

POSCO HOLDINGS

Green Bond Allocation and Impact Report

April 2026

posco
HOLDINGS



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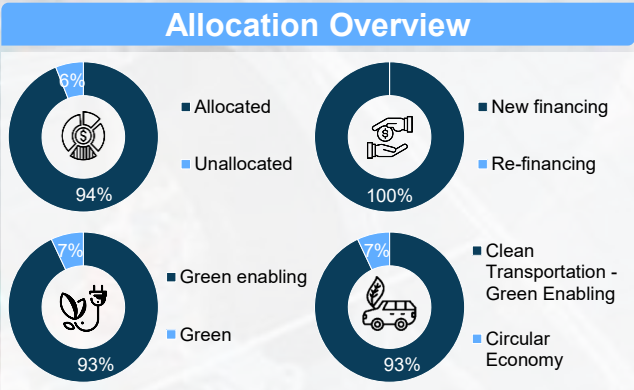


POSCO Pilbara Lithium Solution



Appendix: ICMA Green Enabling Projects Guidance Alignment

Bonds in scope of this report		
Structure	Senior Unsecured Green Bond	
Format	Rule 144A/Reg S	
Trade date	April 28, 2025	
Settlement date	May 7, 2025	
Maturity date	May 7, 2030	May 7, 2035
Size	US\$400mn	US\$300mn
Coupon	5.125%	5.750%
144a / Reg S ISIN	US693483AJ80 / USY70750CB13	US693483AK53 / USY70750CC95



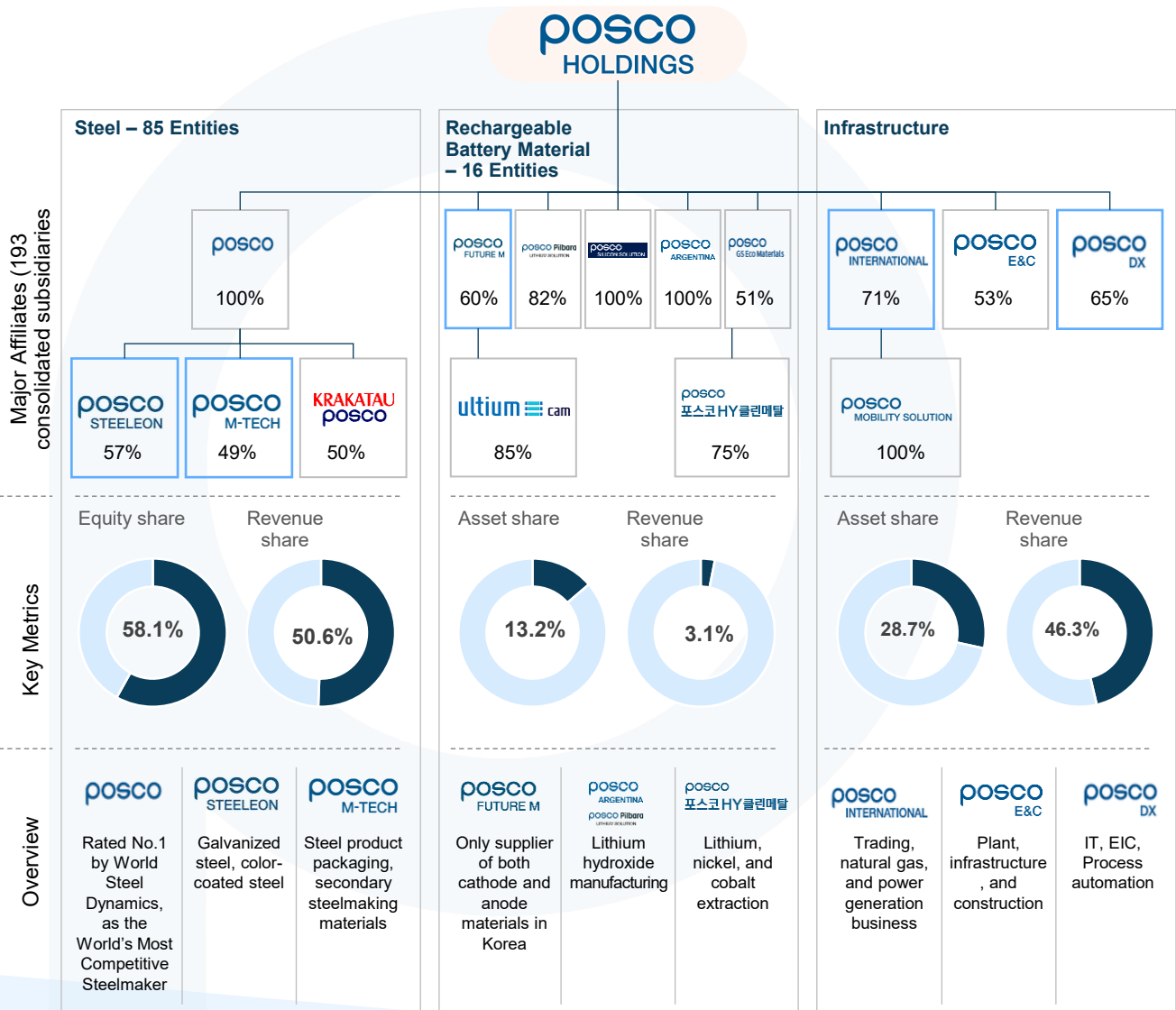
Eligible Projects Financed

- Cathode materials plants in Canada and Korea (53%)
- Production of lithium hydroxide for rechargeable battery materials in Korea (32%)
- Battery recycling in Korea (7%)



