POSCO is ushering in a new era of steel as keeper of the environment and provider of essentials to industry.

In antiquity, iron symbolized power. Peoples possessing iron have dominated world history, and they have built rich and powerful civilizations.

With the Industrial Revolution, iron became the catalyst that opened the Age of Technology. The advent of steel created an economic revolution and brought a new era in the history of human civilization.

Steel gave sustenance to the industry that supported 20th century society, and now it is the key to building future civilization. Steel allows us to dream of new vistas and to transform our lives. POSCO, stalwart of technology with limitless potential and protector of a clean global environment, is ushering in a new era of steel.

Remarks: All statements in this report regarding plans, projections and outlooks are based on assessments of current circumstances, including operating conditions, the business and legal environment, market factors and available information as of December 31, 1999. The data contained herein are subject to change, without notice, based on changes in such circumstances.
A new age of environmental awareness is dawning for people everywhere.

In the future, POSCO will continue to adopt the latest methods for environment management to be up to global standards in every respect. These methods include Life Cycle Assessment (measuring the environmental impact of product manufacture, use and disposal) and Environmental Performance Evaluation (scientific and objective rating of environment management standards).

In addition, we are investing unsparingly in mid- and long-term projects such as developing technology that cuts pollution generation at the source and running a program to reduce overall energy consumption 7.3% by 2004. Our performance as an environment-friendly steel maker is earning the public’s trust in us.

The publishing of this Report is a reaffirmation of our firm determination to protect the environment. I also pledge our commitment to fulfilling our social responsibilities through ongoing environment preservation activities.

In return, I respectfully request your support.

Sang Boo Yoo
Chairman of the Board
Chief Executive Officer
POSCO's organization dedicated to environmental management consists of the Environment & Energy Team of the Technology Development Division at the Head Office as well as the Environment & Energy Departments at the Pohang and Kwangyang Works. The former establishes the basic direction for environmental management and attends to issues related to external cooperation and international agreements. The two on-site departments are tasked with carrying out environmental management at the steelworks.

Environmental preservation has always been fundamental to POSCO's management approach. The company has established and enacted measures to prevent pollution from occurring at the source. Steel products have been manufactured and supplied in the most environment-friendly ways possible. To contribute to the global environment preservation effort, POSCO has switched from the conventional passive monitoring activities to a proactive effort aimed at preventing environmental accidents and constantly enhancing environmental quality in cooperation with the local community.

Policy & Organization

Pohang Iron & Steel (POSCO) recognizes that environmental preservation is one of the most important aspects of doing business in order to ensure a high quality of life. The company has established a policy for work procedures and has adopted an internal environment management system that is based on the ISO 14001 standards. In the process, POSCO has switched from the conventional passive monitoring activities to a proactive effort aimed at preventing environmental accidents and constantly enhancing environmental quality in cooperation with the local community.

Policy

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- POSCO recognizes that the environment is a key factor in corporate management strategy, and the company strives to harmonize environmental concerns with other aspects of business operation for greater overall competitiveness.
- POSCO acknowledges that all corporate activities impact the environment and the company constantly strives to prevent pollution and improve environmental quality.
- The POSCO Environmental Policy begins with strict adherence to environment-related laws and regulations, and the company establishes and implements in-house standards that take into account the local environment in which operations are situated.
- POSCO always seeks ways to use energy most efficiently and to conserve resources used in every business activity.
- POSCO efficiently re-uses and recycles waste materials generated during production to avoid secondary pollution problems.
- POSCO establishes and implements plans for improving environmental quality and sets detailed targets to ensure that the Environmental Policy is carried out. Moreover, an audit system is in place to routinely review and evaluate the results of environmental protection efforts.
- POSCO remains committed to developing environment-related technologies, particularly "green" technologies.
- POSCO provides thorough training to all employees so that they can take part fully in the company’s proactive efforts to improve environmental quality.
- POSCO provides all interested parties with reports on Environmental Policy and objectives, and all companies working with POSCO receive guidance on environment-friendly management practices.

Organization

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Things of vital importance are always within reach.
From everyday containers to massive structures that scrape the sky...

