

June 26, 2013

Lex Fenwick
Chief Executive Officer
Dow Jones & Co

Michael Baldinger
Chief Executive Officer
RobecoSAM AG

Re: The Dow Jones Sustainability Index, POSCO, and Iran

Dear Messrs. Fenwick and Baldinger:

United Against Nuclear Iran (“UANI”) is writing to request Dow Jones & Co. and RobecoSAM remove POSCO from the Dow Jones Sustainability Index (“the Index”), due to certain on-going commercial practices relating to the company's business in Iran. UANI respectfully asks you to initiate a Media & Stakeholder Analysis of POSCO that includes consultation with representatives from UANI, as a first step toward removing POSCO from the Index.

UANI is very concerned by certain continuing business activities carried out by POSCO subsidiaries in Iran. In correspondence between POSCO and UANI, POSCO has asserted that all its transactions in Iran “involve only the civil market,” and are carried out with entities “not owned or controlled by the Iranian government.” However, a series of extensive privatization policies carried out in Iran have enabled regime entities such as the Iranian Revolutionary Guard Corps (“IRGC”) to effectively permeate large swaths of the Iranian economy. The increased control exercised by the regime and IRGC over the Iranian economy includes ostensibly civilian sectors of the economy including, significantly, the manufacturing and construction sectors - areas where POSCO subsidiaries continue to operate. In addition, such regime control is exercised through complex systems of private ownership that make it extremely difficult, if not impossible, for foreign corporations like POSCO to ensure that their Iran business activities are distinctly civilian and free of connections to regime-controlled entities.

For example, according to a report by the Council on Foreign Relations, “The IRGC has extended its influence into virtually every sector of the Iranian market...” (*Council on Foreign Relations*, “[Iran's Revolutionary Guards: A Money Machine](#),” 10/12/11) A separate report by the United States Institute for Peace describes such IRGC control as applying to the industrial manufacturing, auto manufacturing, and civil construction sectors - areas where POSCO is considering future transactions. The report further states that “...the IRGC is also linked to

dozens, perhaps even hundreds, of companies that appear to be private in nature but are run by IRGC veterans.” (United States Institute of Peace, “[The Revolutionary Guards](#)”)

POSCO has informed UANI that it is considering the continuation of sales to automotive and construction entities in Iran. This is a disturbing position to hold, since the IRGC is known to dominate both the construction and automotive sectors, through entities such as Khatam al-Anbia (“KAA”), a military entity that controls 812 subsidiaries and roughly \$12 billion in construction and engineering capital, and the Industrial Development and Renovation Organization (“IDRO”) and Cooperatives Foundation of the IRGC, which together control the Iranian automotive sector through the Bahman Group, Iran Khodro Industrial Group and their associated suppliers and subsidiaries. (*Council on Foreign Relations*, “[Iran's Revolutionary Guards: A Money Machine](#),” 10/12/11; United States Institute of Peace, “[The Revolutionary Guards](#)”; *Time*, “[New Iran Sanctions Target Revolutionary Guards](#),” 5/10/10; *National Defense Research Institute*, “[The Rise of the Pasadaran](#),” 2009)

UANI also remains concerned that POSCO's ostensible private and civilian transactions are serving as an important source of industrial steel products to Iran. Beyond the necessity of foreign steel products for Iran's nuclear program, the steel sector is a vital part of Iran's broader economy. UANI is concerned that POSCO's business in this area may weaken the global effort to economically isolate the Iranian regime and deny it access to important products and materials. (*Reuters*, “[Steel sanctions cut deep into Iran's economy](#),” 11/11/12)

Clearly, POSCO cannot reasonably ensure its avoidance of business with the regime and/or the IRGC. The only sure way to effectively eliminate POSCO's exposure to Iranian regime and/or IRGC controlled entities and sensitive sectors is to completely cease all Iran business.

Please respond at your earliest convenience so UANI may plan accordingly and commence disseminating information to the investment community.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark Wallace". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ambassador Mark D. Wallace