Business Overview

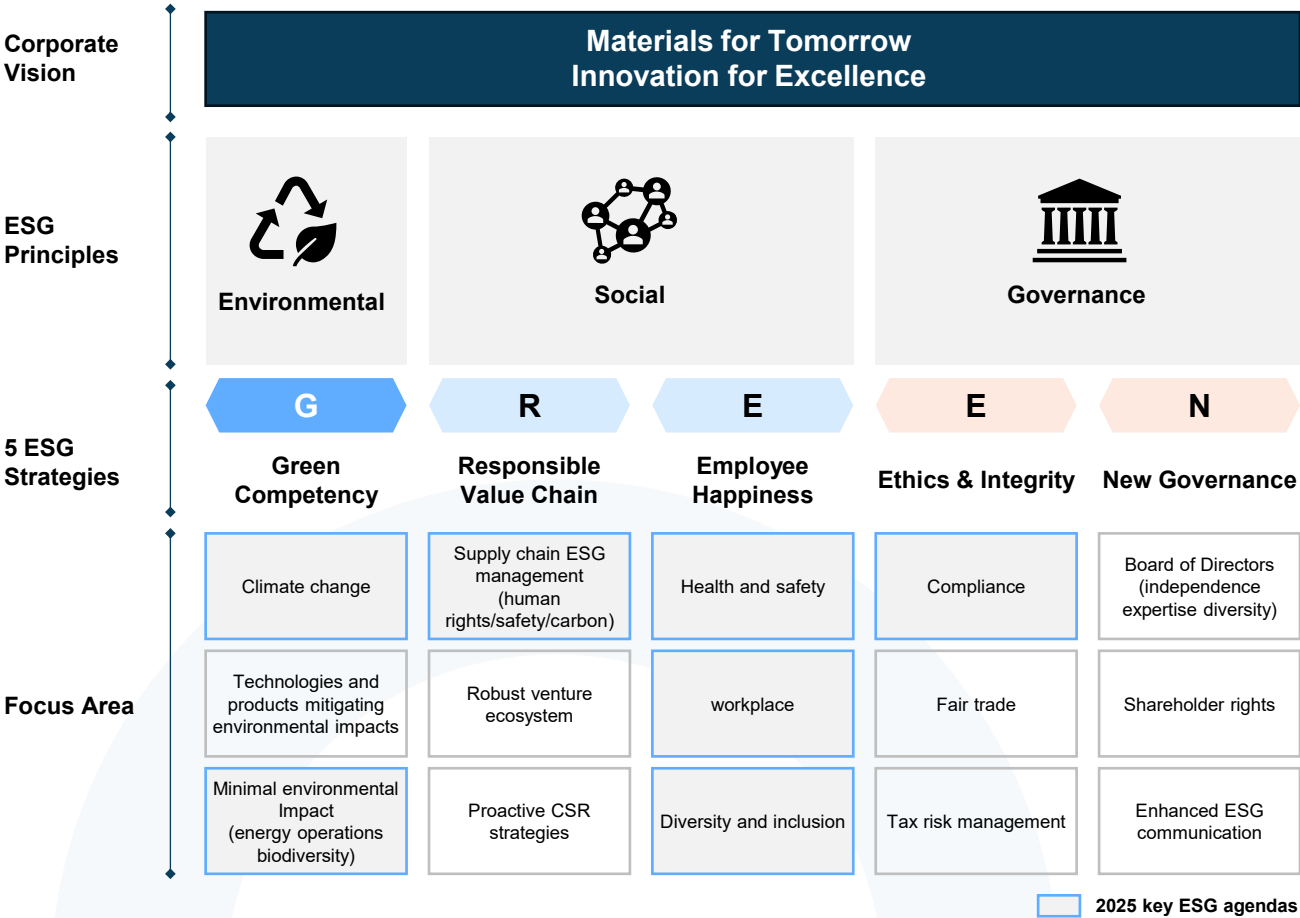
- POSCO Holdings (the “Company”) was launched in March 2022 and anchored on its mission to serve as a future eco-friendly materials provider. POSCO Holdings manages POSCO Group’s (the “Group”) business portfolio and models corporate governance and environmental, social and governance (“ESG”) management practices. The Group comprises affiliated operating companies across 7 core businesses. The largest operating company is the steelmaker POSCO, serving as the backbone of the growth of domestic industries and POSCO’s business group for over 5 decades. In addition to steelmaking, POSCO Group focuses on new growth businesses such as rechargeable battery materials and hydrogen.
- Backed by the stable profits from the Group’s Steel and Infrastructure operations, POSCO Group cultivated rechargeable battery materials to drive sustainable growth. POSCO Group’s business portfolio is built on the ‘2 Core + New Engine’ strategy that fuses the group’s Steel and Rechargeable Battery Materials businesses with new engines of growth. The scheme fuels POSCO Group’s competitive strengths to propel innovations in future materials to evolve into a global top-tier company.



