

NICKEL
INDUSTRIES

Pathways to a Sustainable Future

NICKEL INDUSTRIES LIMITED
and its controlled entities
A.B.N. 44 127 510 589



2022
Sustainability
Report

» Contents

Table of Contents	1
About This Report	1
Disclaimer	2
Sustainability Performance Highlight	3
Message from the Chairman	5
Sustainable at Nickel Industries	6
Pathways to a Sustainable Future	7
Sustainability Policy	7
Sustainability Strategy	9
Stakeholder Engagement & Material Topics	9
Sustainability Governance	14
Company Profile	17
Vision, Mission, & Values	18
History	19
2022 Sustainability Milestones	21
External Initiatives, Memberships, Rewards, and Certification	23
Economic Development	25
Operations	26
Direct Economic Value	27
Supply Chain	28
Indirect Economic Impact	30
Environmental Stewardship	31
Our Environmental Policy	32
Good Mining Practices	34
Climate Risk and Resilience	36
Emissions	42
Energy	43
Water and Effluent	44
Waste	47
Biodiversity	49
Social Responsibility	51
Human Capital Development	52
Occupational Health and Safety	54
Local Communities	63
Ethical Business Practices	72
Diversity and Equal Opportunity	73
Anti-corruption	80
Human Rights	80
Appendix 1	83
Independent Assurance Statement	85
GRI Standard Content Index	89
SASB: Metals and Mining	91
Feedback Form	92

» About This Report

About This Report [2-2, 2-3, 2-4, 2-5, 3-2]

The Nickel Industries Limited ('Nickel Industries' or 'the Company') 2022 Sustainability Report ('Report') is the second sustainability report that the Company has published and is a continuation of the previous year's report published on June 2022.

The Report demonstrates our commitment to our employees, investors, stakeholders, the environment and the communities in which we operate. Our holistically integrated, multi-stakeholder framework ensures consistent long-term sustainability performance, reflecting our concern and responsibility towards the subject.

This Report has been prepared based on relevant reporting principles (stakeholder inclusiveness, materiality, completeness, accuracy, balance, clarity, comparability, reliability, and timeliness) and stages through collaborative discussions during 2022. This year's material topics were chosen in line with the Company's corporate strategy and have been approved by the Board of Directors. Some information has been restated from previous reports, and we have noted such in our report.

Furthermore, the Company has reported the information cited in this GRI content index for the period 1st January 2022 to 31st December 2022 with reference to the GRI Standards, along with the Metals and Mining (MM) Supplement Sector, Sustainability Accounting Standards Board (SASB) for Metals and Mining Standard and the Task Force on Climate-Related Financial Disclosures (TCFD) for selected disclosure indicators.

All information is derived from the Company and its entities, including Hengjaya Mine, Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel. KPMG has audited the Company's Consolidated Financial Statements as an independent auditor. In addition, Social Responsibility (SR) Asia, a leading sustainability assurance provider in the region, has independently assured the Report's compliance with regard to selected information concerning the Company's sustainability performance.

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Disclaimer

This Report includes forward-looking statements within the prevailing regulatory laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “targets”, “outlook” and “guidance”, or other similar words and may include, without limitation, statements regarding estimated reserves and resources, certain plans, strategies, aspirations and objectives of management, anticipated production, study or construction dates, expected costs, cash flow or production outputs and anticipated productive lives of projects and mines. Such statements are subject to prospective risks & uncertainties and may cause actual developments to differ materially from the reported results.

The forward-looking statements in this Report were prepared based on numerous assumptions concerning current conditions and future events, as well as the business environment where the Company conducts business. The Company shall have no obligation to guarantee that all the valid information presented will bring the specific results as expected.

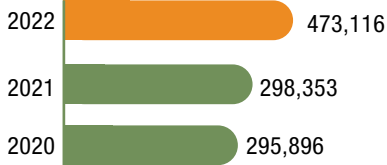
Sustainability Performance Highlights



Production Performance

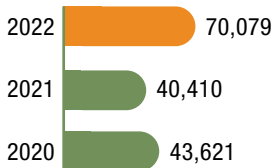
Nickel Pig Iron (NPI) Production

Tonnes



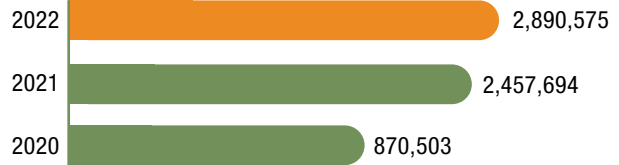
Nickel Metal Production

Tonnes



Saprolite ore

Tonnes



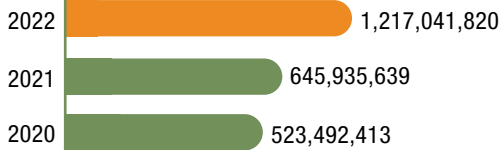
Limonite ore

Tonnes

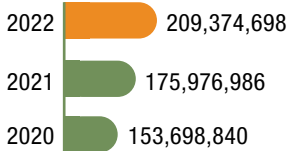


Financial Performance (USD)

Revenue



Total Net Profit After Tax



Total Assets



Environmental Performance

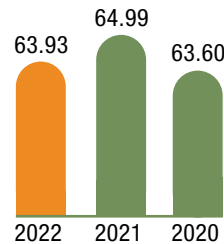
Green House Gas (GHG) Emissions (Scope 1 & 2)

Tonnes CO₂e



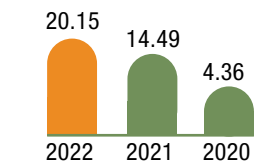
Emissions Intensity

tCO₂e / t Ni eq



Rehabilitated Land Area at Hengjaya Mine

Ha



Watershed conservation in Central Sulawesi Province, in which up to 1,905 Ha has been rehabilitated and more than 2,095,500 trees have been planted since 2019.



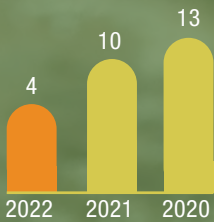
In 2022, the **Hengjaya Mine** was awarded a **Green PROPER** rating by the Ministry of Environment and Forestry, becoming the sole mining entity from Central Sulawesi Province to achieve this rank and one of the only two nickel companies nationally to earn this accolade in 2022.



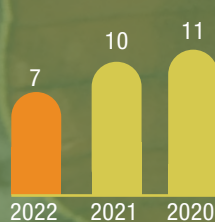
Social Performance

Total Occupational Accidents

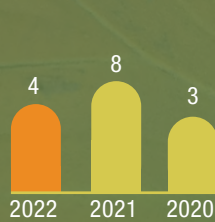
Hengjaya Nickel



Ranger Nickel



Hengjaya Mine



Total Employees (2022)

Description	Male	Female
Hengjaya Nickel	571	93
Ranger Nickel	505	92
Angel Nickel	1,128	93
Oracle Nickel	1,473	151
Hengjaya Mine	277	28
Total	3,954	457
		4,411



➤ Message from the Chairman [GRI 2-22]

Dear Fellow Shareholders,

I am pleased to be able to present to you Nickel Industries' second annual Sustainability Report for the calendar year ending 31 December 2022.

We have realised that the past two years have highlighted the fragility of our global economic, environmental and social systems. We have faced a global pandemic, supply chain disruptions, increased natural disasters, unfamiliar weather phenomena due to climate change, and more. But this presents an opportunity for transformation & adaptation, and there is no better time than now to act. For us, sustainability is the way we operate; it's included as part of the consideration in everything that we do, and we continually strive to improve it.

Our commitments centre on the Company's most pressing concerns, including biodiversity conservation, decarbonisation, energy efficiency and community livelihoods. The short-term sustainability strategy of Nickel Industries focuses on the economic and social impact of, among other things, rehabilitating developed areas, developing local communities, optimising our indirect economic impacts, creating employment opportunities, as well as preventing accidents and diseases for our workforce.

Meanwhile, our medium- and long-term strategies emphasise carbon reduction and renewable energy transition. These long-term commitments are reflected in the Company's development of its solar projects, which are considerably cleaner than conventional practices. In addition, we intend to diversify more of our RKEF lines to produce nickel matte products, which are used in batteries and electric vehicles, and to supply limonite ore to the new HPAL production, which is currently being developed within IMIP for the EV battery industry.

In our second annual Sustainability Report, we build and expand upon the foundation we laid in our first year, in line with Nickel Industries' three sustainability pillars of economic development, environmental stewardship and social responsibility. This year, we focus on setting the Company's long-term goals, especially for the carbon footprint, biodiversity area, occupational health and safety, local people and communities we work in. We also recently formed a sustainability committee to oversee the progress of our sustainability objectives.

Finally, I would like to thank everyone at the Company who has made this Report possible; your efforts have not gone unnoticed. I would also like to thank our stakeholders and our partners, who assist us by providing feedback on how we can continuously improve our sustainability initiatives and programmes to reach those who require them the most. Addressing Environmental, Social and Governance ('ESG') factors through multi-stakeholder approaches is always our top priority.

While we are grateful for all that we have accomplished in 2022, such as becoming the only nickel company to receive seven trophies at the Environmental and Social Innovation Awards; earning a silver award at the Asia Sustainability Reporting Rating; achieving a Green rating for the Hengjaya Mine from the Indonesia Ministry of Environment and Forestry; being nominated as finalists for three categories at the Asia Sustainability Reporting Awards; and was included in the top-half ESG performers of the global Mining and Metals Industry according to the S&P Global; we recognise that much more remains to be done in creating long-term value for our stakeholders and the planet. Only together can we make the earth a better place for everyone to live.

Yours sincerely,

Rob Neale



Sustainability at Nickel Industries

➤ Sustainability at Nickel Industries

Pathways to a Sustainable Future

In 2022, Nickel Industries focused its sustainability disclosure by building on the report and theme of Incorporating Our Values from its inaugural report the previous year. By combining the Company's core values with the best practises in sustainability, particularly in our industry, we have laid the groundwork and foundation for future efforts that will enable us to contribute to and expand our work in sustainable development across all our operations – creating Pathways to a Sustainable Future.

Like a tree with strong roots, the Company's foundational values enable it to extend its sustainability initiatives to all of its operations per its business strategy and the needs of its stakeholders.



Sustainability Policy [2-23, 2-24]

Performing at a world-class level in sustainability is critical to our business success. Therefore, Nickel Industries' sustainability policy is predicated on creating long-term value for the company, local communities and other stakeholders. We aspire to responsibly supply a critical base metal for the future growth of our planet while also promoting environmental protection & social empowerment and improving the health and safety of our workers, host communities and regional neighbours.

Our policy is thus rooted in three realms of influence: sustainable operations, stimulation of local development, and contribution to global sustainability.

These policies act as a foundation and are guiding principles in developing our sustainability strategy and non-financial objectives and priorities, which are evaluated and adjusted annually. Meeting our commitments in these areas is critical to our continued access to resources, capital and engaged employees, promoting sustainable development in our operational areas and worldwide.

Furthermore, we are committed to doing our part in achieving the United Nations Sustainable Development Goals (SDGs), supporting the implementation of the SDGs at local, national and global scales in accordance with our operations by 2030.

Policy	Description	Commitments
 <p>Sustainable operations</p>	<p>Nickel Industries will act responsibly across the life cycle of our activities, from project conception, through to execution and operation, to the closure of our activities, respecting the local people and customs where we operate.</p>	<p>To meet or exceed the standards where we operate and continuously improve performance.</p> <p>To achieve zero harm towards our employees, contractors and local communities, promoting active genuine care inside and outside the Company.</p> <p>To continuously improve our activities, seeking increased efficiency in the use of natural resources.</p> <p>To manage risks and impacts, adopting elimination, mitigation, compensation and monitoring measures and maximising the positive benefits of our activities.</p> <p>To work with responsibility, ethics and transparency, engaging with our stakeholders.</p>
 <p>Stimulation of local development</p>	<p>Beyond the management of our activities, the Company seeks to stimulate local socioeconomic development that sustainably contributes to the livelihoods and well-being of the communities and environment around our areas of operation.</p>	<p>To support the development and hiring of local workforce and suppliers.</p> <p>To understand and monitor the key social and environmental indicators for the regions where we operate and make conscious decisions to improve social and environmental well-being in the most appropriate and meaningful ways.</p> <p>To develop programs related to social needs, with the long-term economic development vision, avoiding reactive social investments.</p> <p>To respect indigenous and local communities' connections to lands, waters and the environment and seek to develop mutually beneficial agreements with land-connected peoples, to promote engagement, free, prior and informed consultation and risk and impact evaluation.</p>
 <p>Contribution to global sustainability</p>	<p>Nickel Industries recognises our important role in addressing shared global challenges. Therefore, we will contribute to the dialogue and confrontation of the challenges in terms of sustainable development as appropriate to our scope of activities.</p>	<p>To be transparent in terms of governance, policy, procedures, practices and the Company's performance to our stakeholders.</p> <p>To contribute towards global targets related to our business by continuously improving our operations and seeking partnerships, solutions and technology for challenges to sustainable development.</p> <p>To contribute to creating a positive legacy for future generations, balancing the social, environmental and economic aspects of our business.</p> <p>To work with colleagues, partners and communities globally to deliver the products our customers need and learn from each other to improve our performance.</p> <p>To promote active partnerships at international, national, regional and local levels based on mutual commitment and trust.</p> <p>To engage with our joint venture partners to share our practices and insights and learn from theirs.</p> <p>To recognise and respect diverse cultures, communities and points of view.</p> <p>To respect human rights and work with communities and organisations to create mutual value throughout and beyond the life of our operations.</p> <p>To strive to contribute to the United Nations' Sustainable Development Goals.</p>

Sustainability Strategy ^[2-22]

The Company’s sustainability strategy is comprised of short- and long-term objectives determined through constant engagement with our stakeholders, ensuring that our strategy and initiatives align with the evolving expectations of society. Therefore, the Company focuses on three core pillars that we believe are most relevant to our operations, each of which has its own set of sub-pillars created in accordance with existing sustainability policies and international best practices.

