August 20, 2026

Mr. Tony Zhou Yuan
CEO
Virtue Dragon Nickel Industry
Autograph Tower Tower 1 level 75
Thamrin Nine Complex Jalan MH. Thamrin
No. 10 Kel. Kebon Melati, Kec. Tanah Abang Jakarta Pusat, 10230
Indonesia
[redacted]

Dear Mr. Zhou Yuan,

I am writing on behalf of Climate Rights International, an international NGO that conducts research and advocacy on the human rights dimensions of climate change. We have carried out research for a report that we plan to publish on the human and environmental impacts associated with nickel mining and processing in Indonesia, with a focus on Southeast Sulawesi and Central Sulawesi.

Based on more than ninety interviews with community members, our research finds that nickel mining and processing in Southeast Sulawesi, Central Sulawesi, and North Maluku are threatening the rights of 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 mining and industrial activities is threatening critical freshwater resources and the ecosystems that people depend on for their traditional livelihoods, threatening their access to food and water, and harming their health. Despite claims that nickel is needed to power the energy transition, massive deforestation for nickel mining and captive coal use for nickel processing are directly contributing to the climate crisis.

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.

The questions in this letter relate to your nickel smelting operations in Southeast Sulawesi.

1. Does VDNI collect air and water quality data taken in the communities near its smelter in Southeast Sulawesi? If not, why not? If yes, is that data made publicly available? If yes, how is it made available? If not, why not? Please share the results of any air and water quality data collected.
2. Please provide information about freshwater usage and wastewater treatment at your smelter in Southeast Sulawesi. How does VDNI manage wastewater? Where does hot water from industrial facilities, including coal plants, go and what steps does VDNI take to cool wastewater before it is discharged?
3. Please describe the waste management systems at VDNI. What is the process for dealing with industrial waste, including tailings and coal ash?
4. What are the annual power requirements of your smelter in Southeast Sulawesi? It is our understanding that your smelter operates using captive coal-fired power. How many captive coal plants do you use for your operations and what is the capacity of those plants?
5. Please provide information about the greenhouse gas, particulate matter, and other emissions from your smelter in Southeast Sulawesi, including any coal-fired power plants.
6. Does VDNI have any plans to phase out coal use? If yes, please describe those plans. If not, why not?
7. Is VDNI planning to invest in renewable energy? If so, please provide more information about its plans.
8. Has VDNI conducted any assessments or analyses of the risk that climate change poses to its operations in Southeast Sulawesi, including sea level rise, flooding, and extreme weather events? If so, please provide any documents or reports that describe those potential risks.
9. Has VDNI made any climate commitments or policies, including commitments to reach net-zero emissions? If so, please provide details on those commitments and/or policies.
10. What steps, if any, is VDNI taking to ensure that its smelter in Southeast Sulawesi does not contribute to environmental and/or human harm, including water and air pollution?
11. Where does VDNI source nickel ore and other raw materials for its smelter in Southeast Sulawesi? If possible, please provide a list of the nickel mines from which the VDNI project sources nickel ore.
12. To which companies does the VDNI sell the processed nickel it produces? Does VDNI track downstream users of nickel it produces? If so, who are the downstream users of the nickel pig iron it produces in Southeast Sulawesi?
13. How does VDNI monitor its suppliers, including mines supplying nickel ore to its smelter, for human rights and environmental abuses? How does VDNI audit, evaluate, and/or monitor its suppliers?
14. Does VDNI have a human rights policy? If so, please provide us with a copy of the policy.

Please provide your responses in writing. Your responses can only be considered for inclusion in the report if we receive them by September 4, 2026. Please reply at [redacted] opying [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,

[redacted]

Brad Adams
Executive Director
Climate Rights International