

**Mr. Brad Adams**  
**Executive Director, Climate Rights International**

**Paris, May 21, 2025**

**Answer to your email dated April 15, 2025**

Dear Mr. Adams,

Thank you for your message ahead of the release of your new report on nickel production in Indonesia. We believe that civil society plays a valuable role in shaping our approach and informing our decisions. In all countries where we operate, we carefully review and thoughtfully consider the insights and concerns shared by civil society organizations. In Indonesia, we actively incorporate their perspectives into our discussions with shareholders and other stakeholders in PT Weda Bay Nickel.

Given the frequent inaccuracies we encounter in public discourse regarding our role in PT Weda Bay Nickel, we would like to reiterate that Eramet is a minority shareholder in PT Weda Bay Nickel. On May 2006, Eramet completed the acquisition of Weda Bay Minerals Inc., a company listed on the Toronto Stock Exchange and the owner of the world-class Weda Bay nickel deposit located in Halmahera. Pre-feasibility studies for the project began in July 2006. Upon acquisition, it was thought that the new site should begin operating in 2013. However, given the deterioration observed in 2013 in the nickel market and the short-term nickel price outlook, as well as the need to continue discussions on the legal and fiscal framework of the project, Eramet, in agreement with its partners at the time—Mitsubishi Corp., Pamco, and Pt Antam—considered at the end of 2013 that the conditions were not met to proceed with an investment decision regarding the Weda Bay project in 2014. The project has thus entered a mothball phase.

With the aim of developing this asset, in February 2017, Eramet's Board of Directors approved the terms of a framework agreement concluded with the Chinese steel group Tsingshan, the world's largest producer of stainless steel. On September 2017, the conditions precedent to Tsingshan's entry—through its subsidiary Newstride Ltd. Co — were fulfilled. Since the completion of the Tsingshan partnership, PT Weda Bay Nickel is 90% owned by Strand Minerals and 10% by the Indonesian state-owned company PT Antam Tbk. Eramet holds 43% of the shares of Strand Minerals and the Tsingshan Group, through its subsidiary Newstride Ltd Co, 57%. Eramet thus indirectly owns 38.7% of PT Weda Bay Nickel. As a minority shareholder, we have no decision-making role in PT Weda Bay Nickel. The operations of the mine and plant are solely managed by PT Weda Bay Nickel.

We however believe that Eramet plays a key role as the driving force behind the Indonesian mining industry transformation as well as PT Weda Bay Nickel's. At Eramet's instigation, Eramet and Tsingshan both decided in 2022 to commit the PT Weda Bay Nickel mine to IRMA (*Initiative for Responsible Mining Assurance*), the most demanding standard in the international mining sector. In our wake, two other mines have declared that they are starting the IRMA process. Eramet was also the first mining company to socialize and advocate for IRMA in Indonesia with a summit co-organized in 2022 in Jakarta, and we are still pushing and strive to be a driver for change locally.

We hope that the summary of our position that you will find below will help prove our goodwill and transparency. We will stand by our commitment to operate as a responsible minority shareholder and do our utmost to contribute to the improvement for the environment and people close to PT Weda Bay Nickel's operations.

We look forward to continuing our conversations. We remain committed to maintaining an open and ongoing dialogue with NGO representatives who share their insights with us.

Your sincerely,



Virginie de Chassey,

Chief Sustainability & External Affairs Officer

**1. What steps has Eramet taken to address the human rights and environmental impacts related to Weda Bay Nickel's mining and smelting operations in Halmahera since January 2024?**

We would like to reiterate that Eramet is a minority shareholder in PT Weda Bay Nickel. PT Weda Bay Nickel is 90% owned by Strand Minerals and 10% by the Indonesian state-owned company PT Antam Tbk. Eramet holds 43% of the shares of Strand Minerals and the Tsingshan Group, through its subsidiary Newstride Ltd Co, 57%. Eramet thus indirectly owns 38.7% of PT Weda Bay Nickel. As indirect and minority shareholder, Eramet has no decision-making role in PT Weda Bay Nickel. The operations of the mine and plant are solely managed by PT Weda Bay Nickel.

