



September 25, 2026

To: Investors holding shares in Vale S.A. / PT Vale Indonesia Tbk.

Re: Call to Action for Investors Regarding PT Vale Indonesia's Repeated Criminalization of Farmers, Threat to Loss of Living Space, and Failure of Accountability in Sorowako, especially Loeha Raya, South Sulawesi

We have repeatedly written to you as one of the major investors of Vale S.A./PT Vale Indonesia Tbk (PTVI) in August 2023, February 2024, and October 2024 concerning the social and environmental impacts of the Sorowako Nickel Project and exploration plans in the Tanamalia Block, Towuti District, East Luwu Regency. In these letters, we have consistently highlighted that PTVI has failed to fulfill the prerequisites for meaningful meetings with Loeha Raya's pepper farmers and women, and that the company's activities continue without a Social License to Operate (SLO) from the affected community.

Furthermore, we have repeatedly urged you to properly engage PTVI to ensure the exclusion of the Tanamalia Block from its mining concession. However, PTVI appears to have disregarded these calls, and the Tanamalia Block remains within its concession. We are deeply concerned that your continued failure to meaningfully intervene to date only further complicates the situation on the ground and leaves local farmers in an increasingly precarious position. Indeed, over the two years since our last letter to you, the situation has only deteriorated.

The farmers and women of Loeha Raya have faced various forms of intimidation and even intervention. These range from police officers arriving directly at residents' homes¹, to a plan for establishing an Indonesian Army battalion headquarters in their pepper farming area². Furthermore, attempts to criminalize one of the local farmers, ongoing since October 2025, remain unresolved. While pressure and intimidation against the Loeha Raya community persists, the Sulawesi Regional Forestry Law Enforcement Agency (Gakkum) arrested three Loeha Raya farmers on August 3, 2026, alleging they were clearing land for farming and erecting a hut within a protected forest area³. In reality, farmers in this area have long made their living by cultivating the land in Loeha. Moreover, community has also highlighted that the arrest procedures were allegedly not in accordance with applicable legal provisions⁴.

¹ <https://www.bollo.id/laporan-mendalam/intimidasi-dan-ancaman-ekologi-di-blok-tanamalia/>

² <https://makassar.antaranews.com/berita/613653/pembangunan-batalyon-tni-ad-di-luwu-timur-mendapat-penolakan-warga>

³ <https://www.sulselsatu.com/2026/08/06/news/buka-kebun-merica-di-hutan-lindung-loeha-raya-3-orang-warga-ditahan-gakkum-sulawesi.html>

⁴ <https://www.garismerah.id/2026/08/tangkap-dan-tahan-petani-merica-loeha.html>

Three days after the arrest (6 August 2026), the arrival of nine officials from the Ministry of Forestry, specifically the Larona Forest Management Unit (KPH)—in Loeha Raya was strongly rejected by the Loeha Raya Pepper Farmers Association (APL). The APL viewed their presence as an unnecessary escalation that further complicated the situation following the arrest of three farmers days prior. Moreover, the ministry officials arrived without any prior communication or dialogue with the local farmers.

Instead of choosing to carry out a participatory approach and communication with the farmers and women of Loeha Raya, the authorities have instead publicly labeled the APL's peaceful protest as 'thuggery' across various news platforms (9 August 2026)⁵. Less than a month later, on September 4 2026, the Chairperson of the APL was further vilified as part of a 'Land Mafia'⁶. These defamatory attacks are a clear attempt to undermine and weaken the community movement that stands in conflict with PT Vale Indonesia.

Based on our observations, the actions carried out by Gakkum and the persistent efforts to smear APL's reputation across various media reports cannot be separated from PT Vale Indonesia's corporate interests in the Lumereo Mountains. The company will directly benefit from evicting farmers and clearing pepper farming land in the Tanamalia Block for as long as this area remains within its concession⁷.