Pillar	Sub-Pillar	Description
Economic Development	Financial Performance	<ul style="list-style-type: none"> Long-term vision to grow the business in a way that provides optimum benefit to the lives of people in the community Continuously improve the Company’s performance to generate indirect economic impacts on the local community Help the local community grow simultaneously alongside the Company
	Indirect Economic Impacts	
	Procurement practices	
Environmental Stewardship	Biodiversity	<ul style="list-style-type: none"> Environmental sustainability is a core part of Nickel Industries’ existence Our products are essential for the global energy transition and the stability of our operating environment Committed to reducing our carbon footprint – HNC has one of the lowest carbon intensities per tonne of nickel produced
	Energy	
	Emissions	
	Waste	
	Water and Effluents	
Social Responsibility	Anti-corruption	<ul style="list-style-type: none"> Committed to stimulating local socioeconomic development Sustainably contribute to the livelihoods and well-being of the communities and environment around our areas of operation Respect the local people and customs wherever we operate
	Community development	
	Donation and sponsorship	
	Education	
	Gender and Diversity	
	Health and Safety	
	Human rights	
	Infrastructure	

Stakeholder Engagement & Material Topics ^[2-29, 3-1, 3-2, 3-3]

Nickel Industries performs an annual materiality assessment to ensure that our sustainability strategy is appropriately focused, correctly and accurately assesses the constantly evolving sustainability landscape and prioritises the issues that are crucial to our business and our stakeholders. Our annual materiality assessment determines which ESG topics need to be included and reported in our publication in accordance with what the Company and its stakeholders have deemed material to the Company’s progression and future as a natural resources company.

Our materiality assessment incorporates extensive consultations with our internal and external stakeholders, as well as local and global information about our business and the nickel industry as a whole. Our stakeholders have been contacted and given the opportunity to voice their opinions and concerns through the most appropriate communication channels.
















Identification of Stakeholder Needs and Approach

Stakeholders	Identification Base
Internal Stakeholders	
Investors and Shareholders	D, R, I, P
Employees	D, R, T, I, P
External Stakeholders	
Customers	D, R, I, P
Contractors	D, R, T, I, P
Business Partners	D, R, T, I, P
Governments	R, T, I, DP
Local Communities	D, R, T, I, DP, P

Explanation of Identification Base	
Dependency (D)	Nickel Industries' dependence on someone or an organisation, or vice versa
Responsibility (R)	The existence of legal, commercial or ethical responsibility of the Company towards someone or an organisation.
Tension (T)	Someone or an organisation has an influence on the Company regarding certain economic, social or environmental issues
Influence (I)	Someone or an organisation has an influence on Nickel Industries or other stakeholder strategies or policies.
Diverse Perspective (DP)	Someone or an organisation has different views that can influence the situation and encourage actions that did not exist before
Proximity (P)	Someone or an organisation has a geographical and operational closeness with the Company

 **Material Topics**

The Company's materiality assessment in 2022 resulted in the modification of the material topics included in this Report. Anti-corruption, Human rights and Diversity & Inclusion were merged into a single topic: Ethical Business Practices. The material topics have also been categorised in accordance with the Company's Sustainability Pillars, as opposed to a prioritisation list.

Material Topics	Concerns	Support for SDGs
Environment		
Biodiversity	Silt management, mangrove conservation, watershed rehabilitation, on-site reclamation, flora & fauna monitoring, and coral transplantation	
Emissions	Climate change	 
Energy	Efficiency and technology in the production process	 
Water and Effluent	Reuse and recycle (close-loop systems)	  
Waste	Waste management and domestic waste	 
Social		
Human Capital Development	Training, development, and education	  
Local Communities	Community empowerment, infrastructure, education and health	  
Occupational Health and Safety	Employee health & safety and working conditions	 
Governance		
Ethical Business Practices	Anti-corruption, human rights, modern slavery, diversity and equal opportunity	     
Economy		
Economic Performance	Indirect economic impact, production and tax compliance	     



Biodiversity Management Approach (GRI 3-3)	
Importance/Impact	Biodiversity provides functioning ecosystems that are necessary for the Earth and its inhabitants. Failure to do so would result in the deterioration of the quality of life on Earth.
Scope, Initiatives and Achievements	<p>The scope of the reporting period encompasses our nickel mining site: the Hengjaya Mine.</p> <p>Since 2019, we have supported the rehabilitation of 1,905 Ha of watershed area in Central Sulawesi, in which 2,095,500 trees (such as pines, rattans, and durians) have been planted until 2022. These efforts will stimulate the community's economy, with a projected income of USD 535 per hectare, which will begin eight years after the trees' plantation.</p> <p>We also rehabilitated the post-mining site at Hengjaya Mine, where we converted 20.15 hectares of the area as a reclamation zone in 2022.</p>
Person in Charge and Form of Evaluation	The Environmental Department oversees the conservation and protection of biodiversity.
Impacted Stakeholders	Internal: Management External: Governments and local communities



Emissions Management Approach (GRI 3-3)	
Importance/Impact	Global warming and climate change are understood to be a result of GHG emissions, putting human survival in jeopardy. Given the nickel sector's propensity to generate GHG emissions, the Company's emissions must be reduced in order to contribute to global efforts to combat climate change.
Scope, Initiatives and Achievements	<p>The report identifies organisational and operational boundaries for which the GHG inventory is confined for inventory data to be gathered for the Hengjaya Nickel, Ranger Nickel, Angel Nickel and the Hengjaya Mine.</p> <p>The Company also works to strengthen its climate governance and has researched potential improvement opportunities related to carbon footprint from the fuel usage at Hengjaya Mine.</p>
Person in Charge and Form of Evaluation	The sustainability manager is responsible for the reporting of Green House Gas (GHG) emissions, and the figures are evaluated on a regular basis.
Impacted Stakeholders	Internal: Management, Investors and Shareholders External: Contractors, Business Partners



Energy Management Approach (GRI 3-3)	
Importance/Impact	Energy use in large quantities has a direct effect on the life of all living things on the planet and the viability of businesses, emphasising the vital nature of energy use that is responsible and efficient.
Scope, Initiatives and Achievements	The Company started to implement its 'Future Energy' framework by commissioning the solar system at Hengjaya Mine as well as signing binding term sheets with PT Sumber Energi Surya Nusantara and Quantum Power Asia Pte Ltd to develop 200 MWp and 220 MWp solar projects for its operations in Central Sulawesi.
Person in Charge and Form of Evaluation	Energy management is the responsibility of the Operations Department and is supported by the Environmental Department.
Impacted Stakeholders	Internal: Investors and Shareholders External: Contractors, Business Partners, Governments



Water & Effluent Management Approach (GRI 3-3)	
Importance/Impact	Water and effluents are a material topic, as without the proper management and use of water; it can lead to devastating effects for the Company and its surrounding environments, such as land subsidence, empty space and seawater intrusion.
Scope, Initiatives and Achievements	The scope of the reporting period encompasses our nickel mining site: the Hengjaya Mine, and our RKEF lines: Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel. In 2022, the Company monitored its effluent regularly as required by laws and supported coastal conservation in Central Sulawesi and North Maluku.
Person in Charge and Form of Evaluation	Environmental Department oversees water and effluent management.
Impacted Stakeholders	<ul style="list-style-type: none"> Internal: Management External: Government and local communities



Waste Management Approach (GRI 3-3)	
Importance/Impact	Waste management is essential to minimise pollution's impact on the environment and avoid the spread of disease to surrounding areas.
Scope, Initiatives and Achievements	The scope of the reporting period encompasses our nickel mining site: the Hengjaya Mine, and our RKEF lines: Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel. In 2022, the Company continuously supported the local government in Morowali in handling solid waste generation in the area.
Person in Charge and Form of Evaluation	The waste management program is the responsibility of the Environmental Department and Corporate Social Responsibility Team.
Impacted Stakeholders	Internal: Management External: Government and local communities



Human Capital Development Management Approach (GRI 3-3)	
Importance/Impact	Training and education are necessary for optimal job performance and provides a deeper understanding for employees to perform their job properly and correctly. Our programs and initiatives are part of our wider human capital development plan. Furthermore, certifications are required for some positions.
Scope, Initiatives and Achievements	By implementing received training materials, employees and workers can avoid making errors while performing their jobs. Achievements include employees and workers who have passed certification/training, as well as how they apply it in their respective functions.
Person in Charge and Form of Evaluation	Evaluations are carried out by an individual's respective superiors and are overseen by Human Resources and Department Heads.
Impacted Stakeholders	Internal: Management, Employees External: Government



Local Communities Management Approach (GRI 3-3)	
Importance/Impact	The communities in which our business operates are our stakeholders, and as such, we are mindful of the value we create for those communities. The Company is committed to responsible corporate citizenship, which includes meeting the social, socioeconomic, and enterprise development needs of the communities in which it operates.
Scope, Initiatives and Achievements	<p>We have identified eight focuses for our community relations and development programs to achieve their targets: education, health, real income & job creation, economic independence, social-cultural & religious support, life environment, civil society organisation, and infrastructure.</p> <p>Our community development programs were appreciated by the Morowali government in 2022 and were considered role models in the district.</p>
Person in Charge and Form of Evaluation	<p>Person in Charge: CSR Department</p> <p>Evaluation: The evaluation is conducted on a regular basis, and the team provides a monthly newsletter on community relations and development to the management.</p>
Impacted Stakeholders	<p>Internal: Management</p> <p>External: Local Communities, Government, Business Partner</p>



Occupational Health and Safety Management Approach (GRI 3-3)	
Importance/Impact	Occupational Health and Safety ('OHS') is a material topic because it is necessary to protect the health and safety of employees as well as the Company's assets. OHS management ensures that employees are healthy and safe on the job, allowing them to perform at their best, both physically and mentally.
Scope, Initiatives and Achievements	<p>The scope of the reporting period encompasses our nickel mining site: the Hengjaya Mine, and our RKEF lines: Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel.</p> <p>In 2022, OHS initiatives included:</p> <ul style="list-style-type: none"> • preventing accidents, occupational diseases, accidents due to labour diseases, and dangerous events; • realising a mining safety culture. • granulating all content of the OHS policy into work programs; • commitment to implementing OHS Policy at all levels of our operations; • evaluating the OHS programs on a regular basis; • conducting management reviews by involving stakeholders; and • conducting risk assessments on a regular basis. <p>The Company has successfully reduced the number of occupational accidents at Hengjaya Mine, Hengjaya Nickel, and Ranger Nickel in comparison with the previous years.</p>
Person in Charge and Form of Evaluation	<p>Evaluation: OHS Management Audit, Contractor Compliance Check, planned and unplanned inspections.</p> <p>Person in Charge: Safety Department</p>
Impacted Stakeholders	<p>Internal: Management, Employees</p> <p>External: Contractors, Government</p>



Ethical Business Practices Management Approach (GRI 3-3)	
Importance/Impact	Implementing ethical business practices accelerates progress toward greater human advancement, contributes to the protection of our planet, generates jobs, and ensures greater access to essential services, such as healthcare and education.
Scope, Initiatives and Achievements	<ul style="list-style-type: none"> Human rights protection and modern slavery prevention Anti-bribery and corruption Diversity and equal opportunities
Person in Charge and Form of Evaluation	Person in Charge: Corporate Secretary, Sustainability Department, CSR Department, and HR Department.
Impacted Stakeholders	Internal: Management, Investors and Shareholders External: Government and local communities



Economic Performance Management Approach (GRI 3-3)	
Importance/Impact	Economic performance is significant as it relates to business continuity and the distribution of added value to stakeholders.
Scope, Initiatives and Achievements	The scope of reporting includes all of our operating subsidiaries in 2022, based on the Consolidated Financial Statement in the same year.
Person in Charge and Form of Evaluation	The Board of Directors is responsible for the Company's economic performance data, which KPMG audits.
Impacted Stakeholders	Internal: Shareholders, Management External: Customers, Business Partners

Sustainability Governance [2-29, 3-1, 3-2, 3-3]

Nickel Industries is committed to performing its business activities and governing the Company according to best corporate governance practices. The Company manages business risks through sound business processes and high-quality decision-making in accordance with all applicable laws, regulations and industry standards set out in the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.

We ensure that our core values and behaviours are embedded in our activities and operations, resulting in transparency, fair dealing and safeguarding of stakeholder interests. We instil a culture of acting professionally, ethically and responsibly to ensure that directors, senior executives and employees endeavour to promote and uphold these values.

A complete description of the Company's current corporate governance practices is set out in the Company's Corporate Governance Statement, which can be viewed on our website.

Furthermore, the Company, primarily through its operating subsidiaries, is exposed to a range of economic, environmental and social sustainability risks. The Company has inherent exposure to market volatility and operational risks, which can adversely impact the Company. We manage these risks through the following:

Risk	Mitigation
Economic Risk	Maintaining adequate funding where possible and monitoring future rolling cash flow forecasts of our operations, which reflect expectations of financial returns, assets and liabilities. The Company communicates regularly with financial entities in Australia and Indonesia.
Environmental Risk	Expert advice on environmental issues and adopting relevant and targeted environmental management programs and initiatives.
Social Risk	Foster appropriate community relations with stakeholders to ensure social harmony.

Governance Structure [2-9][2-10][2-11][2-12][2-13][2-15]

Sustainability is the collective responsibility of all the Company's directors and senior executives. In 2022, the Company developed its own Sustainability Committee to assist the Board with developing, implementing and monitoring specific sustainability policies and practices to ensure that the Company's sustainability policy and performance are being appropriately communicated to its stakeholders.

The Committee has the authority to conduct or authorise investigations into any matters within its scope of responsibility. It is authorised to:

- retain outside counsel, accountants or other experts, at the expense of the Company, to advise the Committee or assist in the conduct of any matter;
- seek any information it requires from employees (all of whom are directed to cooperate with the Committee's requests) or external parties; and
- meet with Company officers, employees, external auditor, internal auditor (if any) or outside counsel, as necessary and without management present.

