

POSCO FUTURE M

2025 POSCO FUTURE M SUSTAINABILITY REPORT



About This Report

Overview

POSCO Future M Co., Ltd. (hereinafter referred to as POSCO Future M) discloses its efforts and achievements in sustainable management. This report is POSCO Future M's tenth Sustainability Report and outlines the company's commitment to sustainability as well as its performance in the economic, environmental, and social dimensions. Moving forward, POSCO Future M will continue to communicate proactively with stakeholders by disclosing its business activities and sustainability information through this report.

Reporting Period

This report covers POSCO Future M's activities from January 1, 2025 to December 31, 2025. To enhance the transparency of information disclosure, certain activities and achievements from the first half of 2026 are also included. For quantitative performance and indicators, including financial data, four years of data from 2022 to 2025 are presented to enable identification of continuous trends. This report is published on an annual basis, with the previous edition released in June 2025.

Reporting Scope

This report covers POSCO Future M's domestic headquarters and business sites. Unless otherwise noted, the activities of domestic and overseas subsidiaries are not included. Financial data is presented based on the consolidated standards in accordance with Korean International Financial Reporting Standards (K-IFRS). Non-financial data in the environmental and social areas is prepared on a standalone basis for POSCO Future M, with certain achievements including data from the POSCO Group. If the reporting scope varies for specific data, the reporting scope of such data is indicated in footnotes.

Reporting Principles

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, an international sustainability reporting framework. It also complies with the disclosure requirements of the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), and the European Sustainability Reporting Standards (ESRS). Thematic disclosures are presented based on the 'Governance-Strategy-Risk Management-Metrics and Targets' framework, while four years of detailed data for each indicator is provided in the ESG Factbook.

Note about the Report

This report contains information that is both material and impactful to stakeholders. It has been prepared with reference to disclosure practices that ensure the information is appropriate for stakeholders' decision-making purposes, while also enhancing comparability and reliability. The report may include forward-looking statements based on estimates or assumptions regarding the future business environment, in addition to current and historical data. These forward-looking statements, relating to events, conditions, and plans, may change due to shifts in domestic and international regulations, market environments, and industrial structures. Many of these factors are beyond our control or cannot be accurately predicted. Furthermore, some of the quantitative data presented in this report are estimates measured using currently available proxy indicators and methodologies in the market. As such, they may differ from figures calculated using alternative methodologies applied by stakeholders.

Assurance

POSCO Future M received third-party assurance from an independent assurance provider, Samjong KPMG, to enhance the fairness and credibility of the report preparation process and its contents. The assurance was conducted in accordance with the international standard ISAE 3000, and the details and assurance statement can be found on p.140 of this report.

More about the Report

POSCO Future M regularly discloses information on its business operations and performance through the company website to ensure transparency for investors and stakeholders. Additional information related to this report is available on the company website, the Annual Report and Audit Report, and the official website of the Financial Supervisory Service. For any inquiries regarding the Sustainability Report, please contact us through the communication channels provided below.

- Address: 110 Shinhang-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do, Republic of Korea
- Department: POSCO Future M Sustainability Group
- Phone: +82) 54-290-0114
- Email: sustainable@poscofuturem.com

Table of Contents

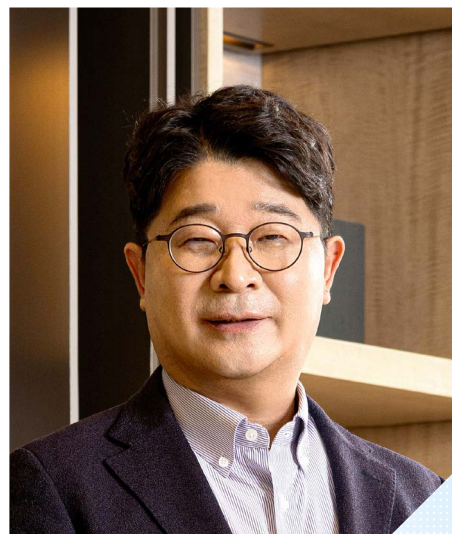
01	Introduction	02	ESG Strategy & Management	03	Material Topics	04	General Topics	05	ESG Factbook
About This Report	2	Corporate Governance	10	Climate Change	31	Environmental	54	ESG DATA	122
Table of Contents	3	ESG Strategy	22	Resource Circulation	42	Environmental Impact	55	GRI Index	132
CEO Message	4	ESG Management	23	Safety·Health	45	Social	68	ESRS Index	135
Company Overview	5	Double Materiality Assessment	25			Human Capital	69	SASB Index	137
Business Portfolio	7					Supply Chain	84	TCFD Index	137
						Local Community	96	GHG Inventory Assurance Statement	138
						Customer Satisfaction	100	Independent Assurance Statement	138
						Information Security	107		
						Governance	113		
						Ethics·Compliance	114		
						Shareholder Rights	120		

CEO Message

Dear Valued Stakeholders,

I would like to extend my sincere gratitude to everyone who has followed and supported POSCO Future M's journey over the past year.

In 2025, the external environment changed rapidly: amid a deepening correction in the global rechargeable battery market, the EU Battery Regulation took effect, the Carbon Border Adjustment Mechanism (CBAM) expanded, and industrial safety regulations were tightened. The US-China trade conflict, the realignment of raw material supply chains, regional disparities in the pace of EV adoption, and the acceleration of AI and digital transformation present both new opportunities and risk factors that test our ability to execute. In this period of transition, POSCO Future M has confirmed more clearly than ever that strengthening business competitiveness and advancing sustainability are not separate tasks but must move together in the same direction. Guided by our responsibility for safety, the environment, and people as a core management principle, we will grow in a way that reduces negative impacts and expands positive value.



First, the most meaningful achievement during the reporting period was reaching zero serious accidents. Across all our sites, we strengthened our ISO 45001-based occupational safety and health management system and proactively reduced risks by activating on-site, participatory communication programs. When safety is secured, our employees can focus on their core work, and this translates into quality and productivity. In 2026, we will operate our three core safety activities (work standards, Face-to-face Dialogue, and Stop Work Authority) more systematically to firmly embed a culture in which no task takes precedence over safety. We will also build a safety culture in which every employee acts not as an object of protection but as an agent of prevention.

Second, we made tangible progress in our response to climate change. Managing our performance under our 2050 decarbonization declaration and our mid-term target to reduce greenhouse gas emissions by 46% by 2035, we achieved reductions that exceeded our target level. We advanced 31 energy efficiency tasks and diversified our renewable energy portfolio by expanding solar power facilities and using Renewable Energy Certificates (RECs). In addition, through Life Cycle Assessments (LCAs) of our key cathode and anode products, we are proactively responding to global environmental regulations and customer requirements. Carbon reduction is now a core element of product competitiveness beyond regulatory compliance. Therefore, we will pursue it in close alignment with our business strategy.

Third, we achieved meaningful results in resource circulation. In 2025, we reached a waste recycling rate of 99.4% and generated approximately KRW 5 billion in economic value through by-product resource recovery and profitability improvement initiatives. By leveraging the Group-wide battery recycling value chain, we will expand our circular raw material system and realize cost savings, supply chain stability, and environmental value together.

The year ahead will bring continued waves of uncertainty, but it is also an opportunity to leap forward as a global top-tier company recognized for technology, quality, and trust. In 2026, while keeping safety as our foremost principle, we will continue our energy transition and process efficiency improvements and strengthen our customer responsiveness based on product LCAs. Over the medium to long term, we will firmly secure our growth drivers around three axes: eco-efficient and high-performance materials, AI- and DX-based smart manufacturing, and global partnerships. We will also further solidify human rights management, compliance, labor-management cooperation, and board-centered accountable management, and in doing so realize sustainable value creation that considers the economy, the environment, and people together.

We kindly ask for your continued interest in and support for POSCO Future M's endeavors on the journey ahead.

Thank you.

POSCO Future M President and CEO

Eom GiChen

Company Overview

Overview of POSCO Future M

(As of December 31, 2025)

Company Name	POSCO Future M Co., Ltd.
CEO	Eom GiChen
Business Sites	Domestic – Pohang, Gwangyang, Sejong, Seoul, Gunsan Overseas – China, Indonesia, Canada
Consolidated Subsidiaries	• PT.KRAKATAU POSCO Future M • Zhangjiagang Pohang Refractories • ZHEJIANG POSCO-HUAYOU ESM Co., Ltd • POSCO Future MATERIALS CANADA INC. • ULTIUM CAM GP INC. • ULTIUM CAM LIMITED PARTNERSHIP • FutureGraph Co., Ltd.¹⁾
Business Areas	Energy Materials, Advanced Chemical Materials, Basic Industrial Materials
Established	May 1971
Headquarters	110 Shinhang-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do, Republic of Korea
No. of Employees	2,986

1) Included on May 14, 2025

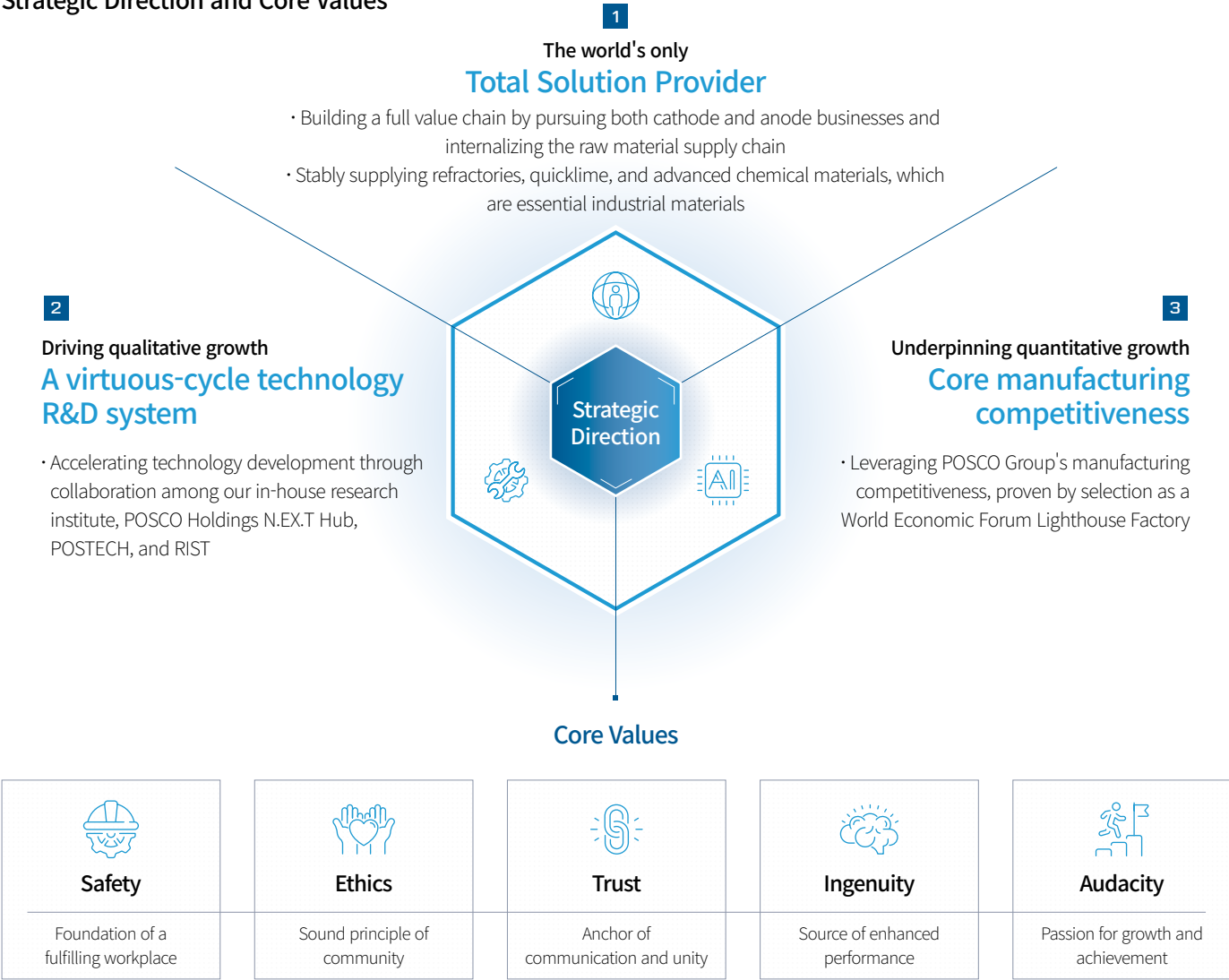
Sustainability Performance

(As of May 31, 2026)



Company Overview

Strategic Direction and Core Values



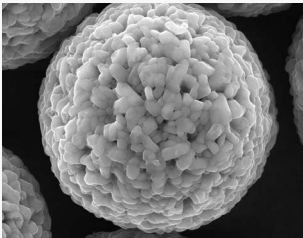
Business Portfolio

Business Overview

Energy Materials

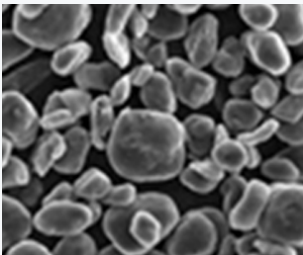
Cathode Materials

Cathode materials refer to the positive electrode (+) components of a battery. As the energy source that serves as the lithium supply in a lithium-ion battery, they determine its capacity and average voltage. POSCO Future M produces High-Nickel NCM (Nickel, Cobalt, Manganese) cathode materials, mainly used in electric vehicles, and has developed NCMA (Nickel, Cobalt, Manganese, Aluminum) cathode material technology that adds aluminum to enhance thermal stability.



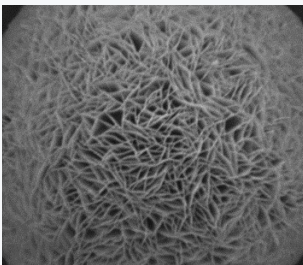
Anode Materials

Anode materials refer to the negative electrode (-) components of a battery. As the energy source that stores and releases lithium ions to let current flow through the external circuit, they determine the charging speed and lifespan of a rechargeable battery. POSCO Future M develops and supplies natural graphite and low-expansion anode materials, and is diversifying its portfolio by developing next-generation materials such as artificial graphite, silicon-based materials, and lithium metal.



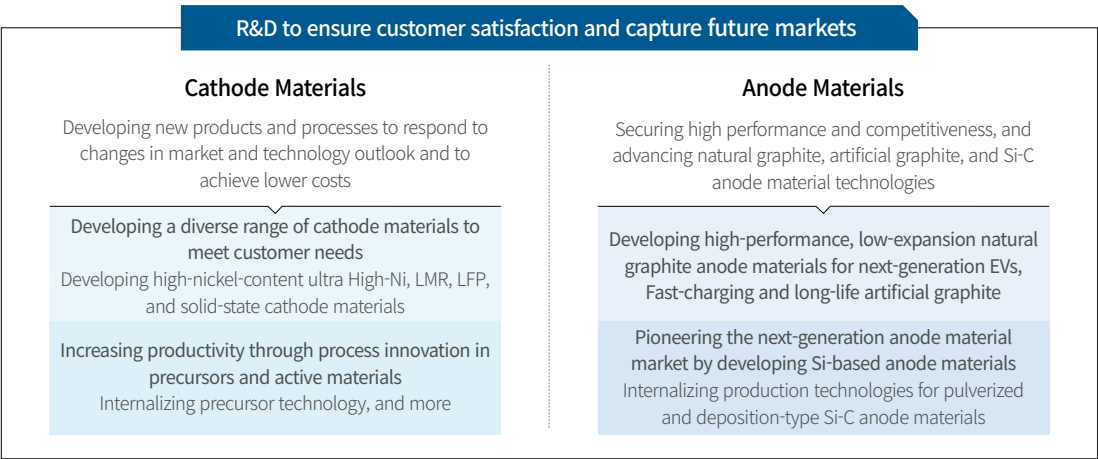
Precursor Materials

A precursor is the substance preceding the cathode material, composed of various metals such as nickel (Ni), cobalt (Co), manganese (Mn), and aluminum (Al). It determines the characteristics of a rechargeable battery and, when combined with lithium, forms the cathode material. Because price and properties vary with the proportion of each raw material, we are researching the optimal combination, and POSCO Future M plans to continuously raise its precursor in-house production rate to ensure stable material supply.

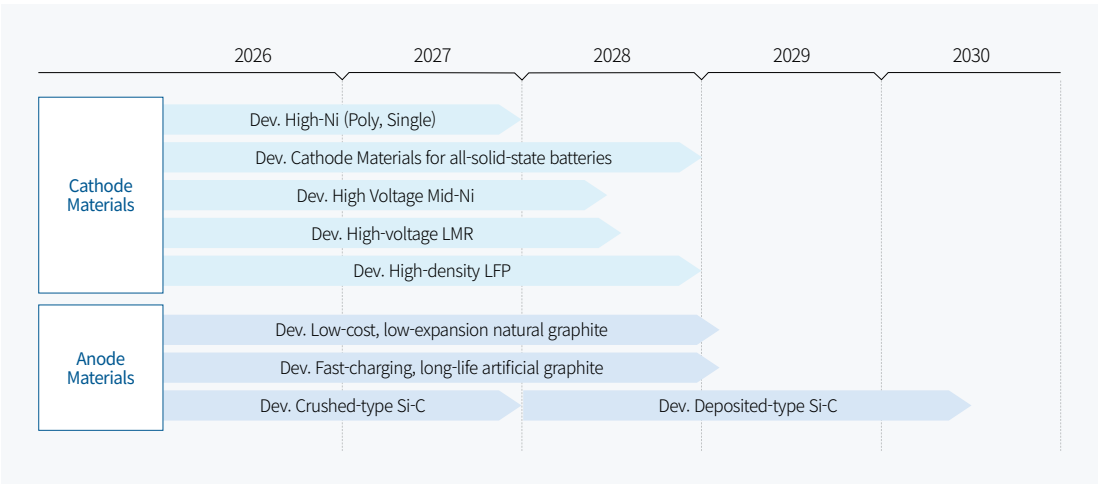


Strengthening R&D Capabilities

Strategy and Policy



2030 Technology Development Roadmap



Business Portfolio

Business Overview

Basic Industrial Materials

Refractories

Refractories are non-metallic inorganic materials that resist softening or melting at high temperatures, defined as materials with a refractoriness of 1,580°C or higher. As a basic material for industrial facilities in sectors such as steel and non-ferrous metals, cement, glass, and chemicals, refractories are used across a wide range of industries. In steelmaking in particular, they serve as the inner lining of ironmaking and steelmaking equipment such as blast furnaces and converters, preventing erosion and dissolution caused by high-temperature molten steel and slag. They protect internal materials while maintaining stability at high temperatures and help improve productivity in manufacturing processes.



Carbon Materials

Needle coke and pitch coke, produced by processing coal tar, are essential materials for high-value-added products such as artificial graphite anode materials and electrodes. Together with POSCO MC Materials, POSCO Future M has successfully localized the production of needle coke and pitch coke, enhancing the stability of its raw material supply. In particular, activated carbon for energy applications is moving beyond the existing supercapacitor and ESS markets to stabilize power at AI data centers, and it is becoming a core material supporting the future energy industry by mitigating the volume expansion of silicon anode materials for rechargeable batteries and improving electrode performance.



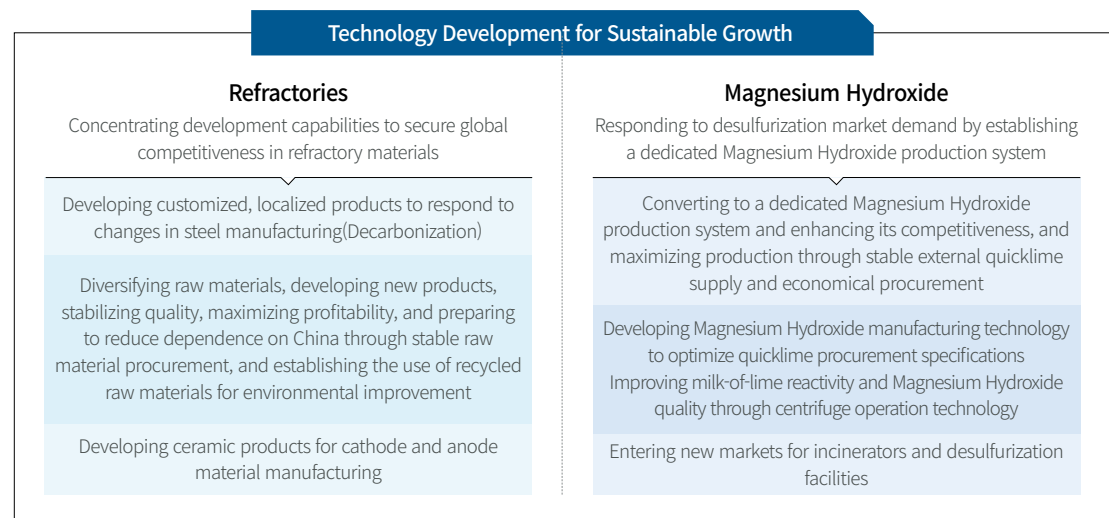
Quicklime

Quicklime is limestone processed at high temperatures, used as an auxiliary raw material that removes impurities and increases reactivity in the steelmaking process. It is mainly used in the ironmaking process to strengthen the bonding of steel products and improve productivity, and in the steelmaking process to remove impurities and enhance the quality of steel products. Using a range of calcining facilities, POSCO Future M produces high-quality quicklime tailored to applications such as ironmaking and steelmaking, supplying 2.4 million tons annually, the largest volume in Korea, to the Pohang and Gwangyang steelworks.

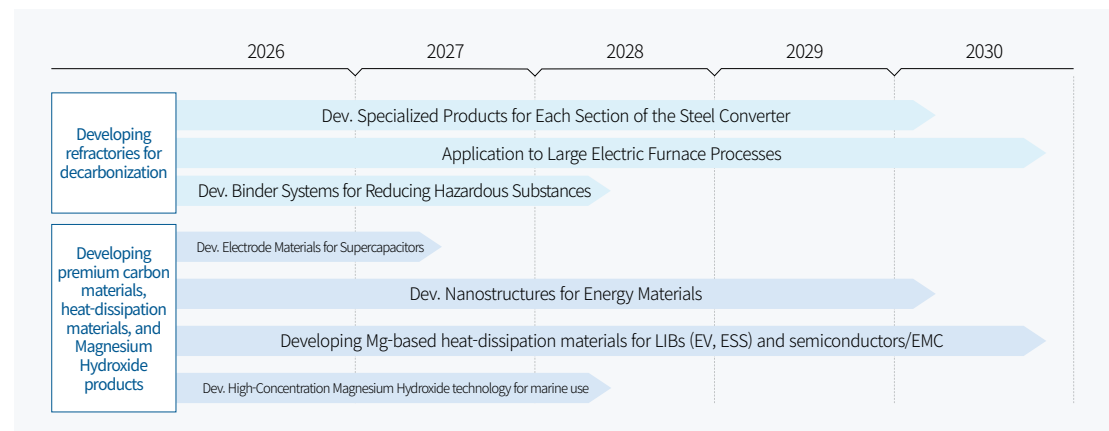


Strengthening R&D Capabilities

Strategy and Policy



2030 Technology Development Roadmap



ESG Strategy & Management

10 Corporate
Governance

22 ESG Strategy

23 ESG Management

25 Double Materiality
Assessment

Corporate Governance

Board of Directors¹⁾

Board Composition

Board Composition

POSCO Future M's Board of Directors consists of two inside directors, one other non-executive director, and four independent directors. It comprises experts from diverse fields, including management, tax and accounting, law, and the environment and materials. We appoint our CEO, who has a deep understanding of overall market trends and the industry, as Chairman of the Board to maximize the Board's efficiency and effectiveness, and we ensure independence by having independent directors make up a majority of the Board in accordance with Article 542-8(1) of the Commercial Act.

Roles and Responsibilities of the Board

To effectively advance ESG management, POSCO Future M operates an integrated governance system centered on the Board of Directors. As the highest decision-making body that deliberates and resolves on key environmental and social policies and strategies, the Board manages and oversees material environmental matters such as climate change response, resource circulation and the use of recycled materials, pollutant and chemical management, water resource risks, and biodiversity, along with social issues such as employee management, supply chain ESG, information security, and safety and health. The Board regularly receives reports on and reviews the implementation status of greenhouse gas reduction targets, including the 2050 decarbonization roadmap, environmental management strategies, supply chain ESG management, and the achievement of safety and health management targets. When major investments or material topics arise, the Board thoroughly reviews environmental impacts and safety, performing its oversight function across ESG as a whole.

Board Tenure and Appointment

The term of office for POSCO Future M's directors is up to three years. If a director's term expires before the close of the annual general meeting of shareholders concerning the final settlement period during their tenure, the term is guaranteed until the close of that meeting. At the end of March 2026, two inside directors (Eom GiChen, Kim SeongJin), one independent director (Lee SangYoung), and one other non-executive director (Jeong SeokMo) were newly appointed, and the average tenure of the seven board members is approximately 0.71 years. In addition, in accordance with Article 32 of the Articles of Incorporation, POSCO Future M appoints all directors at the general meeting of shareholders, and for independent directors, the Independent Director Nomination Committee reviews and finalizes candidates to ensure fairness and transparency in the appointment process. Each director appointment is submitted on an individual basis and resolved through a shareholder vote.

Composition of POSCO Future M's Board of Directors

(As of March 31, 2026)

Position	Name	Gender	Tenure	Key Career	Education	Area of Expertise
CEO (Chairman)	Eom GiChen	Male	2026.03 ~2027.03	(Current) CEO, POSCO Future M (Former) Head of Energy Materials Business Department, POSCO Future M	Sungkyunkwan University (Bachelor of Science in Mechanical Design)	Business Management and Materials
Inside Director	Kim SeongJin	Male	2026.03 ~2027.03	(Current) Head of Planning & Support Division, POSCO Future M (Former) Head of the Corporate Audit Division, POSCO INTERNATIONAL	Yeungnam University (Bachelor of Business Administration)	Accounting and Strategy
Other Non-Executive Director	Jeong SeokMo	Male	2026.03 ~2027.03	(Current) Head of Business Synergy Division, POSCO HOLDINGS (Former) President, POSCO Zhongtai Air Solution	Yonsei University (Bachelor of Metallurgical Engineering) POSTECH (Master's of Steel Engineering)	New Business and Management
Independent Director	Hur KyungWook	Male	2025.03 ~2027.03	(Current) Independent Director of Doosan (Former) Vice Minister of Economy and Finance	Seoul National University (Bachelor of Business Administration)	Finance and International Affairs
Independent Director	Lee BokSil	Female	2026.03 ~2028.03	(Current) Vice President of the Management Institute for the State(MIS) (Former) Vice Minister of Gender Equality and Family	Southern California University (Master's/Ph.D. in Education)	Law and ESG
Independent Director	Yoon TaeHwa	Male	2026.03 ~2028.03	(Current) Professor, Business School, Gachon University (Former) Independent Director at SK Hynix	Yonsei University (Bachelor's/Master's/Ph.D. in Business Administration)	Taxation and Accounting
Independent Director	Lee SangYoung	Male	2026.03 ~2028.03	(Current) Professor, Dept. of Chemical & Biomolecular Engineering, Yonsei University (Former) Professor, School of Energy & Chemical Engineering, UNIST	Seoul National University (Bachelor of Chemical Engineering) KAIST (Master's/Ph.D. in Chemical Engineering)	Materials and Technology

1) Among the topic-specific disclosures for the material topics selected during the reporting period, information on the highest decision-making body in the governance area is described in an integrated manner under the Board of Directors and its subcommittees on this page to avoid duplication. Each topic-specific disclosure page describes the organizational structure from the management level downward.

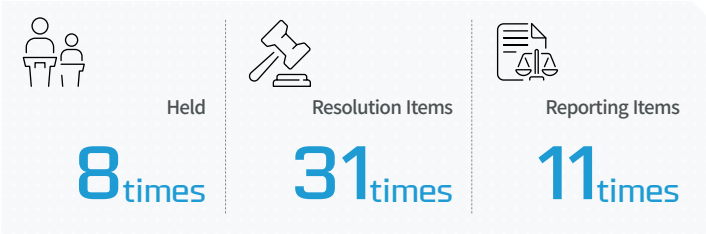
Corporate Governance

Board Composition

Convening and Holding of Board Meetings

In accordance with Article 4 of POSCO Future M's Board Operating Standards, regular board meetings are, in principle, held once each quarter and may be convened on an ad hoc basis as needed. The CEO serves as Chairman of the Board and presides over meetings. When the CEO is unable to attend, the authority to convene the Board and the duties of the Chairman are delegated in the order of Senior Executive Vice President, Executive Vice President, and Senior Vice President. In accordance with the Articles of Incorporation, a convocation notice is sent to each director at least seven days before a board meeting to ensure sufficient time to review the agenda. Board resolutions require the attendance of a majority of directors and the affirmative vote of a majority of those present. The agenda, proceedings and outcomes, and any dissenting directors and their reasons are recorded in the board minutes, which are managed with the names, seals, or signatures of the directors present.

2025 Board Operation Status



Corporate Governance

Board Composition

Board Committees

(As of March 31, 2026)

Category	Name	Independent Director Nomination Committee	Audit Committee	Evaluation & Compensation Committee	ESG Committee	Expertise
Inside Directors	Kim SeongJin	Member				Business and Strategy
	Hur KyungWook	Member	Member	Member	Chairperson	Finance and International Affairs
Independent Directors	Lee BokSil	Member	Member	Chairperson	Member	Law and ESG
	Yoon TaeHwa	Member	Chairperson	Member	Member	Taxation and Accounting
	Lee SangYoung	Chairperson			Member	Rechargeable Battery Materials Research

Independent Director Nomination Committee

The Independent Director Nomination Committee is a body that ensures fairness and transparency in the process of recommending independent director candidates. When a candidate is lawfully recommended through shareholders' right to make proposals under Article 542-6(2) of the Commercial Act, the Committee recommends independent director candidates, including that candidate. In 2025, the Committee was held three times to review the qualifications and suitability of independent director candidates and to carry out the process of recommending them to the Board and the general meeting of shareholders. In addition, through regular reviews at least once a year, the Committee ensures the adequacy and effectiveness of the candidate recommendation process.

Evaluation & Compensation Committee

To strengthen the transparency and fairness of the compensation policy for executive directors and to link it with the enhancement of long-term shareholder value, POSCO Future M established the Evaluation & Compensation Committee in November 2025. The Evaluation & Compensation Committee secures procedural legitimacy by formulating the executive compensation policy and operating as a separate committee, and it deliberates on matters related to company performance evaluation and the establishment and execution of executive compensation plans. In addition, in March 2026, we amended the board regulations to provide that all members of the Evaluation & Compensation Committee be independent directors, further strengthening the Committee's independence. Through this, we are enhancing the transparency and objectivity of the executive compensation system and strengthening the trust of shareholders and stakeholders.

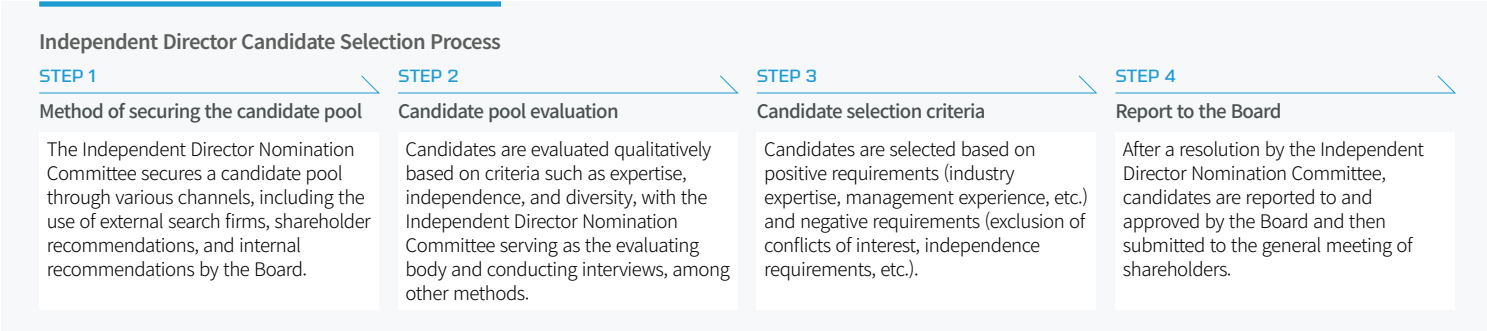
Audit Committee

POSCO Future M has established an Audit Committee to audit the legality of management's business activities and to review the soundness and validity of the company's financial activities. All three members, including the chair, are independent directors, ensuring independence, and the committee includes financial and accounting experts to enhance its expertise. In 2025, the Audit Committee was held a total of eight times and discussed matters such as amendments to internal accounting control regulations, evaluation of the operation of the internal accounting control system, results of business audits and audit plans, and the appointment of external auditors.

2025 Audit Committee Operation Status¹⁾

Category	Date	Agenda	Resolution
1st	25.02.04	Amendment of internal accounting control regulations	Approved
		Consent to the appointment and dismissal of the head of the internal audit department	Approved
		Evaluation of the 2024 operation of the internal accounting control system	Approved
2nd	25.02.21	Results of the H2 2024 business audit and the 2025 audit plan	Approved
		2024 Audit Committee audit report	Approved
		Statement of opinion on agenda items for the annual general meeting	Approved
3rd	25.03.24	Appointment of the Audit Committee chair	Approved
6th	25.07.28	Results of the H1 2025 business audit and the H2 audit plan	Approved
8th	25.12.15	Appointment of external auditors for fiscal years 2026–2028	Approved

1) Refer to the Annual Report for all agenda items



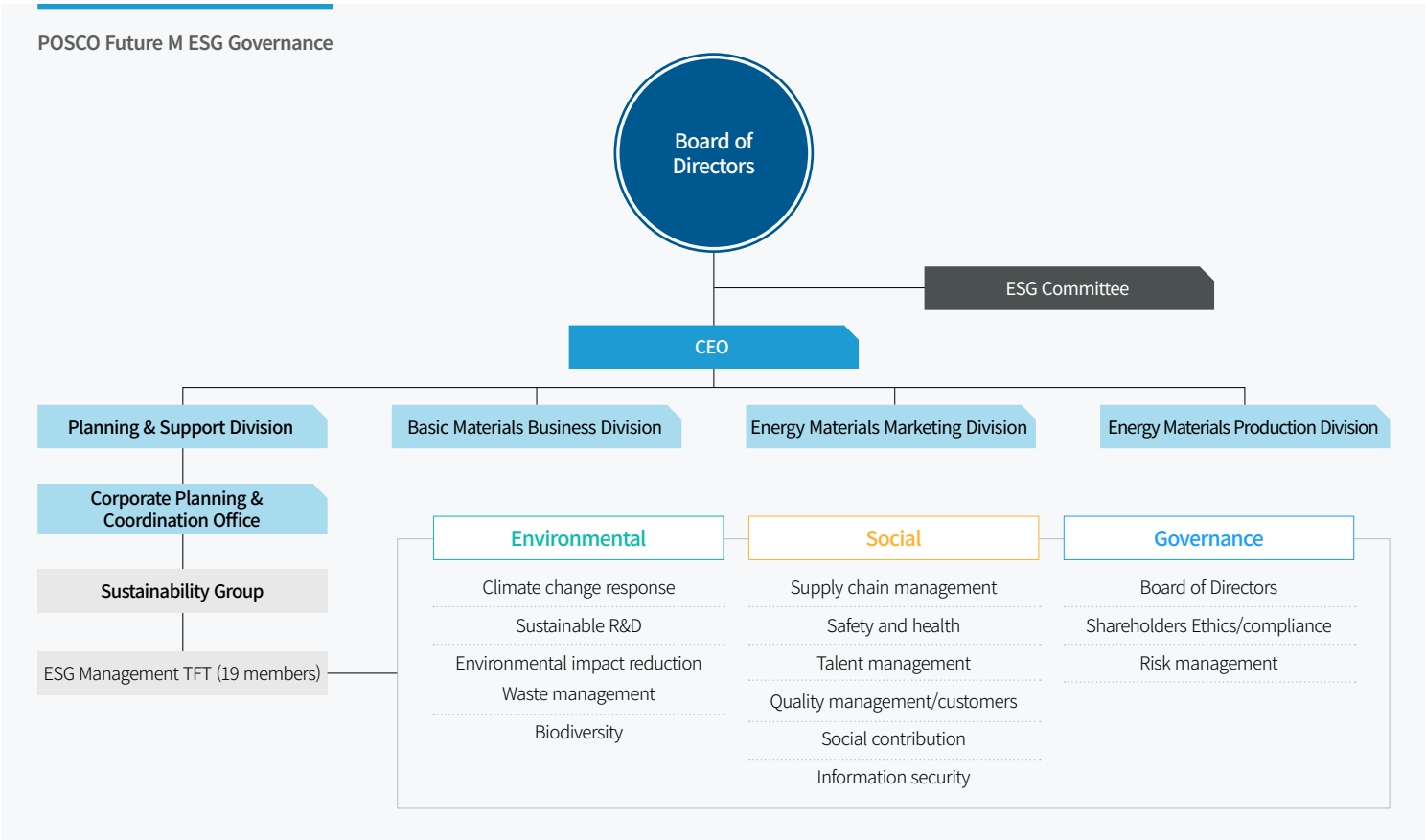
Corporate Governance

Board Composition

Board Committees

ESG Committee

In 2025, POSCO Future M newly established an ESG Committee under the Board, composed of four independent directors, which substantively oversees the company's ESG management under the authority delegated by the Board. The ESG Committee meets regularly at least once a year and carries out separate reviews of transactions that may cause shareholder harm or conflicts of interest, as well as reviews of improvement measures for key ESG issues and the status of target implementation.



ESG Committee Operation Status

Since its establishment in November 2025, the POSCO Future M ESG Committee held its first meeting in December. At the first meeting, the Committee conducted preliminary reviews of major investment and transaction items, including the acquisition of convertible bonds in a U.S. all-solid-state battery technology firm, a change to the precursor joint venture related to the domestic LFP cathode material investment, and the approval of transaction limits with related parties. It also reviewed the 2025 environmental performance and 2026 operation plan and received reports on the supply chain ESG due diligence results and future plans, conducting a review of ESG management as a whole. Going forward, the ESG Committee will continue to perform decision-making and monitoring roles through regular meetings to strengthen the company's sustainability management.

2025 ESG Committee Operation Status

Date	Agenda	Resolution
25.12.11	Acquisition of convertible bonds in a U.S. all-solid-state battery technology firm	Preliminary review
	Domestic LFP cathode material investment (change to the domestic precursor joint venture)	Preliminary review
	Approval of transaction limits with related parties	Preliminary review
	2025 environmental performance and 2026 operation plan	Preliminary review
	Supply chain ESG due diligence results and plans	Reported
	Appointment of board specialized committee chairs (proposed)	Other agenda items

Dedicated ESG Organization

POSCO Future M reviews and resolves on key ESG-related issues at the Board of Directors, its highest decision-making body. As the Chief Sustainability Officer (CSO), the Head of the Corporate Planning & Coordination Office manages and oversees the company's sustainability-related issues and leads the establishment and implementation of company-wide ESG strategy and reporting to the Board. In addition, the Sustainability Group under the Corporate Planning & Coordination Office serves as the dedicated ESG organization, performing company-wide ESG planning and management, including building the ESG management system, disclosing the Sustainability Report, and responding to external assessments.

Corporate Governance

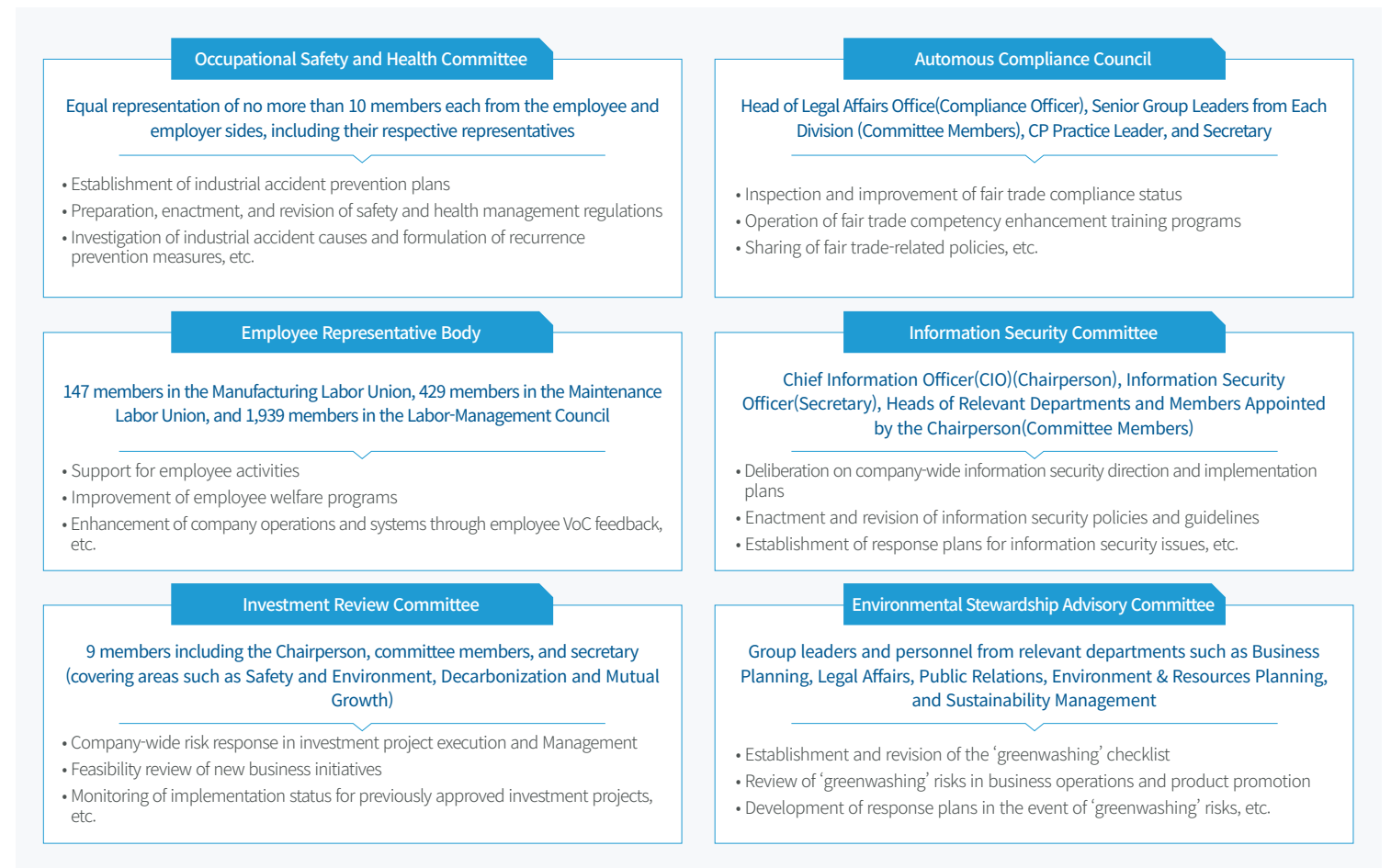
Board Composition

Consideration of ESG-Related Risks and Opportunities

When establishing key business strategies and making investment decisions, the Board reflects environmental risks and opportunities, including climate change, and social risks and opportunities, including safety and health, as core considerations, and makes decisions by comprehensively assessing their impact on ESG management strategy and financial performance. For example, when establishing or expanding business sites and pursuing large-scale projects, the Board assesses environmental impacts and carbon emissions in advance while also reviewing safety risks and impacts on the working environment. In the annual budgeting process, it reviews the necessity and validity of environmental investments such as renewable energy procurement and energy efficiency, and of safety and health investments such as safety equipment, improvements to the working environment, and expansion of safety training infrastructure. It also considers potential risk factors in the social area, such as supply chain ESG risks and information security threats, when establishing business strategy. Throughout this process, the Board pursues balanced decision-making by also considering possible trade-offs with other sustainability risks and financial impacts.

Key Decision-Making Bodies by Sector

POSCO Future M operates systematic decision-making bodies for each key ESG area to achieve sustainable management, strengthen trust with stakeholders, and enhance corporate value. In 2025, we newly established the Environmental Stewardship Advisory Committee to prevent greenwashing risks that may arise in management activities and product promotion and to review the validity of environment-related claims and information.



Corporate Governance

Board Composition

Board Expertise

In accordance with the Articles of Incorporation, we appoint as inside directors individuals with extensive experience and expertise related to the company's business, and we appoint as independent directors individuals with rich expertise or experience in industry, finance, academia, law, accounting, or the public sector. In particular, to strengthen ESG management, the Board is composed of directors with expertise in the environmental, social, and governance areas, providing professional judgment on material ESG topics such as climate change response, supply chain management, and ethical management.

Board Skills Matrix (BSM)

Name	Industry Competency ¹⁾	Management and Economic	Finance and Accounting	Audit	Legal	Risk Management	Climate Change	ESG	Global
Eom GiChen	✓	✓				✓	✓	✓	✓
Kim SeongJin		✓	✓			✓		✓	
Jeong SeokMo	✓	✓				✓	✓	✓	✓
Hur KyungWook		✓	✓		✓	✓		✓	✓
Lee BokSil				✓	✓	✓		✓	✓
Yoon TaeHwa		✓	✓	✓		✓		✓	
Lee SangYoung	✓					✓	✓	✓	

1) Industry competency is determined by experience in the same industry at Level 1 of the Global Industry Classification Standard(GICS)

Board Training

We provide various training programs to enhance directors' expertise and capabilities. In 2025, we provided all independent directors with training on the key contents and impact of the government's Commercial Act amendment. In addition, through site visits to the Gwangyang Cathode Materials Plant and the Pohang Artificial Graphite Anode Materials Plant, we enhanced their understanding of the energy materials business and strengthened their expertise and capabilities across our operations. We also provided the Audit Committee with training on internal control trends and direction, key audit matters and major audit review findings, the corporate governance report system and amendments to Audit Committee guidelines, and business innovation in response to external changes such as trade risks, as well as the Corporate Value-up Program and the role of the Board. This training strengthened their expertise in audit and control functions and their oversight capabilities.

2025 Board Training Status

Date	Target	participants	Training Program
25.06.26	Audit Committee	Yoon TaeHwa, Lee BokSil, Hur KyungWook	Internal control trends and directions
			Business innovation in response to external environment changes—including trade risks (Trump 2.0)
			Key audit matters and major audit findings
			Corporate governance report system, oversight directions, and revisions to the guidelines
25.07.28	Independent Director	Kwon OhCheol ¹⁾ , Yoon TaeHwa, Lee BokSil, Hur KyungWook	Corporate value-up programs and the role of the BOD
			Overview and impacts of the new government's proposed amendments to the Commercial Act
			Operational status briefing and site visit to the Gwangyang Cathode Material Plant
			Operational status briefing and site visit to the Pohang Artificial Graphite Anode Plant

1) Former independent director

Corporate Governance

Board Composition

Board Independence

POSCO Future M's Board complies with relevant laws, including the Commercial Act and the Financial Investment Services and Capital Markets Act, and performs independent decision-making and management oversight functions free from management, controlling shareholders, and stakeholders. It also requires independent directors to devote sufficient time and responsible participation to their duties and restricts them from concurrently holding positions as director, executive officer, or auditor at two or more other companies outside POSCO Future M. When such a concurrent position is necessary, the relevant matters must be reported to and approved by the Board.

POSCO Future M operates the Independent Director Nomination Committee to select candidates who meet the standards and qualification requirements under relevant laws, including the Commercial Act, and who possess both expertise and independence, and it regularly reviews whether all independent directors satisfy independence requirements through the Committee's operating regulations. In addition, in accordance with Articles 397-2 and 398 of the Commercial Act, we strictly restrict the usurpation of corporate opportunities and self-dealing, and prevent conflicts of interest by requiring approval from at least two-thirds of the Board for self-dealing transactions.

→ POSCO Future M Board Independence and Diversity Policy

Board Diversity

POSCO Future M appoints directors with respect for diversity in gender, nationality, age, race, religion, and ethnicity, and specifies these matters in its Board Independence and Diversity Policy and Corporate Governance Charter. As of March 2026, POSCO Future M's Board includes one female independent director (Lee BokSil). Drawing on her experience as Vice Minister of Gender Equality and Family, President of the Korea Chapter of Women Corporate Directors International, and policy advisor to the National Human Rights Commission of Korea, independent director Lee BokSil provides diversity perspectives across the company's management activities, including the creation of social value.

Board Evaluation

From 2026, POSCO Future M conducts evaluations of board members and their activities. All directors evaluate the Board and the specialized committees to which they belong and provide opinions for operational improvement, which are used to identify areas for improving board operations. The board evaluation is conducted once a year through a survey of 26 items across four areas: the Board's roles and responsibilities, structure, operations, and specialized committees. Each committee is also evaluated on 6 to 9 items, including the committee's composition, decision-making process, and company support. Each independent director self-assesses faithfulness, contribution, and other factors to seek ways to develop the Board. The evaluation results and improvement plans will be reported to the Board to further enhance the level of board operations.

Compensation Policy

Board Compensation

POSCO Future M determines each director's compensation by comprehensively reviewing their duties, rank, length of service, expertise, and contribution. For performance-based pay, decisions are made by reviewing not only financial performance such as revenue, operating profit, ROI, and ROE, but also the achievement of sustainability-related KPIs such as environment and safety, risk management, and fair trade. The total amount of board compensation is subject to resolution at the general meeting of shareholders, and compensation details are transparently disclosed through external disclosures such as the Annual Report and the Sustainability Report.

Board Compensation System

Category	Type	Detailed Description
Inside Directors	Base Salary	Differentiated payments considering position and the nature of delegated duties in accordance with Executive Remuneration Standards
	Incentives	1) Payments within the range of 0~100% of the basic annual salary based on the achievement of quantitative and qualitative performance goals - Quantitative Indicators (50%): Revenue, Operating Profit, Operating Cash Flow, ROIC, ROE, Net Working Capital, R&D Expenses, Share Price Growth Rate - Qualitative Indicators (50%): Innovation of business competitiveness, Creation of group synergy, ESG/Safety, HR innovation/Organizational culture, Ethical management/Business risk management 2) Fixed monthly activity allowance paid to support internal and external activities
	Others	Health checkups, Group accident insurance, etc.
Independent Directors /Audit Committee	Base Salary	Payments determined by comprehensively considering market competitiveness, business environment, management difficulty, and scope of responsibility
	Others	Health checkups, Group accident insurance, etc.

Board Compensation Payment Status¹⁾

(As of December 31, 2025)

Category	Total Compensation (KRW million)	Average Compensation (KRW million)	Number (persons)
CEO	719	719	1
Executive Directors ²⁾	1,406	432	3
Independent Directors	378	94.5	4
Employees ³⁾	261,195	87	2,979

1) Truncated to KRW million, so figures may differ slightly from actual data

2) Including other non-executive directors

3) Ratio of CEO pay to the average for all employees: 8.3

Corporate Governance

Executive Compensation

Executive Incentive Performance Indicators

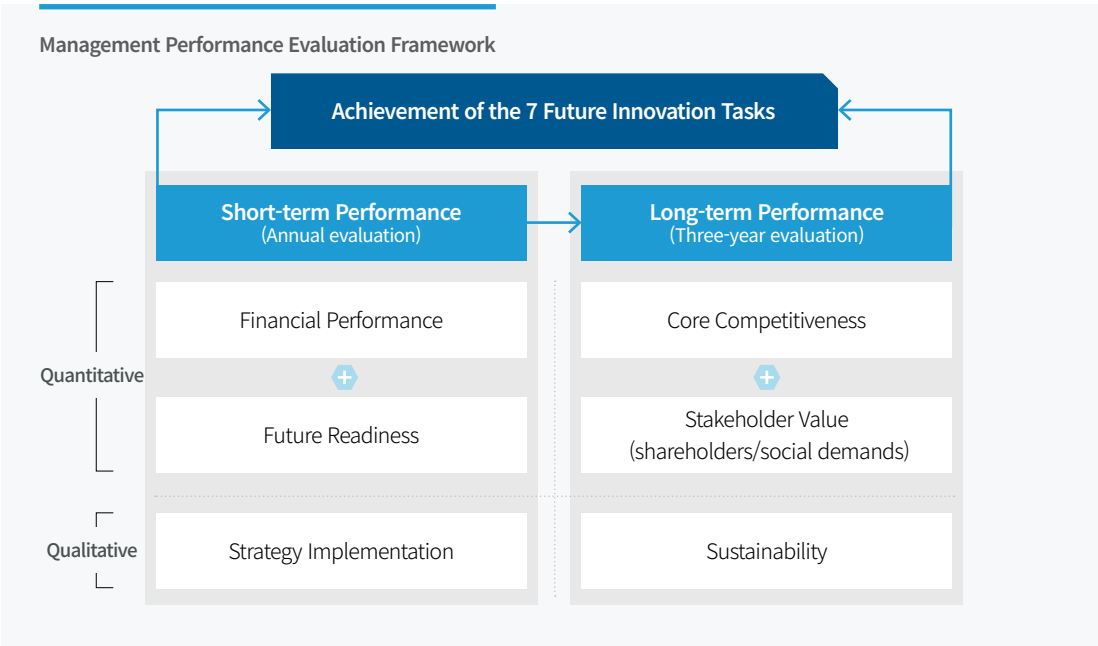
To strengthen the execution of mid- to long-term strategy and the sustainable creation of corporate value, POSCO Future M has divided its previously short-term-oriented executive compensation system into short-term incentives (STI) and long-term incentives (LTI).

Short-term performance evaluation is conducted on an annual basis and is designed to comprehensively assess quantitative and qualitative performance, focusing on the specific implementation process and operational results carried out to achieve management goals. In calculating performance-based pay, we reflect quantitative financial indicators such as revenue and operating profit, along with qualitative indicators such as business competitiveness innovation and synergy creation.

Long-term performance evaluation was introduced for executives above a certain rank and, in principle, applies a three-year performance evaluation cycle linked to the Group's mid-term strategy cycle¹⁾. It is calculated by reflecting 70% of the long-term performance evaluation results based on POSCO Group standards²⁾ and 30% of the three-year average of the annual performance evaluations of the company and overseas subsidiaries. Long-term incentives are paid in cash within the compensation limit for each rank, depending on the evaluation results.

1) In 2026, the first year of implementation, a two-year cycle applies in consideration of transitional operation

2) The quantitative indicators of the long-term performance evaluation include factors such as external ESG ratings, and the qualitative indicators include factors related to growth capability and future competitiveness



Executive Incentive Clawback Policy

To enhance the reliability of financial information and strengthen the accountability of executive compensation, POSCO Future M has established and implemented the 「Clawback Operating Guidelines」 since 2024. These guidelines set out the standards and procedures for recovering performance-based annual pay that has been erroneously paid to executives due to a restatement of financial statements. Recovery is triggered when a restatement of financial statements changes the accounting figures used as the basis for calculating performance-based pay, and as a result the performance-based pay under the restated financial statements falls below the amount already paid. In such cases, the erroneously paid performance-based pay is subject to recovery even if the executive concerned was not involved in any intent, misconduct, or fault.

The policy applies to all former and current executives of POSCO Future M, and recovery is possible only for performance-based pay paid within the three fiscal years immediately preceding the mandatory restatement date of the financial statements. The same standard applies even if an executive has retired after receiving performance-based pay, and these guidelines apply uniformly to all executives regardless of whether an individual executive has submitted a consent form.

Recovery may be carried out in various ways at the Board's discretion, specifically including a claim for the return of performance-based pay, the return of gains arising from stock compensation, deductions from compensation scheduled to be paid in the future, and the cancellation of unpaid stock compensation. In addition, by clearly stipulating that the company shall not compensate for recovered performance-based pay or provide indemnification or compensation through directors' and officers' liability insurance, we ensure the effectiveness and rigor of the Clawback system.

Corporate Governance

Risk Management

Internal Control and Risk Management

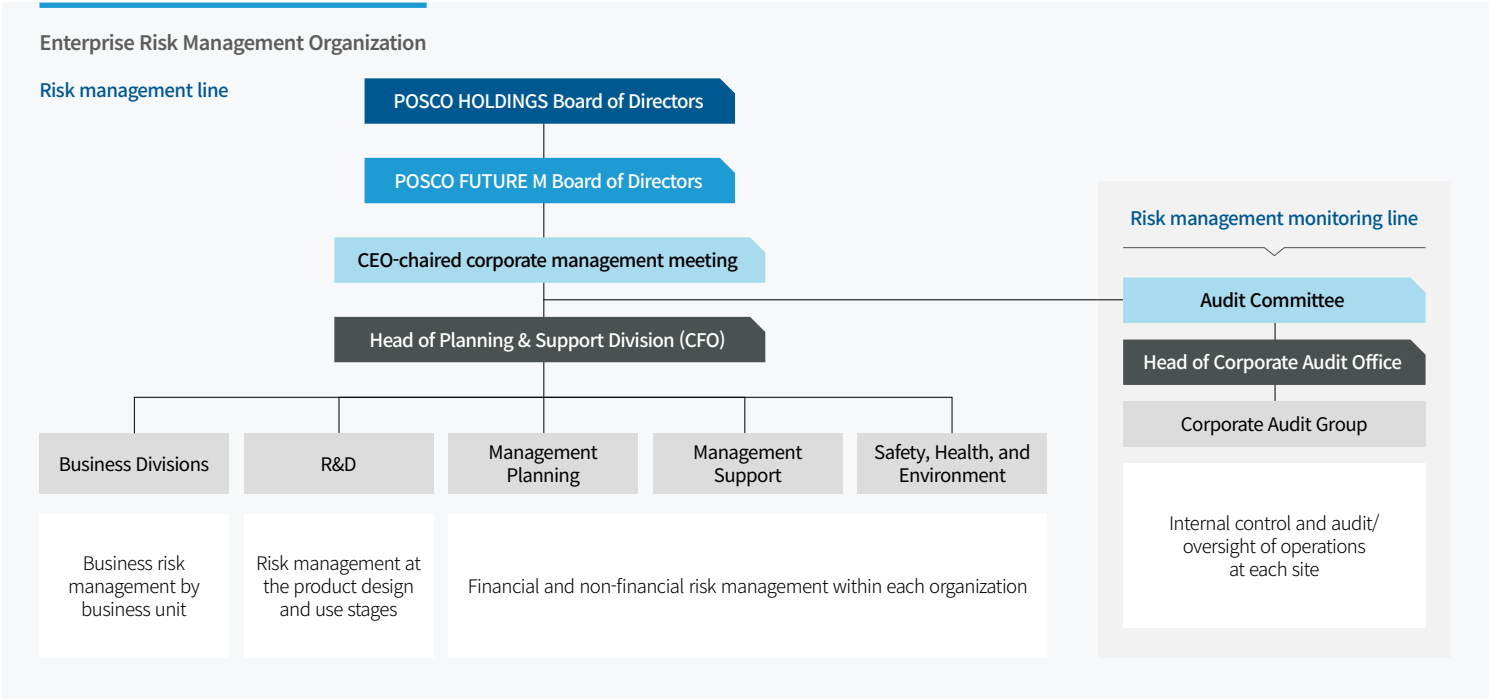
Enterprise Risk Management

Enterprise Risk Management and Monitoring

POSCO Future M reviews financial and non-financial risks in each area and establishes response measures across its organizations, including business divisions, R&D, and support departments. These risks include matters that may have a material impact on the company's sustainability, and the Head of the Planning & Support Division (CFO) manages and reviews them on an overall basis. Key risks are regularly reported, including their status and future plans, through the CEO-chaired corporate management meeting, where company-wide response directions are reviewed and necessary measures are discussed.

