
2024 POSCO FUTURE M Responsible Minerals Activity Report

April 2025

Purpose of the Report

POSCO FUTURE M has established a Responsible Minerals Policy to purchase minerals in a sustainable and socially responsible manner. We strive to build a responsible supply chain for mineral sourcing to address various social issues, including human rights violations, environmental impacts, and the transfer of funds to illicit actors in Conflict-Affected High-Risk Areas (CAHRAs). This report presents our responsible sourcing activities for minerals in 2024.

Activities and Scope

This report focuses on conflict minerals (i.e., tungsten) and other key minerals (i.e., nickel, cobalt, manganese, lithium, graphite) used in our products. Cobalt is considered a semi-conflict mineral due to concerns related to child labor and payments to armed militias in the Democratic Republic of the Congo.

Organizational Structure for Responsible Minerals

The Purchasing Contracts Department, under the Corporate Support Headquarters of POSCO FUTURE M, oversees the overall management of responsible minerals. The Communications Office, HR Support Office, Legal Department, Ethics and Compliance Office, Sustainability Management Group, Energy Materials Marketing Office, and Technology & Quality Office collaborate to form an integrated response system.

Responsible Minerals Purchasing

Based on the OECD Due Diligence Guidance and the EU Batteries Regulation, POSCO FUTURE M has established its purchasing policy and process for responsible minerals, with a focus on strengthening procurement and supply chain management. We utilize the Conflict Minerals Reporting Template (CMRT) and Cobalt Reporting Template (CRT) provided by the RMI* to collect supplier information during our supplier questionnaire surveys. This allows us to monitor and manage responsible and key minerals throughout our supply chain, including mines and refineries, while identifying and preventing relevant risks.

* RMI (Responsible Minerals Initiative) is an global organization that monitors and verifies suppliers by tracking the origin of responsible minerals.

POSCO FUTURE M encourages suppliers to undergo third-party due diligence on their refineries through the Responsible Minerals Assurance Program (RMAP) as part of the supplier registration process. We purchase those minerals sourced from the Conflict-Affected High-Risk Areas (CAHRAs)* only if they come from RMI-certified refineries. Tungsten and cobalt are procured exclusively from RMI-certified refineries, regardless of origin.

*CAHRAs List

- Africa: 117 regions in 16 nations (e.g., DR Congo, Sudan)
- Asia: 80 regions in 7 nations (e.g., Myanmar, Afghanistan)
- South America: 9 regions in 2 nations (e.g., Columbia, Venezuela)
- Europe: 12 regions in 2 nations (e.g., Russia, Ukraine)

POSCO FUTURE M has strengthened the standards of its Supplier Code of Conduct to ensure consistent application of its Responsible Minerals Policy across the supply chain.

1. Suppliers must establish responsible minerals policies prohibit the use of raw materials sourced from artisanal and small-scale mining (ASM) miners with ethical concerns, particularly in DR Congo or other CAHRAs. Suppliers must also report any corrective actions when necessary.
2. Suppliers must make good-faith efforts to identify information about mines origins, locations, and ethical risks, and must comply with POSCO FUTURE M's Responsible Minerals Policy in all business activities.
3. Suppliers must submit questionnaires regarding conflict and responsible minerals when requested, and must share their responsible conflict policies with prime contractors to contribute to resolving social issues across the supply chain.
4. Suppliers must manage and control risks (e.g., air, water, soil, biodiversity, health, safety, human rights, child labor, and community life) as outlined in the EU Batteries Regulation and comply with the Ten Principles of the UN Global Compact and the OECD Due Diligence Guidance for Responsible Business Conduct.

**Responsible
Minerals
Management
Policy**

POSCO FUTURE M implements its responsible minerals activities in line with the 5-Step Framework of the OECD Due Diligence Guidance for Minerals:

STEP 1. Strong Company Management Systems / System Realization

STEP 2. Collect & Assess Supply Chain Information

STEP 3. Identify, Mitigate, and Manage Risks

STEP 4. Due Diligence

STEP 5. Report Progress to Stakeholders

STEP 2 Collect & Assess Supply Chain Information

POSCO FUTURE M conducts an annual Supplier Questionnaire Survey using CMRT and CRT from RMI. In 2024, we completed the survey with 28 suppliers. We require that refineries supplying conflict minerals (tungsten and cobalt) and other key minerals (nickel, manganese, lithium, and graphite) obtain RMAP validation.

● RMAP-validated Refineries

(unit: count)

Category	2023	2024
Tungsten	2	2
Cobalt	4	7
Total	6	9

● Refinery Overview

No.	Minerals	RMI Refinery ID	Name	Location	RMAP Validation
1	Cobalt	CID003291	Guangdong Jiana Energy Technology	Guangzhou, CHINA	Conformant
2	Cobalt	CID003255	Quzhou Huayou Cobalt New Material	Changsha, CHINA	Conformant
3	Cobalt	CID004681	Guangxi CNGR New Energy Science & Technology Co., Ltd.	Changsha, CHINA	Conformant
4	Cobalt	CID004492	Ecopro Materials	Pohang, KOREA	Active
5	Cobalt	CID003338	SungEel HiTech	Gunsan, KOREA	Conformant
6	Cobalt	CID003226	Umicore Finland Oy	Kokkola, Finland	Conformant
7	Cobalt	CID003534	Mechema Chemicals	Taoyuan, Taiwan	Conformant
8	Cobalt	-	POSCO HY CLEANMETAL	Gwangyang, KOREA	In progress
9	Tungsten	CID002321	Jiangxi Gan Bei Tungsten	Xiushui, CHINA	Conformant
10	Tungsten	CID002082	Xiamen Tungsten	Xiamen, CHINA	Conformant

We assess potential risks based on supplier data and their involvement in CAHRAs. Our evaluation includes survey response rates, responsible minerals awareness, and environmental/social risk factors indicated in the EU Batteries Regulation. In 2024, no suppliers were classified as high-risk.

STEP 3-4 Identify, Mitigate, and Manage Risks / Due Diligence

POSCO FUTURE M assesses supply chain risks based on five criteria. Suppliers meeting one or more are Yellow Flagged (requiring attention); those meeting three or more are Red Flagged (high-risk):

- ① Supplier sources from refineries or mines in CAHRAs
- ② Supplier has a low or no response rate to the Responsible Minerals Survey
- ③ Supplier scores low on responsible minerals awareness or shows risks as per OECD Guidance
- ④ Supplier sources from non-certified/non-validated refineries
- ⑤ Supplier does not provide refinery information or refuses to disclose it

Red-flagged suppliers are subject to corrective actions, such as intensified training and more frequent due diligence. If issues persist or new risks are identified under other regulations, suppliers may be required to undergo third-party due diligence.

POSCO FUTURE M operates grievance and dispute mechanisms to receive input from stakeholders, including suppliers of responsible minerals. Reported issues are reviewed and addressed by the appropriate departments in accordance with internal protocol.

STEP 5 Report Progress to Stakeholders

POSCO FUTURE M has published the Responsible Minerals Activity Report annually since 2021 to enhance transparency and stakeholder engagement. Responsible minerals practices are also introduced in our Sustainability Report.

We aim to conduct socially responsible minerals procurement by meeting global expectations and disclosing accurate, transparent information.

Sincerely,