INDONESIA
NICKEL INDUSTRY
MADANI Berkelanjutan
NICKEL CONCESSIONS ARE CONCENTRATED IN FOREST & BIODIVERSITY-RICH ISLANDS

Islands with nickel concessions

Concessions Area per Province (ha)

- Sulawesi Tengah: 277.81 ha
- Sulawesi Tenggara: 243.35 ha
- Maluku Utara: 204.85 ha
- Sulawesi Selatan: 84.4 ha
- Belum Terdefinis: 24.55 ha
- Papua: 16.43 ha
- Papua Barat: 10.29 ha
- Maluku: 4.36 ha
MOST OF NICKEL CONCESSIONS ARE FOUND IN FOREST AREA

CONCESSIONS ARE IN FOREST ZONE

73%

542k ha Remaining natural forests in nickel concessions

Production Forest: 488.85
Non Forest Area: 207.87
Protected Area: 143.94
Undefined: 23.5
Conservation Forest: 1.88

INDICATION OF PROBLEM BECAUSE THERE SHOULD NOT BE OPEN MINING IN PROTECTED FOREST
## History of Deforestation in Nickel Concessions

65 thousand ha of forest were lost in the last 10 years. One third occurred in 2015-2016.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Deforestation caused by nickel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-2012</td>
<td>193 ha</td>
</tr>
<tr>
<td>2012-2013</td>
<td>10,576 ha</td>
</tr>
<tr>
<td>2013-2014</td>
<td>2,914 ha</td>
</tr>
<tr>
<td>2014-2015</td>
<td>7,328 ha</td>
</tr>
<tr>
<td>2015-2016</td>
<td>22,465 ha</td>
</tr>
<tr>
<td>2016-2017</td>
<td>7,977 ha</td>
</tr>
<tr>
<td>2017-2018</td>
<td>8,414 ha</td>
</tr>
<tr>
<td>2018-2019</td>
<td>1,510 ha</td>
</tr>
<tr>
<td>2019-2020</td>
<td>2,815 ha</td>
</tr>
<tr>
<td>2020-2021</td>
<td>1,517 ha</td>
</tr>
</tbody>
</table>
DEFORESTATION THREAT IN NICKEL CONCESSIONS

542,000 ha natural forests at risk

- 197,000 ha Central Sulawesi
- 122,000 ha Southeast Sulawesi
- 151,000 ha North Maluku
- 16,000 ha Papua
- 49,000 ha South Sulawesi
MORE SMELTERS CAN DRIVE DEFORESTATION IN THE FUTURE

SMELTER

27 OPERATION
29 CONSTRUCTION
2 PLANNING

Owned State

National Strategict Projects

Central Sulawesi

East Java

Banten

North Maluku

Southeast Sulawesi

South Sulawesi

Madani
## SMELTERS CATEGORIZED AS STRATEGIC NATIONAL PROJECTS (SNPs)

SNPs are given a lot of regulatory privileges

<table>
<thead>
<tr>
<th>NO</th>
<th>Companies</th>
<th>Location</th>
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<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PT Ang And Fang Brother</td>
<td>Central Sulawesi</td>
<td>8</td>
<td>PT Ceria Nugraha Indotama</td>
<td>Southeast Sulawesi</td>
</tr>
<tr>
<td>2</td>
<td>PT Artabumi Sentra Industri</td>
<td>North Maluku</td>
<td>9</td>
<td>PT Macika Mineral Industri</td>
<td>Southeast Sulawesi</td>
</tr>
<tr>
<td>3</td>
<td>PT Sulawesi Resources</td>
<td>Central Sulawesi</td>
<td>10</td>
<td>PT Virtue Dragon Nickel Industry</td>
<td>Southeast Sulawesi</td>
</tr>
<tr>
<td>4</td>
<td>PT Wanxiang Nickel Indonesia</td>
<td>Central Sulawesi</td>
<td>11</td>
<td>PT Sinar Deli Bantaeng</td>
<td>South Sulawesi</td>
</tr>
<tr>
<td>5</td>
<td>PT Artha Mining Industry</td>
<td>Southeast Sulawesi</td>
<td>12</td>
<td>PT Aneka Tambang P3FH (State Owned)</td>
<td>North Maluku</td>
</tr>
<tr>
<td>6</td>
<td>PT Bintang Smelter Indonesia</td>
<td>Southeast Sulawesi</td>
<td>13</td>
<td>PT Aneka Tambang Niterra Haltim (State Owned)</td>
<td>North Maluku</td>
</tr>
<tr>
<td>7</td>
<td>PT Sungai Raya Nickel Alloy Indonesia</td>
<td>Southeast Sulawesi</td>
<td>14</td>
<td>PT Teka Mining Resources</td>
<td>North Maluku</td>
</tr>
</tbody>
</table>

