

To Norges Bank

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UNOFFICIAL ENGLISH TRANSLATION

**Recommendation to exclude Eramet SA
from investment by the Norwegian
Government Pension Fund Global
(GPFG)**

Summary

The Council on Ethics recommends that Eramet SA be excluded from investment by the Norwegian Government Pension Fund Global (GPF) due to an unacceptable risk that the company is contributing to, or is itself responsible for, serious environmental damage and gross violation of the human rights of uncontacted indigenous people.

The Council's assessment relates to Eramet's participation in the joint venture PT Weda Bay Nickel (WBN), which extracts nickel on the island of Halmahera in Indonesia.

Eramet is an international mining and metals processing company which is listed on the Euronext Paris stock exchange. At the close of 2024, the GPF owned 0.74 per cent of the company's shares, worth NOK 134 million.

Eramet acquired a stake in WBN in 2006 and currently holds a 38.9 per cent indirect shareholding in the joint venture. Development of the mine commenced in 2017 and it went into operation in 2019. The concession area extends across 450 km². So far, 27 km² has been developed. The mine has an expected lifespan of 25 years. Eramet is its operator.

Mining operations will result in the deforestation of large areas of intact rainforest. The concession area is part of a biodiversity hotspot and overlaps with both a Key Biodiversity Area and an Endemic Bird Area. WBN's own surveys have identified the entire concession area as a critical habitat, in other words, an area of high conservation value and importance for biodiversity, with many endemic species. The Council attaches importance to the fact that each one of these different classifications emphasises the area's material contribution to global biodiversity and the importance of its preservation.

WBN will implement measures to reduce the environmental impact of its operations. The measures include, for example, "avoidance zones" and "offset areas" both inside and outside of the concession area. WBN states that the goal of these measures is to achieve a net positive outcome – in other words, a measurably positive impact on biodiversity. Given that the area to be cleared of forest has a high conservation value, it is not clear to the Council how a net gain in biodiversity may be achieved in connection this project.

In this case, the risk of serious environmental damage is closely linked to the rights of indigenous people. The deforestation and environmental damage associated with the mining operation could threaten the survival of the O'Hongana Manyawa people, who are one of the last uncontacted indigenous peoples in Indonesia.

Uncontacted indigenous people have themselves decided to live isolated from the outside world. Contact with outsiders may have fatal consequences for the

group because they do not have immunity to diseases that are common in other communities. The O'Hongana Manyawa people's livelihood, way of life and culture are based on the resources contained in the Halmahera Forest. Surveys show that the territory of this group of indigenous people lies both inside and outside of WBN's concession area.

A decisive factor for the Council has been that deforestation and the fragmentation of forest land as a result of mining operations will increase substantially in the years ahead and that it will result in a corresponding reduction in the O'Hongana Manyawa people's territory. This encroachment on the land they occupy could increase the risk of their coming into contact with outsiders.

Eramet denies that uncontacted indigenous people live in or near its concession area. The company points out that the latest investigations to which it has contributed have found no evidence of this. The Council attaches greater weight to the environmental impact assessment carried out in 2010, which found that such groups were present in and around the concession area and that more recent surveys have confirmed this. The Council would also like to point out that mining operations will affect these groups even though they remain exclusively outside the concession area.

The Council considers that WBN and Eramet are failing to exercise the necessary due diligence to prevent their mining operations from causing significant and irreversible harm to the environment and to people. The Council attaches importance to the fact that isolated indigenous groups are among the most vulnerable populations in the world, and that the O'Hongana Manyawa do not have anywhere else to live than Halmahera's rainforest. The Council considers that the risk of Eramet contributing to serious environmental damage and gross human rights violations will remain unacceptable for as long as the joint venture's activities lead to the loss of large swathes of intact rainforest and the territory of uncontacted indigenous people is not protected.

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1 Introduction

The Council on Ethics for the Norwegian Government Pension Fund Global (GPFG) has assessed the Fund's investment in Eramet SA¹ against both the human rights and the environmental criteria in the Guidelines for Observation and Exclusion of Companies from the Government Pension Fund Global (the ethical guidelines).² The Council's assessment relates to the Weda Bay Nickel mine in Indonesia, its deforestation of intact rainforest and the consequences this will have for biodiversity and uncontacted indigenous people.

Eramet is a multinational mining and metal processing company that is listed on the Euronext Paris stock exchange. Eramet's products include nickel, lithium, manganese and mineral salt.³ The company has operations in 15 countries, including Norway, the USA and Indonesia.

At the close of 2024, the GPFG owned 0.74 per cent of the company's shares, worth NOK 134 million.

1.1 Matters considered by the Council

The Council has assessed the GPFG's investment in Eramet SA against two criteria set out in section 4 of the ethical guidelines, which states that:

"Companies may be excluded or placed under observation if there is an unacceptable risk that the company contributes to or is responsible for:

a) serious or systematic human rights violations

[...]

e) severe environmental damage

[...]"

The Council's assessment relates to Eramet's participation in the nickel mine located in Weda Bay on the island of Halmahera in Indonesia (see Fig. 1)⁴, which is owned and operated by PT Weda Bay Nickel (WBN). WBN's concession area

¹ Issuer ID: 153771

² Guidelines for Observation and Exclusion of Companies from the Government Pension Fund Global:
https://www.regjeringen.no/contentassets/9d68c55c272c41e99f0bf45d24397d8c/2022.09.05_gpfg_guidelines_observation_exclusion.pdf.

³ Eramet's website: <https://www.eramet.com/en/group/>.

⁴ WBN's website: [About us - Weda Bay Nickel](#)

consists primarily of intact rainforest, which is also inhabited by indigenous people living in voluntary isolation.⁵

In previous cases,⁶ the Council has taken the view that companies may be said to contribute to norm violations covered by the GPFG's ethical guidelines if they clear areas of intact rainforest or impact the survival of uncontacted indigenous people.⁷

Pursuant to the ethical guidelines, the norm violations must be ongoing or there must be an unacceptable risk of future norm violations. When assessing the risk of future norm violations, the Council accords weight to the way a company has responded when norm violations have been discovered, and what the company has done to prevent their reoccurrence.

The Council is aware that WBN has been accused of impairing the livelihoods and infringing the land rights of local communities around Weda Bay, and of failing to pay adequate compensation. The Council has not assessed these allegations in further detail.

⁵ Subsequently also referred to as uncontacted indigenous people or isolated indigenous people.

⁶ See, the Council's recommendations to exclude Halcyon Agri Corp Ltd: <https://etikkradet.no/halcyon-agri-corp-ltd-2/>; as well as Repsol S.A. and Reliance Industries Ltd: <https://etikkradet.no/repso-s-a-and-reliance-industries-limited/>.

⁷ In this recommendation, the terms indigenous people living in voluntary isolation, uncontacted indigenous people and isolated indigenous people are used synonymously.



Fig. 1 The North Maluku islands and the Central Halmahera Regency are marked in red. Weda Bay Nickel is located in the Central Halmahera Regency.

