

August 18, 2023

To: Major investors holding shares in Vale / PT Vale Indonesia

Re: Call for Prompt and Appropriate Action to Urge Vale to Take Measures to Protect the Basic Human Rights of Local Communities Surrounding Sorowako Nickel Project

We are civil society organizations that address the environmental, social, and human rights issues with the local communities affected by PT Vale Indonesia's (PTVI) Sorowako Nickel Project in East Luwu, South Sulawesi, Indonesia (the Project). Today we are sending this call for engagement to you as one of the major investors in Vale, a parent company of PTVI, or as one of the major investors in PTVI, so that you can prevent yourself from being complicit in human rights violations in the Project, as described below.

For more than 50 years since the nickel development by PT International Nickel Indonesia (PT INCO) started in Sorowako, local community, including indigenous people, farmers, fisherfolk, women, have faced a wide range of problems in the development site of its vast concession area (70,566 hectares). In recent years, as the demand for battery materials has increased as part of efforts to achieve a decarbonized society, the pressure for development in Sorowako, ranging from plans to build a new smelter¹ to exploration and expansion of the mine, has rather increased, and the concerns and problems faced by the local community also continue to grow.

Firstly, farmland, an important means of livelihood for the residents of the area surrounding the Sorowako mine, has been deprived with each expansion of the nickel mine. Within the concession area, farmers were forced to leave when the PTVI mining area was extended to farmland. Even when compensation was paid, some farmers reported that it was never enough considering the labor, fertilizers, and other necessary expenses they had invested in cultivating their farmland. In the first place, monetary compensation is not a sustainable measure, since it ends when it is used up. There are also reports of cases where the level and conditions of compensation are not consistent, including cases where there is no compensation at all, leading to the division of communities.

Because of the overlap between the PTVI concession area and the farmland, there have been threats and harassment of farmers by police and security guards to evict them from the PTVI land. Farmers continue to cultivate their land in fear that the land they have worked so hard to cultivate might be deprived of them at any moment.

With respect to the Tanamalia block, where PTVI is currently conducting exploration activities, exploration is proceeding without proper community consultation, and farmers are **calling for**

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<https://www.vale.com/documents/44618/1438416/PT+Vale+and+Huayou+Show+Sustainability+Commitment+by+Building+a+new+HPAL+Plant+for+Limonite+Nickel+Ore+in+Luwu+Timur.pdf/3f0a54cf-12f6-845e-94e2-3950d845d998?version=1.0&t=1668006561928>

the exploration to be halted. In the Sorowako area, pepper cultivation has brought enormous benefits to the community over the past 20 years. For pepper farmers, including women, and those engaged in pepper-related economic activities, the expansion of the mine at the Tanamalia block is a serious concern that threatens their lives. It is **the desperate hope of the farmers that these farmlands be excluded from the PTVI concession area** so that they can continue to farm.

Secondly, Environmental pollution around the Sorowako mine has also threatened the lives of the local community. In February 2023, community members in Asuli village, Towuti district, raised a protest demanding prompt action by PTVI when spring water nearby that the community used as a water source not only turned brown and muddy when it rains, but the water source itself dried up during dry season. The community testified that such water problems had never occurred before the mining operation started nearby. On top of that, hexavalent chromium exceeding the drinking water quality standards by the guidelines for drinking-water quality by World Health Organization (WHO) (0.05 mg/L)², and the water quality standards for drinking water by the Indonesian government (0.05 mg/L)³ was found in theiris water source, when FoE Japan and WALHI South Sulawesi conducted water testing in October 2022. To date, PTVI has failed to provide clean and safe water to the community after more than five months since the community’s complaint.



PTVI’s mining operation expanded into the area right above the community water source and their residential houses in Asuli village. (Photo: July 2022)



Results of simple Cr(VI) detector tube test on the community water in Asuli village (0.05 mg/L) (Photo: October 23, 2022)

² <https://www.who.int/teams/environment-climate-change-and-health/water-sanitation-and-health/water-safety-and-quality/drinking-water-quality-guidelines>

³ https://jdih.setkab.go.id/PUUdoc/176367/Lampiran_VI_Salinan_PP_Nomor_22_Tahun_2021.pdf



One of the community water sources (used by 20 families) affected by PTVI's mining operation in Asuli village. (Photo: January 10, 2023)



The families in Asuli village are saving the contaminated spring water little by little for domestic use due to no other water source. (Photo: January 10, 2023)

In the above-mentioned Tanamalia block, where exploration activities are ongoing, according to pepper farmers in the area, there are at least tens of springs, and the impact not only on the community but also on the ecosystem of the rainforest area, including the flora and fauna that live there, is a major concern.