According to a spatial analysis conducted by WALHI South Sulawesi (2023)⁸, the Tanamalia area is currently divided into three overlapping land-use categories:

- (1) Forest Area: 25,260.43 Ha
- (2) PT Vale Indonesia Concession Area: 17,776.78 Ha
- (3) Loeha Raya Community Pepper Farming Area: 4,239 Ha

Given these overlapping land-use designations within the Tanamalia area, we strongly suspect that Gakkum's enforcement actions are intended to remove pepper farmers from the area. Once these farmers are displaced, PT Vale Indonesia can easily claim and occupy the area with authority's permits. In this context, we must emphasize that as Civil Society Organizations, we do not oppose forestry law enforcement intended to protect forest ecosystems in general. However, where PT Vale Indonesia's mining concession directly overlaps with community living space as in Tanamalia standard forestry law enforcement operations cannot and should not be applied indiscriminately.

Our Request to Investors

⁵ <https://sultengraya.com/read/217667/siasat-licik-apl-premanisme-berkedok-petani-lada-di-hutan-lindung-loeha-raya>

⁶ <https://makassar.terkini.id/rekam-jejak-ali-kamri-nawir-sosok-sutradara-di-balik-gurita-mafia-lahan-hutan-lindung-sulawesi/>

⁷ <https://www.bloombergtechnoz.com/detail-news/117597/tambang-baru-vale-di-ri-blok-tanamalia-mitranya-automaker-eropa/2>

⁸ <https://walhisulsel.or.id/4133-laporan-hasil-riset-lumbung-merica-nusantara-di-tengah-perluasan-pertambangan-nikel-etnografi-perkebunan-valuasi-ekonomi-kawasan-tanamalia-luwu-timur-sulawesi-selatan/>

As key stakeholders in PT Vale Indonesia/Vale S.A., you hold a clear responsibility under international standards, such as the UN Guiding Principles on Business and Human Rights, to prevent complicity in human rights violations and ecological harm. Therefore, we call on you to:

1. Urge PT Vale Indonesia/Vale S.A. to exclude the Tanamalia Block and all the pepper farmland of the Loeha Raya community from its concession area, according to the community's consistent requests made since 2023.
2. Demand transparency from PT Vale Indonesia/Vale S.A. regarding their role or involvement, if any, in the operations conducted by the Sulawesi Regional Forestry Law Enforcement Agency in Loeha Raya in August 2026.
3. Demand that PT Vale Indonesia/Vale S.A. urge the relevant authorities to immediately retract all the public accusations branding APL members as "thuggery," thereby ensuring a safe civil space for farmers to freely express themselves and meaningfully participate.
4. Ensure compliance with the World Bank Group's International Finance Corporation (IFC) "Performance Standards on Environmental and Social Sustainability" (PS) is measured based on outcomes independently verified by affected communities, rather than merely on reports prepared by the company itself.
5. Proactively engage with PT Vale Indonesia/Vale S.A.—given that escalation on the ground risks renewed interference by police, military and other authorities—urging it to take appropriate action so that you are not complicit in the violation of fundamental human rights, including the freedom of expression of the local community.

We reiterate that this issue is not just an isolated technical dispute, but rather part of a recurring pattern regarding people's rights to a healthy environment and the right to live with their livelihoods. We will continue to closely monitor the situation on the ground. We call on you, as investors, to leverage your influence and ensure PT Vale Indonesia/Vale S.A. take immediate, concrete action on the steps outlined above.

Sincerely,

WALHI South Sulawesi
Wahana Lingkungan Hidup Indonesia (WALHI / FoE Indonesia)
Friends of the Earth Japan
Pacific Asia Resource Center, Japan

Contact:

WALHI South Sulawesi (Muhammad Al Amin, Executive Director)
Add: JL. Aroepala, Kompleks Permata Hijau Lestari Blok Q1, No.8, Rappocini, Kota Makassar, Sulawesi Selatan 90221

Email: muhammad.al.amien@gmail.com / walhisulsel@gmail.com

Tel: +62-8229-3939-591

WALHI National Executive (Faizal Ratuela, Anti Mining and Just Energy Transition Campaigner
WALHI)

Add: Jl. Tegal parang Utara No. 14, RT.005/RW.004. Mampang Prapatan, Kota Jakarta Selatan -
DKI Jakarta

Email: Faizalabdrahman@gmail.com

Tel: +62 822-9005-6503

Friends of the Earth Japan (Hozue Hatae, Development Finance and Environment Team)

Add: 1-21-9 Komone, Itabashi-ku, Tokyo, Japan 173-0037

Email: hatae@foejapan.org

Tel: +81 3 6909 5983