The responsibilities of the Committee are to:

- review, at least annually, the Company's strategies with respect to sustainable development and make recommendations to the Board, as necessary;
- review and monitor the Company's sustainability policies and practices, and consider the effectiveness and implications of these on the Company's operations;
- require management to regularly monitor and report on the Company's sustainability in accordance with the Company's three realms of influence (sustainable operations, stimulation of local development and contribution to global sustainability);
- review the reports prepared by management and make recommendations to the Board, as necessary, to ensure the Company's sustainability goals are achieved; and
- review reports prepared by the Company to ensure appropriate sustainability disclosure in the disclosure documents of the Company and make recommendations, as necessary, to ensure that the Company's sustainability policy and performance are being appropriately communicated.



The Committee will perform such other functions as are assigned by law and the Company's Articles, as well as those instructed by the Board.

The Committee will make recommendations to the Board on all matters requiring a decision from the Board. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

Members of the Committee are comprised of members of the Board appointed by the Board. In addition, selected senior executives of the Company will be invited as associate members of the Committee.

The number of members of the Committee shall be a minimum of three directors. The Board will nominate the Chair of the Committee from time to time. The Committee Chair will be, where practicable, an independent director who is not Chair of the Board.

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine. Furthermore, meetings shall be held as required but not less than four times per year. Any member of the Committee may request a meeting at any time if they consider it necessary.

Organisational Structure





Company Profile

➤ Company Profile

Nickel Industries is an Australian public company that is a globally significant, low-cost producer of nickel pig iron ('NPI'), a key ingredient in the production of stainless steel. The Company was incorporated on 12 September 2007 under the laws of the State of New South Wales, Australia, and is involved in the acquisition, exploration and development of nickel mining projects. Our Head Office is located at Level 2, 66 Hunter Street, Sydney, NSW, 2000, Australia.

A full overview of our Company's operations can be found in the Economic Performance section of this Report and our [2022 Annual Report](#)

Vision, Mission, & Values ^[2-23]



Vision

To become a global leader in low-cost nickel production



Mission

To deliver value to our shareholders, employees, businesses and local communities over the long-term through safe and responsible operations.

Values

Nickel Industries instils a culture of acting professionally, ethically and responsibly. It seeks to operate in line with the values set out below to ensure all employees within the Company and its subsidiaries work to reinforce these values.



Safety, environment and community

The Company prioritises safety, health, community and the environment. Operating safely with due regard to the environment and communities in which the Company operates enhances the sustainability and performance of the Company's business.



Performance

The Company is a results and performance driven company striving to generate returns for shareholders by meeting strategy and targets developed to drive continuous improvement for all stakeholders.



Team work

The Company encourages its people to work together as a high performing team and values rewarding team success.



Respect

The Company encourages and values strong, open and inclusive communication and treats all people, within and outside the Company, ethically and with dignity and mutual respect.



Governance

The Company manages business risks through sound business processes and high-quality decision making. The Company is committed to following all applicable rules, regulations and standards.

History ^[2-1]

- 2007** ● **September 12**
Nickel Industries is incorporated under the laws of the State of New South Wales, Australia, and is involved in the acquisition, exploration and development of nickel mining projects.
- 2009** ● Nickel Industries acquires an 80% stake in the Hengjaya Mineralindo ('Hengjaya Mine'), located in the Morowali Regency of Central Sulawesi, Indonesia, to export nickel ore.
- 2014** ● The Government of Indonesia bans unprocessed mineral exports to encourage the development of Indonesia's downstream processing industry. Consequently, operations in the Company's Hengjaya Mine are halted.
- 2015** ● **October**
Hengjaya Mine restarts its operations, entering into an offtake agreement with Tsingshan for high-grade saprolite ore and additional nickel ore as feedstock for its expanded NPI and stainless-steel capacity within the Indonesia Morowali Industrial Park (IMIP).
- 2017** ● **September 19**
Nickel Industries expands its relationship with Tsingshan, collaborating on the funding and construction of 2 RKEF lines ('Hengjaya Nickel Project') to produce 150kt per annum of NPI containing 15kt of nickel metal equivalent.
- 2018** ● **August 20**
Nickel Industries was welcomed to the Official List of the ASX on 20 August 2018, following the successful completion of an AUD 200 million IPO. Subsequently, Nickel Industries exercised its option to acquire a further 35% in the Hengjaya Nickel Project for USD 70 million, taking the Company's ownership to 60%.
- **November 8**
The Company signs a binding Collaboration Agreement ('CA') to acquire up to an additional 80% interest in two additional RKEF lines, the Ranger Nickel Project. In the same month, Nickel Industries completes the First Acquisition under the CA, acquiring 17% of the Ranger Nickel Project for USD 50 million.
- 2019** ● **February 1**
Nickel Industries commissions the Hengjaya Nickel and the first NPI had been produced from one of Hengjaya Nickel's two rotary kilns in a maiden production run, well ahead of schedule. Commencement of production at Hengjaya Nickel was a milestone for the Company, achieved less than 12 months after the ground was broken at the project.
- **April 17**
Nickel Industries announces its intention to move to a 60% interest in the Ranger Nickel Project. The acquisition of the additional 43% interest in Ranger Nickel was completed in August 2019, taking Nickel Industries' interest to 60%.
- **February 1**
Nickel Industries announces the commissioning of Ranger Nickel, with NPI being produced from one of Ranger Nickel's two rotary kilns in a maiden production run.

2020

● June 30

At the Company's Annual General Meeting in May 2020, the shareholders approved the acquisition of an additional 20% interest in both the Hengjaya Nickel and Ranger Nickel projects. Following the successful completion of the AUD 231 million Entitlement Offer announced on 19 May 2020, Nickel Industries advised Shanghai Decent of its intention to exercise its options to acquire the additional 20% interests in both the Hengjaya Nickel and Ranger Nickel Projects and the acquisitions were completed on 30 June 2020, taking Nickel Industries' ownership interest in both projects to 80%.

● November 24

Nickel Industries executes a binding Definitive Agreement with Shanghai Decent for Nickel Industries to acquire a 70% equity interest in the Angel Nickel Project, comprising four RKEF lines and a power station under construction within the Indonesia Weda Bay Industrial Park ('IWIP').

In January 2021, it was agreed by both parties that the Company's equity participation in the project would increase to 80%, and Nickel Industries completed the acquisition on an initial 30% interest.

2021

● March 12

In its March 2021 Quarterly Rebalance, the S&P Dow Jones Indices announced that Nickel Industries had been added to the ASX 200 Index.

● April 20

Nickel Industries completes the acquisition of a further 20% interest in the Angel Nickel project, following payment of USD 137.6 million to Shanghai Decent.

● September 30

Nickel Industries' ownership interest in the Angel Nickel project increases to 80% following the payment of USD 210 million.

● December 8

Nickel Industries and Shanghai Decent signed a Definitive Agreement for Nickel Industries to acquire a 70% interest in the Oracle Nickel project, four next-generation RKEF lines and ancillary facilities currently under construction within the IMIP.

● January 27

Nickel Industries commissions the 1st of its four RKEF lines at Angel Nickel.

● February 18

Nickel Industries acquires a 10% initial interest in Oracle Nickel.

● May 4

Nickel Industries acquires a further 20% in Oracle Nickel following the issue of 108,122,223 Shares to Shanghai Decent nominee.

2022

● May 31

The Company's AGM shareholders approve the change of company name from Nickel Mines Limited to Nickel Industries Limited.

● September 27

Nickel Industries acquires an additional 40% interest in Oracle Nickel following the payment of USD 212 million to Decent Resource Limited.

● October 3

Nickel Industries commences production of nickel matte, a "Class 1" nickel product for the electric vehicle supply chain.

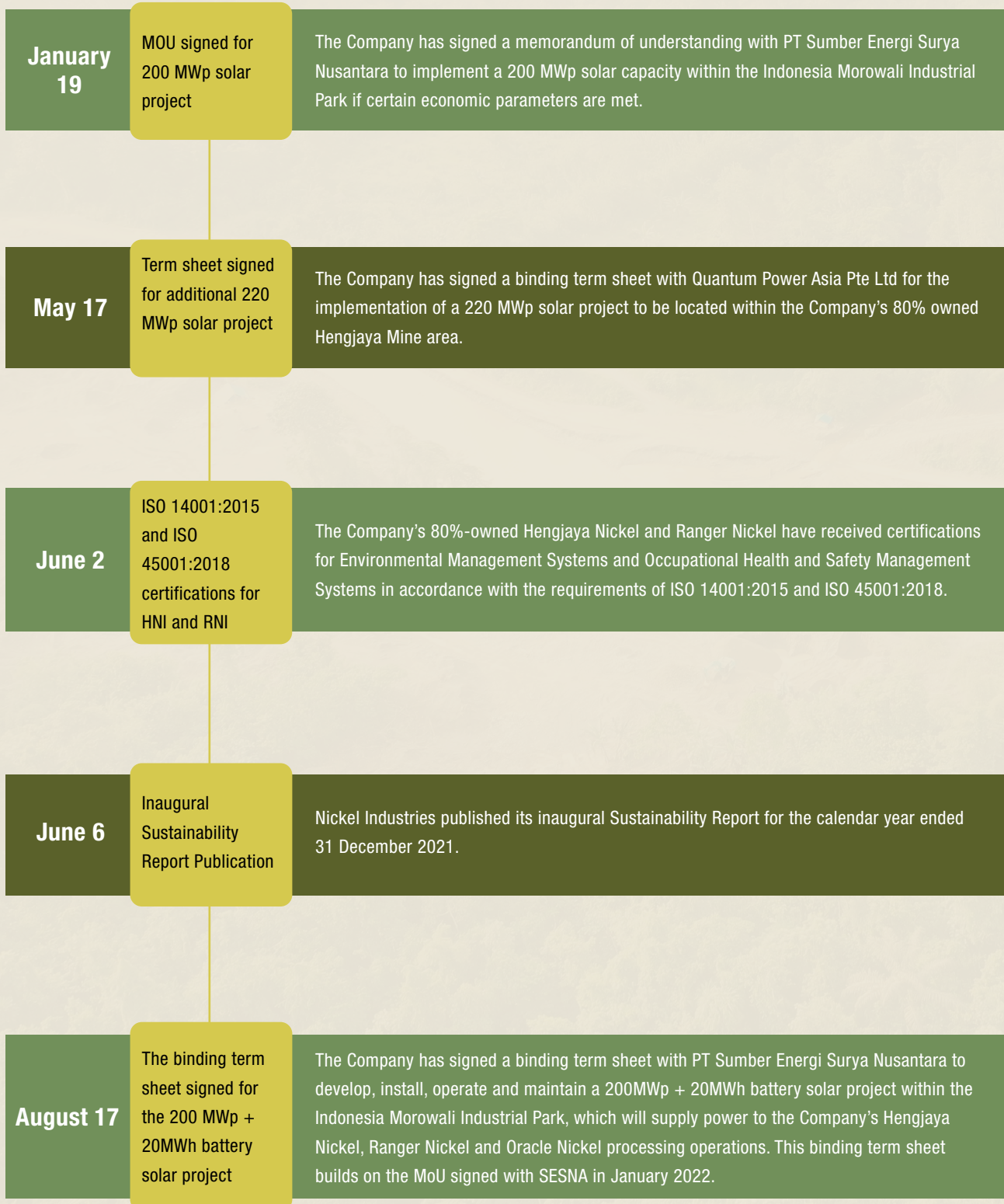
Furthermore, Angel Nickel RKEF lines are now operating in excess of 130% of nameplate capacity, driving a significant increase in quarterly nickel production.

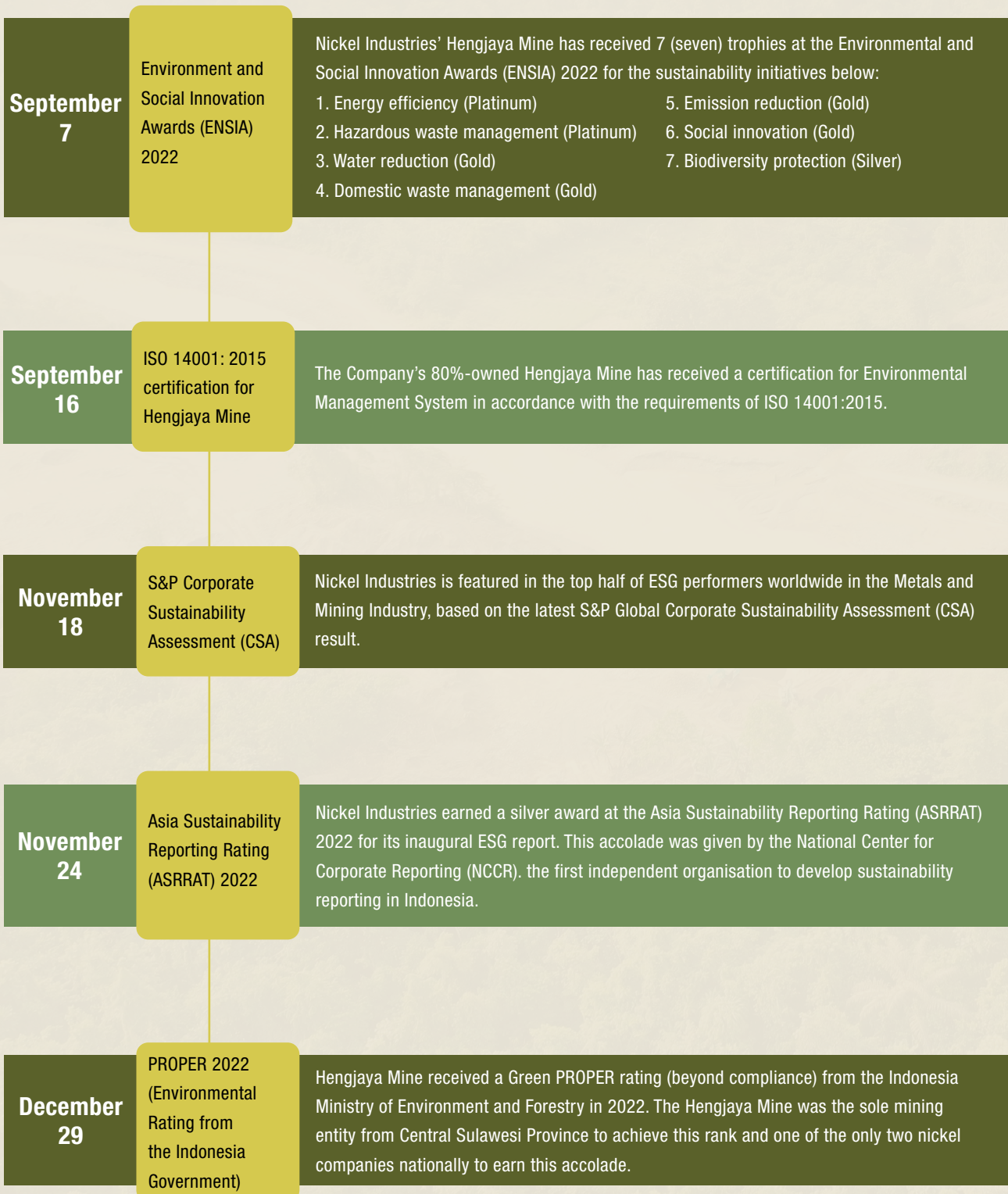
● November 15

The Oracle Nickel Project produces its first batch of NPI ahead of its commissioning schedule. Nickel Industries is on track to reach annual attributable nickel production of in excess of 100kt by mid-2023.

