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Carbon Neutral by 2050

Carbon Neutral Target by 2050

· Contribute in achieving global carbon neutral target by taking on the leadership role in dealing with climate change

- Show responsible action towards climate change at an industry level as a corporate citizen and a leading global steelmaker
- Set challenging goals to obtain the momentum to turn crisis into opportunity and push the industry to move to low-carbon operations
- POSCO is the first Asian steelmaker, with large scale BF operations, to announce to become carbon neutral by 2050

【Carbon Reduction Target】



· Secure future competitiveness by preemptive decarbonization

- Decarbonization of steel industry is an inevitable challenge against stronger carbon regulations, increased ESG investments and faster trend in the industries to move to low-carbon society
- With preemptive effort to reduce carbon emissions, POSCO will build groundwork to create corporate value in the era of low-carbon economy

Climate Info. Disclosures & Low Carbon Strategy Development

· Published the 'Climate Action Report', first report, for a domestic company, to be based on TCFD guidelines

- Strengthen communication with stakeholders in accordance with global guidelines



[Main contents]

- CO₂ deduction targets by stages
- CO₂ deduction fulfillment strategy
- 'Well-below 2°C' scenario analysis
- * In accordance with IEA 2SDS

· Established a climate-resilient business model with the low carbon strategy, focusing on areas, as 'Process, Product, Partnership'



Low Carbon Strategy



Green Process

· Gradually apply and expand innovative decarbonization technologies in operations

- Progressive CO₂ reduction plan taken under existing steel making process
→ Convert to hydrogen-based steelmaking process

(Carbon Lean 1st stage) Maximize efficiency by smartization of operations

- Improvement of energy efficiency using AI / Optimization of mix in raw materials

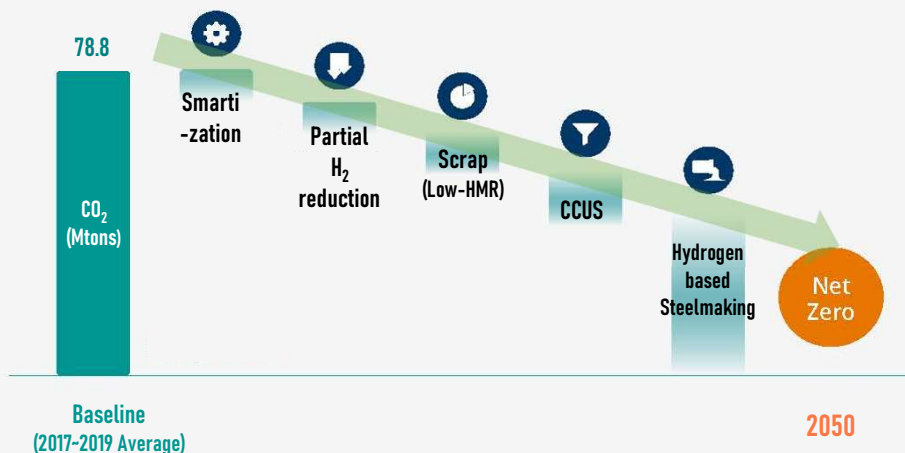
(Carbon Lean 2nd stage) Develop Bridge Technologies

- Usage of more recycling scraps, Partial application of H₂ reduction, Expanded application of CCUS technology

(Carbon neutral) Commercialize HyREX* *POSCO's Hydrogen-based Steelmaking technology

- Achieve carbon neutral through using green hydrogen and renewable energy

【Pathway to achieving the carbon ambition by 2050】



Green Product

· Increase production of steel products and materials, necessary to facilitate low-carbon industry ecosystem

(Steel) Expand high-performance products, specializing in light-weight and high energy efficiency

- Expansion of WTP production and sales, such as High tensile steel(GIGA STEEL), high efficient steel(Hyper-NO) and high corrosion-resistant steel(PosMAC), etc.
*Fully support on vehicles(EV), renewable energy, eco-ship(LNG ship)

(Secondary battery materials) Build integrated supply system of lithium, Cathode and Anode

- Target to secure 20% of global M/S and reach 23 trillion KRW in revenue per year by 2030

*Production capacity(thousand tons/year) : lithium 220, Cathode 400, Anode 260



Green Partnership

· Communicate and strengthen partnership with diverse stakeholders

(Communication) Transparent reporting and enhance stakeholders' reliability

- Actively participate in climate reporting initiatives such as CDP, TCFD, etc.

(Partnership) Lead joint-cooperation to facilitate low carbon industry ecosystem

- Establish partnership with nations and industry players to accelerate innovative technology development, such as hydrogen and CCUS, etc.
- Cooperate with customers and suppliers, in our value chain, to participate in carbon reduction program