

Environmental and Social Review Summary (RRAS or ESRS) Sal de Oro Project: Supporting Lithium Production Ramp-Up in Argentina - ARGENTINA

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1 General Information on the Project and Overview of Scope of IDB Invest's Review

Posco Argentina SAU¹¹ ("Posco Argentina" or the "Company") has requested a short-term credit line to complete and operate the mining project known as "Sal de Oro," located in the Salar del Hombre Muerto ("SHM"), on the border between the provinces of Salta and Catamarca, Argentina (the "Project").

The proceeds from this transaction will be used to: (i) finance working capital needs and operating expenses related to the operation and start-up of the plants for the production of lithium hydroxide ("LH" or "LiOH") and lithium carbonate ("LC" or "Li₂CO₃"); (ii) refinancing previously incurred capital expenditures associated with the construction and commissioning of the Project; and (iii) financing new capital expenditures related to the importation of equipment and machinery necessary for continued development and operational readiness.

The Environmental and Social Due Diligence ("ESDD") process, supported by an Independent Environmental and Social Consulting Firm ("CASI"), included, but was not limited to, the following activities: (i) conducting interviews with executives from the Company's key areas (environmental and social management, labor, and occupational health and safety ["OHS"]); (ii) analyzing the Environmental and Social Management System ("ESMS") and the Occupational Health and Safety Management System ("OHSMS"), including related plans and procedures; (iii) evaluating baseline social and labor information related to the Project; (iv) an analysis of issues related to the management of cumulative impacts and the risks and impacts of climate change; (v) a review of plans and procedures for preparedness and response to man-made emergencies and natural hazards; (vi) an assessment of the consultation and participation process involving key stakeholders, including grievance mechanisms and social investment activities carried out by the Project; (vii) an analysis of plans for managing noise, vibrations, and airborne particulates (dust); (viii) an analysis of hydrogeological studies and models; (ix) a review of biodiversity characterization and monitoring reports; and (x) an evaluation of audits and protocols for the selection and management of contractors.

To ensure the Project's commitment to respecting and protecting human rights, its zero-tolerance policy toward retaliation, and its dedication to providing and guaranteeing a safe environment for stakeholders to express their concerns without fear of retaliation, the ESDD process also included a review of, among other documents, the Posco Group's Code of Ethics and Human Rights Management Statement.

¹¹ Posco Argentina is a subsidiary of Posco Holdings. As a single-shareholder corporation (SAU), its sole shareholder is Posco Holdings, a South Korean company (the Posco Group traces its origins to a company founded in 1968 in the city of Pohang, South Korea). Since 2022, Posco Holdings has been the parent company of more than 150 subsidiaries located across five continents, including Posco Argentina, with operations spanning various industrial sectors such as energy, IT, engineering and construction, marketing, new industrial materials, mining, and more.

2 Environmental and Social Categorization and Rationale

In accordance with IDB Invest's Environmental and Social Sustainability Policy ("ESSP"), the Project has been classified as Category A due to its potential to generate risks and impacts related to: (i) water use, given that the Project is located in an arid region in the Argentine Puna; (ii) the freshwater and hypersaline systems of the SHM, which could be altered by brine extraction; (iii) biodiversity, as the Salar is an Important Bird Area ("IBA") and a globally recognized Key Biodiversity Area ("KBA"); (iv) the presence of indigenous communities near its area of influence; (v) cumulative impacts resulting from mining operations by other neighboring companies; (vi) working conditions and the management of occupational safety and health issues; (vii) contractor management; (viii) safety in the transportation of workers, products, and supplies; (ix) the generation of industrial and hazardous waste; (x) potential environmental contamination and health risks from spills and leaks of hazardous chemicals; and (xi) community-related impacts.

The Performance Standards ("PS") triggered by the Project are: PS1: Assessment and management of environmental and social risks and impacts; PS2: Labor and working conditions; PS3: Resource efficiency and pollution prevention; PS4: Community health and safety; PS6: Biodiversity conservation and sustainable management of living natural resources; PS7: Indigenous Peoples; and PS8: Cultural heritage.

3 Environmental and Social Context

3.1 General Characteristics of the Project's Site

The Project has been divided into two phases: (i) "Phase I" or "CP1," in operation since November 2024², consisting of the installation of (a) a commercial-scale plant for lithium extraction and processing intended to produce lithium phosphate ("LP," " Li_3PO_4 ") as an intermediate product, located in the northern basin of the SHM entirely within the province of Salta ("LP plant" or "*upstream site*") and (b) an LP (intermediate product) processing plant for the production of battery-grade LH^3 , located in the industrial park of the Department of General Güemes, province of Salta ("LH plant" or "*downstream site*"), with an annual production capacity of 25,000 metric tons; and (ii) "Phase II," known as "Sal de Oro II" or "CP2," for which construction progress as of May 2026 exceeded 98%, consists of the construction of a plant with a capacity of approximately 23,000 metric tons per year, intended for the production of technical-grade LC^4 , also located in the Northern Basin of the SHM but within the Cooperation Zone between the Provinces of Salta and Catamarca⁵ ("LC plant" or "CP2 plant"). The "Sal de Oro II" project will be managed entirely by a dedicated branch, named "Posco Argentina SAU SDE," created so that this phase of the project is eligible for the Incentive Regime for Large Investments⁶ ("RIGI"). Both phases have a sustained operating period

² In May 2026, it was only carrying out decommissioning activities in the various construction sites, workshops, and temporary storage areas.

³ Should market conditions require it, the CP1 "downstream" plant may also produce lithium carbonate (Li_2CO_3).

⁴ This technical grade will allow it to be used as a material for lithium-ion batteries or as a raw material for an overseas refinery that converts it into lithium hydroxide monohydrate for batteries.

⁵ Although this area of cooperation has been the subject of a dispute between the provinces of Salta and Catamarca since 1943, on May 10, 2021, the governors of Salta and Catamarca, Raúl Jalil and Gustavo Sáenz, respectively, signed the Framework Agreement for the Facilitation and Promotion of the Sal de Oro Mining Project (hereinafter, the "Framework Agreement"), under which the provinces committed to promoting and sharing the mining resources in the area where the boundary dispute persists.

⁶ The Incentive Regime for Large Investments ("RIGI"), a strategic Argentine program designed to attract domestic and foreign capital, was created to offer legal certainty, customs advantages, and tax benefits for up to 30 years to large projects (usually exceeding US\$1 billion) in strategic sectors.

of 30 years⁷, prior to the implementation of a Closure Plan (following evaluation, analysis, and negotiation with provincial mining authorities).

The project components include (as of May 2026): (i) extraction well fields, along with their brine pumping and conveyance systems for each stage (CP1 and CP2); (ii) sets of preconcentration, reserve, post-liming, and “mother liquor” tanks (for CP2 only); (iii) industrial processing plants (LP plant, LH plant, and LC plant); (iv) *disposal* pits for the final disposal of tailings resulting from the industrial process; (v) an industrial water supply system via a reverse osmosis plant, along with a supply of bottled purified water for human consumption; (vi) an industrial and domestic wastewater treatment system; (vii) a power generation plant and electrical transmission lines to the wells, pit pumps, camps, industrial plants, etc.; and (viii) associated auxiliary infrastructure (access roads, an airstrip, camp, dining halls, first-aid services, recreational areas, analysis offices, storage facilities and maintenance workshops, administrative and support buildings).

The mine operation process (the production of lithium from brine) consists of extracting brine rich in lithium chloride (among other salts) from underground using well pumping systems at average depths of between 400 and 600 m, and then transporting it through a network of pipelines (brine pipelines) and subjecting it to various concentration processes involving solar evaporation and precipitation, which take place in large interconnected or series-connected preconcentration ponds, until a lithium concentration⁸ suitable for the plant-level process⁹ is achieved. For CP1, processing continues at both industrial plants, involving physicochemical processes that use reagents to remove additional impurities and achieve the desired purity (LH with a purity greater than 99.5%). To obtain LH, first, the LP from the *upstream* site is mixed with sulfuric acid to generate a lithium sulfate solution (“LS” or “Li₂SO₄”). This solution then undergoes a process to remove impurities before entering the bipolar membrane electrodialysis (“BPED”) process, where LH in solution is obtained. After undergoing several evaporation, sedimentation, and centrifugation processes for crystallization, this LH solution is ground to different particle sizes according to customer specifications and packaged in bulk in *tonbags*¹⁰ for storage and shipment.

For CP2, the brine with an approximate lithium concentration of 12,000 mg/l from the post-liming ponds flows to the carbonate plant, where sodium carbonate (Na₂CO₃) is added to remove calcium and precipitate the lithium carbonate (LC) in the form of solid crystals, as well as to obtain the “mother liquor”¹¹ which undergoes further treatment¹² (such as crystallization, ion exchange, or solvent extraction) to recover valuable byproducts, and is subsequently recirculated back to the evaporation and precipitation system to maximize yield and prevent lithium loss. Finally, the LC crystals (with a purity greater than 99.5%) are filtered, dried, and packaged for sale.

⁷ Although environmental permits were granted for 20 years, successive renewals are expected to extend the project’s operational life to 30 years.

⁸ The lithium content depends on the composition of the brines and is generally accompanied by other elements, such as boron, bromine, calcium, carbonates, chlorides, nitrates, magnesium, potassium, and sodium.

⁹ In the case of CP1, the brine enters the processing plant directly once it reaches an approximate lithium concentration of 4,000 mg/l. In CP2, on the other hand, the brine requires an initial concentration of approximately 1,800 mg/L to enter a liming plant, where “quicklime” (CaO or calcium oxide) is used to remove the magnesium present in the solution. Subsequently, the brine is sent to post-liming ponds, where it continues its concentration process until it reaches approximately 12,000 mg/l of lithium. Only then is the brine fed into the lithium carbonate plant for final processing.

¹⁰ *Tonbags* (or big bags) are large, flexible polypropylene containers designed to store and transport bulk materials, with a typical capacity of 1 to 2 metric tons.

¹¹ The mother liquor is the liquid solution remaining after the crystallization and precipitation of lithium carbonate; it consists mainly of water, unrecovered lithium ions, and high concentrations of other salts and compounds used in the process (such as sodium carbonate, sodium chloride, and sulfates).