Furthermore, the first nickel matte sales occurred from the Company's Hengjaya Nickel Project, providing "Class 1" nickel exposure.

2022 Sustainability Milestones





External Initiatives, Memberships, Rewards, and Certification [2-23, 2-28]

The Company is part of several external initiatives and associations to achieve its sustainability objectives and foster the collective growth and development of the nickel industry. We believe these platforms can serve as a catalyst for engaging governments, regulators, communities and other stakeholders on the most pertinent issues facing the nickel industry.

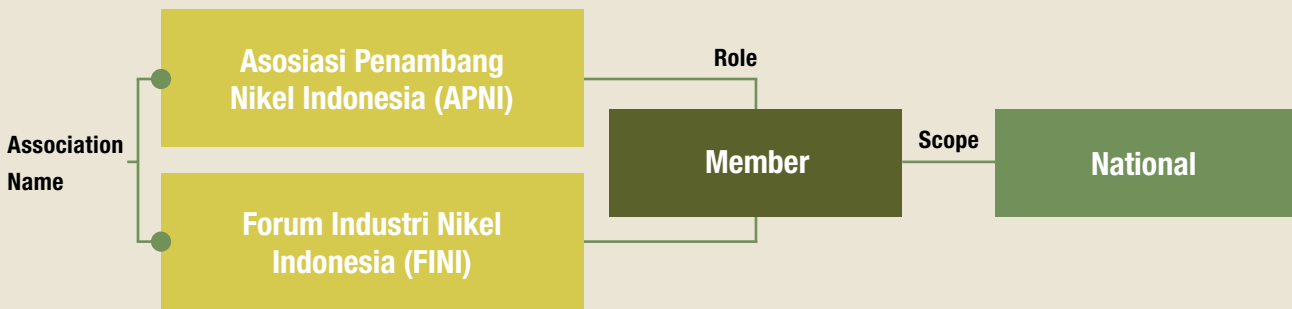
In November 2022, S&P Global’s Corporate Sustainability Assessment (CSA) ranked Nickel Industries in the top half of the year’s performers (60%) for the Metals & Mining Industry Group, a significant improvement from 2021, when the Company was ranked in the first quintile (18%).

In 2022, the Company engaged in the following external initiatives:

- supporting the Nickel Summit 2022 in Jakarta;
- participating at the Industrial Net Zero event, which was held in Sydney and virtually;
- speaking at the 2023 Indonesia Nickel Outlook in Jakarta.



Association Membership



External Awards & Appreciation

Award Name



Environmental and Social Innovation Awards (ENSIA)

- Platinum: Energy Efficiency, Hazardous Waste Management
- Gold: Water Reduction, Domestic Waste Management, Emission Reduction, Social Innovation
- Silver: Biodiversity

Issuer

Sucofindo

Award Name



Asia Sustainability Reporting Rating (ASRRAT) 2022 – Silver

Issuer

National Center for Sustainability Reporting (NCSR)

Award Name



Green PROPER rating

Issuer

Indonesia Ministry of Environment and Forestry



Certification



Nickel Industries has received ISO 14001: 2015 Environmental Management System certification for Hengjaya Nickel, Ranger Nickel, and Hengjaya Mine, as well as ISO 45001: 2018 Occupational Health and Safety Management System certification for Hengjaya Nickel and Ranger Nickel. These accomplishments ensure that our operations are safe, environmentally friendly, and meet the requirements of the International Organization for Standardization's (ISO) market-relevant global standards.



Economic Development

➤ Economic Development

Economic development is a fundamental pillar of Nickel Industries' sustainability objectives and goals. We recognise that our presence has a significant impact in the areas in which we operate and our sustainability initiatives and programs are contingent upon our economic and financial performance. By producing one of the lowest capital-intensive and most profitable NPIs on the global market with our partners and focusing on our operations, we are able to maximise our financial performance. In turn, this enables us to generate greater indirect economic impacts in the areas surrounding our operational sites, thereby assisting local communities, suppliers and other stakeholders in growing alongside the Company.

Operations [2-1, 2-6]

The Company's principal operations are located in Indonesia, comprised of the following:

HENGJAYA MINE

The Hengjaya Mine is a large tonnage, high-grade saprolite deposit located in Morowali Regency near the Indonesia Morowali Industrial Park ('IMIP').

Nickel Industries holds an 80% interest in the share capital of PT Hengjaya Mineralindo, an Indonesian PMA company. The remaining 20% interest is owned by the Company's Indonesian partner, the Wijoyo family.

HENGJAYA NICKEL PROJECT

The Hengjaya Nickel Project is a 2-line Rotary Kiln Electric Furnace ('RKEF') plant constructed within the IMIP.

Nickel Industries holds an 80% interest in the Hengjaya Nickel Project, with the remaining 20% owned by its partner, Shanghai Decent Investment (Group) Co., Ltd.

RANGER NICKEL PROJECT

The Ranger Nickel Project, similar to Hengjaya Nickel, is a 2-line RKEF plant operating within the IMIP.

Nickel Industries holds an 80% interest in the Ranger Nickel Project, with the remaining 20% owned by its partner, Shanghai Decent Investment (Group) Co., Ltd.

ANGEL NICKEL PROJECT

The Angel Nickel Project is a development project within the Indonesia Weda Bay Industrial Park ('IWIP') on Halmahera Island in Indonesia's North Maluku province comprising of a 380MW power plant and four 54 KVA RKEF lines.

Nickel Industries holds an 80% interest in the Angel Nickel Project, with the remaining 20% owned by its partner, Shanghai Decent Investment (Group) Co., Ltd.

ORACLE NICKEL PROJECT

The Oracle Nickel project is a joint collaboration with Shanghai Decent at IMIP, comprising four 54 KVA RKEF lines and ancillary facilities required for the operation of each of the RKEF lines.

Direct Economic Value ^[2-6, 201-1]

In 2022, The Company's RKEF lines produced a combined 473,116 tonnes of NPI. The total revenue of Nickel Industries and its controlled entities for the year ended 31 December 2022 was USD 1,217,041,820.

Nickel ore and NPI sales revenue are measured based on the consideration specified in a contract with each customer. The Company recognises revenue by transferring control of goods or services to a customer.

Direct Economic Value Generated and Distributed (USD)			
Description	2022	2021	2020
Economic Value Generated			
Revenue	1,217,041,820	645,935,639	523,492,413
Other Income	1,007,513	2,786,467	2,166,484
Total Revenue	1,218,454,145	648,722,106	525,658,897
Economic Value Distributed			
Operating Costs	1,001,408,212	467,682,571	371,092,222
Economic Value Retained			
Total	217,045,933	181,039,535	154,566,675

Organisational Scale				
Description	Unit	2022	2021	2020
Total Capitalisation	Total Liabilities	857,975,255	472,706,783	148,448,076
	Total Equity	1,814,544,439	1,297,912,039	1,086,228,908
Total Assets	USD	2,672,519,694	1,770,618,822	1,234,676,984
Total Net Profit After Tax		209,374,698	175,976,986	153,698,840

Production Performance				
Description	Unit	2022	2021	2020
NPI Production	Tonnes	473,116	298,353	295,896
NPI Grade	%	13.8	13.5	14.7
Nickel Metal Production	Tonnes	70,079	40,410	43,621
Saprolite ore	Tonnes	2,890,575	2,457,694	870,503
Limonite ore	Tonnes	3,902,276	2,090,879	1,195,425

Growth of NPI Production					
Description	2022	2021	2020	Δ%	
	1	2	3	1:2	2:3
Nickel Industries Limited	473,116	298,353	295,896	59	1



Financial Implications and Other Risks Due to Climate Change [201-2]

Nickel Industries is committed to evidence-based climate change preparedness and mitigation targets. Our sustainability team is responsible for developing the Company's climate change strategy, collaborating with all departments and the Board of Directors to develop a holistically integrated strategy that is reviewed and adjusted annually further to strengthen the Company's resilience against its effects.



Defined Benefit Plan Obligations and Other Retirement Plans [201-3]

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers' compensation insurance and payroll tax.



Financial Assistance Received from Government [201-4]

Both the Angel Nickel and Oracle Nickel projects were granted material corporate tax relief.

Supply Chain [2-6]

Supplier – Hengjaya Mine						
Description	2022		2021		2020	
	Total	%	Total	%	Total	%
Local Suppliers	65	26	9	5	15	8
National Suppliers	185	74	183	95	179	92
International Suppliers	0	0	0	0	0	0
Total	250	100	192	100	194	100

Supplier Contract Value (USD) – Hengjaya Mine						
Description	2022		2021		2020	
	Total	%	Total	%	Total	%
Local Suppliers	93,584	2	111,160	3	135,121	5
National Suppliers	4,879,121	98	3,689,705	97	2,420,490	95
International Suppliers	0	0	0	0	0	0
Total	4,972,705	100	3,800,865	100	2,555,611	100

Supplier – Hengjaya Nickel						
Description	2022		2021		2020	
	All	%	All	%	All	%
National Suppliers	97	93.27	99	90.83	80	91.95
International Suppliers	7	6.73	10	9.17	7	8.05
Total	104	100.00	109	100.00	87	100.00

Supplier Contract Value (USD) – Hengjaya Nickel						
Description	2022		2021		2020	
	All	%	All	%	All	%
National suppliers	205,955,321	92.82	159,251,679	90.92	116,235,986	91.21
International Suppliers	15,927,105	7.18	15,896,596	9.08	11,199,575	8.79
Total	221,882,426	100.00	175,148,275	100.00	127,435,561	100.00

Supplier – Ranger Nickel						
Description	2022		2021		2020	
	Total	%	Total	%	Total	%
National suppliers	91	93.81	112	94.12	85	92.39
International suppliers	6	6.19	7	5.88	7	7.61
Total	97	100.00	119	100.00	92	100.00

Supplier Contract Value (USD) – Ranger Nickel						
Description	2022		2021		2020	
	all	%	all	%	all	%
National suppliers	227,785,898	93.33	142,654,334	89.60	109,415,792	90.62
International suppliers	16,276,108	6.67	16,557,184	10.40	11,331,278	9.38
Total	244,062,006	100	159,211,518	100.00	120,747,070	100.00

Supplier – Angel Nickel		
Description	2022	
	Total	%
National Suppliers	97	88
International Suppliers	13	12
Total	110	100

Supplier Contract Value (USD) – Angel Nickel		
Description	2022	
	Total	%
National Suppliers	332,270,000	88
International Suppliers	43,950,000	12
Total	376,220,000	100

Supplier – Oracle Nickel		
Description	2022	
	Total	%
National Suppliers	129	98.47
International Suppliers	2	1.53
Total	131	100.00

Supplier Contract Value (USD) – Oracle Nickel		
Description	2022	
	Total	%
National Suppliers	106,734,695	24.01
International Suppliers	337,762,727	75.99
Total	444,497,422	100.00



Significant Changes to the Organisation and its Supply Chain in 2022

Various stakeholders (including suppliers, vendors, contractors and consultants) are involved in various business operations in Indonesia. However, no significant changes were made to the supply chain during the 2022 reporting period.

Indirect Economic Impact ^[203-2]

The Company focuses its indirect economic impact on prioritising local workforces and suppliers in its operational areas, thereby stimulating local economic growth. Furthermore, we develop programs and initiatives that are aligned with the needs of local communities and our long-term strategy, avoiding reactive social investments.

In Bungku Pesisir and Bahodopi, where our mining site and RKEF lines are located, our presence has indirectly helped the local economy grow simultaneously with the Company. Our internal research revealed that there was a statistically significant difference between 2012, before Nickel Industries began operations, and 2017 after the Company began operations. The number of cooperatives in Bungku Pesisir increased by 167% from 3 in 2012 to 8 in 2017. Furthermore, infrastructure such as bridges increased by 62% during the period, from 216 in 2012 to 350 in 2017. Meanwhile, from 2012 to 2018, the number of workshops, shops, restaurants, and vehicles in Bahodopi increased. The number of workshops increased by 160% from 40 to 104; shops increased by 180% from 225 to 630; restaurants increased by 145% from 40 to 98, and vehicles increased by 325% from 1,819 to 7,739 during the period.

Nickel Industries expects that our operations can continue to stimulate the growth of the local economy in the future.





Environmental Stewardship

➤ Environmental Stewardship

Our Environmental Policy

Nickel Industries recognises the importance of environmental sustainability and management in its operations through its core pillar of Environmental Stewardship. This pillar is codified in our environmental policy, which reflects our commitment to causing zero harm to the environment and leaving a positive legacy in all our operational regions, from exploration to rehabilitation and closure. Our environmental policy is reviewed, documented, implemented and disseminated to all employees, contractors, visitors and other stakeholders on a regular basis. Biodiversity, energy, emissions, water and effluent, as well as waste, are among the primary environmental topics that are most pertinent to our business operations.