...the world of steel keeps society solid and secure.
This is the world of POSCO, a company that cares about people and the environment.
Establishing a New Environment Management System

In conformity with its environment-friendly corporate image, POSCO has adopted the Environment Management System (EMS) designed for maximum efficiency and reliability. The system flow starts with environmental analysis, after which policy is established and then implemented. The success of this implementation is monitored and evaluated and then the policy is revised when necessary. The process chain is an ongoing effort to improve environmental protection and energy conservation efforts. At the same time, the company image is enhanced as an environment-friendly operation.

POSCO has replaced the conventional Environment Management System, which is closed and reactive, with a system that is transparent, open and centered on proactive prevention. Scientific environmental management methods have been introduced and prevention is approached systematically, to include thorough environmental impact assessment prior to investing in new facilities, developing new products, or procuring raw materials.

Receiving ISO 14001 Certification

POSCO was first certified with ISO 14001 in July 1996. To maintain compliance with the international standards for environmental quality, the company has been re-tested and has passed with excellent results. The recertification process has enabled POSCO to greatly improve in all relevant areas such as Environment Management System appropriateness, operational effectiveness and execution status. Today, the company’s Environment Management System has reached maturity.

Promoting a “Clean and Green” Steelworks

The companywide Clean & Green Steelworks Campaign, which has been in effect since May 1999, has been highly successful and enthusiastically received by citizens living in the vicinity of the steelworks. The campaign focuses on minimizing the environmental impact of company operations on the local community and improving the environmental quality experienced by local citizens. Smokestack emissions have been reduced and emission concentrations lowered, creating a visible improvement in the air quality around the steelworks. This fact has been borne out in opinion surveys of people living in the area.

Environment Technology Development

Leading Korean Research in Environmental Protection

POSCO’s efforts to preserve Nature include research on technology that will enhance energy efficiency and minimize pollution-causing emissions. In the process, the company has emerged as a domestic leader in helping to protect the earth and maintain a pleasant living environment.
environment. This research focuses on developing new facilities for processing airborne emissions and treating water as well as building diverse systems for recycling and reducing energy consumption.

High-efficiency Fluorine Treatment

POSCO has completed development and field testing of a new fluorine wastewater treatment system that is highly efficient and economical. The new system cuts the amount of fluorine in wastewater, reducing costs by 60%. POSCO expects the technology to save the company some W2.7 billion a year in the treatment of wastewater from steelmaking and stainless steel production alone.

Minimal Slipping Generation

POSCO has worked on methods to reduce slipping (dust emissions by the spillage of molten metal when oxygen is applied), a chronic problem plaguing steelmakers. The Pohang Works formed a task force of engineers who, after studying various ideas and technology, managed to eliminate the slipping phenomenon altogether in July 1999. Their success is particularly meaningful today, as global environmental regulations get stricter and trade barriers related to those regulations intensify.

International Cooperation

Responding to International Environmental Issues

As a member of the International Iron and Steel Institute (IISI), POSCO is taking part in international activities aimed at addressing environmental issues. The POSCO chairman was appointed as a member of the IISI’s Environmental Policy Group, and now he is making every effort to be a leader in the improvement of environmental performance within the steel industry.

Technology Exchanges

POSCO provides the IISI’s Environment Subcommittees (ENCO) and Technology Subcommittee with useful materials on dealing with environmental problems. The company is also engaged in various joint projects and information exchanges. POSCO gives presentations on trends in domestic environmental problems, and on in-house technology development at the annual ENCO meeting. While sharing information with IISI member companies, POSCO also takes part in joint surveys of the world steel industry related to carbon dioxide emissions, energy consumption, facilities for optimizing energy efficiency, fuel and raw materials required per unit of product, and hazardous substances and waste material generation. Objective reports are then compiled from the survey results to assist the top management at IISI member companies in decision making.

Local Environment-friendly Activities

Support for Environment-friendly Activities and Research Projects

POSCO continues to engage in programs aimed at protecting the local environment—programs that are either initiated by POSCO or carried out in concert with local citizens’ groups, non-government organizations, the central government, or local governments. In-house environment-friendly activities have been taken to the local community to get more people involved. POSCO also supports various research projects, taking the lead in solving environmental issues at the national level.