The access to clean and safe water is one of the basic human rights of the local community, including women and children. With regard to environmental pollution around the project site caused by hexavalent chromium, a highly toxic heavy metal that is a known carcinogen and also causes liver and skin damages, it is important to take a prompt and proactive measure in order to prevent any health damage to the local community in the long-term.

Finally, it is crucial not to overlook the fact that the "freedom of expression" of the local communities, who have been raising their voices to PTVI to improve its measures in order to protect their lives, has been suppressed.

In March 2022, seven residents were unjustly arrested and detained, causing financial and mental hardships for them and their families, when they protested, calling on PTVI to respect the rights of indigenous peoples, ensure access to clean water, respect the rights to farmland, and secure employment opportunities for the youth population. In February 2023 when the above-mentioned community in Asuli village made protest actions, the community had to stop their protest due to the intervention or intimidation by local authorities, such as police and intelligence who summoned a community leader and told him to stop their protest.

Likewise, in June and July 2023, the farmers, who were urging PTVI to stop its exploration in the Tanamalia block, confirmed the presence of military and heavily armed police officers there. This clearly shows that PTVI prefers using repressive methods and ignores any process to obtain consent from the community with proper consultations.⁴⁵ Following this suppressive situation at the local level, the Indonesian Military Regional Command even

⁴ <https://www.journaltelegraf.com/2023/06/tuntutan-petani-dan-perempuan-merica.html>

⁵ <https://www.indeksmedia.id/2023/07/26/petani-dan-perempuan-ketakutan-walhi-sulsel-desak-pt-vale-indonesia-hentikan-militerisasi-di-blok-tanamalia-luwu-timur/>

visited and interrogated the WALHI South Sulawesi office in Makassar, who has been assisting the farmers.

This **serious violation of the "freedom of expression" of residents**, including indigenous peoples, should not be tolerated. As the investor of the Vale-invested nickel development project in Sorowako, your company is required to take appropriate measures to avoid complicity in such human rights violations.

In light of the above, we request that your company take prompt and appropriate action to ensure that PTVI takes the following actions;

1. To exclude the entire Tanamalia block from the concession, as the area is consist of the farmland, where the local communities depend for their livelihood, and rainforest ecosystem / landscape as endemic Sulawesi fauna and flora;
2. To exclude farmland, where local communities depend on for their livelihoods, and adequate buffer zones from the area to be mined (including the Tanamalia block currently under exploration);
3. To take immediate and appropriate remedial measures to ensure clean and safe water access for the local communities. Also, develop and make public a plan to prevent recurrence of problems related to water access;
4. To stop nickel mining activities in essential ecosystem areas, such as forests and river areas, especially upstream, and in community water sources area, in order to prevent toxic pollution in the future;
5. To restore the environment in river areas and community water sources areas;
6. To respect the local community's human rights to health and living, including access to clean and safe water;
7. To respect the freedom of expression of the community affected by its nickel projects.

For local communities affected by the Sorowako Nickel project to be able to continue farming, to maintain a healthy life, and to freely express opposition and concern - all of these are basic human rights. We look forward to your company's sincere response according to the UN Guiding Principles on Business and Human Rights.

LIST OF SIGNATORIES

This letter is signed by 104 organizations, including those working at international and regional levels plus organizations working nationally in 23 countries.

