

GRAND CANYON TRUST



URANIUM WATCH



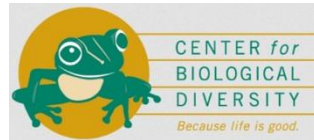
CONSERVATION LANDS FOUNDATION



Friends of Cedar Mesa



The Wilderness Society



Jay Wintrob
Director and Chief Executive Officer
Oaktree Capital Management
333 South Grand Ave., 28th Floor
Los Angeles, CA 90071

July 2, 2020

By Federal Express and Email

Dear Mr. Wintrob:

We are writing in agreement with the Ute Mountain Ute Tribe and on behalf of the Grand Canyon Trust, the Center for Biological Diversity, Conservation Lands Foundation, Friends of Cedar Mesa, Great Old Broads for Wilderness, Healthy Environment Alliance of Utah, Living Rivers & Colorado Riverkeeper, Malach Consulting, New Mexico Environmental Law Center, Mormon Environmental Stewardship Alliance, Patagonia, Southern Utah Wilderness Alliance, Upper Peninsula Environmental Coalition, Uranium Watch, Utah Diné Bikéyah, White Mesa Concerned Community, WildEarth Guardians, Western Watersheds Project, The Wilderness Society and our millions of members, supporters, and customers worldwide to urge Oaktree Capital Management to oppose a decision made by NEO Performance Materials, a company in which Oaktree holds a majority stake,

to send radioactive waste from Estonia to be buried at the White Mesa Uranium Mill¹ in southeast Utah, on the doorstep of the White Mesa Ute Community and next to the original boundaries of Bears Ears National Monument.

As the Salt Lake Tribune and other outlets have recently reported, a rare-earth-processing plant in Sillamäe, Estonia that is run by NPM Silmet OÜ, a subsidiary of NEO Performance Materials, has produced over 2,000 drums of waste that cannot be lawfully discarded in Estonia due to the waste's radioactive content.² As a result, NPM Silmet is planning to ship the waste across the Atlantic and the continental United States for permanent burial at the White Mesa Mill.

Oaktree's principles and policies for responsible investing call for Oaktree's opposition to this waste-disposal plan, for it is fraught with environmental racism and injustice. It also represents a threat to the widely beloved Bears Ears National Monument and interferes with the efforts of the five Native Nations (the Hopi Tribe, the Navajo Nation, the Ute Indian Tribe, the Ute Mountain Ute Tribe, and the Pueblo of Zuni)³ who have tirelessly pushed to protect the monument. For these reasons, we urge you to use Oaktree's clout as majority owner of NEO Performance Materials to block NPM Silmet's plan to dispose of this waste at the White Mesa Mill.

The White Mesa Mill is a four-decade-old uranium mill. Since the 1990s, the mill has engaged in a legally dubious business of accepting fees to process and dispose of various streams of radioactive waste, known as "alternate feed," from contaminated sites around the United States. If the mill's owner were to accept these wastes and bury them straightaway at the mill, it would unquestionably violate federal law. So instead—often (if not always) for a fee—the mill extracts trace amounts of uranium from these wastes so that government regulators will allow everything else to be discarded at the mill. This is an arrangement the State of Utah historically has called "sham recycling," a label we believe remains apt today. And this is how NPM Silmet intends to get rid of the radioactive waste that it cannot discard in Estonia.

Sending the Silmet waste to the White Mesa Mill rather than a licensed radioactive waste disposal facility appears to be a cost-saving measure taken at the expense of an Indigenous community. The White Mesa Mill is located just four miles north of the Ute Mountain Ute Tribe's White Mesa Community, an Indigenous community that is disproportionately affected by the mill's contamination. The mill and its large tailings ponds occupy the ancestral lands of Ute peoples and two dozen other regional Tribes, disturbing numerous cultural sites and burial grounds. The mill has contaminated the groundwater beneath it, ruining a precious resource in the desert Southwest. And that contaminated water and the mill are perched above the sole source of drinking water for White Mesa and the nearby town of Bluff, Utah. The 275-acres of waste pits at the mill emit radioactive and toxic air pollutants that can travel off-site, including radon, sulfur dioxide, and nitrogen oxide. It is bad enough for the White Mesa Ute Community that the Mill is already a collection site for

¹ Energy Fuels Resources (USA), Inc., the owner and operator of the White Mesa Mill, has applied for a license amendment to its operating permit it to allow it to accept the radioactive waste currently stored at the NPM Silmet OÜ facility. The decision to grant such a license amendment is to be made soon by the Utah Division of Waste Management and Radiation Control. Public comments are being accepted until July 10, 2020, after which a decision on the amendment will be made: Public Notices for Energy Fuels Resources, <https://deq.utah.gov/waste-management-and-radiation-control/public-notice-energy-fuels-resources-usa-inc>.

² Zak Podmore, *Estonia doesn't want and can't safely store radioactive powder, so 2,000 drums of it may be coming to southeastern Utah*, Salt Lake Tribune (June 16, 2020).

³ Bears Ears Inter-Tribal Coalition, <https://bearscoalition.org/>.

radioactive waste from around the United States. A new proposal to allow the acceptance of foreign material raises the specter of the mill becoming the world's dumping ground for these kinds of waste.

Oaktree Capital represents itself as a responsible investor that places paramount importance on environmental, social, and governance (ESG) issues when making its investment decisions and is a signatory to the United Nations-supported Principles for Responsible Investment.⁴ Quoting your website: "Oaktree as a firm recognizes that ESG considerations are at the core of ethical and socially responsible investing..." and "For the environmental and social scores, we look at a variety of factors including: ...waste disposal policy..."⁵ The decision to ship waste from Estonia to White Mesa is surely not reflective of Oaktree's values as a responsible investor, and it does not comport with well-considered environmental, social, and governance issues.

NEO's decision stands as a stark example of environmental injustice, as the impacts of the Silmet waste are to be borne by an Indigenous community halfway around the world. The White Mesa Ute Community has consistently and for decades voiced its opposition to the mill and has specifically spoken against the acceptance of the Silmet waste. By not selecting an environmentally appropriate disposal site for the NPM Silmet waste, NEO is putting profits above environmental degradation and the well-being of the communities in which they operate.

We consequently urge Oaktree to abide by the commitments it has made as a responsible investor and to call on NEO Performance Materials to abandon its plans to ship waste to the White Mesa Mill.

Thank you for your attention to this matter. If you have any questions or would like to discuss the issue in more detail, please reach out to Kamran Zafar at kzafar@grandcanyontrust.org.

Sincerely,



Kamran Zafar
Field Attorney
Grand Canyon Trust

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Ute Mountain Ute Tribe

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Public Lands Program Director
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Josh Ewing
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Shelley Silbert
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Great Old Broads for Wilderness

Scott Williams, M.D., M.P.H.
Executive Director
Healthy Environment Alliance of Utah

⁴ Responsible Investing, Oaktree, <https://www.oaktreecapital.com/about/responsible-investing>.

⁵ An ESG Focus for EM Equities Investing: <https://www.oaktreecapital.com/insights/oaktree-insights/market-commentary/an-esg-focus-for-em-equities-investing>.

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Scott Miller
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cc: Brook Hinchman, Oaktree Managing Director and Co-Head of North America
Nicholas Basso, Oaktree Managing Director