Representatives from local citizens’ groups, non-government organizations, and government agencies are invited to the plant sites to observe...
environmental protection systems in operation. They are briefed on key aspects of the systems and then allowed to ask questions as part of POSCO’s policy of operational transparency. In 1999, POSCO and the Citizens’ Coalition for Economic Justice (CCEJ) Environmental Development Center cooperated on research for effective industrial water management in the Pohang area. Now, the company is working with local citizens’ groups to save the Hyungsan River. Support is also being provided for Citizen’s Movement for Environmental Justice (CMEJ) research projects on establishing government policy for efficiently managing water resource demand in the 21st century and on water quality management policy for South Korea’s five major river basins.

Fishing Ground Project
A recent Korean-Japanese Fishing Treaty has mandated that fewer fish be taken from the seas between the two countries, causing financial difficulties for fishermen. The Korean government has supported an artificial reef project aimed at supplementing fishermen’s incomes by increasing fish populations. Concrete structures had originally been used to construct the artificial reef in the waters off Pohang, but POSCO provided three steel-aluminum alloy structures, which have proven to be a far better environment in which fish and shellfish can thrive. Moreover, salt water causes the concrete to corrode and dissolve, polluting the water. On the other hand, the steel aluminum alloy is corrosion resistant and remains clean.

Developing Environment-friendly Products

Steel for Environment-friendly Automobiles
Industry is working harder to prevent pollution before it occurs by developing environment-friendly products and processes. POSCO, too, is committed to this goal and has developed lead-free steel plate for automotive fuel tanks.

Environment-friendly steel is painted with an organic resin solution to make it rust resistant. The dangerous lead plating process has been eliminated entirely, and the steel is smutaneously coated with zinc, nickel, and chromium, as well as resin, raising productivity while greatly reducing production costs. The new product is expected to be very well received in nations with strict laws on heavy metals such as lead, mercury or cadmium.

Chromeless Insulation Coating
The POSCO Technical Research Laboratories Surface Treatment Research Group has developed a chrome-free insulation solution for coating silicon steel. Chromium can be harmful to both humans and the environment. The new technology is expected to create new demand in overseas markets such as Europe, where the use of chrome-free silicon steel is mandatory.

Promotion of Steel for Cans and Houses
One of the environmental preservation campaigns carried out at POSCO is to encourage the use of steel in cans and houses. Steel is more environment friendly than aluminum in cans because the steel can be automatically sorted by magnets during recycling, greatly lowering cost. Steel can be recycled easily just by melting. POSCO is calling for expanded can recycling systems and facilities to increase the volume of steel being re-used.
In addition, POSCO is promoting the use of steel-framed houses, which can be completely recycled when the house is demolished. This is not the case with conventional building materials such as brick or concrete. At the same time, using steel will reduce the amount of wood being used, helping to save precious forests.

**Automated Environment Monitoring System**

POSCO operates systems that constantly monitor pollution levels in the vicinity of the Pohang and Kwangyang Works. These automated systems enhance the company’s capability to control pollution by offering more comprehensive coverage of environmental conditions.

**Environment Monitoring Center**

An environment monitoring center has been mounted atop a 75-meter tower (previously used for rail traffic control) to more effectively carry out monitoring and warning activities. The bird’s-eye view of the steelworks enables immediate detection of pollution sources and rapid response so that problems are solved while they are still small. The environment monitoring center is expected to significantly reduce airborne emissions and improve the air quality around POSCO’s production complexes.

**Steelworks in a Park-like Setting**

Formation and Management of Green Areas

From early on, POSCO has made and managed green areas inside and around the perimeters of the steelworks. Today, some 3 million trees and countless flowers thrive in areas that make up about 20% of the Pohang Works and around 30% of the Kwangyang Works. As a result, the production complexes blend in better with the surrounding scenery, and the vegetation helps to reduce wind, dust and noise, while filtering other pollutants from the air. The green areas also provide a clean place for local citizens to enjoy their leisure and enhance POSCO’s image as a “Clean & Green” operation.

