

June 10, 2023

To: Business-Human Rights Resources Centre Asia <[asia@business-humanrights.org](mailto:asia@business-humanrights.org)>

With Respect,

In response to reports by the Mining Advocacy Network (JATAM) and Trend Asia, hereby PT Trimegah Bangun Persada Tbk (the "Company") reiterates the Company's explanation:

1. Response related to allegations to the Company and other related companies have damaged the environment, polluted water sources, air and to trigger social conflict due to repeated intimidation and violence.

**The Company and other related companies do not pollute the environment, water sources, river water, sea water and do not pollute the air due to dust and pollution. There are also no social conflicts that occurred at the mine site, namely Kawasi Village, South Halmahera, North Maluku.**

The Company has been rated **compliant** and is in line with the environmental management and monitoring obligations required by the North Maluku Province Environmental Service as stated in the evaluation reports on the implementation of the Environmental Management Plan and Environmental Monitoring Plan on March 12, 2023. The Company has also obtained all environmental permits, including for waste management and storage.

In order to perform the environmental management and monitoring, the Company also cooperates with accredited independent laboratories. The Company has also conducted monitoring of emissions, ambient air and noise monitoring point locations which are mandatory and the results **is in-line with the Quality Standards** set by Government. Furthermore, the Company has also conducted the monitoring at the compliance point for wastewater disposal, both domestic and mining activity waste in accordance with the Liquid Waste Disposal Permit and the results **is in-line with the Quality Standards** set by Government.

The Company has installed a SPARING tool (Continuous Monitoring Tool) at the compliance point location. Meanwhile for the power plant area, the Company has also installed a Continuous Emission Monitoring System (CEMS) to fulfill the Company's obligations. The Company has also reported waste management on the SIRAJA WASTE application owned and operated by Ministry of Environment and Forestry.

The Company has received the PRATAMA Award for its achievements in environmental management of mineral and coal mining for a group of business entities holding mining permit for mineral and coal commodities in 2021 from the Indonesian Ministry of Energy and Mineral Resources.

The presence and existence of the Company in Kawasi Village since 2010 has been based on permits granted by the government and strictly monitored under government guidance through the relevant Ministries. Furthermore, the Company is also the Initiator and Implementer of the National Strategic Project ("PSN") for the Obi Island Industrial Area ("KIO") which was established through Presidential Regulation of the Republic of Indonesia Number 109 of 2020 concerning the Third Amendment to Presidential Regulation Number 3 of 2016 concerning the Acceleration of Implementation of National Strategic Projects. This is a form of consistency in the implementation of the commitments that have been implemented by the Company to optimize and increase added value to all existing resources in the KIO in order to provide maximum benefits for shareholders, communities around the area as well as Regional and Central Government. Efforts to develop the Company, which one of the sources of financing obtained through corporate action performed by the Company in the form of an Initial Public Offering (IPO), shall not change the Company's commitment to implement the best environmental management standards and prioritized the ESG (Environmental, Social & Governance).

2. Response related to land matters.

**No residents' plantations were damaged and the Company did not carry out forced evictions to the residents.**

The Company only uses forest area that has obtained Forest Area Utilization Permit. In the event any plants belonging to residents in the forest area, the Company would compensate them. The Company indeed respects the rights of the community, therefore every related activity is carried out in a transparent, full of a sense of kinship and involving the local government.

3. Responses regarding the alleged polluted water source for Kawasi residents.

To date, the residents **of Kawasi Village are utilizing existing water sources** and while at the same time, still meeting the quality standards set by the government. In the event that a resident is seen purchasing water, it is found to be from a refill bottled water station, which is commonly available in many places, including Kawasi village.

The results of Kawasi spring water analysis for more than 10 years (2013 – January 2023) evidence that the quality of Kawasi spring water is suitable for consumption and in line with the water quality standards set by the Government. The Cr6+ content is analyzed by an accredited independent laboratory. The results of the analysis were in the range of <0.005 – 0.048 mg/L (5 – 48 ppb) or the average for 10 years was 0.015 mg/L (15 ppb). Thus the average dissolved Cr6+ in the Kawasi spring is 5 times below than the threshold set by Government.