¹² A portion of the mother liquor must be discharged as effluent to prevent excessive accumulation of contaminating salts or sodium chloride in the circuit.

The project's *upstream* site is located in the Puna Ecoregion near the SHM, Argentina's second-largest salar in the Southern Argentine Puna, an arid ecoregion characterized by sparse herbaceous and shrubby vegetation (scattered grasslands, low scrub, and extensive barren areas) that receives less than 300 millimeters of precipitation per year, with low temperatures and high solar radiation. The site lies within the Salar's KBA, which is also an IBA. The characteristic fauna of this ecoregion includes mammals such as the vicuña, the Andean cat, and the red fox, as well as birds such as flamingos. Also present are species classified as Endangered (EN) or Critically Endangered (CR), as well as those that are endemic or geographically restricted, migratory, or form congregations, and those exhibiting key evolutionary processes (such as extremophiles or polyextremophiles¹³) with characteristics that could potentially trigger a "critical habitat"¹⁴.

The closest settlement to the site is Ciénaga Redonda in the province of Catamarca, which is located nearly 14 km away as the crow flies and has a population of 20 to 35. Toward the province of Salta are the towns of Salar de Pocitos (with 60 to 100 residents), located nearly 100 km away, and Santa Rosa de los Pastos Grandes (with up to 290 residents), located 93 km away. The region also has a number of scattered rural dwellings or settlements (puestos¹⁵) within a 50-km radius of the Project.

The site's preliminary social baseline study identified, within the SHM region, a group of people who self-identify as Indigenous (belonging to the Kolla Atacameño and Kolla ethnic groups); it also noted high geographic mobility among the population, with family members traveling within and outside the Salar area for work, education, and to support family members with economic and domestic activities.

The *downstream* site is located within a commercial area known as "Parque Industrial General Güemes" in the Department of General Güemes, province of Salta, on a plot of approximately 61 hectares (has) owned by the Company, of which only 23 has were used for the project, while the remaining area will be reserved for future expansions. The site corresponds to a heavily disturbed area that shows some regenerating vegetation (grasslands) with little ecological value resulting from past agricultural activities.

In addition to its proximity to the city of General Güemes (less than 6 km to the north on Route 34), the nearest community is Torzalito (approximately 2.5 km to the south on the same Route 34), whose main economic activities are extensive livestock ranching and subsistence farming.

The Project has an Environmental Impact Report ("EIR") for the operational phase of each stage (CP1 and CP2), as well as the authorizations¹⁶ required by National Law No. 24,585 and its Annex III Guidelines¹⁷. Additionally, the Company has submitted Environmental and Social Impact Studies ("ESIS") for the

¹³ These organisms survive combined stresses such as hyper salinity, high ultraviolet ("UV") radiation, elevated arsenic concentrations, and alkalinity.

¹⁴ According to the International Finance Corporation's Performance Standard 6, "critical habitats" are areas of high biodiversity value, such as (i) habitats of significant importance for the survival of threatened or critically endangered species; (ii) habitats of significant importance for the survival of endemic species or species restricted to certain areas; (iii) habitats that support the survival of globally significant concentrations of migratory or congregating species; (iv) unique or highly threatened ecosystems; or (v) areas associated with key evolutionary processes.

¹⁵ These small settlements in the Salar del Hombre Muerto, which may be permanent or semipermanent, consist of temporary dwellings linked to seasonal grazing patterns and are inhabited by between one and three people.

¹⁶ For CP1, there are Resolutions No. 079/21, 195/22, and 55/23 issued by the Salta Secretariat of Mining and Energy; and for CP2, there are Resolutions No. 061/23 and 002/23 from Salta and Resolutions No. 328/23 and 015/23 from Catamarca.

¹⁷ Argentina's National Law No. 24,585 serves as the regulatory framework establishing minimum standards for environmental protection in mining activities, incorporated as a Supplementary Title to the Mining Code. Its Annex III details the Environmental Impact Report ("EIR") for the production phase.

Project's main auxiliary works (the power generation plant and a medium-voltage transmission line). However, to date, Posco Argentina has not yet obtained environmental authorization for certain ancillary components (a liquefied natural gas regasification plant and a renewable solar power plant), nor has it obtained the necessary provincial permits, resolutions, or notifications for their implementation.

Once operational, the Project is expected to generate the following local and regional benefits: (i) creation of new direct and indirect jobs; (ii) development of a supply chain of small and medium-sized enterprises (SMEs); (iii) qualified and certified job training; and (iv) increased availability of foreign currency in the foreign exchange market, given that the entirety of its production will be exported.

3.2 Contextual Risks

Contextual risks include, among others, potential resistance from the local population to lithium mining due to its potential impacts on their communities, traditions, water resources, and biodiversity. Additionally, due to its location, the Project is exposed to extreme weather events such as strong winds and storms, including snowstorms and earthquakes¹⁸, which could damage industrial infrastructure and access and evacuation routes.

4 Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks

4.1.a Environmental and Social Management System

Posco Argentina has a Project-specific Environmental and Social Management System ("ESMS") that: (i) complies with national legislation regarding mining activities¹⁹; (ii) establishes the necessary measures and guidelines to implement appropriate environmental and social management during the construction, preventing, controlling, and mitigating potential environmental and social impacts ("E&S"); (iii) contains basic guidelines for the plans and programs to be implemented by the Company to conduct its activities in a sustainable manner, prevent pollution, and contribute to environmental conservation in the Project's areas of influence; and (iv) includes protocols for integrating stakeholder considerations into decision-making.

However, as of this date, the Company is identifying and evaluating suppliers to implement a digital information management system for the ESMS, which will enable it to (a) ensure effective oversight, (b) manage risks, (c) implement corrective actions in a timely manner, and (d) generate transparent reports for regulators, lenders, and stakeholders. Posco Argentina will update this system by incorporating a Decommissioning Plan for the Construction phase and integrating new or updated E&S plans, programs, and procedures²⁰ applicable to operations and closure or abandonment upon the expiration of the concession for both phases (CP1 and CP2, as applicable).

¹⁸ The Project is located in an area classified as having moderate seismic risk.

¹⁹ The ESMS has been developed within the framework of national, provincial, and municipal legislation governing mining activities and environmental protection, taking into account reports related to the project—such as the Affidavit of Environmental Suitability (July 2022) and its addendum (August 2022)—as well as the management plans prepared by the contractors for the construction phase.

²⁰ These new or updated plans are derived from the results of ongoing studies, change management, and lessons learned during implementation, which pave the way for ensuring continuous improvement beyond their formal documentation.

4.1.b Policy

Posco Argentina has an Environmental Policy²¹, through which: (i) it commits to carrying out all construction and operational activities related to the Project in a responsible and sustainable manner; (ii) undertakes to comply with all applicable environmental laws and regulations in force, exceeding the established minimum requirements through the implementation of (a) advanced technologies and practices to minimize negative impacts on the natural environment, (b) measures to prevent and control pollution, and (c) processes for planning and implementing the phased and responsible closure of operations; (iii) sets as its objective to become a leader in the mining sector by promoting the conservation and responsible management of natural resources, biodiversity, and climate change mitigation; (iv) undertakes to promote transparency through the public disclosure of relevant environmental information and by fostering environmental education and awareness.

4.1.c Identification of Risks and Impacts

4.1.c.i Direct and Indirect Impacts and Risks

To minimize environmental impact and prevent pollution generated by its activities, the Company promotes best practices in waste management, emission reduction, water and energy conservation, and raises awareness among its employees and suppliers regarding the optimal use of resources.

To characterize the E&S and OHS impacts and risks for each phase of the Project, the IIAs and EIAs²² use a matrix that, based on the regulations and standards applicable to the processes and activities of each phase and stage (CP1 and CP2), summarizes the most significant environmental and OHS risks and impacts. Based on this information, the ESMS determines the operational controls, corrective actions, and measurement and monitoring mechanisms required to manage each risk.

The most recent update to the CP2 IIA was conducted in June 2025. As part of this exercise and to align with international best practices, the Project, with the support of external consultants, conducted three additional studies: (i) a complementary social baseline study through a informed consultation and participation (“ICP”) process, in which the Project’s activities, risks, and impacts (particularly those of CP2) were disclosed in detail to the entire seasonal and permanent rural population, indigenous peoples, and the communities and ranchers located within the Project’s social area of influence; (ii) a Social Perception Study for the Project’s area of influence, which sought to identify the expectations, concerns, and socioeconomic realities of the residents, as well as their relationship with the Company; and (iii) a Rapid Cumulative Impact Assessment (“RCIA”) to (a) evaluate whether the combined impacts of the Project and other projects and activities in the Salar could negatively affect Value-Added Environmental and Social Components (“VECs”) and (b) determine the measures required to manage such impacts.

However, the Company will update the assessment of the risks and socioeconomic impacts caused by the Project to include the activities of CP2, as well as the results of the consultation process with the seasonal and permanent rural population, indigenous peoples, and the communities and smallholders located within the Project’s social influence area.

²¹ This policy is aligned with the principles established in the Posco Group’s Integrated Management System, in accordance with ISO 9001, 14001, and 45001 standards, as well as IFC (International Finance Corporation) and IRMA (Initiative for Responsible Mining Assurance) standards.

²² In accordance with provincial (local) regulations, IIAs and EIAs must be updated every two years to reflect changes, new developments, and progress on projects approved in environmental authorizations or permits.

4.1.c.ii Analysis of Alternatives

The Project²³ conducted an analysis of alternatives for the location of its main units and components across its two development phases (CP1 and CP2). This process took into account technical and socio-environmental aspects²⁴ and utilized a multi-criteria analysis for this purpose.

4.1.c.iii Cumulative Impacts

The RCIA conducted by the Project considered: (i) the following VECs: vegetation, fauna, ecological processes, water, working conditions, economic and social development, infrastructure, and basic services; and (ii) the following projects²⁵ Virgen del Valle, Fenix (Livent), Santa Rita, Candelas, and Allkem - Sal de Vida (Galaxy). The study concludes that there are no significant cumulative impacts resulting from other past projects, projects currently underway, or projects reasonably expected to be implemented in the future²⁶.

However, the Company will update the RCIA for the upstream site to include: (i) updated CP2 activities; and (ii) an assessment of the updated impacts and risks on water use and management (both surface and groundwater) and their effects on biodiversity and the socioeconomic activities of communities within the area of influence.

