officers and employees can fully demonstrate their individual abilities, and specifically we comply with the following.

- (1) We do not discriminate on grounds of factors unrelated to ability, such as race, nationality, gender, age, educational background, religion, region, disability, marital status, and gender identity.
- (2) We ensure that the principle of gender equality is observed within the company, affiliates, and suppliers/partner companies.
 - We ensure that female officers and employees are not unfairly discriminated against due to pregnancy, childbirth, and childcare.
 - We ensure that individual growth in the workplace is not hindered on grounds of gender.
 - We provide the same working environment for the same work and work of equal value.
 - We conduct fair evaluations based on the individual capabilities and performance of officers and employees and systematically reflect them so that appropriate compensation is made.
 - We ensure that equal opportunities are provided in employment where a person meets the job qualification requirements and abilities.
 - We treat others without bias based on social background, cultural background, and educational background.

3. Prohibition of workplace harassment

Acts in which officers and employees use the superiority of their position or relationship in the workplace to cause physical or mental pain to other employees beyond an appropriate scope of work or to worsen the working environment (the following acts, including similar acts) are prohibited.

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

4. Prohibition of sexual harassment

Acts in which officers or employees, using their position or in relation to work, etc., cause the other party to feel sexual humiliation or aversion through sexual words and behavior or sexual demands, or acts of giving employment disadvantages on grounds of non-compliance with sexual words and behavior or demands, or of expressing an intention to grant benefits on the condition of complying with them, are prohibited.

Implementation Measures

- (1) We regularly conduct education to improve diversity, equity, and inclusion and to prevent discrimination, harassment, and sexual harassment in the workplace, and take necessary preventive measures.
- (2) Management or the Board of Directors monitors the implementation of this policy and must have a dedicated organization for receiving, consulting on, investigating, and handling reports of violations, and in particular, operates a separate consultation and reporting center as a dedicated organization for sexual harassment.
- (3) We establish a reporting system through which anyone who becomes aware of the occurrence of an act violating this policy can report the fact to the dedicated organization by direct visit, mail, telephone, e-mail, etc.
- (4) Where the dedicated organization becomes aware of a violation of this policy, it must conduct an investigation to confirm the facts, and according to the investigation results, take necessary measures such as disciplinary action against the actor, department transfer, or education to prevent recurrence.
- (5) It must take measures so that there are no employment disadvantages or other unfavorable treatment against victims and cooperators, and must not leak any content related to the case except where necessary for the investigation and handling of the case.

6. Supply Chain Policy

Purpose

The purpose of this policy is for POSCO STEELEON to establish a fair trade order based on mutual trust with its supply chain and suppliers and to build a sustainable supply chain, thereby building a robust corporate ecosystem in which it can achieve win-win growth with stakeholders. It also ensures that POSCO STEELEON establishes specific measures by which it can contribute to suppliers' understanding of all the clauses written in the established code of conduct.

Scope of Application

This policy applies to POSCO STEELEON. POSCO STEELEON recommends that suppliers trading with it (hereinafter collectively 'suppliers') also comply with this policy or a policy at a similar level. Furthermore, POSCO STEELEON expects suppliers to recommend that their own suppliers also comply with this policy or a policy at a similar level.

Implementation Measures

1. Supplier Code of Conduct

(1) Labor and human rights

Suppliers protect and respect workers' human rights across the entire process of corporate activities. This applies to all forms of workers, such as temporary workers, migrant workers, trainees, short-term contract workers, and directly employed workers. Workers must be guaranteed lawful work and rights in accordance with local laws.

(2) Safety and health

Suppliers recognize that a safe and healthy working environment is a factor that not only minimizes the occurrence of work-related accidents and diseases but can also enhance the quality of products and services, the consistency of production, and employee retention and morale. In addition, they strive to identify and resolve health and safety issues in the workplace in accordance with local laws and regulations.

(3) Environment

Suppliers must comply with laws and regulations on environmental protection and must recognize that environmental protection is a fundamental corporate social responsibility. In the manufacturing process, they must identify environmental impacts and protect public health and safety while minimizing negative impacts on the local community, the environment, and natural resources.

(4) Ethics and fair trade

To fulfill social responsibility and for sustainable growth, POSCO STEELEON and suppliers must comply with matters such as business integrity, prohibition of unfair benefits, compliance with the special terms and conditions for ethics practice, information disclosure, intellectual property protection, fair trade, advertising and competition, identity protection and non-retaliation, responsible minerals management, and personal data protection.