As a minority shareholder of PT Weda Bay Nickel, and in accordance with the shareholder agreement, the Eramet Group conducts annual technical reviews to identify any potential deviations from the IRMA responsible mining standard. Our teams also engage in regular dialogue, and audits are carried out. In the event of a confirmed or potential deviation from the IRMA standard, we immediately request explanations and corrective actions from the board of Strand Minerals and the management of PT Weda Bay Nickel.

Although we are only a minority shareholder, we also take additional step of allocating considerable time from Eramet's ESG teams in France and Indonesia to inform and guide our partners on environmental, social and governance issues, and to support PT Weda Bay Nickel's efforts to manage risks related to safety, the environment, biodiversity, community relations and human rights. We make concrete proposals to promote good environmental, social and governance practices. For example, following the fatal accident involving a helicopter rented by PT Weda Bay Nickel in February 2024, Eramet commissioned a safety audit and dispatched an aviation safety consultant, who is now continuously present on site (with PT Weda Bay Nickel's approval). At Eramet's instigation, PT Weda Bay Nickel has also installed rollover protection systems (ROPS) on the mine's fleet of haulage trucks. Significant progress has thus been made by the mine site in terms of safety.

While the challenges remain significant, Eramet will continue its efforts relentlessly as long as it holds a stake in PT Weda Bay Nickel.

**2. What steps has Eramet taken to ensure that community members have received full compensation for their lands, including Indigenous communities' customary lands, from Weda Bay Nickel?**

We have described the compensation process carried out by PT Weda Bay Nickel in our previous correspondence dated December 15, 2023.

Since our last correspondence, PT Weda Bay Nickel commissioned a Land Acquisition Due Diligence to the international consulting company Greencorp, aiming to technically, legally, and socially assess past land acquisitions. Greencorp examined all available documentation and held focus group discussions with community members and government representatives. The results of this research, received by Eramet in April 2025, confirmed that PT Weda Bay Nickel's program complied with Indonesia's legal requirements, partially met IRMA standards (committed to in 2022), and partially aligned with the IFC Performance Standard 5 Guideline on Land Acquisition and Involuntary Resettlement (established in 2012). The consulting firm made recommendations to address the gaps identified, which are currently under review by Eramet, who will advocate for their implementation at the board of Strand Minerals if relevant.

With regards to indigenous communities, in Indonesia, there is no legislative or regulatory framework laying down the conditions for implementing a Free, Prior, and Informed Consent (FPIC) process. While Indonesia voted in favor of the United Nations Declaration on the Rights of Indigenous Peoples, it has not ratified ILO Convention 169, which is the only binding international instrument for the protection of Indigenous peoples' rights. The O'Hongana Manyawa, living in the forests of Halmahera Island, are not currently recognized in Indonesia as an indigenous people as described in international law, nor as a customary law community under the Indonesian Constitution. A responsible minority shareholder of PT Weda Bay Nickel, Eramet has asked PT Weda Bay Nickel's majority shareholders to be allowed to conduct independent studies to verify, among other things, whether PT Weda Bay Nickel's engagement protocols with the O'Hongana Manyawa comply with the highest international practices. A first study is expected to be finalized in H1 2025. Following these independent reviews, and depending on their findings, Eramet will advocate for the implementation of new engagement protocols reflecting the adjustments recommended by these experts, with reference to international standards, which may recommend obtaining their Free, Prior and Informed Consent (FPIC).

