

November 29, 2023

Mr. Xiang Guangda
Chairman, Tsingshan Holding Group
Tsingshan Building A, No. 2666 Longxiang Road,
Longwan District, Wenzhou City
Zhejiang Province
China

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

Dear Mr. Xiang Guangda,

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.

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.

It is our understanding that Tsingshan Holding Group is one of three joint venture partners in IWIP.

Questions:

Related to IWIP

1. How does Tsingshan Holding Group ensure that companies operating at IWIP are in full compliance with Indonesian laws and regulations? Does it conduct regular, unannounced audits? Please provide information on each audit that has been undertaken, including the identity of the organization conducting the audit and the results of the audit.
2. It is our understanding that Tsingshan has committed to stop investing in foreign coal plants, following President Xi Jinping's 2021 announcement that China would no longer finance overseas coal plants, yet Tsingshan is invested in all twelve captive coal plants planned or in operation at IWIP. Why has Tsingshan continued to invest in these new coal plants? How does the company reconcile this investment with its stated commitment?
3. Is Tsingshan planning to invest in renewable energy at IWIP? If so, please provide more information about its plans.
4. Please describe the process of acquiring land prior to the development of the industrial park. Did PT IWIP hold public meetings with local communities about the proposed project? If so, please provide information about the dates, locations, and attendance of those meetings. In addition, please detail the information provided to communities at those meetings.
5. What steps does Tsingshan take to ensure that industrial activities at IWIP do not contribute to human rights or environmental harms? What policies and practices does Tsingshan have in place to prevent such harms?

Regarding smelting operations at IWIP

1. It is our understanding that Tsingshan and its subsidiaries (Shanghai Decent Investment Group, Yongrui Holdings, and Yongqing Technology Co.) are invested in nickel refining plants at IWIP. Can you provide a full list of Tsingshan investments at IWIP?
2. Where does Tsingshan source nickel ore and other raw materials from for its smelting operations at IWIP? Please provide a list of mines.
3. Does Tsingshan conduct audits at the IWIP facilities it invests in? If so, please provide information on each audit that has been undertaken, including the results of each audit.
4. Please provide information about freshwater usage and wastewater treatment for Tsingshan facilities at IWIP. How do the facilities manage wastewater? Where does hot water from industrial facilities, including coal plants, go?
5. Please describe the waste management systems for Tsingshan facilities at PT IWIP. What is the process for dealing with industrial waste, including tailings and coal ash?

6. Where does Tsingshan send nickel that it smelts at its facilities at IWIP? What country or countries is that nickel exported to? What companies does Tsingshan sell its nickel to? Does Tsingshan track its full supply chain?
7. Is any nickel mined or smelted by Tsingshan in North Maluku exported to companies operating in the Xinjiang Uygur Autonomous Region?
8. We understand that Tsingshan has an agreement with Volkswagen to supply nickel. Is Tsingshan supplying Volkswagen with any nickel mined or smelted at its operations in Central Halmahera? Please provide a full list of automobile companies that purchase nickel from Tsingshan's operations in North Maluku and in Indonesia.

Regarding PT Weda Bay Nickel and Environmental Concerns:

1. It is our understanding that the size of the PT 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 yes, is that data made publicly available? If yes, how is it made available? Does Tsingshan monitor that data and, if so, how does it do so? Please provide us with any data available.
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. Has PT WBN halted its operations? If not, why not?
4. How does PT WBN process its mining waste, including tailings? What steps does Tsingshan take to ensure that PT WBN mining activities do not harm freshwater resources?
5. Please describe the process by which WBN sold or transferred 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 WBN?

Regarding PT Weda Bay Nickel and Human Rights Concerns:

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?
7. What companies purchase nickel ore from PT WBN? How does Tsingshan track the supply chain of nickel from PT WBN?

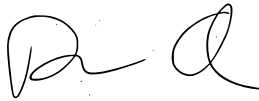
8. Did PT WBN obtain the full Free, Prior, and Informed Consent (FPIC) from indigenous communities from which it acquired land? If yes, please provide documentation, including (1) how PT WBN consulted with the communities; (2) the information provided to the communities about the purpose of the acquisition; and (3) the consent, if any, that was given.
9. Please describe the process of acquiring land in the PT WBN mining concession. Did Tsingshan 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. In addition, please detail the information provided to communities at those meetings.
10. How was the price for land determined? Did PT WBN offer a flat rate, or did it negotiate with those occupying the land?
11. It is our understanding that some community members have not received compensation from PT WBN for their lands. What steps has Tsingshan taken to ensure that PT WBN is fairly compensating all landowners, including Indigenous Peoples for their customary lands?

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



Executive Director, Climate Rights International

[REDACTED]