Sources: 2024 POSCO Holdings Sustainability Report

(As of 2024-end) Listed Unlisted

POSCO Group’s Sustainability Approach

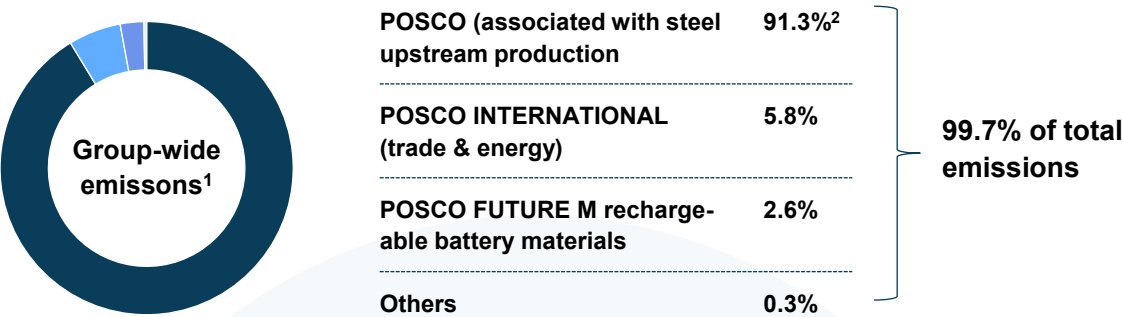


Green Competency	POSCO Group will enhance energy efficiency and adopt technologies that progressively reduce process-level GHG emissions to cope with climate challenges. It will take a structured, lifecycle aligned approach to managing and mitigating environmental impact, shaping a sustainable future in which society and nature harmoniously coexist.
Responsible Value Chain	POSCO Group will foster collaboration and support throughout the value chain to ensure its business partners strengthen capabilities in key ESG areas, including low-carbon technology, human rights, and safety.
Employee Happiness	With commitment to create a vibrant and safe workplace, POSCO Group intends to build a corporate culture that values workplace safety, human rights, and diversity, while nurturing creative talent to lead the way in the rapidly changing world.
Ethics & Integrity	To maintain the highest ethical standards in business decision-making, POSCO Group will continue to enhance ethics and compliance, and promote fair trade.
New Governance	POSCO Group will uphold the independence, expertise, and diversity of the Board of Directors. Prioritising shareholder rights and transparency, it will reach new heights.

Decarbonization Strategy

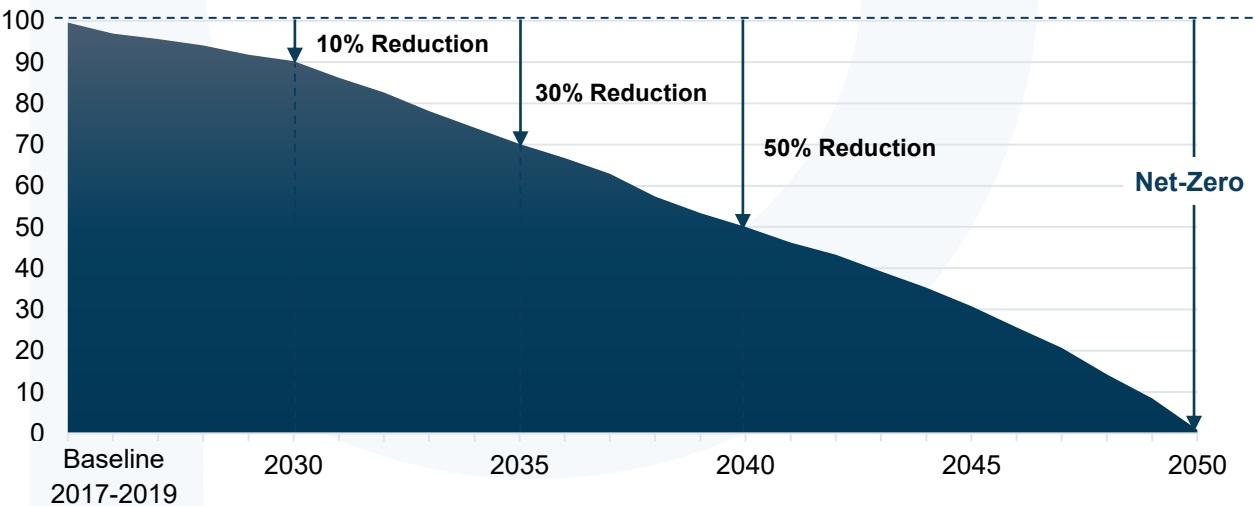
- POSCO Group views decarbonization as an opportunity to boost its future growth drivers. The Group has established the Group Decarbonization Strategy and is developing and implementing 2050 Decarbonization Roadmaps tailored to each affiliate's business context, with special focus on POSCO (steel), POSCO INTERNATIONAL (infrastructure) and POSCO FUTURE M (rechargeable battery materials).