Risk Management Oversight

POSCO Future M reviews and oversees, from an independent standpoint, whether the enterprise risk management system is operating effectively. The Head of Corporate Audit Office conducts internal audits of company-wide risk management activities and independently evaluates the adequacy and execution of the risk management system. These audit results and key matters are regularly reported to the Audit Committee under the Board, enhancing the transparency and reliability of the risk management system.



Roles by Risk Management Organization

Category	Organization	Role
Risk management by business division	Each business division	Identifying financial and non-financial risks in the relevant area and establishing and implementing response measures
Overall risk management	Head of Planning & Support Division (CFO)	Compiling risks identified by each department and managing and reviewing them at the company-wide level
Risk monitoring	CEO-chaired corporate management meeting	Regularly reviewing the status and future plans of key risks and discussing response directions
Risk Management Oversight	Audit Committee, Head of Corporate Audit Office	Independently evaluating the adequacy and execution of the risk management system and reporting regularly to the Audit Committee

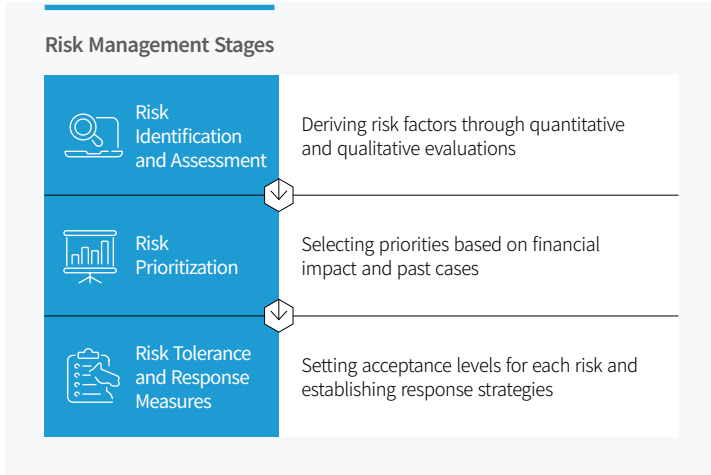
Corporate Governance

Internal Control and Risk Management

Risk Management Process

POSCO Future M operates a systematic risk management process to proactively identify and assess, at least twice a year, risks that may affect business operations and future plans. To this end, it derives risk factors by comprehensively analyzing changes in the rechargeable battery industry environment, legal and regulatory amendments, economic conditions, and stakeholder requirements. Identified risks are assessed quantitatively and qualitatively based on their likelihood and significance, through which priorities are set and response strategies are established.

When selecting priority risks, we comprehensively consider not only the evaluation results but also problems that occurred in past management activities, their financial impacts, and implications. For various risk factors, including priority risks, we set a risk appetite (the level of risk that can be tolerated) for each risk by comprehensively analyzing the probability of occurrence and the impact on business operations and finances. In addition, risk factors expected to have a material impact on the business and finances are reviewed at the CEO-chaired corporate management meeting, where response strategies are established to enhance the effectiveness of risk management.



POSCO Future M Risk Management Status

Category	Risk Type	Responsible Department	Business Impact	Likelihood	Impact	Risk Acceptance ¹⁾	Response Strategy
Finance-Operation	Finance	Financial Planning Group	Risk of financial strain from rising commodity prices	Normal	Normal	Acceptable	Monitoring of raw material market trends and diversification of supply channels, Management of debt ratio
	Business	Management Strategy Group	Lack of new growth engines, which reduces company competitiveness	Normal	Normal	Acceptable	Monitoring of core business risks, Identification of new business opportunities and enhancement of capabilities
Environment	Environment	Safety & Environment Planning Office	Financial losses, such as fines and penalties for violating environmental regulations	Normal	High	Elimination	Environmental impact assessment, Climate Change risk analysis, Waste management, Compliance with environmental regulations
Social	Safety-Health	Safety & Environment Planning Office	Decrease in non-financial evaluation indicators due to violations of the Serious Accidents Punishment Act	Normal	High	Elimination	Safety and health risk assessment, Internal safety inspections, Supplier safety management
	Supply Chain	Procurement and Contracts Office	Damage to the corporate reputation due to supplier ethics violations	Normal	High	Elimination	Supply chain ESG assessments, Supplier ESG training and consulting, Sourcing risk management
Governance	Human Rights	Sustainability Group, Business Ethics Management Bureau	Workplace staffing issues and increased costs for hiring new employees	Normal	High	Elimination	Human Rights Risk Assessment, Operation of Grievance Handling System, Promotion of Employee Diversity
	Ethics-Compliance	Legal Affairs Office, Business Ethics Management Bureau	Increased regulatory response costs, such as fines and penalties, and damaged brand reputation	Normal	Normal	Acceptable	Operation of non-face-to-face whistleblowing and consultation system, Operation of the Compliance Program
	Information Security	Information Security Bureau	Loss of critical technology leading to loss of information assets and competitive disadvantages	Low	Normal	Acceptable	Establishment of information security management system, Implementation of information asset protection and data leakage prevention measures
	Quality	Basic material Division, Energy Material Production Division, Energy Material Marketing Division	Customer supply disruptions and reputational damage due to poor product quality	Normal	Normal	Acceptable	Establishment of quality management system, Management of pre-process and in-process quality risks, Supplier quality assessment

1) This indicates the company’s approach to managing each risk. ‘Acceptable’ refers to managing the risk within a tolerable range, while ‘Elimination’ refers to efforts to fundamentally prevent the occurrence of the risk itself

Corporate Governance

Internal Control and Risk Management

Emerging Risk Management

Category	Description	Impact	Actions
Uncertainty in market development strategy due to changes in global trade policy	With the enactment of the U.S. One, Big, Beautiful Bill Act (OBBBA), the electric vehicle purchase tax credit (30D) was terminated early, while the advanced manufacturing production credit (45X) now includes provisions that gradually reduce the cost share of Prohibited Foreign Entities (PFEs) and of materials sourced from PFEs. Accordingly, to receive the advanced manufacturing production credit, a battery's supply chain must be built from trusted countries, and supply chains based in countries classified as PFEs are limited in their use. China qualifies as a PFE, and even Korea-China joint ventures may be excluded from the tax credit depending on their governance and substantive control relationships. Since further detailed guidance related to the advanced manufacturing production credit is expected, it is necessary to clearly understand the relevant requirements and application criteria.	The rechargeable battery industry has a high dependence on imports of raw materials and intermediate goods from China, while the share of imports from the United States or its allies is low, making it considerably difficult to build a trusted supply chain that meets the requirements for the advanced manufacturing production credit. As Korea-China joint investments are currently active in the battery industry, it is important to design and convert these business structures into forms free from Prohibited Foreign Entity (PFE) regulations. If classified as a PFE, the relevant supply chain is excluded from the advanced manufacturing production credit, which may reduce client demand and result in the loss of sales opportunities for the company.	To build a supply chain free from PFE regulations, POSCO Future M is focusing on internalizing the anode material value chain and strengthening its technological competitiveness. Through its business subsidiaries, the company has promoted the localization of key anode material raw materials such as needle coke and pitch, and has confirmed investments in the Sejong spherical graphite plant and the artificial graphite plant in Veitnam to build a fully Non-PFE supply chain and secure market competitiveness. On the technology side, it has built a product portfolio including Ultra Hi-Ni, high-voltage Mid-Ni, LFP, and natural/artificial anode materials to strengthen material competitiveness, and is actively responding to the diversified demand of global automakers by developing next-generation materials such as solid-state cathode materials and silicon anode materials (Si-C). Through this, the company is mitigating legal and institutional risks related to the advanced manufacturing production credit and contributing to overcoming the slowdown in U.S. EV market demand. Going forward, POSCO Future M plans to respond flexibly to policies that change in real time and to continuously build a reliable supply chain structure over the long term.
Supply chain diversification strategy to respond to geopolitical risks	China has secured an overwhelming share in the refining and processing of major battery raw materials such as lithium, nickel, and graphite, forming a key axis of the global battery supply chain. Graphite in particular is the item most dependent on China for both natural and artificial battery graphite, and is highly exposed to short-term instability in raw material supply. In fact, China has been strengthening its supply chain influence centered on its own interests, including by implementing graphite export control measures, and in response, major countries such as the United States and Europe are establishing various laws, systems, and strategies related to battery procurement to reduce their dependence on Chinese supply chains. Due to these environmental changes, POSCO Future M faces both short-term raw material supply risks and pressure to restructure its supply chain strategy over the mid- to long-term.	These geopolitical risks and supply chain instability directly affect the stability of POSCO Future M's raw material procurement. In particular, items with high dependence on China, such as graphite, have a high possibility of supply disruptions due to policy changes such as export restrictions, which can act as a major risk in terms of production planning and meeting delivery deadlines. In addition, as pressure to avoid Chinese raw materials expands to meet key policy requirements such as the U.S. advanced manufacturing production credit and Europe's CRMA and Net-Zero Industry Act, cost increases from securing alternative raw materials and adjustments to business strategy are inevitable. As a result, cost burdens may increase in the short term, and over the mid- to long-term, this may affect order competitiveness depending on whether the supply chain requirements of global clients are met.	POSCO Future M minimizes geopolitical risks based on a supply chain internalization strategy for each business division. To reduce the dependence of key raw materials on China, the energy materials business focuses on building a stable supply chain through raw material procurement within the POSCO Group, equity investments, and direct investments in vulnerable segments of the supply chain. To respond to graphite supply risks, the basic materials business is pursuing supply chain diversification along with research into applying alternative raw materials. It is reviewing whether flake graphite from various countries can be applied to the company's products, strengthening the stability and flexibility of raw material procurement. As building a reliable supply chain spanning raw materials, intermediate goods, and materials continues to grow in importance from an economic security perspective, the company plans to continue its preparations for this without delay.

Corporate Governance

Internal Control and Risk Management

Business Risk

Regulatory Risk

POSCO Future M is responding to risks arising from protectionist policies such as the U.S. Inflation Reduction Act(IRA) and EU battery regulation and from changes in the global supply chain. The anode material market is currently dominated by Chinese anode materials, but as the global trend of reducing dependence on China and stricter ESG regulations take hold, non-China anode material supply chains are expected to gain prominence. Accordingly, we are monitoring the policy and political risks of major countries such as Korea, the United States, the EU, and China and responding proactively, and we plan to expand orders in the North American market. We are also continuously expanding investment in domestic sites to supply qualified anode materials.

Project Risk

To manage risks that may arise in the process of winning and executing projects, POSCO Future M operates a project-level risk management system. Domestic and overseas projects comply with RM management standards, and contract works of KRW 5 billion or more (KRW 3 billion for overseas projects) undergo preliminary review and an executive-level order review committee. Project risk management covers the entire process, from review of whether to take on an order through execution management. In the project execution stage, we operate a management system centered on key milestones to respond to risks, and we collaborate organically by sharing risk analysis results with each business division.

Investment Review Risk

POSCO Future M operates a systematic investment review process for all investment items, including project investments, maintenance investments, and ordinary investments. The proposing department reviews business feasibility and then requests an investment review, while the overall department oversees the investment review and monitoring. Once an investment item is approved by the Board, the executing department carries out ordering, construction, asset transfer, and completion processing,

and continues monitoring even after approval to review key matters, including ESG risks. We reflect expected ESG risks in each business's investment proposal and conduct performance evaluations after the investment is completed, managing investment review risks by comprehensively considering ESG factors from advance planning through post-evaluation.

Tax Risk

Tax Strategy

POSCO Future M recognizes that tax risk management is an essential element of sustainable business and believes that compliance with tax laws plays an important role in securing the interests of customers and shareholders and contributing to national finances. Accordingly, we faithfully fulfill our tax obligations and respect the tax regulations of the countries in which we operate and the principle of fair taxation. For key decisions such as transactions of goods and services, mergers and acquisitions, corporate restructuring, international transactions, and new business initiatives, we thoroughly review tax risks based on analyses by the tax organization and independent institutions. In addition, we establish a reasonable tax strategy and seek to practice transparent and responsible taxation, including by appropriately reflecting asset-related tax obligations such as asset transfers and acquisition taxes upon completion of energy materials business projects and key tax policies regarding national strategic technology certification and the application of tax credits.

→ POSCO Future M Tax Management Policy

Tax Risk Management

To comply with tax laws and minimize tax risks, POSCO Future M appoints external independent institutions for systematic management. We also build a transparent cooperative relationship with tax authorities and faithfully provide explanations of facts and supporting evidence upon request. We strictly prohibit tax avoidance and the use of tax havens, comply with tax laws related to international transactions, and do not transfer created value to low-tax jurisdictions. In addition, through the internal accounting control system, we identify financial and tax-related risks that may arise across business processes and operate control activities to minimize them, and we report the results of regular reviews of the design and operation of this system to the general meeting of shareholders, the Board, and the Audit Committee.

Fulfillment of Overseas Tax Obligations

As a responsible taxpayer, POSCO Future M faithfully fulfills its tax obligations and respects the principle of fair taxation. We also comply with the tax laws and regulations of each country in which we operate and continuously strive to follow the policies of local tax authorities.

2025 Corporate Tax Payment Status by Country (Unit: KRW 100 million)

Country	Revenue	Operating Profit	Corporate Tax Expense(Benefit)	Corporate Tax Payment
Korea	26,607	72	△ 523	-
China	2,437	339	49	-
Indonesia	343	50	10	19
Canada	-	△ 133	-	-

ESG Strategy

POSCO Group strives to establish ESG management not as a mere declaration but as a practical management system that simultaneously strengthens business competitiveness and future sustainability. To this end, the Group has advanced and operates five ESG strategies centered on 'G.R.E.E.N.' that span the environmental (E), social (S), and governance (G) areas. Based on the Group's ESG strategy direction, POSCO Future M is systematically integrating each strategic element into decision-making and execution across its business. In particular, to ensure that the ESG strategy leads to substantive change and results rather than remaining a short-term response, we continuously strengthen our key initiatives and further solidify the foundation for long-term sustainability management.

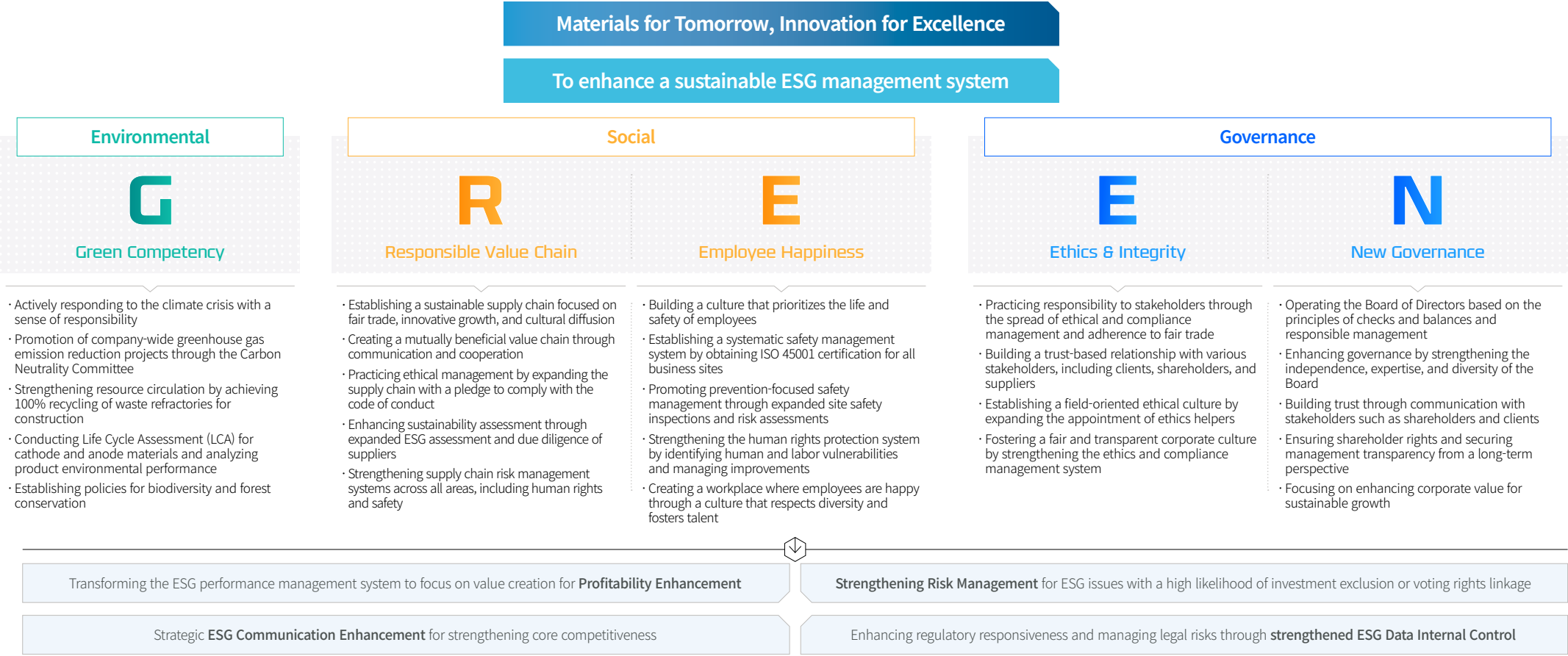
ESG Strategy Framework

Management Vision

ESG Strategy Direction

Five Strategies

Key Initiatives



ESG Management

ESG Highlights

POSCO Future M continues to be recognized for its global sustainability management capabilities, having been included for the first time in the 'World Index,' the highest grade of the Dow Jones Best-in-Class (DJ BIC) Index, and having earned an overall ESG rating of A from the Korea Institute of Corporate Governance and Sustainability (KCGS) in 2025. In particular, we advanced our board-centered governance system by establishing the ESG Committee and the Evaluation & Compensation Committee, and we created tangible environmental results by expanding renewable energy and building a by-product recycling system. Going forward, based on transparent and responsible decision-making, we will continue to create sustainable value across the environmental, social, and governance areas.

Key ESG Achievements in 2025



Environmental

Expanding renewable energy use

Producing 3,126.6 MWh of renewable energy annually by operating solar power facilities at the Gwangyang Cathode Materials Plant, and pursuing the installation of a 2.5 MW solar facility at the Pohang Cathode Materials Plant



Promoting by-product recycling

Achieving a 99.4% waste recycling rate and reducing treatment costs through the By-product Profitability Improvement Task Force, and creating an economic effect of approximately KRW 5 billion from by-product sales



Expanding carbon footprint application

Calculating and obtaining independent verification of the carbon footprint of one cathode material (PNC-P02) based on ISO 14067, expanding the cumulative number of carbon-footprint-verified products to four



Social

Conducting safety and health risk assessments and implementing improvement measures

Identifying 49,975 hazardous and risk factors across all sites and completing mitigation measures for 44 high-risk items



Conducting supplier ESG risk assessments

Identifying supplier ESG risks through written assessments of 662 companies and on-site due diligence of 37 companies, and recommending the establishment and implementation of improvement plans



Advancing the human rights management roadmap

Establishing qualitative and quantitative targets based on the POSCO Group-level human rights management roadmap and achieving a 98.4% completion rate for human rights management training



Governance

Promoting shareholder rights activities

Pursuing the establishment of a new FCF-based dividend policy and strengthening the protection of shareholder rights by operating various voting systems such as electronic voting



Establishing the ESG Committee

Establishing the ESG Committee, composed of four independent directors, in November 2025 to deliberate on key ESG issues and monitor management as a whole



Establishing the Evaluation & Compensation Committee

Establishing the Evaluation & Compensation Committee in November 2025 and strengthening the independence and transparency of the executive compensation system by composing all members of independent directors as of March 2026



ESG Management

Stakeholder Engagement

Stakeholder Communication and Engagement

POSCO Future M defines customers, employees, suppliers, shareholders and investors, government agencies, and local communities as its key stakeholders and implements a stakeholder engagement policy to strengthen communication and build trust with them. This policy applies to all sites and equity-invested companies and reflects stakeholders' needs and opinions, while also operating risk management measures to prevent unnecessary competition and low participation. In addition, POSCO Future M actively reflects stakeholders' opinions in the process of identifying material topics, and continuously identifies and systematically manages their key concerns to incorporate them into sustainability management.

Key Stakeholder Communication Channels

						
Stakeholder Group	Customers	Employees	Suppliers	Shareholders and Investors	GovernmentAgencies	Communities
Stakeholder Definition	Stakeholders who receive POSCO Future M's products and services and are the source of our economic and corporate value creation	As the main contributors of POSCO Future M's business activities and performance creation, they fulfill our social responsibilities toward internal stakeholders and external stakeholders	Play an essential role in POSCO Future M's business activities as a major stakeholder group that supplies raw materials and materials so that POSCO Future M can produce superior products	Stakeholders who provide financial capital for POSCO Future M to maintain a sustainable growth engine and are affected by our management and profitability	Stakeholders who monitor and evaluate our impact and responsibilities based on laws and regulations related to the chemical and rechargeable battery materials industries or determine the level of regulation on business operations	Stakeholders who are people or organizations in the region where we operate that are affected by our business activities
Main Channel	· Customer VoC · Customer Satisfaction Surveys · Customer meet-ups(as needed)	· Organizational Wellness Survey · Employees Representative Body · Young Board · Corporate Management Meeting	· Mutual Growth Conference · Supplier Representative Conference · Open Purchasing Consultation	· IR Meetings, Shareholders' Meetings · Line(Production) Tours · NDRs and Conferences of domestic and international · Value Day of POSCO Group's Rechargeable · Battery Material Business	· Anti-Corruption & Civil Rights Commission · Policy Meetings · Communication with Environmental Organizations(as needed) · Local Governments(Pohang, Gwangyang, etc.)	· Participation and Engagement in Local Organizations · Community Environmental Meetings · Community Contribution Programs
Topic of Interest	· Improving Product Quality · Improving Customer Service	· Increase Employee Satisfaction · Foster a Horizontal Organizational Culture · Balance of Work and Life · Fair Performance Evaluation and Compensation	· Mutual Growth Partnerships · Fair Trade, Technical Cooperation · ESG Management of the Supply Chain · Training Programs for Suppliers	· Stable Generation of Profits · Strengthening Financial Soundness · Diversification of Business Portfolio	· Legal and Regulatory Compliance · Social Responsibility · Creation of Quality Jobs · Enhancement of Transparency in Tax Payment	· Investing and Collaborating for Community Development · Increasing Contributions to Social Issues · Supporting Socially Disadvantaged and Vulnerable Groups
Related Issues	· Customer Satisfaction	· Safety and Health · Human Capital · Labor and Human Rights · Information Security	· Supply Chain · Safety and Health · Information Security · Ethics / Compliance	· Corporate Governance · Shareholder Rights	· Corporate Governance · Ethics / Compliance	· Environmental Impact · Community

Double Materiality Assessment

To select material topics for disclosure in the Sustainability Report, POSCO Future M conducts a materiality assessment every year based on the principle of double materiality. The double materiality assessment simultaneously evaluates impact materiality, the significance of the impact of corporate activities on the environment and society, and financial materiality, the significance of the impact of the external environment on the company's financial position. Based on an analysis of POSCO Group's common topic pool, we derived the topics to be assessed by reflecting global disclosure and rating standards such as SASB and MSCI and benchmarking against peers, and we selected three final material topics through internal and external stakeholder assessment and board approval.

Double Materiality Assessment Process

STEP 1 Topic Pool Configuration

- Understanding business activities and the value chain to identify and design focus areas subject to the double materiality assessment
- Selection of 24 common topics for the POSCO Group through an analysis of topic pools by each group affiliate

Main Business Definition

Chemicals

Electrical and Electronic Equipment

Value Chain Analysis

Upstream

Own Operations

Downstream

Sustainability Topic Pool

- Mapping ESG disclosure and assessment standards¹⁾
- Analysis of inquiries from stakeholders, including investors
- Analysis of material reporting topics from the Peer Group

Reporting Topic Pool (24 topics)
POSCO Group
Common Issue Pool

Topics for Identification and Assessment (15 topics)

Deriving a list of 15 topics

1) SASB, MSCI ESG Rating

STEP 2 Identification

- Identifying impacts related to each sustainability topic based on an analysis of business activities and value chain characteristics
- Identifying environmental and social impacts (32 cases), and risks and opportunities (33 cases) for each topic
- Determining assessment methods according to the characteristics of the impacts

IRO Identification

Internal Data : Sustainability Report, Annual Report, Corporate Governance Report

External Data: Laws and Regulations, Industry Trends, Media Coverage

Environmental and Social Impacts

Defining the impact of corporate activities on the external society and environment

Positive

Negative

Actual

Potential

Financial Impacts (Risk/Opportunity)

Defining the impact of the external environment²⁾ on the business

Risk

Opportunity

Identification of IRO³⁾ by topic and development of double materiality assessment sheets

2) Laws, Regulations, International Issues, etc.

3) Impact, Risk, Opportunity

STEP 3 Assessment

- Determining IRO priorities through materiality assessments of environmental/social impacts and financial impacts
- Conducting assessments with POSCO Future M's internal stakeholders
- Conducting assessments with external stakeholders with a deep understanding of the industry and ESG

IRO Assessment

Assessment Items of Environmental and Social Impact

Scale	The magnitude of the impact on the environment and society
Scope	The geographical/physical range of the impact on the environment and society
Irremediability	The degree to which negative impacts on the environment and society are recoverable
Likelihood	The probability of potential impact occurrence

Assessment Items of Financial Impacts

Scale	The magnitude of financial impact from risks and opportunities (revenue, costs, assets, etc.)
Likelihood	The probability of risks and opportunities occurring

Aggregation of IRO assessment results

STEP 4 Material Topic Selection

- Deriving material topics from the perspectives of environmental/social impact and financial impact by setting assessment score thresholds
- Final approval through review by the ESG department and the Board of Directors after selecting material topics (Submitted to and resolved by the 26-5th Board Meeting)
- Selected material topics are reflected in the process of establishing enterprise-wide risk management strategies, linking them to efforts to mitigate negative impacts and strengthen positive ones

Determining priorities by topic

Setting thresholds and determining rankings by topic

Final approval by the ESG department and the Board of Directors

Establishing ESG strategy implementation plans and monitoring

Reporting in the Sustainability Report

Final selection of material reporting topics

Double Materiality Assessment

Double Materiality Assessment Results

POSCO Future M assessed the environmental and social impacts and the financial impacts of the topics under assessment on a scale of 5 points each, and selected as material topics those that scored at or above the threshold for each type of impact. As a result, three topics were derived as material topics: Climate Change, Waste and Resource Circulation, and Own Workforce Safety and Health. Among the previous year's material topics, the significance of 'Establishing a Sustainable Value Chain' declined compared to the previous year due to the easing of related regulations, such as the postponement of the EU CSDDD, but it is being managed by separating it into detailed topics such as value chain employees' rights and the prohibition of child and forced labor. 'Waste and resource circulation' was newly added due to the mandatory use of recycled metals under the EU Battery Regulation.

Category	Sustainability Topic Pool	Impact	
		Environmental and Social	Financial
Environment	Climate Change	High	High
	Air Pollution	Medium	Medium
	Water Pollution	Medium	Medium
	Soil Pollution	Medium	Medium
	Biodiversity and Ecosystem Protection	Low	Medium
	Substances of Concern	Low	Medium
	Water Resources	Low	Medium
	Waste and Resource Circulation	High	Medium
	Own Workforce Social Dialogue and Collective Bargaining Rights	Medium	Medium
Social	Own Workforce Safety and Health	Medium	High
	Value Chain Employees' Rights	Medium	Medium
	Child and Forced Labor across the Value Chain	Low	Low
	Community	Medium	Low
	Consumer Safety	Low	Medium
Governance	Business Ethics and Compliance	Medium	Medium



Material Topics

Material Topics	Environmental and Social Impacts			Financial Impacts		
	Value chain	Impact	Category	Value chain	Risk & Opportunity	Category
Climate Change	Upstream	GHG emissions from the use of fossil fuels during raw material extraction and refining lead to the accumulation of climate change.	Negative Actual	Upstream	Tightening ESG regulations and carbon taxes, combined with climate disasters such as floods, typhoons, and droughts, delay raw material supply and increase price volatility; this leads to higher manufacturing costs and increased risks of production disruptions.	Risk
	Own Operations	GHG emissions from high energy use in the battery manufacturing process further intensify climate change.	Negative Actual	Own Operations	The expansion of EV adoption and the strengthening of climate policies across countries increase the demand for battery materials, enabling production expansion and long-term supply contracts. This also creates opportunities to improve cost and profit structures through the use of emission credits and renewable energy.	Opportunity
	Downstream	GHG emissions from energy consumption during battery transportation, use, and disposal accelerate climate change.	Negative Actual			
Waste and Resource Circulation	Downstream	Heavy metals and chemicals generated during the disposal of batteries and refractories cause soil and water pollution as well as health damage.	Negative Actual	Upstream	The mandatory use of recycled metals under the EU Battery Regulation increases the pressure to secure recycled raw materials and reflects process implementation costs, thereby expanding the burden of manufacturing costs due to rising raw material prices.	Risk
Own Workforce Safety and Health	Own Operations	The risk of accidents during the handling of facilities and chemicals results in physical and mental harm to employees.	Negative Potential	Own Operations	Strengthened regulations such as the Serious Accidents Punishment Act increase safety facility and management costs. In the event of an accident, profitability deteriorates due to non-operating expenses such as production process interruptions, delivery delays, litigation, and fines.	Risk

Double Materiality Assessment

Topic 1 Climate Change

Topic 2 Waste and Resource Circulation

Topic 3 Own Workforce Safety and Health

Background for Material Topic Selection

As the EU Battery Regulation takes effect and the disclosure of the carbon footprint of battery products becomes mandatory, POSCO Future M must secure the capabilities to calculate carbon information for cathode and anode materials and to respond to regulations. Global customers are also strengthening their demands for carbon information across the supply chain, and the expansion of the Carbon Border Adjustment Mechanism (CBAM) and domestic and international greenhouse gas regulations continue to grow stricter. Accordingly, reducing greenhouse gas emissions and improving energy efficiency across the entire value chain, from raw material procurement to product manufacturing, transport, use, and disposal, are emerging as key management tasks. To respond proactively to these regulatory and market changes, we selected 'climate change' as a material topic.

Business Impact Related to the Material Topic

Climate change risks and energy management issues are expected to have a complex impact on POSCO Future M's revenue and costs. Due to the global expansion of the Carbon Border Tax, instability in raw material supply, and stricter domestic and international emissions trading regulations, cost pressures are increasing from raw material procurement through product manufacturing, and failure to appropriately respond to changes in the disclosure environment, such as mandatory climate disclosure and greenwashing regulations, could lead to a decline in corporate value. On the other hand, as countries expand EV adoption policies and the global transition to decarbonization accelerates, demand for battery materials is expected to continue to grow, and new revenue opportunities are also anticipated, such as securing revenue from selling emission allowances through greenhouse gas reduction performance and reducing energy costs through expanded adoption of renewable energy.

Response Strategy Related to the Material Topic

POSCO Future M has declared '2050 Decarbonization' and established a decarbonization roadmap with a mid-term target of reducing greenhouse gas emissions by 46% by 2035 compared to 2018. We conduct life cycle assessments (LCAs) based on ISO 14067 for three cathode materials and one anode material to respond proactively to global environmental regulations such as the EU Battery Regulation and to customer demands. To improve energy efficiency, we are pursuing the optimization of combustion efficiency in production processes, electricity savings through improved equipment operating conditions, and the introduction of high-efficiency equipment, and for the transition to renewable energy, we are building a diverse procurement portfolio that includes expanding solar power facilities at the Gwangyang, Sejong, and Pohang sites along with power purchase agreements (PPAs) and the purchase of renewable energy certificates (RECs). Our response strategy for climate change risks and energy management can be found in the climate change section of this report (p. 31~41).

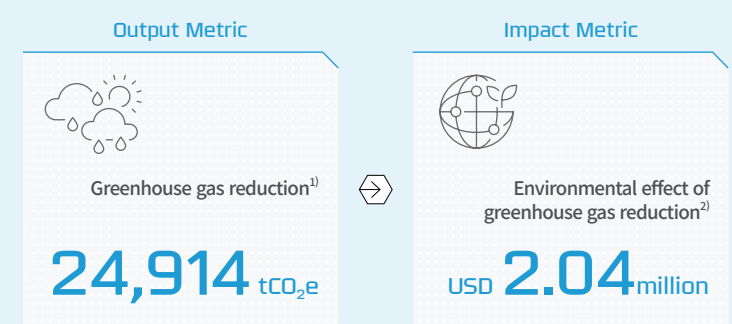
→ [ISO 14067 verification certificate](#)

Targets and Implementation Status Related to the Material Topic

In accordance with its decarbonization roadmap, POSCO Future M reports annual greenhouse gas and energy management plans and results to the Board every year, and systematically manages them by reflecting items for reducing the intensity of greenhouse gas emissions and energy use in the KPIs of the CEO and other relevant executives. We are pursuing various reduction activities such as expanding renewable energy procurement and improving energy efficiency, and in 2025, we pursued a total of 31 reduction tasks as part of energy efficiency improvement activities, which are expected to result in an annual greenhouse gas reduction effect of approximately 24,914 tCO₂e. Going forward, we plan to continuously advance our reduction tasks while comprehensively reviewing changes in internal and external conditions and the reduction performance of each business division. Through these activities, Scope 1 & 2 greenhouse gas emissions in 2025 were reduced to 2,200 thousand tCO₂e, below the target of 2,363 thousand tCO₂e.

External Impact Related to the Material Topic

Climate change risks and energy management issues affect various stakeholders around POSCO Future M. Greenhouse gas emissions from our plants contribute to accelerating climate change, and in raw material mining regions, there are risks such as disruptions to raw material supply due to climate disasters, rising transportation costs, and surging raw material prices due to water shortages. However, over the long term, we are expected to create positive environmental value by systematically reducing greenhouse gas emissions based on our 2050 Decarbonization roadmap and by expanding energy efficiency and the transition to renewable energy.



Double Materiality Assessment

Topic 1 Climate Change

Topic 2 Waste and Resource Circulation

Topic 3 Own Workforce Safety and Health

Background for Material Topic Selection

Global resource circulation regulations are expanding, including the mandatory use of recycled metals in battery manufacturing from 2025 under the strengthened EU Battery Regulation. As the rechargeable battery industry grows, interest in by-products generated in the cathode and anode material manufacturing processes and in the treatment of end-of-life waste batteries is increasing, and social demands regarding environmental impacts such as greenhouse gas emissions and soil and water pollution from waste incineration and landfilling are also growing. To respond proactively to this regulatory environment and industry change, POSCO Future M selected 'Waste and Resource Circulation' as a material topic.

Business Impact Related to the Material Topic

The waste and resource circulation issue can directly affect POSCO Future M's cost structure and revenue generation. The mandatory use of recycled metals may increase procurement costs to secure recycled raw materials, and stricter regulations on the treatment of by-products and waste may also increase the related cost burden. On the other hand, as the recycled materials market grows with the expansion of waste battery recycling regulations, proactively responding to resource circulation is expected to lead to increased demand for our cathode and anode materials, and it is also possible to reduce raw and subsidiary material costs by utilizing the Group-level recycling value chain and to generate new revenue through the sale of manufacturing by-products.

Response Strategy Related to the Material Topic

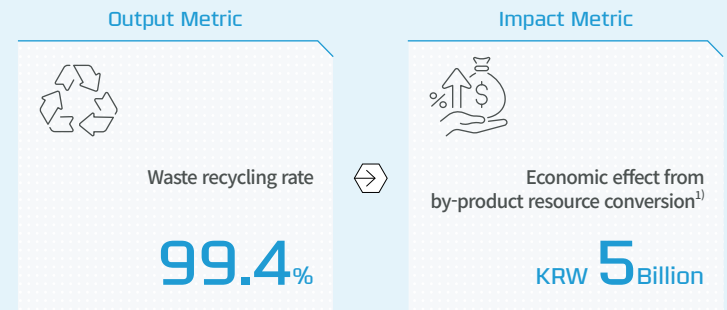
Under the vision of 'Realizing a Circular Economy through the Resource Conversion of By-products,' POSCO Future M is pursuing the reduction of waste generation and improvement of treatment methods, the enhancement of by-product value, and the development of high-value-added utilization technologies as its core strategies. We convert major by-products generated in the manufacturing process into industrial raw materials, build an internal circulation system by obtaining recognition as circular resources, and expand a circular raw material system based on waste battery recycling using POSCO Group's rechargeable battery materials value chain. Our detailed response strategy for waste and resource circulation can be found in the resource circulation section of this report (p. 42-44).

Targets and Implementation Status Related to the Material Topic

To strengthen its company-wide resource circulation system, POSCO Future M has established mid- to long-term waste management targets, and its execution strategy is reviewed and approved by the Board. We monitor waste generation, by-product sales volume, and profitability improvement performance by site on a monthly basis and report them to management. In 2025, we operated a By-product Profitability Improvement Task Force to pursue tasks such as reducing by-product generation, diversifying sales channels, and developing resource conversion technologies through collaboration with the Research Institute of Industrial Science and Technology (RIST), and we created an economic effect of approximately KRW 5 billion through reduced waste treatment costs and by-product sales. Through these activities, we achieved a 99.4% waste recycling rate in 2025, exceeding the target of 98.6%, and for graphite-based by-products generated at the Anode Materials Plant, we obtained two recognitions as circular resources under the 「ACT ON PROMOTION OF TRANSITION TO CIRCULAR ECONOMY AND SOCIETY」. In 2026, we plan to continue by-product resource conversion activities and expand the scope of circular resource recognition.

External Impact Related to the Material Topic

The waste and resource circulation issue has various impacts on the environment and local communities around POSCO Future M. Waste incineration and landfilling can cause negative environmental impacts such as additional greenhouse gas emissions and soil and water pollution, and pollution can increase health risks for local communities. In addition, if the resource circulation system for the disposal of end-of-life batteries is not sufficiently established across the industry, landfill waste may increase. To minimize these impacts, we are working to reduce environmental and social impacts by reducing waste landfilling through by-product resource conversion and the expansion of circular resource recognition, and by conducting on-site inspections of waste treatment companies.



1) Revenue from reduced waste treatment costs and by-product sales

Double Materiality Assessment

Topic 1 Climate Change

Topic 2 Waste and Resource Circulation

Topic 3 Own Workforce Safety and Health

Background for Material Topic Selection

POSCO Future M selected 'Safety and Health of its Own Employees' as a material topic to respond to the strengthening of industrial safety-related laws and regulations, such as the implementation of the Serious Accidents Punishment Act, and to secure a foundation for sustainable business operations. Given the nature of the rechargeable battery materials manufacturing industry, safety and health risks can arise in the process of handling various types of equipment and chemicals, making systematic management essential. We are working to strengthen our safety and health management system and spread a safety and health culture across the supply chain, and through this, we seek to enhance corporate trust and ensure business continuity.

Business Impact Related to the Material Topic

When a safety and health-related issue arises, an accident can halt plant operations, increasing cost burdens from production disruptions, and delivery delays can worsen relationships with clients, leading to lost sales. In addition, violations of safety accident-related laws can result in litigation costs, penalties, and fines, which over the long term can degrade the company's trust and reputation and negatively affect order competitiveness. In particular, when an industrial accident or serious accident occurs, legal and financial risks increase, including the punishment of executives and the expansion of corporate liability.

Response Strategy Related to the Material Topic

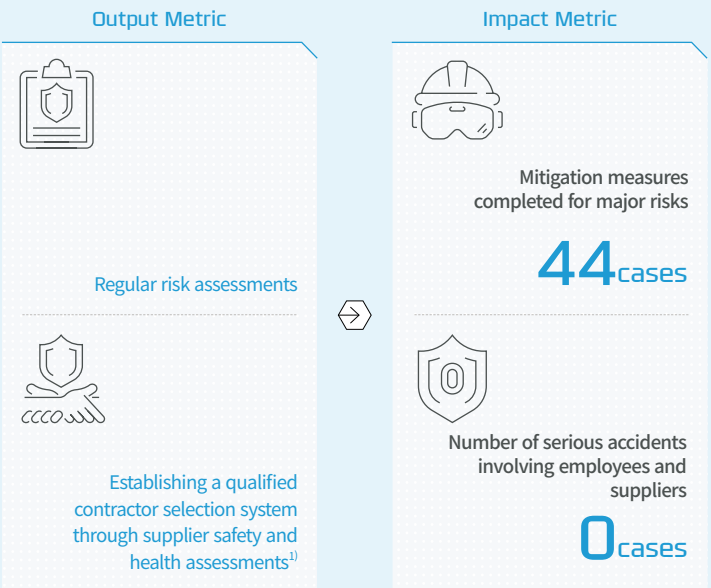
Recognizing that it is exposed to various safety and health risks given the nature of the manufacturing industry, POSCO Future M is actively responding to spread a safety and health culture. We have established a PDCA cycle based on the international standard safety and health management system (ISO 45001) at all sites, and we are pursuing, as a core strategy, the proactive identification and mitigation of risk factors through regular risk assessments and company-wide safety and health diagnostics. In addition, we are expanding field-participation programs such as promoting the Stop Work Authority on-site safety communication programs, and mentoring activities between supervisors and less experienced employees to establish a prevention-focused safety culture. Our detailed response strategy for spreading a safety and health culture can be found in the safety and health section of this report (p. 45-52).

Targets and Implementation Status Related to the Material Topic

POSCO Future M reports its safety and health plans to the Board every year and systematically manages them by reflecting safety and health performance in the KPIs of key executives, including the CEO and the CSEO. In addition, we selected the Lost-Time Injury Frequency Rate (LTIFR) as our company-wide safety and health management indicator and established mid- to long-term targets of 0.61 in 2026, 0.58 in 2027, and 0.55 in 2028, along with a '2026 Zero Serious Accidents' target. In 2025, we conducted regular risk assessments and implemented priority mitigation measures for identified high-risk factors, such as installing safety devices, applying lockout measures, and reinforcing the use of protective equipment, and we continuously promoted the internalization of safety and health management through company-wide safety and health diagnostics and the maintenance of ISO 45001 certification. The results of safety and health activities are shared with employees through the Occupational Safety and Health Committee and the Group's safety management platform. Through these activities, we achieved zero serious accidents in 2025, but the Lost-Time Injury Frequency Rate (LTIFR) was 0.64, falling short of the 2025 management target of 0.54.

External Impact Related to the Material Topic

If a safety and health culture is not established, the likelihood of workplace accident among employees at sites, including supplier employees, increases, which can lead to human harm. In addition, safety accidents cause physical and mental health harm to employees, and anxiety about major accidents can spread among local communities around sites, reinforcing negative perceptions of the company. To minimize these negative impacts, POSCO Future M conducts risk assessments and safety inspections by site, continuously manages supplier safety indicators, and strengthens safety-related communication with local communities.



Material Topics

31 Climate Change

42 Resource Circulation

45 Safety·Health



Governance¹⁾

Organization

Oversight and Role of the Head of the Safety & Environment Planning Office (CSEO)

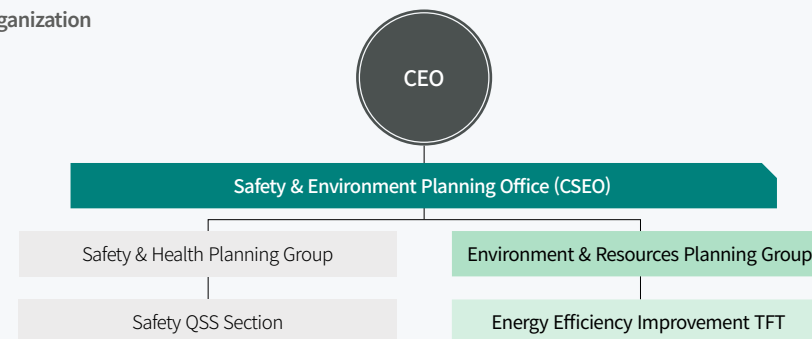
POSCO Future M has designated the Head of the Safety & Environment Planning Office (CSEO) as the executive in overall charge of environmental management to oversee climate change response activities. Management, including the Head of the Safety & Environment Planning Office, regularly reviews and manages the overall climate change response, including greenhouse gas reduction targets and implementation status, through the corporate management meeting. We analyze climate change-related opportunity factors to explore new growth business opportunities, and we submit key matters that may affect business competitiveness over the long term to the Board for decision-making. The Board oversees management's climate change response activities through the deliberation and resolution of key ESG issues, including climate change. The Board deliberates on and resolves key policies related to risk management, such as greenhouse gas reduction targets, implementation strategies, and climate change response policies, and when climate change response is determined to have a material impact on business strategy, it is discussed as a key agenda item. Key climate change response plans and implementation status are regularly reported to our Board and are also shared with the POSCO Holdings Board's ESG Council to strengthen execution at the Group level.

Dedicated Climate Change Organization

POSCO Future M's Environment & Resources Planning Group is the dedicated climate change organization responsible for establishing the company-wide mid- to long-term decarbonization strategy and implementing it systematically. This organization closely monitors domestic and international regulatory and policy changes related to climate change, and derives and pursues practical implementation tasks to achieve greenhouse gas reduction targets in line with the decarbonization roadmap.

In addition, the Environment & Resources Planning Group continuously works to strengthen company-wide climate change response capabilities by collaborating with various related departments such as R&D and business planning to introduce new technologies for greenhouse gas reduction and energy savings and to improve the efficiency of production processes. Along with these efforts, the Technology Research Institute leads the development of energy efficiency technologies and materials, strengthening the technological foundation for climate change response.

Climate Change Governance Organization



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

Climate Change

Strategy

Risks and Opportunities

Climate-related Risks and Opportunities

Climate-related Risks and Opportunities

Category	Type	Value Chain	Drivers	Impact on POSCO Future M	Time Horizon			Detailed Response Strategies
					Short	Mid	Long	
Physical Risk	Acute	Own Operations	Occurrence of flooding due to changes in precipitation patterns	Revenue loss due to facility damage from plant flooding, increased recovery costs, and production interruptions		✓		Proactive response and flood prevention based on Emergency Response Regulations and weather monitoring
			Increase in the frequency and intensity of extreme weather events (typhoons and hurricanes)	Power supply interruptions and production stoppages due to power grid damage		✓		Securing response capabilities through the operation of response procedures for extreme weather events, provision of employee action guidelines, and regular simulation drills
	Chronic	Own Operations	Prolonged droughts	Decreased production volume and delivery delays due to cooling water shortages from droughts, power supply interruptions, and raw material supply delays		✓		Ensuring equipment operational stability even in high-temperature environments by improving the efficiency of cooling-related facilities
			Abnormal high temperatures due to rising average global temperatures	Rising utility costs and decreased operational efficiency due to increased energy consumption for heating and cooling		✓	✓	Stabilizing the work environment through improvements to HVAC and ventilation systems, combined with measures to protect employees' health
Transition Risk		Upstream	Increased delays in raw material supply schedules and price volatility due to expansion of political risks and Carbon Border Taxes (e.g., potential CBAM application) in global raw material supplying countries	Increased volatility in battery material manufacturing costs due to higher costs for emergency procurement and securing alternative supplies in the event of raw material supply delays caused by strengthening regulations	✓	✓	✓	Minimizing supply risks by diversifying raw material suppliers and securing materials early, while monitoring regulatory trends such as CBAM
			Increased burden on supply chain management as demand for LCA-based carbon emissions information from raw material suppliers rises due to strengthening ESG regulations	Increased costs for data acquisition and assessment to respond to supplier ESG regulations	✓	✓	✓	Establishing a carbon emission data collection system for major suppliers and gradually expanding the scope of Scope 3 calculations
	Regulations	Own Operations	Continuous strengthening of domestic and international GHG emissions regulations	Costs incurred for responding to greenhouse gas (GHG) emissions regulations ¹⁾	✓	✓		Forecasting shortfalls against allocated allowances and monitoring emission credit prices
			Mandatory climate disclosures and strengthening of greenwashing regulations	Decline in corporate value and higher litigation costs due to insufficient regulatory response		✓	✓	Proactively responding to climate disclosure standards and advancing the greenwashing risk management system
		Downstream	Expansion of demand for the use of carbon-reduction materials and disclosure of product-level carbon emissions information across the supply chain due to strengthening global decarbonization policies	Increased costs for data establishment and response related to the calculation and verification of product-level carbon emissions		✓		Quantifying carbon emissions for each product through Life Cycle Assessment (LCA) to respond to regulatory and customer requirements
	Reputation	Own Operations	Increasing demand from external stakeholders ²⁾ for GHG reduction, decarbonization implementation, and the use of renewable energy	Revenue decreases and increased cost of capital due to negative feedback from customers and investors in the event of a failure to implement decarbonization targets	✓	✓	✓	Implementing restrictions and cautionary measures for high greenhouse gas emitting companies and industries
Opportunity	Market	Own Operations	Increased demand for batteries and rechargeable battery materials due to strengthened global climate change response and implementation of EV expansion policies (subsidies, tax benefits, etc.) by various countries	Production expansion and revenue growth driven by increased demand for battery materials resulting from the expansion of EV adoption		✓	✓	Establishing a full value chain for rechargeable battery materials, spanning from raw materials to final materials
	Technology	Own Operations	Introduction of decentralized energy production systems	Cost reduction through the expansion of renewable energy power generation facilities		✓	✓	Expanding renewable energy-based self-generation through the installation of solar power facilities (scheduled for completion in November 2026)

1) Emission liabilities due to a reduced free allocation ratio of emission allowances, and increased emission liabilities and emission allowance purchase costs within manufacturing overhead when allowance prices rise

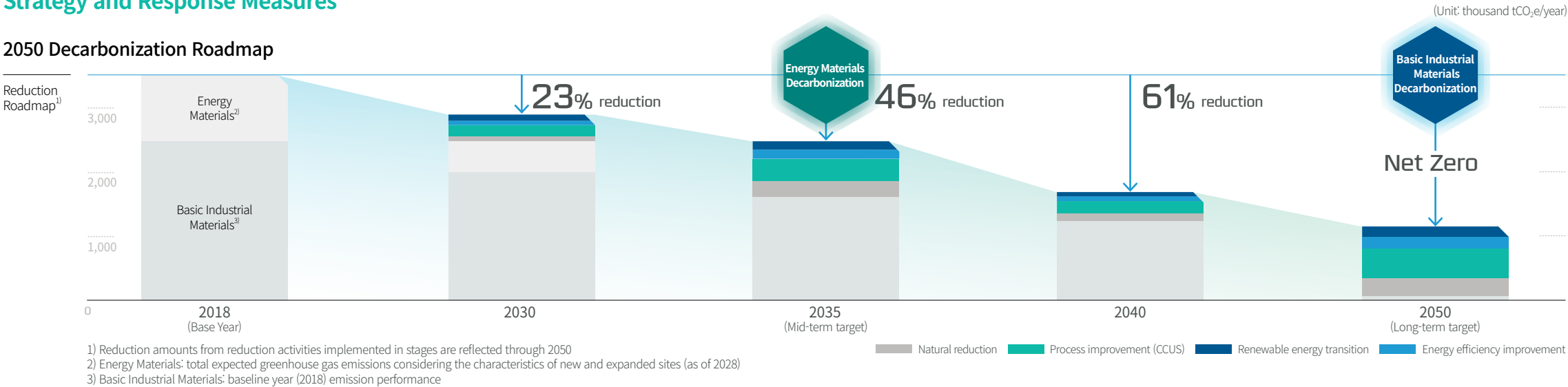
2) Clients (Tier 1 to Tier n), investors, relevant government and financial institutions, etc.

Climate Change

Strategy

Strategy and Response Measures

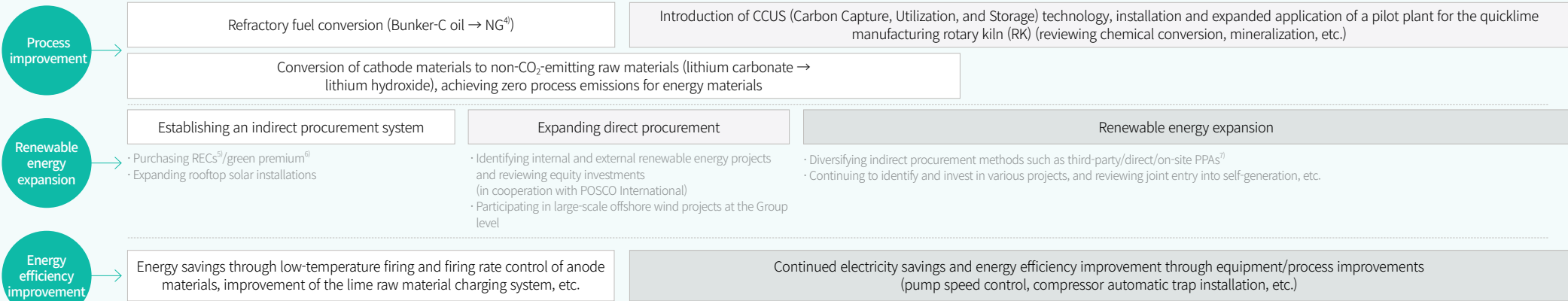
2050 Decarbonization Roadmap



Target

Strategy

Achieving Decarbonization by 2050



4) Natural Gas
5) Renewable Energy Certificates

6) A scheme in which electricity users who consume renewable energy and wish to be certified for it purchase an additional premium on top of their electricity bill. It is sold by KEPCO, and the proceeds are used to support renewable energy projects, etc.

7) Power Purchase Agreement

Climate Change

Strategy and Response Measures

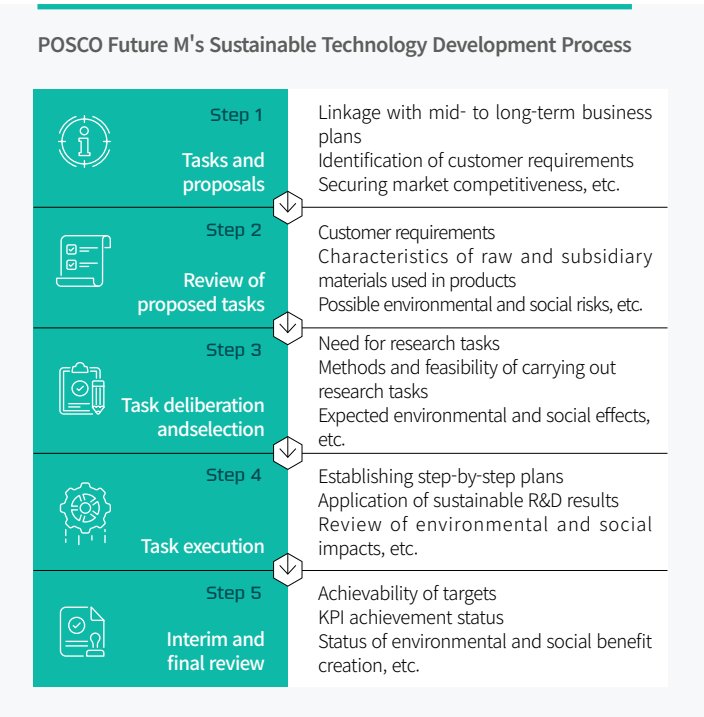
2050 Decarbonization Declaration and Mid- to Long-term Implementation Strategy

POSCO Future M officially declared '2050 Decarbonization' at the Board in 2022 and reviewed and approved its decarbonization roadmap and mid- to long-term targets. We set direct emissions and purchased electricity emissions (Scope 1 and 2) of all domestic and overseas sites as the scope of target management, and designed the roadmap based on IPCC SSP scenario analysis to align with the target of below 1.5°C compared to pre-industrial levels. We set 2018 as the baseline year and established decarbonization targets and implementation paths by comprehensively considering domestic and international laws and regulations, market and technology development trends, customer requirements, the implementation status of the same industry, and linkage with the company's business strategy. In December 2025, we updated the existing roadmap to adjust some targets and refine the implementation plans for each business division, which were reviewed by the Board. POSCO Future M has set '2050 Decarbonization' as its vision and is pursuing the phased implementation of its mid- to long-term targets based on three strategies for decarbonization.

Production process improvement (Scope 1 and 2 reduction)	To reduce process emissions, which account for 67% of company-wide greenhouse gas emissions, we are pursuing increased production efficiency through the optimization of operating conditions, the replacement of aging equipment with high-efficiency equipment, and the identification and improvement of energy waste factors, and we plan to introduce CCUS (Carbon Capture, Utilization, and Storage) technology.
Renewable energy expansion (Scope 2 reduction)	For a phased transition to renewable energy, in the short term we are expanding rooftop solar installations at sites and purchasing green premium and RECs (Renewable Energy Certificates), and in the mid term we plan to expand renewable energy procurement through PPAs (Power Purchase Agreements). In the long term, we plan to diversify our renewable energy procurement portfolio considering the characteristics of each business division by reviewing direct procurement methods such as equity investment in renewable energy projects and joint entry into self-generation.
Energy efficiency improvement (Scope 1 and 2 reduction)	We are intensively pursuing energy efficiency improvement activities to continuously reduce greenhouse gases emitted during product manufacturing. In the short term, we plan to implement process optimization tasks such as energy savings through low-temperature firing and firing rate control of anode materials and improvement of the lime raw material charging system. In the mid- to long-term, we plan to continuously pursue electricity savings and energy efficiency improvement through equipment and process improvements such as pump speed control and compressor automatic trap installation.

Development of Low-carbon Products and Services

Based on a technology development process that reduces environmental impact, POSCO Future M closely analyzes technology trends and the outlook for the rechargeable battery market. Based on this, we establish technology development strategies and explore specific response measures to pursue sustainable technology development. In addition, we set detailed quantitative decarbonization targets based on tasks derived through joint consultation and then carry out the tasks. The developed technologies are applied to actual processes to quickly identify and improve problems and optimize them, after which the development status and performance are reviewed through interim and final reviews. Through this, we achieve sustainable innovation and development and lead the industry.



Climate Change

Strategy and Response Measures

Transition to a Decarbonized Industry Structure

Expanding Investment in Carbon Emission Reduction Technologies

To transition to a decarbonized industry structure, POSCO Future M is expanding investment in carbon reduction process technologies to prevent the risk of declining market share due to the emergence of alternative technologies in the industry. Recognizing that competitiveness can decline if existing process technologies fail to meet environmental regulations amid stronger demands for carbon emission reduction, we are actively pursuing the introduction of innovative carbon reduction technologies. POSCO Future M continuously strengthens its carbon reduction manufacturing capabilities by collaborating with companies that have production process technologies that minimize environmental impact and by building production facilities that apply new technologies. In 2025, we executed a total of KRW 26.1 billion in environmental investment, which was invested in environmental facilities and process improvements. In addition, we are responding to maintain competitiveness even in a rapidly changing market environment by expanding R&D investment and improving process efficiency through technology verification.

In addition, at the POSCO Group level, we formed a task force to review the introduction of an internal carbon pricing system, and we plan to review its application to the investment and business decision-making system from the second half of 2026 and operate it in stages.

Business Model Transformation

POSCO Future M is expanding sustainable rechargeable battery material production and diversifying its business portfolio. We are pursuing product and process innovation that aligns with a carbon reduction economy and focusing on securing future growth drivers, including by strengthening the competitiveness of our future materials business. In particular, we are systematically pursuing technology development based on a technology development process that reduces environmental impact. In 2024, we succeeded in localizing UHP-grade artificial graphite electrode technology for electric arc furnace operations, an achievement that supports the transition to steel manufacturing processes with lower carbon emissions than blast furnaces. To enhance the execution of our transition strategy, we continuously strengthen organizational capabilities through specialized training programs such as the Rechargeable Battery Materials Academy. For more details on the training programs, please refer to p. 58 and 75–77 of this report.