(5) Management system

Suppliers must adopt or build a management system related to the content of this code. The management system must be designed to identify compliance with relevant laws and regulations, customer requirements, compliance with this code, and risks related to this code, and must be continuously improved.

(6) Win-win growth and social contribution

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

(7) Quality management

Suppliers do their utmost to realize a World Best Supply Chain by providing the highest quality products and services to POSCO STEELEON.

(8) Prevention of conflicts of interest

Suppliers must avoid situations that conflict or may conflict with the company's interests, and must not disclose or improperly use any confidential or non-public information acquired in transactions with the company.

(9) Internal reporting system

Suppliers establish and operate an internal reporting system through which workers can anonymously report unethical conduct or acts with the possibility of legal violation, and investigate such reports to prepare appropriate improvement measures.

(10) Wages

Suppliers comply with all wage-related laws, including those on the minimum wage, salaries, overtime allowances, and salary deductions.

2. Supply Chain Risk Management and Due Diligence

- We prepare a supply chain risk management and monitoring system to identify risks that may undermine sustainability in the supply chain because suppliers fail to comply with the basic principles of this policy, and to minimize negative impacts.
- When selecting suppliers, we must confirm whether the supplier complies with the supplier code of conduct of this policy.
- When concluding a contract with a supplier in the supply chain, we must include content to ensure that the supplier complies with this policy, and must enable the supplier to include similar contract clauses for their own suppliers.
- In the supply chain risk management process, where we identify negative impacts on human rights, the environment, product safety, etc., and judge it necessary to prevent or mitigate them, we may conduct supply chain due diligence within the scope permitted by law.
- Supply chain due diligence must include identifying and assessing actual or potential negative impacts in the supply chain, preparing and implementing an action plan to prevent, mitigate, and improve negative impacts, communicating with stakeholders on the due diligence process and results, and procedures through which stakeholders can convey grievances.
- The scope of the supply chain subject to due diligence may be selected on our own in consideration of the impact on the company, and first-tier suppliers or second-tier or higher suppliers may be subject to it.
- Through supply chain risk management and due diligence, we assess the level of the supplier's implementation of this policy, and based on the results, we may require the supplier to establish and implement a plan to improve and mitigate the negative impacts caused in the course of the supplier's corporate activities.

- Where, despite such requirements, a supplier's efforts to improve supply chain risks are deemed insufficient and it is determined that the risks of the supplier's negative impacts are unlikely to be mitigated, the Company may suspend or terminate transactions with the supplier.

2-1. Procurement Contract ESG Risk Inspection

POSCO STEELEON's procurement contract ESG risk inspection consists of the 4 stages of new supplier registration, performance assessment, follow-up management, and ongoing risk inspection.

(1) New supplier registration

- POSCO STEELEON's principle is to grant an ongoing application opportunity to all suppliers wishing to newly register, and where necessary, may proceed with the assessment after a certain period following receipt of the registration application in consideration of the situation and business requirements.
- POSCO STEELEON conducts supplier assessment according to the new supplier assessment procedure and restricts new registration for suppliers with ESG risks.

(2) Performance assessment

- POSCO STEELEON conducts supplier performance assessment for trading suppliers once a quarter.
- POSCO STEELEON's supplier performance assessment is conducted according to the internal assessment procedure, and a comprehensive assessment is conducted considering the using department's assessment of the 4 areas of quality, implementation, support, and environment and safety of trading suppliers, as well as the credit score, days of delay, etc.
- POSCO STEELEON implements supplier differentiation measures according to the supplier performance assessment results.

(3) Follow-up management

- POSCO STEELEON restricts inferior suppliers from participating in bidding, etc., according to the performance assessment results.

2-2. Supply Chain ESG Risk Management Process

POSCO STEELEON conducts supply chain ESG due diligence to identify ESG supply chain risks.

(1) Target and cycle

- POSCO STEELEON's supply chain due diligence is conducted once a year for direct trading suppliers.

(2) Due diligence

- POSCO STEELEON conducts due diligence according to the supply chain ESG due diligence process.
- POSCO STEELEON's supply chain ESG due diligence proceeds in the stages of written due diligence and on-site due diligence.
- POSCO STEELEON's supply chain ESG due diligence is conducted using a POSCO STEELEON-type checklist.
- For suppliers confirmed to have high ESG risks as a result of written due diligence, on-site due diligence is conducted, and on-site due diligence is conducted by methods such as pursuing a joint due diligence with a third-party external institution.