Breakdown of emissions by operating company (scape 1 & 2)



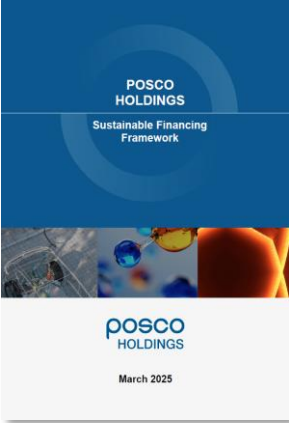
- Scope 1 emissions will be reduced through the development of carbon reduction bridge technologies, the introduction of electric arc furnaces (EAF), and transition to the hydrogen-reduction ironmaking process.
- Scope 2 emissions will be mitigated by expanding the Group-level renewable energy business, e.g., solar, onshore/offshore wind power.

Group-wide carbon reduction targets



Notes:
1. Based on the combined total of top 10 domestic operating companies and overseas steel upstream operations (Factbook p.134, p.1
2. Including overseas upstream process operations (PT-KP/PY-VINA/Zhangjiagang)

POSCO Holdings' Sustainable Financing Framework



- POSCO Holdings published its Sustainable Financing Framework (the "Framework") in March 2025 which obtained a **"SQS2- Very Good Sustainability Quality Score"** from Moody's.
- This Framework innovatively incorporates the **ICMA Green Enabling Projects Guidance**, while aligning with other up-to-date market guidance and principles.
- This Framework will continue to support POSCO Holdings to finance decarbonisation projects and progress towards its net zero 2050 ambition.








Eligible Green Project Categories

Category	Eligible Projects	SDG Alignment
Clean Transportation	Green Enabling Projects: mineral resources / raw materials for EV batteries, such as nickel, graphite and lithium brine (salt lakes) - Providing battery materials and components for electric and hydrogen vehicles - R&D relate to EV battery systems and EV battery materials development	 
Renewable Energy	- Facilitating the generation, transmission, distribution of renewable energy - Energy storage systems and enabling technologies	
Circular Economy	Investment in waste battery recycling and battery material regeneration	
Energy Efficiency	Energy and emissions reductions in the battery manufacturing value chain, with ≥30% energy savings vs baseline	 
Pollution Prevention and Control	- Air pollution mitigation along the battery manufacturing process, with ≥30% air pollution diminution vs baseline - Air pollution treatment monitoring systems	 
Water and Wastewater Management	Water usage and wastewater mitigation along the battery manufacturing process, with ≥30% improvement (in water use, wastewater or recycled water) vs baseline	

Eligible Social Project Categories *(Social categories are not included as part of the 2025 bonds Use of Proceeds)*

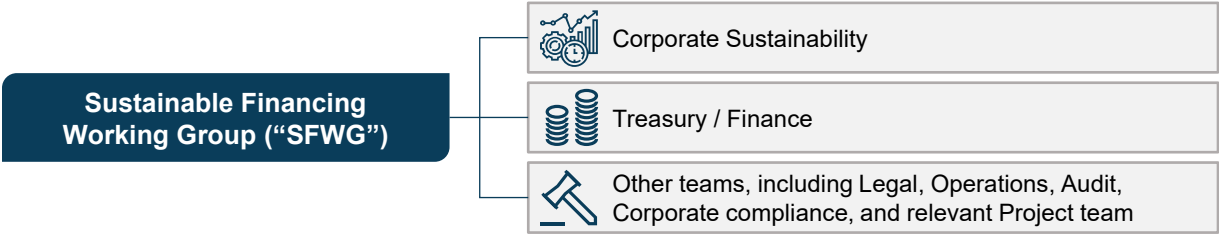
Category	Eligible Projects	SDG Alignment
Socioeconomic Advancement and Empowerment	- Training or employment provided to underserved population - Support to Small and Medium Enterprises (SMEs) ¹ and/or start-up companies^{2,3} include providing consulting for supply chain ESG improvement, R&D expenses support, etc.	  

Notes:

- As defined by the Enforcement Decree of The Framework Act with less than 50 employees
- Established for a period of less than 7 years
- Or SMEs and start-up companies that meet the definition of Woman-Owned Enterprise set forth by the International Finance Corporation or the definition of Female-Owned Business set forth under Article 2 of the Enforcement Decree of the Act on Support for Female-Owned Businesses

Process for Project Evaluation and Selection

- POSCO Holdings has set up a Sustainable Financing Working Group (“SFWG”) to oversee its Sustainability reporting, and the SFWG will also assume the responsibility of the SFTs.
- The SFWG will be held at least once every 12 months to review and select eligible projects according to the criteria outlined in this Framework. The shortlisted projects will be presented to the Board of Directors for approval.