**3. The Eramet website states that, “Weda Bay mine operations are not responsible for pollution of the Sagea River. In accordance with Weda Bay Nickel’s Environmental and Social Impact Assessment and Environmental and Social Management Plans, water quality is regularly monitored, including by qualified third-party inspection entities. The monitoring program is approved by the Indonesian national licensing authorities and is drawn up in consultation with national and local authorities. Sensors are installed in various areas to monitor water quality in downstream river discharges. The data recorded by the sensors is transmitted to government authorities. National and local authorities monitor and inspect on a regular basis.”**

**a. Please provide documentation of the water quality monitoring program, including the location sites for sampling, the results of the tests on those samples, and any other results of the monitoring program.**

**b. Does Eramet or Weda Bay Nickel have any plans to make this data publicly available and accessible to local communities? If no, why not?**

As a minority shareholder, Eramet cannot solely decide to provide documentation owned by PT Weda Bay Nickel. We invite you to contact PT Weda Bay Nickel for further information or to access this specific documentation. What we can confirm is that PT Weda Bay Nickel mining site has set up run-off water management with sedimentation basins, water diversion ridge, and buffer basins. Discharges are monitored and measurements of suspended matter are sent automatically to the authorities.

Yet, transparency remains a cornerstone of Eramet’s values. A major milestone was hit in 2022 when, at Eramet’s instigation, Eramet and Tsingshan both decided to commit the PT Weda Bay Nickel mine to IRMA (*Initiative for Responsible Mining Assurance*), the most demanding standard in the international mining sector. IRMA’s approach to responsible mining is to independently assess social and environmental performance at mine sites globally using an internationally recognized standard that has been developed in consultation with a wide range of stakeholders, including NGOs, affected communities, purchasers, investors, mining companies, and labor unions. As a result of this commitment, PT Weda Bay Nickel’s carried out its first internal IRMA self-assessments in 2022 and 2023. Following these self-assessments, a dedicated action plan was drawn up. It is currently being implemented and monitored on a regular basis. An IRMA-commissioned independent third-party audit is scheduled to start in 2026. Once the IRMA cycle has been completed, IRMA audit reports will be published by IRMA in a transparent manner.

**4. The Eramet website states that, “To date, there is no evidence that members of the O’Hongana Manyawa community are living in voluntary isolation in or around the Weda Bay concession. If the presence of groups living in voluntary isolation is demonstrated, Eramet will ask PT Weda Bay Nickel to refrain to any contact and not to engage in an FPIC process with them, in line with international standards.” The website further states, “The Indonesian government does not recognize the O’Hongana Manyawa community as an “indigenous group”. Nevertheless, since 2012, PT Weda Bay Nickel decided to set up an active engagement program with this community located within the concession perimeter, and in accordance with Indonesian law, Weda Bay Nickel’s mining activities are subject to in-depth consultation with local communities, including this community. Since 2012, the company has maintained mutually accepted exchanges with the community groups present in the vicinity of our mining activities.”**

**a. Please explain what the “in-depth consultation” with the community entails and when it began. Is it Eramet’s position that this consultation is part of the process of obtaining Free Prior and Informed Consent from the community?**

The six nearest villages to PT Weda Bay Nickel’s operation are home to approximately 70,000 people today. In this area, consultation campaigns have been conducted before the start of any activity, as part of the Environmental and Social Impact Assessment Process. Dialogue has since been maintained with the communities. According to data we were provided, PT Weda Bay Nickel held 108 meetings with local communities in 2024 on the themes of impact management, participatory environmental monitoring, complaint-handling and visits by local authorities. These meetings focused on the implementation of community investment projects or initiatives. PT Weda Bay Nickel also has a complaint management mechanism managed by PT IWIP on behalf of all activities in the industrial park. In 2024, 9 complaints, concerning PT Weda Bay Nickel exclusively, were recorded, in connection with land acquisitions in forest areas, social impacts (traffic, road safety, local employment) and environmental impacts (water and dust), and 78% of these complaints were resolved.

With regard to the O’Hongana Manyawa community living in the Halmahera Forest, a protocol—developed with international expertise—has been in place since 2012 to guide interactions with members of this community. Under this

protocol, when contact is initiated by these groups or inadvertently, PT Weda Bay Nickel employees are required to adopt culturally appropriate behavior to preserve them. An employee awareness program has been in place for about ten years. PT Weda Bay Nickel has also hired 5 Tobelo speaking guides to facilitate engagement with this group when it is needed.

