

Statement on Martabe mine and Tapanuli orangutan

18 January 2023

At Jardine Matheson, we strive to operate all our businesses responsibly. We are steadfastly committed to balancing business growth with social well-being and environmental sustainability in the communities where we operate. We take action to minimise the impact that our businesses have on biodiversity and to ensure we are doing all we can to promote sustainable practices.

The recognition in 2017 of the Tapanuli orangutan as a distinct species of great ape found in the Batang Toru Ecosystem (BTE) in Sumatra, Indonesia, is of critical significance. We see it as our responsibility to support the long-term preservation of this species.

The Martabe gold mine location

The Martabe gold mine – operated by our subsidiary, PT Agincourt Resources (PTAR)ⁱ – is located on the southwest edge of the BTE. The BTE is estimated to cover approximately 150,000 hectares and overlaps with the Batang Toru Key Biodiversity Areaⁱⁱ, which covers 170,000 hectares and is an area of significant importance for biodiversity.

Both areas are predominantly protected forest and conservation areas, which cannot be developed. They also contain limited areas of land which can be used for various development purposesⁱⁱⁱ. No part of the mine's approved current or future area of operations, totalling 918 hectares, overlaps with any protected forest or the Key Biodiversity Area.

Protecting biodiversity has always been an imperative of PTAR. The company has conducted comprehensive surveys around the mine throughout its period of operation and has taken measures to minimise the impact of the mine on local biodiversity. More recently, biodiversity efforts have specifically focused on the Tapanuli orangutan and actions to support the long-term preservation of this species. These initiatives are detailed below.

1. Established an independent Biodiversity Advisory Panel (BAP)

In 2020, PTAR formed a Biodiversity Advisory Panel comprising Dr Rondang Siregar, Dr Suci Utami Atmoko, Dr Puji Rianti and Dr Onrizal, all highly regarded scientists, each with specialist expertise in the BTE, orangutan biology and conservation^{iv}.

The work of the BAP informs the continuing strengthening of PTAR's policies and procedures and annual Biodiversity Action Plans. These can be found on [PTAR's website](#).

2. Conducted an "Orangutan Impact Assessment Study"

As part of PTAR's 2021 Biodiversity Action Plan, PTAR requested that BAP carry out an independent study to look into whether the mine's activities impact the Tapanuli orangutan.

The study involved a full review of previous studies and their results, as well as onsite observations and monitoring surveys. It:

- **Concluded** that the methodology and inferences used in the past studies on the Tapanuli orangutan population were satisfactory;
- **Recognised** that while habitat loss is the main potential impact on the Tapanuli orangutans, this impact can be mitigated through the biodiversity management measures implemented during the life of the mine and through the ongoing rehabilitation of land, all of which actions PTAR is taking; and
- **Recommended** further ways to enhance the mine's biodiversity management approach which have since been incorporated into PTAR's policies and operations.

3. Engaged with IUCN's ARRC Taskforce

To provide more transparency, Jardines has been engaging with the internationally recognised ARRC Taskforce of the IUCN Species Survival Commission Primate Specialist Group. The ARRC Taskforce is working with the Biodiversity Advisory Board to plan further orangutan surveys and advise on appropriate mitigation measures to minimise impacts on this species.

We also hope to be able to obtain recommendations from the ARRC Taskforce which will help us further enhance our efforts to protect the Tapanuli orangutan.

Following the comprehensive studies and additional steps taken by PTAR in recent years, we are confident that the ongoing operations of the mine take account of the need to protect biodiversity, in particular in relation to the Tapanuli orangutan.

4. Pursued broader orangutan conservation initiatives

PTAR has also carried out considerable work in relation to conservation initiatives to protect the Tapanuli orangutan in the broader Batang Toru Ecosystem and is working on potential programmes to offset impacts which cannot be avoided or mitigated. These initiatives include:

- **Improving the habitat for orangutans**, including protecting critical conservation areas, reducing fragmentation from roads, establishing effective “corridors” and settlements where there is reduced chance of human-orangutan contact;
- **Conducting habitat enrichment** with forage plants, including encouraging local community planting schemes;
- **Launching programmes to educate**, socialise and raise awareness which build the community’s sense of ownership and responsibility for orangutans;
- **Promoting alternative economic livelihoods** and investing with local communities to maintain orangutan habitats and preventing orangutan deaths or harm; and
- **Restoring the surrounding ecosystem** in collaboration with the community, academics, and professionals.