The Company strives to uphold its environmental stewardship and management through the following actions:



Environmental Management



Complying with all laws and regulations related to the environment and anticipating through ongoing consultation with the authorities, as well as any changes in the future that can affect the continuity of the project;



Setting environmental goals and evaluating the performance of the achievement of those goals and being determined to continue to improve environmental performance and evaluate targets in response to changing needs and expectations;



Designing and operating projects in accordance with the Company's Environmental Management System;



Conducting environmental inspections, audits and performance appraisal programs to measure the effectiveness of the environmental management system and the implementation of policies;



Developing and maintaining an environmentally conscious culture through management concern and responsibility, education and training for all employees and contractors;






Involving stakeholders for their attention and aspirations relating to aspects of the development, operation and closure of the mine and recognise the close links between environmental, economic, social and cultural issues; and



Communicating our performance openly, accurately and transparently.

The Company's commitment to environmental stewardship is demonstrated through its continuous recognition from the government. In 2022, the Company's Hengjaya Mine was awarded a prestigious Green PROPER award (an official environmental rating from the Ministry of Environment and Forestry) for 100% compliance with environmental regulations in Indonesia. This accolade was an improvement from our previous achievements in 2020 and 2021. The Hengjaya Mine was the sole mining entity from Central Sulawesi Province to achieve this rank and one of the only two nickel companies nationally to earn this accolade in 2022.

	<h3>Environmental Impact</h3>		<h3>Management Plan</h3>
 <p>Increasing rainwater runoff and land erosion</p>	 <p>Increasing flood risk</p>	<ul style="list-style-type: none"> • Minimising land clearing area based on construction progress; • Constructing runoff drainage and sedimentation ponds; • Establishing topsoil storage with sufficient erosion measures; • Providing temporary sediment barrier near-surface water and sea: silt curtain, gabion, sand sack; • Developing adequate greenspace and greenbelt as a border to forest area; • Maintaining nursery area; • Educating the employee to increase awareness about biodiversity; • Transplanting coral reef; • Protecting coastal areas; • Maintaining coral transplantation area & continuous monitoring after transplantation; • Building water reservoirs to avoid seasonal fluctuation; • Assisting water supply & flood management through CSR programs for surrounding villages; • Continuous monitoring of flue gas emissions on chimneys; • Preventive maintenance of equipment and transporting vehicles; • Providing noise suppression for noise emitting machine/equipment; • Dust suppression measures: spraying, covers; • Water recycling; • Continuous monitoring of cooling water & wastewater discharge; • Establishing port SOP with spill prevention and SOP for power plant cooling water & wastewater treatment; • Increasing capacity of existing wastewater treatment and domestic waste collecting area; and • Stockpile ground lining and leakage prevention; 	
 <p>Decreasing river water flow rate and risk of drought downstream</p>	 <p>Decreasing biodiversity on land, river & sea</p>		
 <p>Increasing abrasion and sedimentation on the coastal area</p>	 <p>Increasing water usage</p>		
 <p>Increasing production of hazardous waste</p>	 <p>Sanitation and health problems related to environmental conditions</p>		
 <p>Air and noise pollution</p>	 <p>Surface water, groundwater and seawater pollution</p>		

Good Mining Practices [2021: 2-23] [MM3]

Precautionary Principle

Continuously adhering to Good Mining Practices, Nickel Industries' Hengjaya Mine employs a mining process that is comprehensively carried out through planning, phased implementation and periodic evaluations. Our process complies and refers to the requirements outlined in Minister of Energy and Mineral Resources (MEMR) Regulation No. 26 of 2018 and MEMR Ministerial Decree 1827K/30/MEM/2018.

Hengjaya Mine's Business Permit is located in Morowali District, Central Sulawesi Province. There were excavation activities in two blocks in 2021, namely Bete- Bete Block and Central Block. The mining process is carried out independently in both blocks in accordance with the characteristics of the nickel laterite deposits.

With the progression of time and the growing market demand for nickel, plans have been made and reviewed periodically to expand

Mining Safety Management System

A thorough Mining Safety management System ('MSMS') is implemented to supervise mining activities, which includes policies, planning, organisation and personnel, implementation, monitoring, evaluation, follow-up, management review, workplace improvement and risk management. Particularly for our planning phase, we apply a five-year timeline that is broken down into yearly, quarterly, monthly, weekly and daily planning. Our planning takes into consideration the geological modelling of the exploration results, the preparation and approval of the optimal pit designs, the provision of auxiliary digging-transport equipment and a schedule based on the project's requirements.

mining production and optimise the project's resources. Apart from utilising saprolite nickel ore for RKEF production, Hengjaya Mine has begun to supply nickel limonite ore in 2021 to its partners to produce products for the electric vehicle battery market. Both types of ore materials are hauled or shipped to the industrial park for further processing.

Following the increase in production, we will continue to expand the exploration and ore storage areas, and the ore stockpiles storage area was excavated and covered. Additionally, we are well advanced in the construction of an 18-kilometre-long special haul road connecting the Hengjaya Mine area to the factories at IMIP, which will enhance our delivery capacity by utilising both transportation routes.

Significant efforts have been made to improve the quality of mining processes. Among other things, this includes reusing material from open pits for access construction, designing material storage areas that follow the natural topography of the site, creating settling ponds that are proportional to the catchment area and rate of deposition, optimising excavation to meet specified limits and optimising material mixing to obtain the appropriate grade of ore. Other mine optimisations have been a result of more detailed mine planning and scheduling, therefore, reducing ore and waste rehandling.





Mining Activities at Hengjaya Mine	Good Mining Principles Framework	Mining Safety Management System Initiatives	Medium-Term Mining Operations Initiatives
<ul style="list-style-type: none"> • Preliminary exploration 	<ul style="list-style-type: none"> • Exemplary technical implementation 	<ul style="list-style-type: none"> • Conducting daily, weekly and monthly coordination meetings with mining contractors to discuss the achievement of periodic targets 	<ul style="list-style-type: none"> • Collecting data on available resources and reserves by level limits
<ul style="list-style-type: none"> • Advanced exploration, resource, drilling and geological modelling 	<ul style="list-style-type: none"> • Implementation of mineral conservation principles that utilise all minerals by the specified level limits 	<ul style="list-style-type: none"> • Reviewing the plans submitted by the mining contractors so that they are in line with the annual targets and in compliance with licensing regulations 	<ul style="list-style-type: none"> • Identifying new areas that are increasing the project's resources and reserves
<ul style="list-style-type: none"> • Geotechnical studies 			
<ul style="list-style-type: none"> • Land clearing 			
<ul style="list-style-type: none"> • Topsoil stripping and storage 			<ul style="list-style-type: none"> • Planning the drilling activities with a certain drilling spacing to understand the volume of resources and reserves better
<ul style="list-style-type: none"> • Material transfer cover 			
<ul style="list-style-type: none"> • Ore excavation and quarrying 	<ul style="list-style-type: none"> • Conduct mining activities in accordance with the principles of Occupational Health and Safety 	<ul style="list-style-type: none"> • Conducting daily internal meetings for the implementation of routine and additional tasks 	<ul style="list-style-type: none"> • Scheduling the mining process and sequencing in accordance with the capacity of the production equipment
<ul style="list-style-type: none"> • Ore transport to temporary storage 			
<ul style="list-style-type: none"> • Ore testing in laboratories 			
<ul style="list-style-type: none"> • Ore shipping to end users for processing 			<ul style="list-style-type: none"> • Developing a pit design by the optimisation of the stripping ratio and content values
<ul style="list-style-type: none"> • Rehabilitation planning, 	<ul style="list-style-type: none"> • Implementing the environmental management system, including reclamation, in our mining operations 	<ul style="list-style-type: none"> • Periodic reviews of actual results versus planned production 	
<ul style="list-style-type: none"> • Monitoring and operations 			<ul style="list-style-type: none"> • Carrying out periodic control and reconciliations over the mine's plans so those accurate adjustments can be made to the schedule or design of the mining pit
<ul style="list-style-type: none"> • Community relations 			
<ul style="list-style-type: none"> • Technical support 			
<ul style="list-style-type: none"> • Medical services 			
<ul style="list-style-type: none"> • Compliance and financial reporting 			

Summary of Mined Materials and their Management		
Description	Related environmental risk	Management
Overburden	Landslide, sedimentation when it rains	1. Management of overburden disposal through geotechnical studies. 2. Periodic monitoring to reduce the risk of landslides.
Rock	Landslide, sedimentation when it rains	Utilization of rock for road lining in the pits
Tailing	No tailings are produced in the Hengjaya Mine area	No tailings are produced in the Hengjaya Mine area
Sludge	No sludge is produced in the Hengjaya Mine area	No sludge is produced in the Hengjaya Mine area

No.	Land Clearing Minimisation and Optimisation Measures	Limonite Conservation Optimisation Measures
1	Optimising the stripping ratio based on available geological information	Collecting data on areas that have reserves of low-grade ore (limonite) according to the specified grade limit
2	Optimising the selection of mining locations, especially avoiding areas with waterways, such as rivers and lakes, to reduce the potential of water flow contamination and allow successful rehabilitation	Plan mining sequence so low-grade ore (limonite) materials can be easily identified and mined and can be utilised for metallurgical processing;
3	Observing the administrative boundaries given by the government and providing certain distances between pits and boundaries to reduce the risk of land clearing in areas that are not allowed by the permits	Coordinating departments to separate low-grade ore (limonite) from saprolite ore according to the nickel grade and mineral elements so that it is separated from overburden material and sent to intermediate stockpiles
4	Demarcate, design and install various controls to minimize soil erosion and sediment runoff from all active mine areas	

Pit Design

Optimal pit designs require consideration of the surrounding natural topography, water flow and ore requirements within-grade limits and detailed final rehabilitation and landform. In instances when mine pits are located adjacent to the license boundary, a pit design boundary and final landform are determined to ensure sufficient distance from the permitted limit is maintained.

Climate Risk and Resilience

Nickel Industries recognises its responsibility to support the global effort to transition to a low-carbon economy while simultaneously ensuring that its operations reduce its exposure to climate risks. The Company understands the financial risks posed by climate change and subsequently responds accordingly through the accounting of its Greenhouse Gas (GHG) emissions to examine which risks are most financially significant. In light of this, the Company has identified the following risks inherent to its operations:

1. Physical Risk

Nickel Industries has acknowledged that physical risks, extreme weather events and longer-term changes in weather patterns may impact operations. These risks may lead to production delays, loss of productivity days, increased costs and increased liabilities. To understand the current and future risks, several climate scenarios are used. Each scenario provides a set description of future climate projections based on greenhouse gas concentration. The physical risks were projected with IPCC RCP¹ 4.5 and 8.5, which are categorised under medium and high emission concentrations, to identify how severe climate change affects the Company.

1. The Representative Concentration Pathway (RCP) is a scenario developed by Intergovernmental Panel on Climate Change (IPCC) which describes different climate futures based on the greenhouse gas concentration trajectory and its radiative forcing. The scenario has set of projections and name after its radiative forcing values. RCP 4.5 is a moderate scenario in which emissions peak around 2040 and then decline. RCP 8.5 is the highest baseline emissions scenario in which emissions continue to rise throughout the twenty-first century.





Risk	Description
Temperature	IMIP and IWIP experience temperature rises, where in both scenarios range 28-29°C (approximately 0.6 °C increase). The additional temperature increase means that working conditions can be harsher in the field. The increased temperature may also lead to increased water demand.
Precipitation	<p>In both scenarios, IWIP is predicted to experience increased average precipitation from 2500 - 2700 mm per year, whereas precipitation around IMIP is slightly reduced from 2300 to 1900 mm annually.</p> <p>Despite increased precipitation in IWIP, based on a study using scenario RCP 8.5, North Maluku Province has a tendency for longer dry days duration (6 months) in comparison to Central Maluku Province (3 months).</p> <p>At Central Halmahera, where IWIP is located, surface water quality might become a challenge.</p>
Sea Level Rise	Both IMIP and IWIP are in coastal areas. So far, the data shown has experienced no increase in term sea level rise. The data on sea level rise is limited. The high tide was recorded in Central Sulawesi Province in 2015 and 2018, but so far has had no significant impact on the IMIP operations.
Disasters	<p>Climate-related disasters have been recorded in both provinces. Based on the historical data, both areas have experienced climate-related disasters despite not yet affecting the Company's operation sites. From 2015-2021, Central Sulawesi Province experienced flooding, landslides, storms, and forest fires. From 2015-2021, North Maluku Province recorded disasters such as flooding, landslides, storms, droughts and forest fires.</p> <p>Both operation sites have not experienced any severe impact due to acute and chronic climate change leading to significant financial loss. So far, only one extreme event, flooding in 2019 in North Konawe Regency Southeast Sulawesi Province, affected the Company's operation indirectly, and it has impacted decreasing nickel production and disruption in mining operations and logistics. In the second quarter of 2019, due to the early rain season & flooding, Nickel Industries experienced a reduction in mine production in comparison to the first quarter of the same year (127,000 - 78,000 wet metric tonnes). The reason was that the flooding in the North Konawe Regency, which recorded damage to public facilities in the form of 3 broken bridges, disrupted staff movement and logistics on the Hengjaya Mine site.</p>

2. Transition Risk

Nickel Industries acknowledges that the world is gradually transitioning to low-carbon development in accordance with the Paris Agreement. This transition may have a future impact on business, particularly for mining and metal producer companies, which are frequently identified as major GHG emitters due to their high energy intensity consumption.

To comprehend the transitional risks, the International Energy Agency World Energy Outlook ('IEA WEO') 2021 Announced Policy and Sustainable Development Scenarios for the years 2021 to 2050 are utilised to analyse future risks. This IEA WEO scenario is used to assess a Company's readiness for changes to the global energy system.



