

April 15, 2025

SENT VIA EMAIL

Subject: Summary of findings and request for response: report on environmental and human rights impacts of the nickel industry in Halmahera, Indonesia

Dear Mr. Zhang Yuqiang,

I am writing on behalf of Climate Rights International, an international NGO that conducts research and advocacy on the human rights dimensions of the climate crisis. We will soon publish a report on the continuing human rights, environmental, and climate harms associated with nickel mining and smelting at and near the Indonesia Weda Bay Industrial Park (IWIP). This report follows our "Nickel Unearthed" report, which we published in January 2024 and previously contacted you about.

Our forthcoming report, which is based on interviews with local community members and company, media, and NGO reports, finds that community members living near IWIP continue to face serious human rights and environmental harms due to industrial mining and mineral processing operations. As mining and mineral processing activities continue to expand, those impacts are worsening. There is also no evidence that those whose lands have been taken by the nickel industry have been fully compensated, or that there has been accountability for the human rights and environmental harms community members have suffered.

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.

- 1. What steps has Zhenshi Holding Group taken to address the human rights and environmental impacts related to its operations in Halmahera since January 2024?
- 2. What steps has Zhenshi Holding Group taken to ensure that community members whose land was taken by IWIP have received full compensation for their lands?

As majority shareholder of IWIP, please answer the following questions related to IWIP's operations and governance:

3. It is our understanding that there are now eleven operational captive coal plants and three captive coal plants under construction at IWIP. Does IWIP have any plans to reduce emissions from these coal plants or decommission them? Does IWIP have any plans to install renewable energy to reduce the use of coal power?



- 4. Has IWIP taken any recent measures to ensure that companies operating at the industrial site are in full compliance with Indonesian laws and regulations? Has it conducted regular, unannounced audits?
- 5. What steps, if any, has IWIP taken to prevent or reduce air and water pollution from the industrial complex? Does IWIP regularly monitor air, soil, and water quality at and near the industrial park? If so, please share the results of that environmental monitoring.
- 6. Has IWIP investigated the impacts of its operations on recent flooding events in Central Halmahera, including in villages near the boundary of IWIP? If so, what were the results of that investigation?
- 7. Climate Rights International was informed by Huayou Cobalt that IWIP intended to publish an ESG & Sustainability Report in 2024. Has the report been published? If yes, please provide a copy. If not, please provide an estimated date when the report will be made public.
- 8. Please share copies of the following documents, which Huayou Cobalt referenced in its response to Climate Rights International: IWIP Human Rights Policy, IWIP ESG Policy, IWIP Cultural Heritage Protection Policy, IWIP OHS and Environmental Protection Policy, and IWIP ESG Code of Conduct.

Please provide your responses in writing. Your responses can only be considered for inclusion in the report if we receive them by April 30, 2025. Please reply in English at copying 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