

November 29, 2023

Mr. Hag-Dong Kim
CEO, POSCO
6261, Donghaean-ro, Nam-gu, Pohang-si
Gyeongsangbuk-do
Republic of Korea

SENT VIA EMAIL AND REGULAR MAIL

RE: Summary of findings for upcoming report on the environmental and human rights impacts of the nickel industry in Indonesia

Dear Mr. Hag-Dong Kim,

I am writing on behalf of Climate Rights International, a U.S.-based NGO that conducts research and advocacy on the human rights dimensions of the climate crisis. For the past several months, we have been carrying out research for a report that we plan to publish on the human and environmental impacts associated with nickel mining and smelting at and near the Indonesia Weda Bay Industrial Park (IWIP).

Based on more than forty interviews with community members, our research finds that nickel mining in Central and East Halmahera, North Maluku and nickel smelting at IWIP are threatening the rights of local people, harming the local environment, and contributing to the climate crisis. Community members told Climate Rights International that their lands have been taken by nickel companies, they were not able to fairly negotiate land sales, and Indigenous Peoples have been denied their legal right to Free, Prior, and Informed Consent (FPIC). In addition, pollution from industrial activities is threatening critical freshwater resources and the ecosystems that people depend on for their traditional livelihoods. Despite claims that nickel from this project is needed to power the electric vehicle transition, massive deforestation and coal use at IWIP are directly contributing to the climate crisis, making this project a climate bomb.

It is our understanding that POSCO plans to construct and operate a nickel matte plant in IWIP.

We want to ensure that our report accurately reflects the views, policies, and practices of relevant authorities and companies, and we hope that you or your representatives will respond to the following questions, outlined below. Any responses will be reflected in our reporting as appropriate, and we may publish your responses at our discretion and when appropriate, either in full or in part.

Questions:

1. Can you please provide a timeline on the permitting and construction of the planned nickel plant at IWIP?

2. Can you please provide documentation, including building permits, environmental and social impact studies, and other related documents regarding POSCO's planned nickel facility at IWIP?
3. Where will POSCO source nickel ore and other raw materials for its planned nickel facility at IWIP? If available, please provide a list of mines.
4. What are the expected power requirements of the POSCO project at IWIP?
 - a. What energy sources will be used to power the project?
 - b. What are the expected annual emissions of the project?
 - c. If the POSCO project at IWIP will be powered by captive coal plants, what steps will POSCO take to ensure that its operations at the project are in line with its commitments to cut carbon emissions by 37 percent by 2030 from 2021 levels?
5. How does POSCO see its proposed nickel facility at IWIP within its broader strategy to increase investments and production of electric vehicle particles, including batteries?
6. Does POSCO management have plans to mitigate potential harms to the rights of Indigenous Peoples and other local communities posed by its proposed operations at IWIP? If yes, please elaborate.
7. Does POSCO management have plans to remediate harms to the rights of Indigenous Peoples or other local communities that result from its proposed operations at IWIP? If yes, please elaborate.
8. Does POSCO management have plans to mitigate potential environmental harms posed by its proposed operations at IWIP? If yes, please elaborate.
9. Does POSCO management have plans to remediate any environmental harms resulting from its proposed operations at IWIP? If yes, please elaborate.
10. It is our understanding that POSCO's Supplier Code of Conduct requires suppliers to, "comply with laws and regulations on environmental protection and recognize that environmental protection is one of their basic social responsibilities as an enterprise." How will POSCO monitor its suppliers, including mines supplying nickel ore to the proposed IWIP facility, for human rights and environmental harms? How does POSCO audit, evaluate, and/or monitor its suppliers to ensure they meet the qualifications in the Supplier Code of Conduct?

Please provide your responses in writing. Your responses can only be considered for inclusion in our report if we receive them by December 20, 2023. Please reply in English a [REDACTED] copying [REDACTED]. In addition, please include any other materials, statistics, and/or information you think may be relevant.

I also welcome the opportunity to speak with you or your representatives. Please let me know if you have any questions or if you would like to arrange a meeting or video conference.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Adams', with a stylized, cursive script.

Brad Adams
Executive Director, Climate Rights International

