

November 29, 2023

Dr. Oliver Blume
Volkswagen
Berliner Ring 2
38440 Wolfsburg
Germany

CC: Dr. Dirk Voeste
Volkswagen
Berliner Ring 2
38440 Wolfsburg
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. Oliver Blume and Dr. Dirk Voeste,

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 Volkswagen sources Indonesian nickel from producers operating at IWIP, including Huayou Cobalt Co. Ltd. and Tsingshan Holding Group.

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 Volkswagen's supply chain mapping

1. Has Volkswagen mapped out its supply chain back to nickel mines in Indonesia or elsewhere? Has Volkswagen 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 Volkswagen's battery supply chain, including its Indonesian suppliers.
2. Does Volkswagen source all nickel for its electric vehicles from Indonesia? If not, from what other countries does Volkswagen source nickel?
3. Does Volkswagen require its suppliers, including Huayou Cobalt Co. Ltd. and Tsingshan, to disclose which mines they source nickel from? If yes, please provide a list of those mines.

Regarding Volkswagen's due diligence

4. What steps has Volkswagen taken to ensure that nickel sourced from Huayou Cobalt Co. Ltd. is not contributing to human rights or environmental harms?
5. What steps has Volkswagen taken to ensure that nickel sourced from Tsingshan is not contributing to human rights or environmental harms?
6. Has Volkswagen 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. How does Volkswagen 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 Volkswagen taking to identify and mitigate abuses?
8. What steps is Volkswagen taking to monitor its supply chain for human rights and environmental harms, as required by the German Supply Chain Due Diligence Act?
9. It is our understanding that nickel smelting at IWIP is powered by captive coal. Does Volkswagen account for greenhouse gas emissions from the burning of coal to power industrial facilities used by Huayou Cobalt Co. Ltd. and Tsingshan Holding Group facilities at IWIP in its Scope 3 emissions calculations? If so, please share any documentation or calculations regarding the emissions from nickel production in Volkswagen's supply chain, including emissions related to nickel sourced from Huayou Cobalt and Tsingshan.


10. What steps is Volkswagen taking to decarbonize its nickel supply chain, in line with its 2050 net-carbon-neutrality goal?

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 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]