4.1.c.iv Gender Risks

In Latin America, there is significant gender inequality, defined as differential and unequal access to employment, educational, economic, and political participation opportunities based on sex or gender. This gender inequality leads to gender-based discrimination, unequal access to public services, educational disparities, wage and employment inequality, and lagging rates of political participation. This is reflected in the gender gap index, which for Argentina stands at 0.76 for 2025, ranking it seventh among 26 Latin American countries²⁷.

²³ The Project's main infrastructure units and components consist of the evaporation or preconcentration ponds, the brine extraction well field, the lithium phosphate (LF) and lithium carbonate (LC) processing plants, and the harvested salt storage area.

²⁴ The key factors considered included: (i) the depth of the water table; (ii) geotechnical conditions; (iii) proximity to other Project facilities; (iv) proximity to the camp; (v) convenience for direct employees and contractors; (vi) impacts on sensitive environments or those of high ecosystem value; and (vii) impacts on archaeological sites; among others.

²⁵ Some of these projects are in the exploration phase and do not yet have permits for water use.

²⁶ However, recommendations were included to improve the management of potential impacts, regarding the mitigation measures already considered and being implemented by the Company, in the following areas: (i) restoration and revegetation, topsoil management, delineation of sensitive areas, monitoring of flora, fauna, and wetlands, protection of birds from electrical infrastructure, access restrictions, and wildlife rescue and deterrence programs; (ii) monitoring of flow rates, piezometric levels, and brine; updating of hydrological and hydrogeological models; early warning systems; water quality control; preventive management of soils, drainage systems, and cross-courses; as well as proper management of waste and effluents; (iii) actions aimed at strengthening local capacity for access to skilled employment, promoting gender equality, developing local suppliers, and supporting regional productive initiatives; (iv) the protection of traditional land uses, land tenure, and access to land; strengthening the roots of local communities; and improving road safety and traffic management related to mining activities; (v) the implementation of an Indigenous Peoples Plan, processes of free, prior, and informed consultation, and permanent mechanisms for participation; and (vi) the preservation of cultural and archaeological heritage, the protection of traditional practices and knowledge, the promotion of local cultural activities, and the management of chance archaeological finds.

²⁷ The closer the index is to 1, the lower the gender inequality. ["Gender Gap Index in Latin America and the Caribbean in 2025," Statista.](#)

Although Argentina has laws²⁸ and institutions²⁹ designed to protect women, in 2024 the number of reported cases of femicide in the country (228 cases) ranked fourth among 17 Latin American countries³⁰ (only behind Brazil, Mexico, and Honduras).

Notwithstanding the foregoing, given the nature of the activity (mining), combined with the fact that the commercial facilities have their own camps and are secured, it is estimated that the gender risk is low and can be mitigated through the application of the principles contained in the Company's Code of Ethics and Human Rights Management Statement ("HRMS"). Nevertheless, the Company will develop and implement a Gender Management Plan that will include: (i) an assessment of the Project's potential gender-related risks and impacts; (ii) measures to manage the identified gender-related risks and impacts; (iii) a training plan for workers, including contractors, on gender-based violence and harassment and the Code of Ethics and the Human Rights Management Statement; and (iv) measures to maximize the Project's benefits for women, including female workers and female suppliers.

4.1.c.v Gender Programs

The Project will not have any significant differential impacts on men and women; nor will it contribute to gender-based violence or pimping. Posco Argentina promotes non-discrimination and equal opportunity in the recruitment and advancement of its workforce. In this regard, the Project is expected to create employment opportunities on an equitable basis.

The Company has implemented measures to ensure the proper treatment of women working at its facilities in terms of: (i) the provision of personal protective equipment ("PPE") tailored for women, (b) changing rooms separated by work area and by gender, and (c) work environments suitable for women³¹; (ii) the adoption, in its Code of Ethics and regulations, of measures to prevent situations of harassment or discrimination, and a zero-tolerance policy toward gender-based violence and sexual harassment; and (iii) compliance with local legislation and adherence to international best practices on issues such as non-discrimination and equal opportunities for its staff, regardless of gender. Any conduct contrary to the guidelines of its Code of Ethics and prevention policies is investigated and reviewed by a Committee and is subject to corrective and disciplinary measures where applicable.

4.1.c.vi Climate Change Exposure

In Argentina, specifically in the provinces of Salta and Catamarca where the Project is being carried out, there are natural climate-related threats³² that could potentially have an impact (temporary disruptions) on Project operations, on access infrastructure (roads, drainage systems, and bridges) to *upstream* and *downstream* sites, or on the availability of equipment and materials at the regional level.

²⁸ National Law No. 26,485, the Comprehensive Protection of Women Act; Law No. 27,580, which ratifies ILO Convention No. 190; among others.

²⁹ The Office on Domestic Violence (OVD), established by the Supreme Court of Justice of the Nation; the Office on Women (OM) of the Judiciary; the Specialized Prosecution Unit on Violence against Women (UFEM); Hotline 144; among others.

³⁰ <https://www.statista.com/statistics/827170/number-femicide-victims-latin-america-by-country/>

³¹ These would include: (i) workspaces and housing designed to preserve the comfort and privacy of male, female, and non-binary staff, providing inclusive spaces for work and coexistence; and (ii) transportation protocols and procedures⁶ to address women's comfort, health, safety, and physical space.

³² Increased frequency of droughts, water scarcity, more intense heat waves, changes in precipitation patterns, and more severe floods and landslides.

In general, according to a global climate model, the Project's *upstream* site is located in an area where moderate to high changes in drought and water scarcity events are projected as a result of climate change³³. Furthermore, due to its proximity to the Mojotoro River, the Güemes LH plant is at risk of river flooding³⁴.

In response to the identification of climate risks, the Company conducted a Climate Change Risk Assessment ("CCRA") and developed a Disaster and Climate Change Risk Management Plan³⁵, which details recommendations for adaptation and mitigation measures to address climate threats that could impact the development and operation of the Project. The measures proposed in this plan include: (i) sound design; (ii) the use of materials suitable for adapting to new climate conditions (resilience); and (iii) Emergency Response Plans ("ERP") for each phase, which will be reviewed annually or whenever there are significant changes in the occurrence of threats and risks associated with climate change exposure during the Project's development.

4.1.d Management Program

Posco Argentina has an Environmental Management Plan ("EMP") that incorporates a set of measures aimed at preventing, mitigating, and offsetting the adverse environmental effects that could be generated by the Project. This is complemented by an Environmental Monitoring Plan, designed to verify the effectiveness of the measures adopted and allow for adjustments based on the results obtained, and by an Environmental Contingency Action Plan, which defines emergency response strategies to protect human health, safeguard local communities, and minimize environmental and operational risks.

The Company is updating its PMA to include: (i) a mitigation and management process to ensure that any activity carried out in the Salar (a) takes into account the assessment and reduction of the Project's ecological footprint, (b) includes preventive measures to control changes in runoff patterns, and (c) promotes the restoration of affected areas; (ii) "defensive driving" guidelines for workers, contractors, and service providers³⁶, including (a) mechanisms to ensure adequate monitoring, (b) best practices for safe driving, and (c) required levels of job competency; and (iii) "safe transportation management" protocols based on an analysis of the potential risks and impacts of Project activities on all transportation and supply routes, which (a) shall include measures for effective control of Project-related traffic (GPS and tracking equipment), (b) shall identify routes to be used by light and heavy vehicles (including those of contractors), and (c) will establish speed limits, driver behavior standards (compliance with maximum driving time, rest procedures, driver changes, and compliance with scheduled stops), among other factors that ensure the safety of workers and communities.

Notwithstanding the foregoing, the Company will update the Project's EMP to include socio-environmental and biophysical management measures to address: (i) the potential risks and impacts of

³³ It should be noted that the area is already characterized by extreme aridity.

³⁴ It should be noted that in January 2026, the Mojotoro River swelled and overflowed its banks, affecting Route 34 and the community of Torzalito, near the LH plant.

³⁵ This plan is based on the Inter-American Development Bank's (IDB, 2023) Guide to the Development of Disaster Risk Management Plans, as well as the Mining Sector Climate Change Adaptation Guide, developed by the Mining Association of Canada (MAC, 2021).

³⁶ These issues highlight shortcomings in traffic management, road safety measures, and communication with local road users. They also highlight the need for clearer signage, better road maintenance planning, and protocols to prevent unnecessary conflicts between community members and project staff. Addressing these concerns is essential to ensuring community safety and maintaining constructive relationships with local stakeholders.

CP2; (ii) any potential impacts identified in the updated socioeconomic impact assessment; and (iii) any potential impacts identified in the updated RCIA.

4.1.e Organizational Capacity and Competency

Posco Argentina has assigned adequate and well-trained personnel in E&S and OSH matters for the Project's implementation. Some of these employees are based at each Project site (*upstream* and *downstream*), while others are based at the headquarters in the City of Buenos Aires or at the Company's offices in the Province of Salta.

The core environmental team is based at the Salta offices, where the Environmental Manager is located. The Coordinators (two at the *upstream* site on 15-day rotating shifts, and one at the *downstream* site on a daily work schedule) are responsible for the Project's environmental management.

The Occupational Safety and Health ("OSH") team has an OSH Management office located in Salta and OSH supervisors and field personnel at each Project plant. Each contractor also has OHS supervisors who coordinate with and report to the Company's OHS team. Medical services at both sites are provided by specialized contractor personnel: at the *upstream* site, there is a full-time physician at the camp and a support team consisting of paramedics and nurses; at the LH plant located at the *downstream* site, there is a full-time paramedic and a full-time nurse, in addition to a physician who provides care for the Project for several hours per week, in accordance with Argentine regulations and based on the current number of workers employed in the operation.

The Project has specialized support for environmental management and biodiversity issues. Although it has a General Coordinator (leader) for Corporate Social Responsibility ("CSR") in Salta, and a community relations team³⁷ also identifies a window of opportunity in this area due to the complex internal coordination between the two provinces and other project units; therefore, the Company will present an update on the project's E&S staff, with an emphasis on the social aspect.