Risk	Description
 <p>Policy</p>	<p>Nickel Industries faces medium risks regarding policy changes in the IEA WEO 2021 'Announced Pledges' and 'Sustainable Development' Scenario. The Company may face challenges due to regulatory changes that promote low carbon in the energy and power sector. Indonesian regulations are changing rapidly and lately demonstrate a clear direction towards low carbon development. This shift in policy direction also influences the nickel market.</p> <p>The Indonesian Government continuously develops its climate consideration in various policy areas to realise its Nationally Determined Contribution (NDC) target, which is considered as the IEA WEO 2021 'Announced Pledges' scenario from power generation to industry. Some of the regulations, such as not building new coal power plants by 2030 and increasing the use of renewables in the energy mix, where it should consist of 14% natural gas and 30% renewable energy sources.</p> <p>Under the 'Sustainable Development' scenario, policies shifted towards supporting the deployment of Carbon Capture Storage ('CCS')/ Carbon Capture Utilisation and Storage ('CCUS') and hydrogen in industries and fuel transformation. In both scenarios, policy measures for carbon, energy efficiency and management are also encouraged. Hydrogen has the potential to become an important renewable resource and already has a major role in significant industrial processes.</p> <p>Hydrogen use is just starting in the study and planning phase in Indonesia. The same case with the CCS/CCUS, the Indonesian government intends to adopt and develop the technology, but it's still in the development and pilot phase. Even so, the Indonesian government is preparing a regulation draft on the technology to reduce carbon emissions from hard-to-abate industries, despite many arguments and scepticism of the wide application of this technology.</p>
 <p>Technology</p>	<p>Nickel Industries faces medium to long-term risks due to additional costs in their operations due to the technology shift, which mostly derives from the policy shift in the energy and power plants sectors. The IEA WEO 2021 'Announced Policy' and 'Sustainable Development' scenarios project low-carbon technologies across the energy sector – including key renewable electricity production and storage technologies. Both scenarios project that technology will progressively become cheaper over time, but this technology shift requires major capital.</p> <p>Another additional business cost comes from the carbon tax due to the high intensity of carbon emissions coming from fossil fuel -technology. The IEA WEO 2021 'Sustainable Development' scenario predicts that the carbon price will start at 40 USD/tonnes CO₂ in 2030, become 110 USD/tonnes CO₂ in 2040 and increase to 160 USD/tonnes CO₂ in 2050. In 2025, the Indonesian government is planning to implement the carbon tax and develop the system.</p>
 <p>Market</p>	<p>Nickel Industries faces low risk in terms of market. The Company finds fewer challenges in the market on both IEA WEO 2021 'Announced Pledges' and 'Sustainable Development' Scenarios. Nickel is an important material for various future industries and will continue to be in demand.</p> <p>The Company has positioned itself as an integrated producer that supplies stainless steel and battery market from its nickel pig iron and nickel matte production.</p> <p>In October 2022, the Company announced the successful commissioning of some of its RKEF lines to produce nickel matte from nickel pig iron production. The Company considered new markets and diversified its products for better competitiveness in the future.</p> <p>Rising demand for EV vehicles has a direct impact on demand for the material, which is aligned with the trajectory for both the 'Announced Pledges' and 'Sustainable Development' scenarios. In addition, the increased interest in the EV batteries industries worldwide, including in China and Indonesia, provides new opportunities for Nickel Industries to participate. Considering product diversification, therefore, no specific market risks are foreseen in the near future for the Company.</p>
 <p>Reputation</p>	<p>Nickel Industries faces medium risks in terms of reputation. Mining and processing industries are often associated with negative contributions to climate change, environmental destruction and social conflicts. Globally the trend has shifted towards low carbon development to be able to achieve the target of the Paris Agreement not to exceed 1.5 degrees increase with an increasing commitment of countries to net zero by 2050. Investors watch the climate policy trend closely, and financial institutions include climate change considerations in their lending.</p>



Risk Management

Nickel Industries may experience disruption in its operation due to increased disasters in its surrounding sites. This may lead to an increase in business costs due to possible delays. Therefore, we consider the following measures to manage physical risks:

- continue to monitor the development of acute and chronic physical risks by collecting yearly data;
- develop water management plans;
- monitor water usage and analysis ;
- recycle used water and lessen water loss due to waste, leakage, and evaporation; and
- develop a contingency plan whenever such extreme climate disasters arise, both onsite and offsite.

The transition risks for the Company largely come from policy, technology, and reputation. The consequences and impacts may be severe, leading to increased business costs. A comprehensive transition risk management has to be created and followed by strategic plans and actions that should be conducted together with our strategic partners.

Additionally, the Company considers these measures with the goal of increasing climate resilience and reducing emissions:

- continue with its 'Future Energy' collaboration framework to optimise the transition to renewable energy sources across the Company's operations;
- early planning and actions for greening the Company's operations and facilities, which will help avoid the upcoming carbon tax;
- building the reputation as a clean nickel producer to gain the trust of investors and the public;
- expanding market for high-grade nickel brings Nickel Industries into sustainable transition-oriented businesses as one of the leading producers of clean EV batteries in the future; and
- continuously monitor the evolution of Indonesian and global climate policy and explore opportunities for technological collaboration.



Recognising the challenges to addressing these requirements, the Company began engaging with external consultants in 2021 to build in-house capacity and start with important data collection to understand the risks and opportunities that climate change can pose towards our business. In addition, the Company utilise the Task Force on Climate-Related Financial Disclosures (TCFD) framework in developing its roadmap.

For the first year, the Company investigated climate-related governance, the development of its GHG inventory and GHG emission reduction strategies. It started via the set-up of climate change analysis within the business, followed by examining existing or possible strategies that include climate change aspects to provide further information on the risks the business is exposed to and then reports on the data analysis of the Company's GHG inventory via the Metrics and Targets section.

In the second year, Nickel Industries continued to deepen the assessment of the current climate resilience of the Company. Our work not only focused on the GHG inventory or preliminary mitigation ideas but also focused on risk assessment and engaged with the Board of Directors to discuss the results and initiate the discussions on forward-looking strategies. As a result, the Company has identified a strategy roadmap for responding to climate change, identifying short-term, medium-term and long-term actions.

Core elements of recommended climate-related financial disclosure



Governance

Climate change is a substantial governance and strategic issue that is regularly on the Board's agenda, particularly in the context of strategy discussions, portfolio reviews and investment decisions, risk management oversight and monitoring, and performance against our commitments. Therefore, Nickel Industries has developed a sustainability committee to discuss various ESG issues, including climate change, within the Company. Our Board of Directors has diverse backgrounds and experiences, which positively impact the Company because each member of the Board can provide a different point of view on climate change and other ESG-related topics. The inputs and outputs obtained from the regular session are accommodated by the committee and are included in the decision-making process.



	Short-Term: Getting Ready	Near-Term: Decisions on Strategies	Long-Term: Climate Resilient NI
Governance	Identification for internal stakeholders, capacity building & develop working group	Sustainability/ESG Committee established & KPIs formulated	Prepare transparent external communication & coordination
Strategy	Identify existing strategies & start to identify possible mitigation & adaptation measures	Commit Budget to research Impact & reduce GHGs	Revise and update strategies informed by regular reporting
Risk Management	Assess physical & transition risks from NI's operations	Integrate risk collection into NI's data analysis system	Institutionalise climate risk and opportunity screening/ implement & evaluate
Metrics & Target	Set-up GHG inventory (Scope 1, 2 & 3) collect physical & transition risk data	Update GHG inventory, set-up a monitoring system; Set climate risk priorities & GHG emission reduction	Update GHG inventory; monitor, evaluate, and include sectors in climate impact analysis continuously

Short-term strategy

The Company has started to 'get ready', developing a GHG inventory and looking into possible mitigation strategies. We have engaged with Pertiwi Consulting and Hatch to conduct GHG inventory, governance and risk analysis, develop decarbonisation strategies, and research fuel optimisation opportunities. Our emissions are dominated by the combustion of coal and the consumption of electricity. Therefore, the most prominent short-term action is to optimise fuel and energy consumption.

Medium-term strategy

Given the current state of Scope 1 and 2 GHG emissions, the climate scenario analysis, and the development of coal climate policy, carbon-related regulation may become effective in the near future. Such regulations could have a significant financial impact on the Company. For instance, if a carbon tax is implemented, penalty fees could be imposed, and capital expenditures would be expected to decrease emissions.

In 2022, we managed to almost complete land acquisition processes for the solar panels along with fulfilling other legal and contractual requirements for this collaboration. Secondly, feasibility studies are conducted on the idea of switching from coal to natural gas at IMIP. Finally, as fuel usage is a major source of emissions at HM, we have conducted a study with Hatch to identify improvement opportunities in our mining operations.

Therefore, the Company is focusing on energy transition. Firstly, we will invest in renewable or lower emissions energy options and technology at HM, HNI and RNI. The solar power project with a capacity of more than 400 MW is in the development phase at IMIP, potentially reducing emissions in our process.

Longer-term strategy

Our scenario analysis revealed that international and national regulations are anticipated to exert greater pressure on glasshouse gas (GHG) reduction.

The Company plans to mitigate the transition risk toward the implementation of low-carbon technologies by installing renewable energy technologies on our sites. As the implementation of this technology is a lengthy process, further studies are required. In addition to the gradual reduction of carbon emissions through its operation, we are considering implementing a mechanism to offset carbon emissions during the transition period. The Company has identified market opportunities to take part in low-carbon technologies development, such as supplying ore to battery manufacturers.

Emissions [305-1, 305-2, 305-3, 305-4] [EM-MM-110a.1] [EM-MM-120a.1]

The Company’s GHG emissions were calculated in accordance with the principles of ISO 14064-1:2018 and the Greenhouse Gas Protocol Standard., which were counted for the following operations:

- the mining site at Hengjaya Mine (‘HM’); and
- the Company’s RKEF lines: Hengjaya Nickel (‘HNI’), Ranger Nickel (‘RNI’), and Angel Nickel (‘ANI’).



GHG Emissions of Nickel Industries*

GHG Emissions (tCO ₂ e)	2022	2021	2020
Scope 1 - Direct Emissions Category [305-1]			
Stationary Fuel Combustion	1,788,264	951,666	1,209,108
Mobile Fuel Combustion	22,892	13,968	22,917
Carbon fraction in the NPI	-41,076	-24,942	-24,737
Total Scope 1 (tCO₂e) [EM-MM-110a.1]	1,770,086	940,808	1,207,426
Scope 2 - Indirect Electricity Emissions Category [305-2]			
Total Scope 2 (tCO₂e)	1,814,177	1,086,944	975,078
Total Emissions (tCO₂e)	3,584,263	2,101,051	2,219,322

*The emission figures were counted based on an equity-share approach in which the Company own 80% of interest in each subsidiary

Our Scope 1 GHG Emissions in 2022 were significantly increased in comparison to the previous years due to the addition of Angel Nickel, which was commissioned last year. Following our decarbonisation roadmap research in 2021, the Company has taken a further step in the reporting year by analysing fuel optimisation opportunities to reduce our direct carbon footprints. In addition, we have also implemented a solar power system at Hengjaya Mine, which successfully decreased our fuel consumption for the generators at the site.

As can be seen from the table, our indirect emissions from electricity generation are still the biggest sources of carbon footprints in the Company’s operations. That was why Nickel Industries focused on improving the use of renewable energy in its portfolio by signing the memorandum of understanding with SESNA and Quantum to provide 420 MWp of solar energy for its operations at IMIP.

The implementation of this technology is still ongoing, with land acquisition and permit applications becoming the milestones in 2022.

Regarding the Scope 2 emissions, an emission factor of 0.864 has been chosen for this calculation as it is in line with regular electrical Indonesian grids like the Java-Bali grid (JAMALI: 0.87 ex-post 2019).

Compared to the production volume, our GHG emissions intensity was slightly lower compared to the previous year despite the changes in grades in nickel ore inputs and the volatility of the coal market in 2022.

Description	Unit	2022	2021	2020
Total Emissions	tCO ₂ e	4,480,329	2,626,314	2,774,153
Nickel Metal Production	t Ni eq.	70,079	40,410	43,621
Emissions Intensity	tCO ₂ e / t Ni eq.	63.93	64.99	63.60

*The emission figures were counted based on a 100% production basis for emissions intensity calculation purposes only.

Energy ^{[302-1, 302-2, 302-3, 302-4, 302-5][EM-MM-130a.1]}

In 2021, we began a more comprehensive monitoring of all aspects of energy use, as well as a more in-depth examination of our energy consumption, both internally and externally. As a result, 2021 will be used as the baseline year for the Company's energy reporting.

Total Energy Consumption ^{[302-1][EM-MM-130a.1]}

Type of Energy Source	2022 (GJ)	2021 (GJ)
Batu bara / Coal (bituminous - smelting)	13,526,902	7,070,786
Batu bara / Coal (semi- coke - reductant)	8,877,213	4,902,930
Electrode paste	153,044	93,655
Listrik / Electricity	9,448,840	5,661,165
Bensin / Petrol	72	61
Biodiesel B30	312,924	304,995
Solar / Diesel	555,645	443,471
LPG	533	409
Acetylene (C ₂ H ₂)	0	4
Total Energy (GJ)	32,875,172	18,477,478

*The conversion factors are from the GHG Protocol tool for stationary combustion, Version 4.1. of the World Resources Institute (2015).

Energy Consumption within The Organisation ^[302-1]

Type of Energy Source	2022 (GJ)	2021 (GJ)
Batu bara / Coal (bituminous - smelting)	13,526,902	7,070,786
Batu bara / Coal (semi- coke - reductant)	8,877,213	4,902,930
Electrode paste	153,044	93,655
Listrik / Electricity	9,448,840	5,661,165
Bensin / Petrol	72	61
Biodiesel B30	67,760	62,202
Solar / Diesel	375,234	334,897
LPG	379	362
Acetylene (C ₂ H ₂)	0	4
Total Energy (GJ)	32,449,444	18,126,065

*The conversion factors are from the GHG Protocol tool for stationary combustion, Version 4.1. of the World Resources Institute (2015).

