

## **Statement on Martabe mine and Tapanuli orangutan**

**16 May 2023**

*This is an updated statement to one made on 18 January 2023 to reflect recent developments, including changes to the KBA, as defined below.*

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)<sup>a</sup> – 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 Area (KBA)<sup>b</sup>, which covers 170,000 hectares and is an area of significant importance for biodiversity.

Both the BTE and the KBA comprise predominantly Protected Forest<sup>c</sup> and conservation land, which cannot be developed. Both BTE and KBA also contain limited areas of land which can be used for various development purposes, including mining activity.

Since the beginning of operations at Martabe, the mine's operating footprint has been located outside the original KBA boundary. However, due to a recent extension of the KBA boundary, the new KBA boundary now overlaps with a small part of the mine's current operations. Since becoming aware of the revision in January 2023, Jardines, Astra, UT and PTAR have been working together to understand the basis for these changes and any potential impact on Martabe's future development plans.

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 a Biodiversity Advisory Panel (BAP) comprising independent experts

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 independent scientists, each with specialist expertise in the BTE, orangutan biology and conservation<sup>d</sup>.

These scientists have worked independently to identify, map, and mitigate risks to biodiversity at Martabe. Their work is focused on the best interests of the Tapanuli orangutan, and their advice has already resulted in changes to the way the mine operates.

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](#).

The BAP's advice has also resulted in changes to the location of planned exploration sites as well as the cancellation of a planned Tailings Management Facility, where the land that had been designated for development has now been safeguarded.

We are looking at how we can further strengthen the governance of this group, for which we are seeking input from the IUCN Secretariat.

2. Conducted an "Orangutan Impact Assessment Study"

As part of PTAR's 2021 Biodiversity Action Plan, PTAR requested that the BAP carry out an independent study to look into whether the mine's activities impact the Tapanuli orangutan. This would build on other on-the-ground flora and fauna surveys conducted at the mine throughout PTAR's ownership of the mine.

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 are measures PTAR is implementing; and

- **Recommended** further ways to enhance the mine's biodiversity management approach which have since been incorporated into PTAR's policies and operations.

### 3. Third party engagement

Jardines recognises the value of engaging with third parties in order to provide more transparency to the efforts the Group is making to protect biodiversity as well as to provide external perspectives and advice to further our efforts. In 2021, Jardines reached out to the internationally renowned ARRC Taskforce of the IUCN Species Survival Commission Primate Specialist Group (ARRC) to seek their assistance and advice in our efforts to protect the Tapanuli orangutan. We subsequently in early 2022 entered into a memorandum of understanding (MOU) with ARRC to explore how ARRC could conduct a peer review of data about the Tapanuli orangutan obtained from scientific surveys of the mine and surrounding area carried out by the BAP. As part of this engagement, ARRC and the BAP engaged over the following 16 months to ensure that ARRC understood the approach being taken by the mine to protecting biodiversity, had the opportunity to provide advice on how orangutan surveys should be conducted and on appropriate mitigation measures to be taken by PTAR to minimise impacts on this species.

Local regulations limiting data sharing have, however, meant that ARRC has been unable to access the data they would need to carry out their peer review and, therefore, in April 2023, the ARRC decided that they would not extend the MOU.

Notwithstanding this, Jardines and PTAR remain committed to working with relevant third parties, to obtain advice on how best to minimise the impact of the mine's operations on 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.

<sup>a</sup> 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.

<sup>b</sup> The 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.

<sup>c</sup> 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.

<sup>d</sup> 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.