4.1.f Emergency Preparedness and Response

Posco Argentina has an Emergency Response Plan ("ERP") for each phase of the Project (CP1 and CP2). In addition to complying with current national regulations³⁸, these plans contain a risk and vulnerability analysis (mapping of emergency scenarios); they establish preventive, mitigation, and rescue measures to safeguard the physical well-being of employees, suppliers, and customers located within these sites; describe management measures to address the wide range of emergencies that may threaten the integrity of the infrastructure and continuous operations; incorporate provisions to coordinate the response of specialized emergency response personnel (primarily firefighting, rescue, and evacuation teams); and include provisions for coordination with external authorities³⁹, when contingencies exceed the Company's response capabilities.

³⁷ This team, which receives ongoing training, is responsible for (a) communication between the Project and stakeholders at each site, including provincial institutions, and (b) regulating and supervising the communication and conduct that Project personnel must observe when interacting with stakeholders.

³⁸ National Law on Occupational Health and Safety No. 19,587/72 and its implementing decree, as well as Decree No. 351/79. Chapter 18 (Fire Protection) requires organizations to establish procedures for prevention, detection, and evacuation in the event of a fire.

³⁹ Individuals or entities with technical, legal, and statutory standing, such as: Civil Protection, the Red Cross, the Fire Department, etc.

The ERPs identify the following emergency scenarios as the most likely: fires; random explosions; spills; accidents related to the transport of people or materials; unforeseen events during exploration activities; medical emergencies; robbery, theft, sabotage, and bomb threats; civil unrest; and chemical emergencies. The Company disseminates the Emergency Response Plans to its employees and third-party workers. Similarly, it has selected, trained, and equipped its own emergency response teams, consisting of brigades, which are equipped to address the risks identified at each stage. In addition, it conducts regular drills, the results of which—in terms of performance and response times—feed into the continuous improvement process of the OHSMS.

4.1.g Monitoring and Review

Posco Argentina, as part of its Environmental Management System (SGAS) and for each construction site of the Project, plans and conducts environmental compliance audits through a systematic and objective review based on international standards (ISO 14001⁴⁰), which ensures compliance with applicable legal requirements.

The Company, however, will prepare⁴¹ a consolidated annual report on the status of compliance with all E&S and OSH policies and measures applicable to the Project, using key performance indicators (“KPIs”) for this purpose. Based on the results of these internal or external assessments, the Company will define specific measures to reduce its impacts, improve its efficiency, and document and report on progress and new procedures, as well as other certifications, as required by the competent authorities.

4.1.h Stakeholder Engagement

Posco Argentina’s stakeholder engagement and social development strategies began with a consultation sponsored by the Provinces of Salta and Catamarca in 2018, when the mining concession package was acquired. Since then, the Company has maintained constant contact and engagement with the local community. In this regard, in 2020, with the support of external consultants, it conducted a mapping and analysis of stakeholder groups within the Project’s area of influence, at the provincial and departmental levels, as well as a social perception study.

The Company’s stakeholder analysis and engagement activities have been summarized in its Community Engagement Plan (“CEP”). This plan, together with public engagement activities, seeks to establish communication channels, promote the exchange of information, and maintain relationships with affected communities throughout the Project’s life cycle, through: (i) the formalization of participatory mechanisms, such as participatory workshops, to inform stakeholders about project activities and gather feedback; (ii) the establishment of complaint and grievance mechanisms; and (iii) ongoing interaction. The plan, which also includes short- and medium-term activities, initiatives, training programs, and collaborative actions with communities and institutions in the Project’s areas of influence, consolidates other social initiatives, such as: (i) communication and engagement with the local population; (ii) recruitment (local employment) and training; (iii) the contracting and procurement of local goods and services; (iv) the development of infrastructure and productive projects; (v) social support in sports, cultural, and educational activities; and (vi) the health and well-being of communities.

⁴⁰ Standard certifying the Environmental and Social Management System.

⁴¹ Either internally (internal audit) or through an independent external A&S expert (external audit).

The Company will update the CEP to include those key social stakeholders impacted by CP2's activities, specifically the ranchers in Catamarca.

4.1.i External Communication and Grievance Mechanism

4.1.i.i External Communications

The Project has a "strategic communication" initiative that seeks to disseminate information and promote the exercise of rights to participation, consultation, and dialogue with the community. This initiative is implemented primarily through periodic visits and meetings with communities in the Project's direct area of influence, in order to keep them informed, promote their involvement, and share information about the activities being carried out. However, this initiative will be strengthened, consolidated, and expanded to be integrated into the CEP, thereby closing information gaps, promoting transparency regarding the Project's activities, and providing a single platform for two-way communication with communities, institutions, and stakeholders within the Project's direct and indirect areas of influence.

4.1.i.ii Complaints Mechanism for Affected Communities

Posco Argentina has a formal mechanism for addressing complaints and claims from local communities and other external social stakeholders. Complaints and claims (whether anonymous or explicit) are collected through the following channels: (i) an online form on its website⁴²; (ii) a QR code; (iii) email; (iv) physical drop boxes; or (v) in person. The mechanism is complemented with a corporate channel to handle allegations of ethical violations with respect, confidentiality, and without retaliation.

The Company will expand the scope and outreach of this Project-specific complaint-handling mechanism to include communities potentially affected by Phase CP2 activities.

4.1.j Reports to Affected Communities

The Company, through its website⁴³, provides information on its environmental, social, and corporate social responsibility ("CSR") performance related to the Project.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

During the construction phase of the CP2 plant (from 2025 to 2026), approximately 3,600 workers were hired, 54% of whom were from the province of Salta. 431 workers were employed on a permanent basis, 302 of whom (70%) were from Salta. The project also involved 70 supplier companies, 36 of which are based in the province of Salta.

Posco Argentina provides training to members of the local community to improve their skills and enable them to apply for semi-skilled job openings. The company, which promotes training at local universities as well as internship and young professional programs, prioritizes hiring workers from its immediate social

⁴² <https://poscoargentina.com/quejas-reclamos.php>.

⁴³ <https://poscoargentina.com/index.php>.

impact area. Its Human Resources and Community Relations departments work together to ensure that local communities are informed and prepared to apply for open positions.

4.2.a.i Human Resources Policies and Procedures

Posco Argentina has various human resources policies and procedures covering topics such as recruitment and selection, and performance, among others. It also has a Human Rights Management Statement that: (i) prohibits discrimination; (ii) prohibits all forms of child and forced labor; (iii) guarantees freedom of association and collective bargaining; (iv) prevents harassment, corruption, and bribery; and (v) guarantees workplace safety and environmental rights.

Through the orientation program, all employees are introduced to the terms and conditions of employment and are informed about corporate policies and the Company's Code of Ethics.

All matters related to work and working conditions are managed by the Human Resources Department, which is responsible—along with the Company's General and Legal Departments—for ensuring that its contractors and other business partners adhere to similar standards of conduct.

4.2.a.ii Working Conditions and Terms of Employment

The Project complies with Argentine labor laws. Contracts specify the terms of employment, including employees' rights and benefits. Plant personnel work shifts of 12 hours, following a schedule of 14 days on and 14 days off, or 7 days on and 7 days off; administrative staff work 8 hours per day, Monday through Friday, for a total of 40 hours per week.

Only workers at the *upstream* site are housed in a camp on the Salar, which is supervised by Human Resources and managed by the General Services department. This facility and its associated services are designed to meet the highest industry standards (for example, those of the International Oil and Gas Association, "IOGP") and offer the same conditions to employees and contractors. Although single dorm rooms are available, they are generally shared by two to four people and feature either a private or shared bathroom (as applicable). Each camp has a gym, a medical clinic, a cafeteria, and a recreation area, which are available to all workers and contractors.

However, the Company will prepare and implement a Demobilization and Workforce Reduction Plan for the completion of construction at CP2 of the Project, which, in addition to outlining possible reduction alternatives⁴⁴, it will ensure that all workers receive timely notice of termination and severance payments as provided by law and collective bargaining agreements (as applicable).

4.2.a.iii Labor organizations

In accordance with the provisions of the Constitution of the Argentine Nation⁴⁵, the relevant labor laws⁴⁶, and the international conventions and treaties of the ILO⁴⁷, Posco Argentina guarantees the free exercise

⁴⁴ Some examples of alternatives include negotiating reduced work hours programs, employee skills development programs, and long-term maintenance work during periods of low production, etc.

⁴⁵ Articles 14 and 14 bis.

⁴⁶ Trade Union Associations Act No. 23,551.

⁴⁷ Convention No. 87 concerning Freedom of Association and Protection of the Right to Organize, Convention No. 98 concerning the Right to Organize and Collective Bargaining, and Article 16 of the American Convention on Human Rights.

of its workers' collective rights, including the right to form unions, negotiate collective bargaining agreements, and exercise the right to strike.

4.2.a.iv Non-Discrimination and Equal Opportunity

The Company's Code of Ethics and Human Rights Management Statement (a) reject any form of discrimination, (b) establish a zero-tolerance approach toward any form of harassment (including sexual harassment), and (c) emphasize the Company's obligation to respect human dignity, equality, and diversity in the workplace. In this regard, through its Recruitment Policy, the Company has a talent recruitment process based on equal opportunity and the principles of internal equity and gender equality.

4.2.a.v Workforce Reduction

Posco Argentina has no plans to reduce its workforce in the future. However, should this occur, the Company will comply with Argentine labor laws regarding the collective suspension and termination of employment relationships, as well as with the provisions contained in collective bargaining agreements and the new Workforce Reduction and Layoff Plan.

4.2.a.vi Grievance Mechanism

The Company has a Grievance Mechanism that establishes the scope, responsible parties, resources, and procedures for receiving, managing, responding to, and following up on complaints and claims. These may be submitted via an online form on its website⁴⁸, email, QR code, physical drop boxes, or in person, all of which guarantee confidentiality and secure handling.

4.2.b Protecting the Workforce

Argentina, in addition to being a signatory to several ILO international conventions and treaties related to workers' rights⁴⁹, has comprehensive labor legislation that regulates, among other aspects, the length of the workday, work schedules, overtime, paid days off, minimum wage, family allowances, statutory bonuses, and minimum occupational safety and health standards.

Posco Argentina, in compliance with Argentina's legal obligations, respects the rights and obligations of employees and employers, promoting equality and equity in human, civil, political, economic, social, and cultural rights between men and women.