Source: Economic Ministry Law 7/2021
### Top 5 Biggest Smelters in Indonesia

<table>
<thead>
<tr>
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<th>Corporate</th>
<th>Location</th>
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<tbody>
<tr>
<td>1</td>
<td>PT Virtue Dragon Nickel Industry</td>
<td>Southeast Sulawesi</td>
</tr>
<tr>
<td>2</td>
<td>PT Tsingshan Steel Indonesia</td>
<td>Central Sulawesi</td>
</tr>
<tr>
<td>3</td>
<td>PT Walsin Nickel Industrial Indonesia</td>
<td>Central Sulawesi</td>
</tr>
<tr>
<td>4</td>
<td>PT Yashi Indonesia Investment</td>
<td>North Maluku</td>
</tr>
<tr>
<td>5</td>
<td>PT Sulawesi Mining Investment</td>
<td>Central Sulawesi</td>
</tr>
</tbody>
</table>

**Source:** Petromindo Nickel Outlook 2022

**MOST OF SMELTERS ARE LOCATED LESS THAN 3.5 KM FROM THE COASTLINE**

**SMELTER LOCATION COMPARED TO COASTLINE**

- 23% Less than 3.5 km from coastline
- 7% More than 3.5 km from coastline

**80% of smelters are only less than 3.5 km from the coastline**
1,6 MILLION HA NATURAL FORESTS AROUND CONCESSIONS AND LESS THAN 1 MILLION HA WITHIN 30 KM RADIUS OF SMELTERS

- PT Yashi Indonesia Investment
- PT Sulawesi Mining Investment
- PT Walsin Nickel Industrial Indonesia
- PT Tsingshan Steel Indonesia
- PT Virtue Dragon Nickel Industry

Legend:
- Smelter (On Progress)
- Smelter (Operating)
- Primary Natural Forests
- Secondary Natural Forests
- 30 km radius from smelter
- Nickel concessions
- Administrative borders (province)
There are more than 60,000 ha of IPLCs territories within nickel concessions. The rest are within a 30 km radius of smelters.
Almost all concession and smelter areas are habitats of more than 13 species of flora & fauna.
MORE THREATS THAN SAFEGUARDS

SAFEGUARDS

- Forestry Law; prohibition of open mining in protected forests
- Moratorium policy partially protects primary forests and peatland, but excludes permits issued before 2011 and National Strategic Programs
- Environmental Impact Assessment as a condition for permit issuance

THREATS

- Smelters as a National Strategic Project are given regulatory privileges
- Economic incentives may drive nickel exploration
- Legal amnesty and activation of problematic mining
- No sustainable standard for nickel mining and smelters
- Systemic corruption
- Privilage to nickel concessions in Protected Forest by President Law 41/2004 (revised by Law 3/2023 but not change the issues)
IPLC RIGHTS ARE NOT PROTECTED

FPIC ✓

FPIC ✓

FPIC ✗
How investors can push for sustainable nickel industry

- Demand strong social and environmental safeguards, including FPIC
- Avoid mining in natural forests and small island area
- Demand Good Mining Practices with strong transparency & traceability