

Monday, August 5, 2024 at 18:14:50 Pacific Daylight Time

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**Subject:** AW: Inquiry on Nickel Supply Chain, Due Diligence, Human Rights  
**Date:** Monday, May 27, 2024 at 5:49:31 AM Pacific Daylight Time  
**From:** [REDACTED]  
**To:** Brad Adams, Krista Shennum  
**CC:** [REDACTED]  
**Attachments:** image001.png, image002.png, image003.png, image004.png, image005.png, image006.png, image007.png

Dear Mr. Adams,

thank you for your request which was forwarded to me. Attached below you find our statement in response to your questions.

The BMW Group does not have any direct supply relationships or cooperations with nickel suppliers in Indonesia. Our suppliers source the raw material independently. In accordance with our purchasing conditions, as direct suppliers they are obligated to comply with legal requirements and extensive environmental and social standards and must also pass these on to their sub-suppliers.

The specific requirements of our suppliers are stated in our “supplier code of conduct”, including responsible business practices. The supplier shall comply with all legal requirements that apply to its product and business operations, including those of antitrust and competition law, corruption prevention, money laundering prevention, export control, and data protection. Please find our current “supplier code of conduct” here:

[https://www.bmwgroup.com/content/dam/grpw/websites/bmwgroup\\_com/responsibility/downloads/en/2022/BMW-Group-Supplier-Code-of-Conduct-V.3.0\\_englisch\\_20221206.pdf](https://www.bmwgroup.com/content/dam/grpw/websites/bmwgroup_com/responsibility/downloads/en/2022/BMW-Group-Supplier-Code-of-Conduct-V.3.0_englisch_20221206.pdf)

As part of our due diligence for our supply chain, the BMW Group continuously monitors compliance with requirements through procedures such as risk filters, media analyses and with supply chain mapping, among others. If there are indications of possible violations in the supply chain, we clarify them and take action. Please find detailed information on our general due diligence approach in the supply chain here: <https://www.bmwgroup.com/en/sustainability/supply-chain.html#ace-1476230647>

In addition, we have been active members for years in initiatives that develop standards for responsible raw material extraction and processing (smelting or refining), thus promoting compliance with environmental and social standards in raw material mining and processing facilities (e.g. IRMA and RMI).

Furthermore, we have created a closed-loop material cycle for reuse of the raw materials nickel, lithium and cobalt from high-voltage batteries at Chinese locations and set high standards for secondary raw material content, which is both resource-efficient and reduces CO<sub>2</sub>, compared to primary extraction.

Best regards,  
Maximilian Stoib

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**BMW Group**

Maximilian Stoib  
Corporate and Governmental Affairs  
Purchasing and Supplier Network Communications



Web: <https://www.bmwgroup.com/>

**BMW  
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Bayerische Motoren Werke Aktiengesellschaft  
Vorstand/Board of Management: Oliver Zipse (Vorsitzender/Chairman),  
Jochen Goller, Ilka Horstmeier, Walter Mertl,  
Milan Nedeljković, Joachim Post, Frank Weber  
Vorsitzender des Aufsichtsrats/Chairman of the Supervisory Board: Norbert Reithofer  
Sitz und Registergericht/Domicile and Court of Registry: München HRB-42243  
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**From:** Brad Adams

**Sent:** Friday, April 12, 2024 1:08 PM



**Subject:** Inquiry on Nickel Supply Chain, Due Diligence, Human Rights

April 12, 2024

Dr. Nils Tönshoff  
Leiter Standortentwicklung, Energie, Umweltschutz, BMW Group



Dear Dr. Tönshoff,

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. We recently published a 124-page report, “Nickel Unearthed: The Human and Climate Costs of Indonesia’s Nickel Industry,” that documents the human and environmental impacts associated with nickel mining and smelting at and near the Indonesia Weda Bay Industrial Park (IWIP), a large nickel processing complex in North Maluku.

As you are likely aware, Indonesia is the world's largest producer of nickel, providing roughly 55 percent of global nickel supplies in 2023. As a major producer of electric vehicles, many of which use nickel as a key battery component, I am writing to share our report findings with you and ask questions about your mineral sourcing and due diligence policies and practices.

## **Key Findings**

Based on more than forty interviews with community members, our report finds that nickel mining in Central and East Halmahera, North Maluku and nickel processing 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 some were intimidated into selling their lands by members of the police or military who acted on behalf of companies. Indigenous Peoples have been denied their 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 drinking water and traditional livelihoods.

Despite claims that nickel from this project is needed to power the electric vehicle transition, massive deforestation and captive coal use at IWIP are directly contributing to the climate crisis, making this project a carbon bomb. Once fully operational, IWIP will be home to twelve new captive coal plants, totaling 3.78 gigawatts of coal capacity, which is more coal than used by Spain or Brazil in a year.

The report is attached to this email and can also be found on our website: <https://cri.org/reports/nickel-unearthed>. Our report has also been featured in international media outlets, including the New York Times, Wall Street Journal, South China Morning Post, Al Jazeera, and Reuters.

## **Questions**

We hope that you or your representatives will respond to the following questions, outlined below. Any responses may be reflected in our future reporting on the critical mineral supply chains and due diligence practices of electric vehicle companies, as appropriate. We may publish your responses at our discretion and when appropriate, either in full or in part.

Regarding supply chain mapping:

1. Has BMW mapped out its critical mineral supply chain back to the mine level? If so, please provide information, including names and locations, of all mines along BMW's battery supply chain.
2. Has BMW mapped out all of the critical mineral smelters/refineries in its supply chain? If so, please provide information, including names and locations, of all mines along BMW's battery supply chain.
3. Does BMW source nickel from Indonesia, either directly from nickel mining and processing companies or indirectly through its suppliers? If so, please provide information about the sources of BMW's Indonesian nickel.
4. Please provide a list of countries from which BMW sources each of the following minerals: nickel, lithium, cobalt, manganese, and graphite.
5. Has BMW made any agreements to directly source nickel or other critical minerals directly from mining companies or mineral processing companies? If so, please provide information about those agreements.
6. Please provide information, including names and locations, of all electric vehicle battery manufacturers that BMW sources from, including the names and locations of battery manufacturing facilities.

Regarding corporate due diligence:

3. How does BMW ensure that the mining and smelting of critical minerals, including nickel, used in its electric vehicles does not contribute to human rights and environmental abuses? What due diligence measures is BMW taking to monitor and/or prevent abuses?
4. What steps does BMW take to investigate and act on allegations of environmental

and/or human rights abuse in its supply chain?


5. Has BMW undertaken any steps, including but not limited to audits, to investigate the environmental and human rights impact of the critical minerals it sources? If yes, please describe those steps and the results of the investigations.

6. Does BMW have a grievance mechanism that can be used by communities impacted by critical mineral mining and smelting to report human rights and/or environmental abuses? If yes, how often is the mechanism used? How does BMW make impacted communities aware of the mechanism and ensure that it is accessible and available to those communities?

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 BMW account for greenhouse gas emissions from deforestation for mining in its Scope 3 emissions calculations? If not, why not?

8. Has BMW made any commitments to reduce or eliminate fossil fuels in its supply chain? If yes, please provide us with any relevant documentation. Does BMW have any other climate goals or commitments? If so, please provide documentation of those commitments.

9. Has BMW made any commitments on human rights, including on Indigenous Peoples' right to exercise free, prior, and informed consent? Does BMW have any requirements on human rights for its suppliers? If yes, please provide documentation of those commitments.

Please provide your responses in writing to . 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