4.2.c Occupational Health and Safety

Posco Argentina is a company committed to the health and safety of its employees, and its actions are aimed at promoting and protecting the health of its workers, as well as preventing workplace accidents and occupational diseases caused by working conditions and occupational hazards in its various business activities. In this regard, its OHSMS, structured in accordance with international safety standards, utilizes templates that follow a logical process based on indicators (training hours, number of inspections, safety meetings, workplace safety assessments, emergency drills, incident records, and injury rates per hour

⁴⁸ <https://poscoargentina.com/quejas-reclamos.php>.

⁴⁹ Convention No. 138 on the Minimum Age, Convention No. 182 on the Worst Forms of Child Labor, Convention No. 29 on Forced Labor, and Convention No. 105 on the Abolition of Forced Labor.

worked). The system incorporates a cycle of continuous improvement for hazard identification, risk assessment and control, compliance with regulatory requirements—including competency, training and orientation, incident reporting and investigation, and preventive and corrective actions to prevent recurrence.

Posco Argentina has a Training Program that covers various OHS topics, such as: hazard and risk identification, OHS regulations, brigade training, earthquake drills, and work at heights, hot work, work involving electrical hazards, and work in confined spaces. New employees receive training on the Project's OHS Management System during their orientation, followed by job-specific training. OHS services and system requirements apply equally to contractors and suppliers.

4.2.d Provisions for People with Disabilities

The Company does not discriminate on the basis of disability. The Project's facilities include accommodations for people with disabilities, such as ramps, accessible restrooms, and designated parking spaces.

4.2.e Workers Engaged by Third Parties

The Project's model contract with contractors stipulates that they must comply with all of the Company's requirements, policies, programs, and procedures regarding environmental, social, occupational health and safety, and human rights matters, including any amendments that these documents may undergo over time. The template also requires contractors to comply with national labor laws and ILO conventions, as well as to guarantee the Project's right to request documentation related to employment contracts, payroll records, tax payment records, and social security contributions, among other matters.

Before beginning work on the Project, all workers hired by third parties receive OHS training provided by Posco Argentina staff at training centers. In addition, the Company offers mandatory e-learning modules on social issues, the complaint and grievance resolution process, and aspects of cultural heritage.

4.2.f Supply Chain

Posco Argentina has a Local Supplier Development Plan that has been implemented since 2021 at the *downstream* site and since 2022 at the *upstream* site. Actions carried out as part of the plan include: supply chain analysis; evaluation of local procurement alternatives; training, in partnership with local universities and technical centers; active sourcing of local suppliers; and specialized technical assistance to strategic suppliers. Currently, approximately more than 70% of the Project's supply chain consists of local suppliers from the province of Salta.

However, the Company will update this plan to require its suppliers to comply with applicable labor (specifically, the prohibition of child and forced labor, and the exclusion from their business operations of any product or service that employs such labor), environmental, and OHS requirements.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

4.3.a.i Greenhouse Gases

Posco Argentina has a Greenhouse Gas Management Plan (“GHGMP”) that incorporates an estimation methodology, a breakdown of emission sources and factors, a calculation model, and guidelines for assessing uncertainty; all aligned with the GHG Protocol⁵⁰ and the ISO standard 14067⁵¹ and the IPCC⁵². In addition to covering Scopes 1, 2, and 3 under an operational control approach, this plan defines institutional responsibilities; sets 2025 as the baseline for CP1; details the greenhouse gas (“GHG”) inventory and the mitigation program by integrating technological and operational measures; presents an annual monitoring mechanism; and defines a roadmap to strengthen data traceability through the progressive implementation of the LEAF⁵³ platform.

GHG emissions from CP2 operations are estimated at 130.2 metric tons of carbon dioxide equivalent per day (tCO₂e/day) or 47,523 tCO₂e/year. In light of these levels, the Company, in compliance with its Environmental Policy, seeks to reduce its GHG emissions by optimizing electricity consumption in its operations and optimizing the number of trips and routes, thereby reducing fuel consumption in its vehicle fleet used to transport personnel, supplies (materials, equipment, and machinery), and raw materials and finished products.

4.3.a.ii Alignment with the Paris Agreement

Based on the analysis conducted using the IDB Group’s Implementation Approach for Alignment with the Paris Agreement⁵⁴, the Project is considered to be aligned with the Paris Agreement.

4.3.a.iii Water Consumption

The hydrology of the SHM and its surroundings is governed by the Los Patos River, which forms the delta and the intertwined waterways that flow into the Salar. This river system feeds the Verde and Catal lagoons.

To prevent any impact on surface waterways flowing toward the SHM, the project extracts brine at an average depth of 400 meters and has a control system in place to prevent salt or brine from seeping into the shallow aquifer. This is achieved by waterproofing the base of the salt piles, installing geomembranes beneath the evaporation or preconcentration ponds, and installing monitoring wells, among other measures.

⁵⁰ The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international standard for measuring, managing, and reporting greenhouse gas (“GHG”) emissions in companies and organizations.

⁵¹ ISO 14067 (often referred to as ISO 14067:2018) is the international standard that specifies the principles, requirements, and guidelines for quantifying and reporting the Product Carbon Footprint (CFP).

⁵² The IPCC (Intergovernmental Panel on Climate Change) is the United Nations’ leading international body responsible for assessing the science of climate change to provide governments with objective information on climate risks, impacts, and solutions.

⁵³ The LEAF platform is a SaaS solution designed to centralize, calculate, and ensure the traceability of greenhouse gas (GHG) emissions inventories. It enables companies to manage Scopes 1, 2, and 3 using internationally standardized methodologies such as the GHG Protocol and ISO 14064-1 (<https://leaf-si.com/gestion-de-carbono/>).

⁵⁴ Document GN-3142-1.

The Project will not use surface water from any river or floodplain. In this regard, the Company holds permits to extract water from deep wells at both sites (*upstream* and *downstream*). The well field for industrial water supply at the *upstream* site (located in the Vega Carro Grande) will extract an approximate flow rate of 3.116 m³/day. The extracted water contains high concentrations of salts and metals (arsenic, boron, and sulfur), making it unsuitable for (a) human consumption, irrigation, or livestock use, or (b) for the production process. For this reason, the Company will install a modular reverse osmosis plant to produce demineralized water for use in its facilities.

Posco Argentina, in line with its environmental commitment, has implemented measures to control water use, such as: (i) the use of state-of-the-art devices to reduce consumption; (ii) the implementation of leak detection programs; and (iii) the conduct of water use awareness campaigns.

The hydrogeological studies, interpretations, and mathematical models used predict limited potential impacts on shallow aquifers and surface water bodies as a result of brine and water extraction over a 30-year operating period. However, the Company, with the support of consultants specializing in water resources, is preparing a “Water Studies Roadmap” (“WSR”) to best assess the connectivity between aquifers and the characteristics of surface water, and to ensure that any potential impacts on groundwater resources—and, in turn, on biota and ecosystem services, are properly managed throughout the Project’s life cycle⁵⁵. This WSR will enable the Company to (a) establish a comprehensive water resources management strategy to be implemented progressively and (b) distinguish the effects caused by the Project from those resulting from other operations or from natural changes in the environment, including climate change.

As part of the WSR, the Company: (i) is conducting studies on the ecological flow of the Los Patos River, the floodplains, and the lagoons within the Project’s area of influence, taking into account seasonal and longer-term variations, as well as the effects of climate change; (ii) will update the water balance for its operations, incorporating the effects of climate change over the operational lifespan; (iii) will update and improve the hydrogeological model to simulate different scenarios and estimate the effects that the Project and other extraction projects may have on the shallow aquifer and surface waters; and (iv) is developing a comprehensive surface and groundwater monitoring program based on the monitoring program approved in the ESIA, which will enable it to identify the effects of pumping brine or raw water for the process, as well as the potential effects of a lowered water table on shallow surface waters in the habitats.

Notwithstanding the foregoing, the Company will develop and implement an adaptive early-warning system based, among other factors, on the results of the water monitoring program, and will define: (i) the conditions that will trigger an alert; (ii) alert thresholds for sensitive components, including the levels and properties of surface and groundwater, key biodiversity components, and priority ecosystem services; and (iii) response plans describing the actions to be taken when each alert is triggered.

⁵⁵ Preliminary findings from the models suggest that brine extraction will reduce the water stored in the sediments beneath Laguna Verde and affect its water levels; therefore, it will be necessary to assess its impact on biodiversity; however, this impact is difficult to quantify, so the Company must work with different scenarios and establish thresholds for the most sensitive recipients, such as flamingos and extremophile microbial ecosystems (EMEs).

4.3.a.iv Energy

Power is supplied to the *downstream* site via a high-voltage line (132 kV) approximately 3 km long that connects the General Güemes Thermal Power Plant to a new transformer substation located near the LH Plant. During operation, average annual consumption is estimated at 182 GWh.

The *upstream* site, for its part, has two “dual-fuel” thermoelectric power plants⁵⁶ with a capacity of approximately 8 MW for CP1 and 9 MW for CP2. Two overhead power lines will extend from the power plant medium-voltage lines at 13.2 kV, one to power the processing plant and the other to power the wells, pool pumps, and the camp. Despite this, the Company is working on switching to natural gas⁵⁷ and, in a future phase, on the construction of a 15 MW photovoltaic (“PV”) power plant, which will supply approximately 31% of the Project’s energy needs.

To reduce its electricity consumption, the Company has been implementing the following measures: (i) the gradual installation of LED lighting⁵⁸; (ii) the installation and replacement of electrical equipment with energy-efficient models; (iii) the installation of automatic or semi-automatic controls for high-consumption equipment; (v) preventive maintenance of equipment to improve its performance; (vi) scheduling the shutdown of lighting in common areas and when equipment is not in use; (viii) utilizing natural light in as many areas as possible; and (ix) training employees on energy conservation.

4.3.b Pollution Prevention

4.3.b.i Emissions and Air Quality

During the operational phase, it is estimated that the Project will generate atmospheric emissions equivalent to 130.2 metric tons per day of CO₂, primarily from flue gases emitted by the thermoelectric plants and other process equipment (the steam boiler, the LC dryer, and the hydrochloric acid ion exchange tank, for which a scrubber will be installed prior to discharge).

The sources of airborne particles or dust will be the drying, packaging, and storage processes for lithium products (LS, LH, and LC); however, dust collection systems will be installed in these areas to filter the air before it is released into the atmosphere.