Continuing to operate the mine safely and responsibly

To continue to operate the mine safely and responsibly, PTAR will need to develop some additional land in 2023. This primarily comprises work on the existing Tailings Storage Facility and around the mine pits, and the construction of a new Tailings Management Facility and an access road. Importantly, the work will also ensure land safety and protect water quality for the thousands of people who live and work in the mining community and neighbouring Batang Toru district.

Pre-development surveys were carried out in July and November 2022 under the supervision of the BAP. The surveys are designed and controlled by the BAP and, depending on the outcomes, recommend prudent mitigation practices to minimise the impact of clearing activity on biodiversity. Further inspections will be carried out by a team of trained mine personnel prior to this work commencing to check for the presence of species classified as endangered, including the Tapanuli orangutan.

At Jardine Matheson, we are responsible owners of our businesses. We will continue to maintain a high bar for biodiversity management and conservation at our Martabe mine. This is both a collective and shared responsibility of our relevant subsidiaries, PTAR, United Tractors, Astra International and Jardine Cycle & Carriage. Engaging with scientists, NGOs and other stakeholders in the Batang Toru area, we will play our part in promoting the long-term preservation of the Tapanuli orangutan great ape species.

ⁱ PTAR is a mining company based in Indonesia that is engaged in the exploration, mining, and processing of gold and silver ore. PTAR is indirectly majority owned by Jardine Matheson through its subsidiaries, Jardine Cycle & Carriage, PT Astra International Tbk and PT United Tractors Tbk. United Tractors Tbk owns 95% of the shares in PTAR, with the remaining shares owned by a regional state-owned enterprise. PTAR holds the concession for and operates the Martabe gold mine in Sumatra.

ⁱⁱ The Batang Toru “Key Biodiversity Area” (KBA) was a boundary formally recognised in 2006 by a partnership of multiple non-governmental conservation organisations including: IUCN, WWF Wildlife Conservation Society, Rainforest Trust, Critical Ecosystem Partnership Fund, Global Wildlife Conservation, Global Environment Facility, Conservation International, BirdLife International, American Bird Conservancy, Amphibian Survival Alliance and Royal Society for the Protection of Birds.

ⁱⁱⁱ The Batang Toru “Protected Forest” area was a formal designation by the Government of Indonesia and tabled in the Ministry of Environment and Forestry decree II in 2014.

^{iv} Biodiversity Advisory Panel scientist biographies:

- Dr. Rondang Siregar is a Senior Biodiversity and Conservation Planning Consultant at Daemeter Consulting. Dr Rondang has been working on Biodiversity and Conservation issues for over 20 years, focusing on primate and habitat conservation, orangutan rehabilitation/reintroduction, human and orangutan conflict resolution, wildlife/orangutan trade, protected area, ecotourism, mining and biodiversity and climate change. She was formerly a member of the IUCN Primate Specialist Group, Co-Vice Chair, Section for Human-Primate Interactions.
- Dr. Suci Utami Atmoko is a Professor at the National University (UNAS) in Indonesia. She has studied orangutans for nearly 30 years and made a significant contribution to several internal scientific literatures on orangutans. She is a member of the IUCN Primate Specialist Group.
- Dr. Puji Rianti is a Lecturer and Researcher at the Bogor Agricultural University in Indonesia. Dr Puji has been working in Biodiversity and Conservation issues for close to 15 years, focusing on primate and habitat conservation, orangutan rehabilitation/reintroduction, human and orangutan conflict resolution, wildlife/orangutan trade and ecotourism.
- Dr. Onrizal is an Associate Professor at the University of North Sumatra (UNSU) in Indonesia. He has extensive experience (>25 years) in tropical forest ecology and biodiversity conservation.