

November 29, 2023

Ms. Christel Bories
Chair and CEO, Eramet
10, Boulevard de Grenelle
CS 63205
75015 Paris
France

CC: Ms. Virginie de Chassey
Chief Sustainability and External Affairs Officer, Eramet
10, Boulevard de Grenelle
CS 63205
75015 Paris
France

SENT VIA EMAIL AND REGULAR MAIL

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

Dear Ms. Christel Bories and Ms. Virginie de Chassey,

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

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

It is our understanding that Eramet has been a shareholder of PT Weda Bay Nickel since 2006. It is also our understanding that Eramet, in a joint venture with BASF, plans to construct and operate the Sonic Bay high-pressure acid leach (HPAL) nickel facility in IWIP.

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

Questions:

Regarding PT Weda Bay Nickel and Environmental Concerns:

1. It is our understanding that the size of the WBN mining concession has changed since PT WBN's initial environmental impact assessment was approved in 2009. Has PT WBN submitted an addendum to its environmental impact statement? Please provide the original environmental impact statement and any addendums the company has submitted.
2. Does PT WBN collect air and water quality data? If not, why not? If yes, is that data made publicly available? If yes, please explain how you do so.
3. It is our understanding that the North Maluku Provincial Environmental Agency issued a letter on September 4, 2023, recommending that PT WBN halt its operations due to concerns regarding water pollution of the Sagea River. Have mining operations been halted? If not, why not?
4. How does PT WBN process its mining waste, including tailings? What steps, if any, does Eramet take to ensure that PT WBN mining activities do not harm freshwater resources?
5. Please describe the process of WBN selling or transferring part of its mining concession in Central Halmahera to IWIP for the development of the 5,000-hectare industrial park. When did this land sale occur? How much did IWIP pay for the lands previously held by PT WBN?

Regarding PT Weda Bay Nickel and Supply Chains:

6. Is all nickel mined by PT WBN transported to IWIP for processing? If not, what percentage of nickel mined by PT WBN is processed at IWIP? What companies purchase raw nickel ore from PT WBN?
7. Does Eramet track the supply chain of nickel mined by PT WBN? If available, please provide a list of companies and smelters where nickel mined by WBN is refined.
8. It is our understanding that PT WBN also operates a nickel smelter within IWIP. Is all the nickel smelted at that facility mined by PT WBN? If not, where does the PT WBN smelter source its nickel ore?

Regarding PT Weda Bay Nickel and Human Rights Concerns:

9. Please describe the process of acquiring land in the PT WBN mining concession. Did Eramet and PT WBN hold public meetings with local communities about the proposed project? If so, please provide information about the dates, locations, and attendance of those meetings, and details of the information provided at each meeting.
10. Did Eramet and PT WBN get the full Free, Prior, and Informed Consent (FPIC) from indigenous communities prior to beginning mining activities, including the O'Hongana Manyawa? If so, please provide documentation of (1) how Eramet and PT WBN consulted with each community; (2) the information provided to each affected community; and (3) the consent, if given, of the community to WBN.
11. How was the price for land acquired by PT WBN determined? Did PT WBN offer a set price, or did it negotiate price with landowners? How much did PT WBN offer to purchase lands for? If possible, please provide a list of land acquired and prices paid per plot.
12. It is our understanding that some community members have not received any compensation from PT WBN for their lands. What steps, if any, has Eramet taken to ensure that PT WBN is fairly compensating all landowners, including Indigenous Peoples for their customary lands?
13. It is our understanding that Eramet has committed to have PT WBN mining sites assessed by an independent third-party against the IRMA Standard for Responsible Mining by 2027. Please provide more information on the timeline for this assessment and the third party that will be undertaking the assessment.

Regarding the Sonic Bay project:

1. Please provide a timeline on the planned permitting and construction of the Sonic Bay project at IWIP.
2. Please provide underlying documentation for the proposed Sonic Bay project at IWIP, including building permits, environmental and social impact studies, and other related documents.
3. Please provide information about the HPAL technology that will be used by the Sonic Bay project. Can you describe the process by which nickel ore will be refined? What will be the final materials produced? How will waste products, including slurry and tailings, be disposed of?
4. Where will Eramet source nickel ore and other raw materials for the proposed Sonic Bay project?
5. How does Eramet plan to monitor its suppliers, including mines supplying nickel ore to the Sonic Bay project, for human rights and environmental abuses?

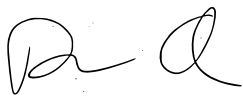
6. What are the expected power use requirements for the Sonic Bay project?
 - a. What energy sources will be used to power the Sonic Bay project?
 - b. What are the expected annual emissions of the Sonic Bay project?
 - c. If the Sonic Bay project will be powered by captive coal plants, what steps will Eramet take to ensure that its operations at the Sonic Bay project are in line with its pledge to contribute to the fight against climate change in host countries?
7. How will Eramet ensure that the Sonic Bay project does not contribute to environmental and/or human harm, including water and air pollution?
8. Does Eramet management have plans to mitigate potential harms to the rights of Indigenous Peoples and other local communities posed by its proposed operations at IWIP? If yes, please elaborate.
9. Does Eramet management have plans to remediate harms to the rights of Indigenous Peoples or other local communities that result from its proposed operations at IWIP? If yes, please elaborate.

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

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

Sincerely,

Brad Adams



Executive Director, Climate Rights International

[REDACTED]