

Subject: Re: Fw:Summary of findings for upcoming report on the environmental and human rights impacts of the nickel industry in Indonesia
Date: Wednesday, December 27, 2023 at 7:04:10 PM Pacific Standard Time
From: 可持续发展公共邮箱
To: Brad Adams
CC: Krista Shennum
Attachments: 57B41F2F@ABEAC85A.E6E28C6500000000.png

Hi Brad,

I hope this email finds you well. Thank you for reaching out to us with your questions. Please find our responses below.

Regarding your upcoming report, we are interested in knowing more about it, particularly regarding the details related to CNGR. We were wondering if you would be able to share more information with us.

If you have any further inquiries, feel free to let us know.

Best,

Dear Mr. Deng Weiming,

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 CNGR Advanced Material Co. Ltd. has plans to build three nickel matte processing plants within IWIP, in partnership with Rigqueza International.

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.

1. Please provide a timeline on the permitting and construction of the three nickel matte processing plants you plan to construct at IWIP.

A: The project for the construction of three nickel matte processing plants has not yet commenced, and we do not have a specific timeline available to share at this time.

2. Please provide underlying documentation for the proposed nickel matte processing plants at IWIP, including building permits, environmental and social impact studies, and other related documents.

A: We do not have the available documents to share at this time. We kindly suggest referring to our [website](#) for any publicly available information that you may require.

3. It is our understanding that CNGR supplies nickel to Tesla. Please provide a full list of electric vehicle companies to which CNGR currently supplies nickel or other raw materials, and the quantities of each material supplied to each company.

A: We would like to provide further clarification on our business model. Our company primarily specializes in the production of precursors, and as such, electric vehicle (EV) companies are not our direct customers. To make it easier to understand, we have included the flowchart of the EV battery value chain below for your reference.



For information related to our products and services, we recommend visiting our [website](#).

4. Does CNGR already have contracts to supply any EV makers with nickel from its plants at IWIP? If so, which EV makers? How much nickel will be provided under each contract?

A: Please refer to our response to question 3.

5. It is our understanding that CNGR's due diligence policy states that the company will not participate in or benefit from activities that do not have the free, prior and informed consent of local and indigenous peoples. What, if any, due diligence has CNGR undertaken to determine whether Indigenous Peoples living near IWIP and nearby nickel mines have given their free, prior and informed consent to activities affecting their land and livelihoods? If you have undertaken due diligence, what was the outcome of that due diligence?

A: The project for the construction of three nickel matte processing plants has not yet commenced. If the project were to commence, it would be governed by our [ESG policy](#), [Human Rights Policy](#), [Due Diligence Policy](#) and [Suppliers' Code of Conduct](#), ensuring strict adherence to these policies and guidelines.

6. It is our understanding that CNGR's due diligence policy states that the company will not participate in or benefit from extracting or sourcing from "mining operations where the culture and heritage of local and indigenous peoples have not been respected and protected, or where traditional cultures and heritage of local peoples have been harmed." What, if any, due diligence has CNGR undertaken in connection with this project to ensure that traditional cultures have not been harmed? If you have undertaken due diligence, what was the outcome of that due diligence?

A: The project for the construction of three nickel matte processing plants has not yet commenced. If the project were to commence, it would be governed by our [ESG policy](#), [Human Rights Policy](#), [Due Diligence Policy](#) and [Suppliers' Code of Conduct](#), ensuring strict adherence to these policies and guidelines.

7. Does CNGR 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.

A: We recognize our responsibility to uphold human rights, including the rights of indigenous peoples and other local communities. The project for the construction of three nickel matte processing plants has not yet commenced. If the project were to commence, it would be strictly guided by our [ESG policy](#), [Human Rights Policy](#), [Due Diligence Policy](#) and [Suppliers' Code of Conduct](#). And we would conduct regular internal audits to ensure compliance with these policies and prevent any potential negative impact on human rights. Moreover, we would actively seek external audits on ESG and due diligence to assess operational alignment with our policies while proactively identifying and mitigating any human rights risks that may arise.

8. Does CNGR 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.

A: Please refer to our response to question 7

9. Does CNGR management have plans to mitigate potential environmental harms posed by its proposed operations at IWIP? If yes, please elaborate.

A: The project for the construction of three nickel matte processing plants has not yet commenced. If the project were to commence, it would be governed by by our [ESG policy](#), [Human Rights Policy](#), [Due Diligence Policy](#) and [Suppliers' Code of Conduct](#), ensuring strict adherence to these guidelines and standards.

10. Does CNGR management have plans to remediate any environmental harms resulting from its proposed operations at IWIP? If yes, please elaborate.

A: Please refer to our response to the question 9.