Environmental Impact Assessment of Products and Services (LCA)

Based on the international standard ISO 14067, POSCO Future M conducts Life Cycle Assessments (LCAs) to measure and verify the carbon footprint of its products. Amid stronger demands for carbon information disclosure across the battery materials industry, we are expanding the scope of carbon footprint calculation by product to respond to customers and global regulations. In 2024, we completed the calculation and third-party verification of carbon footprint values for two cathode materials (PN6, PN8) and one anode material (natural graphite anode material). In 2025, to respond to customer requirements, we additionally calculated and completed independent verification of the carbon footprint value for one cathode material (PNC-P02), and we plan to continue building a carbon footprint calculation system tailored to customer requirements. In the calculation process, we collected field data across the manufacturing process, including raw and subsidiary material input, energy use, and product manufacturing, and applied the IPCC 2021 (GWP100a) standard. An analysis of carbon footprint contribution by stage confirmed that the raw and subsidiary material production stage is the main emission factor across all products, while the contributions of the product manufacturing stage and the raw material and waste transport stage are relatively limited. Based on this, we continuously seek carbon reduction measures focused on carbon reduction in the raw and subsidiary material procurement stage and energy efficiency within the manufacturing process, and we work to secure the trust of customers and stakeholders by transparently disclosing the results. Going forward, we plan to expand the scope of LCA application and pursue the advancement and automation of the calculation process to strengthen a management system that can quickly respond to customer demands.

Inventory Analysis

Category	Data collection items	Information on Environmental Aspects
Raw and Sub-Materials	Raw and subsidiary material inputs, Environmental facility inputs	Global warming
Energy	Usage data for electricity, fossil fuel, steam	
Utility	Water-Gas usage	
Products	Product output	
Water Discharge	Discharge Waste water	
Air emissions	Emissions of carbon dioxide, methane, nitrogen dioxide	
Waste	Amount of waste generated, Nature and disposal method of the generated waste	

Carbon Footprint Calculation Results by Stage for Cathode and Anode Materials (Unit: %)

Category	Raw Material Production	Raw material and waste transport	Product manufacturing
Cathode material (PN6)	74	1	25
Cathode material (PN8)	74	0	26
Cathode material (PNC-P02)	66	1	33
Natural graphite anode material	50	2	48

Climate Change

Strategy and Response Measures

Energy Consumption Efficiency Improvement Management

Operation of the Energy Efficiency Improvement Task Force

To reduce energy costs in a field-centered manner and identify new energy-saving opportunities, POSCO Future M held a specialized diagnostic council meeting with the Research Institute of Industrial Science and Technology (RIST) in March 2026. A total of 15 people attended the meeting, including the president of RIST and our Head of Safety & Environment Planning Office, and among the 29 identified tasks, we selected five areas with high expected effects and proposed RIST specialized diagnostics. In addition, by selecting experts from each division of the RIST Energy Center, we formed the Energy Efficiency Improvement Task Force and agreed to support on-site specialized diagnostics. Through the operation of the task force, we regularly share the progress of energy savings and key issues at each site, and we continue to derive customized improvement plans reflecting site conditions and to identify new energy-saving opportunities. Going forward, we plan to refine optimal improvement plans through detailed on-site diagnostics and systematically expand energy efficiency improvement results.

Energy Efficiency Improvement Activities

POSCO Future M is pursuing various improvement activities company-wide to improve energy efficiency and reduce carbon emissions. In 2025, considering the energy use characteristics and process structure of each business division, we identified and implemented a total of 31 greenhouse gas reduction tasks, through which we expect an annual greenhouse gas reduction effect of approximately 24,914 tons.

At basic materials sites, we pursued the optimization of operating conditions, improvement of combustion efficiency, reduction of steam use, and improvement of aging equipment, focusing on processes with a high share of fuel use such as kilns, drying furnaces¹⁾, and slakers, and an annual greenhouse gas reduction effect of approximately 9,000 tons is expected across the basic materials business. At energy materials sites, considering the process characteristics with a high share of electricity use, we improved electricity use efficiency by pursuing process efficiency improvement and activities to reduce electricity use intensity as well as equipment-focused improvements to operating conditions and operational optimization of compressors and utility equipment, and an annual greenhouse gas reduction of approximately 15,000 tons is expected across the energy materials business.

These expected energy-saving effects are calculated by converting energy use based on raw material and energy use data measured with calibrated measuring equipment, applying the conversion factors presented in the IPCC guidelines, and reduction performance is confirmed by comparing usage before and after the introduction of saving measures.

1) LNG savings through optimization of the drying furnace temperature at the refractory plant in 2025: 2024 monthly average use – 2025 monthly average use

Case #1

Reducing steam use through optimization of R/S operating conditions

To improve the existing steam operation method in the Rotary Slaker (R/S) process, which had not reflected seasonal changes in outside air temperature, POSCO Future M pursued steam use reduction activities through the optimization of operating conditions. Considering process characteristics when outside air temperatures rise in summer, we reviewed the steam input criteria and minimized unnecessary steam use by adjusting operating conditions. As a result, we were able to reduce greenhouse gas emissions by gradually reducing summer steam input. In addition, by standardizing seasonal steam operation criteria, we established a management system so that the savings effect can continue in the future.



Refractory Rotary Slaker

Case #2

Reducing electricity use through compressor main pressure adjustment

About 34% of the total electricity cost at the Pohang Cathode Materials Plant is attributable to operating compressors for Dry Air production, making it a process that requires improved electricity use efficiency. Accordingly, we reduced electricity use by gradually lowering the main supply pressure while pursuing improvement activities to optimally combine and operate compressors according to line operating conditions. In addition, we expect additional electricity savings through the application of combined compressor operation. Through these improvements, we were able to confirm both reduced electricity use and reduced carbon emissions.



Pohang Cathode Materials Plant compressor

Climate Change

Strategy and Response Measures

In-house Generation and Procurement of New and Renewable Energy

To achieve decarbonization by 2050, POSCO Future M is pursuing key strategies, including the transition to renewable energy at all sites. To this end, we analyze policies and market trends by region and compose a diverse portfolio that includes direct solar generation, Power Purchase Agreements (PPAs), and the purchase of Renewable Energy Certificates (RECs). In addition, we minimize renewable energy development risks by strengthening collaboration with specialized developers and business subsidiaries, and we continuously strive for an effective energy transition.

These efforts are already producing visible results at business sites. On the roof of the Gwangyang Cathode Materials Plant, we installed 2.2 MW of solar panels in cooperation with POSCO International, producing 3,126.6 MWh of renewable energy in 2025 and establishing a virtuous cycle of trading RECs with a business subsidiary. We have also installed solar power facilities on the roof and parking lot of the Sejong Anode Materials Plant, directly generating 209 MWh of renewable energy annually. In addition, we are installing a 2.5 MW solar power facility on the roof of the Pohang Cathode Materials Plant, which is scheduled for completion in November 2026 and is planned to generate 2.8 GWh of renewable energy annually. Going forward, we plan to continuously increase renewable energy use by identifying various projects, making joint investments, and expanding self-generation.



Gwangyang Cathode Materials Plant solar power facility

Obtaining Third-party Environmental Certification

Establishing an Environmental Management System

To establish an environmental management system that meets international standards, POSCO Future M obtained Environmental Management System (ISO 14001:2015) certification and continuously improves its environmental management level through regular audits. To obtain ISO 14001 certification, requirements such as establishing an environmental management policy, complying with relevant laws and regulations, and conducting environmental risk assessment and improvement activities must be met. To maintain certification, POSCO Future M conducts internal audits and follow-up audits by an external certification body every year and carries out renewal audits every three years. In addition, we continuously strengthen our environmental management system by reviewing environmental performance through regular audits and by identifying, addressing, and supplementing areas for improvement.

Certification standard	Certification body	Certified sites and products	Validity period	Certification grade
ISO 14001:2015 (Environmental Management System)	LRQA	POSCO Future M headquarters, New Refractory Materials Division, Pohang Chemical Division, Gwangyang Chemical Division, Gwangyang Cathode Materials Plant, Sejong Natural Graphite Anode Materials Plant 1, Sejong Natural Graphite Anode Materials Plant 2, Pohang Artificial Graphite Anode Materials Plant, Pohang Cathode Materials Plant, Sejong Campus	December 13, 2023 – December 12, 2026	ISO 14001:2015 certification qualified
Environmental Product Declaration (EPD)	Korea Environmental Industry & Technology Institute	Two cathode materials (PN6, PN8)	September 30, 2022 – September 29, 2025	Certification for the disclosure of quantitative environmental information based on life cycle assessment (LCA)

Climate Change

Strategy and Response Measures

Physical Risk Response

Preparing for Climate Risks (River Flooding, Floods, etc.)

To respond to physical risks from climate change such as river flooding and floods, POSCO Future M is establishing a long-term adaptation plan spanning more than 10 years. We have established emergency response regulations and proactively implement response measures when extreme climate events such as strong winds, heavy rain, downpours, heavy snow, and cold waves occur. In addition, we provide employees with action guidelines and regularly conduct simulation drills for natural disasters so that they can develop rapid response capabilities.

If the impact range of climate risks at the Gwangyang Cathode Materials Plant and the resulting asset loss rate increase, we plan to install a 1,708 m-circumference, 2 m-high water barrier and disaster prevention panels around the plant. In addition, we plan to establish a Business Continuity Plan (BCP) that comprehensively includes natural disaster prevention, damage recovery, and alternative production measures to minimize production disruptions from climate risks and secure business continuity.



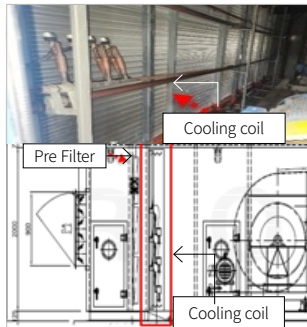
Thematic inspection report

Preparing for Abnormal Temperatures

In preparation for changes in the work environment due to abnormal temperatures, POSCO Future M combines equipment improvements with personnel protection measures and pursues measures to improve the hot and humid work environment and protect employees' health.

We invested approximately KRW 1.8 billion in the Gwangyang Cathode Materials Plant to install cooling coils in the air conditioning unit of the spare kiln, improving the efficiency of the cooling system. In addition, we plan to introduce forced exhaust and supply air temperature cooling systems in stages to build a stable work environment that can respond to abnormal temperatures over the long term.

At the personnel level, we implement various policies to protect employees' health. In accordance with our health examination management guidelines, we conduct special health checkups by site and establish risk measures by assessing work environment vulnerabilities and employees' exposure levels. In addition, we strengthen heat-related illness prevention activities and use protective equipment, such as providing cooling vests, so that employees can work safely even in heat waves. Along with this, we operate a flexible work system and work environment improvement programs to protect employees' health and prepare measures to reduce the work burden caused by abnormal temperatures.



Cooling coil installation



Health examination management guidelines

Plan Achievement Progress

To achieve its 2050 decarbonization target, POSCO Future M continuously identifies and implements reduction tasks and monitors the resulting implementation progress quarterly. For unimplemented or delayed tasks, we analyze the causes and reflect them when identifying tasks and establishing plans for the following year.

In 2025, we pursued a total of 31 tasks as part of our reduction activities, and according to internal calculation standards, an annual greenhouse gas reduction effect of approximately 25,000 tons is expected if these tasks are implemented as planned. Going forward, we plan to systematically identify detailed reduction activity tasks for each business division and continuously advance task operation, including by strengthening targets when necessary after comprehensively reviewing changes in internal and external conditions and the reduction performance and target achievement of each business division.

2025 Reduction Task Performance

Category		Number of tasks	Reduction (tCO ₂ e) ¹⁾				
Business division	Plant		Electricity	LNG	COG	Other	Total
Energy Materials	Pohang Cathode Materials	8	4,956.0	10.0	-	176.0	5,142.0
	Gwangyang Cathode Materials	6	7,123.5	-	-	46.1	7,169.6
	Anode Materials	4	367.0	2,988.0	-	34.3	3,389.3
Basic Industrial Materials	Refractorie	4	21.0	356.0	-	612.0	989.0
	Pohang Quicklime	4	-	-	344.0	2,680.0	3,024.0
	Gwangyang Quicklime	5	-	-	1,589.0	3,611.0	5,200.0
Total		31	12,467.5	3,354.0	1,933.0	7,159.4	24,913.9

1) Based on internal calculation standards

Climate Change

Resilience Assessment

Risks Subject to Scenario Analysis and Impact Analysis Results

Climate Change Scenario Analysis

To understand the impact of climate change on key assets and strategies and to manage risks, POSCO Future M conducted a scenario analysis of the Gwangyang Cathode Materials Plant in 2023. The analysis was based on the SSP scenarios (SSP1-2.6, SSP2-4.5, SSP3-7.0, SSP5-8.5) of the IPCC Sixth Assessment Report. Through various scenarios, we assessed the financial impact of seven physical risks—abnormal temperatures, drought, wildfires, water shortages, coastal flooding, river flooding, and typhoons—on key asset values, and we reviewed the effects of climate response measures, such as renewable energy generation and procurement and physical risk response measures, on business operations and financial impact.

The SSP scenarios reflect greenhouse gas emissions and climate change according to socioeconomic development paths. SSP1-2.6 is a decarbonization scenario in which temperatures rise by approximately 1.9°C above pre-industrial levels by 2100 through sustainable development, while SSP5-8.5 is a high-emission scenario in which temperatures rise by 5.2°C with a focus on fossil fuels. SSP2-4.5 and SSP3-7.0 represent intermediate emission paths. In this process, we used the S&P Global Climanomics methodology to quantify financial risks by scenario and established response measures based on this.

Analysis Methodology¹⁾

Category		CO ₂ concentration	Global temperature
SSP1-2.6	Immediate greenhouse gas reduction from now	420ppm	+ 1.9°C
SSP2-4.5	Substantial implementation of greenhouse gas reduction policies	540ppm	+ 3.0°C
SSP3-7.0	Some implementation of greenhouse gas reduction policies	670ppm	+ 4.3°C
SSP5-8.5	Greenhouse gas emissions following the current trend	940ppm	+ 5.2°C

1) Source: Korea Meteorological Administration, IPCC Sixth Assessment Report

Asset Value Loss in the Event of Physical Risks

Based on an analysis of the climate change physical risks at the Gwangyang Cathode Materials Plant under the SSP scenarios, we identified key risk factors and confirmed the scale of asset value loss. Damage from river flooding and reduced labor productivity from abnormal temperatures emerged as key risk factors, which were assessed as highly likely to lead to asset losses. Under the SSP1-2.6 scenario, the scale of assets exposed to key risks is expected to increase from KRW 21 billion as of 2029 to KRW 34.3 billion in 2089, and under the SSP5-8.5 scenario, it is projected to increase from KRW 20.5 billion in 2029 to KRW 82.7 billion in 2089. The share of assets exposed to key physical risks was confirmed to be higher under the SSP5-8.5 scenario than under the SSP1-2.6 scenario, and in particular, during the 2080–2089 period, the impacts of abnormal temperatures (3.30%) and river flooding (1.19%) are analyzed to increase significantly. Meanwhile, the impacts of drought, wildfires, typhoons, and others are analyzed to be relatively small.

Risk Factors by SSP Scenario

Asset value loss rate below 1%

Asset value loss rate of 1% or more and less than 10%

Year	Analysis methodology	Chronic		Acute			Loss rate ¹⁾	Asset Value Loss Amount (KRW)
		Abnormal temperatures	Drought	Wildfires	River flooding	Typhoons		
2020-2029	SSP1-2.6	0.95%	0.07%	0.06%	0.24%	0.04%	1.36%	21.0 Billion
	SSP5-8.5	0.93%	0.06%	0.05%	0.23%	0.05%	1.32%	20.5 Billion
2050-2059	SSP1-2.6	1.36%	0.14%	0.09%	0.36%	0.06%	2.02%	31.4 Billion
	SSP5-8.5	2.03%	0.24%	0.14%	0.58%	0.09%	3.08%	47.9 Billion
2080-2089	SSP1-2.6	1.50%	0.16%	0.10%	0.39%	0.06%	2.21%	34.3 Billion
	SSP5-8.5	3.30%	0.49%	0.26%	1.19%	0.09%	5.33%	82.7 Billion

1) Aggregated by summing the loss rates of all risks other than the key physical risks disclosed in this report

Climate Change

Risk Management

Climate Risk Management Process

Risk and Opportunity Assessment Methods and Results

Identification of Risk and Opportunity Factors

POSCO Future M identifies climate change risks and opportunities centered on its Carbon Neutrality TFT. To this end, we identify potential impacts on the company by comprehensively using climate change scenario analysis, including the IEA NZE, SDS, and STEPS and the IPCC SSP scenarios, domestic and international laws and regulations, academic and statistical data for the regions where our sites are located, and the Korea Meteorological Administration's national climate change standard scenarios. Through this process, we identify risk factors that may have a negative impact on business operations and financial performance, and opportunity factors that may have a positive impact through new technologies, products, and services.

Assessment of Risk and Opportunity Factors

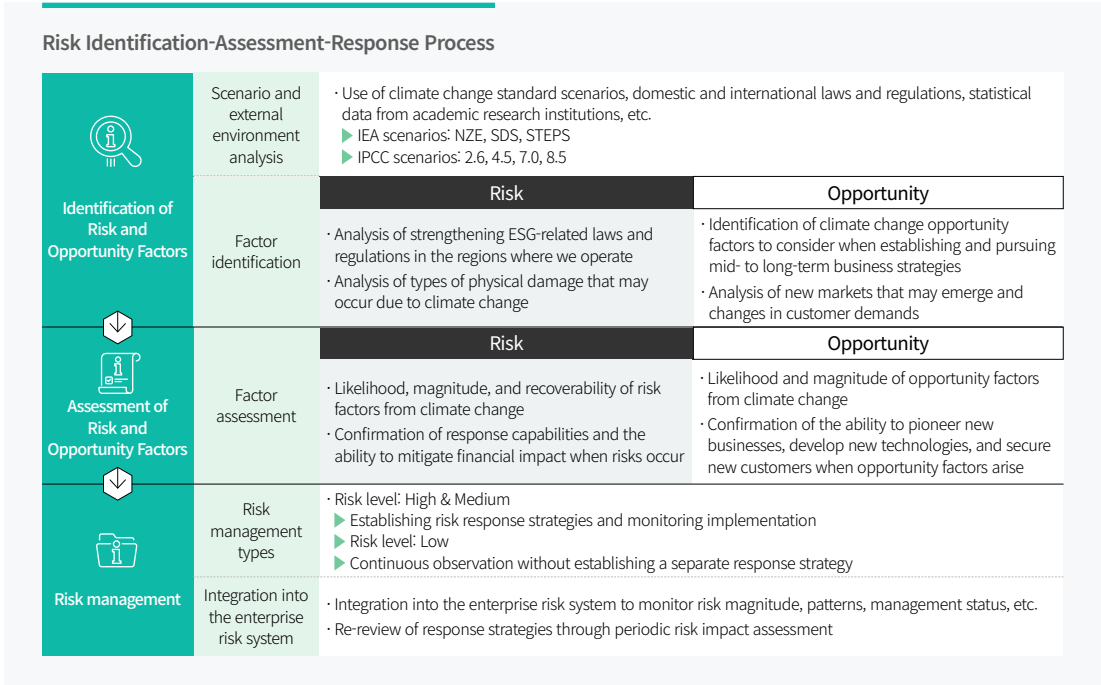
We conduct materiality assessments of identified risk and opportunity factors and establish response strategies. The assessment comprehensively analyzes likelihood, magnitude, severity, and recoverability, and considers the impact on the entire value chain, from sites to upstream and downstream, from short-, mid-, and long-term perspectives. In addition, beyond simple identification, we also assess our response capabilities. Response capability is the process of confirming the ability to respond quickly and minimize damage when risks occur, and the possibility of pioneering new markets and securing new growth drivers by utilizing opportunity factors.

Management of Risk and Opportunity Factors

To systematically manage risks and opportunities from climate change, we establish management measures by comprehensively considering the results of materiality assessments and our risk appetite. For factors with high likelihood and magnitude, we prepare and implement company-wide management measures and continuously monitor them. For potential factors, we communicate with internal and external stakeholders and strengthen our response capabilities by reviewing domestic and international industry trends and policy changes. On the other hand, for factors with low likelihood and magnitude, we respond flexibly by analyzing the patterns of change and adjusting management measures when necessary.

Integration into the Enterprise Risk Management System

We operate an enterprise risk management system centered on the Head of the Planning & Support Division (CFO), and we also integrate and manage risk and opportunity factors from climate change within this system. The CEO, CFO, and Head of Safety & Environment Planning Office (CSEO) establish response strategies for company-wide risks, including climate change, monitor implementation status, and manage and oversee business impacts. In addition, the Board deliberates on risk management strategies and response measures to strengthen the company-wide response system.



Climate Change

Metrics and Targets

Metrics

Emission Measurement Methodology

Scope 1 & 2 Emission Management

To respond effectively to the Korea Emissions Trading Scheme(K-ETS), POSCO Future M measures Scope 1 and 2 greenhouse gas emissions based on the IPCC guidelines and domestic emissions trading scheme reporting guidelines. In accordance with domestic and international standards, we calculate carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) emissions and the measurement scope covers our domestic headquarters and sites. Emissions are calculated by multiplying company activity data such as fuel use and electricity consumption by emission factors, and we monitor the emissions of each emission facility using our established greenhouse gas inventory. In addition, the effectiveness of the measurement methodology and inventory operation, and the aggregated data, are verified by an independent third-party institution to ensure the objectivity and transparency of emissions.

Scope 3 Emission Calculation and Verification

Based on the GHG Protocol's Scope 3 calculation standard and guidance, POSCO Future M has developed and applies a Scope 3 emission calculation methodology suited to its industry characteristics. In particular, considering the value chain characteristics of the chemical and energy materials industries and high greenhouse-gas-emitting activities, we selected 8 key measurement categories out of the 15 Scope 3 categories and calculate emissions using internal data and external proxy indicators. In addition, to secure the reliability of Scope 3 emissions, we undergo verification by an independent third-party institution every year, and the verification procedure is performed in compliance with the international standard ISO 14064-3. In the verification process, we assess whether the calculation methodology in accordance with international standards such as the GHG Protocol has been appropriately applied, and we review the characteristics and detailed figures of the data used, the calculation procedures (formulas, etc.), and estimation methods to confirm whether there are material errors or omissions. Going forward, POSCO Future M plans to further strengthen the reliability of information by collaborating with partner institutions and suppliers to expand

the scope of data management required for Scope 3 calculation and by continuously advancing the calculation methodology. Through this, we will build a more precise greenhouse gas emission management system and pursue a strategic response to reduce carbon emissions across the value chain.

2025 Scope 1, 2, 3 Emissions

Category		Emission source	Unit	Emissions
Scope 1			tCO ₂ e	1,874,280.3
Scope 2 (location-based)			tCO ₂ e	326,071.5
Scope 2 (market-based)			tCO ₂ e	324,635.0
Scope 1, 2 total ¹⁾			tCO ₂ e	2,200,344.0
Scope 3	Upstream	Category 1 Purchased goods and services	tCO ₂ e	808,025.9
		Category 2 Capital goods	tCO ₂ e	11,765.9
		Category 3 Fuel and energy-related activities(not included in scope 1 or scope 2)	tCO ₂ e	54,128.9
		Category 4 Upstream transportation and distribution	tCO ₂ e	59,451.4
		Category 5 Waste generated in operations	tCO ₂ e	35,517.6
		Category 6 Business travel	tCO ₂ e	723.1
		Category 7 Employee commuting	tCO ₂ e	3,886.4
Downstream		Category 15 Investments	tCO ₂ e	36,124.2
Scope 3 total			tCO ₂ e	1,009,623.4
Scope 1, 2, 3 total			tCO ₂ e	3,209,967.4

1) Based on the Ministry of Climate, Energy and Environment's greenhouse gas statement, figures are summed after truncating below the decimal point for each site, so there may be differences from the total emissions

Targets

Greenhouse Gas Emission Targets (Scope 1, 2) (Unit: thousand tCO₂e)

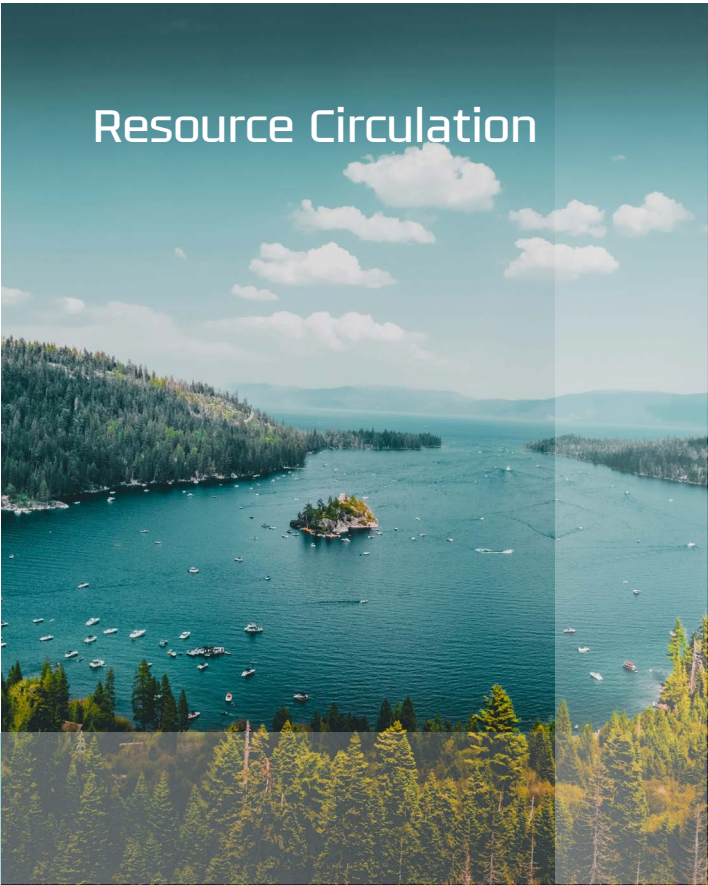
Purpose	Climate change mitigation
Scope	Separate basis
Target type	Absolute target
Baseline year	Basic Industrial Materials: 2018, Energy Materials: based on current-year emissions (BAU) ¹⁾
2025 emissions	2,200
2025 target	2,363
Short-term target (2030)	2,507 (23% reduction)
Mid-term target (2035)	1,654 (46% reduction)
Long-term target (2050)	0 (100% reduction)

1) Sum of Basic Industrial Materials' 2018 emission performance and energy materials' total expected greenhouse gas emissions in 2028

Linkage with the Latest Climate-related Agreements and Jurisdictional Targets

National and international commitments(NDC) To contribute to achieving the nationally determined contribution (NDC, a 53% to 61% reduction by 2035 compared to 2018) submitted by the government, POSCO Future M has set and is implementing its own mid-term target of a 46% greenhouse gas reduction by 2035 compared to 2018.

Response to laws and regulations(ETS) As a company subject to the Korea Emissions Trading Scheme(K-ETS), we manage Scope 1 and 2 emissions at a level that does not exceed our free allocation. In addition, by combining energy efficiency improvement with the transition to renewable energy, we mitigate regulatory risks such as carbon taxes in advance.



Strategy

Risks and Opportunities

Waste-related Risks and Opportunities

Risk/ Opportunity	Value chain	Trigger	Financial impact	Time horizon			Detailed response strategy
				Short	Mid	Long	
Opportunity	Own operations	- Increased demand for recycled raw materials for cathode and anode material manufacturing by-products (mirabilite, graphite dust, etc.) due to the growth of the rechargeable battery industry - Expanded raw material recovery rates and reduced use of new raw and subsidiary materials due to the active development and introduction of waste battery and by-product recycling technologies - Increased demand for process and logistics efficiency to minimize by-product generation and raise resource recovery rates	- Increased revenue from by-product sales due to the possibility of entering new markets and securing long-term supply contracts as demand for recycled raw materials expands - Reduced raw and subsidiary material costs through the recycling of waste batteries and by-products using Group-owned technologies - Cost savings through reduced raw and subsidiary material use from production and distribution process efficiency and through waste reduction	✓	✓		Pursuing task improvements such as reducing by-product generation and diversifying sales channels through the By-product Profitability Improvement Task Force
Risk	Downstream	Increased pressure to secure recycled raw materials due to the mandatory use of recycled metals in battery manufacturing from 2025 under the strengthened EU Battery Regulation	- Costs incurred from developing waste battery recycling technologies - Reduced sales from fewer contracts if technologies are not developed	✓	✓		Diversifying raw material procurement and expanding the use of circular resources by utilizing recycled raw materials recovered through waste battery recycling

Strategy and Response Measures

Mid- to Long-term Waste Management Targets

Targets	Improving profitability through reduced waste generation, reduced treatment costs, and by-product resource conversion		
Strategy	Cost optimization through reduced waste generation and improved treatment methods	By-product value-up through operation optimization and process improvement	Creating/expanding new demand and developing high-value-added utilization technologies
Detailed activities	- Diversifying the supplier pool - Recognition of waste refractories and waste dust from the Pohang Anode Materials Plant as circular resources - Reuse of ton bags for process circulation	- Standardizing the proper management of lithium aqueous solution - Resource conversion of losses and waste products generated during the cathode material manufacturing process - Improving the quality of saggars for cathode materials - Processing and repairing waste saggars for anode materials	- Developing technology to use graphite-based by-products in carbon-based products - Identifying new applications for and selling mirabilite by-product from cathode precursor plant - Changing the dust collection type to improve the collection capacity of dust containing valuable resources - Diversifying the treatment uses of waste from the Magnesium Hydroxide process and improving the process

Resource Circulation

Strategy and Response Measures

Mid- to Long-term Waste Management Targets

To strengthen its company-wide resource circulation system, POSCO Future M has established mid- to long-term waste management targets and defines the entire range of general and designated waste and by-products (lime sludge, mirabilite, anode material dust, etc.) generated at all domestic and overseas production sites as subject to management. With 2024 as the baseline year, we set phased quantitative targets to achieve a recycling rate of 98.6% in 2025 and 99.0% in 2026 and 2027 for waste managed in the Allbaro system(Korea's waste tracking system).

Under the vision of 'Realizing a circular economy through the resource conversion of by-products', we pursue a resource circulation strategy centered on reducing waste generation and improving treatment methods from a full-process perspective, enhancing by-product value through operation optimization and process improvement, and creating new demand and developing high-value-added utilization technologies. Accordingly, we identify and implement tasks for reducing generation, expanding reuse and circular utilization, and improving treatment methods, considering the by-product generation characteristics and treatment conditions of each site. To systematically pursue these tasks, we formed the By-product Profitability Improvement Task Force and operate KPIs for each task, and we review the implementation status and KPI achievement levels through regional meetings and share best practices, such as expanding circular resource recognition for graphite by-products, expanding mirabilite recycling, and reusing consumable materials, with other sites. Meanwhile, the mid- to long-term waste management implementation strategy is reviewed and approved by the Board, and key indicators for each site are regularly monitored and reported to management through a monthly closing performance management system.

By-product Recycling System

Establishment and Performance of the By-product Recycling System

To reduce waste treatment costs, which account for 56% of total environmental costs, POSCO Future M defines key by-products such as lime-based by-products generated in the quicklime manufacturing process and mirabilite and graphite dust generated in the cathode and anode material manufacturing processes as waste resources subject to circulation, and establishes and operates a systematic resource circulation system.

Lime-based by-products are converted into resources such as cement supplementary materials, wastewater neutralizers, and soil conditioners through cement and chemical manufacturers, along with activities to reduce their generation, and mirabilite by-products generated in the cathode material process are recycled as chemical raw materials through the diversification of sales channels. In particular, dust from the Pohang Anode Materials Plant obtained recognition as a circular resource under Article 21 of the 「Act on the Promotion of Transition to a Circular Economy Society」, establishing an internal circulation system in which it is reintroduced as a carbon raw material in the steelmaking process, and secured the possibility of reducing transportation costs and generating revenue through exemption from waste management regulations. In addition, we continue R&D investment to improve by-product recycling processes and develop new utilization technologies, through which we are pursuing high-purity technologies for waste resources such as lime-based by-products and graphite dust and innovations in recovery processes. Through this, we achieved an economic effect of generating a total of KRW 5 billion in revenue from reduced waste treatment costs and by-product sales.

In 2025, we continued to identify profitability improvement tasks by department through the operation of the task force and managed target achievement through a Gate Review and a profitability target rolling system. We implemented activities such as expanding the new supplier pool for by-product utilization, reducing costs through integrated regional contracts, reducing throughput through improvements to by-product-generating processes, and additionally identifying by-products subject to circular resource recognition. In 2026, we plan to continue expanding the scope of circular resource recognition by pursuing recognition as circular resources for lime-based by-products and waste resources generated in the cathode material manufacturing process.

This activity conforms to the definition of waste generation suppression and recycling under Article 2 of the 「Act on the Promotion of Transition to a Circular Economy Society」. In 2025, we recycled 319,195 tons of waste and achieved the recycling rate target of 99.4%, and we will continue efforts to achieve the recycling rate targets¹⁾ of 99.0% in 2026 and 99.0% in 2027.

1) May vary depending on business operation conditions

Resource Circulation/Recycling

Purchasing Recycled Raw Materials Based on Waste Battery Recycling

To realize a circular economy and minimize environmental impact, POSCO Future M is actively expanding the use of recycled raw materials. In particular, based on the 'rechargeable battery materials full value chain' established at the POSCO Group level, we have established a systematic circulation structure that encompasses everything from waste battery recycling to material production. POSCO HY Clean Metal, a business subsidiary, recovers and extracts raw materials through waste battery recycling, which POSCO Future M purchases and inputs into the cathode material and precursor production processes, building an integrated system that links raw material procurement to material production. This value chain serves as a strategic foundation that minimizes environmental impact at the raw material acquisition stage while enhancing cost competitiveness.

Operating a Hazardous Waste Reduction Program

To properly treat hazardous waste, POSCO Future M establishes separate discharge standards for each site and operates a systematic management system covering the entire process, from the generation stage through thorough classification, storage, and consigned treatment. Hazardous waste is safely treated by licensed specialized treatment companies, and we also conduct periodic on-site inspections and follow-up management to ensure the appropriate operation of treatment facilities.

By-products generated in the cathode material manufacturing process are classified as designated waste depending on product characteristics, but they have value as recyclable resources because they have economic value. In 2025, a total of 4,295 tons of hazardous waste was generated, of which 94% of the economically valuable process by-products were recycled in accordance with legal procedures. POSCO Future M will continue to strengthen the application of resource recycling technologies as well as monitoring to minimize the treatment safety and environmental impact of high-risk substances.

Resource Circulation

Strategy and Response Measures

Waste Refractory Resource Circulation System

Establishment and Performance of the Waste Refractory Circulation System

Refractories are essential materials used in various industries such as steelworks, petrochemical plants, and power plants due to their property of maintaining chemical properties and strength even at high temperatures. POSCO Future M defines waste refractories generated during the dismantling of steelwork blast furnaces and the replacement of refractories as waste resources subject to circulation, and has established and operates a resource circulation system.

Each time a blast furnace is dismantled, an average of 10,000 tons of waste refractories is generated, and we operate a recovery and recycling process that converts these into resources such as cement supplementary materials, foundry sand, and covering materials through crushing, sorting, and refining processes. In addition, we apply an internal circulation system in which some waste refractories that meet quality standards are processed into recycled refractory raw materials and reintroduced into the refractory manufacturing process. Through these response measures, we are actively pursuing the avoidance of waste refractory landfilling. As of 2025, we recovered approximately 865 tons of waste refractories from construction and achieved a recycling rate of 100%. Going forward, we plan to continue research to improve the quality of recycled refractory raw materials and further expand the scope of resource circulation. This activity conforms to the definition of waste recycling under Article 2 of the 「Wastes Control Act」, and realizes resource circulation by converting waste refractories generated during the dismantling of steelwork blast furnaces into resources.

Operating a Waste Training Program

Through the By-product Profitability Improvement Task Force kick-off, POSCO Future M provided training for all employees on the types of key by-products generated at the company, the processes that generate them, and the status of their treatment and utilization, and shared the direction of by-product management policies and areas requiring improvement. In addition, we separately operate safety and environment training, including waste management, for new and incoming employees at each plant and for newly appointed supervisors and safety section leaders. For the status of overall environmental training, please refer to p. 58 of this report.

Risk Management

Resource Circulation Risk Management Activities

Waste Management System

When waste is generated, POSCO Future M reviews designated waste classification and treatment methods through component analysis and leaching tests, and monitors the final treatment process of waste through the Allbaro system when treated externally. In addition, we conduct on-site inspections of treatment companies handling large volumes of waste to verify compliance with environmental regulations.

Metrics and Targets

Target

Waste Reduction and Recycling Targets

Category	Unit	2025 target	2025 performance
Waste generation	tons	323,636	321,106
Waste recycling rate	%	98.6	99.4
Hazardous waste generation	tons	4,839	4,295

Targets Related to Alternative Raw Materials

Category (refractories only)	Unit	2025 target	2025 performance
Recycled raw material use	tons	2,775	2,683
Recycled raw material ratio	%	100	96.7



Safety-Health

Governance¹⁾

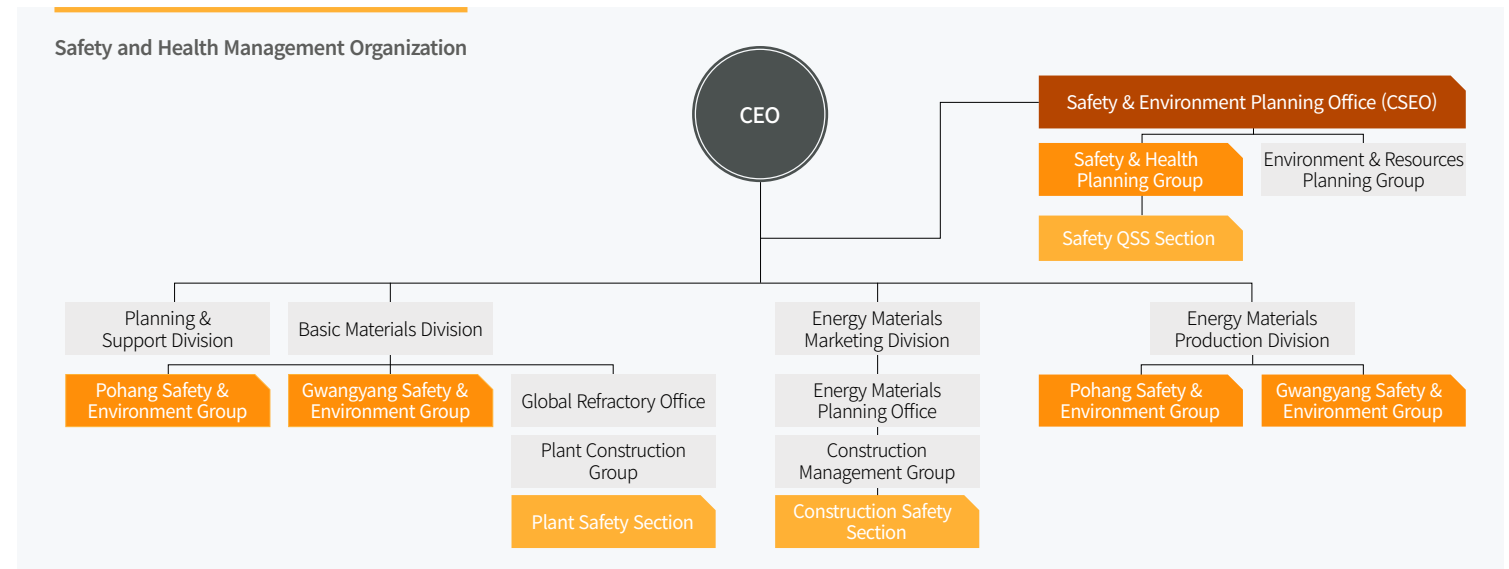
Organization

Oversight and Role of the Chief Safety & Environment Officer (CSEO)

As the chief safety officer, the Head of Safety & Environment Planning Office (CSEO) oversees POSCO Future M's safety and health management and leads the establishment of safety and health systems, the operation of safety programs at sites, and safety and health communication with employees. In addition, the CSEO sets company-wide safety and health management priorities, establishes implementation plans for them, and reports them to the Board for approval. POSCO Future M reflects annual safety and health improvement tasks in the CSEO's KPIs and reports its performance to the Board, strengthening continuous management and oversight.

Dedicated Safety and Health Organization

The Safety & Health Planning Group under the Head of Safety & Environment Planning Office (CSEO) systematically operates company-wide safety and health. The Safety & Health Planning Group conducts performance evaluations by linking the number of accidents, safety accident prevention activities, and related training performance to KPIs. In addition, POSCO Future M operates a safety incentive system for all employees and strengthens safety and health capabilities by evaluating employee performance based on the number of serious and general accidents.



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

Safety·Health

Organization

Occupational Safety and Health Committee

In accordance with the Occupational Safety and Health Act, POSCO Future M operates an Occupational Safety and Health Committee that deliberates on and resolves key agenda items related to employees' safety and health. The committee is held regularly once a quarter, and it has a system in place to respond quickly by convening meetings as needed when urgent issues arise. Centered on the committee, we systematically manage the safety of the work environment through measures such as autonomous inspections of hazardous machinery and equipment and the establishment of industrial accident prevention plans, establishing a field-centered preventive safety and health culture.

In addition, based on win-win cooperation with suppliers, we operate a safety and health council once a month and regularly conduct joint safety and health inspections involving supplier representatives, site managers, and employees, realizing joint safety management with suppliers. Furthermore, we strengthen cooperation for establishing safety and health implementation strategies, improving the work environment, and preventing serious accidents, and POSCO Future M continuously improves the level of safety and health across its sites.

Safety and Health Innovation Committee

POSCO Future M operates a Safety and Health Innovation Committee quarterly to review the safety management activities of each site and prepare appropriate follow-up measures. The Safety and Health Innovation Committee is chaired by the Head of Safety & Environment Planning Office, and office heads, managers, and safety and environment group leaders from each site attend to report on activities and implementation results, analyze monthly performance, and establish detailed plans. In addition, key supplier representatives also participate to advance the safety management system across the supply chain, through which we continuously improve the level of safety management with suppliers.

2025 Occupational Safety and Health Committee Operation Status¹⁾

Category	Key agenda and reported content	Resolutions and actions
Refractory Plant	Request to install additional employees rest areas	Employees rest areas installed
	Safety measures when introducing hazardous machinery (1 hoist)	Safety device installation confirmed
Pohang Refractory	Introduction of safety glasses for wearers of multifocal lens glasses	Reviewed and introduced (secures field of view without dizziness)
Gwangyang Refractory	Request to inspect crane hooks, etc.	Inspection completed, hook clearance adjusted
Pohang Lime Chemical Plant	Work environment measurement conducted	No issues in measurement results
Gwangyang Lime Chemical Plant	Revision of safety and health management system documents	No objections to revisions
Pohang Cathode Materials Plant	Installation of an arm hood for the waste liquid tank in the quality chemical analysis room	Mobile hazardous gas purification device installed
	Operation of a reward system to promote safety and health activities	Selection of outstanding employees by office and operation of a reward system planned
Gwangyang Cathode Materials Plant	Request to provide water, drinks, and ice cream to prevent heat-related illnesses	Provided in control rooms, rest areas, etc.
Sejong Anode Materials Plant	Review of the suitability of newly introduced safety shoes	No objections to introduction after review
Pohang Anode Materials Plant	Regular employees health examinations conducted	Health examinations conducted collectively

1) Partial disclosure of the 2025 Occupational Safety and Health Committee operation status

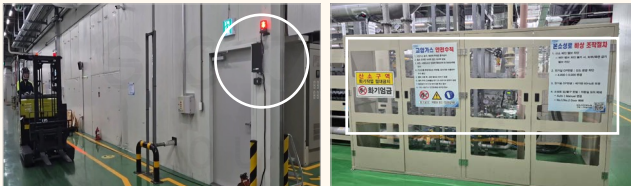
Case

Safety and Health Innovation Committee Operation Case

Pohang Cathode Materials Plant Best Practice

To prevent safety accidents that may occur during work, the POSCO Future M Pohang Cathode Materials Plant pursued improvement activities focused on on-site risk factors.

In 2025, we piloted an equipment approach system in sections where there is a risk of forklift collisions, detecting and warning of the approach of mobile equipment in advance to prevent the risk of collisions between employees and equipment. In addition, to respond to fire and explosion risks, we prohibited hot work around kilns and posted response procedures and safety signs for emergencies to improve on-site awareness. By sharing these improvement cases company-wide through the Safety and Health Innovation Committee, we are contributing to raising all employees' safety and health awareness and spreading prevention activities for similar risk factors.



Safety·Health

Organization

Industrial Accident Performance Indicator Management

To achieve its goal of creating safe sites, POSCO Future M establishes and systematically operates safety and health management implementation plans for each business division. Each business division sets safety and health implementation strategies every year and specifies and implements detailed activities to realize them. In addition, at the end of the year, we closely review the achievement status of these strategies and activities and reflect the results in performance indicators (KPIs), continuously strengthening the effectiveness of safety and health management. These safety and health results are linked to the company-wide performance management system and used in management evaluations, and are also reflected in the performance-linked compensation of key executives, including the CEO.

Safety and Health Management KPIs

Target	Details
Head of Safety & Environment Planning Office (C-Level)	- Improving execution through the streamlining of the safety and health management system - Strengthening Check & Feedback focused on preventing serious accidents
Safety & Health Planning Group	Enhancing safety and health training and strengthening the cooperation system
Safety management personnel	Improving the work environment and strengthening health promotion activities
All employees	Number of serious and general accidents

Compliance with Safety and Health Laws and Regulations

We thoroughly comply with safety and health-related laws and regulatory requirements, including the Serious Accidents Punishment Act, and operate a company-wide prevention program that reflects domestic and international trends in responding to serious accidents. We regularly check the implementation level of relevant laws such as the Occupational Safety and Health Act, the Act on the Safety Control of Hazardous Substances, and the Act on Fire Prevention and Safety Control, and we promptly improve non-conformities using compliance assessment checklists for each law. In addition, we continuously monitor the enactment and revision of laws, analyze their impact on sites, and prepare necessary response measures. For issues identified during inspections, we establish and implement systematic action plans to faithfully fulfill our legal obligations.

Policy Establishment

Safety and Health Policy

POSCO Future M established a safety and health policy to comply with domestic and international laws and standards on occupational safety and health and to create a safe work environment. This policy applies to all sites and invested companies. In addition, we recommend that suppliers and contractors comply with this policy or a policy of a similar level, improving the level of safety and health across the supply chain. We establish, revise, and operate our safety and health policy based on the requirements of the international standard safety and health management system (ISO 45001), and those who work (employees, etc.) at sites that have established a safety and health management system or hold third-party certification are subject to our safety and health policy and safety management system. When revising the safety and health policy, we follow a transparent and systematic decision-making process with the approval of the CEO.

➔ POSCO Future M Occupational Safety and Health Policy

Establishment of Safety and Health Principles

POSCO Future M establishes safety and health implementation plans based on the 10 Safety Rules for establishing basic order, and prepares practical work standards that reflect risk factors and continuously checks compliance during on-site inspections. POSCO Future M will actively strive to ensure that all employees are vigilant about safety and put it into practice, creating a safe work environment.

Safety·Health

Strategy

Risks and Opportunities

Safety and Health-related Risks and Opportunities

Risk/ Opportunity	Value chain	Trigger	Financial impact	Time horizon			Detailed response strategy
				Short	Mid	Long	
Risk	Own operations	- Expansion of executive punishment and corporate liability for violations due to stronger safety and health regulations such as the Occupational Safety and Health Act and the Serious Accidents Punishment Act - Risk of employee safety accidents due to high-temperature/high-pressure equipment, handling of heavy objects, use of chemicals, etc.	- Increased manufacturing overhead burden (labor costs, depreciation, etc.) if accidents halt operations and normal plant operation becomes impossible - Possibility of additional lost sales if operation stoppages and delivery delays from accidents lead to customer attrition and worsened business relationships - Non-operating expenses such as litigation costs (SG&A), litigation provisions, penalties, and fines when safety accident-related laws are violated	✓	✓		- Operating emergency response processes and accident response and investigation systems, and strengthening on-site response capabilities through regular emergency drills - Institutionalizing and activating employees' Stop Work Authority so that risk factors can be immediately shared and addressed on-site - Establishing a prevention-focused safety culture through regular safety and health training and field-centered safety communication activities (Tiered Safety Walk, Face-to-Face Dialogue)

Strategy and Response Measures

Safety and Health Management Implementation Strategy

POSCO Future M maintains a safe production environment through regular safety inspections and systematic risk assessments and considers the health and safety of employees its top priority. In addition, we create a safe work environment by establishing a safety and health management system and actively strive to ensure that all employees have a sense of responsibility for safety and health through related education and training.

POSCO Future M's Safety and Health Goals and Strategy				
Goal	Establishment of a industrial accident prevention system and enhancement of relevant capabilities based on the safety-first guidelines			
Mission	Safety is the most important value and the No.1 principle in the way we work			
Vision	Strive to realize a safe and happy workplace together			
Strategy	Safety activities designed to enhance employee's wellbeing			
	Workplace-based safety activities with all employees participating			
Strategy	Safety management for all employees			
	Zero Serious Accident			
Strategy	Improve the safety management system			
	Strengthen the education and training system			
Strategy	Strengthen relevant facilities and ingrastructure			
	Engance the safety management level of relevant contractors			

Establishment and Operation of the Safety and Health Management System

POSCO Future M obtains Safety and Health Management System (ISO 45001) certification for each site, and all sites have established advanced safety and health management systems based on international standards and hold the related certifications. In addition, we continuously pursue the establishment of a risk assessment system, the expansion of employee participation, and the improvement of the legal compliance system, and we operate a PDCA (Plan-Do-Check-Act) cycle that includes establishing safety and health implementation plans and identifying and improving hazardous and risk factors. Through this, POSCO Future M is realizing industrial accident prevention, the establishment of a safety culture, compliance with global safety standards, and improved trust.

Safety and Health Management System Certification Status¹⁾

Site	Validity period	Certification standard	Certification body
Headquarters (Refractories)	October 2024 ~October 2027	ISO 45001:2018 / KS Q ISO 45001:2018	KSR (Korea Knowledge Standards Registrar)
Pohang Chemical Division (Pohang Steelworks)	July 2024 ~July 2027		
Pohang Anode Materials Plant	August 2023 ~August 2026		
Pohang Cathode Materials Plant	August 2024 ~August 2027		
Gwangyang Chemical Division (Gwangyang Steelworks)	October 2024 ~October 2027		
Gwangyang Cathode Materials Plant	August 2024 ~July 2026		
Sejong Anode Materials Plants 1 & 2, Sejong Campus	October 2024 ~October 2027		

1) For sites scheduled to expire in 2026, renewal audits will be conducted in June-July and certificates will be renewed on the company website

Safety·Health

Strategy and Response Measures

Emergency Response and Accident Prevention Activities

Emergency Response

To respond quickly and minimize damage when emergencies occur, POSCO Future M operates an emergency response system. To this end, we established emergency preparedness and response processes and prepared response scenarios for Class A, B, and C emergencies such as serious accidents, fires and explosions, storm and flood damage, and hazardous chemical leaks. Based on these regulations, each site conducts a comprehensive emergency drill every year and reviews and learns the entire process, from situation intake, on-site action, and damage assessment to situation reporting and the establishment of recurrence prevention measures. The drill results lead to evaluations and the identification of improvement tasks, through which we continuously strengthen practical response capabilities.

2025 Emergency Response Drills Conducted

In September 2025, the POSCO Future M Gwangyang Cathode Materials Office conducted a joint fire response drill with the Gwangyang Fire Station. In this drill, we strengthened practical response capabilities by reviewing initial fire suppression, rapid evacuation, emergency rescue of the injured, and first-aid procedures. In addition, we conducted night-time emergency response drills at the Sejong Anode Materials Plant and the Pohang Cathode Materials Plant, developing the ability to respond quickly and calmly even in dark environments with limited lighting. Through this, we review the emergency response system and train and prepare to respond quickly and effectively when safety accidents occur.



Gwangyang Cathode Materials Office conducts a public-company joint firefighting drill for fire preparedness

Accident Response and Investigation Process

Based on its emergency preparedness and response processes, POSCO Future M operates an accident response process to ensure a quick and systematic response when natural disasters such as typhoons and earthquakes and major accidents such as hazardous chemical leaks and fires and explosions occur. When an accident occurs, we conduct a thorough investigation to identify the cause and circumstances based on our accident investigation and management process, and we ensure that the investigation process and results are clearly recorded. The investigation results are used to establish improvement measures to prevent similar accidents, and at the same time, we analyze statistical data by accident type and reflect it in the direction of safety and health activities and the improvement of the risk factor management system.

Granting the Stop Work Authority

Considering employees' lives and safety its top priority, POSCO Future M guarantees the 'Stop Work Authority,' which allows employees to immediately stop work when they recognize a danger at the work site. When employees discover a risk factor during work, they can stop work without delay and notify the responsible supervisor of the dangerous situation. This has been institutionalized so that on-site safety issues can be quickly shared and improvement measures can be requested. The company immediately implements safety improvement measures for reported dangerous situations, and in particular, when an imminent danger is identified, it implements a full work suspension to secure employees' safety.

In 2025, we implemented initiatives to promote the Stop Work Authority so that the right to stop work could be practically used at sites. We clearly explained the relevant procedures so that employees who identify risk factors at sites can actively exercise their right to stop work, and we shared work stop cases so that they can be referenced for similar and identical work. In addition, we operated a 'Stop Work Authority Champion' selection program, selecting and rewarding 10 employees as Stop Work Authority Champions among the 557 who reported work stop cases for proactively removing risk factors during work or contributing to safety improvement activities. Through these activities, we raised on-site understanding of the Stop Work Authority and established a foundation for employees to respond according to procedures when they recognize a dangerous situation.

Employee Safety and Health Training

POSCO Future M conducts various safety and health training programs to strengthen employees' accident response capabilities and establish a safety culture. In August 2025, we held a special lecture to establish a company-wide safety culture, in which 184 employees participated to discuss the importance of Safety Talk, the role of managers and safety leadership, and the need for effective safety procedures. In December, through a special safety lecture featuring President Yoo In-jong of POSCO Safety Solution as a speaker, 231 employees learned about the importance of safety management, the basic principles of accident prevention, and the importance of employees' safety awareness and attitudes. In addition, in accordance with the Occupational Safety and Health Act, POSCO Future M conducts safety and health training for employees, at least 12 hours per half-year for general employees and at least 16 hours per year for supervisors, which includes statutory mental health training such as job stress prevention and management. In 2024, we conducted training for personnel in managerial positions to recognize mental health risks and strengthen response capabilities, and in 2025, we operated specialized training for the psychological stabilization program 'SIM(심)S-Up' on an optional basis so that employees could participate voluntarily.

Safety·Health

Strategy and Response Measures

Employee Safety and Health Training

Tiered Safety Walk Activities

POSCO Future M operates 'Tiered Safety Walk' activities that enhance safety and health capabilities based on the active coaching of supervisors and the proactive participation of junior employees. This activity is conducted by matching supervisors with junior employees so that supervisors directly pass on their safety and health capabilities at the site. Field-centered, practical communication takes place, such as learning about safe work procedures based on key risk factors and work standards and sharing cases of accidents that actually occurred during work. As of 2025, a total of 4,383 activities were conducted, through which we are improving the safety and health capabilities of junior employees.

Face-to-Face Dialogue

POSCO Future M operates 'Face-to-Face Dialogue,' a safety communication program in which everyone from the CEO to executives, supervisors, and general employees participates to directly hear each other's opinions and share risk factors and points for improvement. Through this, we directly discuss on-site safety and health improvements and build a voluntary safety culture in which employees proactively suggest opinions. Through open dialogue in which employees participate, Face-to-Face Dialogue makes everyone an agent of prevention who protects safety, and the suggested improvements are implemented at actual sites, leading to improvements in safety levels that progress from thinking to action to habituation. In addition, this activity has been expanded into a safety communication method that involves not only employees but also partner companies, raising overall on-site safety awareness and strengthening accident prevention effects.

Competency Evaluation of Safety and Health Management (General) Managers and Supervisors

We conduct a work diligence evaluation once every half-year for safety and health management (general) managers and supervisors. For safety and health management (general) managers, we evaluate 14 items stipulated in the Occupational Safety and Health Act, such as whether site industrial accident prevention plans have been established and whether risk assessments have been conducted. In addition, for supervisors, we evaluate 7 items, such as whether workplace accident are reported and emergency measures taken and whether safety and health inspections of machinery, equipment, and facilities and checks for abnormalities are conducted, enhancing the effectiveness of safety and health management.

Employee Participation and Communication on Safety and Health

POSCO Future M operates a safety grievance channel that various stakeholders, including employees and suppliers, can use freely. This channel, which uses the KakaoTalk open chat function, can be used anonymously and allows users to report unsafe conditions of safety facilities and equipment in or around the workplace, as well as to suggest ideas for system improvements to prevent accidents.

POSCO Future M safety grievance KakaoTalk open chat



Operating Employee Health and Safety Support Programs

Employee Physical and Mental Health Management

We operate a systematic health management program to promote employees' physical and psychological health. We support annual comprehensive health checkups and flu vaccinations and, through our health management system, provide follow-up management for those with findings such as obesity, high blood pressure, and dyslipidemia. In addition, we assign professional trainers to provide customized exercise programs and support opportunities to use various exercise facilities nationwide through agreements with welfare membership platforms.

To manage employees' psychological health, POSCO Future M regularly conducts job stress surveys and mental health checkups, and at each site, it operates a 'SIM(心)s-Up' in-house counseling office at all times to provide counseling by professional psychological counselors and stress testing programs. In 2025, we conducted mental health checkups for all employees once each in the first and second halves of the year, carrying out online assessments of approximately 59 questions on job stress, depressive symptoms, sleep disorders, and more. For employees classified by the assessment results into the high job-stress group, the potential depression risk group, the potential suicide risk group, and the high suicide risk group, we first provided telephone counseling including an explanation of the checkup results, and then conducted follow-up measures by connecting them to in-person counseling to closely check their psychological state. Even after in-person counseling, we support employees' recovery of psychological stability through continuous follow-up management, such as providing additional telephone counseling when necessary. Going forward, we plan to expand support for employees' physical and mental health.

Safety·Health

Strategy and Response Measures

Plan Achievement Progress

In accordance with the safety and health implementation plan presented in the previous report, POSCO Future M systematically pursued company-wide and site-level safety and health management activities in 2025.

First, we continuously strengthened the substance of our management system through company-wide safety and health diagnostics. Through diagnostics in the first and second halves of the year, we checked leadership, key safety activities, hazardous and risk factor management, the serious accident response system, contractor safety management, and legal compliance status, and identified inadequately managed risk factors such as falls and entrapment. In addition, we managed legal changes on a monthly basis and reflected them company-wide through a legal register, and maintained ISO 45001 certification.

Second, we enhanced the safety and health capabilities of employees and suppliers by strengthening the education and training system. We conducted training by tier and field, trained PSM instructors, and provided serious accident prevention training, and by expanding training completion, we strengthened high-risk work response capabilities and a safety-focused organizational culture.

Third, we combined work environment improvement with employee health promotion activities. Through work environment measurement, health checkups and vaccinations, and the operation of psychological stabilization programs, we pursued the management of hazardous factors and the protection of physical and mental health.