INITIAL SIGNATORIES

WALHI South Sulawesi

Wahana Lingkungan Hidup Indonesia (WALHI / FoE Indonesia)

Friends of the Earth Japan

Pacific Asia Resource Center, Japan

Indonesia

AEER (Action for Ecology and People Emancipation)
Balai Latihan dan Pengembangan Masyarakat
Barisan Pemuda Adat Nusantara
Common
Debt for Climate Indonesia
Eksekutif Daerah WALHI Aceh
Environmental Law Forum
Extinction Rebellion Makassar
Green Youth Movement
Inisiasi Masyarakat Adat (IMA)
Institute for National and Democracy Studies (INDIES)
JALA PRT
Jangkar Bumi
KRuHA
LBH MATARAM
Lembaga Kajian Pengembangan Masyarakat dan Pesantren (LKPMP)
Nexus3 Foundation
PROGRESS
ResponsiBank Indonesia
Satya Bumi
Senik Centre Asia
Trend Asia
WALHI BENGKULU
WALHI Central Kalimantan
WALHI Jambi
WALHI Jawa Tengah
WALHI Jawa Timur (East Java)
WALHI Lampung
Walhi Maluku Utara
WALHI Riau
WALHI SOUTH KALIMANTAN
Walhi Sulawesi Tengah
WALHI Sumatera Utara
WALHI West Java
WALHI Yogyakarta
Xr
Yayasan Bumi Mandiri
Yayasan Lembaga Bantuan Hukum Indonesia (YLBHI / Indonesia Legal Aid Foundation)
Yayasan Peduli Lingkungan - Sulawesi Selatan
Yayasan Pemerhati Masalah Perempuan Sulawesi Selatan
Yayasan Pusaka Bentala Rakyat

International and regional organizations

Accountability Counsel
Asia Pacific Network of Environment Defenders
Asia-Pacific Gathering on Human Rights and Extractives (AP Gathering)

Civil Society Women Organization
CNS
Eco Circular India Foundation
Empower India
Fair Finance International
Friends of the Earth International
IPMSDL
Just Finance International
London Mining Network
Marian Women Producers Cooperative/Ang Aroroy Ay Alagaan, Inc.-Philippines
NGO Forum on ADB
Pmpi
Ponlok Khmer
Stand.earth
UNLAD
Urgewald

Argentina

Tierra Nativa / Amigos de la Tierra Argentina

Australia

AidWatch

Bangladesh

Children's Goal

Canada

Friends of the Earth Canada

Costa Rica

COECOCEIBA - FoE Costa Rica

Finland

Friends of the Earth Finland

France

JusticeMakers Bangladesh in France(JMBF)
Les Amis de la Terre France / Friends of the Earth France

India

Project Affected People's Association
Socialist Party (India)
Vikas Adhyayan Kendra

Japan

Japan Tropical Forest Action Network (JATAN)
Mekong Watch

Malta

Friends of the Earth Malta

Mongolia

Centre for Human Rights and Development

Nepal

National Forum for Advocacy Nepal (NAFAN)

Netherlands

BOTHENDS

Profundo

Norway

Nordic Centre for Sustainable Finance (Part of ActionAid Denmark)

Pakistan

SUKAAR WELFARE ORGANIZATION

Philippines

Aksyon sa Kahandaan sa Kalamidad at Klima AKKMA

Alyansa Tigil Mina (ATM)

CCMCL Baywatch Foundation

Center for Environmental Concerns (CEC)

Convergence of Initiatives for Environmental Justice (CIEJ)

Cordillera Peoples Alliance

Environmental Legal Assistance Center (ELAC)

Jalaur River for the Peoples Movement (JRPM)

Kalikasan People's Network for the Environment

Legal Rights and Natural Resources Center -Friends of the Earth Philippines

SAM

Task Force Detainees of the Philippines

Unyon ng mga Manggagawa sa Agrikultura (UMA)

Sri Lanka

Centre for Environmental Justice/ FoE Sri Lanka

Sweden

Jordens Vanner / Friends of the Earth Sweden

Thailand

Ecological Alert and Recovery - Thailand (EARTH)

Retired Social Science and Politics Academic

Togo

Les Amis de la Terre-Togo

United States of America

Friends of the Earth United States

Vietnam

Center for Sustainable community development

Attachment:

- [Statement by Loeha-Mahalona Pepper Farmers' Association](#): "Pernyataan Sikap Masyarakat (Petani dan Perempuan) Loeha Raya Menolak Aktivitas Eksplorasi dan Perluasan Tambang PT Vale Indonesia di Blok Tanamalia, Kecamatan Towuti, Kabupaten Luwu Timur" (July 24, 2023)

Contact:

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