4.3.b.ii Effluents

At each site and stage of the Project, there is a domestic wastewater treatment system (“WWTS”) that functions as a septic tank with an infiltration field system. However, due to the physical properties of the soil, operational problems have arisen associated with the saturation of the infiltration fields; therefore, the Company has implemented contingency measures, including the construction of retention ponds designed to receive effluents in the event of overflow or soil oversaturation, with the aim of having them function as a system of facultative lagoons.

⁵⁶ The engines’ dual-fuel capability will be designed to allow them to operate on either diesel or natural gas without compromising their power generation capacity.

⁵⁷ The construction of a liquefied natural gas (LNG) gasification plant is currently under consideration.

⁵⁸ LED (an acronym for *Light Emitting Diode*) means “Light-Emitting Diode” or “Luminous Diode” in Spanish.

The process water treatment system at the LH plant on the *downstream* site has incorporated key processes such as effluent characterization, the definition of discharge parameters, monitoring of surface water at the discharge point (upstream and downstream of the discharge point), and the implementation of a contingency plan, which includes, among other aspects, a communication protocol for managing excess flows and a system for diverting treated effluent to a contingency basin in the event that established discharge limits are exceeded.

4.3.b.iii Solid Waste

Posco Argentina has a Waste and Hazardous Materials Program that covers all streams of recyclable, household (or non-hazardous), and hazardous waste generated at any facility within the Project, including waste generated as a result of environmental incidents. The purpose of this program is to provide the necessary information to ensure proper management in compliance with national⁵⁹ and provincial⁶⁰ regulations, as well as the Company's Environmental Policy. The program includes a series of measures for managing common materials, waste, and refuse, and establishes commitments for their treatment, reuse, and recovery from generation through final disposal. In this regard, the Company, the Contractor, and their subcontractors, after characterizing their waste and verifying its suitability for reuse (internal reuse or recycling), separate and temporarily store it according to its nature (hazardous and non-hazardous) before proceeding with its proper disposal. Municipal solid waste, managed by an operating company duly registered and authorized by the Competent Authority⁶¹, will be transported to a duly authorized sanitary or security landfill, in compliance with current regulations.

Additionally, the Company has a Mining Waste Management Program that includes protocols for the proper management of low-risk tailings generated by mining operations, namely: harvest salts; solid materials from the liming and carbonate plants; and drilling mud.

4.3.b.iv Hazardous Materials Management

As part of the LP and LC processing, the Project will use some hazardous materials. Lime slurry (a mixture of calcium hydroxide and water) will be used to partially remove impurities, and a caustic soda solution (sodium hydroxide) will be used to soften and precipitate calcium and magnesium. Other chemicals to be used include solvents, paints, cleaning agents, lubricating oils, and fuels (diesel and gasoline), among others.

All hazardous materials are managed through the Hazardous Waste and Materials Program and its procedures, as well as the ESMS hazardous materials management plans, which contain guidelines for: (i) recording the storage conditions of hazardous chemicals and waste; (ii) the proper labeling of hazardous

⁵⁹ The main national regulations are: (i) Law 25,916 – “Law on Minimum Requirements for the Management of Municipal Solid Waste (MSW)”; (ii) Law 24,051—National Law on Hazardous Waste and Decree 831/93—Regulations for Law 24,051; and (iii) Resolution 117/17—“Minimum Conditions and Requirements for the Storage of Hazardous Waste.”

⁶⁰ The provincial regulations in Salta are: (i) Law 7,070 – “Environmental Protection Law”; (ii) Decree 135/10 – “Provincial Plan for the Comprehensive Management of Municipal Solid Waste”; (iii) Resolution 126/21 – “Harmonized Color Code for the Identification, Classification, and Separation of Household Waste”; (iv) Resolution 224/06 – “Registry of Generators, Transporters, and Operators of Hazardous Waste”; and (v) Resolution 642/11 – “Operating Manual for the Renewal of Registration and the Registry of Generators, Transporters, and Operators of Hazardous Waste.” The regulations for the province of Catamarca are: (i) Decree 473/01 – “Register of Generators, Transporters, and Operators. Affidavits”; (ii) Law 5,002/00 – “Regulations on Solid Waste from Household, Industrial, Healthcare, and Commercial Sources”; (iii) Law 5368 – “Establishment of the Program for the Collection, Treatment, and Final Disposal of Used Batteries”; and (iv) Law 4865/95 – “Adheres to National Law 24,051 on Hazardous Waste and Regulatory Decree 831/93.”

⁶¹ The National Undersecretariat of the Environment or the respective Secretariats of Environment and Sustainable Development of the provinces of Salta and Catamarca.

chemicals; and (iii) the transportation of hazardous materials. These requirements comply with local regulations and establish occupational and environmental health and safety provisions for the safe transportation, handling, storage, and use or treatment of hazardous materials, including emergency response (spills, leaks, or physical contact).

4.3.b.v Pesticides Use and Management

At no stage of the Project will herbicides, pesticides, or similar chemical substances (fertilizers, defoliants, etc.) be used for vegetation control. In cases where vegetation maintenance is required (primarily at the CP1 *downstream* plant), this activity will be carried out using industrial machinery for clearing vegetation or by qualified personnel for smaller-scale manual activities (brush cutting and pruning).

For pest management, the Company has an Integrated Pest Management Plan in place, which establishes mechanical and chemical controls (using pre-approved materials) for target species of rodents and arthropods.

4.4 Community Health and Safety

4.4.a Community Health and Safety

Given the Project's location relative to the nearest inhabited communities, no impacts related to noise, air emissions, or particulate matter are expected. Similarly, because workers at the *upstream* site are housed in the Project's camps, the risk to communities in terms of cultural changes, gender-based violence related to the influx of people, and the introduction of new diseases is minimal.

The Project's works and infrastructure were designed and constructed by competent and reputable contractors with experience in the construction and operation of this type of project, using international best practices and complying with applicable national and international construction and safety guidelines, standards, and codes. Similarly, the Company includes specific clauses in its service contracts that require contractors or service providers to address any type of incident and to be liable for any damage caused by their actions to private, communal, or state property (should such damage occur).

The risks associated with the construction phase were addressed in the contractor's environmental and social assessment and management system as part of the risk and impact identification process, and the measures to mitigate those risks are outlined in the IIAs and EIAs. These measures emphasize the signage of construction zones and areas with heavy traffic, as well as traffic flow planning in coordination with the relevant authorities, in order to implement additional safety measures.

The Company has also developed and adopted a series of procedures⁶² and a specific Emergency Response Plan (ERP) for emergencies involving the transport of hazardous materials, in accordance with international best practices⁶³.

⁶² For example, procedures for: (i) Personnel transportation management; (ii) General freight transportation management.

⁶³ Best Practice Notes: Road Safety; World Bank <https://thedocs.worldbank.org/en/doc/648681570135612401-0290022019/original/GoodPracticeNoteRoadSafety.pdf>

4.4.a.i Infrastructure and Equipment Design and Safety

The Project has a Life Safety and Fire Protection System (“SVPI” or “LSFPS”) that specifies spill containment equipment, fire alarm and suppression systems, and emergency communication mechanisms in accordance with national regulations and those of both provinces⁶⁴ as well as the international standards of the National Fire Protection Association (“NFPA”) and the Fire Safety and Prevention requirements of the World Bank’s General Guidelines on Environment, Health, and Safety.

However, prior to the operation of the CP2 Plant, the Company shall engage a qualified SVPI professional to certify: (i) that the CP2 Plant facilities were constructed in accordance with the approved SVPI designs; (ii) that all equipment was installed in accordance with the SVPI design; and (iii) that all SVPI equipment was tested in accordance with international requirements.

4.4.a.ii Ecosystem Services

The results of the hydrological modeling predict that, during the Project’s operation, there will be a gradual decline in groundwater levels in the SHM, which, over time, could affect some surface water bodies (floodplains or lagoons), water supply sources, vegetation used for livestock grazing, and even some habitats. To prevent this potential impact, the Project is developing an Early Warning System for water resource management.

4.4.a.iii Community Health and safety

Given the specific context of the Project, no increase in community exposure to respiratory diseases related to emissions from industrial activities is expected, nor to waterborne or vector-borne diseases. However, through the Social Management Program and the Grievance Mechanism, a record of potential community health concerns will be maintained.

4.4.a.iv Emergency Preparedness and Response

The Project will have adequate facilities for the storage, containment, and use of hazardous materials. However, since the Project involves the transport of a large volume of hazardous products (sulfuric acid, hydrochloric acid, sodium hypochlorite, among others) along public access routes, the risk of accidents involving potential chemical spills cannot be ruled out. In this regard, the ERPs for each phase of the Project will be updated to include: (i) a procedure for identifying potential impacts on local communities resulting from Project activities; (ii) a mechanism to make the ERPs accessible to neighboring communities so that they are prepared before, during, and after emergencies; and (iii) a notification procedure in the event of any incident or accident, whether or not it involves a spill of substances.

4.4.b Security Personnel

To protect and safeguard its facilities, the Company employs a private security service provided by companies that comply with the Voluntary Principles on Security and Human Rights⁶⁵. Similarly, it has a

⁶⁴ The Occupational Health and Safety Act (Law 19,587), which establishes the national framework for protecting the life and health of workers, and Regulatory Decree 351/79 (Annex VII); Provincial Law No. 7,467 of Salta; and the Building Codes of each municipality (Salta and Catamarca).

⁶⁵ The Voluntary Principles on Security and Human Rights (“VPSHR”) are an international set of guidelines designed to ensure that companies (particularly those in the mining, energy, and hydrocarbons sectors) protect their operations while fully respecting human rights.

Security and Surveillance Services procedure in place that allows the Company to: (i) conduct reasonable background checks to ensure that security personnel have no criminal record and have not previously been involved in cases of abuse; (ii) verify that such personnel have been trained in the use of force and in responding to security incidents; and (iii) identify the details of environmental training and social awareness programs, including human rights.