1.1.1 Environmental damage

In previous recommendations relating to serious environmental damage, the Council has attached importance to the scale of the damage, whether it causes irreversible or long-term harm, whether national laws or international norms have been violated, and what the company has done to prevent or rectify the damage.

The Council refers to the fact that in its summary of what is known about the global status of biodiversity, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) reports that 25 per cent of known plant and animal species are threatened with extinction.⁸ If we continue with 'business as usual', this figure will rise increasingly rapidly in the years ahead. The Council further refers to the Kunming-Montreal Global Biodiversity Framework (GBF) from 2022,⁹ and attaches importance to the goal of halting the human-

⁸ IPBES (2019): Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. E. S. Brondizio, J. Settele, S. Díaz, and H. T. Ngo (editors). IPBES secretariat, Bonn, Germany. 1148 pages. <https://doi.org/10.5281/zenodo.3831673>

⁹ The Kunming-Montreal Global Biodiversity Framework (GBF): <https://www.cbd.int/gbf>

caused extinction of species known to be endangered and reducing to near zero the loss of important areas of nature and ecosystems by 2030.¹⁰ The GBF also establishes an expectation that financial institutions will take responsibility for helping to reduce the loss of nature.¹¹

Also of relevance for this assessment is the recognition by the 2024 United Nations Biodiversity Conference (CBD COP16) of the role of indigenous people and local communities in preserving biodiversity and contributing to its sustainable use, and the establishment of a new, permanent body which aims to ensure that indigenous people are seen and heard in the effort to achieve all the goals set out in the GBF.¹²

International Finance Corporation (IFC) Performance Standard for Biodiversity Conservation and Sustainable Management of Living Natural Resources (PS6)

The IFC's Environmental and Social Performance Standards are internationally recognised norms for how companies should manage environmental and social risks relating to their business operations.¹³ The IFC standard for biodiversity conservation (PS6) provides guidelines for how companies can manage and mitigate the adverse impacts on biodiversity and ecosystem services that their operations cause. Among other things, companies must apply a hierarchy of mitigation measures when planning projects, in order to minimise their harm to biodiversity. This mitigation hierarchy involves a stepwise approach, which is used when planning activities that may harm nature. First and foremost, efforts must be made to avoid damage, then limit it where possible. Where damage is unavoidable, nature must be restored. As a last resort, any residual damage must be offset. This latter may, for example, mean deliberately setting aside areas for the preservation of biodiversity (biodiversity offsets).

1.1.2 The rights of indigenous peoples

When assessing what qualifies as serious or systematic human rights abuses, the Council relies on internationally recognised conventions and authoritative interpretations thereof.

Although international human rights conventions are binding on states not companies, companies may be said to contribute to human rights abuses. When assessing companies' contributions to such abuses, the Council presumes that

¹⁰ The Kunming-Montreal Global Biodiversity Framework (GBF) target 1.

¹¹ The Kunming-Montreal Global Biodiversity Framework (GBF) target 15.

¹² Biodiversity COP 16: Important Agreements Reached Towards making "Peace with Nature" | Convention on Biological Diversity: <https://www.cbd.int/article/agreement-reached-cop-16>.

¹³ IFC PS6, 2012: <https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standard-6-en.pdf>.

there must be a link between the company's business operations and the norm violations concerned. The Council also presumes that the company must have either actively contributed to the norm violations or known about them without having taken steps to prevent them.

The United Nations Declaration on the Rights of Indigenous Peoples from 2007¹⁴ and ILO Convention No. 169¹⁵ concern the fundamental rights of the world's indigenous and tribal peoples (in the following referred to collectively as indigenous people) and establish minimum standards for safeguarding the survival of the world's indigenous peoples and their dignity, welfare and cultural practices. Indigenous people's rights build on existing universal human rights, as laid down in the International Covenant on Civil and Political Rights (ICCPR).¹⁶

ILO Convention No. 169 establishes the collective right of indigenous peoples to determine their cultural and economic development. It establishes indigenous people's right to decide their own developmental priorities (Article 7), recognises indigenous people's collective cultural, spiritual and economic ties to their lands (Article 13) and establishes indigenous people's rights of ownership and possession of lands which they have traditionally occupied in pursuit of their livelihoods and traditional activities (Article 14).¹⁷ The right to self-determination also implies the right not to be subjected to forced assimilation, and "any action which has the aim or effect of dispossessing them of their lands, territories or resources."¹⁸

Indonesia has not ratified ILO Convention No. 169.

In this case, the Council has also found guidance in UN guidelines for the protection of indigenous peoples living in voluntary isolation and recently contacted indigenous peoples.¹⁹ For indigenous people living in isolation, the

¹⁴ United Nations Declaration on the Rights of Indigenous Peoples:
http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf.

¹⁵ ILO Convention No. 169 on Indigenous and Tribal Peoples:
https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C169.

¹⁶ International Covenant on Civil and Political Rights (ICCPR):
<https://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx>.

¹⁷ CIDH (2013), *Pueblos indígenas en aislamiento voluntario y contacto inicial en las Américas*, p. 19, para 58: <https://www.oas.org/es/cidh/indigenas/docs/pdf/informe-pueblos-indigenas-aislamiento-voluntario.pdf>.

¹⁸ United Nations Declaration on the Rights of Indigenous Peoples (Article 8.2 and 8.2 b).

¹⁹ UN Office of the High Commissioner for Human Rights 2012, *Directrices de Protección para los Pueblos Indígenas en Aislamiento y en Contacto Inicial de la Región Amazónica, el Gran Chaco y la Región Oriental de Paraguay : resultado de las consultas*

right to self-determination means absolute respect for their decision to remain isolated. Activities linked to the extraction of natural resources should not take place in areas in which uncontacted indigenous people live, or should be modified to safeguard their rights to their own lands. Isolated indigenous peoples are especially vulnerable groups which companies are expected to treat with extraordinary care and due diligence.

1.2 Sources

This recommendation is based on publicly available information concerning WBN's activities on the island of Halmahera, Indonesia. For example, the organisation Survival International has conducted extensive studies of the indigenous peoples living in voluntary isolation, and how they are impacted by resource extraction. A published version of the environmental impact assessment for Weda Bay Nickel (ANDAL) has also been consulted.

For a period in February/March 2024, Eramet gave the Council on Ethics time-limited, eyes-only access to documents relating to biodiversity and social conditions. The Council has also held several meetings with company representatives, and Eramet has provided some information relating to this matter. Eramet has also commented on two separate draft recommendations to exclude it from investment by the GPFG.

2 Background

2.1 About Weda Bay Nickel (WBN)

Eramet and the Chinese company Tsingshan Holding Group have established the joint venture Strand Minerals in Indonesia.²⁰ Strand Minerals owns 90 per cent of PT Weda Bay Nickel (WBN). Indonesia's state-owned company PT Andam owns the remaining 10 per cent. Eramet owns 43 per cent of Strand Minerals, while Tsingshan Holding Group owns 57 per cent. Eramet therefore has an indirect shareholding in WBN of 38.7 per cent. The GPFG has no investments in Tsingshan Holding Group.

realizadas por ACNUDH en la region : Bolivia, Brasil, Colombia, Ecuador, Paraguay, Perú y Venezuela:

<https://drive.google.com/file/d/1wF4Z0tWMALkGvn5GAonZHHv4oqkp8cTb/view?pli=1>.