Fourth, we strengthened the management of serious accident risk areas and partner company safety management. We identified and improved risk areas and systematized safety measure confirmation and on-site inspections through training for entrants and safety partner matching.

Through these activities, we maintained an LTIFR of 0.18 for suppliers (related contractors) and managed overall safety performance, and we plan to continuously advance the level of safety and health management by reflecting diagnostic and inspection results in the future.

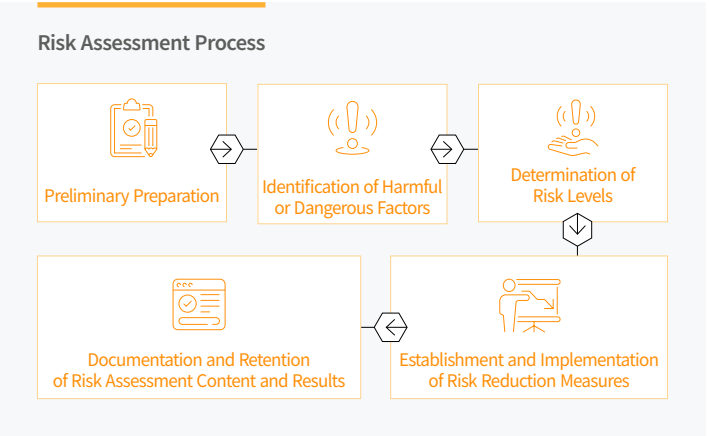
Risk Management

Safety and Health Risk Management Activities

Safety and Health Risk Assessment

Recognizing that, given the nature of the manufacturing industry, employees and partner company employees are exposed to various industrial accident risks such as hazardous substance leaks, fires and explosions, and falls, POSCO Future M conducts regular risk assessments to systematically identify hazardous and risk factors that could cause accidents at sites and to diagnose their risk levels. In accordance with Article 36 of the Occupational Safety and Health Act, we conduct regular risk assessments at all sites, including Pohang, Gwangyang, and Sejong, determining risk grades by quantitatively assessing the likelihood (frequency) and severity (intensity) of injury or illness from hazardous and risk factors for each work process. The risk assessment involves a complete survey of hazardous and risk factors for each element task, calculating the risk level by multiplying likelihood and severity, and then selecting improvement targets by assigning priorities according to risk level.

These assessments are conducted on an ongoing basis in connection with field-centered intensive safety activities led by personnel in managerial position, and the assessment results are shared with management. Going forward, POSCO Future M will lead the way in creating a safe work environment through regular and systematic risk assessments and will establish a corporate culture that prioritizes the safety and health of employees.



2025 Risk Assessment Results

In 2025, across all sites including Pohang, Gwangyang, and Sejong, we identified 49,975 hazardous and risk factors for 17,493 element tasks in a total of 1,789 risk assessments, and selected 44 key risks classified as high-risk grade (risk score of 9 or higher) as priority management targets. In particular, entrapment risks occurring during equipment opening, movement, and assembly in processes such as klin operation and light maintenance, sampling and adjustment work, and cassette and refractory repair work were identified as key risk factors. In addition, burn risks during the handling of high-temperature equipment and materials, and health risks from dust inhalation and contact during sampling and subdivision work where dust scatters, were derived as key management targets.

Division/ Institute	Sites evaluated	Key evaluated processes and risk factors	Improvement performance
Technology Research Institute	• Sejong Campus • Basic Materials Research Laboratory	• Chemical contact, inhalation, asphyxiation risk, etc. from handling hazardous chemicals	Managed all hazardous risk factors below a risk score of 9
Energy Materials Production Division	• Pohang Cathode Materials Plant • Gwangyang Cathode Materials Plant • Sejong Anode Materials Plants 1 & 2 and Pohang Anode Materials Plant	• Operation of kilns, filter presses, and mixers • Handling of chemicals (NCM, graphite, etc.) • Receiving, shipping, product packaging, etc.	Completed mitigation of 32 key risks through risk assessment
Basic Materials Division	• Headquarters (Refractories) • Pohang Chemical Division (Pohang Steelworks) • Gwangyang Chemical Division (Gwangyang Steelworks)	• SK/RK, conveyor, press operation • Refractory and quicklime manufacturing • Refractory construction and repair work, etc.	Completed mitigation of 12 key risks through risk assessment

Safety·Health

Safety and Health Risk Management Activities

Safety and Health Risk Assessment

Risk Mitigation Measures

In 2025, POSCO Future M completed mitigation measures for the 44 key risks identified through risk assessment. For risk factors classified as high-risk grade, we prioritized mitigation measures such as installing interlocks and emergency stop devices (E-Stop), applying power cutoff and lockout (ILS), and reinforcing the use of protective equipment.

Risk type		Key mitigation measures ¹⁾
Mechanical risk	Entrapment and collision	• Use of leather gloves with impact-absorbing pads • Use of movable rail fixing devices when replacing hoist motors • Installation of interlock switches (photo sensors, etc.) • Use of dedicated jigs when replacing blowers
	Falls	• Installation of descending device mounts at openings and fastening of safety belts • Working with three slings when slinging covers • Prohibition of work on top of high-heat covers
Chemical leak and contact		• Wearing positive-pressure masks in addition to dust masks to prevent employees' respiratory diseases • Wearing arm sleeves and ankle gaiters to prevent skin diseases
Abnormal temperature and object contact		• Installing mesh netting on top of protective walls to improve air circulation and promote rapid cooling of covers and materials • Expanding cover storage areas and raising protective walls to secure movement space so as not to contact high-temperature covers

1) Partial disclosure of 2025 risk mitigation measures

Mid- to Long-term Safety and Health Management Targets

We maintain a target of 'zero' serious accidents at sites through 2026, and we selected the Lost-Time Injury Frequency Rate (LTIFR) as our mid- to long-term target, set at 0.61 in 2026, 0.58 in 2027, and 0.55 in 2028. The 2025 annual management target was an LTIFR of 0.54, and the actual LTIFR was tallied at 0.64. Compared to the previous year, the LTIFR increased from 0.54 in 2024, while the number of serious accidents remained at zero. The main causes of the 2025 LTIFR indicator falling short of the target are analyzed as (1) carelessness such as failure to recognize risks and (2) an increase in minor safety accidents from manual work, and as improvement plans for these, in 2026 we plan to focus on (1) enhancing and rationalizing work standards, (2) strengthening communication by tier through the expansion of Face-to-Face Dialogue, and (3) establishing a culture of actively exercising the Stop Work Authority.

Safety and health indicator	Unit	2025 target	2025 performance	2025 mid-to long-term target
Number of serious accidents	cases	0	0	0
Lost-Time Injury Frequency Rate (LTIFR)	persons/ million hours	0.54	0.64	0.61

General Topics

54 Environmental

68 Social

113 Governance

55 Environmental Impact

Environmental Impact

Management System

Organization

Oversight and Role of the Head of Safety & Environment Planning Office (CSEO)

POSCO Future M has designated the Head of Safety & Environment Planning Office (CSEO) as the executive in overall charge of environmental management, granting responsibility and authority over the entire scope of environmental management. Management, including the Head of Safety & Environment Planning Office, regularly reviews environmental management strategies and implementation status through the corporate management meeting. In this meeting, we discuss responses to environmental risks such as by-product revenue performance, environmental issues, and legal violations. In addition, environmental issues expected to have a material impact on business strategy are submitted as Board agenda items for deliberation and resolution, and key environmental management status is reported to the Board at least once a year.

The CEO bears responsibility related to biodiversity and natural capital, oversees the management of environmental impact risks including biodiversity when establishing or expanding sites and making large-scale capital investments, and regularly receives reports on the status of biodiversity protection and ecosystem restoration activities.

The overall environmental management responsibilities and authority of the Head of Safety & Environment Planning Office and the CEO are stipulated in the 「Environmental Management Manual」.

Dedicated Environmental Organization

The Environment & Resources Planning Group is responsible for company-wide environmental management tasks such as establishing an environmental incident risk response system, planning and operating environmental management KPIs, responding to environmental regulations, and environmental training. In addition, together with business division environmental departments, it comprehensively reviews the results of regular and ad hoc environmental impact assessments and prepares response measures.

The Sustainability Group plans and operates ecosystem protection programs in cooperation with local communities and pursues offset measures to mitigate environmental impact. The Procurement and Contracts Office strengthens the sustainable supply chain by establishing and operating raw material procurement standards to prevent resource waste and environmental pollution.

Each organization regularly shares the status of environmental management implementation and discusses improvement measures, and key environmental issues are reported to management and the Board.

Policy Establishment

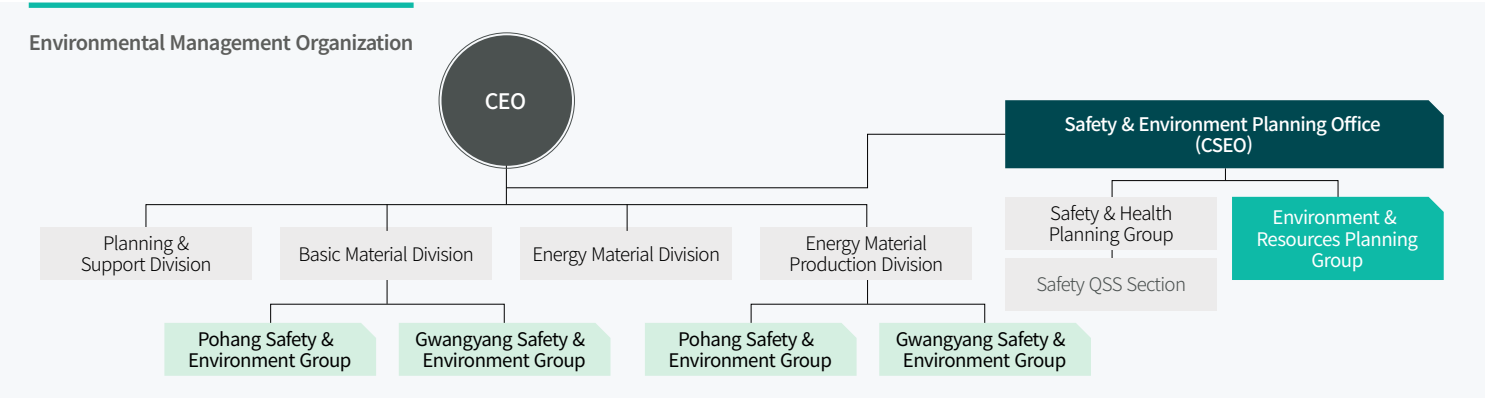
Environmental Policy

POSCO Future M requires all domestic sites and invested companies to comply with its environmental policy and, based on this, minimizes negative environmental impacts that may arise across business activities and the value chain. The scope of the environmental policy includes suppliers and partner companies, strengthening environmental management across the entire value chain. In addition, we comply with environmental laws and regulations as a priority, and where local laws and regulations are insufficient or lack specific provisions, we operate according to our own environmental standards, and we periodically advance our environmental policy reflecting changes in laws and regulations, the external market environment, and corporate circumstances. When revising the environmental policy, we follow a transparent and systematic decision-making process with the approval of the CEO.

→ [POSCO Future M Environmental Policy](#)

Environmental Management Policy

POSCO Future M has established an environmental management policy and included it in its environmental policy to systematically carry out environmental management. This policy consists of five key items: climate change response, environmental law compliance, environmental impact minimization, environmental risk management, and environmental information disclosure, and is periodically revised to reflect internal and external environmental regulations and the latest issues. This policy applies to all domestic sites, invested companies, and all employees, and compliance is recommended for suppliers as well. The environmental management policy is disclosed on our website (Sustainability > Environment > Environmental Management Policy) and through this Sustainability Report.



Environmental Impact

Policy Establishment

Biodiversity Policy

In 2023, POSCO Future M established its Biodiversity Policy based on the Convention on Biological Diversity (CBD) and related international agreements and is strengthening its efforts to protect ecosystems across business operations. Based on its biodiversity policy, POSCO Future M strives to identify and prevent or minimize impacts on biodiversity that may be caused at all stages of business, and when biodiversity is unavoidably damaged, it strives to restore it through methods such as the restoration and closure of habitats and land. This policy is approved by the CEO when revised, and POSCO Future M recommends that not only all sites and invested companies but also the suppliers and partner companies it does business with comply with this policy or a policy of a similar level, encouraging them to jointly fulfill their responsibility to protect biodiversity.

→ [POSCO Future M Biodiversity Policy](#)

No Deforestation Policy

In 2023, POSCO Future M established its No Deforestation Policy based on the UN Strategic Plan for the Global Forest Goals, the UN Reducing Emission from Deforestation and Forest Degradation Plus Conservation initiative, and the International Union for Conservation of Nature's Guidelines for protected areas. While protecting natural habitats in the regions where its sites are located and complying with laws related to the use of forests, soil, and water resources, we pursue various activities to minimize forest loss, such as creating alternative forests. This policy is finalized with the approval of the CEO when revised, and we practice responsible forest protection by recommending that not only all of POSCO Future M's sites and invested companies but also the suppliers and partner companies it does business with comply with this policy or a policy of an equivalent level.

→ [POSCO Future M No Deforestation Policy](#)

Controls and Procedures

Performance Management and Compensation Linkage

To strengthen the execution of environmental management, POSCO Future M reflects environmental management indicators in the key performance indicators (KPIs) of leaders and above, such as the Head of the Safety & Environment Planning Office and the head of the Environment & Resources Planning Group. The 2025 KPIs consist of three areas, climate change response, environmental law management, and profitability improvement activities, and we achieved results such as revising mid- to long-term strategies through decarbonization roadmap rolling, supplementing internal processes and training to prevent environmental compliance, and improving profitability through by-product resource conversion and environmental facility optimization.

Target achievement is evaluated on an annual basis, and the evaluation results are applied differentially to performance pay and promotion evaluations. The weight of environmental indicators in individual KPIs varies by individual, and detailed KPIs are managed in accordance with the internal 「Performance Evaluation Operation Regulations」.

In addition, to enhance the execution of climate change response, POSCO Future M links climate-related performance indicators to the compensation system of executives and key managers. We set climate-related indicators such as greenhouse gas emission reduction as evaluation items and pay incentives differentially according to achievement. In particular, for the Head of the Safety & Environment Planning Office (CSEO) and managers in the Environment & Resources Planning Group, climate-related indicators are designed to account for a major portion of performance evaluations.

POSCO Future M Environmental Management KPIs

Position	KPI Description
Head of the Safety & Environment Planning Office	- Strengthening the decarbonization management system for climate change response - Securing mid- to long-term economical renewable energy to respond to RE100
Head of the Environment & Resources Planning Group	- Pursuing the tasks of the By-product Profitability Improvement Task Force - Responding to domestic and international greenhouse gas emission systems and regulations, etc.
Dedicated Environmental Management Organization	- Improvement diagnostics of air/water/energy environmental facilities - Advancing the environmental management system operation framework - Responding to ESG assessments and external stakeholder demands

Environmental Regulation/Compliance

POSCO Future M complies with environmental laws and regulations and strives to minimize the impact of its business operations on the environment. We identify as key environmental laws the 「Act on the Allocation and Trading of Greenhouse Gas Emission Permits」, the 「Framework Act on Carbon Neutrality and Green Growth for Responding to the Climate Crisis」, the 「Clean Air Conservation Act」, the 「Water Environment Conservation Act」, the 「Chemical Substances Control Act」, the 「Act on the Registration and Evaluation of Chemical Substances」, the 「Wastes Control Act」, the 「Act on the Integrated Management of Environmental Pollution Facilities」, and the EU CBAM, among others. As we designated as subject to allocation under the emissions trading scheme, we are obligated to calculate, report, and verify annual greenhouse gas emissions, and as a newly included industry subject to integrated environmental permits, stronger environmental regulations such as the application of enhanced environmental regulations and chemical substance registration and reporting obligations are directly affecting our business operations and investment plans. We regularly monitor domestic and international laws and policy trends related to greenhouse gases, chemicals, and air pollutants once a month, and we continuously check the enactment and revision of laws and policy trends of the Ministry of Climate, Energy and Environment. In addition, we conduct site environmental impact assessments to identify potential environmental risks and explore response strategies. Based on these efforts, no violations resulting in fines of USD 10,000 or more for environmental law violations have occurred in the past four years.

Environmental Impact

Controls and Procedures

Environmental Impact Assessment

The environmental risk management direction set at the investment review stage leads to specific environmental impact assessments at the site operation stage. When establishing or expanding sites, POSCO Future M predicts and assesses, directly or indirectly, the impact on flora and fauna and natural capital by combining literature reviews and field surveys, and based on this, systematically establishes environmental impact mitigation measures and conducts follow-up monitoring. Environmental impact assessments are conducted regularly throughout the entire site operation process, including raw materials, product manufacturing, energy, research, and support, and additional assessments are conducted when new sites or expansions or process changes occur, securing objectivity and expertise through multidimensional review. Through this process, we substantively implement the sustainability goals established at the investment stage on-site. For details, please refer to p.67 of this report.

Data Management Based on the Environmental Management System (EMS)

Through the Environmental Management System (EMS), we systematically collect, analyze, and manage environmental data to support legal compliance and performance improvement. This increases the transparency of decision-making and enables continuous improvement to achieve environmental goals. For details, please refer to p.37 (ISO 14001 section) of this report.

Management Activities

Strategy and Response Measures

Environmental Incident Response System

POSCO Future M has established a system for rapid response when environmental incidents such as air, water, waste, and chemical leaks occur. The headquarters and each site operate emergency response organizations and communication systems and have prepared emergency response manuals for all employees to become familiar with. In addition, we regularly conduct simulated emergency response drills by department for environmental incident response, and each site prepares practical response measures for environmental incidents with a high likelihood of occurrence.

Response to Greenwashing Regulations

As demands for verification of companies' environmental claims have recently increased, POSCO Future M is introducing verification procedures based on international standards and certifications such as ISO for its businesses and

products. In addition, to prevent risks such as declining corporate value and reputation and increased litigation costs that may arise from inadequate responses to greenwashing regulations, in 2025 we established an Environmental Stewardship Advisory Committee and strictly check greenwashing risks that may arise in management activities and product promotion in accordance with a greenwashing self-inspection checklist.

Green Product and Service Purchasing

To minimize environmental impacts that may arise at its sites, POSCO Future M has established a Green Procurement Policy and prioritizes transactions with suppliers that comply with environmental laws and operate environmental management systems. We define green purchasing as purchasing activities that operate purchase contracts and supply chain management with minimized environmental impact by assessing the environmental performance of the production, supply, distribution, and post-treatment processes of products at the stage of procuring products needed for business activities, such as raw and subsidiary materials and equipment and supplies. Green products include products that have received environmental certifications from the government and accredited institutions, such as eco-labels, carbon reduction products, and excellent recycled products (GR mark), as well as products that fall under the POSCO Group green purchasing recognition criteria (GP grade), such as high-efficiency energy equipment certified products and hazardous substance reduction products, and we manage them so that purchasing activities lead to actual environmental performance improvement. We practice green purchasing across the supply chain by applying measures such as providing incentives for bids on environmentally certified products and giving preference in supplier registration and evaluation. In 2025, we achieved environmental certification product purchases of approximately KRW 1,604 million. The establishment and revision of green purchasing standards and performance monitoring are managed overall by the Procurement and Contracts Office. Going forward, we plan to continuously expand the items subject to green purchasing and strengthen cooperation with suppliers to enhance the level of environmental management across the supply chain.



Environmental Impact

Strategy and Response Measures

Environmental Training

POSCO Future M operates various environmental training programs to strengthen company-wide environmental management capabilities. We systematically conduct environmental training for employees with the goals of enhancing basic understanding of environmental management, strengthening environmental law compliance capabilities, improving practical expertise, and enhancing the ability to respond to global environmental regulations. In addition, we conduct energy-related campaign 'challenges,' such as climbing stairs instead of using elevators, reducing standby power, and carpooling and using public transportation when commuting, to raise employees' awareness of energy saving and help them habituate the practice.

In 2025, we improved employees' environmental management capabilities by providing the 'ISO 14001 Internal Auditor Training Course' and 'Site Environmental Management Measures.' The 'ISO 14001 Internal Auditor Training Course' was operated with the aim of effectively operating the environmental management system and securing internal audit expertise. In addition, under the supervision of site safety and environment groups, we regularly conduct environmental training for new and incoming employees at each plant, including hazardous chemical management, waste separation and discharge, and understanding of related laws. Along with this, we conduct safety and environment training for newly appointed supervisors and safety section leaders, focused on chemical handling, waste management standards, accident prevention, and statutory compliance, strengthening the environmental and safety management capabilities of managers.

2025 Employee Environmental Training Status

Category	Target	Number of completers (persons)
ISO 14001 Internal Auditor Training Course	Company-wide ISO managers	41
Site Environmental Management Measures	Newly appointed supervisors and safety section leaders	59
Chemical Procurement Process Training	Chemical procurement personnel and managers, etc.	507
Hazardous Chemical Handler Training	Newly placed on-site employees	30

Pollutant Reduction Plan

We set air pollutants (NOx, SOx) emitted from all sites subject to domestic total emission caps as management targets and establish and operate short-term reduction targets every year. In the mid- to long-term, we also plan to manage emissions with the goal of complying with air pollutant allocations. In addition, to minimize the discharge of water pollutants, we apply our own standards that are stricter than legal standards. In accordance with separate water management regulations, we manage water pollutants so that they always comply with legal permissible standards, and we purify and discharge pollutants after physical and chemical treatment. Furthermore, to reduce wastewater generation and minimize impacts on aquatic ecosystems, we pursue water management and expanded reuse that consider the process characteristics of each site. At the precursor plant, we introduced an evaporative concentration facility, a zero-liquid-discharge system that evaporates wastewater generated in the process at high temperatures to separate moisture and solids, managing the treated water so that it can be recycled. The Pohang and Gwangyang lime plants operate by purifying and reusing the water input into their processes, and we are gradually expanding the reuse ratio¹⁾ through water recirculation within the process. In addition, we review the possibility of reusing wastewater with good discharge water quality, and we continuously pursue the development of new technologies in cooperation with external specialized institutions, including participation in national project competitions of the Ministry of Climate, Energy and Environment, to supplement the limitations of existing treatment methods.

1) Aggregation began in November 2025

Environmental Impact Risk Management Activities

Management of Hazardous Substances and Dangerous Goods in Products

POSCO Future M operates a thorough management system for chemicals, from the purchase stage to final treatment and discharge, in the manufacturing of rechargeable battery materials, advanced chemical materials, and industrial base materials. In 2024, we strengthened the process of checking the chemical components and concentrations of raw materials in advance at the purchase stage, reviewing the impact of chemical handling in advance and identifying the regulations applicable to each handled substance, complying with domestic and international chemical standards. In addition, to identify risk factors early and prevent omissions, we are pursuing the systematization of prior environmental law review and approval procedures when purchasing chemicals, targeting the first half of 2027, and we analyze whether our products contain hazardous substances in accordance with EU REACH standards to confirm whether they are subject to regulation. We have established and operate transport contracts and vehicle access processes not only for the production process but also for the safe transport of hazardous chemical products and compliance with chemical laws. When contracting transport companies, the safety and environment department checks the company's suitability and permits in advance and reflects compliance with safety standards as a mandatory requirement. In addition, we conduct training on safe transport and loading and unloading procedures for transport companies and transport personnel, and we frequently monitor whether vehicles entering sites comply with internal standards.

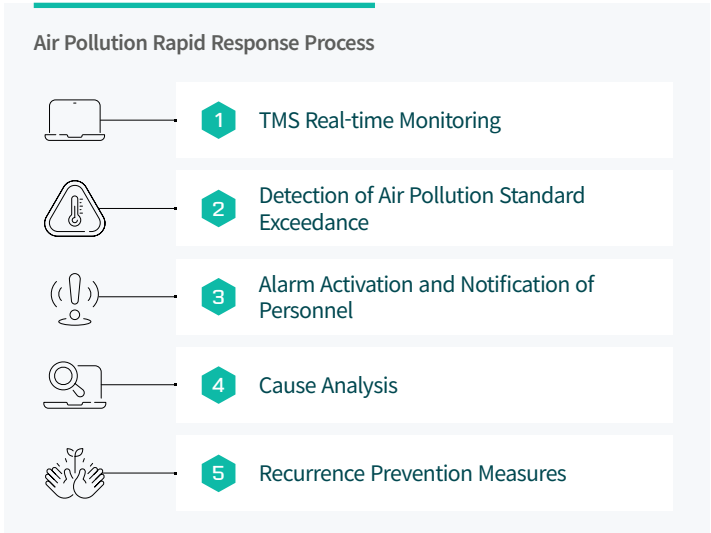
Environmental Impact

Environmental Impact Risk Management Activities

Pollution Risk Assessment Operation

To minimize environmental risks from water and air pollutant emissions that occur during site operation, POSCO Future M applies its own management standards that are stricter than those of the 「Clean Air Conservation Act」 and the 「Water Environment Conservation Act」. In accordance with applicable regulations, all sites treat wastewater using physicochemical processes to meet legal discharge standards before release, and outsource a portion of wastewater that is not treated in-house to qualified external contractors for treatment. Emission concentrations are regularly measured and analyzed to confirm compliance with permissible standards.

For air pollutants, we monitor key emission outlets in real time through the Tele-Monitoring System (TMS), a stack automatic measurement system, and when there is a concern about exceeding standards through real-time monitoring, we operate a rapid response process so that immediate management can be carried out. This system goes beyond simple regulatory compliance to manage financial and reputational risks from pollutant emissions in advance and contributes to achieving pollutant reduction targets.



Chemical Risk Assessment Operation

POSCO Future M operates a systematic management process to minimize risks from chemicals. First, we conduct regular risk assessments based on the likelihood (frequency), severity (intensity), and risk level of hazards from chemicals, assign grades according to the assessment results, and establish immediate improvement measures or mid- to long-term improvement plans when necessary.

In addition, to ensure the safety of the products we manufacture, we regularly analyze whether they contain hazardous substances. In accordance with hazardous substance use restriction guidelines, we regularly conduct concentration analysis of 10 RoHS substances once a year, continuously monitor PFAS that are scheduled to be banned in Europe and whether products contain fluorine, and establish response plans for 211 substances of very high concern (SVHC) under EU REACH, minimizing the possibility that products contain hazardous substances. Additionally, for raw and subsidiary materials, we establish proactive testing standards to review potential risks in advance, and we thoroughly verify the safety and legal compliance of all chemicals brought into sites by checking their components, concentrations, and hazards from the purchase stage.

We integrate and manage chemical information by site and provide Material Safety Data Sheets (MSDS) so that employees and stakeholders can use them safely. At each site, we designate a hazardous chemical manager to perform duties such as complying with handling standards, wearing protective equipment, conducting self-inspections, and securing the safety of handling facilities. Finally, every year we select hazardous chemical leak and fire and explosion scenarios by site and conduct emergency response trainings, continuously strengthening our ability to respond quickly and efficiently when accidents occur.

Target

Pollutant Emission Reduction Targets

Category	Unit	2025 target	2025 performance
Air pollutant emissions ¹⁾	tons	1,351.3	845.1

1) Scope of air pollutants: NOx and SOx emissions from outlets subject to air total emission caps

Substances of Concern in Products Management Targets

Category	Unit	2025 target	2025 performance
Number of product monitoring	EA	28	28
Number of analyzed substances of concern ¹⁾	EA	277	277
Amount of products containing substances of concern	tons	0	0

1) Includes substances of concern regulated in the EU such as RoHS, PFAS, and SVHC

Environmental Impact

Strategy and Response Measures

Water Recycling/Reuse

POSCO Future M reduces wastewater generation and enhances water use efficiency through process optimization. At the lime plant raw material line, to treat dust generated during raw material storage and transport, we moved away from the existing water-washing-based process and introduced dry dust collection equipment, switching the dust collection method so that water is not used in the dust collection process. As a result, the generation of dust collection water and sludge has structurally decreased, achieving the effect of reducing air pollutant emissions while preventing wastewater generation in the process.

In addition, at the precursor plant, we manage both washing water usage and wastewater generation by improving the washing efficiency of the filter press process. By optimizing the washing sequence and introducing a process to recover and recycle washing water, we reduced the use of direct water and the frequency of rewashing and expanded the proportion of water reuse across the process. Through these improvement activities, POSCO Future M has established a water recycling and reuse system and is simultaneously improving water resource use efficiency and environmental performance.

Water Saving and Efficiency Improvement

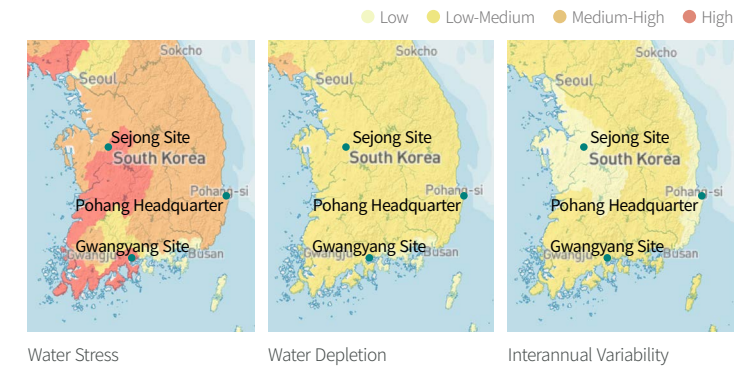
POSCO Future M conducts water risk assessments for each site and pursues water saving strategies to secure stable water resources and adapt to climate change. We set monthly targets by distinguishing the withdrawal of seawater, industrial water, and water supply and monitor them at all times, and we strive to reduce water usage and prevent leaks through process improvement and the repair and replacement of aging pipes. In 2025, we pursued industrial water saving activities by recovering process water generated in the refractory process and reintroducing it into the manufacturing process, through which we achieved a result of saving approximately 140,000 tons of industrial water annually. In addition, by developing measures to recycle wastewater generated during the cathode material process water manufacturing process and measures to concentrate wastewater containing high-value resources through joint research with external specialized institutions, we plan to continuously enhance water use efficiency across our sites.

Water Risk Management Activities

Water Risk Assessment Operation

For a systematic approach to water resource management, POSCO Future M defines three types of water resource risks, Water Stress, Water Depletion, and Interannual Variability, and conducts risk assessments for sites located in three regions (Pohang, Sejong, and Gwangyang). Based on the assessment results, we comprehensively analyze each site's withdrawal accessibility, water availability, and water quality, and implement risk mitigation measures such as minimizing withdrawal and expanding the use of reused water in regions with high water stress. In addition, these risk assessment results are reflected in mid- to long-term water resource management strategies and investment plans and are used to strengthen the ability to secure stable water and respond to climate change.

Water Resource Risk Exposure



Environmental Impact

Water Risk Management Activities

Water Risk Assessment Operation

Water Stress

Water Stress is the ratio of available renewable water resources to total water resource demand, and the higher the value, the more intense the competition among users. Due to its geographical characteristics and concentrated rainfall, Korea has a generally high level of water stress as rainfall flows out to the sea in a short period. POSCO Future M faces a significant burden in securing water resources, as its key sites, including the Pohang Headquarter, are located at a level of Medium-High (20–40%) or above. Accordingly, to secure stable water, we are making various efforts such as diversifying supply sources and establishing a water usage monitoring system.

Water Depletion

Water Depletion is the ratio of available renewable water resources to total water resource consumption, and the higher the value, the greater the risk of depletion. Korea has a generally low risk of water shortage because management infrastructure such as dams and reservoirs is well established. POSCO Future M's key sites are at a Low-Medium (5–25%) level, with a certain amount of water use, but there is no serious depletion risk due to systematic management by the government and local governments. However, given the potential for a surge in water consumption in certain regions due to external factors such as climate change and industrial restructuring, we are reviewing measures to reduce process water use and to establish recycling systems.

Interannual Variability

Interannual Variability indicates the degree of variation in water resource supply from year to year, and the higher the value, the greater the range of change. Korea has high seasonal variability but small changes in annual precipitation, so the overall risk is low. POSCO Future M's Pohang Headquarter and Sejong Business Site are stable at a Low (<0.25) level, and the Gwangyang Business Site is also at a Low-Medium (0.25–0.50) level with no extreme variability.

Site	Physical Risks Quantity ¹⁾		
	Water Stress	Water Depletion	Interannual Variability
Pohang Headquarter	Medium-High(20-40%)	Low-Medium(5-25%)	Low(<0.25)
Sejong Business Site	High(40-80%)	Low-Medium(5-25%)	Low(<0.25)
Gwangyang Business Site ²⁾	High(40-80%)	Low-Medium(5-25%)	Low-Medium(0.25-0.50)

1) The levels for Water Stress, Water Depletion, and Interannual Variability were classified according to the WRI Aqueduct Water Risk Atlas, and higher values indicate a higher level of associated risk

2) Gwangyang Cathode Materials Plant(45, Yulchon POSCO Mirae-ro, Gwangyang-eup, Gwangyang-si, Jeollanam-do, Republic of Korea)

Targets

Water Usage Targets

Category	Unit	2025 target	2025 performance
Water withdrawal	m ³	27,809,998	26,884,065 ¹⁾
Water withdrawal intensity (based on production)	m ³ /tons	10.36	10.57
Water consumption (withdrawl – discharge)	m ³	2,468,167	2,139,585 ²⁾

1) 2025 Water Withdrawal by Site

(Unit: ton)

Category	Water Withdrawal			
		Water supply	Surface water	Seawater
Refractories	25,287,356	36,876	1,195,147	24,055,333
Pohang Lime	197,209	197,209	-	-
Gwangyang Lime	605,010	605,010	-	-
Gumi Cathode Material	54,223	41,744	12,479	-
Gwangyang Cathode Material	466,732	71,356	395,376	-
Sejong Anode Material	41,978	41,978	-	-
Pohang Anode Material	22,920	22,920	-	-
Pohang Cathode Material	208,637	208,637	-	-
Total	26,884,065	1,225,730	1,603,002	24,055,333

2) 2025 Water Consumption by Site

(Unit: ton)

Category	Water Consumption
Refractories	1,562,936
Pohang Lime	16,344
Gwangyang Lime	-*
Gumi Cathode Material	47,324
Gwangyang Cathode Material	290,145
Sejong Anode Material	41,117
Pohang Anode Material	22,511
Pohang Cathode Material	159,209
Total	2,139,585

* After the fire at Gwangyang Steelworks No.2 Blast Furnace at the end of 2021, accurate water usage could not be calculated and was recorded as zero

Environmental Impact

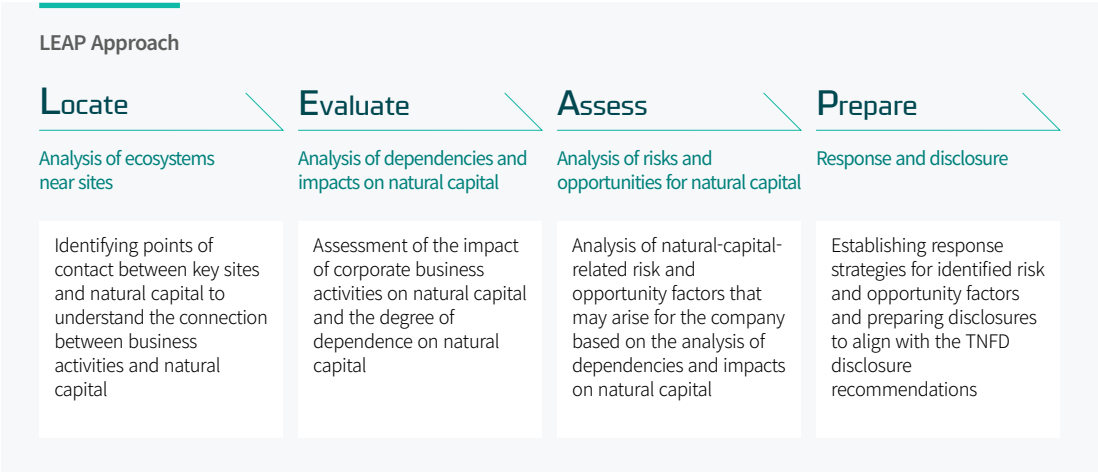
Risks and Opportunities

TNFD Support Declaration

In 2022, POSCO Future M became the first in the battery materials industry to join the Task Force on Nature-related Financial Disclosures (TNFD). The TNFD is a global initiative that supports companies in assessing and disclosing the financial impacts of biodiversity and natural capital.

POSCO Future M has established an information disclosure system based on the four areas of the TNFD recommendations (governance, strategy, risk and impact management, and metrics and targets) and operates a system to check and manage impacts on nature in advance by conducting environmental impact assessments when pursuing new businesses.

In 2025, we completed a LEAP approach-based natural risk assessment for key company-wide sites and conducted analysis of biodiversity dependencies and impacts. In addition, we established a monitoring system to systematically measure and manage biodiversity impacts that may arise during battery material production. Going forward, we plan to gradually expand the level of information disclosure based on the final TNFD recommendations and strengthen biodiversity conservation activities with the goal of achieving Nature Positive.



Biodiversity Impact Assessment Areas (LOCATE)

For development projects such as residential land, industrial complexes, and plant sites where its key sites are located, POSCO Future M comprehensively considers natural resources, living environments, and other environmental, social, and economic factors that may arise during development and operation, and their scope of impact. For the regions where key sites, including the Pohang Headquarter, are located, an assessment of overall environmental impact, including flora and fauna and natural capital, was conducted. POSCO Future M plans to continuously monitor the environmental impact assessment results of its sites and surrounding areas.



Information on Biodiversity Impact Assessment Areas

Category	Location	Site area	Biodiversity impact assessment region	Adjacent to World Cultural Heritage ¹⁾
Pohang Headquarter	110 Shinhang-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do	217,485m ²	Project Zone ²⁾ (13.43km) and Adjacent Area of Influence	None
Pohang Anode Materials Plant	282 Blue Valley Dong-ro, Donghae-myeon, Nam-gu, Pohang-si, Gyeongsangbuk-do	78,410.9m ²	Project Zone(1,082,792m ²) and Adjacent Area of Influence	None
Pohang Cathode Materials Plant	929 Haean-ro, Heunghae-eup, Buk-gu, Pohang-si, Gyeongsangbuk-do	171,950.2m ²	Project Zone(1,695,591m ²) and Adjacent Area of Influence	None
Sejong Anode Materials Plant 1	22-64 Sandan-gil, Jeonui-myeon, Sejong-si	29,480.6m ²	Project Zone(13,414m ²) and Adjacent Area of Influence	None
Gwangyang Cathode Materials Plant	45 Yulchon POSCO Mirae-ro, Gwangyang-eup, Gwangyang-si, Jeollanam-do	165,203.4m ²	Project Zone(3,260,202m ²) and Adjacent Area of Influence	None

1) Whether there are any World Heritage Sites within a 5 km radius of the business site, based on the criteria for natural heritage, cultural heritage, and mixed heritage recognized by the UNESCO World Heritage Committee under the Convention Concerning the Protection of the 「World Cultural and Natural Heritage」 (1972)

2) Indicated by length (km) rather than area, in accordance with the River Master Plan under Article 25 of the [River Act]

Environmental Impact

Risks and Opportunities

Review of Natural Capital Dependence and Impact (EVALUATE)

To manage risks and opportunities, POSCO Future M conducted a preliminary review using the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) Tool to understand how dependent its business model and management activities are on natural capital and the extent of its impact on the ecological environment, including flora and fauna. For our industry sector, Manufacture of Chemicals and Chemical Products, a total of 8 ecosystem service items were reviewed (1 for supply service dependence and 7 for impact). Among the impact items, ‘Disturbances’(such as noise) and ‘Toxic Pollutants Emission’ were assessed as being at a Very High level, while one supply service dependence item related to securing and sourcing water, as well as impact factors such as greenhouse gas emissions, air pollutant emissions, and waste emissions, were evaluated at a Medium level.

POSCO Future M’s Dependence on and Impact on Natural Capital

Category	Metric	Measurement Level
Dependence	Water Supply	Medium
	Disturbances	Very High
	GHG Emissions	Medium
	Non-GHG Emission	Medium
Impact	Solid Waste	Medium
	Land use	Low
	Toxic Pollutants Emission	Very High
	Water use	Medium

Preliminary Identification of Biodiversity Risk Factors (EVALUATE)

POSCO Future M uses the Portfolio Manager function of the World Wide Fund for Nature(WWF) Biodiversity Risk Filter to identify the availability of ecosystem services(in terms of productivity and resilience) and the level of pressure on biodiversity(such as degradation, alteration, or destruction) in the regions where its headquarters and business sites are located. This function assesses these factors by utilizing key information such as the address of POSCO Future M’s sites, its business model(Professional Service), and its role within the industrial ecosystem. As a result, in terms of ecosystem service availability, a Medium level of risk was identified for factors related to water use and the use of wild flora and fauna, while no risks were found for factors related to forest and marine life use. In addition, in terms of pressure on biodiversity(including air, water quality, soil, etc.), a Very High level of risk was identified for pollution-related factors. However, for other factors—such as changes in soil, freshwater, and seawater conditions, as well as changes in forest density and height—the level of risk was assessed to be low.

Results of Preliminary Identification of Biodiversity Risk Factors in Areas Surrounding Business Sites

Category	Risk factor	Pohang Headquarter	Pohang Anode Materials Plant	Pohang Cathode Materials Plant	Sejong Anode Materials Plant 1	Gwangyang Cathode Materials Plant
Availability of ecosystem services ¹⁾	Water resource use	3.4	3.4	3.4	3.3	3.3
	Forest use	N/A	N/A	N/A	N/A	N/A
	Use of wild Flora and Fauna	3.0	3.0	3.0	3.0	3.0
	Marine life use	N/A	N/A	N/A	N/A	N/A
Pressure on biodiversity ²⁾	Changes in soil, freshwater, and seawater conditions	1.3	1.3	1.3	2.0	1.3
	Changes in forest density and height	2.0	2.0	2.0	2.5	1.5
	Introduction or invasion of alien species	N/A	N/A	N/A	N/A	N/A
	Pollution (air, water, soil, etc.)	4.3	4.3	4.3	4.5	4.3

1) The level of productivity and resilience of natural resources required for the company’s business activities; a higher level of risk indicates lower resilience and a greater likelihood of natural resource depletion

2) The level of ecosystem changes caused by activities of the government, industry, and private sectors; a higher level of risk indicates that actions causing ecosystem degradation, alteration, or destruction have been observed and confirmed

Environmental Impact

Risks and Opportunities

Biodiversity Survey Results (EVALUATE)

We conduct on-site biodiversity surveys to identify the species and number of terrestrial flora and fauna, vegetation communities, and freshwater fauna inhabiting development project areas and nearby areas. In the case of POSCO Future M’s Pohang Headquarter, literature reviews indicated the habitation of 2 legally protected species such as Eurasian Otter(Lutra lutra) and the Leopard Cat(Prionailurus bengalensis), but they were not found in field surveys. Near the Pohang Anode Materials Plant, legally protected species such as the Common Kestrel(Falco tinnunculus) and the Eurasian Eagle-Owl(Bubo bubo), were identified, but as species with excellent adaptive resilience, they are highly likely to move to surrounding areas if affected by business activities. We plan to review continuous monitoring and protection measures to minimize direct impacts such as population decline and habitat damage from our business.



The species observed around the Pohang Headquarter are Spot-billed Duck (Anas zonorhyncha)(Left) and Kentish Plover (Charadrius alexandrinus)(Right)

Identifying Biodiversity Impacts (ASSESS)

POSCO Future M has assessed potential biodiversity impacts by analyzing the results of environmental impact assessments for each development area where its business sites are located. For terrestrial fauna, the potential impacts identified include a ‘Reduction in activity range’ and ‘Disturbance of breeding and foraging activities due to noise and vibrations’. In particular, the legally protected Eurasian Otter(Lutra lutra) may be indirectly affected by soil runoff from construction sites, and there is a risk of shelter destruction due to concrete structures. For terrestrial flora, potential impacts include ‘Damage to existing vegetation’, ‘Disruption of the green corridor’ and ‘Decrease in the naturalness of green areas’.

Key Flora and Fauna Species Identified through Field Surveys

Category		Pohang Headquarter	Pohang Anode Materials Plant	Pohang Cathode Materials Plant ¹⁾	Sejong Anode Materials Plant 1	Gwangyang Cathode Materials Plant
Terrestrial Fauna	Mammal	3 Orders, 4 Families, 4 Species	5 Orders, 8 Families, 13 Species	9 Families, 13 Species	5 Families, 5 Species	3 Orders, 5 Families, 7 Species
	Birds	12 Orders, 27 Families, 51 Species	9 Orders, 26 Families, 42 Species	39 Families, 109 Species	15 Families, 17 Species	11 Orders, 28 Families, 57 Species
	Amphibians & Reptiles	2 Orders, 2 Families, 3 Species	3 Orders, 8 Families, 12 Species	8 Families, 15 Species	3 Families, 3 Species	1 Order, 3 Families, 4 Species
	Terrestrial Insects	9 Orders, 36 Families, 66 Species	13 Orders, 67 Families, 156 Species	42 Families, 83 Species	21 Families, 28 Species	8 Orders, 12 Families, 15 Species
	Legally Protected Species	Kentish Plover, Great Knot, etc.	Oriental Scops Owl, Eurasian Eagle-Owl, etc.	Mandarin Duck, Whooper Swan, Eurasian Otter, etc.	N/A	Eurasian Otter, Eurasian Hobby, etc.
Terrestrial Flora	Aquatic Plants	3 Families, 4 Species, 1 Variety	10 Families, 15 Species, 1 Variety	61 Families, 164 Genera, 211 Species, 4 Subspecies, 20 Varieties, 3 Forms	2 Families, 2 Genera, 1 Species, 1 Variety	5 Families, 9 Genera, 8 Species, 1 Variety
	Woody Plants	4 Families, 8 Species	3 Families, 8 Species		4 Families, 6 Genera, 9 Species	3 Families, 8 Genera, 11 Species
	Herbaceous Plants	67 Families, 203 Species, 5 Subspecies, 10 Varieties, 2 Forms	72 Families, 317 Species, 10 Subspecies, 22 Varieties, 4 Cultivars		45 Families, 96 Genera, 89 Species, 5 Varieties, 2 Forms	43 Families, 117 Species, 123 Species, 20 Varieties
	Legally Protected Species	N/A	N/A	N/A	N/A	N/A

1) For the Pohang Cathode Materials Plant, only a literature review was conducted

Environmental Impact

Strategy and Response Measures

Developing Impact Mitigation Measures (PREPARE)

POSCO Future M comprehensively reviews the impacts on the overall environment, such as air quality, water quality, and socioeconomic impacts, during the development and operation of the regions where its sites are located, and establishes business operation plans to manage negative impacts, including on biodiversity, in advance. In particular, we closely review the environmental impact mitigation measures established by developers in the development areas and, based on these, prepare our own environmental impact mitigation plans to reduce impacts on flora and fauna and natural capital. In addition, for matters that are difficult to address with our own capabilities alone, we build a regional joint response system by cooperating with relevant institutions in the same region or participating in the official mitigation plans of the government and local municipalities.

During the establishment, expansion, operation, and closure stages of sites, we survey the ecosystems of the relevant regions to identify species and population numbers and avoid negative environmental impacts in advance. In addition, during business operation, we implement measures to minimize environmental impacts, such as optimizing energy efficiency within processes and reducing air pollutants, and we continue efforts to offset impacts on biodiversity through natural-ecosystem-based activities such as habitat restoration, the creation of alternative habitats, and species conservation in and around sites and within local communities.

POSCO Future M Biodiversity Approach

Avoid	- Conduct preliminary surveys and impact assessments on the natural ecosystem, air quality, water resources, land, and local living environment when establishing, expanding, or closing business sites - Establish and implement mitigation measures, such as reforestation and afforestation, when negative impacts on flora, fauna, or the natural environment are identified
Minimize	- Reduce GHG emissions, which have a significant impact on natural capital given the nature of the business model (e.g., optimizing energy efficiency in production processes) - Reduce air pollutant emissions and optimize operational processes (e.g., applying AI-based air pollutant control technologies and optimizing denitrification and desulfurization systems)
Offset	- Marine ecosystems: Collect marine debris at Cheongnim Beach in Pohang and conduct halophyte planting activities in collaboration with local youth - Terrestrial ecosystems: Conduct environmental clean-up activities at the Gwangyang Yulchon rechargeable battery materials complex and around the POSCO Center in Gangnam-gu, Seoul

Key Biodiversity Impact Factors and Mitigation Measures

Category		Pohang Headquarter	Pohang Anode Materials Plant	Pohang Cathode Materials Plant	Sejong Anode Materials Plant 1	Gwangyang Cathode Materials Plant
Terrestrial Fauna	Major Impact	Indirect disturbance factors such as noise and vibration may cause species migration	Decrease in food sources for herbivores and habitat contamination	Indirect disturbance factors such as noise and vibration may cause species migration	Night work lighting may affect the behavior of wildlife	Reduction in habitat for low-mobility amphibians and reptiles, causing a decrease in populations
	Mitigation Measures	Use of low-noise and low-vibration construction equipment, scheduling work considering breeding seasons	Install sprinklers to suppress dust generation and install pollutant reduction facilities	Implement phased and continuous construction to prevent disturbance and relocation of wildlife	Secure main activity time for wildlife by limiting night work and using appropriate shielding	Guide the movement of amphibians and reptiles through phased construction
Terrestrial Flora	Major Impact	Increased inflow and spread of invasive plants from surrounding areas	Loss of 69,284 trees and decrease in green space area	Potential for invasive species and ecological corridor disruption from nearby areas	Dust and soot may decrease the survival rate of surrounding plants and protective vegetation	Potential for invasive species and ecological corridor disruption from nearby areas
	Mitigation Measures	Physical removal activities using machinery	Selected 6,946 trees for transplanting and established a management plan to ensure successful establishment	Control invasive plants through mechanical, chemical, and biological methods	Install appropriate fences and washing facilities at construction sites	Control invasive plants through mechanical, chemical, and biological methods

Environmental Impact

Strategy and Response Measures

Environmental Conservation Activities

Environmental Cleanup Activities Near Sites

POSCO Future M continuously pursues various environmental cleanup activities to protect ecosystems near its sites and improve the local environment. In particular, in 2025, centered on employee volunteer teams, we conducted a total of 1,120 environmental cleanup activities around sites and at major local attractions, strengthening our ESG practice. As part of these activities, in September 2025, to mark 'POSCO Future M Sharing Month,' 120 employees stationed at the headquarter participated in a Cheongnim Beach environmental cleanup activity. Through employee volunteer participation, we raise awareness of environmental protection while linking it to community contribution activities.

In addition, in November 2025, in cooperation with the Pohang Donghae-myeon office, we conducted an environmental cleanup activity at Dogu Beach. By having 100 employees and local government officials collect marine debris after the beach's closing, we strove to provide a more pleasant marine environment for local residents and tourists.



Pohang Dogu Beach environmental cleanup activity

Forest Creation and Restoration Activities Near Sites

POSCO Future M conducted 'Green Gym' activities, an outdoor environmental cleanup program in which employees directly participate in forests. From 2022 to 2024, in cooperation with the 'Gyeongbuk Life Forest,' we conducted various ecological restoration activities such as tree planting, biotope creation, and habitat maintenance, contributing to the restoration of local community ecosystems. In addition, in 2023, we launched a 'Carbon Offset Forest' creation project to respond to climate change, simultaneously pursuing greenhouse gas reduction and ecosystem conservation. Through these activities, we expanded the green base in the region and plan to review the creation of additional carbon offset forests to secure long-term carbon sinks in the future.



POSCO Future M carbon offset forest creation (cypress forest around Gyejoksan in Gwangyang)

Pohang Naengcheon Stream Conservation Activity

In April 2026, POSCO Future M conducted a 'FUTURE M Nature Guard Day' volunteer activity to restore the biodiversity of local ecosystems and conserve the natural environment. This activity, in which about 40 employees and family members participated, was carried out in the Naengcheon Stream area of Nam-gu, Pohang-si, and supported the restoration of vegetation in the river environment damaged by typhoons. Using seed balls made by mixing soil and seeds, we promoted ecosystem restoration by throwing seeds while minimizing damage to nature even in hard-to-access areas. The seed balls contained seeds of plants suitable for the river environment, including the nationally protected species *Aster koraiensis*, as well as *Caryopteris incana*, *Chrysanthemum indicum*, *Agastache rugosa*, and *Lythrum salicaria*, and were used as a method to reduce seed loss in the early stages of sowing and increase germination rates. POSCO Future M plans to raise awareness of biodiversity conservation and continuously pursue environmental protection activities linked to the local community.



Pohang Naengcheon Stream Seed Ball throwing

Environmental Impact

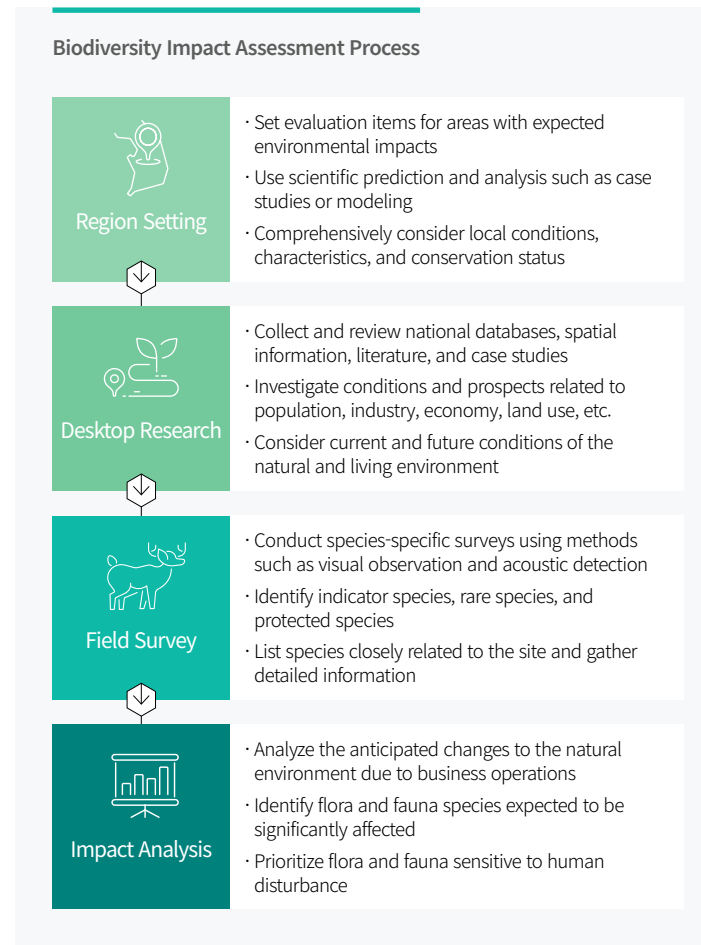
Biodiversity Risk Management Activities

Biodiversity Impact Assessment Procedure

When establishing, expanding, or closing business sites, and when selecting locations or undertaking development projects and initiatives, POSCO Future M conducts environmental impact assessments or reviews related documentation to identify in advance the effects on flora and fauna and natural capital arising during business operations, and establishes measures to mitigate them.

The Pohang Headquarter and key sites are located in industrial complexes where environmental impact assessments have been completed or in areas where environmental impact assessments and consultations were conducted during development, and although environmental impact assessments were not directly performed at the individual business level, we review and reflect the results of environmental impact prediction and assessment, consultations with relevant institutions, and resident opinion-gathering procedures based on the 「Enforcement Decree of the Environmental Impact Assessment Act」. This report was prepared reflecting the environmental impact assessment methodology applied to the regions where our sites are located.

In addition, based on environmental impact assessment data, POSCO Future M combines literature reviews and field surveys to analyze the status of air, water, land environments, flora and fauna and assess biodiversity impacts. For flora, we perform species cataloging and grade assessment through vegetation surveys, and for fauna, we confirm species through visual observation, acoustic detection, and photography along with public databases and literature reviews. Based on the assessment results, we review key impact factors according to the location and scale of the business and predict negative impacts to pursue environmental pollution reduction activities for each site, while implementing ecosystem conservation activities in cooperation with relevant government institutions and nonprofit organizations.



Target

Targets to Halt Biodiversity Loss

POSCO Future M continues to pursue a business model transformation based on the circular economy and establishes and implements specific targets for biodiversity and forest protection.

In terms of biodiversity, we aim to achieve a Net Positive Impact, and when biodiversity damage is unavoidable, we minimize biodiversity loss in accordance with the No Net Loss principle, such as by creating alternative habitats in other locations.

In terms of forest protection, in accordance with the Net Zero Deforestation principle, we strive to identify and prevent or minimize the impact of deforestation that may be caused at all stages of business.

To achieve these targets, we are expanding the scope of policy application not only to all directly operated sites and invested companies but also to suppliers and partner companies across the value chain, and for major policy changes, we strengthen the effectiveness of the management system through the review and approval procedures of the CEO.



Social

69 Human Capital

84 Supply Chain

96 Local Community

100 Customer Satisfaction

107 Information Security

Human Capital

Management System

Organization

Dedicated Human Rights Management Organization

POSCO Future M discusses human rights management strategies through company-wide management meetings in which the highest decision-makers and key department decision-makers participate, and operates working-level meetings chaired by the Head of the Corporate Planning & Coordination Office to review and improve human rights management activities. To advance its human rights management system, in April 2025 we established a Human Rights Management Working Group. The Human Rights Management Working Group establishes a system for human rights risk assessment and conducts human rights impact assessments including written assessments and on-site due diligence. In addition, it conducts human rights training programs and campaigns for employees and stakeholders and strives to spread a culture of human rights protection. For details on the human rights impact assessment conducted in 2025, please refer to p. 71-72 of this report.

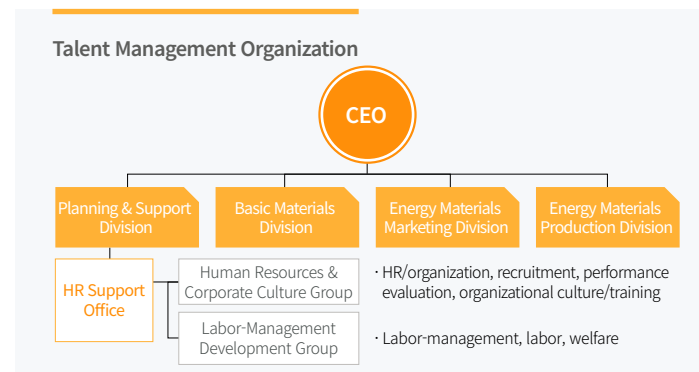


Dedicated Talent Management Organization

The POSCO Future M HR Support Office promotes the organization's long-term growth and competitiveness by developing and systematically managing talent aligned with the company's vision and strategy. The Human Resources & Corporate Culture Group is responsible for selecting talent suited to POSCO Future M's ideal talent profile, 'Creative Talent with action-oriented and caring mindset', and operating a systematic management system to prevent the outflow of high performers. In addition, it provides customized training programs so that the capabilities of individual employees can be assessed and strengthened, and focuses on continuously improving expertise in line with changes in the industrial environment and technological advancement and establishing an innovative organizational culture.

The Labor-Management Development Group is responsible for creating a stable work environment, such as labor-management relations, labor management, and the operation of welfare systems. By building a win-win labor-management culture and continuously improving the work environment and welfare systems, it increases employee satisfaction while supporting the company's sustainable growth and development.

In this way, POSCO Future M is strengthening its strategic approach to systematic talent management and organizational culture innovation by recognizing its people as a core source of competitiveness, thereby ensuring sustainable growth in a rapidly changing market environment.