(3) Improvement/monitoring

- POSCO STEELEON implements ESG risk improvement activities according to the supply chain ESG due diligence results.
- POSCO STEELEON requests improvement plans from suppliers for actual or potential ESG risks confirmed as a result of supply chain ESG due diligence and monitors the improvement results. However, where risks persist despite ESG risk improvement activities, it may suspend transactions with the relevant supplier.

3. Building Win-Win Growth and a Mutually Beneficial Relationship with Suppliers

- To establish a fair trade order based on mutual trust and build a corporate ecosystem that coexists through win-win growth with suppliers, we strive as follows.
- We respect suppliers' rights (intellectual property rights, material rights, etc.) and strive to ensure that transactions with suppliers are conducted fairly in a relationship of mutual respect and equality.
- We share performance with suppliers to pursue mutual benefit and enable suppliers to provide excellent-quality products and high-level services through smooth communication and mutual cooperation with suppliers.
- We strive to build a stable supply chain through improving the payment environment for suppliers and technical and financial support, and we support suppliers in complying with laws and regulations related to fair trade.
- We continuously expand the scope of win-win growth suppliers for the overall win-win of the corporate ecosystem.

7. Stakeholder Engagement Policy

Purpose

POSCO STEELEON declares that changing and innovating while communicating and empathizing with all stakeholders, such as customers, members, and shareholders, is ultimately the path to realizing greater corporate value. The purpose of this policy is to set out the principles and implementation measures for actively gathering and communicating stakeholders' requirements and opinions in order to realize the values of coexistence and symbiosis.

Scope of Application

This policy applies to POSCO STEELEON. POSCO STEELEON recommends that partner companies trading with it and their officers and employees also comply with this policy or a policy at a similar level.

Basic Principles

1. Definition of stakeholders

Stakeholders means individuals or organizations that affect or may be affected by the company's management activities, products, services, and decision-making. Stakeholders may include diverse groups such as customers, officers and employees, shareholders, partner companies, local communities, the government and civic groups, and domestic and international investors.

2. Stakeholder participation and communication

- We recognize building a corporate image trusted by all stakeholders, with truth, fairness, and honesty as top value standards, as an unchanging value to be pursued, and we encourage stakeholder participation and actively communicate with them.
- Through stakeholder participation and periodic communication with stakeholders, we strive to objectively assess the positive and negative impacts of corporate activities on society and the environment from an external perspective, and to reflect stakeholders' requirements and expectations regarding social responsibility management issues found in that process in management activities.

3. Respect for and participation in the local community

- We respect and protect the culture and traditions of the local community, and we support minimizing the negative impacts and maximizing the positive impacts of corporate activities on the local community and the environment.

4. Local community development

- By contributing to the development of the local community, we create a foundation for sustainable growth and strive to ensure that active participation in the local community leads to the creation of social and economic value.

Implementation Measures

1. Preparing procedures for identifying, engaging, and communicating with stakeholders

- We prepare procedures to identify individuals or groups that are affected by or can affect corporate activities and to grasp the level of that impact.
- We prepare procedures and methods to efficiently gather stakeholders' opinions so as to draw out active stakeholder participation, and ensure that these include the operating entity, cycle, and method of communication channels.

2. Preparing procedures for local community protection and participation

- Where corporate activities may affect the rights of local residents, we prepare procedures to confirm and protect the rights of local residents, and provide local residents with sufficient information on whether and how the business will be conducted, so that local residents can freely present their opinions in advance based on this.
- We strive to actively identify how corporate activities affect the resettlement and compensation issues of local residents and to systematically improve them.
- We strive to build a consultation system with the local community from the early stage of corporate activities so that corporate activities can be conducted under continuous consultation with the local community.

3. Local community development programs

- In consultation with local community stakeholders, we prepare programs for local community development, monitor the progress of the programs, and periodically share the local community development performance from the implementation of the programs with stakeholders.

4. Grievance mechanism

- We operate a grievance mechanism for individuals and local communities negatively affected by corporate activities. We strive for prompt and reasonable resolution using existing means such as cyber reporting, and strive to ensure that reporters, victims, and cooperators are not disadvantaged on grounds of applying for consultation or investigation or cooperating with it.

8. Tax Policy

Purpose

The purpose of this policy is to set out the tax policy that POSCO STEELEON must comply with, thereby faithfully fulfilling tax obligations and complying with tax laws in the Republic of Korea and the countries where it operates.

Scope of Application

This policy applies to POSCO STEELEON. POSCO STEELEON recommends that customers, partner companies, and contractors trading with it also comply with this policy or a policy at a similar level.