²⁰ Eramet, 2023 Annual Report: <https://www.eramet.com/en/news/2024/04/eramet-rapport-integre-2023/>.

WBN's business operations include a ferro-nickel smelting works and associated infrastructure, and a nickel mine. WBN is currently the world's largest nickel mine, producing 36,300 tonnes of nickel ore in 2023.²¹

Eramet began prospecting for nickel in Halmahera in the late 1990s.²² The company acquired a stake in WBN in 2006, although mine development did not begin until 2017. The mine went into operation in 2019.²³ With respect to operational accountability, Weda Bay Nickel states on its website that *"Under a partnership agreement established in 2017, Eramet oversees PT Weda Bay Nickel's operations, focusing on implementing mining and ESG best practices in collaboration with Tsingshan, which manages the metallurgical activities and infrastructure development."*²⁴ According to the company's annual report, Eramet is the mine's operator.²⁵

WBN's concession area extends over 450 km² (see Fig. 2).²⁶ The mine is expected to have a total lifespan of 25 years. Since mining commenced in 2019, around 27 km² have been developed.²⁷

According to WBN's environmental impact assessment (EIA), eight different deposits (pits) will be mined during the project period (see Fig. 3).²⁸ This includes several smaller deposits located in the lowland area (250–500 m above sea level), close to the processing plant on the coast, and several larger deposits located further inside the forest (800–1,000 m above sea level).

²¹ Weda Bay Nickel's website: <https://www.wedabaynickel.com/en/weda-bay-nickel/our-business/operations/>.

²² Eramet: The success story of Weda Bay Nickel. The website is no longer available on Eramet's website, but may be found at: <https://web.archive.org/web/20230901180755/https://www.eramet.com/en/group/the-success-story-of-weda-bay-nickel/>.

²³ Eramet's website: <https://www.eramet.com/en/group/the-success-story-of-weda-bay-nickel/>.

²⁴ Weda Bay Nickel's website: [About us - Weda Bay Nickel](#).

²⁵ Eramet Integrated Report 2023, p. 4: <https://www.eramet.com/en/investors/annual-report/>. Here, Eramet discloses that it "operates the two largest mines in the world", in Gabon and Indonesia.

²⁶ Also referred to as the Contract of Work.

²⁷ Letter from Eramet to the Council on Ethics, dated 24 January 2025.

²⁸ Weda Bay Nickel, ANDAL, 2009, Chapter 2, p. 32.



Fig. 2: Map showing Weda Bay Nickel's location in Halmahera. The concession area is indicated by a dark-blue line. The map was sourced from the ANDAL EIA.



Fig. 3b shows WBN's concession area, as in Fig. 3a. However, the image at the bottom right of the figure shows updated information about the extent of its nickel reserves.³⁰

³⁰ Eramet's website: <https://www.eramet.com/en/eramet-group/sites/eramet-in-indonesia/eramet-in-indonesia-facts-and-figures/>.

2.2 The ecology of the concession area

Halmahera is one of the Maluku islands, which is included in the *Wallacea Biodiversity Hotspot*,³¹ one of 36 such “biodiversity hotspots” in the world.³² Biodiversity hotspots are considered to be among the most important areas for biodiversity not only because they contain exceptional concentrations of endemic species (species that are found nowhere else), but also because they have lost more than 70 per cent of their original vegetation. In total, these areas cover just 2.5 per cent of the Earth’s surface, yet contain a disproportionate amount of the world’s species. The intact parts of these regions are therefore of exceptionally high conservation value.

Halmahera is also included in the *North Maluku Endemic Bird Area*.³³ Endemic bird areas (EBA) are important for the conservation of bird species with a limited range.³⁴

Furthermore, WBN’s concession area overlaps the *Dote - Kobe Key Biodiversity Area*.³⁵ Key biodiversity areas (KBA) are extremely important for the conservation of global biodiversity.³⁶

A Critical Habitat Assessment (CHA)³⁷ was performed in 2024 in connection with the development of a Biodiversity Action Plan for WBN. The CHA identified the

³¹ Critical Ecosystem Partnership Fund: <https://www.cepf.net/our-work/biodiversity-hotspots/wallacea/species>.

³² Myers, N., Mittermeier, R., Mittermeier, C. *et al.*, Biodiversity hotspots for conservation priorities. *Nature* **403**, 853–858 (2000): <https://doi.org/10.1038/35002501>; and Mittermeier, Russell A., *et al.*, "Global biodiversity conservation: the critical role of hotspots." *Biodiversity hotspots: distribution and protection of conservation priority areas*. Berlin, Heidelberg: Springer Berlin Heidelberg, 2011, pp. 3–22.

³³ Stattersfield, A.J., Crosby, M.J., Long, A.J. and Wege, D.C. 1998, *Endemic Bird Areas of the World. Priorities for biodiversity conservation*. BirdLife Conservation Series 7. Cambridge: BirdLife International.

³⁴ BirdLife International’s definition of an EBA is: “an area of land that is important for habitat based bird conservation because it contains habitats of restricted-range (ie. species with the total historical ranges of less than 50,000 km²) bird species.” See: <https://datazone.birdlife.org/eba>.

³⁵ Dote - Kobe has been designated a KBA because it is the habitat of two endangered species of bird. Factsheet for the Dote - Kobe Key Biodiversity Area: <https://www.keybiodiversityareas.org/site/factsheet/44870>.

³⁶ KBA: <https://www.keybiodiversityareas.org/>.

³⁷ IFC PS6: “Critical habitats are areas with high biodiversity value, including (i) habitat of significant importance to Critically Endangered and/or Endangered 11 species; (ii) habitat of significant importance to endemic and/or restricted-range species; (iii) habitat supporting globally significant concentrations of migratory species and/or congregatory species; (iv) highly threatened and/or

entire concession area (also referred to as the Contract of Work) as a critical habitat.³⁸ Critical habitats are areas that are important for biodiversity. These may be areas in which endemic or critically endangered species live. The IFC standard for biodiversity provides guidelines for what companies must do when they operate in areas considered to be critical habitats.

For example, projects in such areas must not harm the ecosystems which underpin the area's status as a critical habitat. They must not lead to a net decrease in the global population of critically endangered or endangered species over time, and a robust, systematic and long-term programme of biodiversity monitoring and assessment must be integrated into the company's environment management system.