A responsible minority shareholder of PT Weda Bay Nickel, Eramet has asked PT Weda Bay Nickel's majority shareholders to be allowed to conduct independent studies to verify, among other things, whether PT Weda Bay Nickel's engagement protocols with the O'Hongana Manyawa comply with the highest international practices. A first study is expected to be finalized in H1 2025. Following these independent reviews, and depending on their findings, Eramet will advocate for the implementation of new engagement protocols reflecting the adjustments recommended by these experts, with reference to international standards, which may recommend obtaining their Free, Prior and Informed Consent (FPIC).

**b. What evidence has Eramet and/or Weda Bay Nickel gathered to support the statement that there are no members of O'Hongana Manyawa living in voluntary isolation in or near the mining concession?**

The body of research conducted for the PT Weda Bay Nickel project regarding the O'Hongana Manyawa, which Eramet was able to consult, comprises four key documents.

- In 2010, PT Weda Bay Nickel commissioned the first ethnographic study on the O'Hongana Manyawa. This report does not mention the existence of groups in voluntary isolation. The 2010 authors described that the O'Hongana Manyawa's status as an indigenous population could not be definitively established, as there were questions regarding their collective attachment to "ancestral" territories, given their likely recent arrival in the interior of Halmahera in the early 20<sup>th</sup> century. Yet, the authors hypothesized that the IFC would consider the O'Hongana Manyawa as a vulnerable group.
- This first piece of research was followed by a locational study in 2013. This new report mentioned the unconfirmed potential existence of community in voluntary isolation within the CoW, based on testimonies that were ultimately deemed and presented as unreliable by the research team. Additionally, they identified another group living in voluntary isolation (following conflicts with neighboring coastal communities) but located in a region far east of the CoW (near the Dote village).
- In 2023, to deepen its understanding of the livelihoods of the O'Hongana Manyawa living on the concession, PT Weda Bay Nickel called on local anthropologists from the University of Ternate and Manado. Their ethnographic study has enabled PT Weda Bay Nickel to refine its understanding of the O'Hongana Manyawa's use of natural resources, their cultural practices and this group's dependencies on ecosystem services.
- PT Weda Bay Nickel also commissioned an Ecosystem Service Study, received in November 2024.

A responsible minority shareholder of PT Weda Bay Nickel, Eramet has asked PT Weda Bay Nickel's majority shareholders to be allowed to conduct independent studies to verify, among other things, whether PT Weda Bay Nickel's engagement protocols with the O'Hongana Manyawa comply with the highest international practices. A first study is expected to be finalized in H1 2025. Following these independent reviews, and depending on their findings, Eramet will advocate for the implementation of new engagement protocols reflecting the adjustments recommended by these experts, with reference to international standards, which may recommend obtaining their Free, Prior and Informed Consent (FPIC).

**c. Please clarify if Eramet's position is that there are no O'Hongana Manyawa living in voluntary isolation.**

To date, all the studies carried out by PT Weda Bay Nickel which Eramet consulted have found no evidence that any of O'Hongana Manyawa living in its concession are in voluntary isolation.

If the presence of groups living in voluntary isolation is demonstrated, Eramet will ask PT Weda Bay Nickel, via the Strand Minerals board, to refrain to any contact and not to engage in an FPIC process with them, in line with international standards.

A minority shareholder of PT Weda Bay Nickel, Eramet continues to conduct due diligence studies to identify and mitigate the impacts on these communities in accordance with the highest international practices.

**5. Since the June 2024 announcement that the Sonic Bay project would not move ahead, Climate Rights International has seen media reports that Eramet may increase other investments in Indonesia's nickel industry, including through additional mining projects or investments into Huayou Cobalt's HPAL facility located at IWIP. Please provide a list of all Eramet's current and planned investments in nickel mining and/or processing in Indonesia.**

Indonesia is a strategic market for Eramet, and we are continuing to explore potential partners possibilities to consolidate our presence and contribute to the country's economic growth target. Should any potential partnership materialize, we will make sure to communicate in a timely and transparent manner.