4.5 Land Acquisition and Involuntary Resettlement

The Project is located within an area of mining concessions situated on government-owned land, with no residential structures or resources that contribute to the livelihoods of local communities. The land it uses was allocated through a mechanism involving mining concessions and easement rights. Accordingly, neither current nor future activities will result in any physical or economic displacement.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

4.6.a General Requirements

The Project's physical footprint, covering approximately 1,891 hectares, includes roads, well pads, large pre-concentration ponds, stockpiles or reserve piles, tailings ponds or waste pits, industrial processing plants, camps, and associated auxiliary infrastructure. The Project's infrastructure has generally been located to avoid areas of biodiversity value (wetlands, vegetated areas, and areas of the Salar); however, despite the efforts made—particularly for the *upstream* CP1 and CP2—it was not possible to do so entirely.

The Project's IIAs and EIAs include a detailed analysis of the most representative biodiversity within its areas of direct influence ("ADI"). The field data (baseline), which includes sampling of different taxonomic groups and plant communities, took into account seasonal variation and the habitats designated in the study as vegetation units.

The *downstream* site is located within the General Güemes Industrial Park on a 23-hectare plot, which was found to have primarily regenerative vegetation resulting from previous agricultural activities and which, according to the literature, once harbored some vulnerable species⁶⁶, none of which were identified in the field monitoring conducted during the preparation of the EIAs.

The *upstream* site is located in the Puna Ecoregion, which is phytogeographically subdivided into the Altoandina and Puneña provinces, at an average elevation of 4,000 meters above sea level. The landscape is characterized predominantly by salt flats, accompanied mainly by vegetation composed of shrubby steppe, in addition to the presence of herbaceous, halophilic, psammophilic, and floodplain steppes. The "*tolillar*" shrub formation is characterized by the presence of species such as the Tolilla (*Fabiana densa*), the Chijua (*Psila boliviensis*), and the Algarrobilla del Campo (*Adesmia humilis*). In areas with stony and drier soils, shrublands are found consisting of Añawaya (*Tetraglochin cristatum*), Rica-rica (*Achantolippia hastulata*), Leña Amarilla (*Adesmia horrida*), and Pichanilla (*Fabiana denudata*). The climate is characterized by low precipitation (approximately 70–100 mm annually) and a wide daily temperature range (daily lows of -20°C and highs of 25°C).

⁶⁶ Such as the Argentine land tortoise (*Chelonoidis chilensis*), the Scarlet-headed Blackbird (*Ambrylamphus holosericeus*), the Dark Pava (*Penelope obscura*), and the Crab-eating Raccoon (*Procyon cancrivorus*).

The main tributary of the SHM is the Los Patos River, which originates in the province of Salta and is fed by snowmelt and springs. The scarce rainfall (around 100 mm annually)—which usually occurs in the summer but is quite unpredictable and, in some years, nonexistent—along with the extreme, dry climate, characterized by significant daily temperature ranges and daily nighttime frosts, promotes the evaporation of the salts carried by spring water in the accumulation zone. It is an extremely hostile environment with large areas of bare soil and sparse vegetation across vast shrubby and herbaceous steppes, as well as pulvinal vegetation.

The “vegas” (floodplains or “vegas and bofedales”) are the key ecological units of the Puna, as they serve as a source of fresh water and forage for all the region’s wild and domestic wildlife. Local residents highly value the plants that grow in the vegas, primarily for their importance as forage for domestic livestock, as well as for native camelids.

The Puna’s ecosystems harbor a diversity of habitats that have given rise to numerous adaptations of the local fauna to extreme conditions, including dense coats that act as a barrier against the cold and help conserve body heat. Many species have developed nocturnal or crepuscular behaviors to avoid daytime heat and reduce water loss. In addition, they possess physiological adaptations—such as efficient circulatory systems and the ability to accumulate fat reserves—to survive in an environment with limited food availability.

At the IIA, within the *upstream* site, no species classified as endangered or critically endangered by the IUCN were recorded, but the presence of endemic reptile species with restricted ranges was confirmed, such as the Fiambalá lizard (*Liolaemus poecilochromus*), the Andean lizard (*L. kunza*), the Salitral lizard (*L. salitosus*), and the lizard (*L. vulcanus*); as well as migratory threatened species that congregate there, such as the Andean flamingo (*Phoenicoparrus andinus*), the Puna flamingo (*P. jamesi*), and the horned coot (*Fulica cornuta*).

4.6.b Biodiversity Protection and Conservation

As part of the environmental permitting process, Posco Argentina has conducted several biodiversity studies and has been monitoring the fauna at *upstream* sites (Salar, Los Patos River, and associated floodplains) and *downstream* sites.

At the *downstream* site, the main impact on natural habitats stems from the removal of vegetation cover due to the construction of the effluent pipeline from the wastewater treatment plant to its discharge point in the Mojotoro River. A total loss of 1.73 hectares has been estimated, consisting mainly of disturbed areas (67%) and, to a lesser extent, native vegetation (0.32 hectares of riparian forest and scrubland and 0.25 hectares of Chaco forest, accounting for the remaining 33%). In this regard, the Company developed a Biodiversity Action Plan (“BAP”) with the objective of complying with net zero loss (“NNL”) requirements, which includes: (i) a Restoration Plan, aimed at reforesting the area affected by the pipeline at a restoration ratio of 1:1.2; and (ii) a Biodiversity Monitoring Plan⁶⁷ for representative species of aquatic invertebrates, fish fauna, amphibians, reptiles, birds, and mammals.

The *upstream* site is located within a natural and critical habitat. The SHM is listed as an IBA and KBA under criteria A1 (the site regularly hosts a significant number of a globally threatened species) and A4i

⁶⁷ Monitoring is conducted during all four seasons (spring, summer, fall, and winter) throughout the Project’s operational life and includes monitoring stations distributed throughout the Industrial Plant area, along the pipeline route, and on the Mojotoro River.

(the site regularly or predictably hosts aggregations of $\geq 1\%$ of the global population of one or more species), for species such as the Andean flamingo. The area also lies within the range of restricted-range lizards of the genus *Liolaemus*.

The impacts on flora anticipated by the Environmental Impact Assessments (EIAs) for the *upstream* site of both phases (CP1 and CP2) are related to the removal of natural vegetation and habitat fragmentation due to the construction of project components (commercial plant, preconcentration ponds, industrial waste disposal pits, roads, water transport pipelines, and auxiliary facilities, among others); while those identified for wildlife include displacement due to the presence of people and machinery, noise generation, artificial nighttime lighting, and the presence of high-voltage power lines.

To manage these impacts, the Company will implement a Restoration Plan for camps, roads, evaporation ponds, and any other sites affected by soil compaction, which will define soil restoration and revegetation methods (where applicable), as well as objectives, metrics, and an implementation schedule. In addition, a drainage system will be installed to ensure that there are no alterations to water runoff toward the Salar, thereby helping to preserve ecological processes.

The impact assessment by taxonomic group shows that: (i) habitat maps⁶⁸ for species of the genus *Liolaemus* need to be updated in order to estimate the magnitude of habitat loss and loss of individuals associated with the Project's footprint; and (ii) it is necessary to analyze the effects of brine extraction on the biodiversity values of Laguna Verde in relation to expected hydrological conditions and the thresholds of physicochemical water quality variables (pH, conductivity, dissolved solids, and temperature) for the survival of the salt flats and extremophile microbial ecosystems ("EMEs").

In this regard, for the *upstream* site, the Company will update: (i) the Critical Habitat Assessment ("CHA") to include lizard species (*Liolaemus*) and recently identified EMEs; (ii) the Critical Biodiversity Impact Assessment ("CBIA") to account for CP2 activities that pose risks and impacts to flamingo species and the results of the updated RCIA; (iii) the Residual Biodiversity Impact Assessment ("RBIA") on critical biodiversity values, using the most recent results from brine extraction scenarios derived from hydrogeological modeling and their impacts on sensitive species (flamingos and EMEs), ecosystems, and their ecosystem services; (iv) the BAP, to include management measures to address the impacts identified in the updated CBIA and RBIA and to ensure a net gain in critical habitat, or no net loss of natural habitat; and to include KPIs for each measure and taxonomic group; and (v) the Biodiversity Monitoring and Evaluation Plan⁶⁹ ("BMEP"), to adjust efforts and incorporate new protocols for monitoring EMEs and tracking the KPIs of the updated BAP.

4.6.b.i Critical Habitat

Posco Argentina conducted a Critical Habitat Assessment ("CHA") for each site (*upstream* and *downstream*) of the Project, with the objective of: (i) determining whether any species or ecosystem

⁶⁸ To date, a loss of 128.18 ha has been calculated for the habitat of *Liolaemus salitrosus*; however, no estimate is available of the effect of this impact on *Liolaemus* population.

⁶⁹ The Biodiversity Monitoring and Assessment Plan for the upstream site is currently being implemented; monitoring of aquatic invertebrates, terrestrial arthropods, herpetofauna, ichthyofauna, birds, mammals, and flora is conducted four times a year (during spring, summer, fall, and winter).

within the Project area meets the criteria for designation as “critical habitat”⁷⁰ (species potentially defining critical habitat or “EPDHC”); (ii) identify and analyze areas that are essential for the survival and well-being of these species (ecologically appropriate areas or “EAA”); and (iii) evaluate the species or ecosystems against the critical habitat determination thresholds (critical habitat-determining species or “CHDS”).

The CHA assessment for the *downstream* site concluded that no species recorded within the EAA qualifies as an CHDS. In contrast, the CHA assessment for the *upstream* site identified 26 species classified under the “critical habitat” criteria or EPDHC (6 liolémids, 16 birds, and 4 mammals), as well as the presence of extremophile organisms. However, following the assessment, only 3 lizard species (the Fiambalá Lizard, the Andean Lizard, and the Salitral Lizard), 2 bird species (the Andean Flamingo and the Puna Flamingo), and the extremophile microbial ecosystem (“EME”) exceeded the thresholds to be considered EDHCs.

To prevent significant impacts on these CHDSs, the Project implemented a Wildlife Relocation and Rescue Plan prior to beginning land clearing and excavation work, particularly for the lizards. In addition, the *upstream* site includes: (i) a BAP that establishes appropriate net biodiversity gain targets; (ii) a BMEP; and (iii) an Offset Management Plan⁷¹ (“Offset Plan”) that will be presented during consultations with relevant stakeholders as part of the BAP.