2.2.1 Cumulative environmental damage

Deforestation and the fragmentation of tropical rainforest for the purposes of mining and industrial agriculture are increasing throughout Indonesia, although with substantial variations between regions.³⁹ There is expected to be a sharp rise in the amount of deforestation and fragmentation caused by mining operations in the North Maluku islands over the next 30 years. According to local news sources, there are 26 mining concessions, covering a total of 576 km², in the central regions of Halmahera alone.⁴⁰

The fact that WBN's concession area is surrounded by other mining concessions (as shown, for example, in Fig. 4), will have clear implications for the efficacy of any mitigating measures with respect to biodiversity.

2.3 Indigenous people living in voluntary isolation

Indigenous people living in voluntary isolation are indigenous groups which do not have regular contact with the rest of society and which have decided to live in isolation from the world at large.⁴¹ An isolated group will often be the last

unique ecosystems; and/or (v) areas associated with key evolutionary processes."

<https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standard-6-en.pdf>.

³⁸ Letter from Eramet to the Council on Ethics, dated 13 November 2024.

³⁹ Voigt, M., Supriatna, J., Deere, N. J., Kastanya, A., Mitchell, S. L., Rosa, I. M., ... & Struebig, M. J. (2021). Emerging threats from deforestation and forest fragmentation in the Wallacea centre of endemism. *Environmental Research Letters*, 16(9), 094048.

⁴⁰ Indonesia Business Post (2024): <https://indonesiabusinesspost.com/insider/ngo-asks-government-to-restrict-mining-in-halmahera/>.

⁴¹ One definition of this may be found in section 2 of Peru's LEY N° 28736: Ley para la protección de pueblos indígenas u originarios en situación de aislamiento y en situación de contacto inicial: <http://www.spda.org.pe/portal/cd-ambiental/documentos/LEY%20NO%2028736.htm>.

remaining portion of a larger group which has had, or has sought, contact with mainstream society.⁴² For uncontacted indigenous people, the right to self-determination implies absolute respect for their desire to remain isolated.⁴³

The decision to remain in isolation is often a survival strategy for a group living in an extremely precarious situation.⁴⁴ Uncontacted indigenous people have no immunity to common illnesses, and contact with outsiders will inevitably lead to the introduction of diseases, with fatal consequences for the tribe.⁴⁵ Based on experiences from Brazil, it is estimated that the introduction of common “Western” diseases will be the direct cause of death of between a third and a half of an indigenous population in the first five years after first contact.⁴⁶

Since it takes generations to develop herd immunity, people will continue to sicken and die for many years after first contact has been established. Under such circumstances, the group’s social structure disintegrates because its collapse in size means that the tribe is unable to perform its traditional rituals and tasks. This leads to hunger and malnutrition, which further weakens the tribe’s resilience. Children are particularly vulnerable when the adults become too weak to engage in hunting, fishing or gathering. There is also a risk of violent conflicts between intruders and isolated indigenous peoples, when the size of their territories is curtailed.⁴⁷

⁴² Viveiros de Castro, Eduardo, Nenhum povo é uma ilha, in Instituto Socioambiental (2019), *Cercos e Resistências – Povos Indígenas Isolados na Amazônia Brasileira*, pp. 12–13.

⁴³ UN Office of the High Commissioner for Human Rights, 2012, *Directrices de Protección para los Pueblos Indígenas en Aislamiento y en Contacto Inicial de la Región Amazónica, el Gran Chaco y la Región Oriental de Paraguay : resultado de las consultas realizadas por ACNUDH en la region : Bolivia, Brasil, Colombia, Ecuador, Paraguay, Perú y Venezuela*.

⁴⁴ Organización del Tratado de Cooperación Amazonica (OTCA) (2018), *Marco Estratégico para la Protección de los Pueblos Indígenas en Aislamiento Voluntario y Contacto Inicial*, p. 15: <https://otca.org/wp-content/uploads/2021/02/Marco-Estrategico-para-la-Proteccion-de-los-PIACI.pdf>

⁴⁵ John Hemming, 2003, *Die If You Must*, provides a detailed description of the impact on indigenous people in Brazil. See also Ministerio de Salud (Peru), 2003: *Pueblos en situación de extrema vulnerabilidad: El caso de los Nanti de la reserva territorial Kugapakori Nahua, Rio Camisea, Cusco*.

⁴⁶ See, for example, Ribeiro, Darcy, 1996: *Os Índios e a Civilização. - A integração dos indígenas no Brasil moderno* Cia. das Letras. It is assumed that 38 per cent of Brazil’s indigenous people died as a result of introduced diseases between 1900 and 1957.

⁴⁷ Huertas Castillo, Beatriz, 2004: *Indigenous people living in voluntary isolation in Peru*, pp. 82-83. IWGIA Document No 100- Copenhagen.

The survival of all isolated indigenous peoples depends wholly on the land in which they live. Their way of life reflects the dynamics of the rainforest, with an abundance of natural resources distributed across different ecosystems and seasons. This requires large territories that can provide the diversity of resources needed for the indigenous people's health and wellbeing, and for their cultural practices.⁴⁸

To protect isolated indigenous groups and minimise the risk of unwanted contact, the UN guidelines require the establishment of buffer zones around their territories, with strict controls on who may enter and what activities may be carried out.⁴⁹ Environmental destruction may put isolated indigenous peoples under such severe territorial pressure that contact becomes their only realistic way of obtaining food and the wherewithal to sustain life.⁵⁰

3 The Council's findings

3.1 Environmental damage

Nickel mining generates a number of adverse environmental impacts.⁵¹ The nickel deposits are spread thinly in the ground. The forest cover must be removed completely in the areas where extraction takes place. The development of associated infrastructure opens up forest areas that have hitherto been difficult to access. This may lead to increased migration to the area which, in turn, puts further pressure on the forest. Furthermore, the risk of soil erosion

⁴⁸ Huertas Castillo, Beatriz (2007), *Autodeterminación y protección*, in International Work Group for Indigenous Affairs (IWGIA), *Pueblos indígenas en aislamiento voluntario y contacto inicial en la Amazonía y el Gran Chaco*, p. 44: https://www.iwgia.org/images/publications/0313_PUEBLOS_INDIGENAS_EN_AISLAMIEN TO.pdf.

⁴⁹ The UN's guidelines on the protection of indigenous people living in voluntary isolation and in initial contact (see footnote 19), p. 16, para. 55.

⁵⁰ Fundação Nacional dos Povos Indígenas (FUNAI) (1988), *Portaria do Presidente PP no. 1047/88*, p. 12: <https://www.gov.br/funai/pt-br/centrais-de-conteudo/publicacoes/atos-normativos/arquivos/pdf/Port104729081988.pdf>.

⁵¹ Climate Rights International, Indonesia Report (2024): <https://cri.org/reports/nickel-uneearthed/>.

increases after deforestation. Mining operations increase the risk of water and soil pollution from slag heaps and processing facilities.