Management of Proceeds

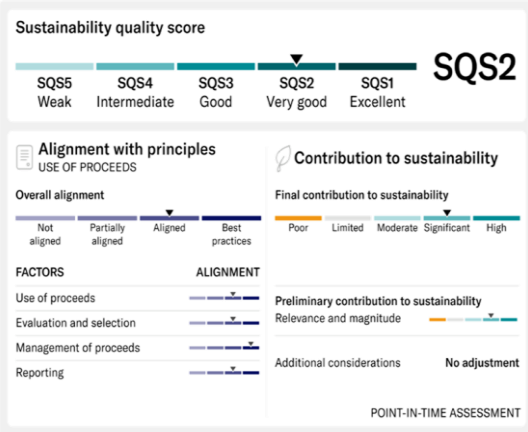
- The treasury team will oversee the net proceeds from each SFT issuance, with all proceeds deposited into general funding accounts. An amount equivalent to the net proceeds from each SFT will be earmarked for allocation to Eligible Projects in line with the Framework.
- A register will be maintained to track the use of proceeds for each SFT, which will contain information including:

Type of Funding Transaction	Key information includes issuer/borrower entity, transaction date, number of transactions, principal amount of proceeds, repayment or amortization profile, maturity date, interest or coupon, and the ISIN number in the case of a bond transaction
Allocation of Use of Proceeds	- Name and description of the allocated eligible projects - The amount of SFTs proceeds allocated to eligible projects and the unallocated balances - Information regarding temporary investments for unallocated proceeds

- POSCO Holdings is committed to allocating all proceeds from the SFTs to Eligible Projects on a best effort basis within two years of the SFT issuance. Unallocated proceeds may be managed in line with POSCO Holdings' liquidity management policy.

External Review Highlights

MOODY'S RATINGS



- Firm commitment that eligible green enabling projects will **strictly abide with all criteria listed under ICMA's June 2024 Green Enabling Projects Guidance.**
- Financing of materials, components, and recycling capabilities across the EV battery value chain, **which is necessary to enable further adoption of EVs, a key decarbonization lever of the transport sector.**
- Manufactured battery components and raw materials produced will be **100% dedicated to green end-uses** – namely, EV batteries and energy storage systems used with renewable energy sources.
- A short allocation period within **24 months**

Overview of the Green Bond Offering

Offering Summary of the Dual-tranche US\$400mm 5Y & US\$300mm 10Y Green Bond

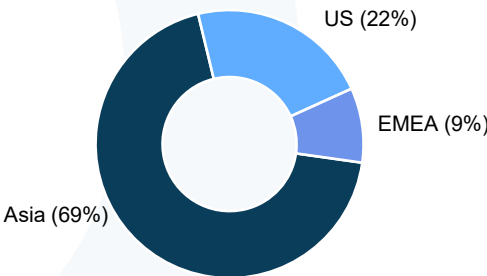
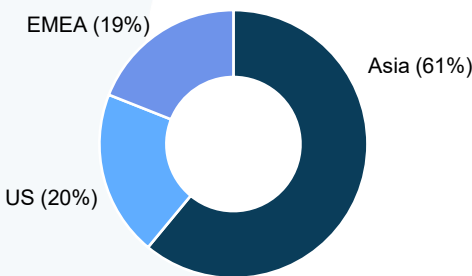
Issuer	POSCO Holdings Inc. ("POSCO Holdings" or the "Issuer")	
Issuer Ratings	Baa1 (Stable) by Moody's / A- (Negative) by S&P	
Issue Ratings	Baa1 by Moody's / A- by S&P	
Status	Fixed Rate, Senior Unsecured, Green Bond	
Format	Rule 144A/Reg S	
Trade Date	April 28, 2025	
Settlement Date	May 7, 2025	
Pay Dates	May 7 and Nov 7 (First pay-date Nov 7, 2025)	
Maturity Date	May 7, 2030	May 7, 2035
Size	US\$400 million	US\$300 million
Coupon	5.125% (semi-annual, 30/360)	5.750% (semi-annual, 30/360)
Re-offer Price / Yield	99.565 / 5.225%	99.505 / 5.816%
Spread Over UST	+137.5 bps vs T 4 03/31/30	+157.5 bps vs T 4 ⁵ 02/15/35
Ust Price / Yield	100-21¼ / 3.850% (HR: 98%)	103-01+ / 4.241% (HR: 92%)
144a / Reg S ISIN	US693483AJ80 / USY70750CB13	US693483AK53 / USY70750CC95
Terms	\$200k/1k Denoms, New York Law	
Listing	SGX-ST	
Use Of Proceeds	Financing or refinancing, in whole or in part, of new or existing Eligible Green Projects in accordance with the Issuer's Sustainable Financing Framework dated March 2025	

Green Bond Allocation Distribution

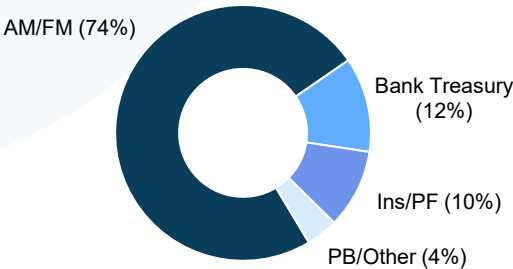
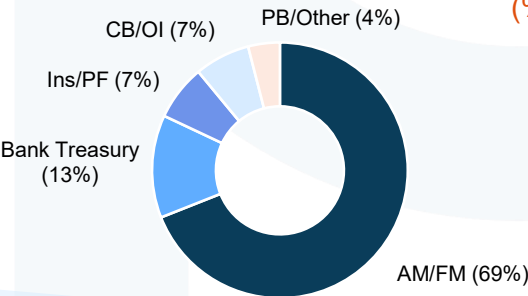
US\$400mm 5Y