Energy Consumption outside of The Organisation ^[302-2]

Type of Non-Renewable Energy	Energy Consumption (GJ)	
	2022	2021
Biodiesel (B30)	245,164	242,793
Diesel	180,411	108,574
LPG	154	47
Total	425,729	351,414

The conversion factors are from the GHG Protocol tool for stationary combustion, Version 4.1. of the World Resources Institute (2015).

Our energy commitments support sustainable development in our operational areas and globally, ensuring access to resources, capital and engaged people. Thus, we continuously strive to improve energy efficiency in our projects and operations by identifying, assessing and applying energy efficiency to reduce GHG emissions and operational costs. To reduce energy use, we identify, assess and design and operate our projects by energy reduction targets.

As of the reporting period, our joint contributions have resulted in many improvements in energy use and emissions, such as:

- exploring new technology and new methods of energy-saving and recycling;
- the establishment of smelters near the mines, which greatly saves energy consumption of nickel ore transportation; and
- at IMIP and IWIP, nickel-iron hot metal and blast furnace hot metal are sent directly to steelmaking. In contrast, billets are sent directly to hot rolling, resulting in significant energy savings and a reduction of carbon dioxide emissions.

Additional efforts we made in 2022 included the implementation of our ‘Future Energy’ collaboration framework by signing the memorandum of understanding with SESNA and Quantum to provide 200 MWp and 220 MWp of solar energy for our RKEF operations at IMIP. Besides, the solar power system at Hengjaya Mine has successfully commissioned last year, which reduced our fuel consumption for the generators at the mining site. This solar project at HM is expected to reduce diesel consumption by approximately 31 million litres over the 25-year projected project life. Furthermore, Hengjaya Mine and some of its contractors began using biodiesel (B30) to shift some of the total diesel consumption towards more renewable energy.

Energy Intensity

Description	Unit	Year		
		2022	2021	2020
Total Energy Usage	GJ	32,875,172	18,248,403	19,078,431
Nickel Metal Production	tonnes of nickel equivalent	70,079	40,410	43,621
Energy Intensity of the Nickel production	GJ/tonne of nickel equivalent	469.12	451.58	437.36

In 2022, our absolute energy consumption was increased due to the inclusion of Angel Nickel at IWIP into our portfolio. Nevertheless, the Company successfully maintained its operational standards in different regions of Indonesia.



Water and Effluent [303-1, 303-2, 303-3, 303-4, 303-5]

Water and Effluent Usage

The Company is committed to continuously improving its water efficiency and meeting or exceeding local effluent standards. It is essential to preserve the availability and quality of surface and groundwater sources through efficient use and the prevention of water pollution. As part of its commitment to preserving the accessibility and quality of the area’s water resources, the company maintains a continuous effluent monitoring system at the Hengjaya Mine. We are constantly identifying and assessing water-related risks and implementing continuous improvement plans to manage them.

The Company seeks to develop agreements that are mutually beneficial to indigenous and local communities and their connections to land, water and the environment through

continuous and regular engagement and the promotion of free, prior and informed consent. We strive to protect the rights of indigenous and local communities to safe and clean water, and we develop international, national, regional and local partnerships to protect and conserve water for future generations.

The Company adheres to prevailing Indonesian laws, such as the Decree of the Minister of the Environment No. 51 of 2004 concerning the Standard Quality of Seawater; and Government Regulation No. 82 of 2001 concerning Water Quality Management and Water Pollution Control. These regulations allow us to anticipate any potential impacts through ongoing consultation with the relevant authorities, meeting water effluent standards in its operations by the local standards.

To ensure the water quality and level of our operational areas, we conduct the following activities before, during and after our operations:



Land clearing is limited to the development of supporting facilities on the site;

Managing runoff water by constructing drainage channels and channelling runoff water into sediment deposition columns



Avoiding the disposal of solid and liquid waste into bodies of water



Avoiding the discharge of water used to wash construction equipment into bodies of water



A thorough analysis of all discharges to ensure that they will have no adverse effect on the environment



Avoiding land clearing activities adjacent to rivers, river borders, or water springs



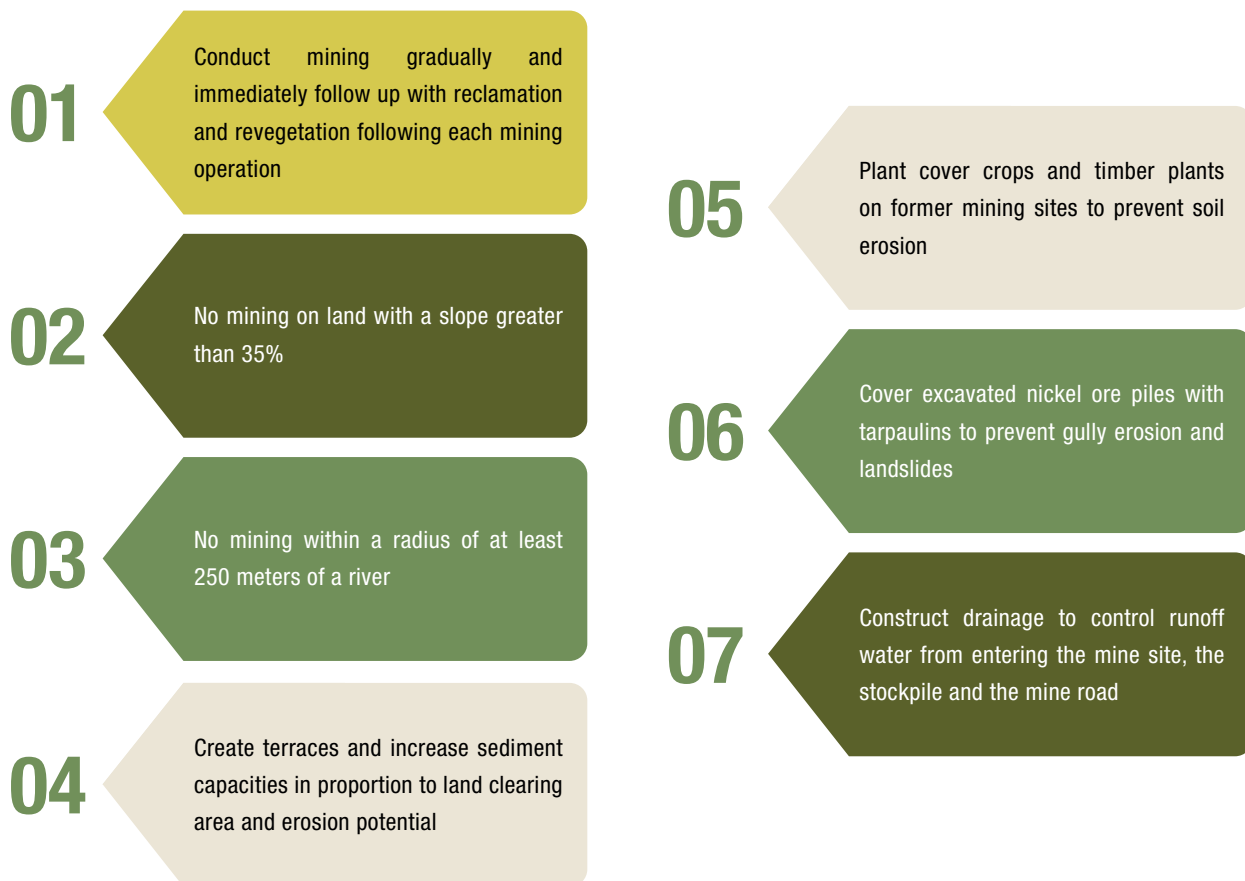
Plant and maintain vegetation along the river's banks



Restore rivers that have become silted up due to the Company's activities



To avoid potential degradation of water quality due to soil erosion, we engage in the following activities:



Water Sources

The water quality in our RKEF lines at IMIP is routinely monitored by a certified laboratory at a predetermined monitoring point. The results of this water quality monitoring are then compared to the applicable quality standards, and the residual water is processed by recirculation and reused in the production process so that nothing is discharged into the environment. The Water Treatment Plant (‘WTP’) Department serves as the area’s water supplier, delivering the quantity of water shown in the table below for use in production and domestic activities.

Water Withdrawal

Source of Water	Unit	Hengjaya Nickel’s Water Withdrawal		
		2022	2021	2020
Surface water	m ³	0	0	0
Groundwater		0	0	0
Produced water		0	0	0
Third-party water		1,091,600	751,345	1,105,545

Source of Water	Unit	Ranger Nickel’s Water Withdrawal		
		2022	2021	2020
Surface water	m ³	0	0	0
Groundwater		0	0	0
Produced water		0	0	0
Third-party water		1,078,688	751,345	1,105,545



Source of Water	Unit	Angel Nickel's Water Withdrawal
		2022
Surface water	m ³	1,082,421
Groundwater		0
Produced water		1,064,334
Third-party water		0

Source of Water	Unit	Oracle Nickel's Water Withdrawal
		2022
Surface water	m ³	0
Groundwater		0
Produced water		0
Third-party water		1,078,688

Water Discharge

Source of Water	Unit	2022
Waste Water Treatment Plant at Angel Nickel	m ³	3,500 m ³ /day

Water Consumption

Source of Water	Unit	2022	2021 ²	2020 ¹
Domestic water used in the office and basecamp of Hengjaya Mine	m ³	13,296	13,507	5,597

Notes:

¹⁾ In 2020, the operations at Hengjaya Mine were affected by the transmission of the COVID-19 virus, while in 2021, the operations at the mining site recovered and, thus, consumed more water than the previous year.

²⁾ Restatement of the 2021 Sustainability Report based on the results of data verification. [2-4]

Waste [306-1, 306-2, 306-3, 306-4, 306-5]

Waste Treatment Policy

The Company promotes the “4R” principles of Reduce, Reuse, Recycle and Recover throughout the life cycle of our operations to manage waste generation risks and impacts. By implementing 4R, we ensure the safe storage and disposal of waste and process residues.

The Company coordinates with relevant authorities to manage hazardous waste through accepted waste processing methods. As part of our long-term commitment, we also work with and advocate for responsible waste management with local stakeholders on our sites and projects.

Our disposal areas are managed so that drainage issues can be identified, organised and rehabilitated to support stable and secure structures. In addition, our hazardous waste storage areas comply with all applicable laws and regulations, including Minister of Environment and Forestry Regulation No. P.12/Menlhk/Secretary General/PLB.3/5/2020 on Hazardous Waste Storage and Government Regulation No. 101 of 2014 on Hazardous Waste Management.

Nickel Industries utilises a technology-driven approach to waste management, which includes the following:

- establishing sufficient temporary waste storage around the project site;
- collecting waste from temporary waste storage periodically and transporting it to the landfill;
- establish a garbage disposal area around the activity site to prevent workers from throwing garbage carelessly and polluting the surrounding waters;
- establish a location for workers to dispose of faeces (septic tank); and
- accommodate remnants of lubricating oil, fuel and/or other hazardous waste that may pollute the waters.

Meanwhile, our socioeconomic approach entails the following:

- instilling the discipline of properly disposing of waste in the entire workforce;
- implementing healthy behaviour principles in the corporate environment;
- completing permits for hazardous waste; and
- conducting specialised training for hazardous waste management workers.



Waste Generation

Waste is separated into three categories at Hengjaya Nickel and Ranger Nickel: organic waste, inorganic waste and hazardous waste. Domestic waste generation is recorded by IMIP, while hazardous waste is transferred to licenced hazardous waste transporters. We ensure that carriers and processors of hazardous waste have permits in accordance with the regulations and that every shipment of this waste is accompanied by a manifest so that every shipment’s details are always recorded in accordance with the regulations.

The following is a list of the waste produced in 2022:

Hengjaya Nickel	Waste Generated (tonnes)	Waste Diverted from Disposal (tonnes)
Waste Composition		
Organic Waste	4,147	-
Non-Organic Waste	2,230	-
Slag Nickel Pig Iron	1,137,330.39	1.137.330,39
Used oil	8.82	8.1
Used Battery	1.175	1.175
Used filter	0.364	0.006
Contaminated cloth	0.200	0.200

Ranger Nickel	Waste Generated (tonnes)	Waste Diverted from Disposal (tonnes)
Waste Composition		
Organic Waste	3,595	-
Non-Organic Waste	1,928	-
Slag Nickel Pig Iron	1,152,174.21	1,152,174.21
Used oil	2.52	2.16
Used Battery	1.175	1.175
Used filter	0.364	0.364
Contaminated cloth	0.224	0.170

Angel Nickel	Waste Generated (tonnes)	Waste Diverted from Disposal (tonnes)	Oracle Nickel	Waste Generated (tonnes)	Waste Diverted from Disposal (tonnes)
Waste Composition			Waste Composition		
Organic Waste	80	-	Organic Waste	2,062	-
Non-Organic Waste	130	-	Non-Organic Waste	1,138	-
Slag Nickel Pig Iron	28,911	-	Slag Nickel Pig Iron	53,966	-
Used oil	163	0	Used oil	-	-
Used Battery	113	0	Used Battery	-	-
Used filter	406	0	Used filter	-	-
Contaminated cloth	20	0	Contaminated cloth	-	-

Additionally, Hazardous and Toxic waste at Hengjaya Mine is managed and processed by third parties. [306-3]

Type of Hazardous and Toxic Waste	Management Method	2022 (tonnes)	2021 (tonnes)	2020 (tonnes)
Used oil		138.47	4.98	13.90
Contaminated cloth	Processed by the third parties	0.46	0.02	0.13
Used filter		8.76	0.23	0.14
Used battery		4.59	0.07	0.35

Biodiversity [304-1, 304-2, 304-3, 304-4] [EM-MM-160a.1] [MM2]

Biodiversity and Protection Policy

Biodiversity is an important aspect of environmental stewardship, and we implement biodiversity management programs as part of our good mining practices. We are committed to making purposeful decisions to improve biodiversity levels in the most appropriate and meaningful ways possible and to complying with, if not exceeding, local biodiversity regulations wherever we operate. Our biodiversity management adheres to Government Regulation No. 28 of 2011, as amended by Government Regulation No. 108 of 2015, concerning the Conservation of Biological Natural Resources and Ecosystems.