Policy Establishment

Human Rights Management Policy

To actively practice human rights management and prevent human rights risks that may arise during business operations, POSCO Future M established a human rights management policy that complies with the labor principles and international standards recommended by the International Labour Organization (ILO). The POSCO Future M human rights management policy includes principles and commitments on key human rights issues, such as the prohibition of discrimination based on individuals' inherent characteristics, the prohibition of forced labor and child labor, the guarantee of freedom of association and collective bargaining, the prohibition of wage discrimination by gender, the securing of industrial safety, and the prevention of workplace harassment. This policy applies not only to all POSCO Future M employees but also to domestic and overseas sites and invested companies, and we recommend the same level of policy to suppliers and partner companies.

→ POSCO Future M Human Rights Management Policy

→ POSCO Group Human Rights Commitment



POSCO Group 'Human Rights Commitment' Ceremony

Human Capital

Policy Establishment

Diversity, Equity, and Inclusion Policy

POSCO Future M has established a Diversity, Equity, and Inclusion (DE&I) policy and strives to create a work environment in which all employees receive equal treatment without discrimination and can fully demonstrate their capabilities. In recruitment and HR management, POSCO Future M strictly prohibits discrimination based on personal characteristics that are not directly related to job performance. This includes various factors such as gender, age, race, disability, religion, political orientation, and region of origin, and these principles are applied throughout all HR management processes, such as promotion, compensation, and the provision of training opportunities, to ensure fair opportunities. POSCO Future M's Diversity, Equity, and Inclusion (DE&I) policy applies not only to its own employees but also to all stakeholders, including the employees of invested companies, suppliers, and partner companies.

→ POSCO Future M Diversity, Equity, and Inclusion Policy

Collective Agreement Provisions (Labor Rights Policy)

POSCO Future M pursues continuous growth based on trust between labor and management and protects the rights of its employees and the employees of suppliers and partner companies by complying with the basic spirit of the Constitution and labor relations laws. To this end, we clearly define and operate overall working conditions such as wages, welfare, and employment stability, and strengthen employees' basic rights and interests, such as guaranteeing a living wage, setting appropriate working hours, and guaranteeing annual paid leave. These matters are explicitly stipulated through the collective agreement. POSCO Future M plans to continuously improve and strengthen its systems to create a fair labor environment and protect employees' rights and interests in the future.

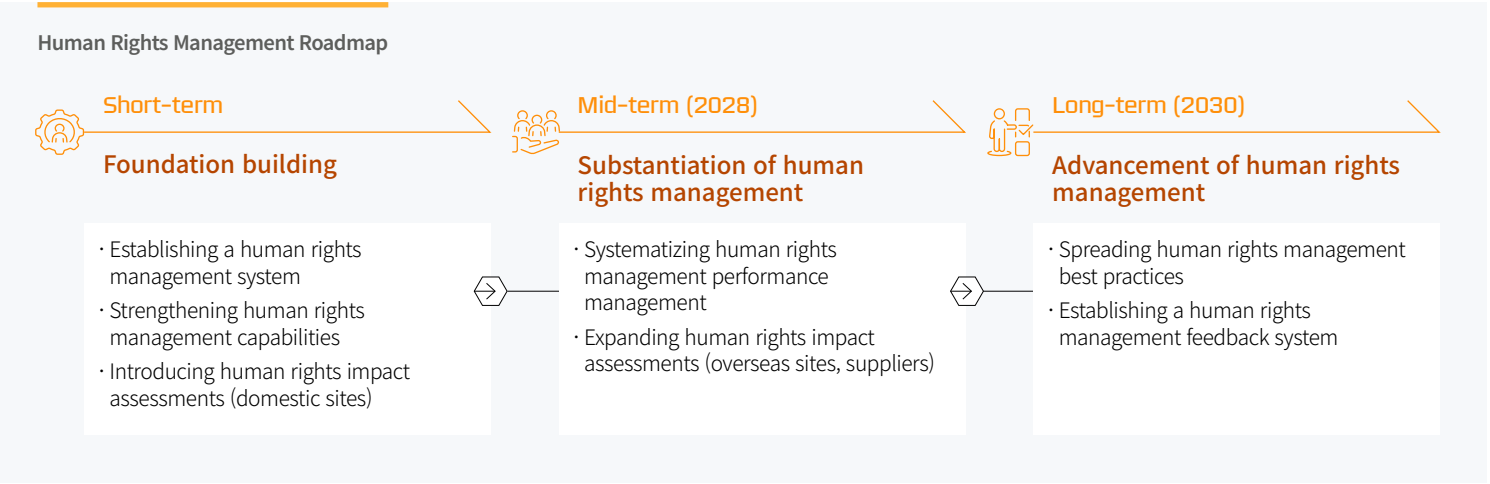
Management Activities

Strategy and Response Measures

Human Rights Management Roadmap

POSCO Future M pursues human rights management in accordance with POSCO Group's policy of respecting and supporting global human rights standards such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the 10 Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and the core conventions of the International Labour Organization (ILO). To practice this, based on POSCO Group's human rights management roadmap, we strive to advance the level of human rights management and continuously pursue improvement by establishing short-, mid-, and long-term plans. In the short term, to reorganize the human rights management foundation, we revised our human rights policy based on the POSCO Group Human Rights Management Declaration. In addition, we will internalize human rights awareness by regularly conducting human rights training for employees.

As a mid-term strategy, we plan to expand human rights impact assessments to overseas sites and suppliers, and we will systematize human rights management performance to promote the substantiality of human rights management. In the long term, POSCO Future M aims to establish itself as a company that leads human rights management at home and abroad. We will operate programs to practice human rights management in cooperation with stakeholders, and we will transparently disclose and manage our human rights management performance through external disclosure materials such as Sustainability Reports and Annual Reports. Based on the human rights management roadmap, POSCO Future M will strive to protect the human rights of all stakeholders and fulfill its social responsibility.



Human Capital

Strategy and Response Measures

Human Rights Impact Assessment

Based on the 11 human rights management areas, POSCO Future M conducts human rights impact assessments to systematically identify and manage human rights risks across its management activities. In accordance with the POSCO Group Human Rights Management Declaration, we continuously strengthen our human rights management system while including in the assessment scope stakeholders who may be vulnerable to human rights risks, such as our own employees, employees within suppliers, and customers.

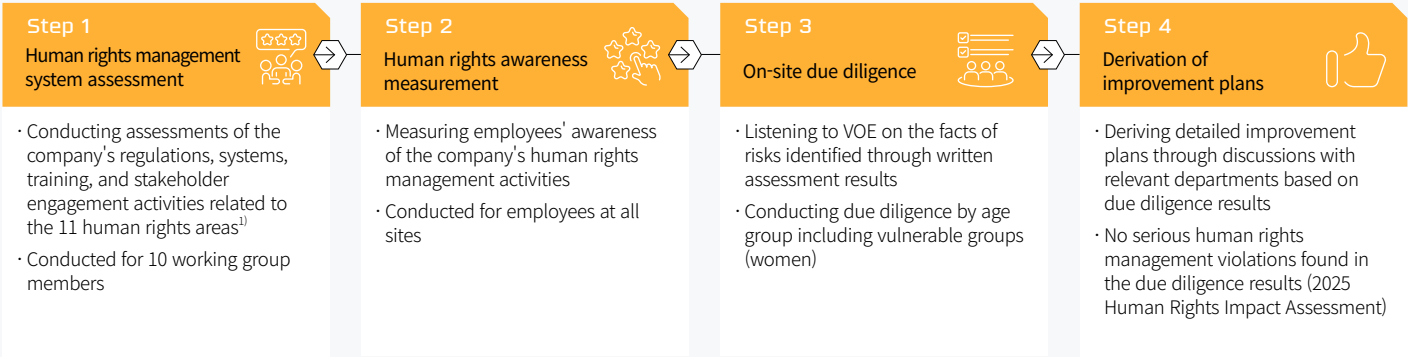
The human rights impact assessment is operated through a process of written assessment, on-site due diligence, and the derivation of improvement plans. In written assessment, we conduct human rights management system assessment and human rights awareness measurement based on a human rights management checklist. In on-site due diligence, we check the facts of risk factors identified during written assessment and listen to employees' direct opinions (VOE) to specifically identify human rights issues. Finally, in the improvement plan derivation stage, we comprehensively analyze the results of written assessment and on-site due diligence to establish improvement directions and derive feasible improvement tasks in cooperation with relevant departments.

Human Rights Risks by Stakeholder

Category	Affected stakeholders		
	Employees	Suppliers	Customers
Establishment of a human rights management system	✓		
Employment discrimination	✓		
Infringement of freedom of association and collective bargaining	✓		
Forced labor	✓	✓	
Human rights violations in the workplace	✓		
Failure to ensure industrial safety	✓	✓	
Insufficient responsible supply chain management		✓	
Customer human rights violations			✓

Human Rights Impact Assessment Process

Written Assessment



1) Establishment of a human rights management system, prohibition of child labor, protection of local residents' human rights, non-discrimination in employment, guarantee of industrial safety, guarantee of environmental rights, prevention of workplace sexual harassment and bullying, protection of consumer human rights, guarantee of freedom of association and collective bargaining, prohibition of forced labor, and responsible supply chain management

Human Capital

Strategy and Response Measures

Human Rights Impact Assessment

As a result of assessing the human rights management system through the working group, we obtained an average score of 94 points based on 136 questions across the 11 human rights management areas, and some items requiring supplementation were identified in the 'Responsible supply chain management' area and linked to improvement tasks. In addition, as a result of conducting a human rights awareness survey of all employees, we recorded an average of 87 points, and questions identified with low scores were derived as items requiring improvement. In on-site due diligence (interviews), based on key opinions such as unnecessary questions and behavior, workplace harassment and human rights violations, and welfare and support, we identified the facts and key content for improving human rights management.

Human Rights Impact Assessment Survey Results

Category	Human rights management system assessment	Human rights awareness measurement
Assessment method	Human rights management checklist (11 areas, 136 questions)	Internal online survey (11 areas, 47 questions)
Participation scale	10 working group members	All employees (1,040 participants, 34% response rate)
Result (out of 100 points)	94 points	87 points
Key items for supplementation	4 items including prevention of partner company human rights violations	Confidentiality of grievance handling procedures and perception of reporting disadvantages

Through this, practical improvement measures such as strengthening grievance handling accessibility, improving organizational culture, strengthening communication capabilities, and supplementing welfare and support systems were derived, and improvements are currently being pursued after reporting to management. In addition, in the first half of 2026, we conducted an effectiveness survey of employees to check the effect of human rights risk improvements and the effectiveness of task implementation. We plan to strengthen our global human rights management system by expanding the scope of human rights impact assessments to overseas sites in the future and to gradually expand human rights impact assessments for suppliers.

Human Rights Risk Improvement Measures and Implementation Status

Category	Human rights risk	2025 improvement measures and implementation status
Employees	Employee human rights	• 9 cases of employee human rights violations • Conducted human rights training for employees (a total of 2,785 completed workplace sexual harassment and bullying prevention training)
	Site safety	• Conducted a total of 1,789 risk assessments • Identified 49,975 hazardous and risk factors and completed mitigation measures for 44 key risks
Suppliers	Site environment	• Conducted environmental consulting for a total of 15 suppliers (remote)
Customers	Personal information leakage	• Operated a complaint handling channel related to personal information (0 cases received) • Reviewing investment in information security projects such as introducing a personal information access history management solution

Activities for Correcting and Preventing Workplace Discrimination and Harassment

Prohibition of Discrimination and Harassment

POSCO Future M operates strict management standards and prevention policies to create a healthy work environment without discrimination and harassment. We prevent problems such as discrimination, harassment, and sexual harassment that may occur in the workplace and thoroughly manage matters so that all employees can receive equal treatment. To this end, we prohibit acts that exclude or disadvantage specific individuals or groups on the basis of gender, age, race, disability, religion, political orientation, region of origin, etc., and we also strictly restrict physical and mental harassment using workplace status or relationships and acts that cause sexual humiliation or disgust. When cases of discrimination and harassment occur, POSCO Future M implements strict measures in accordance with the Employment Rules and continuously strives to ensure that all employees can work in a safe and respected work environment.

Efforts to Prevent Discrimination and Harassment

POSCO Future M regularly monitors human rights-related laws and the latest trends and revises its employment rules to reflect them. In particular, to strengthen the prevention of and response to workplace harassment, we revised the relevant provisions to subdivide the actions to be taken when workplace harassment occurs and operate an organization for its prevention and response.

Human Capital

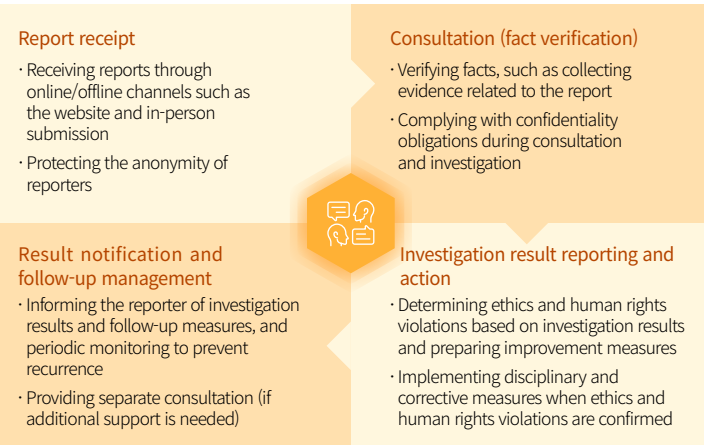
Strategy and Response Measures

Operation of Human Rights Grievance Channels

We operate human rights grievance channels so that all employees can work in an equal and fair environment. Through these, we receive human rights violation cases such as sexual harassment, discrimination, and infringement of freedom of association and conduct thorough investigations and appropriate measures. In this process, we apply the same remedy and recovery procedures not only to employees and suppliers but also to local communities that may be affected by site operations. Reported human rights violation cases are handled by comprehensively reviewing legal standards, the regulations of competent institutions, internal handling practices, and industry cases, and we prepare the optimal remedy with the support of the legal department. In addition, during the investigation, we prioritize the protection of victims, and the details of the damage, handling procedures, and results are kept confidential in accordance with procedures. Cases of violation of the human rights management policy are handled strictly, including HR measures, through the Personnel Committee, and all handling results are managed and stored only by the person in charge.

→ POSCO Future M general human rights violation reporting channel

Grievance Handling Process



Promotion of Diversity, Equity, and Inclusion Activities

To strengthen diversity, equity, and inclusion within the organization, POSCO Future M focuses on creating an environment in which all employees can demonstrate and contribute their abilities, experience, and knowledge. In particular, we strive not to alienate or exclude employees who have difficulty performing their work due to physical or mental disabilities, and we create a work environment in which employees of various genders, generations, and backgrounds can coexist. Specifically, we established and disclosed 3 targets related to the proportion of female managers, including a target to expand the proportion of junior female managers to 11% by 2027, building a mid- to long-term management system to increase the proportion of women and establishing a systematic foundation for developing female talent. In addition, by achieving a 100% return rate of women from parental leave for three consecutive years, we are establishing a women-friendly organizational culture that minimizes career interruptions and supports work-family balance throughout the organization. These DE&I activities are overseen by the Head of the HR Support Office, and their implementation and performance are reflected in and managed through key KPIs. POSCO Future M pursues sustainable management that respects the human rights of all stakeholders.

Expanding Employment of the Socially Disadvantaged

To expand the employment of the socially disadvantaged, we operate active recruitment policies and support systems. We are facilitating the expansion of employment of people with disabilities and collaboration by pursuing office work contracting with POSCO Humans, Korea's first subsidiary-type standard workplace for people with disabilities. In addition, we are developing excellent female talent by selecting additional female employees as Young Board members. Through this, POSCO Future M fulfills its social responsibility and creates an inclusive work environment in which various groups coexist.

Support for Disabled Sports Athletes

To realize the values of diversity and inclusion, we have continuously sponsored a disabled sports team since its founding in April 2020. To support athletes who overcome disabilities and challenge themselves beyond their limits, we regularly provide encouragement funds and gifts and work to boost athletes' morale and improve their performance. As of 2025, a total of 38 athletes are competing in various events at domestic and international competitions. In particular, athlete Kim Hwang-tae became the first Korean to place 10th in the triathlon event at the 2024 Paris Paralympics, showcasing the challenging spirit of disabled sports. In addition, in May 2025, they participated with employees in the 'Ironman Triathlon Festival' held at the Han River, spreading the values of diversity, equity, and inclusion within the organization through challenges that surpass limits.

Human Capital

Strategy and Response Measures

Employee Human Rights Training

To strengthen employees' human rights awareness and spread a culture of respect for human rights, we conduct regular human rights training. At least once a year, we conduct legally mandatory training on workplace harassment prevention, sexual harassment prevention, and disability awareness for all employees, and we also conduct specialized training on the concept and necessity of human rights management, cases of human rights violations, and related laws and industry trends. In particular, in 2025, we explained the meaning and operation of the human rights management system to the internal human rights management working group and provided training on human rights due diligence methodology with working group participation. In the first quarter of 2025, under the auspices of the POSCO Group Human Rights Management Council, we held a special workshop with the law firm Kim & Chang on the importance of and response measures for human rights management and practical-level processes for effective human rights due diligence.

2025 Human Rights Training Status (Unit: hours, persons)

Category	Completion hours	Number of completers
Workplace harassment prevention training	2,785	2,785
Workplace sexual harassment prevention training	2,785	2,785
Workplace disability awareness improvement training	2,745	2,745
2025 Understanding POSCO Human Rights Management	606	2,843

Strategic Talent Recruitment

Talent Recruitment Process

POSCO Future M operates a fair and transparent recruitment process to select talent aligned with the company's vision and ideal talent profile. The recruitment process consists of document screening, aptitude assessment, a first-round job competency assessment, and a second-round value-fit assessment, and through each stage, we comprehensively assess applicants' capabilities and fit with the corporate culture. In addition, to provide practical information to applicants, we post interviews with current employees on our website to enhance understanding of the job and share necessary capabilities and experience. Along with this, we provide recruitment information using various channels such as YouTube, Instagram, and blogs, and we actively provide the information applicants need by holding recruitment information sessions by university.

Early Binding Recruitment System and Core Talent Acquisition Strategy

To preemptively secure future core talent, POSCO Future M operates the 'Early Binding Track' recruitment system. This system is a program that recruits interns from industry-academia partner universities to discover and develop top talent early, and it builds a talent pool through advance-recruitment screening using the industry-academia scholarship system and campus recruiting activities (on-site recruitment sessions and industry-academia joint projects). In addition, we provide practical experience during the internship process and expand opportunities to recruit top talent as full-time employees. Furthermore, by actively participating in various conferences to broaden contact with external talent and strengthen promotional activities, we continuously develop a customized talent acquisition strategy in line with industry changes.

Developing Battery Material Specialist Talent

POSCO Future M develops specialized battery material research personnel by establishing an 'e-Battery Track' master's and doctoral program with GIST, supporting tuition and scholarships and recruiting graduates as R&D and technical personnel after course completion. In addition, beyond GIST, we have established industry-academia cooperation networks with prominent domestic universities such as POSTECH, Yonsei University, Sungkyunkwan University, UNIST, Chonnam National University, and Hanyang University to provide practice-oriented training opportunities such as research projects and internships. Furthermore, through recruitment information sessions and one-on-one in-depth interviews, we enhance understanding of the future and vision of the battery material industry. Going forward, to strengthen technological competitiveness in the battery material field and secure high performer, we plan to continuously expand talent development programs and strengthen investment.

Human Capital

Strategy and Response Measures

Talent Development Program Operation

Degree Acquisition Program

POSCO Future M operates a degree acquisition program for full-time employees to systematically develop core talent for strengthening research and technological competitiveness. We support the Visiting Researcher (VR) program, which dispatches employees to overseas graduate schools and research institutions in steel and energy materials-related fields, global expert courses in the ESG field, the development of management leaders through domestic MBA programs, and the strengthening of practice-oriented technical capabilities through technical colleges and battery and energy specialized training. Through this, employees are growing into talent with in-depth knowledge and a global perspective in their respective fields of expertise. From 2020 to the present, a total of 28 employees have been selected for the program and have completed the training or are in the process. POSCO Future M plans to continuously develop talent with both expertise and leadership to lead future businesses.

Certification Examination Support

POSCO Future M operates a certification (language, professional, etc.) examination support system to support the strengthening of job capabilities and the improvement of expertise of all employees. In particular, for newly appointed expatriates, we support the examination fees and training costs for language certifications in the relevant region to help them smoothly adapt locally. In addition, we actively encourage self-development by additionally providing congratulatory funds to employees who obtain professional certifications. In 2025, a total of 272 employees obtained certifications, and we paid certification acquisition rewards worth KRW 260 million.

Language Training Course Operation

To strengthen employees' global capabilities, POSCO Future M operates language training courses that employees can participate in outside of work hours. We provide conversation-oriented practical curricula for major foreign languages such as English, Japanese, Chinese, and French, and we also operate non-face-to-face training considering shift work teams and regional characteristics. In addition, in 2025, we newly established and operated a Korean language class for the Ultium CAM in Canada. This course was designed to support smooth communication between locally hired employees and Korean employees, and it consists of a program that includes everything from Korean basics to daily conversation and understanding of Korean culture. Through this, we enhance not only employees' foreign language communication skills but also their understanding of overseas cultures, and we actively support the improvement of collaboration capabilities in a global environment.

QSS (Quality, Stability, Safety) Activities

To innovate the organizational atmosphere and enhance corporate competitiveness, POSCO Future M has pursued QSS (Quality, Stability, Safety) activities since 2007. QSS activities are POSCO Group's innovation activities that maximize efficiency by reducing waste in on-site equipment and work from the three perspectives of Quality, Stability, and Safety. Employees selected as 'QSS Improvement Leaders' perform improvement tasks for about four months and strengthen their capabilities as on-site leaders. In addition to performing tasks, they complete various training such as leadership, collaboration and communication, job capability improvement, and reading discussions to improve their capabilities as on-site leaders. In 2025, 40 QSS Improvement Leaders were selected and implemented a total of 37 improvement tasks, creating annual financial performance of approximately KRW 3.2 billion.

2025 QSS Improvement Leader Development and Number of Tasks		
(Unit: persons, cases, KRW million)		
Category	Class of 54	Class of 55
Number of QSS Improvement Leaders	20	20
Number of improvement tasks (number of ESG tasks)	16(7)	21(10)
Financial performance	2,180	1,019

Human Capital

Strategy and Response Measures

Tiered Customized Training

POSCO Future M operates tiered customized training programs to strengthen the expertise and capabilities of all employees, including contract employees. By providing training tailored to the roles and needs of each level, from new employees to senior managers, we support improving work performance and strengthening the organization's competitiveness.

For New Employees

For new employees, we have introduced an OJT (On-the-Job Training) management system and apply a systematic operation method to identify the status of training progress in real time and receive feedback from managers. In addition, when new employees join, we designate a mentor within the department to operate OJT and support them in quickly adapting to the organization.

For On-site Leaders

We hold a 'Future Leaders Camp' for on-site leaders to strengthen leadership and organizational management capabilities. In addition, through training on various topics such as systems and labor law, daily management, issue resolution, and value establishment, we support effectively managing employees with different backgrounds and experiences and inducing smooth collaboration.

For Executives and Senior Managers

For executives and senior managers, we conduct training that strengthens leadership, innovation, and decision-making capabilities for the strategic operation and sustainable growth of the organization. We operate various training programs such as PIUM (POSCO Insight Forum), POSCO Group-level training for the executive and leader tier, through which we support systematically developing management strategy and organizational management capabilities in line with the changing industrial environment.

In particular, in 2025, we operated 'Management Mind Plus Training' for executives and managers, focusing on sharing the importance of change and innovation and internalizing a management philosophy that pursues both employee happiness and the company's continuous growth. Through this training, management had the opportunity to reflect on their roles and responsibilities as leaders while raising awareness of organizational change.

Job Competency Development Training

Rechargeable Battery Materials Job Training

To strengthen the basic job capabilities needed to carry out the rechargeable battery materials business, we operated rechargeable battery materials job training (theory/practice) for new employees and employees who wish to improve their capabilities in the relevant field. This course includes content essential for business execution, from basic knowledge of cathode and anode materials to production processes, equipment, and quality enhancement. In 2025, 24 employees participated in the basic course and 21 in the advanced course of the rechargeable battery materials academy. Based on this training, we strengthened specialized knowledge of products, which led to positive results such as winning new business and improving customer satisfaction.

2025 Key Job Competency Development Training Status (Unit: persons)

Category	Number of completers
Rechargeable battery core theory	17
Rechargeable battery materials basic job training (theory)	275
Rechargeable battery materials basic job training (practice)	291
Rechargeable battery materials academy (basic)	24
Rechargeable battery materials academy (electrical/mechanical)	12
Rechargeable battery materials academy (process)	9

Ultium CAM

Ahead of the operation of the Cathode Materials Plant in Canada, POSCO Future M invited 24 key local personnel from its joint venture Ultium CAM to Korea for three weeks of systematic training as part of global talent development. The training took place at the POSCO Group University and the Pohang Cathode Materials Plant, and consisted of common training, job skills training, safety training, and cultural experiences. Through common training, we shared POSCO Group's vision and business strategy and enhanced understanding of organizational culture and identity. In job training, they learned practice-oriented skills such as cathode material processes, equipment maintenance, and quality analysis. In addition, they enhanced their understanding of Korean culture through visits to Gyeongju historical sites and a Seoul cultural tour. Through this, the local personnel were able to enhance their capabilities for producing high-quality cathode materials.

Human Capital

Strategy and Response Measures

Retiree Support Program

To support the stable future planning of those scheduled to retire at the mandatory retirement age, we operate a GLD (Green Life Design) course. In line with the era of living to 100, we provide customized training programs so that they can proactively prepare for life after retirement. We operate practical reemployment and retirement planning support courses such as life design workshops, career design workshops, and couple workshops to help them seek new opportunities after retirement. In 2025, we conducted post-retirement financial training for 38 employees scheduled to retire and provided various programs to prepare for reemployment.

Transition Response Training Program Operation

DX Basic Training for All Employees

POSCO Future M continuously strengthens work efficiency and on-the-job expertise through phased DX (Digital Transformation) training. This training consists of a total of three stages: in the Stage 1 basic course, we conducted training for all employees centered on understanding DX concepts and AI trends. In the Stage 2 intermediate course, we operated customized training by job group with the goal of strengthening the ability to use AI tools such as Minitab, Python, and ChatGPT, and in the Stage 3 advanced course, we enhanced practical application capabilities for some employees through training centered on performing on-the-job tasks based on Python and machine learning. Through this, we are raising the level of company-wide digital capabilities and establishing a foundation to promote work innovation in each department.

Welfare

Customized Work System

POSCO Future M operates various welfare systems beyond legal standards for employees, such as childbirth, childcare, work-family balance, and health support. In particular, to enhance work-family balance and work efficiency, we have introduced autonomous work systems such as staggered commuting, telecommuting, and flexible work, increasing employee satisfaction, and we also operate a flexible work system that allows early leave on Fridays by adjusting working hours.

We operate a workplace daycare and on-site nursing facilities, and provide parental leave of up to 2 years (52 weeks of which are paid) and 20 days of childbirth leave for the Primary Caregiver and Non-primary Caregiver. In addition, we provide direct financial support by paying childbirth incentives upon childbirth, and we also operate a special leave system for special situations such as infertility treatment and miscarriage. POSCO Future M's various welfare systems are applied equally to all employees, and in recognition of these efforts, we have obtained and maintained Family-Friendly Company Certification organized by Ministry of Gender Equality and Family since 2016.

POSCO Future M Welfare System

Category	System	Key details
Childbirth	Infertility treatment	• Infertility treatment costs reimbursed at KRW 1 million per session (up to 10 sessions)
	Infertility/miscarriage/stillbirth leave, childbirth incentive	• Paid infertility treatment leave, leave granted for the health of employees who experience miscarriage or stillbirth during pregnancy • Childbirth incentive paid upon childbirth (KRW 3 million for the first, KRW 7 million for the second, KRW 10 million for the third or more)
Childcare	Parental leave	• Parental leave of up to 2 years provided to both male and female primary caregivers
	Workplace daycare, nursing facilities	• Operating 1 independent facility and 4 POSCO Group joint facilities (1 in Pohang, 1 in Gwangyang, 2 in Seoul) • Female employee lounges that also serve as nursing rooms provided at each site
Work-family balance	Family care	• Family care leave (10 unpaid days) • KRW 2 million annually for family members with disabilities
	Reduced working hours during pregnancy and childcare periods	• Female employees within 12 weeks or after 32 weeks of pregnancy may reduce working hours by up to 2 hours per day * High-risk pregnant employees: entire pregnancy period • Male and female employees with children aged 12 or younger may reduce working hours to 15-35 hours per week
	Flexible working hours system	• Operating a flexible and efficient working hours system according to employees' life patterns
	Telecommuting	• Male and female employees with children aged 8 or younger may telecommute full-day or half-day
Health support	Comprehensive checkup, medical expenses	• Comprehensive health checkups supported for the employee, spouse, and parents, and leave (1 paid day) granted • Medical expenses supported within a limit of KRW 8 million
	Group accident insurance enrollment	• Enrollment in insurance for various diseases and death
Other	Anniversary gifts	• Gifts provided for the employee's birthday or wedding anniversary
	Gym operation	• Operating gyms at the Pohang, Gwangyang, and Sejong sites

Human Capital

Strategy and Response Measures

Regular Performance Evaluation

MBO (Management by Objectives)-based Evaluation

POSCO Future M operates an MBO (Management by Objectives)-based performance evaluation system to effectively manage employees' goal achievement and the organization's performance improvement. Every year, all executives and those in leadership positions set performance goals considering the characteristics of their work, regularly check goal achievement, and manage performance. We have created an environment in which general employees can actively participate in evaluation by continuously submitting their own work performance linked to the goals of their department. Through this, evaluatees receive frequent feedback from evaluators, strengthening evaluation-related communication and establishing a performance-centered organizational culture.

Multi Faced Evaluation (360° Evaluation)

POSCO Future M conducts Multi Faced Evaluation (360° Evaluation) to evaluate employees' collaboration capabilities and leadership. It is an evaluation method that comprehensively reflects feedback from various evaluators, such as peers, superiors, and subordinates, to diagnose an individual's work performance, collaboration capabilities, communication style, and leadership from multiple angles. Through this, we can objectively analyze an individual's strengths and areas for improvement and support more effective capability development and growth within the organization. POSCO Future M designs and operates multi-rater evaluation metrics considering the rank and job characteristics of those being evaluated.

Team-Based Evaluation

POSCO Future M operates team-based performance evaluations as well as individual performance evaluations. Every year, we set goals for each team and evaluate goal achievement at the end of the year. Through this, we promote communication and collaboration within the organization while strengthening the sense of responsibility and motivation of individual employees to achieve team-level goals. In addition, based on performance evaluation results, we analyze the strengths and areas for improvement of each team to build a more effective collaboration environment and establish a performance-centered organizational culture.

Agile Organization Performance Evaluation

To enable rapid and flexible performance evaluation, we apply the Agile organization performance evaluation method. Unlike the method of evaluating work performance all at once at the end of the year, based on a 'On-Demand Performance Registration System', that registers performance at all times throughout the year, we operate evaluations that continuously check the contributions of individuals and the organization in a rapidly changing environment and maximize performance through rapid feedback. Through this, the performance of projects or R&D tasks operated in the form of TFTs separately from organizational goals can also be registered at all times, so we objectively evaluate an individual's role and contribution and comprehensively consider communication and collaboration capabilities during task execution.

Enhancing Performance Evaluation Fairness and Acceptance

To enhance the fairness of performance evaluation and employees' acceptance of it, we are creating a transparent performance evaluation culture. POSCO Future M conducts performance management training for evaluators to increase the objectivity of evaluation and transparently provides feedback on performance evaluation results. Going forward, POSCO Future M will pursue various efforts to establish a flexible and fair performance evaluation culture, such as introducing a continuous feedback system and continuously improving evaluation metrics.

Performance Evaluation Methods and Frequency

Category	Frequency
MBO-based evaluation	Once a year
Multi Faced Evaluation (360° Evaluation)	Once every two years
Team-Based Evaluation	Once a year
Agile Organization Performance Evaluation	As needed

3-Year Performance Evaluation Results

Category	2023	2024	2025
Number of employees subject to regular performance evaluation	759	818	877
Male	657	700	747
Female	102	118	130
Number of employees who received regular performance evaluation	728	805	841
Male	631	688	722
Female	97	117	119

Human Capital

Strategy and Response Measures

Employee Compensation and Incentive System Operation

Performance Compensation System

POSCO Future M operates a compensation (performance pay) system linked to performance evaluation to fairly compensate employees for their performance and efforts. Variable pay is determined by reflecting an individual's work performance, and we continuously improve the compensation system to operate it more fairly and reasonably. In addition, we distribute excess profits from management performance to employees to increase work motivation and drive organizational performance. As a principle, base pay is increased every year for employees' livelihood stability, and the increase rate is set by comprehensively considering internal and external economic conditions, market conditions, and business performance.

Employee Stock Ownership Plan

POSCO Future M operates an Employee Stock Ownership Plan to boost employees' work motivation and increase work engagement. POSCO Future M employees are eligible for the Employee Stock Ownership Plan and the employee stock purchase plan regardless of employment type, and as of December 31, 2025, the total shares distributed through the Employee Stock Ownership Plan were 2,308,729 shares (2.60% ownership). Going forward, POSCO Future M will operate the Employee Stock Ownership Plan to support employees in directly participating in the company's performance and pursuing long-term mutual growth.

Employee Stock Ownership Plan Operation Status (As of December 31, 2025)

Number of shares owned	Share ownership ratio	Number of eligible employees	Number of eligible full-time employees	Number of eligible contract employees	Total number of members
2,308,729 shares	2.60%	2,899 persons	2,748 persons	151 persons	2,775 persons

Retirement Pension System

We operate a retirement pension system so that employees can maintain a stable life after retirement. POSCO Future M's retirement pension system is basically operated as a defined benefit (DB) type, and employees with a tenure of one year or more can switch to a defined contribution (DC) type. In addition, we conduct product training for retirement pension subscribers to increase their understanding of the system and support them in securing financial stability after retirement.

Long-term Performance Compensation System

POSCO Future M operates a stock compensation system for high-performing employees. In conjunction with HR evaluations, we select high performers and provide company stock to encourage long-term performance creation. However, in 2025, we operated the system by paying incentives in cash instead of stock compensation. In addition, we introduced a 'professional incentive system' for employees holding professional qualifications such as lawyers and patent attorneys to enhance compensation for professional personnel and strengthen motivation. In particular, for lawyers, we reflect long-term contributions and drive sustained performance by paying incentives in installments. Through this, we support the stable retention of excellent professional personnel and promote the mutual growth of the organization and individuals. Meanwhile, to more systematically link executives' mid- to long-term performance and compensation, we established an executive long-term incentive system from 2026 and also operate a Clawback system. Through this, by linking performance and compensation from a long-term perspective, POSCO Future M aims to encourage the continuous motivation of high performers and responsible performance creation and strengthen the foundation for the organization's mid- to long-term growth. For the executive compensation system and Clawback policy, please refer to p. 17 of this report.

Guarantee of Minimum Wage and Living Wage

To guarantee employees' basic standard of living, we pay wages above the minimum wage that the government announces every year in accordance with the Constitution. Furthermore, we maintain a competitive compensation system by comparing actual wages paid with the living wage level set by the 'Living Wage Committee' of each local government where our sites are located. The living wage is calculated by comprehensively considering regional household balance, inflation rate, private education costs, leisure costs, and ordinary income, and POSCO Future M reflects this to provide employees with a more stable wage level. In addition, employees' wages are paid monetarily on a set date each month, and we provide pay statements that include the total amount paid, such as base pay and overtime allowances, and deduction details such as taxes and public charges, union dues, and social security insurance.

2025 Wage Payment Status by Key Site¹⁾ (Unit: KRW)

Category	Legal minimum wage	Regional living wage ²⁾	Actual wage paid (average)
Pohang Headquarter	10,030	11,670	27,432
Seoul Site	10,030	11,779	30,480
Sejong Site	10,030	11,795	26,785
Gwangyang Site	10,030	11,930	26,814

1) Regions where POSCO Future M operates its business
2) Wages confirmed and announced by the 'Living Wage Committee' of each local government where each company's key sites are located

Human Capital

Strategy and Response Measures

Wage Gap Monitoring and Measures

POSCO Future M calculates base pay equally by rank and years of service according to a standard wage model and does not differentiate its pay system by gender or site. Beyond pay, we do not discriminate in working conditions or provide unfavorable treatment without reasonable grounds on the basis of gender, marriage, pregnancy, childbirth, etc. In addition, wages are determined according to objective and reasonable criteria, and differences are made only when there are clear grounds such as career, years of service, and working hours.

In addition, POSCO Future M pursues various improvement activities to prevent wage gaps. Before paying wages each month, we monitor whether wage differences arise for each employee, and when wage differences beyond reasonable criteria are found, we implement active improvement measures to maintain a fair compensation structure.

Working Hours and Overtime Compensation Management

We stipulate employees' basic working hours as 8 hours per day (excluding lunch time) and 40 hours per week, and wages are paid based on the monthly prescribed working hours of 243 hours. When all prescribed working days in a week are worked, Saturday is treated as a paid holiday. In compliance with statutory overtime hours, up to 52 hours per week is possible, and when special circumstances arise such as unexpected situations or increased workload, overtime and holiday work may be permitted with the consent of the employee and the authorization of the Minister of Employment and Labor. Allowances for overtime and holiday work are paid in accordance with the Labor Standards Act according to working hours, and working hours are automatically managed through the site access management system.

Organizational Culture Assessment (Organizational Wellness Survey)

POSCO Future M identifies employees' job satisfaction and engagement through regular organizational culture assessment. From 2024, we changed the name of the existing P-GWP (POSCO-Great Work Place) survey to the 'Organizational Wellness Survey' and advanced the survey questions and evaluation system. The Organizational Wellness Survey consists of items covering employees' overall company life, such as job satisfaction, motivation, work processes, happiness, and empathy for the organization's direction and goals. In the 2025 Organizational Wellness Survey, 69% of all employees participated, and the positive response rate was 67%, a decrease of 4%p compared to 2024 (64% participation rate, 71% positive response rate).

In 2025, based on the 2024 survey results, we pursued organizational culture activities to improve 3 of the 14 areas (improving communication methods, creating a culture of cooperative and harmonious teamwork, diversifying welfare systems, etc.). Going forward, POSCO Future M will listen to employees' opinions through regular organizational culture assessment and derive improvement measures to create an innovative corporate culture.

Organizational Wellness Survey Questions



Employee engagement level

- I am proud to work at our company.
- Our company is an organization that motivates me to go above and beyond for the organization.



Respect and recognition

- I am treated with respect at work.
- I receive recognition for my good performance



Career development/learning opportunities

- My direct supervisor supports my growth and career development.
- I have opportunities to learn and develop at our company.

Young Board

POSCO Future M operates the 'Young Board' system to reflect the creative ideas of the younger generation in management activities and create a communication-centered organizational culture. In this system, a total of 12 employees, regardless of job group or gender, participate to freely share opinions on the company's development direction and convey them to management. Through this, various ideas were derived, such as an internal FA system (activating internal recruitment when departmental openings arise) and an internal newsletter (sharing materials that provide information on quarterly management performance and key board resolutions), and some ideas have been reflected in and operated as actual systems. Going forward, POSCO Future M will pursue continuous innovation and organizational culture improvement based on horizontal and open communication.



2025 Young Board

Human Capital

Strategy and Response Measures

Labor-Management Council

POSCO Future M respects employees' basic rights, namely the right to organize, the right to collective bargaining, and the right to collective action, and complies with the Constitution and related laws. We transparently provide relevant information, such as bargaining requests, so that these rights are clearly communicated to all employees and, in particular, so that rights such as freedom of association can be freely exercised. In addition, we clarify the principle of not imposing any discrimination or disadvantage on the basis of union membership and activities.

2025 Labor-Management Council Operation Status

Category	Key consultation agenda details
Q1	• Expansion of the application deadline for housing fund loans
Q2	• Increase in childbirth incentives
Q3	• Increase in childbirth incentives • Increase in the limit of children's tuition • Change in work arrangements for the Energy Materials Division
Q4	• Granting an opportunity to convert the children's tuition system • Change in handover time for shift work

To maintain smooth labor-management relations, we hold regular labor-management councils and actively gather employees' opinions on working conditions, the HR system, welfare, etc. The labor-management council is an official channel for communication and consultation between labor and management, and an official participation channel in which all employees can participate and present opinions regardless of union membership. It plays an important role in simultaneously promoting the improvement of the work environment and the company's sustainable growth, and when matters such as congratulations and condolences and tuition welfare are included, all employees except independent directors are subject to the labor-management council agenda.

Activating Labor-Management Communication

Town Hall Meeting

To share business issues and the direction of organizational operations with employees and strengthen communication with management, in 2025 POSCO Future M held a town hall meeting attended by 37 employees of the Energy Materials Marketing Office. This meeting was operated as an employee gathering in a panel dialogue format along with a tour of the exhibition space, and participants freely shared opinions on various topics such as difficulties in performing work, the organizational atmosphere, and improving the collaboration structure. Management directly listened to employees' opinions and shared feedback, enhancing mutual understanding and strengthening communication. Going forward, POSCO Future M plans to expand dialogue between management and employees through employee-participatory communication programs and continuously strengthen an organizational culture based on trust and collaboration.

Midsummer Empathy Talk

To strengthen field-centered communication with employees, in 2025 POSCO Future M operated 'Midsummer Empathy Talk' a total of 9 times. This program was conducted at all sites, and it was an occasion where the President directly visited sites and departments to meet employees and listen to the voices of the field. At each site, management and employees formed a consensus through free dialogue, emphasizing the importance of practical ideas for process improvement, field-centered problem solving, and the prevention of safety accidents. Through these empathy talks, POSCO Future M aims to continuously strengthen its communication culture by reflecting field opinions in management.

Human Capital

Metrics

Human Rights Grievance Channel Operation Performance

POSCO Future M receives human rights-related grievances from all stakeholders, including employees, through the 'human rights grievance channel.' We receive consultations and reports on various human rights issues arising at the company, business companies, and supply chain, such as non-discrimination in employment, the guarantee of freedom of association and collective bargaining, the prohibition of forced and child labor, human rights violations due to non-compliance with industrial safety, human rights violations within the supply chain, human rights violations of local residents (including indigenous people), violations of environmental rights, and consumer human rights violations, and we guarantee the protection of reporters' confidentiality.

2025 Human Rights Grievance Receipt and Handling Status (Unit: cases, %)

Category	Number of reports	Number handled	Handling rate
Discrimination and harassment	12	12	100
Sexual harassment	2	2	100

Human Rights Risk Improvement Measure Effectiveness Evaluation

To check the effectiveness of measures during the process of implementing improvement activities after the human rights impact assessment conducted in 2025, in March 2026 POSCO Future M conducted an 'Remediation Effectiveness Survey' for all employees at domestic sites. This survey was composed around key improvement items aimed at mitigating human rights risks, such as supplementing the grievance handling system, improving communication culture, spreading horizontal relationships and respect for people, and improving organizational trust and satisfaction, and was conducted online for employees at domestic sites. A total of 833 employees responded to the survey, and awareness of improvement activities overall was at an average of 80 points on a 100-point scale, confirming that measures to prevent and mitigate human rights risks are generally recognized.

In addition, through free opinions, the need for additional improvement in some areas was also derived, which we plan to use as reference material for future human rights risk management and the supplementation of improvement tasks.

Employee Training Program Effectiveness Evaluation

To systematically verify the effectiveness of labor training for on-site leaders, POSCO Future M conducted an training effectiveness evaluation in the second half of 2025. It was conducted in a written test format for 211 training completers and consisted of a total of 10 questions reflecting training content such as labor laws, workplace harassment, and labor policy. As a result of the evaluation, the average score was 12.2 points (out of 15 points), confirming that they generally understood the training content appropriately. By site, most showed similar levels of scores, and no personnel fell under the failing criterion (below 11 points). The training department evaluated that the training effect was confirmed in that overall stable results were derived despite the evaluation including killer questions. In addition, through the opinions of on-site leaders and managers, positive evaluations were confirmed that this training provided practical help in alleviating the labor management burden of on-site leaders and enhancing employee management capabilities. Based on this, the company plans to review and pursue follow-up improvement measures such as sharing training materials and expanding the cycle of labor training to further strengthen the continuity and effectiveness of training.

Target

Human Rights Management Mid- to Long-term Targets

To strengthen the effectiveness of human rights management, POSCO Future M establishes specific quantitative indicators and targets and manages them systematically. The scope of human rights impact assessment implementation is measured as the ratio of sites and target scope where assessments were conducted, and the human rights management training completion rate is defined and measured as the ratio of employees who completed human rights management training to all employees. The number of human rights improvement activities is managed as the number of campaigns and projects conducted to prevent human rights risks and improve organizational culture, the human rights due diligence compliance rate as the ratio of completed improvement measures for human rights risks identified through human rights due diligence and human rights impact assessments, and the human rights impact assessment participation rate refers to the ratio of human rights impact assessment participation to all employees. As of 2025, our human rights management training completion rate was 98.4%, human rights improvement activities reached 5 cases, the human rights due diligence compliance rate was 57% (conducted at domestic sites in 2025, planned for overseas sites in 2026), and the human rights impact assessment participation rate was 34%. We aim to gradually achieve 100% in the scope of human rights impact assessment implementation, the human rights management training completion rate, and the human rights due diligence compliance rate by 2030, and we plan to complete a global-level human rights management system. Detailed targets are as shown in the left table on p. 83.

All human rights management targets are confirmed after review and approval by the ESG Committee, and the dedicated human rights management department checks the implementation status against targets on a semiannual basis and supports management's decision-making. Training completion status is aggregated semiannually, and improvement activity performance is monitored quarterly. In addition, we conduct human rights impact assessments once a year to check the implementation rate of improvement measures, and we promote continuous improvement activities by analyzing the results of human rights status surveys to derive implications and then reporting them to management.

Human Capital

Target

Human Rights Management Mid- to Long-term Targets

Human Rights Management Mid- to Long-term Targets (Qualitative/Quantitative)

Category	Qualitative target	Quantitative target
2026	- Establishment of a human rights management system (including policy establishment) - Human rights and organizational culture improvement campaigns - Pursuit of system improvement activities	- Human rights and organizational culture improvement campaigns : Once a quarter - Human rights management training completion rate: 95% or higher
2028	- Advancement of human rights guidelines (linked to human rights management performance management) - Expansion of human rights impact assessments and improvements (domestic → overseas, suppliers) - Strengthening listening to employee opinions and feedback	- Regular implementation of effectiveness evaluation for human rights awareness improvement: Once a year - Human rights management training completion rate: 100%
2030	- Regularization of human rights management activities and strengthening of Sustainability Report disclosure - Sharing human rights management performance and company-wide expansion	

Diversity Promotion Targets

POSCO Future M establishes and systematically manages quantitative targets related to workforce diversity so that employees with diverse backgrounds can grow based on fair opportunities. We strengthen the effectiveness of diversity management by setting measurable indicators such as the proportion of female employees and managers and presenting targets relative to 2025 performance.

We have set targets to achieve a female employee proportion of 13.6% by 2035, a female manager proportion of 6.53% by 2030, and a female junior manager proportion of 11.0% by 2027, and we also plan to establish mid- to long-term targets for other diversity indicators, such as the proportion of female top managers, the proportion of female talent in STEM jobs and revenue-generating departments, the employment rate of people with disabilities, and the proportion of foreign employees, and gradually expand them. Through this, we aim to build an inclusive organizational culture in which various elements of diversity are reflected in a balanced way, and detailed performance and targets can be found in the table below.

Diversity Management Targets¹⁾

Diversity indicator	2025 Performance	Target	
		Target year	Target value
Female employee proportion	7.07%	2035	13.6%
Female manager proportion	3.88%	2030	6.53%
Female junior manager proportion	9.02%	2027	11.0%

1) Based on the '2026 Affirmative Action Implementation Plan,' 2025 performance may differ from Factbook data

Education and Training Mid- to Long-term Targets

POSCO Future M operates the RUN (Rise·Unite·Navigate) program to strengthen managers' leadership capabilities and organizational operation capabilities, and the program sets regular operation twice a year as a mid- to long-term target. The RUN program consists of core training programs for enhancing responsiveness to changes in the management environment, strengthening communication and collaboration within the organization, and securing future competitiveness.

R

Rise

U

Unite

N

Navigate

Future Leaders Camp

- Purpose of strengthening manager leadership capabilities by semiannual key management issues and strategies, overcoming management crises, and by growth stage
- Sharing company strategic direction
- Internalizing the way of working that executives must observe (Executive Leadership Manifesto)
- Target of regular operation twice a year for all managers

Bridge Letter

- Purpose of strengthening information sharing and communication between the company and employees (established in 2026)
- Delivering management status, system improvements, and key issues through a newsletter
- Operating a bimonthly distribution system (target of expanding from 3 to 6 times a year)
- Enhancing company-wide communication foundation and organizational understanding

DX Training

- Purpose of securing basic DX capabilities for all employees and gradually developing experts
- Operating an introductory-basic-advanced staged training system
- Target of expanding basic DX capabilities for all P/R job group employees (608 people) and developing 18 DX experts at the office level in 2026

Supply Chain

Management System

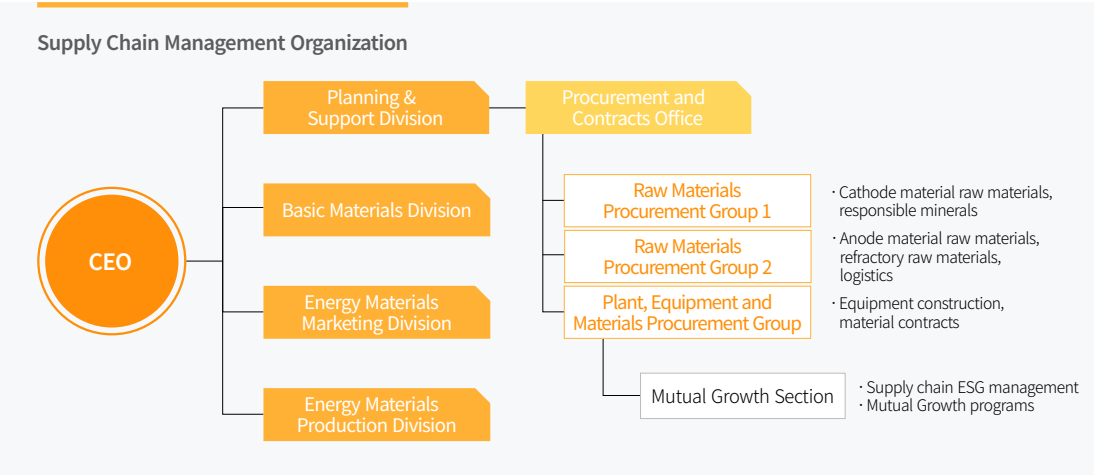
Organization

Management Oversight and Roles

To create a sustainable supply chain, the Head of Procurement and Contracts Office identifies and manages suppliers' financial and non-financial risk factors. In addition, the Head oversees the overall promotion strategies and programs for mutual growth with suppliers. The KPIs of the Head of Procurement and Contracts Office include key supply chain management activities such as conducting supply chain ESG risk assessments and deriving and implementing improvement tasks, and the performance is linked to incentives and annual salary.

Dedicated Supply Chain Management Organization

The Mutual Growth Section under the Procurement and Contracts Office is responsible for POSCO Future M's supply chain ESG risk management and mutual growth program operation and plays a key role in building a sustainable supply chain. In addition to supply chain ESG risk diagnosis and due diligence, it helps strengthen suppliers' capabilities by providing financial and technical support, training, and consulting to suppliers. POSCO Future M regularly evaluates the KPIs of Mutual Growth Section practitioners by reflecting the mutual growth index, supplier diagnosis and due diligence ratio, etc., building an efficient supply chain management system.

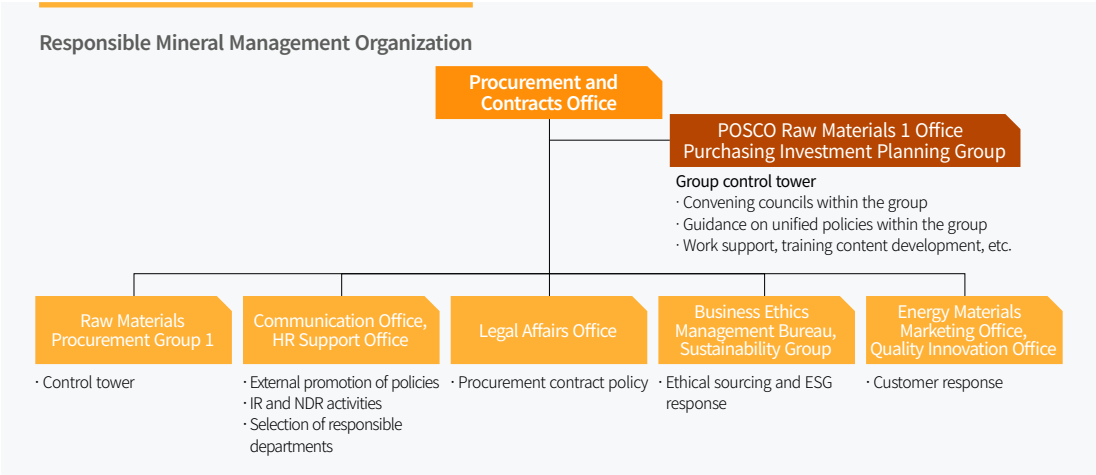


Supply Chain Management Council

POSCO Group operates a group-level supply chain management council to build a sustainable supply chain. Executives in charge of the procurement departments of each business company, such as POSCO International and POSCO E&C, participate in the council to discuss group-level supply chain strategies, key issues, and risk management measures. At POSCO Future M as well, the Head of Procurement and Contracts Office participates in the council and reflects it in our supply chain strategy after completing education and training to strengthen supply chain ESG risk response capabilities. In 2025, through the council, we discussed the finalized EU supply chain due diligence directive, changes in the global procurement environment, and group-level response measures for supply chain strategy, and shared our responsible mineral management status. Based on this consultation and information sharing, POSCO Future M is enhancing its supply chain management expertise and strengthening its response capabilities for building a sustainable supply chain.

Dedicated Responsible Mineral Management Organization

POSCO Future M's Procurement and Contracts Office is in charge of overall responsible mineral management, and since 2021 it has established and operated a 'Responsible Minerals Council' together with relevant departments such as the Business Ethics Management Bureau, the Sustainability Group, the Legal Affairs Office, the Communication Office, and the HR Support Office. Through this, we strengthen the responsible mineral management system and respond quickly to stakeholder demands. The Raw Materials Procurement Group 1, as the control tower of responsible mineral management, oversees the overall process such as policy establishment and the preparation of response guidelines, and the Legal Affairs Office reflects responsible mineral-related requirements in raw material purchase terms. The Business Ethics Management Bureau is responsible for establishing ethical sourcing principles, the Sustainability Group is responsible for the disclosure of this report, and the Communication Office and HR Support Office carry out responsible mineral-related external communication and internal personnel management. The Energy Materials Marketing Office and Quality Innovation Office are responsible for customer audits and due diligence responses. Based on this company-wide collaboration system, POSCO Future M manages responsible mineral risks and realizes sustainable mineral procurement.



Supply Chain

Policy Establishment

Supply Chain ESG Management Policy

To build a sustainable supply chain, POSCO Future M establishes and systematically operates supply chain ESG management policy. This policy present specific guidelines for us to manage supply chain ESG, such as checking compliance with the Supplier Code of Conduct, reviewing procurement contract ESG risks, the supply chain ESG risk management process, and improving supply chain ESG capabilities. Based on this ESG management system, POSCO Future M practices environmental and social responsibility across the supply chain and establishes fair trade practices, continuing its efforts to build a sustainable supply chain.

→ POSCO Future M Supply Chain ESG Management Policy

Supplier Code of Conduct

POSCO Future M's Supplier Code of Conduct was developed based on the Universal Declaration of Human Rights, ILO fundamental conventions, and RBA (Responsible Business Alliance) standards, and requires the application of stricter standards when the laws of the country where the supplier is located and the requirements of the code of conduct differ. The code of conduct consists of key items in the environment (climate change, biodiversity, etc.), society (human rights, safety and health, etc.), and governance (ethics and compliance, anti-corruption, information security, etc.) that suppliers must comply with.

In addition, the code of conduct clearly includes key labor standards that suppliers must follow, such as paying additional wages above the statutory standard for overtime and complying with maximum weekly working hours in line with ILO standards. POSCO Future M specifies the obligation to comply with the code of conduct in standard contracts to require all suppliers to implement it, and operates a management system for building a sustainable supply chain.

→ POSCO Future M Supplier Code of Conduct

Revision of Registration Standards Linked to the Supplier Code of Conduct

POSCO Future M regularly revises the Supplier Code of Conduct by continuously monitoring domestic and international supply chain-related laws and regulations, government policy directions, and ESG management trends within the industry. When provisions and requirements within the Supplier Code of Conduct are revised, we link them with purchasing practices, such as reflecting them in supplier pool composition, registration, and evaluation indicators. In addition, in line with revisions to the Supplier Code of Conduct, we periodically adjust ESG risk diagnosis and due diligence standards and also check whether suppliers comply with the standards and implement ESG risk improvement measures.

Responsible Minerals Policy

POSCO Future M established a Responsible Minerals Policy in 2024 with the approval of the CEO. This policy recommends complying with OECD Due Diligence standards and using only raw materials procured through RMI/RMAP-certified smelters when procuring high-risk minerals such as 3TGs (tin, tantalum, tungsten, gold) and cobalt. In accordance with this policy, POSCO Future M recommends obtaining RMAP certification when concluding contracts or registering new suppliers and restricts the inclusion of raw materials from regions designated by us as subject to risk management. In addition, to apply the Responsible Minerals Policy consistently across the entire supply chain, we strengthened the Supplier Code of Conduct standards. We provide training and capability-building programs when suppliers have difficulty providing the data needed to implement the above policy. However, if they intentionally provide false data or do not implement improvement measures, we may suspend transactions with the relevant supplier.

→ POSCO Future M Responsible Minerals Policy

Key Requirements of the Supplier Code of Conduct

Category	Key requirements
Raw material management	Establishing a policy to exclude raw materials from artisanal and small-scale mining (ASM) companies in high-risk areas and reporting improvements
Supply chain transparency	Identifying mine information, origin, and ethical risks within the supply chain and complying with our Responsible Minerals Policy
Information disclosure	Timely submission of conflict minerals and responsible mineral reporting questionnaires and propagation of policies to upstream suppliers
Compliance with international norms	Compliance with international standards such as EU Battery Regulations, UN Global Compact, and OECD RBC, and risk management

Supply Chain

Management Activities

Strategy and Response Measures

Supply Chain Screening and Monitoring

Reflecting ESG in Supplier Registration Review (Preferred)

POSCO Future M conducts a comprehensive evaluation including ESG factors in the registration process of all suppliers. Evaluation criteria include not only management performance, quality, and financial soundness but also ESG factors such as environment, safety and health, and ethics. In particular, we grant additional points and register suppliers in the supplier pool when (1) the comprehensive evaluation score including ESG factors is excellent, (2) they hold international certifications related to safety, health, and environment such as ISO and OHSAS, or (3) the results of checks on overall management such as environmental management, safety and health regulations, and labor-management relations are good. In addition, to give preference to companies that practice social responsibility, we operate a purchasing preference system for socially responsible companies. We provide benefits such as incentives in bidding, relaxed supplier registration requirements, and additional points in evaluation for social enterprises, companies for people with disabilities, self-support companies, family-friendly certified companies, and companies with a confirmed accident-free 3-year industrial accident rate. Suppliers registered in the supplier pool are given the opportunity to participate in bids for POSCO Future M-ordered projects, and we do not restrict or discriminate against the opportunity to participate in bids without justifiable reasons.