**Greening of the Parking Lot**

POSCO continues to expand the green areas around its steelworks, to include the sub-center parking lot at the Pohang Works. Now the area can be used by employees for relaxation as well. The problem of insufficient parking space at the Works is being addressed by operating an integrated parking facility and encouraging car pooling.

**Paying Attention to the Tiniest of Details**

**Radioactive Steel Scrap Interceptors**

In 1997, stationary detectors were installed at both the Pohang and Kwangyang Works to prevent the possibility of using controversial steel scrap tainted by radioactivity. Currently, three of the detectors are in operation.

The chances of obtaining radioactive steel scrap are very remote, but POSCO is committed to ensuring that it can never happen. To date, there have been no instances of radioactive steel scrap being processed at any Korean steelworks.
Investment in Environmental Protection Facilities

POSCO’s policy regarding investment in environment-related facilities is to block the pollution at the source. The company intends to go beyond the practice of treating pollutants after they have been generated. The ultimate goal is to achieve zero generation of pollutants at all costs.

The aggregate investment in environmental protection at both steelworks stood at KRW 2,055 trillion, or 9.1% of total investment, at the end of 1999. The bulk of this money has been spent on the end-of-pipe facilities.

In the future, however, investment will be focused mainly on the application of new processes that generate little pollution. Technology development will be geared toward the use of clean fuels and raw materials even though applications may be costly and difficult. In short, POSCO plans to generate as little pollution as possible.

Therefore, heavy oil with little sulfur or nitrogen content will be used as fuel for the company’s reheating furnaces and thermal power plants starting in 2001. Also iron ore with high sulfur content will no longer be used from next year. In 2002, large-scale purification facilities for airborne emissions will be installed at POSCO’s sintering plants to greatly reduce the amount of sulfur dioxide, dust and other pollutants being released into the atmosphere.

Air Quality

High-performance electro-static precipitators, bag houses and other sophisticated equipment have been installed at the steelworks to prevent the release of dust, sulfur dioxide and other airborne pollutants. Sprinkler systems for water and surface hardening agent are operated at the iron ore and coal storage yards to suppress flying dust. Wind breaking nets have been installed at the Kwangyang Works.

Coke oven gas (COG) desulfurization systems coupled with the use of low-sulfur coke are reducing the volume of SOx emissions, while Bunker C oil with 0.5% sulfur content has replaced 1.0% sulfur Bunker C at the on-site power plant. Low-nitrogen anthracite is being used, and low-NOx burners help to suppress NOx generation during combustion in the reheating furnaces. Steam collection systems have been installed at both the Pohang and Kwangyang Works to eliminate odors from the storage tanks at the coke making facilities.

The steam is retrieved and pumped back into the coke making process, completely doing away with any foul smells.

Major R&D Accomplishments

<table>
<thead>
<tr>
<th>Research Project</th>
<th>Execution Period</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of technology using low-temperature plasma to eliminate both SOx and NOx</td>
<td>Jan. ’00-Dec. ’02</td>
<td>RIST</td>
</tr>
<tr>
<td>Development of technology using optical catalysts to eliminate trace amounts of organic pollutants</td>
<td>Jan. ’00-Dec. ’04</td>
<td>POSTECH</td>
</tr>
<tr>
<td>Development of a troubleshooting system that optimises operation of electro-static precipitators (for sintering)</td>
<td>Apr. ’99-Mar. ’00</td>
<td>RIST</td>
</tr>
<tr>
<td>Development of technology that eliminates odors and VOC at room temperature</td>
<td>Aug. ’99-Jul. ’00</td>
<td>POSTECH</td>
</tr>
</tbody>
</table>
POSOCO’s water quality preservation policy is multi-faceted. The company recycles water as much as possible in each unit process, treats wastewater and re-uses the treated water for different purposes. These efforts have significantly reduced the amount of water that must be brought in from outside sources. Moreover, effluent being discharged from the steelworks is treated very thoroughly so that no pollutants remain.