3.1.1 Deforestation

Intact tropical rainforest is considered indispensable for the preservation of biodiversity.⁵² WBN's concession area consists of mangrove and freshwater swamp forest, lowland forest and low mountain forest.⁵³ In the 2009 environmental impact assessment (EIA), the total area due to be deforested over the course of the nickel mine's lifespan was put at 42 km², with an annual deforestation rate of 6 km².⁵⁴

The EIA also reported that further areas will be deforested for topsoil storage sites, tailings dams and other support-related infrastructure. Since the start of mining operations in 2019, 27 km² has been developed. The company states that areas no longer used for mining will be restored on an ongoing basis. So far, an area of 0.5 km² has been replanted.⁵⁵

3.1.2 Impact on biodiversity

Deforestation leads to fragmentation and the destruction of plant and animal habitats. In keeping with the majority of intact areas of dense rainforest, the biodiversity to be found in large portions of Halmahera remains poorly studied, and the discovery of species new to science is regularly reported.⁵⁶ Our knowledge of the biodiversity and ecological interactions that would be lost through deforestation is therefore limited.

⁵² Gibson, L., Lee, T., Koh, L. et al., *Primary forests are irreplaceable for sustaining tropical biodiversity*. *Nature* **478**, 378–381 (2011): <https://doi.org/10.1038/nature10425>.

⁵³ Weda Bay, ANDAL, Chapter III, p. 92:

https://www.miga.org/sites/default/files/archive/Documents/WedaBay_EIA_ANDAL.pdf

⁵⁴ Weda Bay, ANDAL, Chapter V, p. 36:

https://www.miga.org/sites/default/files/archive/Documents/WedaBay_EIA_ANDAL.pdf.

⁵⁵ Letter from Eramet to the Council on Ethics, dated 24 January 2025.

⁵⁶ See, for example, Ziegler, T., Böhme, W. and Schmitz, A. (2007), A new species of the *Varanus indicus* group (Squamata, Varanidae) from Halmahera Island, Moluccas: morphological and molecular evidence. *Zool. Reihe*, 83: 109–119: <https://doi.org/10.1002/mmnz.200600034>, Ardi, Wisnu H., et al., "Studies on Begonia (Begoniaceae) of the Molucca Islands I: two new species from Halmahera, Indonesia and an updated description of *Begonia holosericea*", *Reinwardtia* 14.1 (2014): 19–26. Keim, A. P., W. Sujarwo, and D. Sahroni, "A new species of Freycinetia Gaudich. (Pandanaceae; Freycinetioideae) from the island of Halmahera, the Moluccas, Indonesia." *Blumea-Biodiversity, Evolution and Biogeography of Plants* 67.2 (2022): 129–131.

WBN's entire concession area has been identified as a critical habitat, i.e. an area of high conservation value and important for biodiversity.⁵⁷ Both the flora and fauna of the Maluku islands comprise a great many endemic species. Almost half of the palm species recorded in Halmahera are endemic to the Maluku islands.⁵⁸ Many of the bird species are also endemic. The only recorded habitat of the Sombre Kingfisher (*Todiramphus funebris*)⁵⁹ is, for example, located in Halmahera. The island is also home to several endangered species, such as the White Cockatoo (*Cacatua alba*)⁶⁰ and the Moluccan Megapode (*Eulipoa wallacei*).⁶¹ BirdLife International considers loss of forest cover to be the greatest threat to birdlife in this region.⁶² By definition, endemic species inhabit a restricted area and are particularly vulnerable since they live nowhere else.

The project's EIA reports that there will be thousands of workers on site at all times throughout the project's lifespan.⁶³ Without targeted measures, this could intensify pressure on local fauna, through poaching and the illegal capture of species for the pet trade – both locally and internationally.^{64, 65}

⁵⁷ Letter from Eramet to the Council on Ethics, dated 13 November 2024.

⁵⁸ Abdo, Melissa E., "A Floristic Study of Halmahera, Indonesia Focusing on Palms (Arecaceae) and Their Seed Dispersal" (2017). FIU Electronic Theses and Dissertations, 3355. <https://digitalcommons.fiu.edu/etd/3355>.

⁵⁹ BirdLife International. 2022. *Todiramphus funebris*. The IUCN Red List of Threatened Species 2022: e.T22683387A217398758: <https://dx.doi.org/10.2305/IUCN.UK.2022-2.RLTS.T22683387A217398758.en>. (Accessed on 14 November 2024.)

⁶⁰ BirdLife International. 2021. *Cacatua alba*. The IUCN Red List of Threatened Species 2021: e.T22684789A178092137: <https://dx.doi.org/10.2305/IUCN.UK.2021-3.RLTS.T22684789A178092137.en>. (Accessed on 14 November 2024.)

⁶¹ BirdLife International. 2021. *Eulipoa wallacei*. The IUCN Red List of Threatened Species 2021: e.T22678632A195133155: <https://dx.doi.org/10.2305/IUCN.UK.2021-3.RLTS.T22678632A195133155.en>. (Accessed on 14 November 2024.)

⁶² BirdLife International, BirdLife International (2024) Endemic Bird Area factsheet: Northern Maluku. Downloaded from <https://datazone.birdlife.org/eba/factsheet/171> on 14 November 2024.

⁶³ Weda Bay, ANDAL, 2009, Chapter III. "Manpower recruitment for the entire Operations Stage will provide employment for around 3,000 workers."

⁶⁴ Setiyani, Ayu Diyah, and Mukhtar Amin Ahmadi. "An overview of illegal parrot trade in Maluku and North Maluku Provinces." *Forest and Society* 4.1 (2020): 48–60.

⁶⁵ Sy, E.Y., Raymundo, J.J.G. and Chng, S.C.L. (2022). Farmed or poached? The trade of live Indonesian bird species in the Philippines. TRAFFIC, Southeast Asia Regional Office, Petaling Jaya, Selangor, Malaysia: https://www.traffic.org/site/assets/files/19606/id-ph_bird-r5-rgb_compressed.pdf.

3.2 Impact on indigenous people

There has been widespread local opposition to the WBN project since its early planning phase.⁶⁶ Objections have come especially from the local communities and indigenous groups who live in the forest and who have been concerned about the project's potential impact on their way of life and culture. A number of reports have pointed to the risk of human rights abuses in connection with the mining operation.⁶⁷

The O'Hongana Manyawa indigenous people

The O'Hongana Manyawa people (the People of the Forest), also known as the Forest Tobelo, belong to the last now-living nomadic indigenous groups in Indonesia. They live only in the Halmahera rainforest. Of the approximately 3,500 individuals who belong to the O'Hongana Manyawa people, it is estimated that some 500 live in voluntary isolation, with no permanent contact with outsiders. Some recently contacted family groups continue to live as nomads in the rainforest.⁶⁸

They are a hunter-gatherer people, who live off the resources available in the forest. Their way of life, culture and religious beliefs are deeply embedded in the rainforest. According to their beliefs, trees have souls and feelings just like people, and trees are fundamental to their rituals surrounding birth and death.⁶⁹

Many of the O'Hongana Manyawa people were contacted by the authorities and missionaries in the 1970s to 1990s, and became permanently settled in villages.