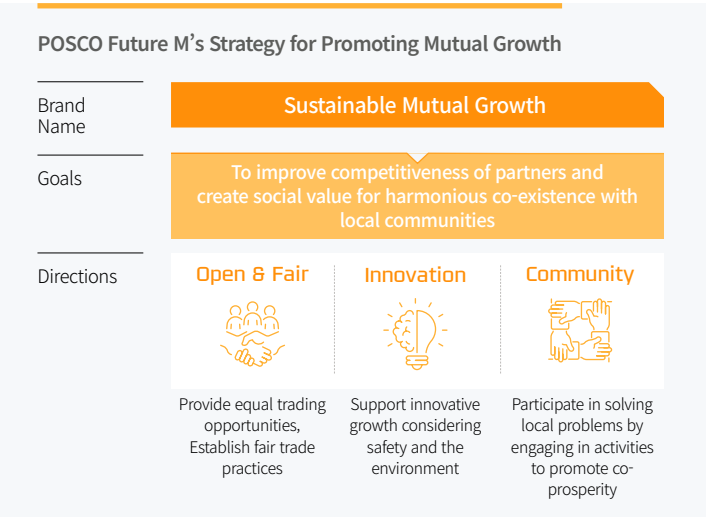
Actions Taken Against Suppliers with Major ESG Violations (Exclusion)

We apply strict management procedures to suppliers that do not comply with our Supplier Code of Conduct. When serious problems related to ESG factors such as environment, labor and human rights, safety and health, and ethics are found or there is no possibility of improvement, we exclude the relevant supplier from transactions. In addition, when (1) a violation of the minimum standards required by the Supplier Code of Conduct is found, (2) a serious legal obligation is violated, or (3) an implementation plan for improvements derived from regular ESG risk diagnosis and due diligence is not established or implemented, POSCO Future M takes active measures such as restricting the transaction relationship with the relevant supplier. In addition, as of 2025, it was confirmed that there were no cases of transaction relationships being severed due to supply chain ESG risk diagnosis and due diligence results or serious violations.

Mutual Growth Support Program Operation

For co-prosperity with suppliers, POSCO Future M thoroughly complies with relevant laws throughout the entire process, from the supplier selection stage to contract conclusion and operation, and creates a fair trade environment. In addition, we have built a system for mutual growth, such as operating an internal review committee for subcontracting transactions and concluding fair trade agreements with suppliers in compliance with relevant guidelines. Going forward, POSCO Future M plans to plan and operate various programs based on its mutual growth strategy to strengthen sustainable partnerships with suppliers. POSCO Future M operates various mutual growth programs with fair trade, innovative growth, and cultural spread as key directions. We pursue customized support projects to protect suppliers' technology and strengthen quality and productivity, and we have established a reward system to increase suppliers' work motivation. In addition, to improve ESG levels, we expand support projects such as education, training, and consulting to actively support suppliers' sustainable growth.

→ POSCO Future M's Mutual Growth Programs



Training Support Program

POSCO Future M operates a POSCO Group-level small and medium-sized enterprise consortium for companies that trade with POSCO Group and employees of tier 2-4 suppliers. To support small and medium-sized enterprises that lack training infrastructure, this program is a system that helps improve job capabilities and develop key personnel by utilizing POSCO Group's training facilities, professional instructors, and systems, and is operated based on the Ministry of Employment and Labor's national human resource development system. Through this, suppliers can complete various training such as character, leadership, job, quality, and safety. In addition, POSCO Future M also operates its own training programs to strengthen suppliers' continuous growth and technological competitiveness. In particular, to develop specialized personnel in the refractory construction and refractory industries, we systematically educate technical personnel belonging to suppliers and subcontractors by utilizing vocational training centers and professional instructors. In addition, we conduct 'Win-Win Refractory Construction Technician Training', and we expand practical employment opportunities by providing training completers with benefits such as linkage to supplier employment and passing the document screening when applying for POSCO Future M open recruitment.

3-Year Operation Status of Supplier Training Support Programs

(Unit: persons, companies)

Category	2023	2024	2025
Number of SME training completers	2,998	1,804	2,284
Number of refractory construction worker vocational training completers	3	0	6
Number of companies participating in the Management Doctor Program by the Federation of Korean Industries	2	2	2

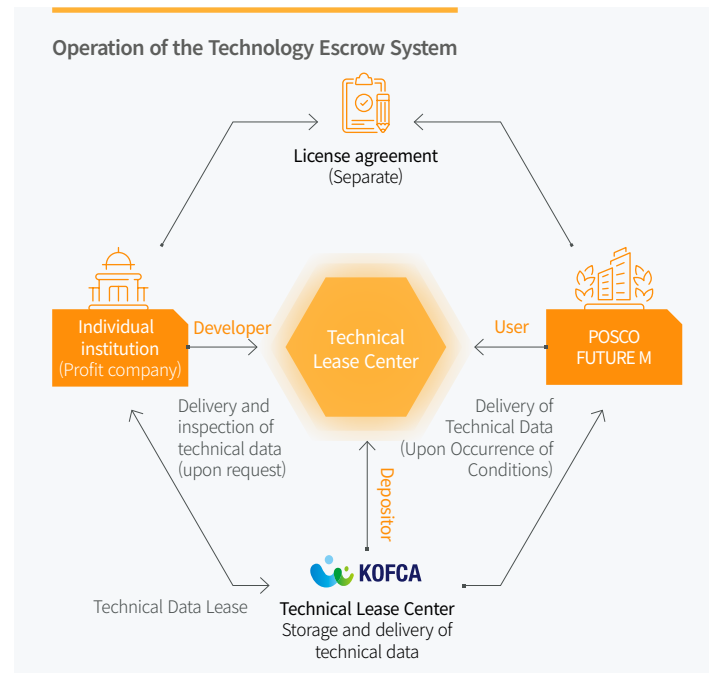
Supply Chain

Strategy and Response Measures

Mutual Growth Support Program Operation

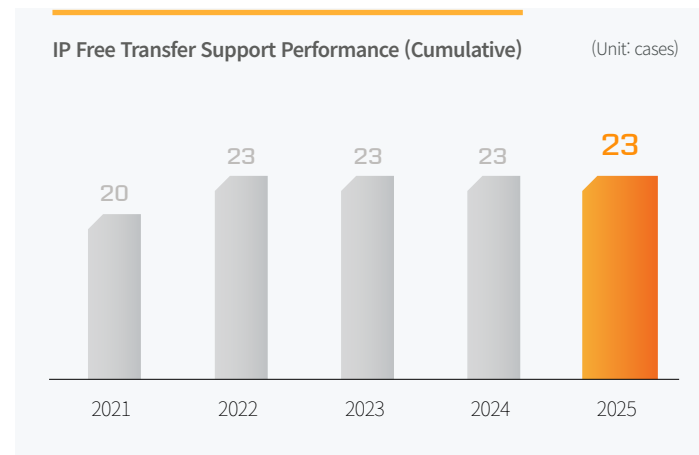
Supplier Technology Protection

To protect suppliers' technology, POSCO Future M operates the Technology Escrow System. This system supports the protection of relevant technology even if a supplier faces situations such as bankruptcy or closure by having the supplier safely store key technical data with the Korea Foundation for Cooperation of Large & Small Business, Rural Affairs (KOFCA). Through this, companies receiving products can maintain a stable supply chain and continuously receive services such as maintenance. In addition, to strengthen the protection of suppliers' technology and trade secrets, we require the submission of technical data using a designated form that includes legally required items and systematize and manage it systematically.



Patent Support Program

For mutual growth with suppliers, POSCO Future M discloses our patents through non-exclusive license agreements and supports suppliers in using them free of charge. Over the past 3 years, we have implemented free patent transfers to 13 companies, and in 2025, 11 of them succeeded in commercialization using our intellectual property rights. POSCO Future M provides related education and training so that suppliers can effectively use the patents, enhancing the effectiveness of technology application. In addition, to strengthen the technological competitiveness of small and medium-sized enterprises, we support patent application (registration) training, patent technical information research, and employee invention consultation, and we also support related costs when applying for patents for technology jointly developed with POSCO Future M.



Financial Support Program

To reduce suppliers' financial burden and support stable management, we implement various financial support programs. In 2024, we concluded a 'Win-Win Network Loan' agreement with the Korea SMEs and Startups Agency to support small and medium-sized suppliers recommended by POSCO Future M in receiving low-interest loans of up to 80% of the order amount, up to KRW 1.5 billion per year, without collateral after concluding a supply contract. This loan is available for up to one year until the payment date, and the interest rate is half the level of commercial bank credit loans, greatly reducing suppliers' financial cost burden. Through this, suppliers can operate funds stably even before payment, allowing them to focus on product production and delivery preparation. In 2025, a total of 10 of our trading suppliers received loan benefits of KRW 6.9 billion through this program. In 2026 as well, we concluded a POSCO Group-level agreement to continue financial support for suppliers.



2026 KOSME-POSCO Group Win-Win Network Loan Agreement Ceremony

Supply Chain

Strategy and Response Measures

Supplier Safety and Health Evaluation

Supplier Safety and Health Evaluation and Qualified Supplier Selection

To prevent suppliers' workplace accident, POSCO Future M has built a system for safety and health evaluation and qualified supplier selection. The safety and health evaluation comprehensively reviews various items such as whether the supplier has established a safety and health policy, the evaluation of hazardous and risk factors, safety and health training plans, the safety of hazardous materials and machinery and equipment, and the status of workplace accident. In addition, we apply prior safety and health qualification requirements when selecting suppliers, and for suppliers participating in actual on-site work, we manage the practical safety level by conducting safety and health evaluations that check compliance with safety measures during work, the wearing of protective equipment, and the implementation of hazardous work procedures. Depending on the evaluation results, companies with insufficient safety and health management capabilities cannot conclude contracts with us, and excellent companies are assigned different work levels and locations according to their evaluation grade, such as applying preferential treatment in selecting eligible work fields. In addition, inferior companies must submit supplementary materials for re-evaluation and can raise objections to the evaluation results. POSCO Future M selects qualified suppliers based on these evaluation results and strives to secure joint safety with suppliers through regular evaluations.

Supplier Safety and Health Training

POSCO Future M applies a safety and health training program to ensure the safety of supplier employees. Before supplier employees perform work within the site, they must complete mandatory safety training for visitors, and this training is regularly re-conducted every six months. The training course includes field-centered key safety management content such as the 10 Safety Rules, in-house traffic safety, emergency preparedness and response, the wearing of safety protective equipment, the 5-second stop, mutual attention, and pointing confirmation, TBM operation, and hazardous and risk factors and countermeasures by site. In addition, we provide regular safety and health training programs to suppliers as well, strengthening practical safety capabilities such as safety measures to be observed during high-risk work, process safety management procedures, and response to abnormal situations. Through this training, POSCO Future M promotes the improvement of safety awareness based on close cooperation with suppliers.

ESG Consulting Support

To strengthen suppliers' ESG capabilities, POSCO Future M provides customized consulting in various fields such as environment, safety, and ethics. In 2025, we conducted written consulting in 3 areas (environmental policy, environmental management, and pollutant management) for 15 suppliers identified as inferior in the environmental sector through on-site due diligence. We enhanced environmental management capabilities by sharing POSCO Future M's environmental incident response manual and environmental strategy and goal-setting materials in a customized manner for each company. In addition, we conducted a comprehensive safety and environment diagnosis for 37 suppliers through ESG on-site due diligence (third party). We checked items for 20 indicators, such as the serious accident response system and the management of hazardous and risk factors, and based on the diagnosis results, we derived matters requiring improvement and supported responses to them.



ESG Consulting for Suppliers

Supply Chain

Strategy and Response Measures

ESG Training Implementation (Information & Training)

POSCO Future M operates various training programs to strengthen suppliers' ESG management capabilities. With the goal of raising suppliers' ESG awareness and strengthening risk response capabilities, the training content includes the importance of ESG management, domestic and international ESG trends, sustainable supply chain policies, the Supplier Code of Conduct, and ESG risk diagnosis and due diligence procedures and response methods. To this end, we provide training using various channels such as supplier meetings, ESG diagnosis and due diligence briefings, and the provision of a monthly ESG Magazine, and we support suppliers in smoothly participating in the ESG risk diagnosis and due diligence process and effectively implementing improvement measures.



ESG Training for Suppliers

Supplier Work Environment Improvement Support

POSCO Future M operates various support programs to improve suppliers' work environment. We support the cost of purchasing safety protective equipment such as helmets, dust masks, and oxygen cans, or replacing equipment needed for smooth work such as forklift human-detection sensors and chargers. In addition, to improve the living environment of supplier employees, we improve joint labor welfare facilities such as cafeteria facilities and bathhouses, and to strengthen employees' welfare, we operate programs such as work clothing cost support, safety training, and health management. Going forward, POSCO Future M plans to continue expanding various support for improving the work environment and strengthening safety in cooperation with suppliers.

Supply Chain Reporting/Complaint Handling Process Operation

To resolve unfair trade practices that suppliers may experience during transactions, such as delayed payment, unjust payment reduction, and management interference, we operate a supplier grievance channel. Suppliers can report problems that arise during transactions through the reporting channel, and through this we actively listen to the difficulties that suppliers experience. The grievance channel can be freely used by any supply chain employee and is operated in a manner that guarantees anonymity and confidentiality, and we also provide an English-based reporting system so that overseas supplier employees can easily access it. Reported matters are confirmed for facts in cooperation with relevant departments such as the procurement, legal, and ethics departments, after which an investigation is conducted if necessary and appropriate corrective measures are taken. In addition, the handling results of received grievances are promptly notified to the reporting stakeholder so that a transparent process takes place. POSCO Future M plans to continuously improve the grievance handling system to strengthen trust-based partnerships with suppliers and establish a fair trading order.

→ POSCO Future M's Open Purchasing Consultation

3-Year Status of Supplier Grievance Handling¹⁾ (Unit: cases, %)

Category	2023	2024	2025
Received	10	13	6
Resolved	10	13	6
Resolution Rate	100	100	100

1) Total Number of Supplier-Related Grievance Cases Received via the Open Purchasing Consultation and Other Channels

Supply Chain

Strategy and Response Measures

Strengthening Supplier Communication

POSCO Future M holds an annual POSCO Future M Honored Partner (PHP) exchange meeting to strengthen cooperation with suppliers. In 2025, we selected 10 excellent suppliers by comprehensively analyzing ESG evaluation, delivery performance, company contribution, etc., and we provide benefits such as priority support for mutual growth programs and priority consideration as priority warehousing targets in emergency and unexpected situations for these companies. In addition, we held a mutual growth information exchange meeting for excellent suppliers to share rechargeable battery materials business advancement strategies and to discuss understanding of and response strategies for ESG and supply chain due diligence.

In addition, in 2025, we regularly published a monthly ESG magazine for about 700 POSCO Future M trading suppliers, providing domestic ESG news and trends, EU supply chain due diligence directive revision trends, ESG capability-building training information, and our 2025 ESG due diligence plan and manual.

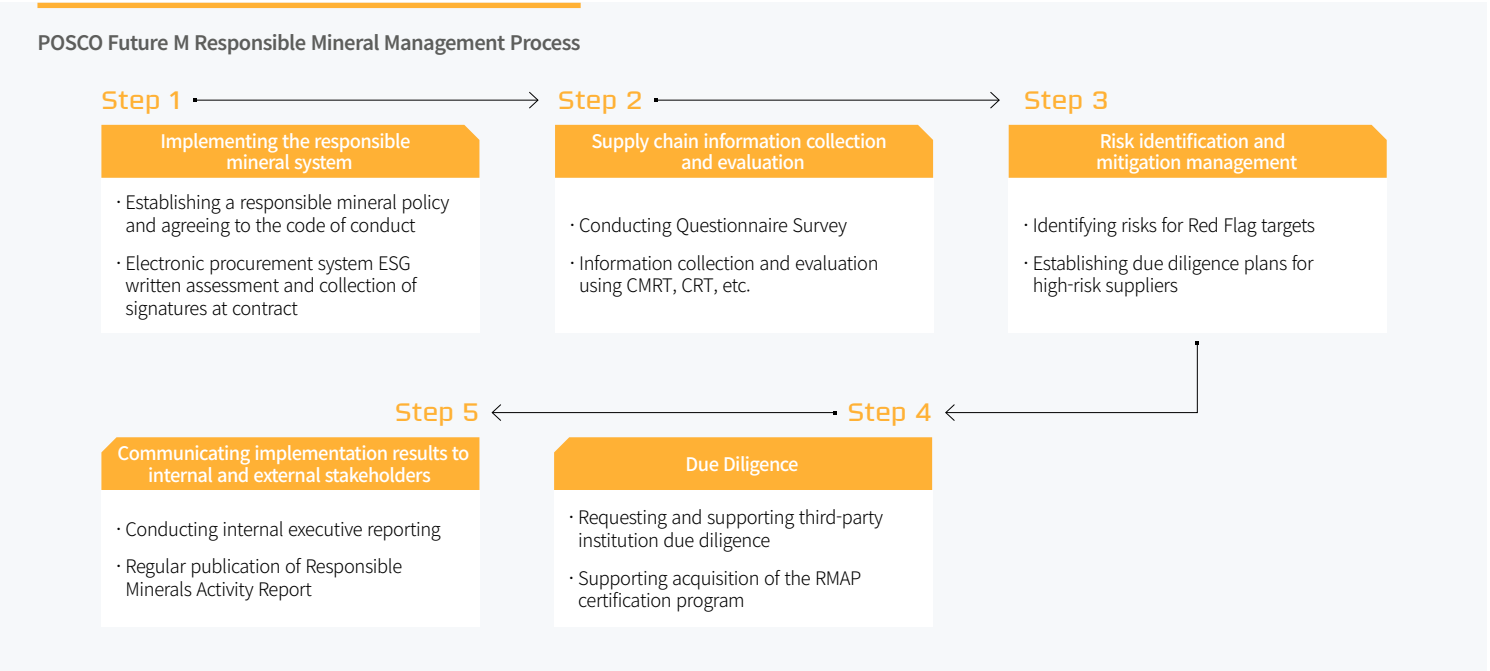
Based on these communication channels, POSCO Future M plans to continue practical support for sustainable mutual growth by actively listening to suppliers' opinions and seeking cooperation measures.

Responsible Mineral Management Process

POSCO Future M operates a responsible mineral management process based on the OECD Due Diligence 5 Steps Guidance. First, when collecting and evaluating supply chain information, we trace down to smelters and mines using POSCO Future M's own survey¹⁾ and RMI²⁾'s CMRT³⁾ and CRT⁴⁾ forms. In this process, we check not only the supplier's basic information but also purchasing activities according to OECD Due Diligence standards, government royalty payments, and whether expenses are paid to armed groups.

In addition, we classify Red Flag⁵⁾ suppliers based on RMAP⁶⁾ certification status and whether they fall under high-risk areas, and we take measures to reduce risk factors through training and on-site due diligence. Along with this, buyers or third-party institutions inspect uncertified smelters in high-risk areas and induce them to obtain RMAP certification. Finally, we transparently disclose information such as raw material purchasing status, certification status, and due diligence results, and by reporting this regularly, we continuously strengthen the communication and management system for responsible mineral management.

- 1) Questionnaire Survey Template
- 2) Responsible Minerals Initiative
- 3) Conflict Minerals Reporting Template
- 4) Cobalt Reporting Template
- 5) High-risk suppliers
- 6) Responsible Minerals Assurance Program

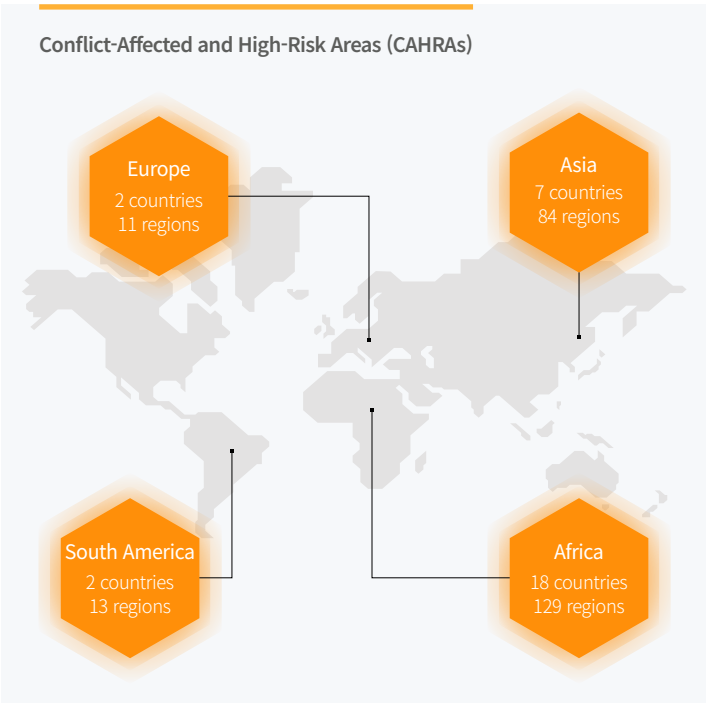


Supply Chain

Strategy and Response Measures

Monitoring of Managed Regions

To identify and manage in advance risks such as human rights violations, environmental destruction, and the inflow of funds to conflict groups that may occur in conflict-affected and high-risk areas within the supply chain, POSCO Future M designates and monitors Conflict-Affected and High-Risk Areas (CAHRAs). We continuously update target areas by conducting regular surveys on a semiannual basis, and we currently manage 29 countries and 237 regions as CAHRAs. In addition, when suppliers, smelters, or mines that supply responsible minerals to us are associated with the relevant areas, we classify them as high-risk suppliers and manage them in connection with the risk response mechanism.



Strengthening Responsible Mineral Supplier Management Standards

For responsible mineral procurement, POSCO Future M has strengthened new supplier registration standards since 2021. Suppliers must submit a signed statement that they comply with our responsible minerals policy upon new registration and each contract conclusion, and for existing suppliers, we periodically conduct Supplier Code of Conduct agreement and ESG written assessment within the electronic procurement system. In addition, we notify suppliers that there are verification procedures, including on-site due diligence at our or the client's request. Based on this, for minerals produced in CAHRAs, we purchase only raw materials from 100% RMAP-certified smelters, and tungsten and cobalt are entirely procured through RMAP-certified smelters regardless of the production region. In addition, we strive to diversify the supply chain and reduce dependence on high-risk areas by expanding transactions with smelters located in non-conflict areas such as Vietnam.

Status of RMAP Smelters in Transaction

(Unit: companies)

Category	2023	2024	2025
Tungsten	2	2	3
Cobalt (including precursor companies)	4	7	6
Total	6	9	9

Responsible Mineral Management Indicators

(Unit: %)

Category	2022	2023	2024	2025
Sales proportion of products using CAHRAs-origin minerals	52	66	59	49
Sales proportion of Conflict-Free verified suppliers ¹⁾	100	100	100	100

1) All of our responsible mineral transaction smelters maintain RMAP Conformant or Active status, and conflict-free status is determined based on this

Detailed Information on Smelters in Transaction^{1) 2)}

Mineral	RMI Smelter ID	Smelter name	Origin	RMAP certification
Cobalt	CID003291	Guangdong Jiana Energy Technology	China Guangzhou	Conformant ³⁾
Cobalt	CID003255	Quzhou Huayou Cobalt New Material	China Changsha	Conformant
Cobalt	CID004681	Guangxi CNGR New Energy Science & Technology Co., Ltd.	China Changsha	Conformant
Cobalt	CID004492	Ecopro Materials	Korea Pohang	Active ⁴⁾
Cobalt	CID003338	SungEel HiTech	Korea Gunsan	Conformant
Cobalt	CID003534	Mechema Taiwan Plant 2	Taiwan Taoyuan	Conformant
Tungsten	CID002321	Jiangxi Gan Bei Tungsten	China Xiushui	Conformant
Tungsten	CID002082	Xiamen Tungsten	China Xiamen	Conformant
Tungsten	CID002543	Masan Hi-Tech Materials	Vietnam Dai Tu	Conformant

1) POSCO Future M operates a 100% RMAP certification rate until the time of publication of this report (June 2026)

2) Not all metal raw materials purchased directly or indirectly by POSCO Future M have obtained recognized certifications such as RMI, but they are purchased from companies that agree to our responsible minerals policy

3) Smelters or refineries that have completed the RMAP Standard or an Equivalent Cross-recognized Assessment

4) Smelters and refineries that have committed to submitting RMAP assessment-related documents and conducting on-site assessment, including suppliers in the Pre-assessment, Assessment, or Corrective-action phase of the assessment

Supply Chain

Strategy and Response Measures

Responsible Mineral Capability Building and Communication

Responsible Mineral Management Training

To raise the responsible mineral awareness of buyers and employees, POSCO Future M develops POSCO Group-level contents and its own training materials to conduct training, and shares this with suppliers as well to support capability building across the supply chain. In 2025, we conducted training on responsible minerals policy and response status and international management trends for raw material purchasing personnel, and we continuously strive to strengthen management capabilities, such as producing and posting educational videos in collaboration with the Public Relations Group.

Responsible Mineral Grievance and Objection Process

To gather the opinions of various stakeholders related to responsible minerals, POSCO Future M operates a reporting email account and a grievance and objection process. Stakeholders can convey their opinions through the Procurement and Contracts Office, the department dedicated to responsible minerals, by methods such as email, telephone, and direct visit. Received issues are reviewed by the person in charge and then guided to a solution through appropriate procedures.

Strengthening Responsible Mineral Communication

Since 2021, we have published Responsible Minerals Activity Report and disclose related information by including responsible mineral-related content in our Sustainability Report as well. Going forward, we will comply with international standards, transparently share our responsible mineral management activities through various channels, and continuously strengthen the provision of reliable information to stakeholders.

→ [POSCO Future M Responsible Minerals Activity Report](#)

Sustainable Raw Material Sourcing Management

Expanding Minerals Subject to Tracking Management

Beyond the management system for responsible minerals such as tungsten and cobalt, POSCO Future M is expanding the scope of procurement risk management to all raw materials it uses. We systematically investigate and analyze the origin, suppliers, and transportation routes of key raw materials such as aluminum, cobalt, copper, iron, nickel, lithium, and titanium, and we identify environmental and social risks across the supply chain in advance by monitoring the routes through which these minerals flow into us. Going forward, we plan to gradually establish mid- to long-term targets for the proportion of third-party-verified environmental/social risk-verified raw materials and recycled raw materials used to increase the sustainability of the procurement process.

Information Collection and Risk Identification for Other Minerals

For the procurement of key minerals according to OECD Due Diligence standards, POSCO Future M identifies and manages in advance the environmental and social risks that may arise at the origin. According to self-established procurement standards, we closely track and manage supply chain information for key minerals such as aluminum, cobalt, nickel, and lithium, and we strengthen supply chain transparency by identifying origin information. In particular, some minerals are sometimes supplied through informal mining methods using simple equipment, such as Artisanal and Small-scale Mining (ASM), and in this process, various ESG risks such as child labor, human rights violations, inadequate workplace safety, and environmental destruction may arise. Accordingly, POSCO Future M closely reviews whether raw materials are procured from mines operated in the ASM manner within our supply chain.

ESG Training for Procurement Departments (Internal Training)

POSCO Future M regularly conducts supply chain ESG risk management training for employees in charge of supply chain management tasks such as procurement and mutual growth. Through this, we educate on the importance of ESG risk management, effective management methodologies, and ways to use ESG evaluation tools, and support practical application. In addition, by sharing the latest trends and best practices in supply chain ESG management, we continuously strengthen personnel's ESG management capabilities.

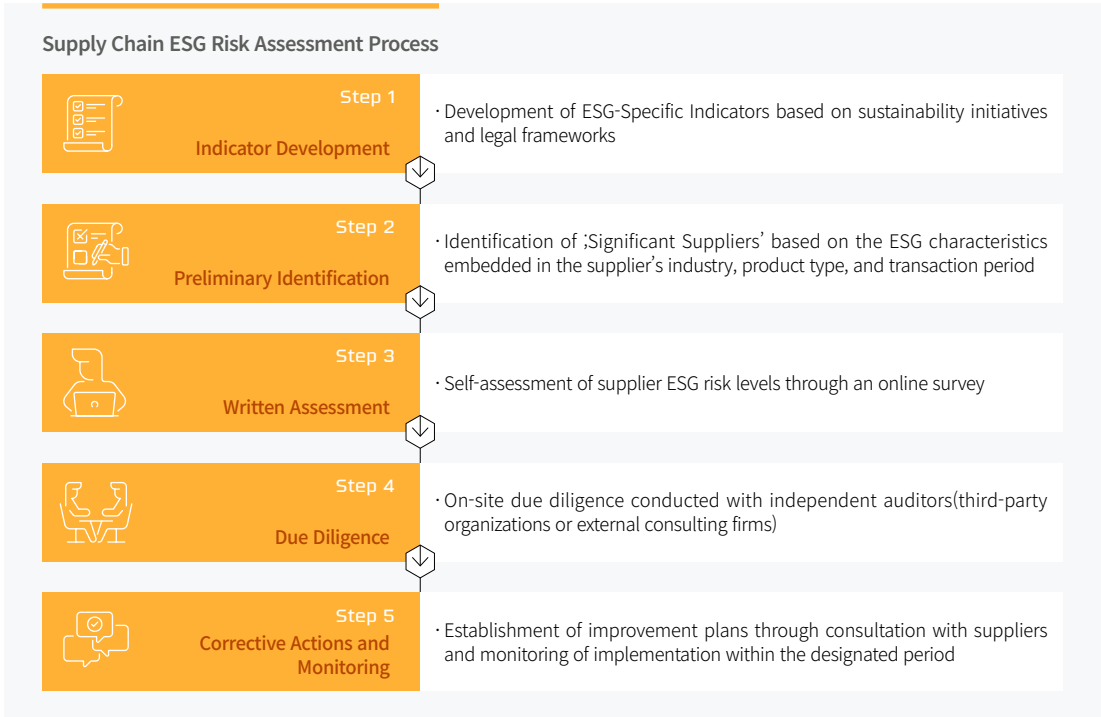
Supply Chain

Supply Chain Risk Management Activities

Supply Chain ESG Risk Assessment and Management

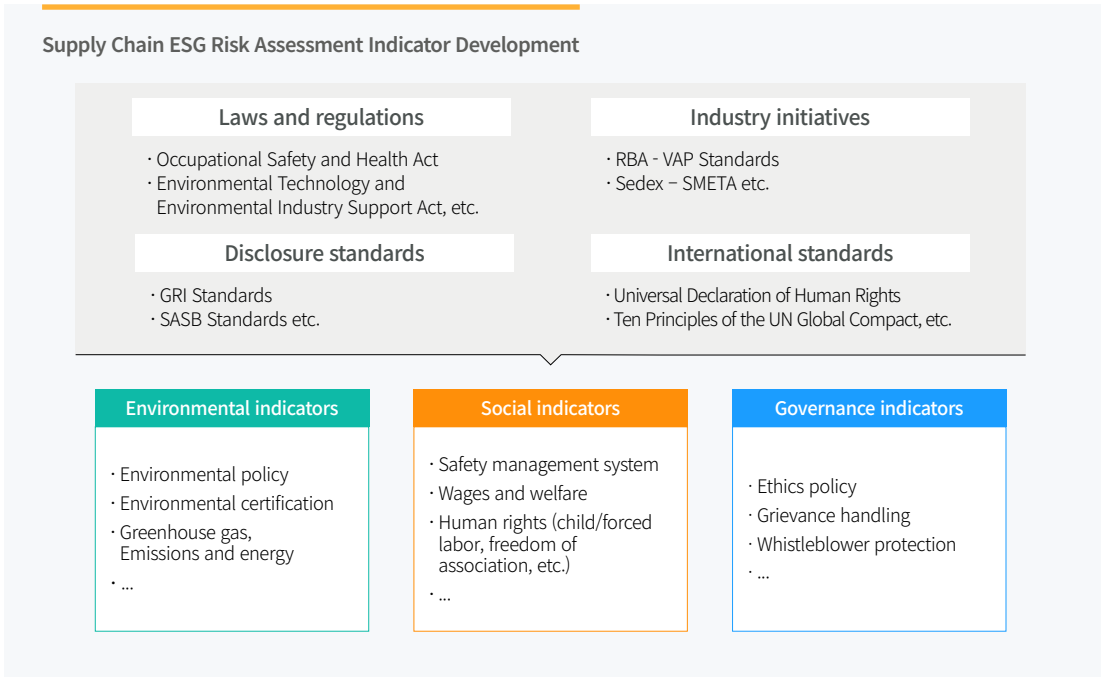
Supply Chain ESG Risk Assessment Process

For supply chain ESG risk management, POSCO Future M operates a process of indicator development, prior identification, written assessment, on-site due diligence, and improvement measures and monitoring. We compose ESG risk diagnosis and due diligence indicators and identify important suppliers in advance by analyzing suppliers' industry characteristics, items, and transaction scale. After that, we conduct a survey-type written assessment, and independent auditors (third-party institutions, external consulting firms, etc.) visit suppliers to conduct on-site due diligence. We comprehensively analyze the results of written assessment and on-site due diligence to identify risks, recommend improvement measures reflecting them, and continuously monitor. In addition, we report the results of supply chain ESG risk assessment to the Board of Directors and reflect them in strategic decision-making for strengthening the sustainability of the supply chain.



Supply Chain ESG Risk Assessment Indicators

To systematically evaluate suppliers' ESG risks, POSCO Future M established a total of 70 ESG risk assessment indicators, which were designed to cover essential factors for supplier risk assessment such as environment, safety and health, human rights and labor, and ethical management. These indicators were developed by integrating major ESG-related laws and regulations such as the Occupational Safety and Health Act, supply chain ESG evaluation initiatives such as RBA (Responsible Business Alliance)'s VAP (Validated Assessment Program) Standard and Sedex's SMETA (the Sedex Members Ethical Trade Audit), and ESG disclosure standards such as GRI and SASB. In particular, by reflecting the principles presented in international human rights standards such as the Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, and the Ten Principles of the UN Global Compact, we evaluate labor and human rights risks, including key human rights issues within the supply chain such as forced labor, child labor, and the prohibition of discrimination, at a level conforming to international standards. In addition, we continuously improve them by reflecting the opinions of professional institutions and customers.



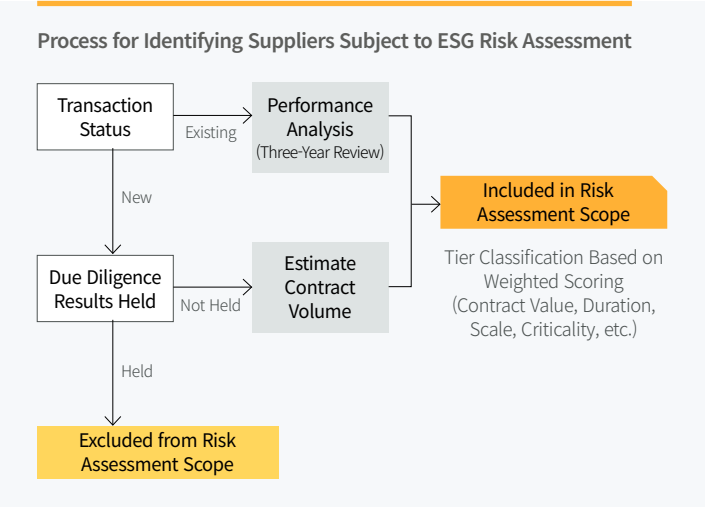
Supply Chain

Supply Chain Risk Management Activities

Supply Chain ESG Risk Assessment and Management

Identification of Suppliers Subject to ESG Risk Assessment

Prior to supplier ESG risk diagnosis and due diligence, POSCO Future M operates a prior identification (Risk Filtering) procedure for 'suppliers subject to risk assessment.' This process is conducted by comprehensively reviewing (1) the environmental and social impact according to the supplier's business method, (2) the ESG level required by the country where the supplier is located and the industry group to which the supplier belongs, and (3) the risks contained in the raw and subsidiary materials the supplier uses, using data from each country's government and research institutions, media reports, etc. In addition, by analyzing the results of financial status evaluation, quality evaluation, and delivery date compliance evaluation for suppliers, we identify and manage suppliers whose levels are poor or unlikely to improve, as well as suppliers judged to have a high probability of risk, as 'suppliers subject to risk assessment.' In 2025, we identified a total of 772 suppliers as suppliers subject to risk assessment.



Supplier ESG Risk Written Assessment

To evaluate suppliers' ESG risks, POSCO Future M operates a written assessment in the form of an online survey, and each supplier responds in a self-diagnosis manner. To increase the accuracy of the written assessment, we present diagnosis criteria and requirements specifically, and we apply weights to key indicators such as forced labor, child labor, working hours, and safety and health. The written assessment results are used as basic data for identifying high-risk suppliers and selecting on-site due diligence targets. In addition, to induce active participation by suppliers and increase the reliability of responses, we continuously provide training related to ESG risk self-diagnosis and evidence submission. In 2025, we conducted written assessment for a total of 662 companies (643 domestic, 19 overseas).

Supplier ESG Risk On-site Due Diligence

POSCO Future M selects suppliers subject to on-site due diligence by comprehensively considering suppliers' location, operation type, employee composition, etc. In particular, suppliers identified as high-risk in the written assessment results are preferentially included in on-site due diligence. Supplier on-site due diligence is conducted by independent auditors (third-party institutions, external consulting firms, etc.) with extensive experience in ESG due diligence based on internationally recognized supply chain evaluation standards such as RBA, securing objectivity and reliability. In addition, POSCO Future M internal employees also participate in the due diligence of some companies to strengthen field verification and evaluation quality. In the on-site due diligence process, we comprehensively evaluate ESG risks through checking suppliers' worksites and work environment, checking internal documents, and interviewing managers and employees. Risk factors identified as a result of on-site due diligence are finalized after review by the supplier's person in charge, after which we provide diagnosis reports and customized consulting services for each supplier to suggest improvement directions. In 2025, we conducted on-site due diligence for a total of 37 suppliers.

Suppliers' Key ESG Risk Factors

POSCO Future M comprehensively analyzes the results of ESG risk written assessment and on-site due diligence to identify suppliers' ESG risk factors. For suppliers with latent serious risk factors or expected significant risks, we immediately guide improvement measures during the on-site due diligence process. If necessary, the third-party professional institution leading the on-site due diligence advises or supports suppliers' implementation of improvement measures to help substantially mitigate ESG risks. As a result of the 2025 ESG risk diagnosis and due diligence, key risks such as insufficient waste and water discharge management levels and safety management levels by site were identified.

Supply Chain

Supply Chain Risk Management Activities

Supply Chain ESG Risk Assessment and Management

Recommending Supplier ESG Risk Improvement Plan Establishment

For risk factors requiring long-term improvement based on written assessment and on-site due diligence results, we recommend that suppliers establish and implement improvement plans. We establish improvement plans after consulting with suppliers on the implementation schedule, method, and goals for each risk, and we set feasible improvement tasks considering suppliers' resources and capabilities. After establishing improvement plans, we continuously check whether suppliers implement improvements, and if they do not implement improvement plans or the improvement effect is insufficient, we can preferentially reflect them as due diligence targets in the next regular due diligence to re-check improvements. In addition, we provide additional necessary materials, training, and consulting to resolve difficulties that arise during the implementation process.

2025 Supplier ESG Risk Assessment Results

Category		Unit	Status
Supplier Status	Total Number of Tier 1 Suppliers	Companies	1,082
	Number of Significant Tier 1 Suppliers	Companies	87
Supplier Capability Building Support	Number of Significant Tier 1 Suppliers Supported with Development Measures	Companies	43
	% of Significant Tier 1 Suppliers Supported with Development Measures	%	49.4
ESG Risk Assessment and Due Diligence	Total number Tier 1 Suppliers Assessed via Written Assessments	Companies	662
	Total number Tier 1 Suppliers Assessed via On-site Assessments ¹⁾	Companies	37
ESG Risk Assessment Results	Number of Suppliers Assessed with Substantial Actual/Potential Negative Impacts	Companies	0
	Number of Suppliers with Agreed Corrective Action/Improvement Plans	Companies	-
	% of Suppliers with Substantial Actual/Potential Negative Impacts with Agreed Corrective Action/Improvement Plans	%	-
	Number of Suppliers with Substantial Actual/Potential Negative Impacts that were Terminated	Companies	0

1) Suppliers subject to on-site due diligence are selected based on written assessment results among companies that completed written assessment

Responsible Mineral Risk Management Activities

Responsible Mineral Risk Assessment

Supplier Risk Information Collection

POSCO Future M collects related information such as origin, mine and smelter locations, logistics flow, whether there are risks within the supply chain, and whether suppliers hold a responsible minerals policy, by utilizing its self-developed Questionnaire Survey Template for suppliers and smelters. In addition, we verify the accuracy of self-collected information using CMRT, an international standard document. POSCO Future M has conducted surveys of suppliers and smelters since the second half of 2021, and in 2025, all 33 of 33 companies responded, recording a 100% response rate.

Supplier Questionnaire Survey Implementation Status (Unit: companies, %)

Category	2023	2024	2025
Suppliers and smelters subject to Questionnaire Survey	25	28	33
Responding suppliers and smelters	25	28	33
Response rate	100	100	100

Risk Assessment

POSCO Future M derives potential risks for each supplier by analyzing identified information such as origin according to our CAHRAs standards. In addition, we select Red Flag¹⁾ management targets by comprehensively evaluating the supplier Questionnaire Survey response rate, whether false information was submitted, and the level of responsible mineral awareness, and we operate a risk response mechanism for them. As a result of the 2025 responsible mineral risk assessment for suppliers, it was confirmed that there were 0 Red Flag grade suppliers.

1) High-risk suppliers

Risk Due Diligence and Mitigation

Depending on the risk level of suppliers classified as Red Flag, we operate customized response programs such as strengthening training, expanding the number of business trips, and buyer due diligence. When the same problem repeatedly occurs in high-risk suppliers or improvement is insufficient, we conduct on-site due diligence through an independent third-party institution to closely evaluate the risk. In addition, for suppliers that do not resolve problems despite strengthening training and due diligence measures or have no willingness to improve responsible mineral management, we apply stricter standards such as withholding contract conclusion with the relevant supplier.

Local Community

Management System

Organization

Dedicated Social Contribution Organization

The POSCO Future M Sustainability Group operates social contribution projects and employee-participatory volunteer activities, enhancing bonds with the community. In addition, we secure transparency by establishing an annual social contribution operation direction, budget review, and system for evaluating the appropriateness of donations. When making donations, we execute them after approval according to the Board of Directors' review process.

Social Contribution Performance Management

POSCO Future M operates various institutional mechanisms to spread the value of social contribution activities based on the voluntary participation of employees. In particular, we actively encourage voluntary participation by granting additional points upon promotion to employees whose cumulative volunteer hours over the past two years are 96 hours or more. Going forward, we plan to advance the social contribution performance management system to continuously encourage employees to voluntarily practice social contribution activities in their daily lives.

Policy Establishment

Stakeholder Engagement Policy

POSCO Future M recognizes that communication with all stakeholders is a major foundation for sustainability management activities, and we have established and implement a stakeholder engagement policy. We have basic principles that serve as the basis for defining and communicating with stakeholders for all POSCO Future M sites and invested companies. In addition, we set principles for co-prosperity with the community and present action plans accordingly to encourage stakeholder engagement and strengthen mutual trust.

→ [Stakeholder Engagement Policy](#)

Stakeholder Engagement Process

To promote stakeholder engagement, POSCO Future M establishes and operates various channels optimized for each stakeholder. Among the opinions received through each channel, issues with high relevance to our mid- to long-term business strategy, management activities, and high social and environmental impact are applied to the business operation process or driven into improvement activities through internal review and deliberation. Before carrying out a project, we make a prior announcement and then proceed with the project by listening to and reflecting the opinions of internal and external stakeholders. We continuously monitor whether they are applied to the business operation process and the status of improvement activities, and when we determine that it is necessary to disclose the implementation status and project results to stakeholders, we disclose the relevant information externally.

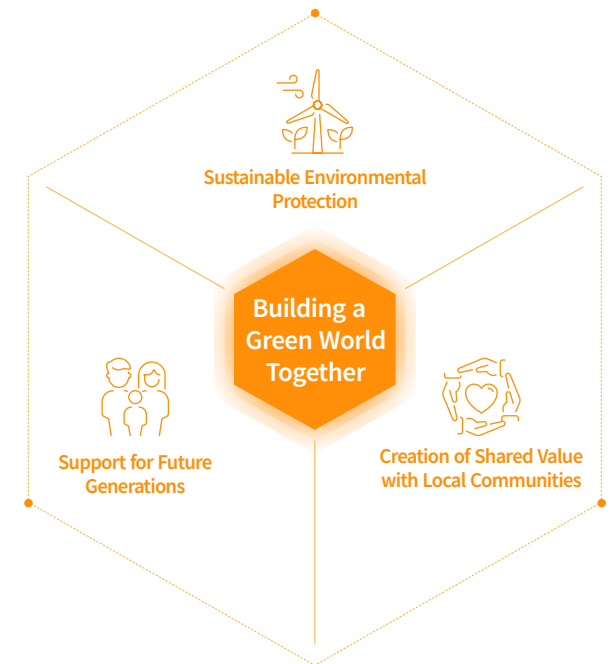
Management Activities

Strategy and Response Measures

Internalizing the Social Contribution Culture

Social Contribution Vision and Core Values

POSCO Future M has established a social contribution vision of 'Building a Green World Together', and operates social contribution projects to solve community problems. To this end, we aim to create sustainable future value by selecting 'Sustainable Environmental Protection,' 'Support for Future Generations,' and 'Creation of Shared Value with Local Communities' as the three key directions.



Local Community

Strategy and Response Measures

Community Win-Win Activities

Green Dream Environment Camp

With the aim of informing children near our sites about the importance of responding to the climate crisis and protecting the environment, POSCO Future M operates the 'Green Dream Environment Camp.' Operating for the 12th year since 2013, it has provided various experiential learning opportunities to a cumulative total of about 1,500 vulnerable local children. In 2025, about 120 children participated and engaged in hands-on practice of making and flying drones, and we supported them in naturally acquiring knowledge about climate change through participatory programs such as the Carbon Neutrality Olympics and the Challenge Green Bell.



2025 POSCO Future M Green Dream Environment Camp

Soccer Class for Future Generations

Through communication with local children's centers, POSCO Future M identified the need to improve children's basic physical strength and cooperation, and operates a soccer class to support this. Initially, we operated the program in collaboration with the Pohang Steelers, accumulating positive results, and since October 2024, we have continued to operate the program for children in the Gwangyang area in cooperation with the Jeonnam Dragons. The soccer class is operated 2-3 times a month, with professional coaches and professional players participating to teach basic soccer skills such as ball control and defense, and we support uniforms, sports equipment, and training ground rental. In 2025, we operated a total of 17 soccer classes, with about 50 children participating. Going forward, POSCO Future M plans to gradually expand social contribution activities for developing future generations through continuous consultation with local children's centers.



2025 Soccer Class for Future Generations

Base Seed Bank Account

Since 2021, POSCO Future M has sponsored Base Seed Bank Accounts for 100 children selected based on recommendations from employees and the community in areas near our sites such as Pohang, Gwangyang, and Sejong. Selected children receive monthly sponsorship of KRW 50,000 for one year along with the government's 1:2 matching support (when the company donates KRW 50,000, the government accumulates KRW 100,000). The raised amount is used as self-reliance support funds when the children turn 18 or older. In recognition of our contribution to revitalizing Base Seed Bank Accounts, we received a commendation from the Minister of Health and Welfare. Going forward, we aim to carry out various support activities for the economic stability of children from low-income families and those in need of care.



POSCO Future M Base Seed Bank Account Sponsorship (Image created using generative AI)

Local Community

Strategy and Response Measures

Community Win-Win Activities

Smart Bench and Shelter Creation

In connection with the restoration project of Naengcheon Stream in Pohang, which was damaged by Typhoon Hinnamnor in 2022, POSCO Future M installed and donated 16 smart benches and 1 shelter in 2025 as a social contribution activity to improve the resting environment of local residents. The smart benches, which utilize solar power and batteries, are equipped with a wireless charging function, enhancing the convenience of local residents using the walking trail, and the shelter was created as a space where residents can rest and communicate. For this project, the installation locations were selected through consultation with Pohang City, and it was carried out using funds from the POSCO 1% Foundation. Going forward, we plan to contribute to community recovery support and the creation of sustainable living infrastructure.



2025 Smart Bench and Shelter Creation

Employee-Participatory Volunteer Activities

Global Volunteer Week

POSCO Future M operates 'Global Volunteer Week,' a special volunteer activity week for domestic and overseas employees. In 2025, for a total of 10 days from May 22 to 31, all employees of POSCO Group business companies, suppliers, and overseas subsidiaries around the world practiced sharing with their local communities. In 2025, based on the slogan 'Connecting Hope through Sharing,' marking the 80th anniversary of National Liberation, we carried out volunteer activities to honor independence patriots and persons of national merit and foster appreciation for those who served the nation. At each site, 1,175 employees participated at 44 activity sites, including overseas subsidiaries such as China and Indonesia, by participating in environmental clean-up activities at the Seoul National Cemetery, the Yeongcheon National Cemetery, and the Cheonan Independence Hall of Korea.



2025 POSCO Group Volunteer Week

Operation of Employee-Participatory Blood Donation Activities

Throughout 2025, POSCO Future M carried out blood donation activities in which employees voluntarily participated, contributing to spreading a culture of life sharing. In 2025, through blood donation events held at all sites, we contributed to the stability of blood supply, and we worked to raise awareness of blood donation participation by sharing the case of an employee who practiced a cumulative 300 blood donations. In February 2026, we held an in-house blood donation event centered on the Pohang Site to resolve the winter blood supply shortage, and employees practiced life sharing by participating in blood donation and donating blood donation certificates. Furthermore, we plan to expand blood donation events to 12 times a year to more actively resolve the blood shortage problem and spread a culture of life sharing.



2025 Employee Blood Donation Activity

Local Community

Strategy and Response Measures

Social Contribution Fund Creation

To execute donations transparently, POSCO Future M establishes policies and procedures and applies them to all sites, and records donation details in detail along with amounts and uses. In particular, we have a clear principle of not making political donations, strengthening the fairness and neutrality of donation activities. In particular, in accordance with the 'Social Contribution Activity Guidelines,' donations above a certain amount are executed through Board of Directors approval. In addition, we establish a performance management and reporting system that evaluates the progress of each social contribution project, the use of donations, and the effect on beneficiaries, and we strive to operate donations efficiently by monitoring them regularly.

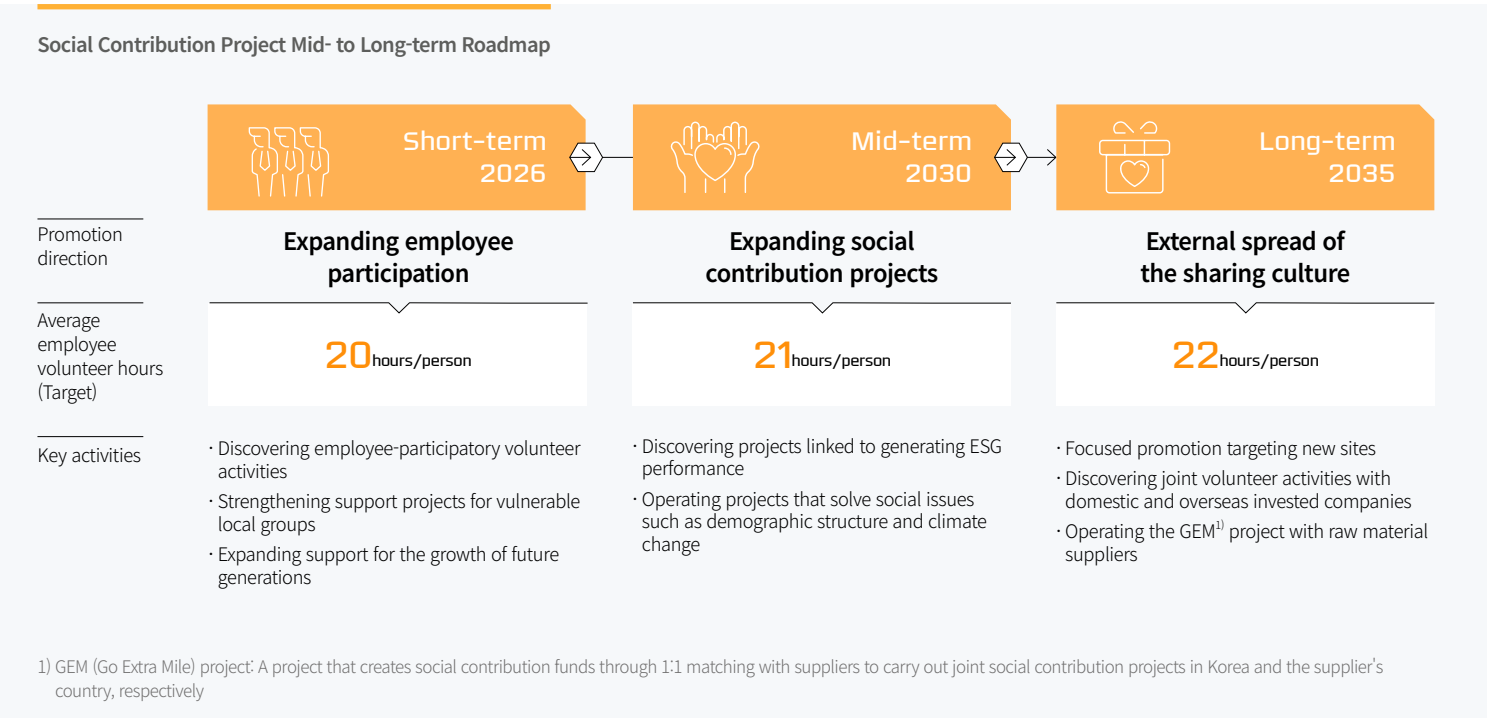
2025 Social Contribution Cost Details (Unit: KRW million)

Category	Amount
Donations	1,539.1
Local community investment	444.2
Lobbying, Interest representation or similar organizations(including in-kind contributions)	0
Country/Regional unit policy campaigns/organizations/ candidate fees	0
Trade associations or tax-exempt organizations (Association fees)	0
Others	444.2
Others	49.5

Target

Community Engagement Mid- to Long-term Targets

To realize 'Building a Green World Together,' POSCO Future M operates social contribution projects and establishes and gradually implements mid- to long-term targets for them. In 2025, employees participated in an average of 18.9 hours of volunteer activities per person, and in the short term, we plan to expand the base of social contribution activities based on employees' voluntary participation and strengthen participation-centered activities by setting the 2026 employee volunteer hour target at 20 hours per person. In the mid term, we aim to promote substantial contributions to the community by raising the employee volunteer hour target to 21 hours per person by 2030 and operating social-issue-solving programs linked to generating ESG performance by expanding social contribution projects that utilize the company's core competencies. Furthermore, from a long-term perspective, with a target of 22 hours of volunteer participation per person in 2035, we plan to continuously advance community engagement activities so that they can lead to global-level social value creation by strengthening cooperation with the value chain in connection with business expansion plans and spreading the sharing culture externally.



Customer Satisfaction

Management System

Organization

Management Oversight and Roles

POSCO Future M's management aims to secure customer safety and satisfaction by internalizing quality management as a core principle of corporate operation. Management presents the direction of quality management, establishes related policies and goals, and directly oversees them so that the safety of products and services is secured throughout the entire lifecycle. We actively support the effective operation of the quality management system and manage it to be applied across the supply chain, from the design stage of all products and services to distribution and aftersales service. In addition, we regularly review key quality performance indicators(KPIs) and make improvement decisions based on the results.

Energy Materials Business

The Energy Materials Business organization builds and operates a quality management system focused on cathode and anode materials and is responsible for planning and delivering quality training programs. Each Cathode and Anode Material Quality Group holds a regular quality meeting once a month to enhance quality performance, and in these meetings, it shares and reviews quality KPIs and key quality issues with the production, engineering, and maintenance functions. Based on these reviews, the organization drives continuous quality improvement.

Basic Materials Business

The Basic Materials Business organization is responsible for the quality certification of basic material products and customer certification management, and carries out tasks such as maintaining internal quality processes for the maintenance and renewal of international quality management system certifications such as ISO 9001, and responding to internal and external audits. In addition, it supports certification acquisition procedures to meet customers' quality requirements and oversees the entire process from advance preparation to field response and follow-up measures when a quality audit is requested. When basic material-related quality issues and customer VoC arise, it holds a quality council. In addition, it discusses improvement directions with relevant departments such as production, quality, research institutes, and maintenance, and carries out quality improvement activities to produce products that meet customer requirements.

TFT Operation for Refractory Quality Management

The Basic Materials Business organization operates the 'Refractory Quality Innovation TFT' to systematically reorganize the quality management system for the entire refractory process. This TFT promotes stable management of refractory quality and improvement of customer trust centered on four promotion strategies. In addition, it continuously manages task implementation status through weekly progress checks chaired by the Head of the Refractory Business Office.



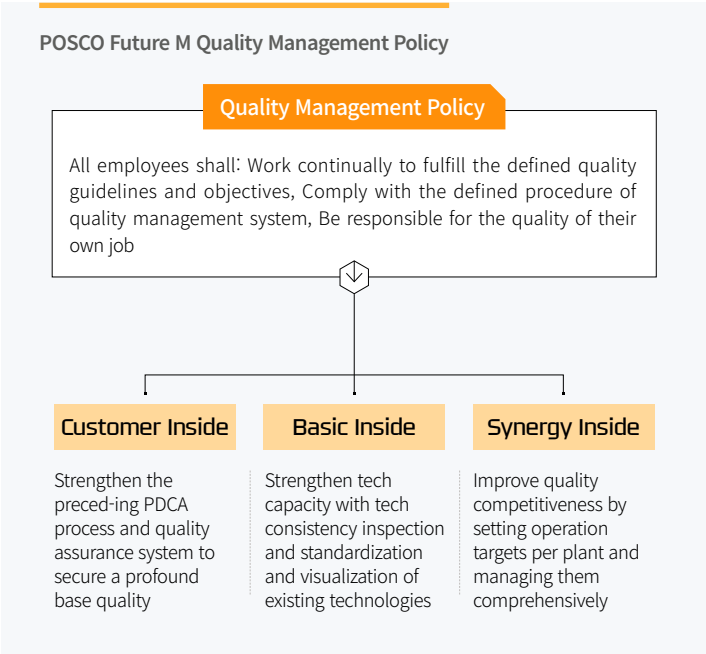
① Raw materials	Standardization of the entire process of raw material specifications, inspection, and suppliers
② Manufacturing	Reducing quality deviation through operation technology development
③ Inspection	Strengthening customized inspection processes by product
④ Management	Strengthening close field management and change management compliance

Customer Satisfaction

Policy Establishment

Quality Management Policy

POSCO Future M has established and implements a quality management policy to provide high-quality products and services. To enhance customer satisfaction, we emphasize the importance of quality management throughout the entire process of product production and sales, and we secure quality improvement and consistent quality. To this end, we set the goal to obtain and maintain business-division-specific global quality certifications and manage them in a systematic manner. In addition, to build a company-wide quality management system and enhance customer trust, we carry out continuous quality improvement activities and customer engagement and collaboration.