During 1999, POSOCO consumed a total of 109 million tons of industrial water (156,000 tons/day at Pohang and 143,811 tons/day at Kwangyang). This means that 4.2 tons of water were required to produce each ton of steel products. Wastewater generated from 140 separate facilities is subjected to primary treatment at each facility, and at least 98% of this treated water is re-used as cooling water or for dust collection. Once the water has been used a second time, it is subjected to a thorough final treatment before being discharged. The final treatment facility at Kwangyang is Korea’s first industrial water treatment plant with an activated carbon adsorption system (which is usually used to purify tap water). The chemical oxygen demand (COD) of effluent after final treatment at the Pohang Works is 13ppm (legal limit: 90ppm), while that at the Kwangyang Works is just 4.1ppm (legal limit: 70ppm). This means that the COD level is just 6-14% of what is allowed by Korean law.

In addition, much of the wastewater that has completed final treatment is re-used inside the steelworks, further lowering the risk of pollution in neighboring streams or the sea. POSOCO re-uses 51,700 tons/day of effluent that have received final treatment for cleaning on-site roadways and suppressing flying dust in storage yards.
The Pohang and Kwangyang Works generated a combined 16 million tons of waste during 1999, and 15 million tons of this total were recycled either internally or externally. The remaining 1 million tons were treated to minimize environmental impact prior to being dumped in POSCO’s own landfills or being incinerated.

Slag accounts for 75% of all the waste generated by the steelworks. This material, which contains no dangerous heavy metals, can be recycled as a cost-effective replacement for natural aggregate. All the blast furnace (BF) slag produced at POSCO is used in cement, in fertilizer or as an aggregate for road pavement, while at least 95% of the basic oxygen furnace (BOF) slag is re-used in sintering and steelmaking processes, cement or construction.

The dust and sludge that are generated in the various processes at the steelworks are reprocessed and mostly re-used in-house. The small amount of unusable material is put in landfills or incinerated.

POSCO is committed to being an environment-friendly operation and to using resources as efficiently as possible. By 2003, the company aims to be recycling at least 99% of all the waste generated during steel production. To this end, ongoing effort is focused on developing new uses for the waste, ways to reduce its generation, and technology for recycling more of it.

### Waste Recycling

#### Major R&D Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Period</th>
<th>Sponsors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of technology for using pulverized BF slag in ready-mixed concrete</td>
<td>Mar ‘99-Feb. ‘01</td>
<td>RIST, Korea Institute of Construction Materials</td>
</tr>
<tr>
<td>Development of technology for using BF slag in railroad beds</td>
<td>Jan. ‘99-Feb. ‘01</td>
<td>RIST, Korea Railroad Research Institute</td>
</tr>
<tr>
<td>Test and evaluation of slag usage in composite materials for roadbeds</td>
<td>Jan. ‘99-Jun. ‘01</td>
<td>RIST, Pohang City</td>
</tr>
<tr>
<td>Development of offshore applications for BOF slag</td>
<td>Aug. ‘96-Jun. ‘01</td>
<td>RIST</td>
</tr>
<tr>
<td>Development of technology to reduce generation of waste refractories and to recycle them</td>
<td>Jan. ‘99-Dec. ‘00</td>
<td>RIST</td>
</tr>
<tr>
<td>Environmental impact assessment of byproducts from steelmaking</td>
<td>Jan. ‘99-Jun. ‘01</td>
<td>RIST</td>
</tr>
</tbody>
</table>

### New facilities for reducing waste generation and increasing waste recycling

#### Dehydrator upgrade reduces volume of water containing sludge

<table>
<thead>
<tr>
<th>Plant</th>
<th>Improvement Target</th>
<th>Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pohang Blast Furnace 1</td>
<td>40 → 25</td>
<td>Nov. 2000</td>
</tr>
<tr>
<td>Pohang Blast Furnace 2</td>
<td>40 → 25</td>
<td>Nov. 2000</td>
</tr>
</tbody>
</table>