⁶⁶ See, for example, Office of the Compliance Advisor/Ombudsman (IFC) (2011), OMBUDSMAN ASSESSMENT REPORT Complaint Regarding the MIGA PT Weda Bay Nickel Project (#8113) Halmahera Island, North Maluku, Indonesia: https://www.cao-ombudsman.org/sites/default/files/downloads/WBN_Assessment_FINAL_with_appendices_ENG.pdf.

⁶⁷ See, for example, Climate Rights International, Indonesia Report (2024): <https://cri.org/reports/nickel-unearthed/>; Survival International: <https://www.survivalinternational.org/tribes/honganamanyawa>; and Marshall, S., Balaton-Chrimes, S., Pidani, O., 2013, Access to Justice for Communities Affected by the PT Weda Bay Nickel Mine – Interim Report: <https://media.business-humanrights.org/media/documents/files/media/weda-bay-public-report-oct2013.pdf>.

⁶⁸ Survival International 2024, Driven to the edge: How the demand for electric cars is destroying uncontacted Indigenous people's lives and lands in Indonesia: <https://www.survivalinternational.org/documents/DrivenToTheEdge/>

⁶⁹ Survival International 2024.

Although outbreaks of disease and many deaths were reported when they were first contacted, no statistics are available on the actual numbers concerned.⁷⁰

Territory

According to Survival International, which has endeavoured to map the indigenous people's territory, there are at least three O'Hongana Manyawa groups currently living in isolation. They roam the forests in the central, eastern and northern parts of Halmahera, including in Eramet's concession area.⁷¹ *"All of these wider groupings have territories which overlap with the WBN concession, meaning that they actively live in, hunt, gather and depend on these areas for their survival."*⁷² It has been estimated that their territory covers an area of just under 3,290 km² (328,900 hectares). As can be seen in Fig. 4, the concession areas controlled by WBN and other companies overlap the areas through which these indigenous peoples migrate. However, they have no formal land rights and the authorities have implemented no measures to protect them.

Mining-related deforestation is a direct threat to indigenous people's existence. When forest is removed, it naturally becomes more difficult for indigenous peoples to find food and undisturbed places to set up camp. Witnessing the destruction of the rainforest, which they consider to be the home of their ancestors, may also leave them feeling emotionally traumatised. In addition, deforestation could increase the risk of contact.⁷³

⁷⁰ Survival International 2024. The report refers to an estimated 50–60 O'Hongana Manyawa people in one small area alone who died from disease within two months of being contacted and forcibly settled.

⁷¹ Marshall, S., Balaton-Chrimes, S., Pidani, O., 2013, Access to Justice for Communities Affected by the PT Weda Bay Nickel Mine – Interim Report: <https://dx.doi.org/10.2139/ssrn.2343957>.

⁷² Survival International has worked with contacted O'Hongana Manyawa and with local and international experts to map the boundaries of the uncontacted indigenous groups' territories. An important resource are the more than 40 observations that have been documented and plotted on the map, all of which have taken place after WBN commenced its activities in the area.

⁷³ Survival International, 2024.

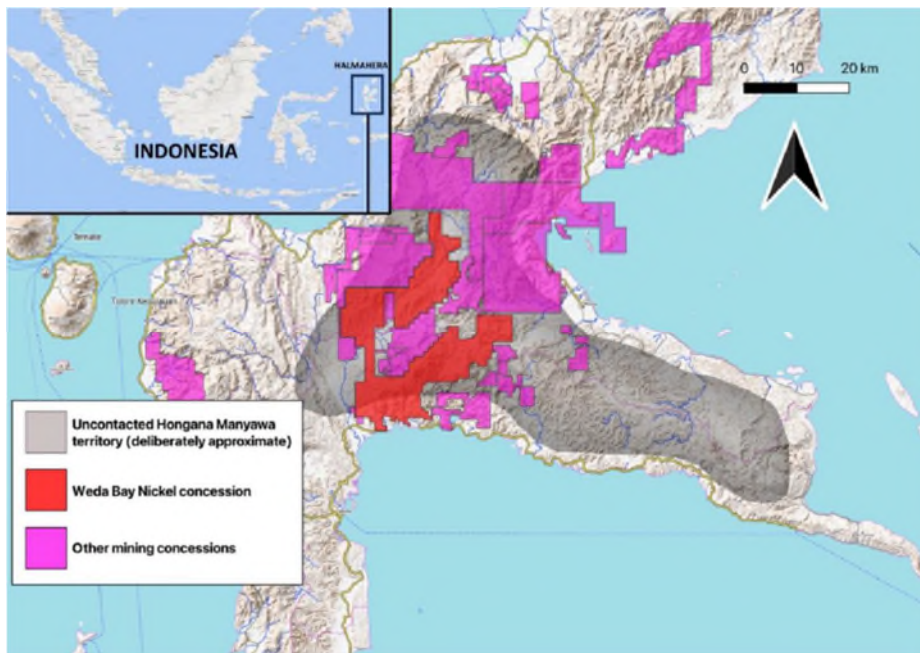


Fig. 4: Map showing the territory of the uncontacted O'Hongana Manyawa (marked in grey) and the concession areas in which mining is permitted. Eramet's concession area is marked in red. For the safety of the indigenous people concerned, the map is deliberately approximate. Source: Survival International

Eramet's own investigations

Eramet has been aware of the presence of the O'Hongana Manyawa since it began exploring the concession area in the late 1990s.⁷⁴

The EIA conducted in connection with prospecting and mine development in 2010 states that: *"A number of small groups each based around a single family are known to inhabit the inland forests of Halmahera. Collectively known as the Forest Tobelo, these groups are nomadic, depending on hunting and gathering for subsistence, and occasionally visiting lower elevations to harvest sago. Members of*

⁷⁴ Under the heading "The remarkable success story of Weda Bay Nickel" Eramet describes the first exploration activities in the concession area in the interior of the Halmahera Island thus: *"...In these far-flung lands live the Forest Tobelo (O'Hongana Manyawa), small nomadic communities who, research suggests, either fled the Dutch colonies in the seventeenth century, or took refuge in the forest during World War II, when the Japanese occupied the region."* Eramet has taken down the page, but it is still available at: <https://web.archive.org/web/20230901180755/https://www.eramet.com/en/group/the-success-story-of-weda-bay-nickel/>.

the groups avoid contact with other inhabitants of Halmahera [...] It can be expected that they will largely avoid contact with project operations.”⁷⁵

In 2013, WBN commissioned a consultant to study the indigenous groups. The consultant’s report confirmed that there were several large groups of uncontacted indigenous people in the rainforest and that the territories of some of these groups overlapped with Eramet’s concession area.⁷⁶ A further study performed in 2023 found that two nomadic groups which have previously been contacted (known as the “Bokumu Group”) have a temporary camp inside the concession area.⁷⁷ Three other groups live outside the concession area. According to the survey, these depend on the forest resources inside the concession area to only a small extent. Around 20–30 families, called the “Dote Group”, inhabit the Akesangaji Forest Unit, which lies approximately 10 km from the eastern boundary of WBN’s concession area.⁷⁸

Survival International’s investigations show that the Dote Group has several hundred members, many of them uncontacted. The group also uses the areas around Kao Rahai and Tofu Blewen, which lie inside the concession area. Much of the information about uncontacted indigenous peoples has been collected via conversations with contacted groups, such as the Bokumu Group. The study that WBN commissioned in 2023 proposed the settlement of these groups through the construction of houses, the creation of meeting places, the establishment of a school and the implementation of other measures to facilitate their interaction with the outside world.⁷⁹

None of the groups concerned have given their free, prior and informed consent to the mining operations that are to take place within their territories. Nor is the Bokumu Group said to be in favour of the proposed settlement of the groups or

⁷⁵ ERM, 2010: Eramet-PT Weda Bay Nickel Exploration and Development ESIA: https://www.miga.org/sites/default/files/archive/Documents/WedaBay_Explorationand_Development_ESIA.pdf.

