

November 29, 2023

Mr. James Farley
Chief Executive Officer, Ford Motor Company
1 American Rd.
Dearborn, MI 48126

CC: Ms. Lisa Drake
Vice President EV Programs and Energy Supply Chain, Ford Motor Company
1 American Rd.
Dearborn, MI 48126

CC: Mr. Darren Palmer
Vice President EV Programs, Ford Motor Company
1 American Rd.
Dearborn, MI 48126

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. Farley, Ms. Drake, and Mr. Palmer,

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 Ford sources Indonesian nickel from producers operating at IWIP, in particular Huayou Cobalt Co. Ltd.

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:

Regarding Ford's supply chain mapping:

1. It is our understanding, based on Ford's 2022 Human Rights Report, that the company is mapping and auditing its EV battery material supply chains. Has Ford mapped out its supply chain back to nickel mines in Indonesia or elsewhere? Has Ford identified all of the nickel smelters/refineries in its supply chain? If so, please provide information, including names and locations, of all mines, smelters, and battery facilities along Ford's battery supply chain, including its nickel suppliers in Indonesia.
2. In its filings to the U.S. Securities and Exchange Commission, Ford stated, "To facilitate access to the raw materials necessary for the production of electric vehicles, Ford has entered into, and expects to continue to enter into, multi-year commitments to raw material suppliers that subject Ford to risks associated with lower future demand for such materials as well as costs that fluctuate and are difficult to accurately forecast." Please provide a full, detailed list of suppliers for these materials.

Regarding Ford's due diligence:

3. What steps has Ford taken to ensure that nickel sourced from Huayou Cobalt Co. Ltd. is not contributing to human rights or environmental harms?
4. How does Ford ensure that the mining and smelting of nickel used in its electric vehicles does not contribute to human rights and environmental abuses? What due diligence measures is Ford taking to prevent abuses?
5. According to Ford's Supplier Code of Conduct, suppliers are required to respect the environment and human rights. What steps does Ford take to investigate and act on allegations of environmental and/or human rights abuse in its supply chain?
6. Has Ford undertaken any steps, including but not limited to audits, to investigate the environmental and human rights impact of nickel mining and smelting in Central Halmahera? If yes, please describe those steps and the results of the investigations.
7. Our investigation found that open pit nickel mining in Indonesia, including in Central and East Halmahera, has led to high levels of deforestation. Does Ford account for greenhouse gas emissions from deforestation for nickel mining in Indonesia in its Scope 3 emissions calculations? If not, why not?

8. It is our understanding that nickel smelting at IWIP is powered by captive coal. Does Ford account for greenhouse gas emissions from the burning of coal to power industrial facilities used by Huayou Cobalt Co. Ltd. at IWIP in its Scope 3 emissions calculations? If not, why not?
9. Has Ford made any commitments to reduce or eliminate fossil fuels in its supply chain? If yes, please provide us with any relevant documentation.

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 at [REDACTED], copying [REDACTED]. In addition, please include any other materials, statistics, and/or information you think may be relevant.

I 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]