

Friday, September 13, 2024 at 14:53:05 Pacific Daylight Time

Subject: 回复: Inquiry on Nickel Supply Chain, Due Diligence, Human Rights
Date: Wednesday, August 28, 2024 at 7:44:33 PM Pacific Daylight Time
From: NIO ESG
To: Krista Shennum, Brad Adams
Attachments: image001.png

Dear Krista,
Thanks a lot for approaching NIO ESG.

NIO does not have any direct supply or cooperation with nickel suppliers in Indonesia. In according to the company "[Global Sustainable Supply Chain Policy](#)", NIO is committed to the sustainable supply chain management covering environmental impact, labor right, human rights, diversity and respect, anti-discrimination, anti-sexual harassment, anti-bullying, occupation health and safety. The policy outlines our expectations for ourselves and our suppliers to adhere to ethical practices throughout their operations.

NIO has built a set of robust critical material supply chain due diligence management system according to *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas* and *RMI Conflict Minerals Reporting Template*.(pls refer to [Due Diligence Management Policy for Critical Minerals](#)).

From 2023, NIO established a critical material due diligence program to identify and assess the potential risks related to upstream raw material suppliers. The specific requirements are stated in "NIO Partner Management Handbook" for battery and electric drive system suppliers. The supplier shall comply with all requirements that apply to its product and business operations. As of today, the company has conducted the critical material due diligence assessment on over 60% good value of tier 1 suppliers. To ensure the due diligence quality, the company organized 3 specialized trainings for those suppliers, including the suppliers of battery, electric drive system, exterior and interior, electronics, chassis, etc.

NIO's philosophy is embodied in 'Blue Sky Coming,' representing NIO's commitment to a clean, sustainable, and prosperous future. Our mission 'Shaping a Sustainable and Brighter Future Together,' drives us to innovate and lead in the development of smart, premium electric vehicles that not only redefine the driving experience but also contribute to a better world.

Thanks
Cheers
Yuzhu Guo
Sustainability Head



发件人: Krista Shennum [REDACTED]
发送时间: 2024年8月22日 0:20

收件人: Brad Adams [REDACTED] NIO ESG [REDACTED]
主题: Re: Inquiry on Nickel Supply Chain, Due Diligence, Human Rights

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指引 | guidelines : <https://nio.feishu.cn/wiki/wikcnwPnSj2NPbCParrhSzGINjf>

Dear Nio ESG Team,

I am writing to let you know that Climate Rights International released a press release yesterday calling on electric vehicle companies to step up their supply chain due diligence efforts to prevent and mitigate climate, human rights, and environment harms in transition mineral supply chains. As part of this, we have noted that we did not receive a response from Nio.

You may find the press release online here: <https://cri.org/electric-vehicle-companies-failing-on-rights-and-environmental-practices/>

If you would like to send a response to our initial questionnaire, we would be happy to add your response to the list of company responses at the end of the press release.

We would be happy to meet with you to discuss Nio's sourcing and due diligence policies and practices, as well as our work documenting harms related to Indonesia's nickel industry. Please let me know if you or members of your team would like to set a call.

Best,

Krista Shennum, *she/her*
Researcher
[Climate Rights International](#)
Time Zone: PST (GMT-8)

From: Brad Adams [REDACTED]
Date: Thursday, May 16, 2024 at 6:03 PM
To: [REDACTED]
Cc: Krista Shennum [REDACTED]
Subject: Re: Inquiry on Nickel Supply Chain, Due Diligence, Human Rights

To the ESG Team,

I am following up because we have not yet received a response to our questionnaire about Nio's supply chain due diligence. We will be publishing responses and non-responses from electric

vehicle companies in early June. Please send your responses as soon as possible and before **Friday, May 31** for your responses to be included.

Thank you,

Brad Adams
Executive Director, Climate Rights International

From: Brad Adams
Sent: Friday, April 12, 2024 1:33 PM
To: [REDACTED]
Cc: Krista Shennum [REDACTED]
Subject: Inquiry on Nickel Supply Chain, Due Diligence, Human Rights

April 12, 2024

Mr. Feng Shen and Mr. Wei Feng
ESG Steering Team, Nio Inc.
[REDACTED]

Dear Mr. Feng Shen and Mr. Wei Feng,

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 Nio 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 Nio's battery supply chain.

2. Has Nio 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 Nio's battery supply chain.

3. Does Nio 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 Nio's Indonesian nickel.

4. Please provide a list of countries from which Nio sources each of the following minerals: nickel, lithium, cobalt, manganese, and graphite.

5. Has Nio 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 Nio sources from, including the names and locations of battery manufacturing facilities.

Regarding corporate due diligence:

3. How does Nio 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 Nio taking to monitor and/or prevent abuses?

4. What steps does Nio take to investigate and act on allegations of environmental and/or human rights abuse in its supply chain?

5. Has Nio 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 Nio 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 Nio 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 Nio account for greenhouse gas emissions from deforestation for mining in its Scope 3 emissions calculations? If not, why not?

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

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

Please provide your responses in writing to [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]