

(This is an unofficial translation - The original letter was written in Japanese.)

April 28, 2016

Mr. Yoshiaki Nakazato
President & Representative director, Sumitomo Metal Mining Co., Ltd.

Re: Request on Joint Investigation regarding Water Quality and Effective Mitigation Measure against Water Contamination related to Nickel Processing Plants in the Philippines

It has already passed 7 years since Friends of the Earth Japan (FoE Japan), with the cooperation of a Japanese citizen's expert¹, has started its continuous water quality analysis in the rivers and other water resource surrounding the Coral Bay Nickel Processing Plants in the Philippines. During this period, our organization has been especially reporting the fact to your company that remarkable water contamination by hexavalent chromium, or Cr(VI), has been found in Togupon River in every rainy season, which exceeds the Japanese environmental standards or "Environmental Quality Standards Concerning the Protection of the Human Health" (not exceeding 0.05 mg/L). And we have been suggesting the joint investigation between your companies and CSOs to aim at identifying the water contamination mechanism and taking more effective mitigation measures, from the viewpoint of preventing the long-term health damage and ensuring the security and life of the local people in the future.

Your company has explained to us that Coral Bay Nickel Corporation (CBNC), in cooperation with its partner Rio Tuba Nickel Mining Corporation (RTNMC), had started to take mitigation measures against Cr(VI) flowing out since 2012, such as covering the nickel ore stockpile with canvas sheets, excavating the siltation pond, and putting activated charcoal around the exit of siltation pond linking to Togupon River.

However, as the attached table "Result of Water Quality Analysis in Togupon River on Hexavalent Chromium for 7 years" clearly shows, Cr(VI) in the Togupon River has been still exceeding the above-mentioned environmental standards in Japan since 2012. In addition, based on the most recent result of water analysis in the rainy season (September) of 2015, the expert pointed out, "We could say that the mitigation measures the companies have been taking are not effective. The companies must take drastic measures immediately. He also added a comment, "the hypothesis of entire contamination mechanism could be almost proved that that Cr(VI) would elute, flow out, and transfer mainly by rainfall from the project and mining area into Togupon River, which flowing into Rio Tuba River."

Given these analysis, we would like to call on your company, who is continuously

¹ Mr. Junichi Onuma, Former lecturer of Kinjo-gakuin University, Former lecturer of Chubu University, and Former Principal Investigator of Environmental Investigation Center in Aichi Prefecture

involved in the processing plants in the area, to reconsider the followings in order to improve the current situation;

1. To conduct a joint investigation on water quality with CSOs etc. inside and surrounding the project site, aiming at identifying the cause/source/mechanism of water contamination found surrounding the processing plant and the mining project site;
2. To exchange opinions/discuss with CSOs etc. based on the result of the said joint investigation, aiming at developing mitigation measures against water contamination;
3. To take mitigation measures against water contamination based on the said discussion;
4. To regularly disclose the result of water quality analysis, so that the public can evaluate the efficiency of the said mitigation measures against water contamination.

We emphasize that when Japanese companies make business abroad, they must make the same level of considerations for the local community's life, environment, culture and human rights as they make business in Japan, and they must comply with the same level of standards as they need to do so in Japan. Instead of your company accepting "double standards" under the weak governance of local government agencies, we expect your more proactive response.

Sincerely,

Friends of the Earth Japan

Annex: A set of each result report on water quality analysis in the area surrounding Coal Bay Nickel Processing Plants and Rio Tuba Nickel Mining Project in Palawan, the Philippines (from year 2009 to 2015)

(This Annex is 97 pages but only available in Japanese, so far. Instead, please kindly refer to the table and map as attached with this letter in English.)*

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