

November 29, 2023

Dr. Martin Bruder Müller
Chairman of the Board of Executive Directors, BASF
Carl-Bosch-Straße 38 67056
Ludwigshafen/Rhein, Germany

CC: Dr. Markus Kamieth
Member of the Board of Executive Directors, BASF
Carl-Bosch-Straße 38 67056
Ludwigshafen/Rhein, Germany

CC: Mr. Thorsten Pinkepank
Director Corporate Sustainability Relations, BASF
Carl-Bosch-Straße 38 67056
Ludwigshafen/Rhein, Germany

SENT VIA EMAIL AND REGULAR MAIL

RE: Summary of findings for upcoming report on the environmental and human rights impacts of the nickel industry in Indonesia

Dear Dr. Bruder Müller, Dr. Kamieth, and Mr. Pinkepank,

I am writing on behalf of Climate Rights International, a U.S.-based NGO that conducts research and advocacy on the human rights dimensions of the climate crisis. For the past several months, we have been carrying out research for a report that we plan to publish on the human and environmental impacts associated with nickel mining and smelting at and near the Indonesia Weda Bay Industrial Park (IWIP).

Based on more than forty interviews with community members, our research finds that nickel mining in Central and East Halmahera, North Maluku, and nickel smelting at IWIP are threatening the rights of local people, harming the local environment, and contributing to the climate crisis. Community members told Climate Rights International that their lands have been taken by nickel companies, they were not able to fairly negotiate land sales, and Indigenous Peoples have been denied their legal right to Free, Prior, and Informed Consent (FPIC). In addition, pollution from industrial activities is threatening critical freshwater resources and the ecosystems that people depend on for their traditional livelihoods. Despite claims that nickel from this project is needed to power the electric vehicle transition, massive deforestation and coal use at IWIP are directly contributing to the climate crisis, making this project a climate bomb.

It is our understanding that BASF, in a joint venture with Eramet, plans to construct and operate the Sonic Bay high-pressure acid leach (HPAL) nickel facility in IWIP.

We want to ensure that our report accurately reflects the views, policies, and practices of relevant authorities and companies, and we hope that you or your representatives will respond to the following questions, outlined below. Any responses will be reflected in our reporting as appropriate, and we may publish your responses at our discretion and when appropriate, either in full or in part.

Questions:

1. Please provide a timeline on the permitting and planned construction of the Sonic Bay project at IWIP.
2. Please provide underlying documentation for the proposed Sonic Bay project at IWIP, including building permits, environmental and social impact studies, and other related documents.
3. Please provide information about the HPAL technology that will be used by the Sonic Bay project. Can you describe the process by which nickel ore will be refined? What will be the final materials produced? How will waste products, including slurry and tailings, be disposed of?
4. Where will BASF source nickel ore and other raw materials for the proposed Sonic Bay project? If possible, please provide a list of the nickel mines that Sonic Bay may source nickel ore from.
5. How will BASF monitor its suppliers, including mines supplying nickel ore to the Sonic Bay project, for human rights and environmental abuses, as required by the German Supply Chain Due Diligence Act?
6. Does BASF management have plans to mitigate potential harms to the rights of Indigenous Peoples and other local communities posed by its proposed operations at IWIP? If yes, please elaborate.
7. Does BASF management have plans to remediate harms to the rights of Indigenous Peoples or other local communities that result from its proposed operations at IWIP? If yes, please elaborate.
8. How does BASF audit, evaluate, and/or monitor its suppliers to ensure they meet the qualifications in the BASF Supplier Code of Conduct, including provisions on the “unlawful eviction and unlawful taking of land, forests and waters,” and “protect[ion of] internationally proclaimed human rights in your operations and for your employees”?
9. What are the expected power use requirements for the Sonic Bay project?
 - a. What energy sources will be used to power the Sonic Bay project?

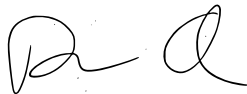
- b. What are the expected annual emissions of the Sonic Bay project?
 - c. If the Sonic Bay project will be powered by captive coal plants, what steps will BASF take to ensure that its operations at the Sonic Bay project are in line with its commitments to reduce greenhouse gas emissions by 25% by 2030 and reach net zero by 2050?
10. How will BASF ensure that the Sonic Bay project does not contribute to environmental and/or human harm, including water and air pollution?
11. Will the Sonic Bay project be included as a “relevant production site,” as described in BASF Group’s Position on Water Protection? If so, what steps will BASF take to safeguard water quality at Sonic Bay?
12. It is our understanding that BASF has a grievance mechanism for affected individuals, employees, business partners, and the general public. Is the grievance mechanism accessible online or only by phone? How will BASF share information about this grievance mechanism with local communities and how will the company make the mechanism accessible?

Please provide your responses in writing. Your responses can only be considered for inclusion in our report if we receive them by December 20, 2023. Please reply in English to [REDACTED], copying [REDACTED]. In addition, please include any other materials, statistics, and/or information you think may be relevant.

I would also welcome the opportunity to speak with you or your representatives. Please let me know if you have any questions or if you would like to arrange a meeting or video conference.

Sincerely,

Brad Adams



Executive Director, Climate Rights International

[REDACTED]