Basic Principles

1. Compliance with tax laws

By understanding the tax laws of the Republic of Korea and the countries where it operates and the intent of their enactment, and complying with the principles to faithfully fulfill tax obligations such as calculating the tax amount to be paid and paying it in a timely manner, it must fulfill its social responsibility.

2. Building a transparent relationship with tax authorities

It builds a transparent relationship with tax authorities and, as a responsible taxpayer, faithfully carries out tax filing and payment obligations in accordance with the principle of good faith, contributes to strengthening national competitiveness through the progressive revision of systems and related regulations and procedures, and closely consults with tax authorities on matters where tax obligations are unclear to minimize related risks.

3. Prohibition of tax avoidance

We do not use methods such as establishing paper companies in tax havens or transferring income to regions where favorable tax rates apply under tax treaties for the purpose of unfairly reducing the tax burden. In addition, in transactions between affiliates, we determine transaction prices in accordance with the Arm's length principle and the OECD Transfer Pricing Guidelines, and where necessary, receive verification of the adequacy of prices from an external professional institution.

4. Minimizing tax risk

We minimize tax risk by proactively considering tax issues before major decision-making on overall management, such as strengthening business competitiveness and global investment.

Implementation Measures

1. Tax risk management

- We operate an in-house dedicated tax department that monitors the internal and external management environment, business structure, and transaction analysis to review tax risks in advance and proceed with decision-making based on the risk assessment results.
- We comply with all tax filing and payment deadlines and document and retain tax-related materials.

2. Roles and responsibilities of the Board of Directors and tax-responsible officers and employees

The Board of Directors is the entity that reviews and approves this policy, and tax-responsible officers and employees perform their work under the principle of complying with tax laws in accordance with POSCO STEELEON's tax policy and maintaining a transparent relationship with tax authorities.

3. Use of external professional institutions

For major tax-related matters, we receive an objective review by an independent institution, and where necessary in important decision-making, we receive advice from external professional institutions to minimize tax risk.

4. Transparent information disclosure

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

9. Anti-Corruption Policy

Purpose

The purpose of this policy is to comply with the laws of all countries where POSCO STEELEON operates, including the Republic of Korea's Criminal Act, Act on the Aggravated Punishment of Specific Crimes, Act on the Aggravated Punishment of Specific Economic Crimes, and Act on the Prohibition of Improper Solicitation and the Receipt of Money and Valuables, as well as the US FCPA (Foreign Corrupt Practices Act) and the UK Bribery Act, and to follow international standards such as the OECD Anti-Bribery Convention, the UN Convention Against Corruption, and the UN Global Compact.

Scope of Application

This policy applies to POSCO STEELEON, its officers and employees, and those who perform work on behalf of POSCO STEELEON. POSCO STEELEON recommends that partner companies trading with it and their officers and employees also comply with this policy or a policy at a similar level.

Definitions

The definitions of terms used in this policy are as follows.

1. 'Money and valuables' means money (cash, gift certificates, vouchers, etc.), goods, and other things that can bring economic benefit.
2. 'Facilitation payment' means a small sum of money paid to a public official so that the public official's routine and repetitive work, such as the receipt and processing of visa-related administrative documents and customs inspection, is processed quickly.
3. 'Agent' means a person who, regardless of title, performs work on behalf of the company, such as order winning, customs clearance, permits/licenses, and taxes.
4. 'Stakeholder' means a person who has an interest in the company, including domestic and foreign public officials and counterparties.
5. 'Conflict of interest' means a case where a private interest with the officers and employees of a business counterparty has an inappropriate influence on the performance of an officer's or employee's duties.
6. 'Entertainment' means various activities conducted for personal gatherings and exchanges arising from business, such as meals, drinking occasions, golf, performances, and recreation.
7. 'Convenience' means providing or receiving benefits such as transportation, accommodation, tourism, and event support.

Basic Principles

1. Compliance with laws

- 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. Money and valuables

- 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

- 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.

8. M&A

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

9. Donations and sponsorships

- 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 Measures

1. Responsibility of executives 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. Preparing an internal reporting procedure

- 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 in case of violation

- 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 Protection and Personal Data Protection Policy

Purpose

The purpose of this policy is to set out the matters that officers and employees must comply with to safely and effectively protect POSCO STEELEON's information assets and to protect the personal data of customers, officers and employees, and partner companies using POSCO STEELEON's services.

Scope of Application

This policy applies to POSCO STEELEON and its officers and employees. POSCO STEELEON recommends that partner companies trading with it and their officers and employees also comply with this policy or a policy at 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 Measures

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 data 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.

GHG Emission Verification Opinion

POSCO STEELEON Co., Ltd.