US\$300mm 10Y

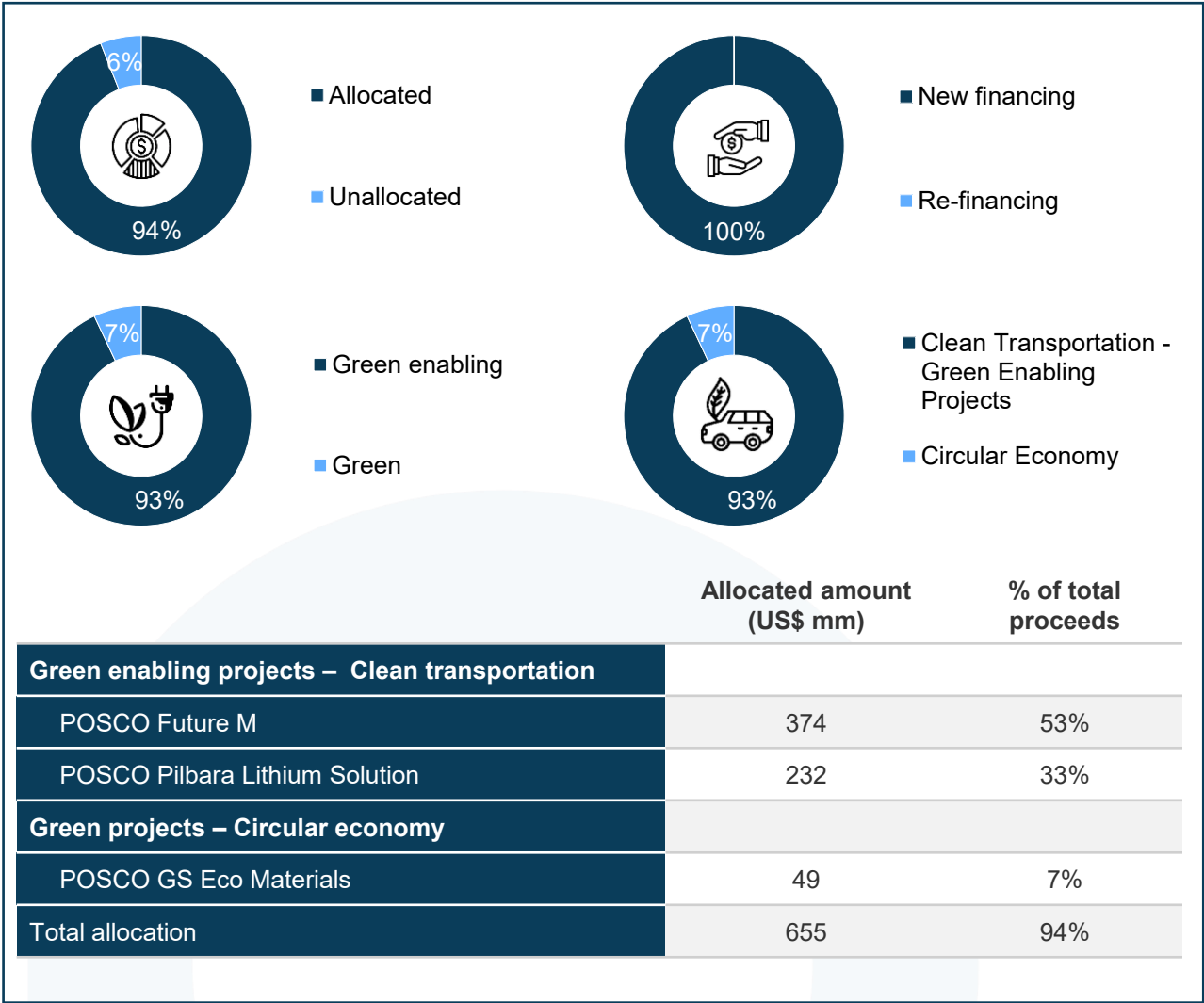
Distribution by Geography



Distribution by Investor Type (% of allocation)



Project Allocation of POSCO Holding's Green Bond Proceeds



Expected Impacts

POSCO Holdings will provide information on the allocation of the net proceeds on an annual basis until the proceeds are fully allocated, or thereafter if there are material changes in terms of allocation and / or impact.

Once full allocation is achieved, POSCO Holdings will publish estimated impact metrics for the financed projects, based on the final portfolio of eligible expenditures.

This timing ensures the disclosed impacts reflect the complete use of proceeds and are calculated on a consistent and appropriately evidenced basis.

Green Enabling Project Case Study: POSCO Future M (1/2)

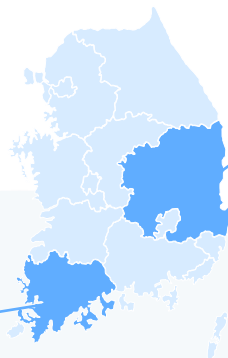
- Proceeds allocated to POSCO Future M have been used for expanding cathode production capacities, including a joint cathode material plant in Canada and the expansion of cathode material plants in Pohang and Gwangyang.
- These projects are designed to increase POSCO Future M's manufacturing competitiveness in rechargeable battery materials. The move underscores POSCO Future M's strategy to position for capturing the next wave of EV demand and reinforces POSCO Holdings' commitment to scaling its battery materials business.