11. What steps does CNGR take to investigate and respond to allegations of human rights or environmental abuses related to its activities? What procedures does CNGR have in place to allow affected communities to raise complaints?

A: CNGR has implemented a [Social Responsibility Appeal Management](#) system aimed at safeguarding the legitimate rights and interests of stakeholders. In the event that any potentially affected parties wish to file a complaint, the following steps outline our approach to handling such complaints:

Step 1: The lead department investigates the content of the complaint within the five working days, after receives the complaint materials and the Complaint Form provided by the whistleblower

Step 2: The lead department shall make a decision within three working days: reject the complaint or accept the review

Step 3: If the complaint is true and meets the conditions, the lead department shall make a concession with the stakeholder on the handling method within ten working days. And the responsible department implement the corrective action, the lead department shall verify the rectification situation. If the lead department is unable to resolve the issue, it may request assistance from the Executive Vice President/Vice President or apply for third-party mediation. If the Company is judged not to have a grievance problem after agreeing with stakeholders, no corrective or improvement measures will be attached.

Step 4: Publish the result or inform the whistleblower of the result within five working days. (The way of notifying the result will follows the whistleblower protection principle)

Step 5: If the whistleblower is not satisfied with the investigation report or action measures, could re-complaint. CNGR will conduct further investigation and research to determine the action plan that needs to be carried out in

depth and implemented.

Step 6: If the whistleblower still cannot agree with the company on improvement actions, it may take to seek a solution outside the company, including but not limited to hiring external experts to participate in the investigate, referring to a third party (such as RCI, RMI, etc.) for mediation or the judicial route.

Step 7: Disclose the number and type of appeals and the percentage of appeals handled and resolved, including through remedies, in the form of periodic reports (annual ESG reports, due diligence management reports)

For more detailed information, please review [our policy](#).

12. What steps, if any, has CNGR taken to investigate potential human rights or environmental harm resulting from the proposed project at IWIP?

A: Please refer to our response to question 11

Please provide your responses in writing. Your responses can only be considered for inclusion in the report if we receive them by December 20, 2023. Please reply in English at [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,



可持续发展办公室

中伟新材料股份有限公司

矢志成为全球最具价值的新能源材料综合服务商

----- Original -----

From: "Brad Adams" <[REDACTED]>
Date: Sat, Dec 23, 2023 01:59 AM
To: "cngrCSR" <[REDACTED]>
Cc: "Krista Shennum" <[REDACTED]>
Subject: Re: Fw:Summary of findings for upcoming report on the environmental and human rights impacts of the nickel industry in Indonesia

Thank you, we look forward to them.

From: 可持续发展公共邮箱 [REDACTED]
Date: Friday, December 22, 2023 at 02:07
To: Brad Adams [REDACTED]
Cc: Krista Shennum [REDACTED]
Subject: Fw:Summary of findings for upcoming report on the environmental and human rights impacts of the nickel industry in Indonesia

Hi Brad,

Apologies for the delayed response. Unfortunately, your email ended up in our spam folder, and we only recently discovered it. We need some time to gather the required information, but we will address your questions and provide our responses as soon as possible within the coming week.

Best,

CNGR Sustainability Office



可持续发展办公室

中伟新材料股份有限公司

矢志成为全球最具价值的新能源材料综合服务商

----- Original -----

From: "品牌宣传部" [REDACTED]
Date: Fri, Dec 22, 2023 05:34 PM
To: "cngrCSR" [REDACTED]
Subject: Fw:Summary of findings for upcoming report on the environmental and human rights impacts of the nickel industry in Indonesia



品牌宣传部

中伟新材料股份有限公司/中伟新材料/总裁办/文化品牌部

矢志成为全球最具价值的新能源材料综合服务商

----- Original -----

From: "Brad Adams" <[REDACTED]>

Date: Thu, Nov 30, 2023 09:26 AM

To: "品牌宣传部" <[REDACTED]>

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

November 29, 2023

Mr. Deng Weiming

Chairman, CNGR Advanced Material Co., Ltd.

New Energy Industrial Park in Western China

Dalong Economic Development Zone

Yuping County, Tongren City, Guizhou

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

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Questions:

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7. Does CNGR 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.
8. Does CNGR 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.
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10. Does CNGR management have plans to remediate any environmental harms resulting from its proposed operations at IWIP? If yes, please elaborate.
11. What steps does CNGR take to investigate and respond to allegations of human rights or environmental abuses related to its activities? What procedures does CNGR have in place to allow affected communities to raise complaints?
12. What steps, if any, has CNGR taken to investigate potential human rights or environmental harm resulting from the proposed project at IWIP?

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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