Verification Scope

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

Verification Standards and Guidelines

To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.

- Guidance for reporting and verification of GHG emissions trading scheme (No. 2025-64 provided by Ministry of Environment, Republic of Korea)
- Verification Guidelines for the Operation of the Greenhouse Gas Emission Trading System (No. 2025-165 provided by Ministry of Environment, Republic of Korea)
- For matters not specified in other guidelines, refer to 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.

2025 GHG Emissions(Scope 1, Scope 2)

(Unit : tCO₂e)

Year	Scope 1	Scope 2	Total
2025	64,115.727	51,709.034	115,823

※ The emission is calculated as a standard emission when submitting emission rights

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

June 10, 2026

Dongmin Moon

KOREAN STANDARDS ASSOCIATION

MOC-26-197-1

GHG Emission Verification Opinion

POSCO STEELEON Co.,Ltd.

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June 10, 2026

Dongmin Moon

KOREAN STANDARDS ASSOCIATION

Independent Assurance Report

Based on a report originally issued in Korean

To the management of POSCO STEELEON

June 18, 2026

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, 2025 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, 2025	P88~89	GRI Standards (Global Reporting Initiative)
SASB Standards Index within the Report	As of the year ended 31 December, 2025	P90	SASB Standards (Sustainability Accounting Standards Board)
ESG Data within the ESG Factbook	As of the year ended 31 December, 2025	P83~87	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 the 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.

Independent Assurance Report

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 STEELEON'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
- Perform 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 18, 2026

This report is effective as of 18 June, 2026, 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.

UN Sustainable Development Goals (UN SDGs)

Sustainable Development Goals		Main activities	Reporting page
	Good Health and Well-Being Ensuring healthy lives and promoting well-being	· Safety accident prevention activities · Proactive management of occupational diseases · In-house and external health checkups and medical support · Welfare support for excellent partner companies	45-46
	Quality Education Quality education for all	· Re-establishing the HRD strategy and education/training system · Support for individual competency development and degree acquisition · Operation of programs for employees nearing retirement	70-71
	Gender Equality Ensuring gender equality	· Establishing a Diversity, Equity, and Inclusion policy · Systems to encourage childbirth and parental leave	70
	Clean Water and Sanitation Clean water and sanitation	· Proactively responding to water shortage issues by optimizing water resource management and introducing reduction technologies · Reducing wastewater treatment volume through improved wastewater treatment · Developing activities to protect river and marine ecosystems through biodiversity conservation activities	58-59
	Affordable and Clean Energy Affordable and clean energy	· Building a decarbonized production system through increased waste-heat-utilizing steam and fuel conversion · Expanding renewable energy use	24-25
	Industry, Innovation and Infrastructure Innovation and infrastructure	· Supporting housing environment improvement projects through innovative products (Toad House Project)	72
	Responsible Consumption and Production Sustainable growth and consumption	· Developing heavy-metal-free (Cr-Free) building-material color-coated steel sheets · Developing nitrogen oxide (NOx)-reducing urethane steel sheets · Introducing and selecting an excellent supplier (PsHP) certification system · Supporting partner companies' ESG management activities	26, 30, 36, 57
	Climate Action Climate action	· Establishing a 2050 decarbonization roadmap · Establishing a transition and physical risk mitigation response strategy linked to climate change scenarios · Operating an eco-friendly management activity review committee	23-24, 27
	Peace, Justice and Strong Institutions Peace, justice, and institutions	· Operating a Fair Trade Compliance Program · Implementing a fair trade bidding system	38, 80-81

Awards and Membership

Award Record (2022-2025)

Award name	Main activities
Silver Industrial Medal (23rd Steel Day)	2022.06.09
USD 500 million Export Tower	2022.12.08
Administrator of the Cultural Heritage Administration Award (PosART cultural heritage information board)	2022.12.13
17th National Sustainable ESG Conference Deputy Prime Minister and Minister of Economy and Finance Award	2023.05.03
2023 Korean Standards Association Sustainability Conference Sustainability Report Award	2023.11.24
'2024 K-ESG Management Grand Prize' Minister of Environment Award and Overall ESG Grand Prize	2024.10.02
Community Social Contribution Recognition Program Minister of Health and Welfare Award	2025.11.27

Membership Associations

Membership Associations
Korea International Trade Association
Pohang Chamber of Commerce and Industry
Pohang Iron & Steel Industrial Complex Management Corporation
Korea Iron & Steel Association

POSCO STEELEON SUSTAINABILITY REPORT 2025

Coated Steel design the future value