Bond allocation

US\$374mm

53%

of the bond's proceeds



Cathode Material Plant in Pohang

Cathode Material Plant in Gwangyang



LFP Cathode Material Plant in Pohang

- As demand for lithium iron phosphate (LFP) batteries for ESS applications has surged in the North American market, major battery manufacturers are converting existing ternary battery production lines to LFP lines. POSCO Future M's LFP cathode material plant is built in response to the rapidly growing ESS market demand. The project is expected to begin mass production in the second half of 2027, with all LFP cathode materials from the facility dedicated to ESS applications.



Cathode Material Plant in Gwangyang

- POSCO FUTURE M's Gwangyang Cathode Plant stands as the world's largest cathode production plant housed within a single factory, boasting of an annual production capacity of approximately 90,000 tons of cathode material.

Green Enabling Project Case Study: POSCO Future M (2/2)

Cathode materials plant UltiumCAM in Quebec, Canada

- POSCO Future M and General Motors (GM) have established UltiumCAM, a joint cathode materials plant in Quebec, Canada. The joint venture is 85% owned by Posco Future M and 15% by GM. The UltiumCAM plant is equipped with facilities capable of producing up to 30,000 tons of high-nickel cathode materials annually, with phase 1 output at 20,000 tons per year—enough to power about 500,000 EVs. All cathode materials produced will be supplied to Ultium Cells, GM's U.S. battery/cell joint venture with LG Energy Solution. The UltiumCAM plant is expected to commence operation in October 2026.

Cathode materials
plant UltiumCAM in
Quebec, Canada



Notes:

- Key Minerals in an EV Battery, European Federation for Transport and Environment
- International Energy Agency (IEA): EV Life Cycle Assessment Calculator
- POSCO Holdings' estimate

Green Enabling Project Case Study: POSCO Pilbara Lithium Solution

- POSCO Pilbara Lithium Solution, established in 2021 as a joint venture between POSCO Holdings and Australian mining company Pilbara Minerals, imports raw lithium ore from Australia to produce lithium hydroxide for rechargeable battery materials in Korea.
- POSCO Pilbara Lithium Solution operates 2 lithium hydroxide production plant. The first plant, completed in November 2023, used POSCO Group's proprietary lithium extraction method, based on the principle of electrodialysis, which has advantages including the recovery and reuse of byproducts during production and minimal byproduct generation. The second plant, completed in November 2024, uses a commercially proven technology widely used by leading global lithium producers.
- The two plants have a combined annual lithium hydroxide production capacity of 43,000 tons.

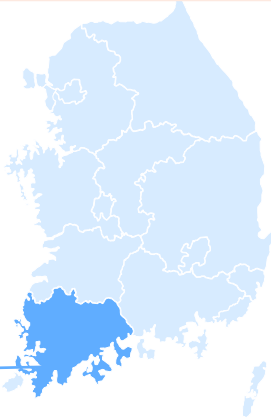
2 lithium hydroxide production plants located in Gwangyang

Bond allocation

US\$233mm

32%

of the bond's proceeds



Green Project Case Study: POSCO GS Eco Materials

- POSCO GS Eco Materials is the battery recycling joint venture established in 2022 under the agreement between POSCO Holdings and GS Energy, each holding 51% and 49% ownership stakes, respectively.
- POSCO-GS Eco Materials pursues the secondary battery recycling business
- Initially focusing on disassembling used batteries and extracting minerals such as lithium, nickel, cobalt and manganese, POSCO-GS Eco Materials will later expand to run a Battery as a Service (BaaS) platform that lets customers lease and exchange batteries for their electric vehicles. POSCO-GS Eco Materials is also the holding company of POSCO HY Clean Metal, a rechargeable battery recycling firm.