On April 7-10 2023 the Company invited 12 national media editors to conduct a site visit and to directly witness the operations, environmental management and monitoring that the Company is conducting. The Company also allowed the

media to take water samples from the Kawasi Village Spring and conducted testing at an accredited independent laboratory appointed by the Ministry of Environment and Forestry. The test results were sent directly to the requesting media and the following are the test results:

- The in situ pH is 7.87 with quality standards according to the Regulation of the Minister of Health of the Republic of Indonesia No. 32 of 2017 between 6.5-8.5.
- While the Cr6+ content is <0.005 mg/L with the quality standard according to the same regulation of 0.05 mg/L.

This data again shows that the level of dissolved Cr6+ in the Kawasi spring is much lower than the quality standard.

**No waste is disposed into the rivers and flows into the sea.** The company places the processed residual (SHP) from the pyrometallurgy smelter in the form of nickel slag in ex-mining pits and part of it is being used as material for creating bricks, precast and concrete for the road paving. Meanwhile, SHP from the hydrometallurgy refinery is processed using a filter press and placed in an ex-mine pit (dry stack). All SHP placements are carried out after the Company obtains a permit from the Ministry of Environment and Forestry. Meanwhile, in the event that any water disposed from our project into the environment, it must go through prior processing and in line with the quality standards set by Government.

4. Response related to the difficulties of the Kawasi people to do fishing.

**Fishermen in Kawasi village still conduct their livelihood by fishing as they have always done even before the company existed.** On March 18-19, 2023 the Company sponsored a Fishing Tournament which was attended by participants from Kawasi Village, Soligi Village and Company's employees. The total number of participants in the competition was 193 people where in this activity a total of 237.67 kg of fish were caught, and the winner of this fishing competition caught a fish with a total weigh of 23 kgs. This evidenced that there are abundant of fish in the ocean surrounding Kawasi and Soligi Village.

With regards to "reddish water", it may occur temporarily mostly due to heavy rains and this commonly occurs in tropical area especially in Indonesia. Several marine experts have also conducted researches in the ocean near Kawasi Village and found that fishery productivity in Obi Island waters is still well maintained.

5. Responses related to Coal Power Plant Operations that polluting the air.

**The operation of coal-fired power plants, which support the operations of the Company and other Harita Group companies consistently follow the Government's emission limits.** Furthermore, the Company regularly monitors air quality, ambient in Kawasi Village and the air quality is always in-line with the quality standards determined based on the applicable laws and

regulations. Air quality monitoring data for the Kawasi village from 2019 - 2022 shows that it is in-line with the quality standards set by the Government. Measurements of dust in the village also show that it is still within the air quality standard stipulated in Government Regulation Number 22 of 2021 regarding Implementation of Environmental Protection and Management

As part of its commitment to sustainability and support for the creation of Net Zero Emissions, the Company has already established a road map for using New and Renewable Energy (EBT).

With regards to people's health, the Company always works closely with the Health Service and always supports public health activities and programs implemented by the local Government, including efforts to prevent and manage the Covid-19 pandemic. In addition, the Company also provides health services in the form of operational assistance to Village Maternity Clinics in Kawasi Village and Soligi Village, establishing local nutrition counters, free medical treatments as well as health socialization and screening for infectious diseases to the local community.

6. Response related to forcing the Kawasi residents to go to new settlement.

The spirit of respect for community is also shown in the construction of the new settlement of Kawasi Village, which was an initiative of the Regional Government in accordance with the letter from the South Halmahera Regent Number 135/572/2019 dated 18 February 2019 that requesting the Company's support, participation and contribution in the program of arrangement of new settlement for Kawasi people as part of local Government's preparations for the expansion of Obi Southwest District.

New settlement development is the Company's apparent support to help provide more decent housing for residents of Kawasi Village. Prior to constructing the new settlement, the Company has also conducted various social, economic and cultural studies in collaboration Khairun University Ternate. Thus, all the decisions related to the construction of new settlement are taken with reference to and supported by scientific studies; and when it comes to the community, they are made transparently based on deliberation and consensus.

The Company is always committed to comply with the ESG principles in running its business including fulfilling all obligations under the applicable laws and regulation.

We do hope that the above clarifications can answer your queries.

Thank you

A handwritten signature in black ink, appearing to read 'Anie', is written over a horizontal line.

**Anie Rahmi**  
Corporate Communications Manager