⁷⁶ Referenced in Survival International 2024 and Canopeé, Les minerais de la transition énergétique, une nouvelle menace sur les forêts: <https://www.canopee.org/le-media/enquetes/les-minerais-une-nouvelle-menace-sur-les-forets/>. “To the east of the WBN CoW area, a large group of Forest Tobelo (estimated to be about 30 families) lives in the forest interior...These groups appear to be living in voluntary isolation and avoid contact with outsiders.” It is also claimed that the consultant raised the issue of whether the concept of free, prior and informed consent (FPIC) is applicable when a large proportion of the indigenous people do not wish to be contacted.

⁷⁷ Around 3.5 km from WBN’s Kao Rahai camp.

⁷⁸ Letter from Eramet to the Council on Ethics, dated 26 April 2024.

⁷⁹ Referenced in Survival International, 2024.

of mining operations in general because this would change their way of life in the forest and reduce their ability to fend for themselves.⁸⁰

In 2019 and 2020, relatives of the uncontacted O'Hongana Manyawa groups protested against the Weda Bay project because the expansion of mining operations is increasingly threatening the territory and food resources of the groups which live in the forest.⁸¹ The demonstrations in 2020 took place when WBN opened up a new area for mining.⁸²

4 Information provided by the company

The Council on Ethics has communicated with Eramet on several occasions between 2023 and 2025. Eramet has provided information on the assessment processes the company is currently engaged in, but has only to a small extent shared the reports or results of the investigations carried out. In February 2024, the company was sent a first draft of a recommendation to exclude it from investment by the GPF. The most recent draft recommendation was sent to the company in December 2024. Eramet has submitted comments on both occasions.

Eramet considers that the EIA from 2009, to which the recommendation refers, is outdated. The Council has asked Eramet for updated information about both the environment and biodiversity, and about the status of the indigenous people living there. In February 2024, Eramet granted time-limited, eyes-only access to a number of documents, including further studies of biodiversity. The studies largely confirm the existence of the same natural phenomena as were identified in the EIA from 2009. WBN also commissioned a field study relating to the O'Hongana Manyawa people in 2023. In March 2024, the Council was granted restricted eyes-only access to a summary of this study.

⁸⁰ Survival International, 2024.

⁸¹ Brook, J. 2023, 'They Will Die': Tesla-Linked Mining Project Is Devastating One of the World's Uncontacted Peoples, Vice News: <https://www.vice.com/en/article/wxj8wm/uncontacted-tribe-threatened-indonesia>; and Rushdi, M., Sutomo, A., Ginting, P., Risdianto, Masri, M. Anwar; Fast and Furious for Future: the Dark Side of Electric Vehicle Battery Components and their Social and Ecological Impacts in Indonesia; and The Jakarta Post, November 2023, *North Maluku tribe fights to protect forest from nickel mining*: <https://www.thejakartapost.com/indonesia/2023/11/03/north-maluku-tribe-fights-to-protect-forest-from-nickel-mining.html>.

⁸² Environmental Justice Atlas, Indonesia Weda Bay Industrial Park: <https://ejatlas.org/conflict/indonesia-weda-bay-industrial-park-iwip-north-maluku-indonesia>.

In its reply to the Council, Eramet emphasised that it behaves as a responsible minority shareholder in WBN.⁸³ In accordance with its shareholder agreement, the company performs *"annual technical reviews, during which we take an active role and consistently intervene to prevent potential norm violations"*. Due diligence assessments are performed in order to ensure that *"PT Weda Bay Nickel's studies and protocols comply, among others, with environmental protection standards and respect the rights of the O'Hongana Manyawa community. When Eramet becomes aware of any norm violations or potential violations, we immediately demand explanations and corrective actions from PT Weda Bay Nickel at the Strand Minerals board."*

The company further states that WBN, under Eramet's leadership, has pledged to comply with the Responsible Mining standard established by the Initiative for Responsible Mining Assurance (IRMA), with the aim of becoming certified in 2025.⁸⁴ With respect to biodiversity, this standard requires, among other things, the application of the mitigation hierarchy and that priority be given to avoiding the loss of biodiversity. The standard also requires that an operator company not engage in prospecting or the development of new mines in areas where indigenous people live in voluntary isolation.⁸⁵

Eramet states that *"In 2024, PT Weda Bay Nickel devised a comprehensive strategy for biodiversity offsetting, including methods to measure losses and gains, and is actively developing solutions and programs aimed at achieving net positive gains. Additionally, PT Weda Bay Nickel updated its rehabilitation plan to align with IRMA requirements."*⁸⁶ Furthermore, a Biodiversity Action Plan (BAP) has been drawn up, which aims *"to achieve and account for 'net gain'"*. The company also states that in 2023 and 2024, WBN *"conducted surveys to update the assessment of critical habitats"*. The company points out that no forest designated as *"conservation forest"* is included in the concession area.

With respect to the workers who migrate to the area to work at WBN, these are accommodated in existing housing areas and villages. WBN has initiated the development of a *"population influx management plan, which is expected to be finalized by Q1 2025"*.

Eramet reports that it conducts risk assessments in accordance with French legislation on due diligence and has identified impacts on indigenous people as a

⁸³ Letter from Eramet to the Council on Ethics, dated 24 January 2025.

⁸⁴ Eramet's website: <https://www.eramet.com/en/news/2023/05/eramet-accelere-son-engagement-rse-avec-le-lancement-de-son-premier-audit-par-linitiative-for-responsible-mining-assurance/>.

⁸⁵ IRMA standard for responsible mining: <https://responsiblemining.net/>.

⁸⁶ Letter from Eramet to the Council on Ethics, dated 24 January 2025.

serious risk for WBN. According to Eramet, agreements concerning free, prior, informed consent and continuous consultations and discussions with members of the local communities will reduce this risk.⁸⁷

Eramet asserts that none of the studies that have been carried out show evidence that *“any of O’Hongana Manyawa living in or close to its concession are in voluntary isolation”*.⁸⁸

Eramet further discloses that the indigenous population study carried out in 2023 confirmed *“that none of the Tobelo groups that roam within or in the nearby of the CoW live in voluntary isolation”*. The company considers that Survival International has misinterpreted WBNs’ data, *“which in no way indicates the presence of uncontacted members of the O’Hongana Manyawa”*, and that, according to the 2023 study, there was considerable uncertainty about the presence of these groups *“within the concession perimeter”*.

