

November 29, 2023

Elon Musk
CEO, Tesla
1 Tesla Road
Austin, TX 78725

CC: Roshan Thomas
Vice President Supply Chain, Tesla
1 Tesla Road
Austin, TX 78725

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. Musk and Mr. Thomas,

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 Tesla sources Indonesian nickel from producers operating at IWIP, including Huayou Cobalt Co. Ltd. and CNGR Advanced Material.

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 Tesla's supply chain mapping

1. Has Tesla mapped out its supply chain back to nickel mines in Indonesia or elsewhere? Has Tesla identified all of the nickel smelters and refineries in its supply chain? If so, please provide information, including names and locations, of all mines, smelters, and battery facilities along Tesla's battery supply chain, including its Indonesian suppliers.
2. Tesla's 2022 Impact Report states that more than 45 percent of its nickel was acquired through direct sourcing in 2022. Has Tesla mapped out where the remaining nickel is sourced from? If yes, please provide a list of those suppliers.

Regarding Tesla's due diligence

3. What steps, if any, has Tesla taken to ensure that nickel sourced from Huayou Cobalt Co. Ltd. is not contributing to human rights or environmental harms?
4. Tesla's 2022 Impact Report states that Huayou Cobalt Co. Ltd.'s nickel refining operations in Indonesia have been audited and subjected to a lifecycle analysis. Can you provide the results of the audit and analysis?
5. What steps, if any, has Tesla taken to ensure that nickel sourced from CNGR Advanced Material is not contributing to human rights or environmental harms?
6. Tesla's 2022 Impact Report states that an audit and lifecycle analysis for CNGR Advanced Material's nickel refining operations in Indonesia is currently in progress. What is the current status of the audit and LCA? Please share any information you can regarding the audit and analysis.
7. How does Tesla ensure that the mining and smelting of nickel used in its electric vehicles does not contribute to human rights and environmental harms? What due diligence measures is Tesla taking to identify and mitigate such harms?
8. According to Tesla's Responsible Sourcing Policy, it does not tolerate environmental and human rights abuses in its supply chain. What steps does Tesla take to investigate and act on allegations of abuses in its supply chain? Has Tesla received any allegations of environmental or human rights abuses in the supply chain of nickel from Indonesia? If so, please provide details of those allegations and outline what actions Tesla has taken in response.
9. Has Tesla 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.

10. Tesla’s human rights policy states, “we expect our suppliers to engage with legitimate representatives of indigenous communities and respect their right to grant or withhold free, prior, and informed consent for their operations.”
 - a. How does Tesla ensure that its suppliers meet this standard?
 - b. What steps does Tesla take to investigate and act on allegations of abuses by Indigenous Peoples?
 - c. Has Tesla taken any steps to ensure that suppliers connected with the nickel sourced from IWIP have complied with this expectation? If so, please describe those steps.

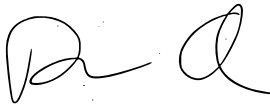
11. It is our understanding that nickel smelting at IWIP is powered by captive coal. Does Tesla account for greenhouse gas emissions from the burning of coal to power industrial facilities used by Huayou Cobalt Co. Ltd. and CNGR Advanced Materials at IWIP in its Scope 3 emissions calculations? If so, please share any documentation or calculations regarding the emissions from nickel production sourced by Huayou Cobalt Co. Ltd and CNGR Advance Materials in Tesla’s supply chain.

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 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]