

Dear Jose JS Cubelo,

Thank you for your email dated 14th March 2024 inviting us to address the allegations regarding human rights and environmental issues related to nickel mining and smelting in Indonesia, as detailed in the Climate Rights International (CRI) report.

First, **our project, PT Nicole Metal Industry ("NMI"), is specifically focused on a fraction of the nickel smelting plants at IWIP, without involvement in the mining operations or broader development and operation of IWIP.** Our project site occupies only 0.18 km<sup>2</sup> of IWIP's total land area of 25 km<sup>2</sup>, representing a mere 0.72% of the entire area.

**It is imperative to note that POSCO Holdings holds a minority stake in NMI, thereby lacking direct control over the management or operations at NMI.** Nevertheless, we have consistently urged the majority shareholder to adhere to industry best practices, particularly in the areas of social and environmental responsibility.

As far as we are aware, monitoring of environmental impacts is carried out both within and beyond the industrial area at IWIP. However, we will strive to engage continuously with majority shareholder and facilitate monitoring to ensure that environmental risks are minimized in the construction and operation of our PT.NMI.

The concerns raised in CRI's report in January 2024 have been communicated to the majority shareholder of NMI. **Regarding the coal power issue, despite our minority shareholding status, we are currently engaged in discussions with the majority shareholder to facilitate the transition NMI's power source to solar energy. This includes exploring the establishing of a solar farm at IWIP premises as a viable alternative to coal power.**

In our capacity as a minority shareholder in NMI, POSCO Holdings is dedicated to ensuring the environmental and social aspects throughout the construction processes. Looking ahead to production at NMI, **once nickel matte from NMI is supplied to**

**POSCO Group subsidiaries, we will conduct a supply chain audit in alignment with due diligence guidelines.** To prepare for the supply chain audit, we will share and discuss preparations to align with [POSCO Holdings' supply chain policy](#) with the majority shareholder even before the completion of the factory.

At POSCO Holdings, we prioritize our social and environmental responsibilities, integral to our continuous development. We maintain a commitment to upholding industry best practices in environmental protection and human rights across in all our endeavors. Furthermore, we will continue to work closely with our partners to implement effective measures for engaging with local communities.

Best regards,

POSCO Holdings

ESG team & Battery Materials Business team