Key Quality Management Indicators

Business area	Management indicator	2025 Performance	2026 Target	2026 Plan
Basic materials	ISO 9001 certification rate	100%	100%	Re-audit of 4 sites
Energy materials	IATF 16949 certification rate	100%	100%	Re-audit of 2 sites

Management Activities

Strategy and Response Measures

Customer Protection and Remedy Procedures

POSCO Future M manages customer impacts that may occur during the manufacturing and supply process of products separately from routine inquiries. We define key dispute categories – such as product nonconformities and delivery delays- and respond in a systematic manner aligned with our B2B Business characteristics.

When a product or service-related dispute is raised by a customer, we operate according to a step-by-step handling procedure. When a quality claim or complaint is received from a customer, the customer-facing team immediately confirms the receipt and notifies the relevant department, and handles it in compliance with the deadline requested by the customer according to the type and urgency of the complaint. While handling is in progress, we regularly share the progress with the customer to secure transparency in the resolution process. In particular, when a critical quality issue or a customer's urgent response request occurs, we activate an immediate investigation and response protocol separate from the general claim handling procedure so that the cause can be quickly identified and measures taken, and if necessary, we also carry out responses such as emergency supply and alternative delivery to minimize customer production disruption. Through this, we maintain trust with customers and continuously strengthen product quality competitiveness. The customer damage compensation criteria and dispute handling procedures are transparently disclosed through official information disclosure channels such as the quality assurance clause in the product supply contract, the Certificate of Quality, the 'Customer Quality Claim Handling Procedure' guidance section on our website, the quality manual for customers, and the Sustainability Report, and we systematically guide them so that customers can confirm and understand them in advance.

Customer Satisfaction

Strategy and Response Measures

Energy Materials Business : Quality Management

Introduction of the Quality Risk Management System

In the Energy Materials Business, to systematically manage risks directly related to product quality, we establish and implement quality risk management guidelines. These guidelines prioritize risks through the identification-analysis-evaluation process of quality risks, and for key risks, we establish and implement management measures such as response, transfer, avoidance, and reduction. In particular, we prepare a separate contingency plan manual for emergency and contingency situations that directly affect product quality, such as key equipment failure, interruption of externally supplied products and services, natural disasters, and workforce shortages, so that quality assurance can be maintained even in crisis situations. We support each department in taking prompt measures when risks occur, and we periodically check and supplement the adequacy and effectiveness of the contingency plan. In addition, by integrating advanced analytical equipment and automation systems such as X-ray diffractometers (XRD) and scanning electron microscopes (SEM) into the quality control processes, we improve the precision of real-time quality monitoring and verification.

Quality Management System (IATF 16949) Establishment

Based on IATF 16949 certification, the international quality management standard of the automotive industry, POSCO Future M operates a systematic quality management system across the entire process of designing, developing, and manufacturing rechargeable battery materials. IATF 16949 is a global standard that aims to prevent product defects and enhance productivity and customer satisfaction through process improvement. We have obtained IATF 16949 certification at all production bases for cathode materials (Pohang, Gwangyang) and anode materials (Pohang, Sejong), securing process consistency and quality assurance, and we enhance quality performance across the supply chain by requiring key suppliers to apply quality management systems based on the same standard. In addition, to preemptively respond to the quality requirements of major European automakers, we are integrating the application of VDA 6.3 standards to internal standards. Through this quality management system, we manage audit-related risks in advance, while continuously advancing quality management capabilities based on organic collaboration among the development, cross-functional collaboration across R&D, engineering, quality, procurement, production, and maintenance sectors.

Quality Management System (IATF 16949) Certification Status *As of June 2026

Certification standard	IATF 16949:2016
Certification body	LRQA
Sites and certification period	· Pohang Cathode Materials Plant (March 28, 2025 – March 27, 2028)
	· Gwangyang Cathode Materials Plant (August 22, 2023 – August 21, 2026)
	· Pohang Anode Materials Plant (March 27, 2025 – March 26, 2028)
	· Sejong Anode Materials Plants 1 and 2 (August 9, 2023 – August 8, 2026)

Internal Auditor Program

In the Energy Materials Business, we operate an internal auditor system to strengthen the IATF 16949-based quality management system. In 2025, internal auditors conducted audits of systems, manufacturing processes, and products across all cathode and anode material operations. We establish and implement improvement measures for the nonconformities and recommendations derived from this. To resolve the capability gaps among internal auditors and the work disconnection problem caused by personnel transfers in the Energy Materials Business, we introduced an auditor resource pool and clearly divide responsibilities by designating primary and deputy roles. We also conduct regular training and qualification programs to enhance internal auditor's expertise.

Supplier Quality Risk Management

We strengthen the quality management system and risk prevention by conducting quality audits of suppliers. The main audit items are procurement management, quality management, and whether they hold quality management system (ISO 9001, IATF 16949) certifications, and based on this, we evaluate and classify suppliers into grades S to D for management. In addition, for suppliers with insufficient quality management levels, we actively carry out improvement measures and support activities to improve the overall quality level. As of 2025, among POSCO Future M's 63 suppliers subject to quality audits¹⁾, the proportion of grade A or higher reaches 51%. POSCO Future M will improve quality performance across the supply chain by continuously pursuing audits and improvement activities.

1) For cathode material suppliers

Customer Satisfaction

Strategy and Response Measures

Basic Materials Business : Quality Management

Quality Risk Management System Operation

In the Basic Materials Business, we operate a step-by-step process for quality risk management. First, we request each department to establish a risk quality management plan, and based on this, we identify the quality risk status by department. After that, we review the identified risks and determine whether they can have a significant impact on the business to select them as key risks. For selected key risks, we establish response plans, and relevant departments carry them out. After the response is completed, we evaluate effectiveness and conduct follow-up management through subsequent measures if necessary. Through this process, the Basic Materials Business organization preemptively manages key quality risks.



Quality Management System (ISO 9001) Establishment

POSCO Future M operates a systematic quality management system by obtaining ISO 9001 certification, an international standard quality management system. ISO 9001 is an international standard designed to standardize and continuously improve an organization's quality management processes, and it is an essential certification for guaranteeing consistent quality of products and services and increasing customer satisfaction. By introducing it, POSCO Future M achieves various effects such as improving process efficiency, minimizing risks, and strengthening responsiveness to customer requirements, and we continuously renew certification in line with quality management system standard transitions.

Quality Management System (ISO 9001) Certification Status *As of June 2026

Certification standard	ISO 9001:2015
Certification body	LRQA
Certification period	December 17, 2023 – December 16, 2026
Sites	Pohang Headquarter, Pohang Plant, New Refractory Materials Business Unit, Gwangyang Plant

Internal Auditor Operation

In the Basic Materials Business, we develop ISO 9001 internal auditors and drive continuous improvement of the quality management system through internal audits. In 2025, we checked the suitability and effectiveness of goals for the key work processes of each department and conducted audits centered on compliance with the key requirements of ISO 9001. Before audits, we checked the consistency between work regulations and execution, and during the audit process, we recorded in detail the non-conformities and risks according to relevant standards. After audits, based on the points raised, we guided departments on matters requiring improvement and supported the preparation of practical improvement measures. Through these internal audit activities, we identified a total of 13 key risks and completed improvement measures for them. Internal auditors actively participate throughout the entire process and play an important role in improving the quality management level of the Basic Materials Business.

Customer Satisfaction

Strategy and Response Measures

Quality Training Implementation

Energy Materials Business

In the Energy Materials Business, we operate a three-tier quality training system for quality-related departments such as manufacturing engineering, maintenance, and R&D. Tier 1 provides basic training to understand quality terms and learn statistical techniques to secure problem-solving capabilities. Tier 2 provides training that can be directly applied in practice, such as Core Tool training used in the automotive industry and the internal auditor development course. Tier 3 develops quality professionals who can improve the business division’s quality system by obtaining accredited qualifications to lead and operate the business division’s quality management. Through such structured program, the Energy Materials Business enhances the expertise of quality workforce and quality performance that meets the level of customer requirements.

Energy Materials Business Quality Training Operation Status (Unit: hours)			
Category	2023	2024	2025
Mind	2	0	15
Key Technique	16	128	240
Professionals	311	48	249
Total	329	176	504

Basic Materials Business

In the Basic Materials Business, we operate an ISO 9001 internal auditor course for the systematic operation and continuous improvement of the quality management system. In this course, based on an in-depth understanding of the requirements of ISO 9001, we educate on the overall procedures of internal audits, such as the audit process and program establishment methods. In addition, we learn step by step, from practical audit preparation and planning, checklist preparation, to audit execution methods, and we also learn the method of reporting risks identified during the audit process and the procedure for confirming corrections and corrective action results. Employees developed as internal auditors are actively deployed in the quality management system improvement activities of the Basic Materials Business and play a practical role in responding to customer requirements and preparing for audits by various certification bodies.

Basic Materials Business Quality Training Operation Status (Unit: persons)		
Category		Number of 2025 completers
ISO 9001 internal auditor course	Company-wide	5
	Basic materials manufacturing and construction	13
	Lime and chemicals	12
	Total	30

Product and Service Safety Program Operation

Energy Materials Business

The Energy Materials Business operates a product safety management based on product safety management guidelines and customer complaint handling guidelines to ensure the safe use of products and build customer trust. We identify and manage factors that affect product safety from product development to full-scale production and post-market monitoring, and conduct monitoring and inspections (Line Walks) to reflect applicable laws and regulations and customer requirements led by the Product Safety & Conformity Representative (PSCR). In addition, quality and safety-related complaints raised at customer touchpoints are received and managed through a dedicated customer service channel. Depending on the case, we apply the 8D process to systematically perform root-cause analysis and implement corrective and preventive actions to prevent recurrence. Through these procedures, the Energy Materials Business continuously manages the product and service safety level by linking prompt responses to product safety issues with internal improvement activities.

Basic Materials Business

To support the safe handling and use of products, the Basic Materials Business provides customers with essential safety information such as product hazards and risks, safe handling tips, first aid, and emergency contacts through Material Safety Data Sheets (MSDS). Through this, we support customers in safely using products and appropriately responding to emergency situations. In addition, the Basic Materials Business strengthens quality and safety management activities for raw materials, manufacturing, inspection, and field application overall through the operation of the Refractory Quality Innovation TFT, and it manages product safety-related risks in advance through supplier quality checks, process management standardization, close field management, and VoC collection. Through these activities, the Basic Materials Business continuously operates a management system to secure product safety and enhance customer trust.

Customer Satisfaction

Strategy and Response Measures

Customer Satisfaction Enhancement Program

Energy Materials Business : Customer Satisfaction Index (CSI) Survey

Every year, we conduct satisfaction evaluations of Energy Materials Business customers to evaluate service performances and use them as baseline data for customer needs analysis and improvement activities. The evaluation results are shared company-wide, and we support each business divisions in establishing improvement plans and reflecting feedback. The satisfaction evaluation includes various items such as product information provision and customer service, delivery and logistics, product quality, pricing, Voice of Customer response, and corporate image, and for items with low scores, we analyze the causes with relevant departments and develop improvement measures. After that, to clearly identify customer needs, we conduct face-to-face interviews and analyze the findings to establish action plans, while also analyzing product defects or issues raised by customers and using them for product improvement. In 2025, we conducted satisfaction surveys for a total of 9 customers and achieved an average score of 74.5 points out of 100.

Basic Materials Business : Satisfaction Index (CSI) Survey

The Basic Materials Division conducts customer satisfaction surveys (CSI) of customers who have traded with POSCO Future M within the past year. The survey consists of five items: product/quality, feedback/claim handling, marketing support, ordering/supply, and image/social contribution. In the 2025 survey, we obtained an average of 88.1 points. However, we received a relatively low score in the feedback and claim handling sector, so we are focusing improvement efforts on this. In particular, we aim to establish a rapid response system when product defects occur and strengthen the collaboration process so that customer requests can be reflected in the product development stage.

Product and Service Risk Management Activities

Energy Materials Business : Product and Service Risk Assessment

Phased Quality Risk Management

The Energy Materials Business applies Advanced Product Quality Planning (APQP) to systematically manage quality risks from the early development stages of cathode and anode materials. We secure pre-production quality through a 4-stage procedure of product development planning, product design and development, process design and development, and product and process validation, and we identify and respond to potential risks at each stage. Due to characteristics of the battery industry, we conduct customized quality management reflecting customer requirements from the development stage, and we operate a procedure for obtaining pre-approval prior to shipments. In particular, through Design Failure Mode and Effects Analysis (Design FMEA) and Process Failure Mode and Effects Analysis (Process FMEA), we analyze potential failure modes and impacts in design and processes in advance and establish preventive measures. In addition, we established the Technology Planning Group to clarify the department in charge of product validation confirmation and subdivide responsibilities and roles, further strengthening validation capability. Through this, we manage quality risks step by step throughout the entire process from development to mass production.

Stepwise Quality Risk Management Process of the Energy Material Division



Customer Satisfaction

Product and Service Risk Management Activities

Energy Materials Business : Product and Service Risk Assessment

Process-based Quality Risk Management

Due to characteristics of cathode materials, which are directly related to battery performance, even minute contamination that may occur during the production process affects quality, so we have formed a Technical Cleanliness Management Task Force to strengthen process inspection and establish technical cleanliness patrol inspection and management standards. In addition, all personnel and vehicles entering the factory are required to go through an air showers to block the inflow of external contaminants. We introduced automation robots and capsule transfer systems in key processes to minimize employee intervention and increase the precision and consistency of quality verification. In particular, single-crystal cathode materials are stored and transported in sealed containers to minimize contact with oxygen, and are thoroughly managed through multi-stage quality verification. In addition, we have built a real-time analysis system using advanced equipment such as X-ray diffractometers(XRD) and scanning electron microscopes(SEM) to constantly monitor quality risks across the process.

Key Customer VoC Response

POSCO Future M establishes a Voice of Customer(VOC) management system for key customers to prevent quality risks that may occur during new product start of production(SOP). Quality-related inquiries, technical support requests, etc. can be received through various channels including dedicated phone lines and email contacts for sales and quality teams by business division, regular technical meetings and on-site visits, and the website, and the received customer feedback is systematically reviewed and incorporated into continuous improvement activities.

When nonconformity, cases occur, relevant departments such as production, engineering, quality, maintenance, and R&D conduct a joint root-cause analysis and implement corrective and preventive actions to prevent recurrence. In addition, we respond to increasingly higher quality requirements through various efforts, such as carrying out win-win quality improvement tasks with suppliers every year.

Basic Materials Business : Product and Service Risk Assessment

Quality Risk Analysis

The Basic Materials Business carries out quality risk analysis activities to systematically manage quality risks that may occur in the mass production and sales stages of products. As a result of quality risk analysis, key risk factors such as quality deviation and non-conformity occurrence of refractories were identified. Accordingly, based on a precise review of quality impact factors, we prepare response measures to improve deviation and reduce the non-conformity rate, and we are pursuing activities to lower the lot duplication and omission rate by improving the quality inspection process. Based on such systematic risk analysis and improvement efforts, the Basic Materials Business continuously improves the quality level of products overall.

Supplier Quality Monitoring

The Basic Materials Business comprehensively evaluates whether suppliers have quality organizations and inspection equipment according to the 'Raw Material Supplier Selection Criteria,' and based on this, systematically monitors supplier quality. In addition, we confirm the suitability of supplied raw materials through step-by-step tests according to the 'Raw Material Usability Evaluation Criteria,' and all evaluation results are managed internally through our quality management system.

Basic Materials Quality Management Diagnosis (Pos-QC)

Pos-QC (POSCO Supplier Quality Certification) is a POSCO Group-level quality certification system that awards quality certificates to material suppliers and outsourcing partners that have received excellent evaluations. Through objective and strict evaluation, it classifies into 5 grades from Q1 to Q5 and quantitatively measures a total of 7 operation levels such as leadership, VoC, process management, inspection management, and safety. In 2025, POSCO Future M obtained 950 points (the highest certification grade, Q5), demonstrating that its quality competitiveness, such as customer complaint response, the establishment of action standards when abnormalities occur by process, packaging, storage, and shipping operation for products and materials, and safety management, is at the highest level.



Information Security

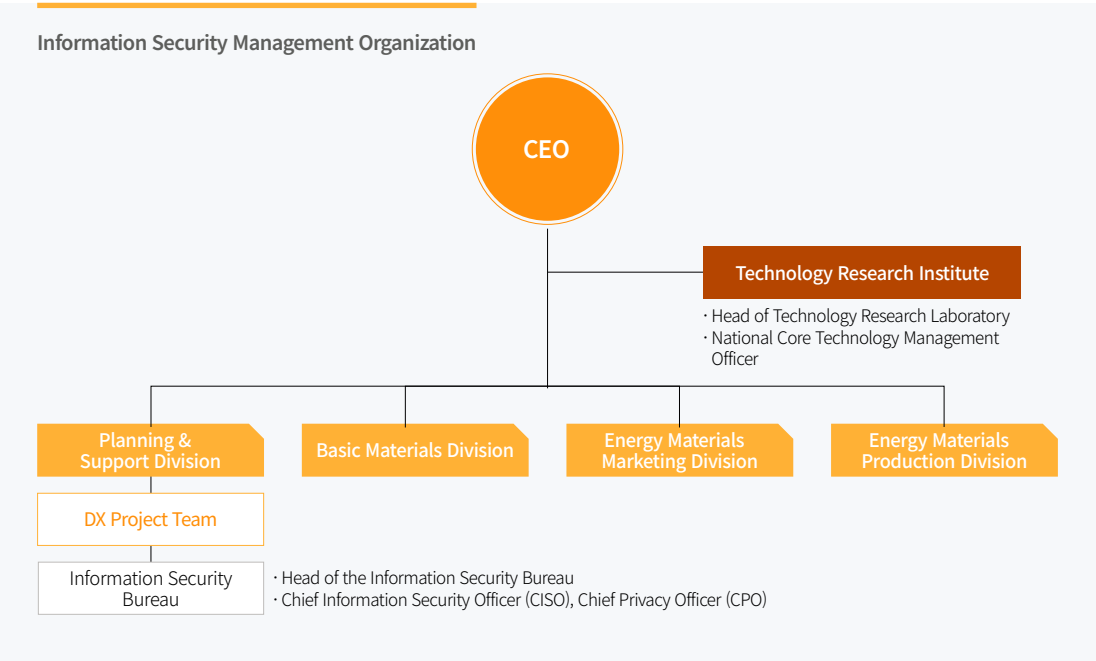
Management System

Organization

Dedicated Information Security Organization

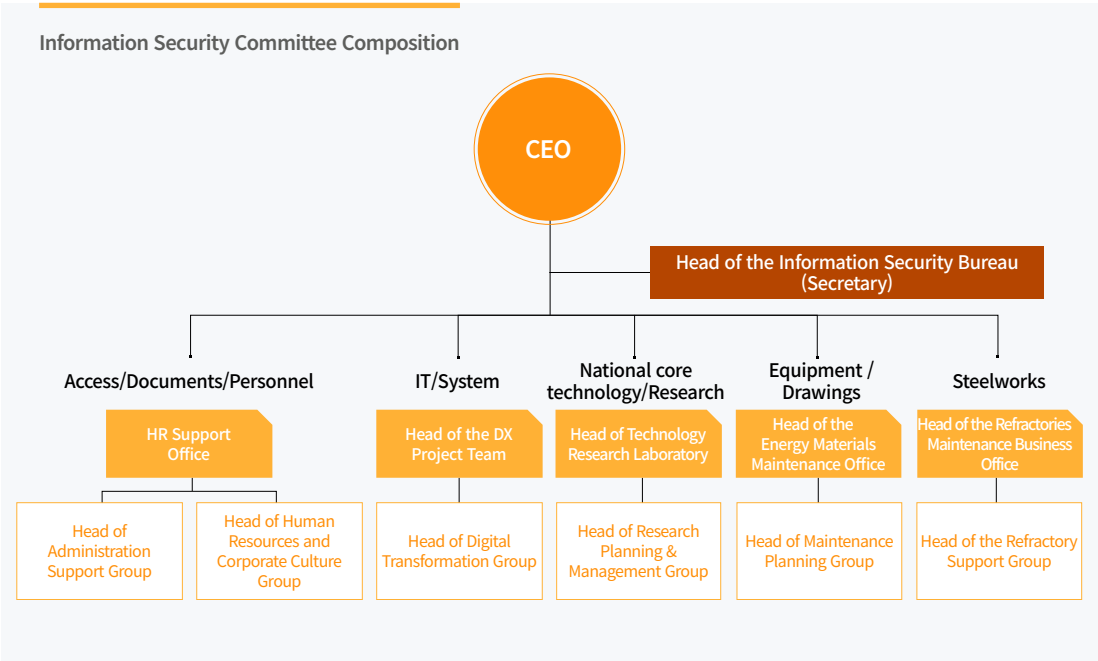
To preemptively respond to internal and external information security threats and strengthen information security awareness within the company, POSCO Future M operates an information security management organization under the supervision of the CEO. To this end, we operate various information security programs centered on the Information Security Bureau, and we regularly conduct training, simulation exercises, and internal audits to strengthen employees' security capabilities. In addition, we strengthen the information security management system by appointing personnel with expertise in the fields of information security and personal information protection as the Chief Information Security Officer (CISO) and the Chief Privacy Officer (CPO).

POSCO Future M's Chief Information Security Officer (CISO) has approximately 25 years of experience in the IT and information security fields and oversees information security organization operation, establishment of security policies, audit and risk management, and training and simulation exercises. In addition, the Chief Privacy Officer (CPO) performs roles such as establishing internal management plan for personal information protection, processing and managing personal information, and handling and resolving related complaints.



Information Security Committee

To strengthen company-wide information security activities and promote collaboration among relevant departments, POSCO Future M operates the Information Security Committee and its subordinate councils. The chairperson is the CEO, and the Head of the HR Support Office, the Head of DX Project Team, the Head of the Technology Research Institute, the Head of the Energy Materials Maintenance Office, the Head of the Refractories Maintenance Business Office, and the working-level group leaders under them serve as members. The Information Security Committee performs functions such as reviewing company-wide information security initiatives and implementation plans, deliberating on the establishment, revision, and abolition of information security regulations, deliberating on the export of National Core Technology, and reviewing and taking action against persons responsible for serious security violationos. In addition, through the Information Security Council in which the information security personnel of each department participate, it shares information on information security work and discusses issues. Through this systematic operation, POSCO Future M strengthens its information security capabilities.



Information Security

Policy Establishment

Information Security and Privacy Protection Policy

POSCO Future M operates information security and privacy protection policies to comply with domestic and international security-related laws and regulations such as 「Industrial Technology Protection Act」, 「National Advanced Strategic Industry Act」, and 「Personal Information Protection Act」, and to protect all tangible and intangible assets, it requires not only employees but also suppliers and visitors to comply with the policies. In addition, we revise policies to reflect the latest information security trends and supplement regulations more than twice a year through security level diagnosis, vulnerability analysis, and incident response system checks. Based on this, we build a systematic security management system and strengthen the protection of core technologies and personal information.

→ [POSCO Future M Information Security & Privacy Policy](#)

Posting and Operation of Information Security and Privacy Protection Regulations

POSCO Future M posts and manages related regulations through a internal regulation management app so that all employees can easily check and comply with information security and personal information regulations. When regulations and guidelines are established or revised, we inform employees through various methods such as company-wide announcements, newsletter publication, email guidance to those in charge of information security-related regulations and guidelines, and the provision of related training. We clarify that information security and privacy protection are the basic duties of all employees, and we inform them of the security responsibilities and compliance matters required according to the characteristics of each department and job so that all employees can fully recognize and fulfill information security and privacy protection responsibilities in the course of their work. In addition, we check compliance with regulations through regular and non-scheduled security audits, and impose penalties in case of violations and share cases with all employees to raise security awareness.

In accordance with our information security and privacy protection regulations, POSCO Future M periodically evaluates information security risks and vulnerability factors and continuously improves the administrative, physical, and technical security areas. For the safe storage of information assets, we also conduct various preventive activities such as regular backups, security software updates, and access control. In addition, we constantly monitor information security-related threat factors such as changes in the external environment, similar incidents, and new technology development, and have a proactive and reactive response system for key risks. Furthermore, we also stipulate information security management activities and compliance requirements for third parties and external contractors and reflect them in contracts.

Privacy Policy Guidance

In accordance with 「Personal Information Protection Act」, POSCO Future M has established a privacy policy for the protection of users' personal information, rights and interests and discloses it on its website. This policy includes the purpose of processing personal information, the retention period, provision to third parties, entrustment of processing, and destruction procedures. In addition, users can request the access, correction, and deletion of their personal information, and the procedures and rights for this are also specified in the policy. We implement various protective measures to ensure the security of personal information and designate a personal information protection officer and personnel in charge to be dedicated to handling users' grievances.

→ [POSCO Future M Privacy Policy](#)

Information Security

Management Activities

Strategy and Response Measures

Information Security Management System

Establishment of Information Security Management System

To respond to information security threats and strengthen the information security management system, we continuously pursue physical security measures, information security regulation revisions, and enhancement of network and system security. Based on these efforts, we have obtained and maintain international standard information security system certification, and in 2025, we maintained ISO/IEC 27001:2022 certification through a renewal audit, and we further solidified the reliability and security of the information security system across the business by expanding the certification scope from the existing rechargeable battery materials sites to the basic materials sites so that all sites are certified. Going forward, POSCO Future M plans to continuously strengthen its information security level to build a secure environment that meets international standards.



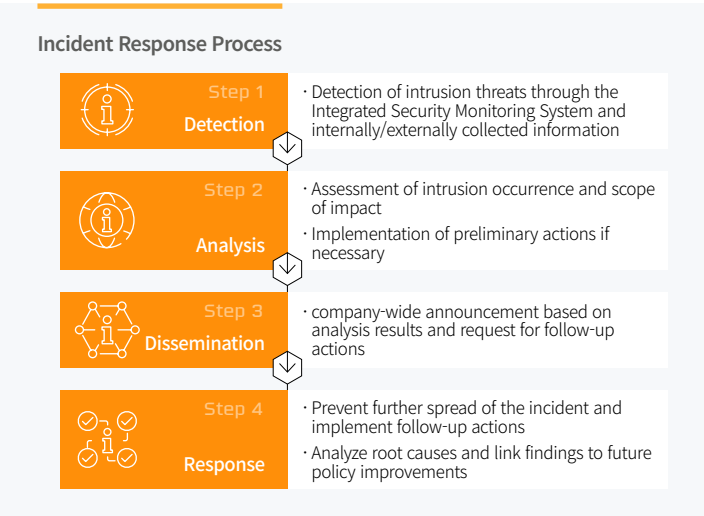
ISO 27001 Certificate

Certification standard	ISO/IEC 27001:2022
Certification body	BSI
Valid period	November 20, 2025 – November 19, 2028
Certification scope ¹⁾	Research, development, and manufacturing of battery materials (including support functions, IT planning and operation, and information security)

1) Physical security certification scope: Pohang Headquarter, Seoul Office, and Sejong/Pohang/Gwangyang rechargeable battery materials production sites

Incident Response

POSCO Future M establishes an emergency contact system centered on the Information Security Bureau and conducts periodic incident response drills. When an incident occurs, we immediately report it to the head of department and respond promptly by operating a comprehensive incident situation room consisting of an incident response situation room, a failure response situation room, and an integrated security operations center. We monitor security threats by constantly monitoring access logs, firewalls, intrusion prevention systems, etc., and we establish and operate an IT/information security Business Continuity Plan (BCP) to prepare for information security incidents. We operate a system so that employees can immediately report incidents, vulnerabilities, suspicious cases, etc. through a reporting center that allows anonymous reporting within the internal information security platform, and all personnel including non-employees through an information security hotline via telephone or email. Based on this response system, we minimize security risks and continuously strengthen the information security level.



Conducting Status Surveys on National Core Technology

As a company holding National Core Technology, POSCO Future M thoroughly checks whether protective measures are implemented through status surveys by the Ministry of Trade, Industry and Resources and the Korea Association for Industrial Technology Security. According to the survey results, we supplement improvements and actively implement protective measures. In addition, we establish protection criteria and guidelines and operate a specialized security management system by forming a core technology management officer and council. We protect assets by building security facilities at factories and research institutes and strengthen security incident prevention and response, and we continuously manage the retention and attraction status of core talent by applying security management KPIs to core personnel management as well.

Conducting Vulnerability Assessments and Penetration Testing

POSCO Future M conducts information security vulnerability assessments and penetration testing to identify security threats in advance and strengthen the response system. In particular, we ensure objective inspection by analyzing the vulnerabilities of IT systems, networks, security appliances, operating systems, applications, etc. through independent third-party security professional institutions and our own professional personnel. In the vulnerability assessment process, we review the possibility of external system intrusion, hacking scenarios, etc., and promptly carry out remedial measures for discovered vulnerabilities. In addition, we conduct cybersecurity exercises more than once a year and strengthen supply chain security through source code vulnerability checks and penetration testing when building new systems, pursuing continuous preventive activities to strengthen cyber threat response capabilities and block anomalies early. As a result, no information security incidents occurred in 2025.

Information Security

Strategy and Response Measures

Privacy Protection Management System

Ensuring the Security of Personal Information

POSCO Future M complies with the 「Personal Information Protection Act」 and establishes and implements an internal management plan for personal information. We conduct regular training for personal information handlers and control unauthorized external access through an intrusion prevention system. In addition, we prevent the leakage and damage of personal information due to hacking or viruses by periodically updating and checking security softwares. We strengthen technical and physical monitoring by installing the system in access-controlled areas is controlled, and we strive to ensure the safety of personal information, such as designating Chief Privacy Officer to handle related inquiries and complaints.

Administrative and Technical Measures

To safely protect personal information, we implement various protective measures in administrative and technical aspects. We establish and operate a company-wide privacy policy, and we carry out related work centered on the personal information officer within the information security organization. In addition, we strengthen the level of protection by conducting personal information protection training for employees and suppliers. As a technical protective measure, we strengthen account security by applying 2-Factor Authentication, and we continuously identify and improve vulnerabilities through regular checks of areas where personal information is processed. In addition, we have introduced a personal information access record management solution to collect and manage access and usage history for the personal information processing system, and we operate it to enable abnormal behavior detection and subsequent tracing.

Rights of Personal Information Subject

Collection of Information	· Collection of Minimum Necessary Information for Service Provision (e.g., Name, Phone number, Email address)
Retention of Information	· Retention periods are set based on the purpose of personal information collection and storage (Instructions are given to destroy personal information provided to third parties as well)
Use of Information	· The collected personal information is used solely for the following purposes, and prior consent will be obtained if there is any change in the intended use (e.g., Ethics violation reporting, Newsletter subscription, etc.)
Information Third-Party Use	· As a general principle, personal information is not used beyond its original scope or shared with third parties without the user's prior consent
Information Collection Methods	· An opt-in approach is used, in which personal information processed only with the data subject's consent (e.g., Ethics violation reporting)
Information Access	· Personal information retained by the company may be requested for access in accordance with Article 35 (Access to Personal Information) of the Personal Information Protection Act
Information Transmission	· Personal information may be provided to third parties (External organizations) if the data subject has given prior consent for such provision or disclosure
Information Correction, Deletion, and Processing Suspension	· Personal information held by the company may be subject to requests for correction or deletion in accordance with Article 36 (Request for Correction or Deletion of Personal Information) of the 「Personal Information Protection Act」

Strengthening Information Security at Affiliates

Information Security Assessment of Affiliates

POSCO Future M conducts an information security assessment every year to strengthen the security capabilities of affiliates with insufficient information security levels. Through this, we derive matters requiring improvement and promote the improvement of the overall information security level. In 2025, in cooperation with POSCO Holdings and government agencies, we conducted assessments across 7 areas based on a checklist for 21 affiliates (4 overseas subsidiaries, 1 equity affiliates, 16 suppliers). As a result, vulnerabilities were identified in various areas such as the security management system, employee security awareness, and information system management, and we actively support the improvement of the information security level by recommending security enhancement measures tailored to the characteristics of each company.

2025 Partner Company Information Security Level Diagnosis Results

Category	Key diagnosis results	Improvement direction
Security management system	Absence of security incident response manual	Provision of a guide for establishing related response procedures
Security awareness enhancement	Lack of timeliness of security training materials	Guidance on regular updates of security training materials
Personnel management	Insufficient inspection criteria for prospective retirees	Support for establishing clear inspection criteria
Held assets	Insufficient management of unauthorized storage media and personal information files	Guide for establishing media control policy
Protected areas	Discrepancy between the designation scope of some protected areas and actual operation status	Due diligence of all protected areas and re-designation of scope
Information system	Insufficient operation of USB and file export control	Strengthening control policies and approval procedures
Security audit	Insufficient post-inspection management	Supplementing follow-up measure operation for violators and excellent performers

Information Security

Strategy and Response Measures

Strengthening Information Security at Affiliates

Enhancing Affiliates' Information Security Capabilities

To strengthen affiliates' information security capabilities, we conduct information security consulting every year. Through this, we prevent the leakage of core technology and business information and strengthen the security system. In the consulting process, we provide relevant laws and guidelines and analyze the previous year's deficiencies to support improvement measures. In addition, we respond to requests such as reference materials for work plan establishment, security awareness training guides, and internal security audit plan establishment methods. Furthermore, through interviews with information security officers, we provide customized implementation guides for information and content management, security policies, system security, etc., and continue systematic support to strengthen affiliates' security levels. In particular, in 2025, the introduction of groupware by suppliers standardized the work environment and greatly improved information management efficiency.

Information Security Communication with Affiliates

To improve affiliates' information security levels, POSCO Future M holds preliminary briefings and conducts basic training to share the background and key content of the initiative. In addition, through VoC (Voice of Customer) surveys of affiliates' information security officers, we collect feedback, concerns, and requests for improvement and derive support measures and improvement opportunities for the information security assessment based on these findings. In the first half of 2025, we conducted workshops to improve information security levels for affiliates in Pohang and Gwangyang, and we shared the 2024 information security level diagnosis results and major incident cases and conducted information security training for affiliates. Going forward, POSCO Future M plans to expand participating affiliates and raise the information security level through continuous communication, strengthening security competitiveness together.



First Half of 2025 Affiliate Information Security Level Improvement Workshop

Information Security Training

POSCO Future M conducts regular information security training so that all employees recognize that they are the subjects of information security and strengthen their security awareness. Through monthly security newsletters and visual card news contents, we share security violation cases, practical guidelines, the latest security trends, etc., and raise employees' security awareness through case-centered training. Along with this, we conduct personal information protection training more than once a year for personal information handlers to support their familiarity with key laws and management standards.

Status of Information Security Training in 2025

Category	Training name	Frequency
Statutory Training	Training for Personnel Handling National Core Technology	Twice a year
	Information Protection E-learning Training	Once a year
	Security Training for Personal Information Handlers	Once a year
	Training for Data Processors	Once a year
General Training	Special Lecture on Industrial Security by National agency	Once a year
	Training for Security Specialists and Departmental Security Personnel	Once a year
	Training for Employees Undergoing Employment Status Changes(Onboarding, Dispatch, Termination)	as needed/ Upon occurrence

Information Security

Strategy and Response Measures

Information Security Campaign

POSCO Future M carries out various campaigns to raise employees' security awareness. In particular, we operate campaigns centered on security quizzes based on actual work cases and security practice pledge writing missions, forming a consensus on the importance of information security and creating an opportunity to spread a practice-centered security culture. Going forward, we plan to continuously encourage employees' active participation and awareness improvement through regular campaigns based on actual cases. Along with this, we plan to effectively deliver security messages using visual content such as visual card news contents and posters and establish a security culture in which employees voluntarily participate and practice.

Information Security Investment Status

As an entity obligated to disclose information security details, POSCO Future M discloses information on information security-related investment, personnel, certifications, etc. on the Comprehensive Information Security Disclosure Portal. In 2025, we invested in a total of 6 information security projects, such as building a company-wide access integration system, introducing secure USB devices, building a personal information access record management system, and advancing company-wide MDM, and we strengthened the information security management system based on this.

Responsible Artificial Intelligence (AI) Policy

Through the 「Code of Ethics for AI Development and Utilization」 (hereinafter the AI Code of Ethics), POSCO Future M stipulates the basic principles to be observed in the process of using and developing Artificial Intelligence (AI). The AI Code of Ethics specifies protecting personal information and data privacy when using and developing AI, and operating internal business AI on a Private AI basis with network separation and a security environment applied. In addition, we prevent misuse and abuse by regularly checking the bias of AI training data and results and clearly setting the scope of work that AI can perform. As a principle, AI is used as a means of assisting decision-making, and final judgment and responsibility lie with humans, and in key areas such as HR, finance, and safety, human final review and intervention are stipulated as mandatory. Furthermore, we secure transparency and explainability by managing AI results so that reasonable explanations are possible and by not using unexplainable AI in significant decision-making. Along with this, we designate persons responsible for the planning, development, and operation of each AI system, and we also include operating principles that consider environmental impact, such as considering energy efficiency when operating AI infrastructure and avoiding unnecessary model use. In addition, we clarify management standards to comply with domestic and international AI-related laws and regulations such as the EU AI Act and to not develop, use, or distribute prohibited high-risk and illegal AI systems.

→ POSCO Future M Code of Ethics for AI Development and Utilization

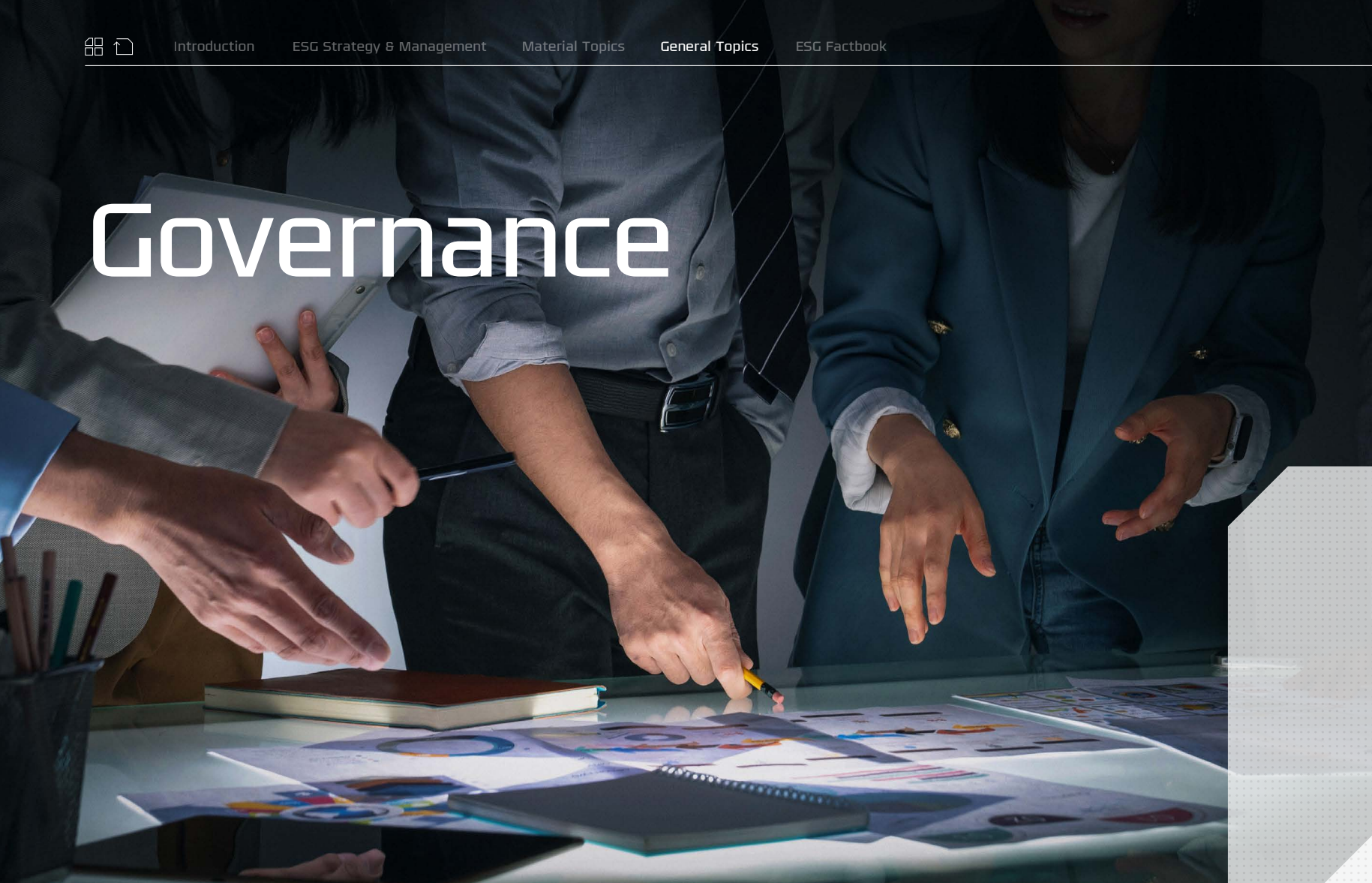
Responsible Artificial Intelligence (AI) Program

POSCO Future M manages risk factors that may arise in the AI use process and operates a management program for the AI use process for safe operation.

We apply AI-based biometric recognition functions to the company-wide access security platform, and for servers where biometric recognition information such as face, iris, and fingerprint is stored, we control access through security solutions so that only authorized personnel can access them. In addition, information and content generated using AI are clearly labeled in documents and images as 'Information generated using AI,' 'AI-utilized Image,' etc. to distinguish whether they are AI-generated during internal and external use. To manage the impact of AI model performance degradation or environmental changes, internal AI services such as POSCO-GPT (P-GPT) are checked for their operational status through continuous version upgrades and improvements, and when using external AI services, considering the characteristic that direct control over model training and operation is difficult, they are used in a limited manner within the approved scope of use.

Furthermore, for issues arising in the AI use process, we enable users or affected stakeholders to raise objections to AI-based decisions or results through the SR (Service Request) system, which receives IT-related opinions and improvement requests. In addition, we regularly conduct training for employees on the ethical use and security maintenance of AI, guide them to exclude sensitive information such as personal information and internal confidential information from AI input, and distribute training materials centered on prohibiting the input of key business-related information such as core technology information in particular.

Governance



114 Ethics·Compliance

120 Shareholder Rights

Ethics•Compliance

Management System

Organization

Organization

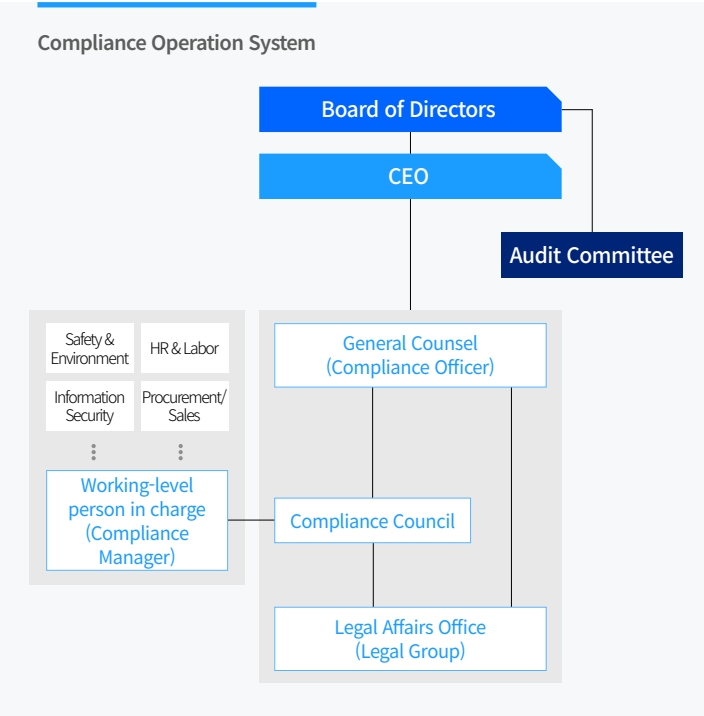
Dedicated Ethical Management Organization

POSCO Future M promotes ethical management centered on the Business Ethics Management Bureau of the Corporate Audit Office. Based on the ethical management philosophy of 'Doing the Right Thing the Right Way,' we not only comply with laws and ethics but also strive to establish an ethical corporate culture through management activities that are thorough in the basics and keep principles, with Integrity, Respect, and Mutual Empathy as goals. In addition, the anti-corruption program is operated under the direction of the Head of the Corporate Audit Office, and we promote and manage activities for employees' compliance with ethical and moral values.



Dedicated Compliance Management Organization

POSCO Future M strives to realize more systematic and professional compliance management centered on the Legal Affairs Office. The Legal Affairs Office checks the company-wide compliance management operation system under the direction of the compliance officer, shares key internal and external issues, and oversees the operation of the compliance program. In addition, it operates a compliance council composed of compliance managers from 35 departments to enhance the effectiveness of compliance management by gathering and sharing the opinions of working-level departments.



Dedicated Compliance Management Organization

Compliance Officer Designation

In accordance with Article 542-13, Paragraphs 1 and 2 of the Commercial Act of the Republic of Korea, listed companies with total assets of KRW 500 billion or more must establish compliance control standards and procedures and appoint a compliance officer. Accordingly, POSCO Future M designates a compliance officer through a Board of Directors resolution and checks compliance with the compliance control standards and reports to the Board of Directors. In addition, the compliance officer performs various roles to strengthen compliance management, such as conducting compliance training for employees and supporting legal advice.

POSCO Future M Compliance Support Person

Name	Position	Key career
Ryu DaeWon	Head of the Legal Affairs Office	- Passed the 44th Korean Bar Exam(34th Class of the Judicial Research and Training Institute) - Legal Counsel, POSCO E&C(2005~2018) - Legal Counsel, POSCO(2019~2024) - Head of Legal Affairs, POSCO Future M(2025~)

Ethics·Compliance

Organization

Dedicated Compliance Management Organization

Compliance Manager

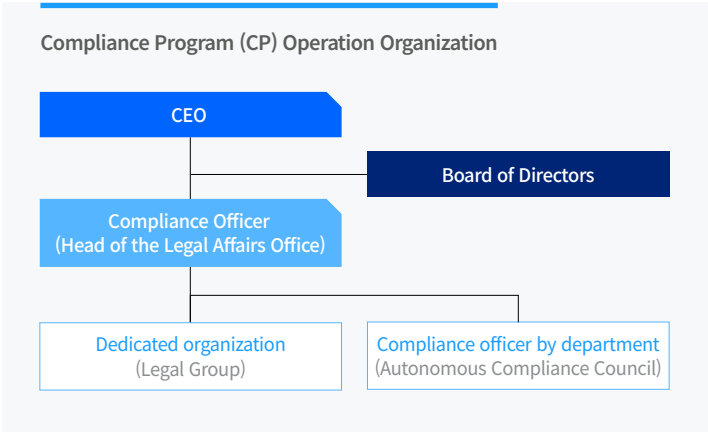
POSCO Future M strengthens self-internal control centered on working-level departments by designating one practitioner from each department as a compliance manager for 35 departments with a high possibility of legal risk exposure. The compliance manager performs roles such as establishing policies and procedures for compliance with relevant laws, setting and monitoring the implementation of compliance goals by department, operating compliance training programs, supporting the maintenance of ISO 37301 certification, supporting the identification of risks and the establishment of control measures by department, and operating internal reporting channels, and supports the compliance system to actually function from a working-level perspective.

Compliance Council

POSCO Future M operates a composed of compliance managers from 35 departments centered on the compliance officer. Compliance managers or department heads directly participate to present practical opinions and discuss feasible response measures. The compliance council performs tasks such as checking the company-wide compliance management operation system, sharing key internal and external compliance issues, establishing and managing compliance goals, discussing risk identification and prevention measures, managing the status of compliance training issues, gathering and responding to working-level questions, and supporting compliance innovation work. In addition, by sharing similar cases and response experiences among departments, it strengthens the foundation for company-wide compliance awareness improvement and collaboration, and the results of council operation are regularly reviewed and managed through the Legal Affairs Office and linked to management reporting when necessary to support strategic decision-making.

Dedicated Fair Trade Compliance Organization

POSCO Future M builds a systematic fair trade compliance operation organization centered on the Legal Affairs Office, the dedicated organization. The Head of the Legal Affairs Office (the C-Level), as the compliance officer, oversees the design and operation of the Compliance Program (CP), strengthens employees' fair trade awareness, monitors violations, and prevents and supervises unfair practices within the company. In addition, it regularly reports related matters to the CEO and the Board of Directors. The Legal Affairs Office, the dedicated organization, is responsible for fair trade consultation, the operation of self-inspection systems and training programs, and measuring CP operation performance, and the autonomous compliance council composed of department heads (members) and practitioners (practice leaders) by group supports compliance practice in the field. When a violation of laws occurs, the autonomous compliance council evaluates the seriousness of the violation and implements appropriate sanctions, and raises employees' compliance awareness by awarding excellent groups and individuals.



Policy Establishment

Code of Ethics and Ethical Principles

In July 2024, POSCO Group proclaimed the Code of Ethics and Ethical Principles commonly applied to all business companies, and POSCO Future M, as a member of POSCO Group, complies with them. To coexist and grow with various stakeholders such as employees, customers, shareholders, business partners, and local communities, we familiarize ourselves with the code of ethics and ethical principles and perform our work responsibly.

→ [POSCO Group Code of Ethics](#)

Anti-Corruption Compliance Guidelines

POSCO Future M revised its anti-corruption compliance guidelines to prevent corruption and bribery risks and enable employees to comply with ethical and moral values. These guidelines include the prohibition of all forms of bribery and improper solicitation, the eradication of facilitation payments, and the prohibition of donations and sponsorships for political purposes. In addition, we monitor corruption and bribery risks by establishing a reporting system and take immediate measures when violations occur.

→ [Anti-Corruption Compliance Guidelines](#)

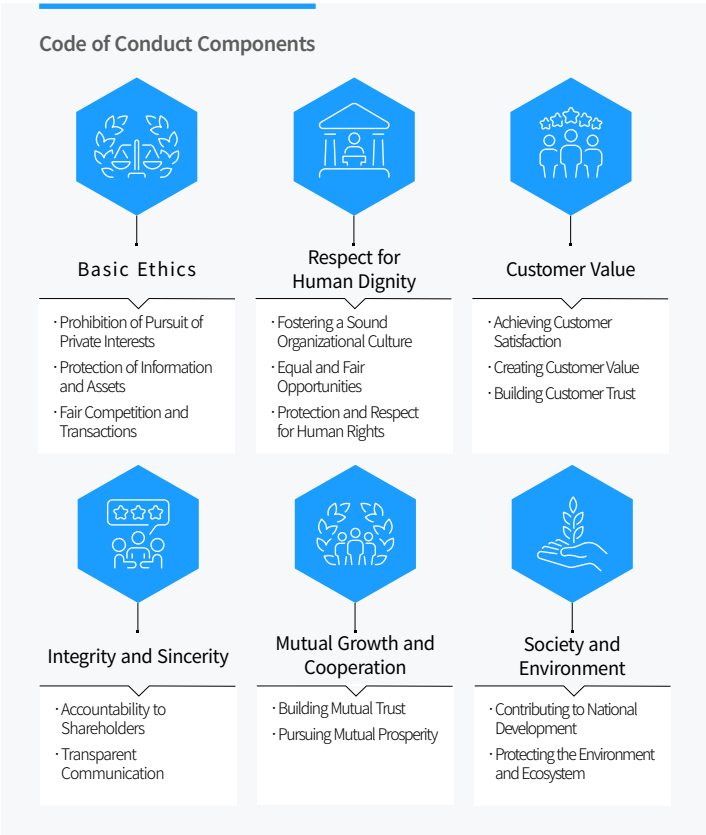
Ethics·Compliance

Policy Establishment

Code of Conduct and Practice Guidelines

Through the Code of Conduct and Practice Guidelines, POSCO Future M stipulates the specific implementation measures, procedures, and content of the code of ethics and ethical principles. Our Code of Conduct and Practice Guidelines include content on corruption and bribery, conflicts of interest, environment and safety, customer value, and the reporting of unethical conduct.

[→ Code of Conduct and Practice Guidelines](#)



Management Activities

Strategy and Response Measures

Ethics Training

POSCO Future M conducts ethics training for all employees (regular and contract) to continuously strengthen employees' ethical awareness. In particular, we operate training centered on the core values of ethical management for new employees who are not familiar with the corporate culture, and we raise ethical awareness through regular ethics training for managers and general employees.

In addition, we strengthen employees' practice of ethical management by conducting monthly ethical management campaigns by theme and posting related training materials on the internal portal.

2025 Ethics Training Implementation Status (Unit: sessions, persons)

Training name	Number of sessions	Number of completers
Ethics training for new employees (new hires, experienced hires)	7	77
Ethics training for managers ¹⁾	13	241
General ethics training ²⁾	2,783	2,783
In-person ethics training by site	29	465
Ethics training for overseas expatriates and prospective dispatchees	2	20
Other ³⁾	1	2

1) For assistant managers/part leaders, leaders/plant managers, and general managers/group leaders
2) Understanding ethical management (2,597 regular employees, 186 contract employees completed)
3) Ethics training for prospective retirees

Signing the Ethics Practice Compliance Pledge

POSCO Future M obtains signatures on the 'Ethics Practice Compliance Pledge' from all employees (regular and contract) except temporary employees, domestic and overseas dispatchees, and those on leave, confirming their understanding of the POSCO Group code of ethics and ethical principles and solidifying their will to practice ethical management. In 2025, a total of 3,054 employees signed the pledge.

2025 Ethical Management Campaign Status

Month	Topic
January	Prohibition of secondary victimization
February	Prohibition of misappropriating partner companies' technical data
March	Prohibition of disrespectful speech and behavior
April	Understanding conflict-of-interest prevention
May	Prohibition of discrimination against locals
June	Preventing workplace harassment and sexual harassment on social media
July	Beware of small unethical acts in daily life
August	Human respect behavior guide
September	Corporate ethics self-diagnosis checklist
October	The attitude of employees for human respect
November	Creating a healthy company dinner culture
December	Workplace incivility

Ethics·Compliance

Strategy and Response Measures

Ethical Management Awareness Diagnosis

POSCO Future M conducted an ethical management-related survey of all employees to objectively diagnose our ethical management practice system and derive vulnerable and improvement areas. This survey consisted of several items such as ethical leadership, ethical norms and practice guidelines, ethics training, the reporting and informing of unethical conduct, measures and improvement, and department heads' unethical conduct prevention activities. As a result of the 2025 survey, the proportion of negative responses expressing concerns about the transparent handling of ethics violations, strict measures against unethical actors, and the effectiveness of the reporting system was found to be high. Accordingly, POSCO Future M implemented follow-up measures such as strengthening the disciplinary guidelines for unethical actors and an integrated support system through a professional labor law firm, and conducting special ethics training for departments with high negative response rates.

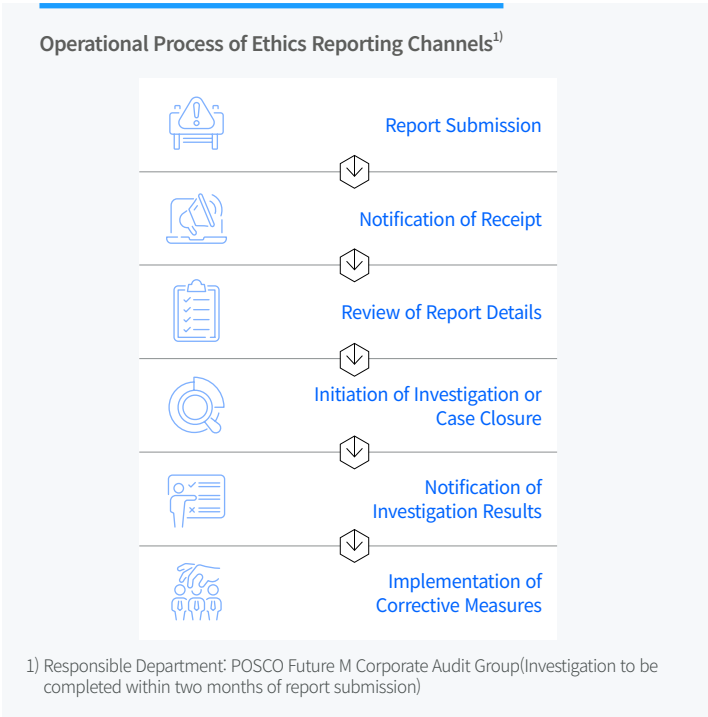
Ethical Management Diagnosis for Partner Companies

We check partner companies' ethical management level by conducting ethical management diagnoses of them. This diagnosis consists of indicators on the will of partner company executives to practice ethics and partner company employees' ethical awareness change management activities. We confirm executives' will to promote ethical management through whether executives send ethics messages and whether executives conduct ethics training, and we review employees' ethical awareness change management activities by checking employees' ethics training completion records and whether various ethics-related activities are conducted for employees. POSCO Future M strives to spread the ethical management culture across the supply chain through such an evaluation system.

Ethics Reporting Channels

POSCO Future M operates channels for reporting unethical conduct, abuse of power, workplace harassment, sexual harassment, etc. These channels are an institutional mechanism prepared so that employees and stakeholders can report various unethical conduct such as corruption, bribery, conflicts of interest, and money laundering, and reports can be received through various methods such as telephone, email, mail, and visit consultation. Received reports are thoroughly kept confidential, and the same system is applied

at overseas subsidiaries to practice global-level ethical management. Among the reports received through the POSCO Holdings channel, matters related to POSCO Future M are transferred to and separately investigated and handled by our Corporate Audit Group. Furthermore, POSCO Future M posts the reporting channels and usage methods at all sites, and we also conduct training for employees on channel usage methods, operation procedures, and handling measures.



Ethics·Compliance

Strategy and Response Measures

Compliance Management System (ISO 37301) Establishment

In September 2023, POSCO Future M obtained Compliance Management System (ISO 37301) certification for the first time in the domestic battery materials industry. This certification is granted by comprehensively reviewing various factors such as a company's legal compliance system, internal control and monitoring system, risk management process, employee compliance training, and whether the independence of decision-making is secured. To meet these standards, POSCO Future M has made efforts to thoroughly manage compliance risks, strengthen the internal monitoring system, and establish company-wide compliance awareness, and through this, we obtained ISO 37301 certification by being recognized as a company that practices international-level compliance management.

Fair Trade or Fair Competition Training

To establish a fair trade and fair competition culture, POSCO Future M operated fair trade training for employees under the direction of the Legal Affairs Office in 2025. This training was composed centered on relevant laws such as the Fair Trade Act, the Subcontracting Act, the Agency Act, and the Win-Win Cooperation Act, and the direction of Compliance Program (CP) operation, and we conducted CP Practice Leader meetings and individual fair trade training by department and site, including departments performing fair trade-related work such as purchasing and marketing. Through this, we improve employees' understanding of fair trade-related laws and strengthen awareness of and response capabilities for fair trade risks that may arise in the course of performing the relevant jobs.