On its website, Eramet reports that the company *“interacts with small nomadic groups (known as the Forest Tobelo) living in the interior of the island, who have developed lifestyles and cultural practices distinct from the other inhabitants”*.⁸⁹ Eramet states that WBN is engaged in a dialogue with the Bokumu group, which has been contacted, and that a protocol has been drawn up for how its interaction with these groups should be managed. With respect to the consultations, *“specific engagement strategies”* have been drawn up to ensure respectful and effective interaction about future mining plans, *“including potential no-go zones and consideration for traditional practices”*. Furthermore, the *“Standard Operating Procedure (SOP), which guides WBN workers and subcontractors’ engagement with the Tobelo community, focusing on avoiding contact in culturally sensitive areas, [...] being updated”*. Eramet has also engaged five *“Tobelo speaking guides to facilitate engagement with the Bokum Group”*. These guides will communicate the mine’s plans with respect to its operations and promote dialogue concerning the indigenous group’s wishes and needs.⁹⁰

Eramet has asked third-party experts to assess the studies that have been undertaken so far, and advise on the consultation processes. This work is scheduled for completion during the first half of 2025 and could lead to new

⁸⁷ Eramet Human Rights 2023: <https://www.eramet.com/wp-content/uploads/2023/12/2023-12-Eramet-Human-Rights-report.pdf>

⁸⁸ Letter from Eramet to the Council on Ethics, dated 24 January 2025.

⁸⁹ Eramet’s website: <https://www.eramet.com/en/activities/nickel/>, under Ongoing dialogue with stakeholders in Indonesia.

⁹⁰ Letter from Eramet to the Council on Ethics, dated 13 November 2024.

"engagement protocols which may recommend obtaining their Free, Prior and Informed Consent (FPIC)".⁹¹

5 The Council's assessment

On the basis of the information available, the Council has assessed whether there is an unacceptable risk that Eramet is both contributing to serious environmental damage and infringing the rights of indigenous peoples through participation in the joint venture Weda Bay Nickel in Halmahera, Indonesia.

Eramet and the companies Tsingshan Holding Group and PT Andam are partners in a joint venture whose purpose is to extract nickel. Eramet has an indirect shareholding of 38.7 per cent in the joint venture and is the mine's operator. The Council attaches importance to the fact that Eramet has been involved in WBN since 2006 and has played an important role in the mine's development and operation. The Council attaches no importance to the fact that Eramet is a minority shareholder in a joint venture and considers that the company, through its shareholding and its role, has a significant influence over the business and therefore also contributes to the impact of its activities.

With respect to environmental damage, the Council's starting point is that the removal of intact tropical rainforest and loss of habitats are among the gravest threats to biodiversity worldwide. The Council considers that the international agreement to preserve biodiversity has been reinforced by the Kunming-Montreal Global Biodiversity Framework's goal of reducing the loss of nature and species and its expectation that companies will play their part in this effort.

The Council's inquiries have shown that Weda Bay Nickel's concession area lies in an area of exceptionally rich biodiversity. The area is included in a biodiversity hotspot and overlaps with a Key Biodiversity Area and an Endemic Bird Area. The company's own assessments classify the entire concession area as a critical habitat. The fact that each and every one of these different classifications underlines the area's significant contribution to global biodiversity and the importance of its preservation carries weight with the Council. A great many endemic species live on the island of Halmahera, most of which has not yet been fully surveyed with respect to its biodiversity. The Council attaches importance to the fact that place-specific species are especially vulnerable to loss of habitat and that there is a material risk that species may become extinct before anyone has had the opportunity to formally describe them.

⁹¹ Letter from Eramet to the Council on Ethics, dated 24 January 2025.

The Council notes that the measures which Eramet aims to implement in order to reduce the project's environmental impact remain at the assessment and planning stages – more than five years after mining operations got underway. The measures include so-called “avoidance zones” and “offset areas” both inside and outside the concession area. However, the company has not shared any details that would enable the Council to assess what this entails in practice.

Although Eramet considers that *“offsetting is deemed necessary to achieve ‘net biodiversity gain’”*, it remains unclear to the Council how the planned deforestation may be offset in ways that will actually increase biodiversity, given the area's high conservation value.

In the Council's view, it is unlikely that the measures that the company has announced will be sufficient to reduce the risk of serious and irreversible environmental damage ensuing from the development of a mine in an area of such high conservation value. In this case, the risk of serious environmental damage is closely linked to the rights of indigenous people, since the deforestation and environmental damage deriving from mining operations could also threaten the survival of uncontacted groups of the O'Hongana Manyawa people.

When assessing whether the company is contributing to the abuse of indigenous people's rights, the Council attaches importance to studies and surveys that have been performed and published by organisations and research communities over many years.

A determining factor for the Council is that forest removal and fragmentation in furtherance of the mining operation will increase significantly in the years ahead. This will result in a corresponding reduction in the territory of the O'Hongana Manyawa people and therefore their ability to fend for themselves. Territorial encroachment also means less access to food and other resources that are vital for indigenous peoples' survival and cultural practices. The expected migration of people to Halmahera as a result of the mine could intensify competition for land and therefore increase the risk of indigenous peoples coming into contact with the outside world, with potentially fatal consequences.

In its communications with the Council, Eramet has contested the existence of uncontacted indigenous people in or in the vicinity of its concession area, and has asserted that the investigations to which the company has contributed have not found evidence of this. The Council attaches importance to the fact that an EIA, as far back as 2010, pointed to the risk that such groups could be present in and around the concession area and that more recent surveys have confirmed this. The Council would also like to point out that mining operations will affect these groups even though they remain exclusively outside the concession area.

The Council finds that WBN and Eramet are failing to exercise the due diligence needed to reduce the risk that mining operations could severely harm an extremely vulnerable group of indigenous people. The Council attaches importance to the fact that the isolated indigenous groups have nowhere else to live and that they are among the most vulnerable population groups in the world. The Council cannot see how mining operations here may be undertaken without infringing indigenous peoples' rights, particularly when no measures are being implemented to protect their living spaces.

The Council considers that WBN's mining operations in the island of Halmahera represent an unacceptable risk that important ecosystems will be lost and that deforestation will devastate indigenous peoples' livelihoods, culture and way of life. For those indigenous groups who remain uncontacted, this could threaten their very existence.

6 Recommendation

The Council on Ethics recommends that Eramet SA be excluded from the Norwegian Government Pension Fund Global.

*

Siv Helen Rygh
Torstensen,
Acting Chair

(Sign.)

Cecilie
Hellestveit

(Sign.)

Vigdis Vandvik

(Sign.)

Egil Matsen

(Sign.)