

November 29, 2023

Deng Weiming
Chairman, CNGR Advanced Materials 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

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 Rigueza 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.

Questions:

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

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

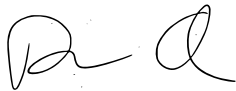
12. What steps, if any, has CNGR taken to investigate potential human rights or environmental harm resulting from the proposed project at IWIP?

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,

Brad Adams



Executive Director, Climate Rights International

[REDACTED]