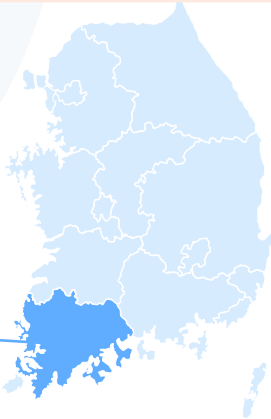
POSCO GS Eco Materials' plant

Bond allocation

US\$49mm

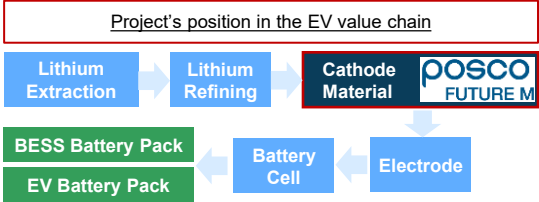
7%

of the bond's proceeds



Appendix: ICMA Green Enabling Projects Guidance Alignment

POSCO Future M

Criteria	ICMA's Green Enabling Guidance	POSCO Future M cathode production projects' alignment
Necessary for an enabled Green Project's value chain	The project should be a necessary component required for the development or implementation of an enabled Green Project's value chain	POSCO Future M's cathode material production is a necessary upstream component for lithium-ion batteries, which power EVs and support BESS.
	The project's role within the value chain must be clearly defined and contextualised	The projects' critical role in the value chain is clearly defined as below 
	The project may or may not provide a direct environmental benefit on its own	While the projects may not deliver a direct environmental benefit on their own, they enable downstream Green Projects by providing critical battery materials required for transportation electrification.
No carbon lock-in	The project should not lead to locking-in high GHG emitting activities relative to other technologically feasible and/or commercially viable solutions, including at the level of an enabled Green Project	- The projects support battery technologies that replace ICE with electric propulsion, aligning with the net-zero transition pathway. - The project does not utilize high-carbon lock-in equipment or infrastructure
Clear and quantifiable environmental benefit	- The project must provide a clear, quantifiable, and attributable, environmental benefit, which should be either actual or estimated on life cycle analysis basis of the enabled Green Project(s) compared to a non-green alternative or baseline scenario - We recommend to disclose quantitative performance indicators with key underlying methodology and/or assumptions including the attribution factors - We recommend to map to one or more eligible Green Project categories as listed in the Green Bond Principle	- The 175,000 tonnes produced cathode in 2026 is expected to support the development of EV battery packs - Compared to ICE, these EVs are estimated to avoid million tonnes of CO2 emissions over the whole life cycle - This contribution can be mapped to GBP category - Clean Transportation
Mitigated adverse social or environmental impacts	- The project should demonstrate appropriate management of managing identified environmental and social impacts and risks - No material adverse social impacts and no significant detriment to other environmental objectives - Issuers should outline the environmental and social risks identification and management processes, and the minimum standards and governance structures mitigating negative impacts - Issuers should outline the material impacts related to the Green Enabling Projects	- The project's operations involve engagement with local supply chains and job creation, which can support economic and social value in the region. - The project does not lead to material adverse social impacts or significant detriment to other environmental objectives. - Governance and risk management practices covering EHS, product stewardship, supplier standards, and traceability for key raw materials.

Appendix: ICMA Green Enabling Projects Guidance Alignment

POSCO Pilbara Lithium Solution

Criteria	ICMA's Green Enabling Guidance	POSCO Pilbara Lithium Solution projects' alignment
Necessary for an enabled Green Project's value chain	The project should be a necessary component required for the development or implementation of an enabled Green Project's value chain	Lithium hydroxide is a high-purity precursor used to produce high-nickel cathode active materials for EV and BESS, making the project a necessary component of the enabled Green Project value chain.
	The project's role within the value chain must be clearly defined and contextualised	Project's position in the EV value chain <pre> graph LR A[Lithium Extraction] --> B[Lithium Hydroxide Refining] B --> C[Cathode Material] C --> D[Electrode] D --> E[Battery Cell] E --> F[BESS Battery Pack] E --> G[EV Battery Pack] </pre>
	The project may or may not provide a direct environmental benefit on its own	While the projects may not deliver a direct environmental benefit on their own, they enable downstream Green Projects by providing critical battery materials required for transportation electrification.
No carbon lock-in	The project should not lead to locking-in high GHG emitting activities relative to other technologically feasible and/or commercially viable solutions, including at the level of an enabled Green Project	- The project supports the energy transition by supplying battery-grade lithium hydroxide that enables electrification of transport and energy storage, aligning with the net-zero transition pathway. - The project does not utilize high-carbon lock-in equipment or infrastructure - Project outputs are used for battery supply chains (EV and BESS) and are not used for high-carbon applications. - The proprietary electro dialysis-based lithium extraction method enhances the recovery and reuse of byproducts during production while minimizes byproduct generation.
Clear and quantifiable environmental benefit	- The project must provide a clear, quantifiable, and attributable, environmental benefit, which should be either actual or estimated on life cycle analysis basis of the enabled Green Project(s) compared to a non-green alternative or baseline scenario - We recommend to disclose quantitative performance indicators with key underlying methodology and/or assumptions including the attribution factors - We recommend to map to one or more eligible Green Project categories as listed in the Green Bond Principle	- The 12,859 tonnes produced lithium hydroxide in 2026 is expected to support the development EVs - These EVs are estimated to avoid million tonnes of CO2 emissions over the whole life cycle (vs. ICE) - This contribution can be mapped to GBP category - Clean Transportation
Mitigated adverse social or environmental impacts	- The project should demonstrate appropriate management of managing identified environmental and social impacts and risks - No material adverse social impacts and no significant detriment to other environmental objectives - Issuers should outline the environmental and social risks identification and management processes, and the minimum standards and governance structures mitigating negative impacts - Issuers should outline the material impacts related to the Green Enabling Projects	- The project's operations involve engagement with local supply chains and job creation, which can support economic and social value in the region. - The project does not lead to material adverse social impacts or significant detriment to other environmental objectives - Governance and risk management practices covering EHS, product stewardship, supplier standards, and traceability for key raw materials.

Notes:

1. [International Energy Agency \(IEA\): EV Life Cycle Assessment Calculator](#)