#### Increase material recyclability by installing equipment for removing zinc from sludge

<table>
<thead>
<tr>
<th>Plant</th>
<th>Pervaporation Factor (%)</th>
<th>Startup</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pohang Blast Furnaces 1, 2, 3</td>
<td>60</td>
<td>Feb. 2000</td>
</tr>
<tr>
<td>Kwangyang Blast Furnaces 1, 2, 3</td>
<td>60</td>
<td>Mar. 2000</td>
</tr>
</tbody>
</table>

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**RIST**

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**2000 POSCO**
Responding to Global Warming Pacts

Plan for Reducing CO2 Emissions

POSCO has joined a voluntary agreement among Korean companies to reduce energy use. The company plans to consume 5.9% less energy and generate 5.4% less carbon dioxide by 2003. To meet this target, facilities to recover discharged heat are being expanded; high-efficiency facilities are being brought in and systems for retrieving discharged heat are being expanded.

Domestic and international pacts concerning energy conservation and reduced carbon dioxide emissions are getting steadily stricter. In response, POSCO continues to discover additional areas where less energy can be used, and these efforts are linked to the existing plan on lowering energy consumption. Now, company officials expect to bring current consumption levels down at least 7.3% by 2004.

**Major R&D Projects**

Energy-related research is divided into three main categories: (1) technology for improving energy efficiency and recovering discharged energy, (2) technology for optimizing energy management, and (3) technology for recovering and utilizing carbon dioxide. POSCO, POSTECH and RIST jointly run a research committee on reducing carbon dioxide emissions. The committee is helping to address the global warming issue by seeking ways to develop technology for separating and using CO\textsubscript{2} as well as for suppressing CO\textsubscript{2} generation.

* Ton of Oil Equivalent (TOE) refers to the number of calories contained in one ton of oil. One TOE equals 10 million kilocalories, enough energy to generate 4,000 kilowatt-hours of electricity.
POSCO carefully studies the impact that its steelmaking operation has on the ecosystems of Kwangyang Bay, Youngil Bay and other areas near the steelworks. Periodic investigations are also made on the condition of the neighboring seas, and the data are used for drawing up mid- and long-range plans on environmental preservation. Monitoring of marine and freshwater quality is done at 30 different locations, and the studies cover 52 different categories, including Chemical Oxygen Demand.

Assessment of Potential Risk Factors and Impact of Steelworks
The results of the studies around the steelworks are used to analyze how the operations impact the local environment and to assess potential risk factors. To date, these results have indicated that the marine ecosystem has remained relatively stable and that the steelworks have had minimal impact on the neighboring seas. POSCO will continue helping to preserve the local environment through basic research on any changes in the ecosystems on land and in the ocean.
POSCO is more than simply a manufacturer of steel, the basic material for industry. The company provides livelihoods for 20,000 employees and their families and plays an integral role in the local community. A continuous effort is made to protect the environment and build park-like settings for the steelworks so that people can enjoy a better quality of life. POSCO is simultaneously striving to leave Nature intact while promoting rapid industrial development and ensuring a richer future for all.

POSCO’s future ambitions are unending. The company has always been aware of its obligation to serve the Korean nation through steelmaking. This sense of duty drives POSCO to pioneer the future as well.

Environmental protection remains a key management strategy, and POSCO aims to maintain an environment-friendly operation in the new millennium. Between 2000 and 2004, a total of W3 trillion will be spent on the environmental sector, to include W1.2 trillion earmarked for new facilities for improving environmental protection performance. Over the next five years, the company’s expertise in steelmaking will be applied to ensure that the operation remains environment-friendly. Importantly, POSCO’s environmental management effort will help raise awareness of the need for protecting Nature in other industries, as well as in the general public.

Life Cycle Assessment

Companies are under increasing pressure to improve their environmental performance scientifically and systematically and to determine the environmental impact of their products during the entire life cycle. POSCO is now applying Life Cycle Assessment (LCA) methods to improve its environmental protection effort. LCA is a new approach to environmental management that covers the manufacture, use and disposal of a given product. POSCO participates in the LCA program for steel products that is being promulgated by the International Iron and Steel Association (IISI).