In addition to the aforementioned monitoring plans, the Company is developing an Early Warning System for water resource management at the *upstream* site, the objective of which, among others, is to identify, in an appropriate and timely manner, key changes in parameters related to biodiversity tolerances and thresholds and ecosystem services specific to each site and taxonomic species. This early warning system will include: (i) protocols for the early detection of deviations in parameters that may impact sensitive receptors, particularly flamingos and EME species located in lagoons and wetlands; (ii) a description of the alert levels and the actions to be taken in each case; and (iii) management measures to correct deviations, thereby ensuring the continued protection of sensitive receptors.

4.6.b.ii Legally Protected and Internationally Recognized Areas

The *downstream* site of the Project does not overlap with any legally protected or internationally recognized areas (the nearest recognized area, the Palomitas and Ebro KBA and IBA, is more than 1 km to the southeast). In contrast, for the *upstream* site, although it does not overlap with any legally protected areas either, it is within the SHM KBA, which is also an IBA and where key and vulnerable species are present, triggering the critical habitat designation.

In both cases, the Project has a BAP and BMEP for each site that outline protection and conservation measures.

4.6.b.iii Invasive Alien Species

Posco Argentina is implementing measures to protect ecosystems and to reduce or minimize its environmental footprint caused, directly or indirectly, by construction and operations. However, given the great natural wealth of the SHM region, the Company—to prevent its mining activities at the *upstream*

⁷⁰ These five criteria include the presence of: (i) threatened species (endangered or critically endangered); (ii) endemic or geographically restricted species; (iii) migratory species or those that form congregations; (iv) unique or highly threatened ecosystems; and (v) areas associated with key evolutionary processes.

⁷¹ A conceptual study of the Offset Management Plan has been developed, describing options to mitigate the residual impacts of the RBIA.

site from contributing to the introduction of exogenous species—will develop and implement an Invasive Alien Species Management Plan, which will include, among others, the following measures to control the entry of cargo and food into its camps: (i) inspection at the point of loading and unloading; (ii) declaration to the health authority at the ports of origin and destination (as applicable); (iii) verification that goods are transported in inert, sturdy, clean, and tightly sealed packaging and containers; avoiding, to the extent possible, the use of wooden packaging; (iv) inspection of the condition of the products (sanitary or phytosanitary status, cleanliness levels, composition, presence of seeds, insects, or other organisms or microorganisms); and (v) use of the sanitary or phytosanitary guide to verify a satisfactory inspection at the port of origin (as applicable).

With regard to personnel working and temporarily staying at CP1 *upstream* and CP2, the Company will monitor and inspect their luggage at the boarding stations before they travel to the camps.

4.6.c Ecosystem Services Management

As part of the environmental and social impact assessment, the Company has conducted an Ecosystem Services Assessment (“SSEE”) for each phase and site (*upstream* and *downstream*), which have been validated and prioritized with the communities within the area of influence.

For the *downstream* site, significant impacts on the SSEE related to the availability of water for consumption and agricultural use were identified. As a management measure, the Project’s Environmental Monitoring Plan proposes monitoring the water levels in the wells used for water extraction and the quality of the effluent discharged into the Mojotoro River to detect changes and propose corrective measures (if necessary).

Upstream, communities and ranchers in the province of Salta have identified the following potential significant impacts on SSEE: (i) provisioning services, such as (a) the availability of water for consumption and for livestock and agricultural use, (b) the provision of food (crops, and fishing), and (c) access to medicinal plants and species⁷²; (ii) regulating services, such as (a) transhumance and access to land for activities such as silvopastoral livestock farming of camelids and small ruminants, and (b) aquifer recharge and protection against soil erosion; and (iii) cultural services, which include recreational, religious, and cultural activities. The Company is currently compiling its records on the use of SSEE by communities and ranchers in the province of Catamarca.

The Company will: (i) update the SSEE Assessment with the results of the prior and informed consultation (“PIC”) process to be conducted with the indigenous communities and ranchers of Catamarca; (ii) develop measures to manage the identified potential impacts; and (iii) integrate these measures into the updated EIS for the Project’s *upstream* site.

4.6.d Sustainable Management of Living Natural Resources

The Project will not involve the primary production of living natural resources.

⁷² Local plant species, such as: *rica rica* for stomach pain, *copa copa* for heartburn and to improve digestion, *muña muña*, and *espinilla* for blood circulation—all of this according to accounts from the local population.

4.6.e Supply Chain

Posco Argentina verifies that all locally sourced non-industrial items or materials (e.g., aggregates, quarry materials, wood, etc.) have been extracted or manufactured in accordance with national and provincial legislation on biodiversity protection. However, due to the difficulty this represents, it does not do so for items or materials produced outside the country.

4.7 Indigenous Peoples

4.7.a General Information

There are no Indigenous Peoples (“IP”) located within 10 km of the Project site. However, the Project’s EIAS indicate that its activities have the potential to affect water resources, ecosystem services, and cultural heritage (specifically archaeological sites) of some Indigenous communities in the region. Therefore, in compliance with Argentine national legislation (Article 75, paragraph 17 of the National Constitution, 1994 Amendment) and the obligations under international treaties ratified by the country (specifically Convention No. 169 of the International Labor Organization), the Project has initiated a process of prior consultation with members of indigenous peoples located in the following communities: i) Estación Salar de Pocitos, in the province of Salta (located approximately 98.9 km from the Project site); (ii) Santa Rosa de los Pastos Grandes, in the province of Salta (92.7 km); (iii) Puestos Salar del Hombre Muerto, in the province of Catamarca (28.3 km); and (iv) Ciénaga La Redonda, in the province of Catamarca (13.6 km).

Most members of these communities are primarily engaged in herding or subsistence farming, with many of them maintaining temporary or permanent residences at various settlements within the project’s area of influence. These settlements constitute social networks structured around kinship and collaborative relationships, which ensure the continuity of the material and cultural life of their inhabitants, many of whom are elderly.

The prior consultation process carried out by the Project, in line with international best practices, will: (i) identify the indigenous peoples who may be affected by CP2 of the Project; (ii) assess the potential impacts of the Project on these communities; and (iii) continue or initiate the prior consultation process with the indigenous peoples identified in the impact assessment.

4.7.a.i Participation and Consent

All consultation and information-sharing activities throughout the various stages of the Project included meetings with leaders and members of indigenous communities. These meetings served to share information and clarify issues such as: (i) the Project’s activities; (ii) the potential environmental and social risks and impacts that could arise; (iii) prevention and mitigation measures; and (iv) opportunities for job creation and the hiring of local suppliers. Additionally, the Social Management Plan: (i) establishes the Company’s commitment to providing ongoing and culturally appropriate participation; (ii) describes the processes for information disclosure and IPC; and (iii) establish key performance indicators to be agreed upon with the indigenous communities.

4.7.b Circumstances Requiring Free, Prior, and Informed Consent

Free, Prior, and Informed Consent (“FPIC”) is not required because the Project: (i) will not impact lands or natural resources subject to traditional property rights or under customary use; (ii) will not involve the relocation of indigenous peoples from their lands and natural resources subject to traditional property regimes or under customary use; and (iii) will not cause significant impacts on the critical cultural heritage of indigenous peoples.

4.7.c Mitigation and Benefits of the Development

As part of the ongoing IPC process, the Company will consult with potentially affected indigenous peoples regarding the proposed measures to manage such impacts, as well as those designed to generate culturally appropriate benefits and promote sustainable development. Once this process is completed, the Company will prepare an Indigenous Peoples Plan that will include: (i) a summary of the Project’s prior consultation and participation activities with indigenous peoples; (ii) measures to manage the potential impacts identified in the impact assessment; (iii) a summary of the Project’s agreements with indigenous peoples; and (iv) a description of the social investment programs planned by the Project for indigenous peoples.

4.8 Cultural Heritage

4.8.a Protection of Cultural Heritage in the Project Design

The EIAS for each phase (CP1 and CP2) includes an Archaeological Impact Study for each component of the Project, which identifies a total of 23 archaeological finds within its area of influence—10 sites in Catamarca and 13 in Salta. These consist of isolated, simple structures made of stone, occurring at low density and distributed without a defined pattern, which are indicative of the past presence of hunter-gatherers. The formation of the sites is typical of “*pircas*,” groups of rocks arranged in circular or linear patterns.

The process of selecting the most appropriate alternative for the project’s development inevitably affected two archaeological sites during the construction of CP2; these sites were documented and salvaged by qualified and authorized personnel, in accordance with applicable national regulations⁷³. In this regard, the Company will develop a Cultural Heritage Management Plan, based on existing Archaeological Contingency Plans, which will include: (i) procedures for consulting with local communities regarding their cultural heritage that could be affected by the Project; (ii) measures to protect tangible cultural heritage sites (e.g., archaeological sites); (iii) archaeological monitoring procedures; (iv) procedures for chance finds; and (v) procedures to train community members involved in land-disturbing activities in the identification of cultural heritage and procedures for chance finds.

⁷³ Law No. 6,649 on provincial monuments and historical, archaeological, and paleontological museums; Law No. 19,943 on cultural property; Law No. 25,197 on the registration of cultural heritage; Law No. 25,568 ratifying the Convention on the Protection of the Archaeological, Historical, and Artistic Heritage of the American Nations; Law No. 25,743 on cultural, archaeological, and paleontological heritage; National Regulatory Decree No. 1022/2004, amending Law No. 25,743; and Law No. 25,750 on the preservation of cultural property and heritage.

4.8.a.i Procedures in the Event of Chance Finds

Although the Project has low archaeological sensitivity, the Archaeological Impact Study includes an Archaeological Contingency Plan for when incidental⁷⁴ archaeological, paleontological, or cultural finds occur. This plan will be adjusted to include the following aspects: (i) holding informational meetings with personnel responsible for fieldwork to brief them on the procedures to be followed in the event of discoveries; (ii) prohibiting the collection or handling of archaeological material; (iii) implementing a monitoring program during fieldwork; (iv) the training of responsible personnel, specifically those working in the field; (v) the conduct of an archaeological impact study for complementary works; (vi) the maintenance of an ongoing dialogue with the archaeological team present at the site; and (vii) the promotion of respect for cultural heritage of all kinds.

5 Local Access to Project Documentation

Posco Argentina provides additional information about the Project on its website: <https://poscoargentina.com/index.php>.

⁷⁴ This procedure describes the measures to be taken in the event that any heritage remains are discovered during construction work.