August 20, 2025

Klaus Oberbauer
Sustainability Manager, Harita Nickel klaus.oberbauer@hpalnickel.com

CC:

Tonny Gultom
Director of Health, Safety and Environment, PT Trimegah Bangun Persada, Tbk

Roy Arman Arfandy President Direct, PT Trimegah Bangun Persada, Tbk

Dear Mr. Oberbauer,

The below signed affected stakeholders, rightsholders, and allied civil society and Indigenous organizations write to you regarding concerns about risks to the health, safety, and well-being of residents and ecosystems impacted by your nickel mining and processing facilities on Obi Island. We write to you in the context of the recent audit of Harita Nickel against the Initiative for Responsible Mining Assurance (IRMA) standard. Credible reports of pollution of drinking water from nickel operations, multiple flooding events, and mine waste infrastructure failings, including a June 13, 2025 breach of sediment ponds, highlight the need for Harita to take urgent and immediate action. We also want to draw your attention to reports of intimidation and criminalization of residents who are calling on the company to do more to address the harms to their ancestral land.

In 2024 and 2025, residents of Kawasi Village, the ancestral land of the Tobelo Galela Indigenous People, documented multiple flooding events exacerbated by or originating from infrastructure failures at the sediment pond and deforestation linked to mining infrastructure. The sediment pond borders Kawasi Village and the Todoku River and, according to residents, was built on top of a wetland that served as a natural barrier to flooding and a natural filter for sedimentation and runoff from the mountains.

On June 13, 2025, community members and regional environmental organization, WALHI Maluku Utara, reported the partial collapse of the interior sediment pond wall in two places. Overflow from the sediment pond flooded people's crops and homes, damaging belongings and harming water sources. As Harita Nickel stated in a 2023 response to the Washington Post, the sediment ponds are intended to capture runoff from mining operations and, in this case, were

enlarged in order to address ongoing concerns about pollution from mine runoff. Sediment ponds allow pollutants to settle out of the water before discharge, and breaches pose a serious risk to the health and wellbeing of residents.

The issue of flooding has not been adequately addressed by Harita and is only worsening during this rainy season. The problem extends to fisherfolk who have documented red seawater at the beach in Kawasi Village following flooding events, like that of June 13, 2025.

According to reporting from the <u>Organized Crime and Corruption Reporting Project</u> and the <u>Gecko Project</u>, the company constructed the sediment ponds in part to attempt to control the persistently high levels of the carcinogenic chemical, chromium-6, in water originating from mining operations, which was also showing up in the drinking water in Kawasi Village. Reporting also shows that the ponds did not successfully reduce the levels of chromium-6 in water originating from mining operations, as intended

It is important to note that the reporting also shows that the 2021 addition of the PT Halmahera Persada Lygend high-pressure acid leach (HPAL) refinery to produce EV battery-grade nickel components potentially exacerbated the ongoing chromium-6 problem. In bringing the PT Obi Nickel Cobalt HPAL refinery online in 2024, Harita has continued to expand operations, which means greater environmental impact, including greater amounts of mine waste. However, we consider that the company has not adequately or transparently addressed concerns about water pollution or flooding. Now, concerns about resident safety are even more pressing given the infrastructure failure in June.

The repeated flooding and risks posed by future infrastructure failures like what occurred with the sediment pond is a source of deepening trauma for Kawasi residents who are also facing water and electricity shortages. Residents also report feeling intimidated and pressured by the company during negotiations related to relocation, which many residents of Kawasi Village oppose outright. According to residents, the company's practice of partnering with the Indonesian security forces, as well as the use of private security during land relocation negotiations, generates undue pressure on them to leave their ancestral land in Kawasi Village and relocate to Eco Village. Additionally, in the wake of the sediment pond breach, WALHI reports that a community leader who is calling on Harita to address harms has suffered unfounded legal harassment.

Kawasi Village residents have the right to clean water and safe living conditions. Harita should not use private security or Indonesian state security forces to pressure residents to leave their

ancestral land, or use the real risks that its operations have created for Kawasi villagers as a tactic or excuse to push people out of their homes who do not want to leave.

We believe that Harita's actions thus far to address the concerns regarding adequate remediation for damage caused by the flood, water pollution, persistent flooding, the partial collapse of the interior sediment pond walls, the breach of the exterior sediment pond walls, and potential for failure of other mine waste infrastructure, as well as intimidation of community members, are not sufficient. The company must address persistently high levels of toxic chemicals in water originating from the mine as well as the underlying causes of persistent flooding and breaches of the sediment pond, stability issues that are likely to only worsen with future heavy rains.

The below signed organizations echo Kawasi Village residents' calls for Harita Nickel to immediately:

- Compensate residents for costs associated with damages incurred from the flooding events.
- Repair damaged infrastructure from the flooding events, including the school and water sources that have not already been fixed by residents themselves.
- Address root causes of ongoing infrastructure and waste management failures to prevent future disasters that threaten the health and safety of residents, clean water, and coastal ecosystems.
- Provide a written statement with timebound plans to restore electricity and clean water.
 Residents have been asking the company to address these longstanding issues for years,
 long before the partial collapse of the sediment pond.

Additionally, we, as a group of affected stakeholders, rightsholders and allied civil society and Indigenous organizations request, as per IRMA Standard requirement 1.2.4.1¹, all information regarding:

- 1. Harita's management of sediment ponds and other waste/tailings infrastructure on Obi Island;
- 2. All testing and monitoring data related to water quality on Obi Island;
- 3. What measures Harita is planning on taking to ensure the safety and stability of its sediment ponds and other tailings/waste infrastructure; as well as

¹ "1.2.4.1. Any information that relates to the mine's performance against the IRMA Standard shall be made available to relevant stakeholders upon request, unless the operating company deems the request to be unreasonable or the information requested is legitimate confidential business information. If part of a document is confidential only that confidential part shall be redacted, allowing for the release of non-confidential information."

4. If or when Harita decides to undertake the optional Corrective Action Period as part of the IRMA audit, additional information on how the above issues will be addressed in the corrective action plan, as well as how, and with whom, Harita intends to engage as part of its stakeholder engagement plan for the Corrective Action Period.

Furthermore, in light of the ongoing, well-founded concerns regarding water quality in and around Kawasi village, we request that Harita makes available funds for independent water as per IRMA Standard requirement 4.2.4.3².

Sincerely,

Voices

Aksi Ekologi & Emansipasi Rakyat (AEER)
Asia Pacific Transition Mineral Accountability Working Group
Batani Foundation
Bir Duino Kyrgyzstan
Canga Kawasi
Civil Expertise Kazakhstan
Climate Rights International
Earthworks
Forest Watch Indonesia
Mighty Earth
Public Citizen
Rainforest Foundation Norway
Satya Bumi
SIRGE (Securing Indigenous Peoples' Rights in the Green Economy) Coalition

² "4.2.4.3. The operating company shall actively solicit stakeholders from affected communities to participate in water monitoring and to review and provide feedback on the water monitoring program: a. Participation may involve the use of independent experts selected by the community; and b. If requested by community stakeholders, costs related to participation in monitoring and review of the monitoring program shall be covered in full or in part by the company, and a mutually acceptable agreement for covering costs shall be developed."