2025 Fair Trade Training Operation Performance

Key Training	Target	Completion hours (hours)	Number of completers (persons)
Q1 2025 Fair Trade Practice Leader Meeting	CP Practice Leaders	1	11
Q1 2025 Fair Trade Training – Raw Materials Procurement 1 and 2	Raw Materials Procurement Group 1 and 2	1	21
Q1 2025 Fair Trade Training – Refractory Marketing (Agency Act Training)	Refractory Marketing Group	1	5
Legal Affairs Office-led Training – Gwangyang Cathode Materials Production Department (Fair Trade Act, Subcontracting Act, Win-Win Cooperation Act)	Gwangyang Cathode Materials Production Department	2	7
Q2 2025 Fair Trade Practice Leader Meeting	CP Practice Leaders	1	13
Q3 2025 Fair Trade Practice Leader Meeting	CP Practice Leaders	1	13
Fair Trade Compliance Council	Compliance Council attendees	1	19

Ethics·Compliance

Ethics and Compliance Risk Management Activities

Compliance Risk Assessment

POSCO Future M conducts a compliance risk assessment once a year to identify and analyze compliance risks. This assessment focuses on diagnosing the possibility of violations of laws such as the Fair Trade Act, the Subcontracting Act, and the Anti-Corruption Act that employees must comply with in the course of performing their work, and evaluating the effectiveness of the internal management system to control them. In 2025, we conducted sampling assessments of 21 departments through self-inspection. Based on the assessment results, we establish risk mitigation measures such as customized training, monitoring, and internal audits by risk type, and after training, we continuously monitor whether the relevant risk indicators improve to review effectiveness.

Compliance Risk Assessment Items	
Accurate identification of regulations	· Identification of applicable laws and regulations by business area · Monitoring of legal amendments and regulatory changes
Risk Assessment	· Analysis of financial and non-financial impacts of legal violations · Assessment of likelihood and frequency of risk occurrence
Establishment of effective control measures	· Establishment of internal control systems and checklists · Design of prompt response measures and recurrence prevention plans in case of violations

Fair Trade or Fair Competition Risk Management Activities

Compliance Program (CP) Operation

The Compliance Program (CP) is a system in which a company establishes its own framework and operates an organization so that it can voluntarily comply with relevant laws for fair competition. Through this, it clearly provides behavioral guidelines and standards that employees must comply with when performing their work and supports the prevention of legal violation risks in advance. POSCO Future M reports CP operation plans and performance to the Board of Directors every year to reflect the opinions of top management and pursues continuous improvement and supplementation. In addition, we check the effectiveness of operation by participating in the Compliance Program grade evaluation (CP grade evaluation) organized by the Korea Fair Trade Commission(KFTC).

The CP grade evaluation comprehensively evaluates a company's compliance system establishment, risk management, employee training, and the adequacy of the internal monitoring system, and a company's fair trade compliance efforts can be objectively recognized through certification. POSCO Future M obtained an AA grade (valid for 2 years) in the 2024 CP grade evaluation and was officially recognized for the effectiveness of its Compliance Program. Going forward, we plan to further strengthen CP operation to continuously enhance employees' compliance awareness and create a fair competitive environment.

Fair Trade Risk Assessment Implementation Status (Unit: departments, sessions)

Category	2023	2024	2025
Departments subject to assessment	11	11	14
Risk assessments conducted	44	44	56

Fair Trade Risk Assessment

POSCO Future M conducts a fair trade risk assessment every quarter to identify fair trade-related risks in advance and manage them systematically. The assessment is conducted by identifying risks for each major law such as the Fair Trade Act, the Subcontracting Act, and the Agency Act through the analysis of law violation cases of the company and the same industry and the review of whether relevant laws are revised, in accordance with the 'Fair Trade Risk Management Guidelines.' In particular, we conduct regular assessments once per quarter, a total of 4 times a year, for 14 departments belonging to the autonomous compliance council, which is composed of departments highly relevant to fair trade work. In 2023 and 2024, we conducted risk assessments of 11 departments each, and in 2025, we conducted assessments of 14 departments.

Based on the risk assessment results, we classify high-risk departments belonging to the autonomous compliance council as monitoring, management, and intensive management targets, and the fair trade CP supervising department carries out customized risk reduction activities centered on vulnerable law violation types such as non-issuance of written documents and unfair reduction according to the risk grade of each department. Through this, we preemptively identify work areas with the possibility of fair trade risks and effectively mitigate fair trade risks by linking various risk control activities such as customized training for employees, the distribution of work guides, the revision and distribution of the compliance manual, the operation of a prior work consultation system, and follow-up inspection.

Shareholder Rights

Shareholder Policy

Shareholder Return

Shareholder Return Policy

POSCO Future M has established a shareholder return policy including dividends to strengthen corporate competitiveness and enhance shareholder value. In 2023, through an amendment to the Articles of Incorporation, we changed the dividend record date to after the general shareholders' meeting date, improving it so that shareholders can confirm the dividend amount in advance and decide on investment. In addition, we disclose dividend-related matters through major disclosure materials such as the website, the Annual Report and Corporate Governance Report, and we also operate an 'Online Dividend Guidance Service' so that shareholders can easily check dividend details.

Although our dividend capacity is limited due to uncertainty in business conditions and continuous facility investment execution, we intend to present a new dividend policy utilizing free cash flow (FCF) and others in 2027. From 2025 to 2026, we plan to operate a dividend policy with the goal of paying dividends at a level similar to past dividends per share when net profit occurs. The detailed dividend policy and goals are also disclosed on our website and in the Corporate Governance Report.

Dividend Payment Status

Category	2023	2024	2025
Dividend per share (KRW)	250	0	250
Target achievement rate (%) ¹⁾	-	-	100

1) Our dividend policy was established in 2025, so the target achievement rate cannot be calculated for 2023 and 2024, and this dividend policy is scheduled to be operated until 2026

Shareholder Rights Protection

Protection of Shareholder Rights and Interests

POSCO Future M operates various systems such as direct participation, proxy exercise of voting rights, and electronic voting to enhance participation in the general shareholders' meeting and ensure the convenience of exercising voting rights. From the 49th regular general shareholders' meeting in March 2020, we introduced an electronic voting system to establish procedures so that shareholders can exercise their voting rights even if they do not attend the meeting. We guarantee the right to exercise shareholder proposal rights to protect minority shareholder rights, and we review the proposals of shareholders with proposal rights and, when requirements are met, submit them to the Board of Directors and the general shareholders' meeting in accordance with the Commercial Act (holding 1% or more of the total number of issued voting shares from 6 months prior, or 0.5% or more for capital of KRW 100 billion or more).

In addition, we have established internal control operation guidelines to prevent internal transactions and self-dealing for the private interests of management or controlling shareholders. Transactions with related parties, the provision or trading of securities, etc. are set as matters for Board of Directors resolution, and matters falling under Article 397-2 (Prohibition of Usurpation of Company Opportunities and Assets) and Article 398 (Transactions between Directors and the Company) of the Commercial Act are required to be resolved by two-thirds or more of the directors.

Through the Corporate Governance Charter, we guarantee shareholders' right to participate in profit distribution, attendance at the general shareholders' meeting and exercise of voting rights, and timely information provision as stipulated by the domestic Commercial Act. We communicate with shareholders through various channels, respect shareholders' legitimate requests and opinions, and strive to build sound governance through transparent and reasonable decision-making.

Shareholder Participation Support

Convening and Notification of the General Shareholders' Meeting

POSCO Future M's general shareholders' meeting is convened by the CEO in accordance with a Board of Directors resolution, and the articles of incorporation specify that a regular general shareholders' meeting can be convened within March after the end of each fiscal year, and an extraordinary general shareholders' meeting can be convened as needed. We provide written notification of the date, location, and purpose of the general shareholders' meeting at least 2 weeks in advance, and we disclose the notice of convening the general shareholders' meeting 4 weeks before the meeting to ensure that shareholders have sufficient time to review the agenda.

General Shareholders' Meeting Resolution

In accordance with the Commercial Act and Article 25 (Voting Rights of Shareholders) of the articles of incorporation, we guarantee one vote per share for common shares held, and resolutions of the general shareholders' meeting are made by a majority of the voting rights of attending shareholders, but at least one-fourth of the total number of issued shares. Shareholders can exercise their voting rights directly or through a proxy, and the proxy must submit a power of attorney proving the proxy authority before the start of the general shareholders' meeting.

In addition, in accordance with Article 28 of the articles of incorporation, we have voting rights exercise proxies (usually 3-4 persons) designated by the company every year, and we disclose matters related to the exercise of voting rights through these proxies in advance through the 'Reference Documents for Solicitation of Proxy Exercise of Voting Rights.' Through this, shareholders can exercise their voting rights through proxies designated by the company even when it is difficult to attend the general shareholders' meeting, and we support them in accessing information on proxies and methods of exercising voting rights in advance.



ESG Factbook

122 ESG DATA

132 GRI Index

135 ESRS Index

137 SASB Index

137 TCFD Index

138 GHG Inventory
Assurance Statement

140 Independent Assurance
Statement

ESG DATA

Environmental

Indicator	Unit	2022	2023	2024	2025
Greenhouse gas					
Total greenhouse gas emissions (Scope 1, 2, 3)	tCO ₂ e	10,807,752.7	3,993,675.0	4,271,082.0	3,209,967.4
Direct/indirect greenhouse gas emissions (Scope 1 & 2) ¹⁾	tCO ₂ e	2,232,308.0	2,388,831.0	2,298,133.0	2,200,344.0
Intensity (based on sales)	tCO ₂ e/ KRW 100 Million	73.4	53.6	63.7	82.2
Direct greenhouse gas emissions (Scope 1)	tCO ₂ e	1,916,391.8	2,022,087.6	1,885,309.0	1,874,280.3
Indirect greenhouse gas emissions (Scope 2) – location-based	tCO ₂ e	315,920.2	366,750.3	412,832.0	326,071.5
Indirect greenhouse gas emissions (Scope 2) – market-based	tCO ₂ e	315,920.2	366,750.3	411,461.3	324,635.0
Other indirect greenhouse gas emissions (Scope 3)	tCO ₂ e	8,575,444.7	1,604,844.0	1,972,949.0	1,009,623.4
Purchase of raw and subsidiary materials and services	tCO ₂ e	3,434,090.4	664,089.0	892,124.4	808,025.9
Capital goods investment and purchase	tCO ₂ e	0	20,906.0	35,642.8	11,765.9
Fuel/energy-related activities out of Scope 1 or 2	tCO ₂ e	1,091,101.6	754,908.0	903,767.9	54,128.9 ²⁾
Transport of raw/subsidiary materials	tCO ₂ e	57,365.0	60,940.0	64,114.3	59,451.4
Waste from business sites	tCO ₂ e	1,249.5	30,072.0	33,553.5	35,517.6
Employee business trips	tCO ₂ e	443.1	846.0	773.2	723.1
Employee commuting	tCO ₂ e	2,018.7	3,255.0	4,129.0	3,886.4
Leased assets	tCO ₂ e	0	0	0	0
Transport and distribution	tCO ₂ e	6,232.5	0	0	0
Processing of sold products	tCO ₂ e	1,137,422.0	0	0	0
Use of sold products	tCO ₂ e	2,843,555.0	0	0	0
Disposal of sold products	tCO ₂ e	0	0	0	0
Leased assets	tCO ₂ e	0	0	0	0
Franchises	tCO ₂ e	0	0	0	0
Investment	tCO ₂ e	1,966.8	69,826.0	38,844.0	36,124.2

1) Based on the Greenhouse Gas Statement of the Ministry of Climate, Energy and Environment, decimal units below are truncated and summed by site, so there may be differences from the total emissions

2) When calculating emissions from LNG, emissions decreased compared to the previous year due to the application of the emission factor change (liquid density → gas density)

Indicator	Unit	2022	2023	2024	2025
Energy					
Energy consumption	GJ	15,868,720.6	17,765,117.9	18,261,247.3	16,297,871.2
Intensity (based on sales)	GJ/ KRW 100 Million	521.8	398.6	506.0	608.8
Direct energy consumption	GJ	9,367,652.6	10,129,127.4	9,611,447.8	9,456,121.0
Coal consumption	GJ	125,304.5	35.7	0	117,785.3
Natural gas consumption	GJ	191,187.5	255,371.3	297,010.9	404,068.5
Renewable fuel consumption	GJ	-	-	-	0
By-product gas consumption	GJ	8,571,552.6	9,373,190.0	9,206,799.6	8,924,399.1
B-C oil	GJ	190,351.3	245,826.3	42,659.1	0
Kerosene	GJ	80.7	124.8	117.4	308.3
Petroleum coke	GJ	276,345.9	241,065.5	53,867.6	0
B-A oil	GJ	1,172.6	2,297.8	0	0
Gasoline consumption (total)	GJ	2,916.4	2,776.1	3,153.2	2,021.3
Diesel consumption (total)	GJ	8,741.1	8,439.9	7,840.0	7,538.4
LPG consumption (total)	GJ	0	0	0	0
Indirect energy consumption	GJ	6,500,440.0	7,635,200.3	8,638,046.1	6,829,652.6
Electricity (power) consumption	GJ	6,375,993.0	7,550,603.3	8,561,812.1	6,756,106.6
Power consumption ratio	%	40.18	42.50	46.89	41.45
Steam consumption	GJ	124,447.0	84,570.0	67,963.0	65,343.0
Waste heat energy consumption	GJ	-	27.0	8,271.0	8,203.0
Renewable energy consumption ³⁾	GJ	628.0	790.2	11,753.4	12,097.6
Renewable energy consumption ratio ³⁾	%	0	0	0.06	0.07
Renewable energy purchase (Green Premium)	GJ	-	-	-	0
Renewable energy purchase (REC)	GJ	-	-	10,742.4	11,256.0
Renewable energy purchase (PPA)	GJ	-	-	-	0
Self-generated renewable energy consumption	GJ	-	790.2	1,011.0	841.6

3) 2022–2024 data revised due to indicator definition change

ESG DATA

Environmental

Indicator	Unit	2022	2023	2024	2025
Water					
Total water withdrawal	Ton	25,207,003.0	28,645,473.0	26,928,668.0	26,884,064.6
Water supply	Ton	788,108.0	857,148.0	1,046,702.0	1,225,729.6
Surface water	Ton	2,095,993.0	2,228,391.0	2,012,785.0	1,603,002.0
Groundwater	Ton	0	0	0	0
Seawater	Ton	22,322,902.0	25,559,934.0	23,869,181.0	24,055,333.0
Others	Ton	0	0	0	0
Water withdrawals from the ‘High’ areas out of total water withdrawals ¹⁾²⁾	Ton	-	797,301.0	990,107.0	1,113,720.0
Water supply ²⁾	Ton	-	-	-	718,344.0
Surface water	Ton	-	-	-	395,376.0
Groundwater	Ton	-	-	-	0
Seawater	Ton	-	-	-	0
Others	Ton	-	-	-	0
Water withdrawals from the ‘Extremely High’ areas out of total water withdrawals	Ton	-	0	0	0
Total water consumption	Ton	847,760.3	727,344.9	2,377,736.2	2,139,585.0
Intensity (based on sales)	Ton/ KRW 100 Million	27.9	16.3	65.9	79.9
Water consumption from the ‘High’ areas out of total water consumption	Ton	-	283,067.2	413,319.3	331,262.6
Water consumption from the ‘Extremely High’ areas out of total water consumption	Ton	-	0	0	0
Amount of wastewater Discharged	Ton	24,359,242.7	27,918,128.1	24,550,931.8	24,744,479.6
Amount of water reused ³⁾	Ton	0	0	0	460,098.3
Ratio of reused water ⁴⁾⁵⁾	%	0	0	0	1.68

Indicator	Unit	2022	2023	2024	2025
Hazardous chemicals					
Hazardous chemical consumption ⁶⁾	Ton	9,009.2	5,240.0	4,575.0	5,933.4
Total hazardous chemical emissions ⁶⁾	Ton	9,009.2	5,240.0	3.2	9.4

Indicator	Unit	2022	2023	2024	2025
Water pollutants					
Water pollutant emissions	Ton	162.9	155.2	388.1	168.6
COD	Ton	0	0	0	0
BOD	Ton	18.4	21.9	176.8	18.9
T-N	Ton	32.0	42.9	39.1	53.5
T-P	Ton	0.5	0.3	0.3	6.6
SS	Ton	81.0	55.3	137.9	56.3
TOC	Ton	31.0	34.8	34.0	33.4

Indicator	Unit	2022	2023	2024	2025
Air pollutants					
Air pollutant emissions	Ton	938.7	991.5	928.2	900.4
Intensity (based on sales)	Ton/ KRW 100 Million	0.03	0.02	0.03	0.03
NOx	Ton	823.5	881.1	802.8	798.4
SOx	Ton	64.4	58.3	51.8	46.7
PM10	Ton	0	0	0	0
CO	Ton	0	0	0	0.2
Manganese (MnO)	Ton	0	0	0	0
Lead (Pb)	Ton	0	0	0	0
Mercury (Hg)	Ton	0	0	0	0
Metals (nickel, chromium VI, cobalt)	Ton	0.4	0.3	1.1	0.7
Volatile organic compounds (VOCs)	Ton	1.9	1.7	2.2	1.8
Dioxin	Ton	0	0	0	0
Dust	Ton	48.5	50.1	70.3	52.6
Ozone-depleting substance emissions (ODS)	Ton	0	0	0	0
Air pollutant reduction target					
Volatile organic compounds (VOCs)	Ton	-	-	-	1.8

1) For Gwangyang Lime Plant, Gwangyang Cathode Materials Plant, and Sejong Anode Materials Plants 1 and 2

2) New indicator in 2025, No 2022–2024 performance

3) Targets set only for sites where reuse flow meters are installed and performance aggregation is possible

4) High reuse rate due to an internal continuous circulation system that reuses generated wastewater after self-treatment

5) Calculated as reuse/withdrawal amount, where the reuse amount is the amount circulated after self-sedimentation treatment and reinjected into the process

6) 2024 data revised due to a simple typo

ESG DATA

Environmental

Indicator	Unit	2022	2023	2024	2025
Waste					
Total waste					
Total waste generated	Ton	311,143.5	298,755.5	306,239.6	321,106.2
Intensity (based on sales)	Ton/ KRW 100 Million	10.2	6.7	8.5	12.0
Recycled volume	Ton	307,712.7	295,976.9	300,193.1	319,195.1
Recycling rate	%	98.9	99.1	98.0	99.4
Incineration volume	Ton	660.1	717.5	890.4	615.8
Waste incinerated with energy recovery	Ton	0	0	0	0
Waste incinerated without energy recovery	Ton	660.1	717.5	890.4	615.8
Landfill volume	Ton	1,949.5	1,461.1	4,616.3	1,013.0
Other volume	Ton	821.2	600.0	539.8	282.3
Designated (hazardous) waste					
Designated waste generated ¹⁾	Ton	1,424.5	2,404.8	4,579.0	4,295.1
Recycled volume	Ton	1,113.4	1,990.9	4,075.9	4,033.7
Incineration volume ¹⁾	Ton	278.8	354.5	443.7	218.9
Waste incinerated with energy recovery	Ton	0	0	0	0
Waste incinerated without energy recovery ¹⁾	Ton	278.8	354.5	443.7	218.9
Landfill volume	Ton	32.3	57.7	59.3	41.6
Other volume	Ton	0	1.7	0.1	1.0

1) 2024 data revised due to a simple typo

Indicator	Unit	2022	2023	2024	2025
General waste					
General waste generated	Ton	308,897.8	295,752.4	301,120.9	316,529.8
Recycled volume	Ton	306,599.3	293,986.0	296,117.2	315,161.4
Incineration volume	Ton	381.3	363.0	446.7	397.0
Waste incinerated with energy recovery	Ton	0	0	0	0
Waste incinerated without energy recovery	Ton	381.3	363.0	446.7	397.0
Landfill volume	Ton	1,917.2	1,403.4	4,557.0	971.4
Other volume	Ton	0	0	0	0
Construction waste					
Construction waste generated	Ton	821.2	598.3	539.7	281.3
Recycled volume	Ton	0	0	0	0
Incineration volume	Ton	0	0	0	0
Waste incinerated with energy recovery	Ton	0	0	0	0
Waste incinerated without energy recovery	Ton	0	0	0	0
Landfill volume	Ton	0	0	0	0
Other volume	Ton	821.2	598.3	539.7	281.3

ESG DATA

Environmental

Indicator	Unit	2022	2023	2024	2025
Raw materials					
Raw material usage					
Aluminum	Ton	1,383.8	1,655.9	1,946.8	1,523.5
Cobalt	Ton	836.7	932.6	3,331.6	2,065.6
Nickel	Ton	3,738.6	1,648.4	13,100.0	30,906.6
Lithium	Ton	12,828.2	22,458.0	25,844.6	12,956.7
Titanium	Ton	839.9	763.0	643.5	748.4
Raw material recycling rate					
Aluminum	%	0	0	0	0
Cobalt	%	0	0	0	0
Nickel	%	0	0	0	37.2 ¹⁾
Lithium	%	0	0	0	0
Titanium	%	0	0	0	0

Indicator	Unit	2022	2023	2024	2025
Environmentally certified sales-purchases-investments					
Sales revenue from environmentally certified products and services	KRW Million	524,441.3	1,582,390.5	490,753.0	204,488.5 ²⁾
% of sales from environmentally certified products and services	%	17.2	35.5	13.6	7.6
Purchases of environmentally certified products and services	KRW Million	1,266.9	2,095.9	1,569.3	1,604.1
Number of environmentally certified purchases	EA	807	515	1,576	462
Environmental investment	KRW Million	12,864.0	5,531.0	107,081.0	26,066.0
Carbon reduction investment (CAPEX)	KRW Million	0	0	290.0	0

1) Nickel recycling rate improved due to expanded process operation at the Gwangyang Cathode Materials Plant and increased use of recycled raw materials in 2025

2) Since EPD certification was valid until September 2025, calculated based on the sales of EPD-certified products from January to September

Indicator	Unit	2022	2023	2024	2025
Environmental performance management					
Environmental management system (ISO 14001) certification rate	%	100	100	100	100
Number of target sites	EA	8	9	11	11
Number of acquired sites	EA	8	9	11	11
Number of environmental law violations	cases	8	6	6	7
Monetary sanction amount	KRW Million	7.3	2.6	11.2	17.3
Number of monetary sanctions	Case	5	3	3	7
Penalties	Case	0	0	0	0
Surcharges	Case	3	3	3	7
Fines	Case	2	0	0	0
Number of non-monetary administrative measures (warnings, corrective orders, etc.)	Case	3	3	3	0
Eco-friendly vehicle ownership ratio ³⁾	%	2.3	8.9	31.0	43.1
Number of eco-friendly vehicles owned	EA	3	11	40	53

3) Ratio of electric and hybrid vehicles among all owned vehicles

ESG DATA

Social

Indicator	Unit	2022	2023	2024	2025
Employees					
Total number of executives and employees	Person	2,344	2,805	3,043	2,986
Number of executives	Person	28	32	30	26
By gender					
Male	Person	26	31	29	24
Female	Person	2	1	1	2
Female ratio	%	7.14	3.13	3.33	7.69
By age					
Under 30	Person	0	0	0	0
30-50	Person	0	0	0	0
Over 50	Person	28	32	30	26
Number of employees	Person	2,316	2,773	3,013	2,960
By gender					
Male	Person	2,163	2,586	2,810	2,751
Female	Person	153	187	203	209
Female ratio	%	6.61	6.74	6.74	7.06
By age					
Under 30	Person	593	881	962	778
30-50	Person	1,271	1,454	1,669	1,835
Over 50	Person	452	438	382	347

Indicator	Unit	2022	2023	2024	2025
Number of management positions ¹⁾	Person	434	494	478	508
By gender					
Male	Person	430	488	472	499
Female	Person	4	6	6	9
Female ratio	%	0.92	1.21	1.26	1.77
Number of permanent employees (regular)	Person	1,951	2,542	2,829	2,743
By gender					
Male	Person	1,824	2,378	2,634	2,547
Female	Person	127	164	195	196
Female ratio	%	6.51	6.45	6.89	7.15
Number of temporary employees (non-regular)	Person	384	254	214	217
By gender					
Male	Person	357	231	205	204
Female	Person	27	23	9	13
Female ratio	%	7.03	9.06	4.21	5.99
Ratio	%	16.38	9.06	7.03	7.27
Number of employees with disabilities	Person	85	106	101	96
Ratio of employees with disabilities	%	3.71	3.83	3.30	3.22
Number of employees entitled to veterans benefits	Person	53	55	58	51
Ratio of employees entitled to veterans benefits	%	2.26	1.96	1.91	1.71

1) Calculated according to POSCO Group's internal 'management positions' indicator definition

ESG DATA

Social

Indicator	Unit	2022	2023	2024	2025
Recruitment					
Total number of new hires	Person	494	671	503	138
By gender					
Male	Person	441	619	472	131
Female	Person	53	52	31	7
Female ratio	%	10.73	7.75	6.16	5.07
By age					
Under 30	Person	268	464	322	58
30-50	Person	59	161	121	19
Over 50	Person	167	46	60	61
By region					
Republic of Korea	Person	494	671	503	138
Asia outside Republic of Korea	Person	0	0	0	0
North America	Person	0	0	0	0
South America	Person	0	0	0	0
Europe	Person	0	0	0	0

Indicator	Unit	2022	2023	2024	2025
Labor-management relations					
Rate of membership in labor unions and labor-management councils	%	95.70	92.70	97.80	97.98
Ratio of employees covered by collective bargaining agreements	%	100	100	100	100
Number of work stoppages due to strikes	Time	0	0	0	0

Indicator	Unit	2022	2023	2024	2025
Employee satisfaction					
Organizational wellness survey	Point	90.0	90.0	71.4	67.0

Indicator	Unit	2022	2023	2024	2025
Employment · Retirement · Turnover					
Total number of turnover	Person	172	247	255	273
By gender					
Male	Person	155	229	230	257
Female	Person	17	18	25	16
By age					
Under 30	Person	51	80	81	85
30-50	Person	41	61	52	62
Over 50	Person	80	106	122	126
By region					
Republic of Korea	Person	172	247	255	273
Asia outside Republic of Korea	Person	0	0	0	0
North America	Person	0	0	0	0
South America	Person	0	0	0	0
Europe	Person	0	0	0	0
Turnover rate ¹⁾	%	8.59	10.66	9.20	9.06
Number of voluntary turnover	Person	87	109	117	116
By gender					
Male	Person	79	101	107	109
Female	Person	8	8	10	7
Voluntary turnover rate ¹⁾	%	4.34	4.71	4.22	3.85
Number of involuntary turnover	Person	85	138	138	157
Percentage of Open Positions Filled Internally	%	3.90	1.90	4.90	4.83

Indicator	Unit	2022	2023	2024	2025
Human capital investment					
Human capital return on investment		1.7	1.1	1.1	1.0
Total employee-related expenses	KRW Million	222,797	273,489	312,938	315,216

1) 2022-2024 data revised due to calculation criteria change (number of turnover relative to total number of employees in the previous year)

[ESG DATA](#)[GRI Index](#)[ESRS Index](#)[SASB Index](#)[TCFD Index](#)[GHG Inventory Assurance Statement](#)[Independent Assurance Statement](#)

ESG DATA

Social

Indicator	Unit	2022	2023	2024	2025
Safety ¹⁾					
Total lost time injury frequency rate (LTIFR)	Person/ Million hours	0.91	1.05	0.54	0.64
Employees	Person/ Million hours	0.96	1.54	0.89	1.08
Suppliers	Person/ Million hours	0.85	0.57	0.18	0.18
Total recordable injury frequency rate (TRIFR)	Person/ Million hours	1.04	1.52	1.44	2.10
Employees	Person/ Million hours	0.96	2.30	1.95	3.06
Suppliers	Person/ Million hours	1.13	0.75	0.91	1.11
Total fatality rate	% ₀₀₀	0	0	0	0
Employees	% ₀₀₀	0	0	0	0
Suppliers	% ₀₀₀	0	0	0	0
Employee accidents					
Total recordable injuries (TRI)	Person	4	12	11	17
Lost time injuries (LTI)	Person	4	8	5	6
Number of fatalities	Person	0	0	0	0
Number of injured	Person	3	5	4	4
Number of serious accidents	Case	0	0	0	0
Number of lost time injury cases	Case	4	8	4	6
Near-miss frequency rate (NMFR)	Person/ 200K hours	10.56	7.14	8.81	6.70
Supplier accidents					
Total recordable injuries (TRI)	Person	4	4	5	6
Lost time injuries (LTI)	Person	3	3	1	1
Number of fatalities	Person	0	0	0	0
Number of injured	Person	2	1	0	1
Number of serious accidents	Case	0	0	0	0
Number of lost time injury cases	Case	3	3	1	1
Near-miss frequency rate (NMFR)	Person/200K hours	8.82	2.41	2.56	0.59
Indicator	Unit	2022	2023	2024	2025
Occupational health and safety management system					
Occupational health and safety management system (ISO 45001/OHSAS 18001/KOSHA-MS) certification rate	%	100	100	100	100
Number of target sites	EA	7	9	11	11
Number of acquired sites	EA	7	9	11	11

1) Accident-related injuries

Indicator	Unit	2022	2023	2024	2025
Training					
Total training hours	Hour	272,355.0	174,301.0	177,285.0	187,662.0
By employment type					
Permanent (regular) employees	Hour	267,173.0	168,471.0	161,649.0	183,210.8
Temporary (non-regular) employees	Hour	5,181.0	5,830.0	15,636.0	4,451.2
By position					
General	Hour	222,651.0	158,629.0	148,529.0	153,009.7
Manager	Hour	48,729.0	-	-	34,056.5
Executive	Hour	975.0	2,043.0	3,067.0	595.8
By gender					
Male	Hour	-	-	150,707.0	177,398.6
Female	Hour	-	-	26,578.0	10,263.4
By age ²⁾					
Under 30	Hour	-	-	50,837.4	52,122.0
30-50	Hour	-	-	108,858.3	123,401.6
Over 50	Hour	-	-	17,589.5	12,138.4
Training hours per person ³⁾	Hour/Person	116.0	61.5	61.0	64.0
By employment type ³⁾					
Permanent (regular) employees	Hour/Person	137.0	63.8	61.5	67.2
Temporary (non-regular) employees	Hour/Person	13.0	30.2	56.0	21.5
By position ³⁾					
General	Hour/Person	117.0	68.7	56.3	63.4
Manager	Hour/Person	112.0	27.3	108.4	67.7
Executive	Hour/Person	35.0	78.6	95.8	33.1
By gender ³⁾					
Male	Hour/Person	118.0	57.6	55.7	65.0
Female	Hour/Person	87.0	91.7	130.9	50.6
By age ²⁾					
Under 30	Hour/Person	95.0	54.5	55.6	67.3
30-50	Hour/Person	144.0	38.1	65.7	68.3
Over 50	Hour/Person	70.0	152.3	52.0	34.6
Total training completion ratio ²⁾	%	-	-	93.0	99.3
Total training expenses	KRW Million	1,277.1	1,803.8	1,916.4	1,773.2
Training expenses per person	KRW Million/ Person	0.5	0.6	0.6	0.6

2) Performance managed since 2024

3) 2024 data revised due to 2025 calculation criteria change

ESG DATA

Social

Indicator	Unit	2022	2023	2024	2025
Human rights training					
Number of human rights training completers	Person	2,159	2,729	2,894	2,886
Indicator	Unit	2022	2023	2024	2025
Supplier status					
Total Number of Tier 1 Suppliers	EA	1,002	1,062	1,038	1,082
Number of Significant Tier 1 Suppliers ¹⁾	EA	124	103	94	87
Indicator	Unit	2022	2023	2024	2025
Supplier business performance evaluation					
Number of suppliers subject to environmental/social impact assessment ²⁾	EA	-	-	-	772
Number of suppliers that underwent environmental impact assessment ³⁾	EA	-	-	-	662
Number of Suppliers Assessed with Substantial Actual/Potential Negative Impacts	EA	-	-	-	0
Number of Suppliers with Agreed Corrective Action/Improvement Plans	EA	-	-	-	-
% of Suppliers with Substantial Actual/Potential Negative Impacts with Agreed Corrective Action/Improvement Plans ²⁾	%	-	-	-	-
Number of Suppliers with Substantial Actual/Potential Negative Impacts that were Terminated	EA	-	-	-	0
Number of suppliers that underwent social impact assessment ²⁾	EA	-	-	-	662
Number of Suppliers Assessed with Substantial Actual/Potential Negative Impacts	EA	-	-	-	0
Number of Suppliers with Agreed Corrective Action/Improvement Plans	EA	-	-	-	-
% of Suppliers with Substantial Actual/Potential Negative Impacts with Agreed Corrective Action/Improvement Plans	%	-	-	-	-
Number of Suppliers with Substantial Actual/Potential Negative Impacts that were Terminated	EA	-	-	-	0
Total number Tier 1 Suppliers Assessed via Desk Assessments	EA	124	337	368	662
Total number Tier 1 Suppliers Assessed via On-site Assessments ³⁾	EA	20	22	35	37

1) 2023-2024 data revised due to a simple typo

2) New indicator in 2025, No 2022-2024 performance

3) Suppliers subject to on-site due diligence are selected based on written assessment results among companies that completed written assessment

Indicator	Unit	2022	2023	2024	2025
Social contribution					
Social contribution cost	KRW Million	1,479.6	2,212.8	1,192.4	2,032.8
Donations ⁴⁾	KRW Million	482.1	1,610.0	678.8	1,539.1
Local community investment ⁵⁾	KRW Million	344.1	571.8	472.6	444.2
Others	KRW Million	653.4	31.0	41.0	49.5
Indicator	Unit	2022	2023	2024	2025
Contribution details ⁴⁾					
Contributions and other expenditures	KRW Million	263.0	368.0	478.5	444.2
Lobbying, interest representation, or similar organizations (including in-kind contributions)	KRW Million	0	0	0	0
National/regional policy campaigns/organizations/ candidate expenses	KRW Million	0	0	0	0
Trade associations or tax-exempt organizations (association fees)	KRW Million	0	0	0	0
Others	KRW Million	263.0	368.0	478.5	444.2
Indicator	Unit	2022	2023	2024	2025
Customer					
Customer satisfaction survey score	Point	82.0	90.0	80.7	74.5
Indicator	Unit	2022	2023	2024	2025
Information security					
Total information security training hours	Hour	5,865.0	2,658.0	2,707.0	1,982.3
Number of privacy violations	Case	0	0	0	0

4) Top donation and contribution organizations in 2025

1. Korea Battery Industry Association (KRW 130 million): Consultation on the global competitiveness of Korea's battery industry and its development into a national core strategic business

2. Korea Refractory Industry Cooperative (KRW 42 million): Consultation on data analysis and competitiveness strengthening of Korea's refractory industry

3. Gwangyang Chamber of Commerce and Industry (KRW 40 million): Enhancing corporate core values based on the Gwangyang regional business network

4. Federation of Korean Industries (KRW 38 million): Implementing sound economic policies for Korea's economic development and promoting internationalization

5. Pohang Chamber of Commerce and Industry (KRW 27 million): Enhancing corporate core values based on the Pohang regional business network

5) 2024 data revised due to a simple aggregation error

ESG DATA

Governance

Indicator	Unit	2022	2023	2024	2025
Board of Directors					
Number of board directors	Person	9	9	8	7
Number of inside directors	Person	3	3	2	2
Number of independent directors	Person	5	5	5	4
Ratio	%	55.56	55.56	62.50	57.14
Number of non-executive directors	Person	1	1	1	1
Board attendance rate	%	96.80	98.80	99.00	100
Average director tenure	Year	1.7	1.6	1.3	0.71
Number of board meetings held	Time	11	9	13	8
Board agenda deliberation	Case	36	45	44	31
Approved	Case	36	45	44	31
Disapproved	Case	0	0	0	0
Board diversity					
Number of male directors	Person	8	8	7	6
Number of female directors	Person	1	1	1	1
Board female ratio	%	11.11	11.11	12.50	14.29

Indicator	Unit	2022	2023	2024	2025
Shareholders					
Share ownership					
Ratio of government agencies holding 5% or more shares	%	5.60	5.17	5.39	5.34
Ratio of founder and family holding 5% or more shares	%	0	0	0	0
CEO share ownership ratio relative to base salary	%	452.30	322.30	0	66.88
Average inside director share ownership ratio relative to base salary	%	0	0	0	53.41

Indicator	Unit	2022	2023	2024	2025
Compensation					
Employee compensation					
CEO	KRW Million	859	1,355	831	719
Base salary	KRW Million	398	560	385	354
Bonus	KRW Million	461	795	446	366
Annual total compensation ratio	%	1,097.06	1,613.10	944.32	829.52
Average employee compensation					
Average annual total salary of employees	KRW Million	78	84	88	87
Average wage of male employees	KRW Million	83	85	90	89
Executives					
Base salary	KRW Million	217	263	206	223
Other performance pay, etc.	KRW Million	164	166	178	234
Managerial					
Base salary	KRW Million	67	71	64	64
Other performance pay, etc.	KRW Million	43	49	56	59
Non-managerial	KRW Million	62	73	73	81
Average wage of female employees	KRW Million	61	69	72	75
Executives					
Base salary	KRW Million	174	21	85	192
Other performance pay, etc.	KRW Million	92	105	12	133
Managerial					
Base salary	KRW Million	107	71	69	59
Other performance pay, etc.	KRW Million	44	37	71	58
Non-managerial	KRW Million	58	60	65	72
Average employee compensation ratio					
Average female-to-male employee wage ratio	%	73.70	81.20	80.00	84.19
Executives					
Base salary	%	80.47	7.94	41.26	85.88
Other performance pay, etc.	%	56.21	63.14	6.63	56.69
Managerial					
Base salary	%	158.61	99.86	107.69	92.50
Other performance pay, etc.	%	101.39	76.08	125.40	98.36
Non-managerial	%	93.69	82.62	88.60	88.95
Average female-to-male employee base salary ratio ¹⁾	%	-	-	-	76.36
Permanent (regular) employees	%	-	-	-	15.66
Temporary (non-regular) employees	%	-	-	-	29.89

1) Performance managed since 2025

ESG DATA

Governance

Indicator	Unit	2022	2023	2024	2025
Fair trade and anti-corruption					
Fair trade training					
Number of employees who completed	Person	464	140	693	712
Total number of cases that received monetary sanctions for anti-competitive practices and Fair Trade Act violations	Case	0	0	0	0
Fines	Case	0	0	0	0
Penalties	Case	0	0	0	0
Surcharges	Case	0	0	0	0
Total number of cases that received non-monetary sanctions for anti-competitive practices and Fair Trade Act violations	Case	1	0	0	0
Total fines imposed for anti-competitive practices and Fair Trade Act violations	KRW Million	580	0	0	0
Anti-corruption training completion status					
Completion hours	Hour	4,316	2,717	2,871	2,783
Number of employees who completed	Person	2,158	2,717	2,871	2,783
Anti-corruption law violations					
Number of cases	Case	0	0	0	0
Corruption, bribery	Case	0	0	0	0
Conflict of interest	Case	0	0	0	0
Money laundering or insider trading	Case	0	0	0	0
Total fines	KRW Million	0	0	0	0
Corruption, bribery	KRW Million	0	0	0	0
Conflict of interest	KRW Million	0	0	0	0
Money laundering or insider trading	KRW Million	0	0	0	0

Indicator	Unit	2022	2023	2024	2025
Ethics					
Ethics training completion hours	Hour	7,398	6,784	7,187	6,510

Indicator	Unit	2022	2023	2024	2025
Economic performance ¹⁾					
Sales	KRW Million	3,041,287	4,457,201	3,608,988	2,676,969
Net profit	KRW Million	114,853	32,140	-222,038	31,815
Earnings per share	KRW	1,483	415	-2,877	45
Total cash dividends	KRW Million	23,222	19,355	0	22,237
Cash dividend payout ratio	%	19.60	67.40	0	60.90
Dividends through interim and quarterly dividends	KRW Million	0	0	0	0
Dividend per share	KRW	300	250	0	250
Total subsidiary investment to equity ratio	%	7.00	6.97	6.08	4.86
Equity	KRW Million	2,427,124	2,428,682	2,785,385	3,900,757
Total investment in subsidiaries	KRW Million	169,358	169,358	169,358	189,762
Ratio of credit extended to subsidiaries to Equity	%	0	0	0	0
Amount of credit extended to subsidiaries	KRW Million	0	0	0	0

Indicator	Unit	2022	2023	2024	2025
Major production					
Total production	Ton	2,300,814.0	2,431,071.0	2,352,174.0	2,355,037.0
Main raw material usage	Ton	4,554,251.8	4,799,582.8	4,698,784.4	5,584,117.1
Recycled raw material usage	Ton	4,524.8	4,831.9	4,632.2	15,836.0
Recycled raw material usage ratio	%	0.10	0.10	0.10	0.28

1) Separate basis

GRI Standards 2021 Index

Universal Standards

Statement of Use	GRI 1 Used	Applicable GRI Sector Standard
POSCO Future M has reported in accordance with the GRI Standards and discloses information related to Sustainability Management from Jan 1, 2025 to Dec 31, 2025	GRI 1: Foundation 2021	Not Applicable (As of the reporting date, the standard for the industry in which POSCO Future M operates has not yet been published.)

GRI 2: General Disclosures

Classification	Index	Disclosure	Page	Note
The organization and its reporting practice	2-1	Organizational details	5	
	2-2	Entities included in the organization’s sustainability reporting	2, 5	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	-	Refer to the Footnotes
	2-5	External assurance	140	
Activities and workers	2-6	Activities, value chain and other business relationships	5~8	
	2-7	Employees	5, 126	
	2-8	Workers who are not employees	-	Annual Report p.290 ¹⁾
	2-9	Governance structure and composition	10~16	
Governance	2-10	Nomination and selection of the highest governance body	10, 16	
	2-11	Chair of the highest governance body	10	
	2-12	Role of the highest governance body in overseeing the management of impacts	13~14	
	2-13	Delegation of responsibility for managing impacts	13~14	
	2-14	Role of the highest governance body in sustainability reporting	13~14	
	2-15	Conflicts of interest	16	
	2-16	Communication of critical concerns	11	
	2-17	Collective knowledge of the highest governance body	15	
	2-18	Evaluation of the performance of the highest governance body	16	
	2-19	Remuneration policies	16	
	2-20	Process to determine remuneration	16	
	2-21	Annual total compensation ratio	16, 130	

Classification	Index	Disclosure	Page	Note
Strategy, policies and practices	2-22	Statement on sustainable development strategy	4	
	2-23	Policy commitments	33~34, 47, 55~56, 69~70, 85	
	2-24	Embedding policy commitments	33~34, 47, 55~56, 69~70, 85	
	2-25	Processes to remediate negative impacts	32, 38, 39~40, 43, 48	
	2-26	Mechanisms for seeking advice and raising concerns	74, 89~90, 92, 111	
	2-27	Compliance with laws and regulations	114~115, 117~119, 131	
	2-28	Membership associations	129	
	2-29	Approach to stakeholder engagement	24	
Stakeholder engagement	2-30	Collective bargaining agreements	81, 127	

GRI 3: Material Topics

Classification	Index	Disclosure	Page	Note
Material topics	3-1	Process to determine material topics	25	
	3-2	List of material topics	26	
	3-3	Management of material topics	26~29	

1) Employees of our core business and service contractors work together at our worksite. Among them, 16 Suppliers perform tasks with a high impact on production and quality, carrying out work as specified under their subcontracting agreements. All non-employee workers are employed by their respective Suppliers; their HR and labor management are independent of our company and are administered under the responsibility and authority of each Supplier.

GRI Standards 2021 Index

Material Topics(GRI 200~400)

Climate Change

Classification	Index	Disclosure	Page	Note
Material topics	3-3	Management of material topics	26, 27	
Energy	302-1	Energy consumption within the organization	122	
	302-2	조직 외부에서의 에너지 소비	1)	
	302-3	Energy intensity	122	
	302-4	Reduction of energy consumption	36, 38	
	302-5	Reductions in energy requirements of products and services	2)	
Emissions	305-1	Direct (Scope 1) GHG emission	41, 122	
	305-2	Energy indirect (Scope 2) GHG emissions	41, 122	
	305-3	Other indirect (Scope 3) GHG emissions	41, 122	
	305-4	GHG emissions intensity	122	
	305-5	Reduction of GHG emissions	38	
	305-6	Emissions of ozone-depleting substances (ODS)	123	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	123	

Resource Circulation

Classification	Index	Disclosure	Page	Note
Material topics	3-3	Management of material topics	26, 28	
Waste	306-1	Waste generation and significant waste-related impacts	28, 42~44	
	306-2	Management of significant waste-related impacts	28, 42~44	
	306-3	Waste generated	44, 124	
	306-4	Waste diverted from disposal	44, 124	
	306-5	Waste directed to disposal	44, 124	

Safety and Health

Classification	Index	Disclosure	Page	Note
Material topics	3-3	Management of material topics	26, 29	
Occupational health and safety	403-1	Occupational health and safety management system	48	
	403-2	Hazard identification, risk assessment, and incident investigation	49~52	
	403-3	Occupational health services	49~51	
	403-4	Worker participation, consultation, and communication on occupational health and safety	45~46	
	403-5	Worker training on occupational health and safety	49~50	
	403-6	Promotion of worker health	50	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	49~50	
	403-8	403-8 Workers covered by an occupational health and safety management system	47~48	
	403-9	Work-related injuries	128	
	403-10	Work-related ill health	128	

1) An objective methodology will be introduced in the future to measure external energy consumption and manage the related data

2) POSCO Future M’s major products are intermediate materials used in products consumed by end users. Therefore, there are limitations in reasonably measuring the amount of energy consumed during the use of our products. If an objective methodology is developed in the future to measure the energy consumption at the product usage stage, the Company plans to manage the relevant data accordingly



GRI Standards 2021 Index

Non-Material Topics(GRI 200~400)

Classification	Index	Disclosure	Page	Note
Economic performance	201-1	Direct economic value generated and distributed	131	
	201-2	Financial implications and other risks and opportunities due to climate change	39~40	
	201-3	Defined benefit plan obligations and other retirement plans	79	
	201-4	Financial assistance received from government	-	Annual Report p.48, 286
Market presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	79~80	
Indirect economic impacts	203-1	Infrastructure investments and services supported	96~99, 129	
Anti-corruption	205-1	Operations assessed for risks related to corruption	119	
	205-2	Communication and training about anti-corruption policies and procedures	85, 116~117	
	205-3	Confirmed incidents of corruption and actions taken	131	
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	131	
Tax	207-1	Approach to tax	21	
	207-2	Tax governance, control, and risk management	21	
	207-3	Stakeholder engagement and management of concerns related to tax	21	
Materials	207-4	Country-by-country reporting	21	
	301-1	Materials used by weight or volume	125	
Water and effluents	301-2	Recycled input materials used	125, 131	
	303-2	Management of water discharge-related impacts	58~59	
	303-3	Water withdrawal	61, 123	
	303-4	Water discharge	123	
	303-5	Water consumption	61, 123	

Classification	Index	Disclosure	Page	Note
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	86	
	308-2	Negative environmental impacts in the supply chain and actions taken	93~95	
Employment	401-1	New employee hires and employee turnover	127	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	77	
	401-3	Parental leave	-	Annual Report p.291
	404-1	Average hours of training per year per employee	128	
Training and education	404-2	Programs for upgrading employee skills and transition assistance programs	75~77	
	404-3	Percentage of employees receiving regular performance and career development reviews	78	
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	126	
	405-2	Diversity of governance bodies and employees	130	
Non-discrimination	406-1	Diversity of governance bodies and employees	71~73, 82	
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	-	N/A
Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor	-	N/A
Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	N/A
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	-	N/A
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	96~99	
	413-2	Operations with significant actual and potential negative impacts on local communities	63~65	
Supplier social assessment	414-1	New suppliers that were screened using social criteria	86	
	414-2	Negative social impacts in the supply chain and actions taken	93~95	
Public policy	415-1	Political contributions	129	
Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	102~103, 105~106	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	0 Case
Marketing and labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	-	0 Case
	417-3	Incidents of non-compliance concerning marketing communications	-	0 Case
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	129	

ESRS Index

ESRS 2. General Disclosures

Index	Disclosure	Page	Note
ESRS 2 BP-1	General basis for preparation of the sustainability statements	2	
ESRS 2 BP-2	Disclosures in relation to specific circumstances	-	Refer to the footnotes
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	10~16	
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	26~29	
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	27, 29, 47, 56	
ESRS 2 GOV-4	Statement on due diligence	71~72, 93~95	
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	-	POSCO Group is establishing and operating an integrated ESG platform
ESRS 2 SBM-1	Strategy, business model and value chain	5~8	
ESRS 2 SBM-2	Interests and views of stakeholders	24	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	26	
ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	25	
ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	135~136	

ESRS E1. Climate Change

Index	Disclosure	Page	Note
ESRS E1-1	Transition plan for climate change mitigation	32, 34~35	
ESRS E1-2	Policies related to climate change mitigation and adaptation	33~34	
ESRS E1-3	Actions and resources in relation to climate change policies	34~40	
ESRS E1-4	Targets related to climate change mitigation and adaptation	33	
ESRS E1-5	Energy consumption and mix	122	
ESRS E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	41, 122	
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits	36~37	
	Avoided emissions of products and services	36~37	
ESRS E1-8	Internal carbon pricing	35	
ESRS E1-9	Potential financial effects from material physical and transition risks and potential climate-related opportunities	32	



ESRS Index

ESRS E5. Resource Use and Circular Economy

Index	Disclosure	Page	Note
ESRS E5-1	Policies related to resource use and circular economy	42, 44	
ESRS E5-2	Actions and resources related to resource use and circular economy	42~44	
ESRS E5-3	Targets related to resource use and circular economy	42~44	
ESRS E5-4	Resource inflows	44, 125, 131	
ESRS E5-5	Resource outflows	44, 124	
ESRS E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	42	

ESRS S1. Own Workforce

Index	Disclosure	Page	Note
ESRS S1-1	Policies related to own workforce	69	
ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts	81	
ESRS S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	73, 81	
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	71~72, 81	
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	83	
ESRS S1-6	Characteristics of the undertaking's employees	126	
ESRS S1-7	Characteristics of non-employee workers in the undertaking's own workforce	126	
ESRS S1-8	% of total employees covered by collective bargaining agreements For employees not covered by collective bargaining agreements, a description of reasons and countermeasures	81, 127	
	No. of strikes, no. of work loss days due to strikes, measures and discussions to resolve strikes, etc.	127	
ESRS S1-9	Average hourly wage difference between genders, ratio of women's hourly wage against men's hourly wage	80, 130	
	Persons subject to family care leave(Maternity leave, Parental leave, etc.), No. of persons who went on a leave, retention rate after returning to work after leave	77	Annual Report p.291
ESRS S1-10	Adequate wages	79	
ESRS S1-11	Social protection	77, 126	
ESRS S1-12	Persons with disabilities	126	
ESRS S1-13	% of employees that participated in regular performance and career development reviews	78	
	Average number of training hours and expenses per person	128	
ESRS S1-14	% of own workers who are covered by the undertaking's health and safety management system based on legal requirements and/or recognized standards or guidelines	48	
	Number and rate of work-related injuries and ill health, the number of days lost to work-related injuries, accidents, and ill health	129	
ESRS S1-15	Work-life balance indicators	77	
ESRS S1-16	Ratio of the annual total compensation ratio of the highest paid individual to the median annual total compensation for all employees	130	
ESRS S1-17	No. of work-related incidents and severe human rights impacts and incidents within its own workforce and any related material fines or sanctions for the reporting period	72, 82, 131	
	No. of complaints and severe human rights impacts and incidents within its own workforce and any related countermeasures and plans to prevent reoccurrence	82	

SASB Index

(Electrical and Electronic Equipment Standard)

TCFD Index

Table 1. Sustainable Disclosure Topic & Metrics

Topic	Metric	Code	Unit	Page	Note
Energy Management	Total energy consumed	RT-EE-130a.1	GJ	122	
	% of Gird Electricity		%	122	
	% of Renewable		%	122	
Hazardous Waste Management	Amount of hazardous waste generated, % of recycled	RT-EE-150a.1	Ton, %	125	
	Number and aggregate quantity of reportable spills, quantity recovered	RT-EE-150a.2	Case, kg	-	0 Case
Product Safety	Number of recalls issued, total units recalled	RT-EE-250a.1	Case	-	0 Case
	Total amount of monetary losses as a result of legal proceedings associated with product safety	RT-EE-250a.2	KRW	-	KRW 0
	% of products by revenue that contains IEC 62474 declarable substances	RT-EE-410a.1	%	-	N/A
Product Lifecycle Management	% of eligible products, by revenue, that meet Energy Star® criteria	RT-EE-410a.2	%	-	N/A
	Revenue from renewable energy-related and energy efficiency-related products	RT-EE-410a.3	KRW	125	
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-EE-440a.1	-	34, 58	
Business Ethics	Description of policies and practices for prevention (1) Corruption and bribery	RT-EE-510a.1	-	117	
	(2) anti-competitive behavior		-	119	
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-EE-510a.2	KRW	131	
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	RT-EE-510a.3	KRW	131	

Table 2. Activity Metrics

Activity Metrics	Code	Unit	Page	Note
Number of units produced by product category	RT-EE-000.A	Ton	131	
Number of employees	RT-EE-000.B	Person	5, 126	

TCFD Recommendations		Page
Governance: Disclose the organization’s governance around climate-related risks and opportunities		
Governance	Describe the board’s oversight of climate-related risks and opportunities	10, 31
	Describe management’s role in assessing and managing climate-related risks and opportunities	31
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		
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	32
	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	27, 31, 39~40
	Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	39
Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks		
Risk Management	Describe the organization’s processes for identifying and assessing climate-related risks	40
	Describe the organization’s processes for managing climate-related risks	40
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	40
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	39
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas(GHG) emissions and the related risk	41, 122
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against target	34~37, 122

GHG Inventory Assurance Statement

Verification of POSCO Future M Co., Ltd. 2025 Scope 1, 2 Greenhouse Gas Emissions

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of GHG Report of POSCO Future M Co., Ltd.¹⁾ (hereinafter 'Company') for 2025.

1) Organization address (based on headquarters) : 110, Shinhang-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do, Republic of Korea

Verification Purpose

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

Verification Scope

KFQ's verification covered all facilities and emission sources under the operational control and organizational boundary of Company during 2025.

Verification Criteria

The verification process was based on [Rule for emission reporting and certification of GHG emission trading Scheme²⁾], [Rules for verification of operating the GHG emission trading scheme³⁾] and [ISO14064-3] for every applicable part.

2) Notification No. 2025-64 of Ministry of Environment

3) Notification No. 2025-165 of Ministry of Environment

Level of Assurance

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

Verification Limitation

The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions

KFQ present the following conclusions regarding the GHG emissions data included in the GHG Report.

- 1) GHG emissions have been appropriately calculated according to the "Rule for emission reporting and certification of GHG emission trading Scheme" and "ISO 14064-1" methodologies.
- 2) The materiality assessment result of GHG emissions has satisfied the criteria for an organization that emits more than 500,000 tCO₂-eq less than 5,000,000tCO₂-eq by meeting less than 2.5% of the total emissions.
- 3) Thus, KFQ concludes that GHG Emissions of Company in 2025 is correctly calculated and reported in accordance with "Rule for emission reporting and certification of GHG emission trading Scheme".

(Unit : tCO₂eq)

Scope 1	Scope 2	Total
1,874,280	326,071	2,200,344

* The totals in this verification statement do not match the totals in emission trading scheme because the total emissions of each facility are calculated by truncating to integer units

June 5th, 2026

Ji Young Song

CEO Ji-Young Song

Korean Foundation for Quality



국립환경과학원

GHG Inventory Assurance Statement

Verification of POSCO Future M Co., Ltd. 2025 Scope 3 Greenhouse Gas Emissions

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 3 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of POSCO Future M Co., Ltd¹⁾ (hereinafter 'Company') for 2025. KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

1) Address (based on headquarters) : 10, Shinhang-ro, Nam-gu, Pohang-si

Verification Purpose

The purpose is to provide an independent verification opinion on the company's Scope3 emissions.

Verification Scope

The verification covered eight emission categories²⁾ selected by the company during 2025.

2) Categories 1, 2, 3, 4, 5, 6, 7, 15

Verification Criteria

The following criteria and coefficients used by the company were applied.

• Criteria

- WBCSD/WRI, Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- ISO 14064-1:2018, ISO14064-3:2019
- GHG Protocol Corporate Standard
- Rule for emission reporting and certification of greenhouse gas emission trading Scheme

• Coefficient

- Environmental Product Declaration evaluation coefficient (2021)
- Ecoinvent database 3.10

Level of Assurance

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the limited verification level.

Verification Limitation

GHG emissions verification involves inherent limitations that may arise depending on the organization's data characteristics, calculations and estimates, sampling method, and limited assurance level. Additionally, this verification does not include responsibility for the accuracy of the original data provided by the company.

Conclusion

Based on the criteria and guidelines stated above, KFQ's verification opinion is as follows.

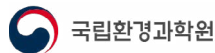
- 1) GHG emissions of the company for 2024 were properly calculated based on the materials provided, and no material errors or omissions that could affect the verification opinion were identified.
- 2) The criteria and process established by the company for calculating GHG emissions were transparently documented in the internal calculation process to prevent potential misunderstandings.
- 3) Accordingly, KFQ provides a verification opinion that is "Unmodified".

May 18th, 2026

Ji Young Song

CEO Ji-Young Song

Korean Foundation for Quality



Appendix. 2025 Scope 3 Emissions Calculation Results

Organization

POSCO Future M Co., Ltd

Emissions calculation period

The emission calculation period is from January 1st to December 31st, 2025.

Scope 3 Emissions Verification Results

(Unit : tCO₂e)

Category ¹⁾		Emissions
1	Purchased goods & services	808,026
2	Capital goods	11,766
3	Fuel and energy-related activities not included in Scope 1+ 2	54,129
4	Upstream transportation and distribution	59,451
5	Waste generated in operations	35,518
6	Business travel	723
7	Employee commuting	3,886
15	Investments	36,124
Total ²⁾		1,009,623

1) Scope 3 categories not listed are excluded from the verification.(Categories 8, 9, 13, and 14 are not applicable, and Categories 10, 11, and 12 are excluded from calculation based on the WBCSD Technical Guidance for Calculating Scope 3 Emissions.)

2) Each category-specific emission and the total emissions are rounded to the nearest whole number, which may result in a discrepancy of less than ± 1 tCO₂e compared to the actual values

Independent Practitioners’ Limited Assurance Report

To the management of POSCO FUTURE M

Conclusion

We have performed a limited assurance engagement on whether the below Sustainability Information in the Sustainability Report (“Report”) of POSCO FUTURE M (the “Company”) as of and for the year ended December 31, 2025 has been prepared in accordance with Criteria.

SMI	Period	Sustainability Report	Criteria
Global Reporting Initiative (GRI) Standards Index within the Report	As of and for the year ended 31 December, 2025	132p-134p	GRI Standards (Global Reporting Initiative)
Sustainability Accounting Standards Board (SASB) Index within the Report	As of and for the year ended 31 December, 2025	137p	SASB Standards (Sustainability Accounting Standards Board)
ESG Data within the ESG Factbook	As of and for the year ended 31 December, 2025	122p-131p	POSCO Group Index

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Company has not complied as of and for the year ended December 31, 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.

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 for managing and reporting the identified sustainability information
- Review of documentation and interview with the personnel regarding the risk assessment process and materiality assessment
- Interview with the person in charge of managing and reporting the identified sustainability information related to material issues
- Review of the underlying data for sustainability information related to material issues
- Perform inquiries and analytical reviews on the SMI
- Perform limited verification 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.

Seoul, Korea
June 19, 2026

KPMG Samjong Accounting Corp.

This report is effective as of June 19, 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.

posco
FUTURE M