This LCA project is uncovering the energy and raw materials consumed as well as the amount of pollution generated for any given product. Completion of the project will enable a more objective and systematic analysis of individual processes, and systematic plans for performance improvement can then be implemented.

Advanced Molten Metal Processing

POSCO is operating a pilot plant for a fine ore-based smelting reduction process known as FINEX. Basic design work and feasibility studies are now being carried out in an effort to commercialize the process by 2010. The preheating and presintering coking processes are eliminated, making FINEX a step more advanced than the COREX process. The technology represents an unprecedented breakthrough in blast furnace methods that have been in place for over one hundred years. Adopting FINEX is expected to lower hot metal production costs and reduce pollutants such as dust and toxic gases generated by conventional blast furnaces.

Lighter Automobiles

The UltraLight Steel Autobody (ULSAB) project is an intensive study to show how steel can reduce the weight of a vehicle’s body structure by (up to) 25%, while improving its durability and strength. The lighter weight will improve fuel economy and help to reduce pollution.

POSCO has been involved in the ULSAB project from the early stages. The company hosts briefings and seminars on related technology and provides automakers with the needed technological support and materials for developing these improved automobile bodies.

Process Innovation

POSCO established the Process Innovation (PI) Team on December 31, 1998 to stay ahead of a fast-changing business environment and to embrace e-business amid the spread of information technology. This new unit marked the beginning of a full-scale management reform effort.

Process Innovation re-evaluates all business activities, starting with the fundamentals. Unnecessary elements are eliminated or altered so that the company operates optimal processes and systems in conformity with global standards.

POSCO’s PI project began with the establishment of a Master Plan (January-October 1999). The implementation phase (November 1999-June 2000) is followed by a phase for ensuring that all processes are running smoothly (July-December 2001).

Part of the companywide PI effort is an automated analysis of pollution levels and real-time management of environmental data. This will result in an integrated environmental data system that is transparent and freely accessible. Once the system is in place, employees, non-government interest groups, government organizations and research institutions will be able to access the data on-line. This capability will greatly reduce the amount of paperwork and time now required and procedures will be simplified. Of course, the higher transparency will also raise the level of public trust in POSCO.
In just 35 years, POSCO has grown into a world-class steelmaker capable of turning out 28 million tons of product annually. Through its activities in the steel business, the company has remained committed to contributing to Korea’s economic development. POSCO is emerging as the world’s most competitive steelmaker by constantly developing value-added products, rationalizing production and upgrading facilities.

Corporate Profile

Brief History

April 1, 1968
POSCO established.

April 1, 1970
Pohang Works Stage 1 Project begun.

July 3, 1973
Pohang Works Stage 1 Project completed.

May 25, 1983
Second Phase of Pohang Works Stage 4 Project completed.

March 5, 1985
Kwangyang Works Stage 1 Project begun.

December 3, 1986
Pohang Institute of Technology (POSTECH) opened.

March 27, 1987
Technology (RIST) established.

June 10, 1988
POSCO listed on stock market.

May 7, 1987
Kwangyang Works Stage 1 Project completed.

October 2, 1992
Kwangyang Works Stage 4 Project completed.

October 14, 1994
POSCO ADRs listed on the New York Stock Exchange.

November 28, 1995
COREX plant completed at Pohang Works.

Product Mix

- Production Mix
  - Steel
    - Blast Furnace
      - Basic Oxygen Furnace
      - Corex
    - Electric Arc Furnace
  - Non-Steel
    - Stainless Steel
    - Iron Ore
    - Carbon

- Production & Product Sales
  - Volume
    - 10,966
  - Value
    - 25,5
  - Sales
    - 25,7

- Total Sales & Net Income
  - (billions of won)
    - 30

Vital Statistics

Establishment: 1968 4. 1.
Total Assets: W 17.2 trillion
Shareholders’ Equity to Assets: 52.7%
Employees: 19,485
‘99 Sales: W 10.7 trillion
‘99 Net Income: W 1.56 trillion
‘99 Crude Steel Output: 26.5 million tons

Overseas Branches

Corporate Profile

E NVIRONMENTAL P ROGRESS R EPORT | 30