

November 29, 2023

Mr. Justin C. Werner
Nickel Industries Limited
Level 2, 66 Hunter Street
Sydney, NSW, 2000
Australia

SENT VIA EMAIL AND REGULAR MAIL

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

Dear Mr. Justin C. Werner,

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 Nickel Industries, Ltd., in a joint venture with Shanghai Decent Investment Group, operates the PT Angel Nickel project located in IWIP.

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

Questions:

1. Can you please provide documentation, including building permits, environmental and social impact studies, and other related documents regarding the Angel Nickel project at IWIP?
2. Where does the Angel Nickel project source nickel ore and other raw materials? If possible, please provide a list of the nickel mines from which the Angel Nickel project sources nickel ore.
3. To which companies does the PT Angel Nickel project sell the nickel pig iron it produces? Does Nickel Industries track downstream users of nickel it produces? If so, who are the downstream users of the nickel pig iron it produces at IWIP?
4. How does Nickel Industries, Ltd. monitor its suppliers, including mines supplying nickel ore to the PT Angel Nickel project, for human rights and environmental abuses? How does Nickel Industries, Ltd. audit, evaluate, and/or monitor its suppliers?
5. Does Nickel Industries, Ltd. have a human rights policy beyond the statement on its website declaring, "Nickel Industries commits to respect human rights and the interests of cultures, customs and values of employees and communities affected by our activities." If so, please provide us with a copy of the policy. What steps is Nickel Industries taking to ensure this statement is being met by the PT Angel Nickel project?
6. Has Nickel Industries made any climate commitments or policies, including commitments to reach net-zero emissions? If so, please provide details on those commitments and/or policies.
7. What are the annual power requirements of the PT Angel Nickel project? Are these requirements met by the project's 380-MW captive coal plant? Please provide information about the emissions from the PT Angel Nickel project at IWIP, including its 380-MW coal-fired power plant.
8. Are there any plans to transition the PT Angel Nickel project from captive coal to renewable energy? If so, please provide details about those plans.
9. It is our understanding, from Nickel Industries' 2022 Sustainability Report, that the company analyzes the physical and transitional risks that climate change poses on its operations. Has Nickel Industries conducted any assessments or analyses of the risk that climate change poses to its operations at IWIP, including sea level rise, flooding, and extreme weather events? If so, please provide any documents or reports that describe those potential risks.
10. What steps, if any, is Nickel Industries taking to ensure that the PT Angel Nickel project does not contribute to environmental and/or human harm, including water and air pollution?

Please provide your responses in writing. Your responses can only be considered for inclusion in our report if we receive them by December 20, 2023. Please reply in English 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

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

Executive Director, Climate Rights International

[REDACTED]