Our biodiversity conservation strategies are designed to have a positive impact on the presence of high-value biodiversity in our project areas. We ensure that mine closure activities are well-planned and completed as quickly as possible following the conclusion of our operational phase. This process is communicated with all relevant stakeholders to ensure an integrated approach to the final land use plan. Our two-pronged strategies employ a technology-driven and socioeconomic approach, as detailed below:

Technology-Driven Approach	Socio-Economic Approach
Counselling employees and the general public on the prohibition of disturbing wildlife.	Counselling employees and society on the prohibition of and disturbance of endemic and protected vegetation.
Reclaiming and replanting each mined area.	Establish a bulletin board hunting prohibition. The ban board is primarily located in the forest area that borders the activity site, avoiding disturbance of the land, rivers and adjacent forest areas. The ban board is designed to be informative, with the sanctions listed for each offence.
Optimising the impact management for the disturbances to the animal habitat and vegetation.	Counselling employees and the general public on the prohibition of disturbing wildlife. Employees and nearby residents receive counselling, focusing on the types of protected wildlife and their preservation. It also details mining-wide sanctions and violations.
Preserving wild animal habitats by limiting land clearing only to areas used for mining infrastructure development.	

Biodiversity Program

Our primary biodiversity program focuses on mangrove and watershed rehabilitation in Central Sulawesi, in which 2,095,500 trees have been planted in an area of 1,905 Ha since we began in 2019.

IUCN Red List Species and national conservation IUCN ³⁰⁴⁻⁴

Nickel Industries believes in preserving the integrity and diversity of nature in accordance with the International Union for Conservation of Nature (IUCN). Our assessment with the Ecology and Conservation Center for Tropical Studies ('Ecositrop') identified the flora and fauna species in accordance with IUCN's Red List Species classification. The list of species can be seen in Appendix 1.

2022 Biodiversity Assessment

In 2022, the Company commissioned its first biodiversity assessment for the Hengjaya Mine to monitor and evaluate natural forests and post-mining reclamation areas. In post-mining reclamation areas, vegetation identification and inventory were conducted on permanently constructed plots, whereas transects were used in natural forests. Trees, herbs, lianas, epiphytes and palms were among the vegetation identified and inventoried. Meanwhile, the fauna included mammals, avifauna (birds), herpetofauna (reptiles and amphibians) and insects (orders Lepidoptera and orders odonata).

The following conclusions and recommendations have been reached based on the results of monitoring the biodiversity of flora and fauna in the Hengjaya Mine area:

1. It is necessary to plant more diverse staple and intercrop species to enrich the vegetation in post-mining reclamation areas, such as Johar (*Cassia siamea*), Trembesi (*Samanea saman*), Pulai (*Alstonia scholaris*) and Mango (*Mangifera indica*), as well as other types of fruit plants or local tree species. Furthermore, planting activities must be adapted to the local soil conditions.
2. Shrubs dominated the 2017 planting year's post-mining reclamation area. Areas with these conditions must be treated with a pattern of paths or plates to make room for natural vegetation. Maintenance pathways can be planted with other types of inserts in addition to liberating staple crops.
3. The abundance of tree seedlings in natural forest areas can be used as an alternative source of seeds by evacuating seedlings from natural forests to nurseries to be planted in post-mining reclamation areas.
4. No signs of poaching were discovered at the monitoring site. Due to the presence of logging activities near Hengjaya Mine, however, forest areas must be monitored for both poaching and logging risks.
5. Employee and contractor outreach is critical for providing information about Hengjaya Mine's conservation programs and environmental policies.
6. Vegetation in the natural forest area is still relatively healthy and diverse. Hengjaya Mine must designate the forest area as a conservation forest area due to the presence of numerous protected and endemic animal species in this region.

The Company has taken note of the recommendations and is working to enhance the biodiversity conservation efforts at Hengjaya Mine.





Social Responsibility

➤ Social Responsibility


As part of our social responsibility, Nickel Industries is committed to fostering local socioeconomic development that contributes sustainably to the livelihoods and well-being of the communities and environment in which we operate. Wherever it conducts business, the Company strives to improve people’s livelihoods while safeguarding and respecting the local people and cultures.



Social Impact

- Increasing potential of conflict
- Increasing business opportunities
- Increasing income for the public
- Changes in the main livelihood of the inhabitants
- Local economic inflation
- Increasing employment issues

Nickel Industries is fully aware that our operations may result in conflict and may disrupt local communities and their environments. At the same time, the Company strives to include local communities and villages by expanding business opportunities, increasing public income and creating local jobs.



Management Plan

- Employment priority for local people
- Providing training & workshops for the employee
- Forming a grievance redressal unit to handle complaints & disagreements
- Planning and launching long-term CSR programs for surrounding villages
- Providing information workshop & info centre for local people

Nickel Industries prioritises local employment in its operations and simultaneously provides training and workshops for all of its employees in order to increase their capacity. The Company also has a grievance redress unit to handle complaints and disagreements while simultaneously planning the launch of long-term CSR programs for surrounding villages to avoid reactionary sentiments and ensure the creation of long-term value. Furthermore, we provide information workshops and centres so that local communities can learn more about what we do.

Human Capital Development [404-1, 404-2]

Training and Education Policy

Nickel Industries invests in its human capital, creating development programs that help our employees develop the skills and knowledge they need to advance within our Company.

Total Training Participants by Employee Category and Gender – Hengjaya Mine						
Employee Category	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Permanent	66	15	42	6	4	1
Contract	0	0	0	0	0	0
Total	66	15	42	6	4	1

Average Hours of Training – Hengjaya Mine <small>[404-1]</small>					
Year	Total Training Hours	Average Based on Participants		Average Based on Employees	
		Total	Average	Total	Average
2022	3,440	81	42.46	305	11.27
2021	1,288	48	26.83	263	4.90
2020	320	5	64	234	1.37

Total Training Participants by Employee Category and Gender – Hengjaya Nickel

Employee Category	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Permanent	461	79	470	57	485	51
Contract	110	14	109	13	105	15
Total	571	93	579	70	590	66

Average Training Hours – Hengjaya Nickel ⁽⁴⁰⁴⁻¹⁾

Year	Total Training Hours	Average Based on Participants		Average Based on Employees	
		Total	Average	Total	Average
2022	1,734	664	2.6	664	2.6
2021	1,728	649	2.7	649	2.7
2020	1,715	656	2.6	656	2.6

Total Training Participants by Employee Category and Gender - Ranger Nickel

Employee Category	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Permanent	424	78	486	66	486	62
Contract	81	14	41	0	40	2
Total	505	92	527	66	526	64

Average Training Hours – Ranger Nickel ⁽⁴⁰⁴⁻¹⁾

Year	Total Training Hours	Average Based on Participants		Average Based on Employees	
		Total	Average	Total	Average
2022	1,734	597	3	597	3
2021	1,728	593	3	593	3
2020	1,715	590	3	590	3

Total Training Participants by Employee Category and Gender - Angel Nickel

Employee Category	2022	
	Male	Female
Permanent	1,024	80
Contract	104	13
Total	1,128	93

Average Hours of Training - Angel Nickel ⁽⁴⁰⁴⁻¹⁾

Year	Total Training Hours	Average Based on Participants		Average Based on Employees	
		Total	Average	Total	Average
2022	6,638	5,612	1.2	1,128	5.89



Total Training Participants by Employee Category and Gender - Oracle Nickel		
Employee Category	2022	
	Male	Female
Permanent	3,529	141
Contract	143	3
Total	3,672	144

Average Hours of Training - Oracle Nickel (2022)					
Year	Total Training Hours	Average Based on Participants		Average Based on Employees	
		Total	Average	Total	Average
2022	1,734	3,816	2.2	3,816	2.2

Occupational Health and Safety [403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9] [EM-MM-320a.1]

OHS Policy

Occupational Health and Safety ('OHS') are top priorities for the Company. It is an essential aspect to ensure successful operations in our industry. We uphold the highest and most rigorous health and safety standards, actively striving for a 'Zero-Harm' work culture in all aspects of our operations.

The 'Zero-Harm' objective for our employees, contractors and surrounding communities is intended to safeguard our employees, contractors, suppliers and other workers. Effective implementation of OHS policies assists in achieving this objective, which is reinforced by OHS-focused employee habits. When good habits are consistently and repeatedly practised, they become ingrained in our behaviour and culture.

Our OHS Policy and operations in Indonesia are in accordance with and comply with the following:

1. Law No. 1 of 1970 on Occupational Safety and Health;
2. Decree of the Director General of Indonesia Minister of Energy and Mineral Resources (MEMR) no 185.K37.04 DJB 2019 concerning Technical Guidelines for Mining Safety and OHS Management System;
3. MEMR Decree No. 1827 K 30 MEM 2018 regarding Guidelines for the Implementation of Good Mining Engineering Rules;
4. MEMR Regulation No. 26 2018 concerning the Implementation of Good Mining Rules and Supervision of Mineral and Coal; and
5. MEMR Ministerial Regulation No. 38 of 2014 concerning the Implementation of the Mining Safety Management System for Mineral and Coal.

Based on the above, our OHS policies include the following:

1. Conducting hazard identification and risk assessment for all company activities and determining risk controls to reduce risk to the accepted levels;
2. Determining occupational health and safety targets objectives and regularly evaluating their achievement;
3. Developing and implementing mine occupational health and safety as well as operational safety program by involving all employees to prevent occupational health and safety incidents, including occupational illness;
4. Developing safe work procedures, providing appropriate personal protective equipment and safety equipment and facilitating training and capacity development for its employees in the OHS aspect;
5. Reporting unsafe events and conditions and 'stop the job' until corrective actions have been made;
6. Enforcing continuous improvement by evaluating Occupational Health and Safety Management system performance through internal and external audits and following up on any non-conformances; and
7. Implementing emergency response and preparedness procedures, providing resources and regular testing to ensure their effectiveness.

Our policies are reviewed regularly, documented, implemented and communicated to all employees, contractors, visitors and other stakeholders.

OHS Management System (OHSMS)

The Company has implemented an Occupational Health and Safety Management System (OHSMS) by adhering to applicable OHS laws and regulations, implementing risk management procedures and adhering to OHS standards in accordance with Article 87 of Law 13 of 2003 on Manpower, which requires companies to implement an integrated Occupational Health and Safety Management System.

This OHSMS is currently implemented in all our active operations, including Hengjaya Mine, Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel. We aim to maintain a healthy work environment that is also safe, efficient and productive.

OHS Audit

To assess the Company’s OHS execution, Nickel Industries periodically performs an internal audit of the Mining Safety Management System (MSMS). This is a responsibility shared by all companies operating in the mining industry. The MSMS audit is a systematic and independent review of the Company’s compliance with predetermined criteria to quantify the results of actions planned and implemented in the execution of MSMS.

This MSMS audit is conducted to verify compliance with the seven elements of MSMS by analysing the management system’s ability to ensure compliance with applicable laws and regulations requirements, as specified in the Indonesian MEMR Director General of Minerals and Coal Decree 185/7.04/DJB/2019.



11 Golden Rules

We enact our 11 Golden Rules that apply to all employees, contractors, visitors and other stakeholders:

- 

It is forbidden to work if you are not healthy/ fit and not using the correct Personal Protective Equipment (PPE)
- 

It is forbidden to operate or modify the equipment unless by competent workers who have the authority to do so
- 

It is forbidden to use the equipment without following the working procedures or procedures for the use
- 

Do not remove, bypass or modify the safety protection device without permission
- 

It is forbidden to work at height without using the required personal fall protection device
- 

Do not use lifting equipment beyond the criteria for using the tool or place yourself under the lifting process
- 

It is forbidden to dispose of domestic or Non-B3 waste in locations other than those specified
- 

It is forbidden to dispose of hazardous and toxic materials or B3 waste in areas around the mine
- 

It is forbidden to dispose of domestic or Non-B3 waste in locations other than those specified
- 

It is forbidden to damage or disturb plants (reclaimed plants and natural plants outside of the reclamation area) within PT. HM’s mining area without permission from the Head of Mining (KTT)
- 

It is forbidden to hunt all fauna within PT. HM’s mining area

Hazard Identification, Risk Assessment and Incident Investigation [403-2]

Types of High-Risk Jobs	Description of Activities and Risks	Mitigation
Working with heat	Welding, cutting, grinding	Implementing Hazard Identification and Risk Assessment Determining Control ('HIRADC') process, enacting Standard Operational Procedures ('SOPs') and Job Safety Analysis ('JSA'), inspection and observation, promoting Near Miss Report ('NMR'), training & education (internal), issuing permits to work, provision of Personal Protective Equipment ('PPE') according to the type of work (face shield, apron, special hand gloves, welding screen, etc.)
	All work is carried out at height (minimum 1.8 meters from ground/floor level)	Implementing the HIRADC process, enacting the SOPs and JSA, inspection and observation, promoting NMR, training & education (internal), issuing permits to work, provision of PPE according to the type of work (full body harness with shock absorber, static line etc.)
Working at height	Falling down, struck down material	<ul style="list-style-type: none"> • Person fit for work • Completed risk assessment (near miss report) • PPE • Completed working at height training • Use standard full-body harness • Keep communicating with the correct channel radio communication • Barricade the area • Full supervisory.
Working near water	Activities around water (barging activity, water sampling, etc.)	Implementing the HIRADC process, enacting the SOPs and JSA, inspection and observation, promoting NMR, training & education (internal), issuing permits to work, provision of PPE according to the type of work (ring buoy, life jacket etc.)
Work using electric tools	Use of electrical tools (hand grinding, hand drill, etc.)	Implementing the HIRADC process, enacting the SOPs and JSA, inspection and observation, promoting NMR, training & education (internal), issuing permits to work, provision of PPE according to the type of work (face shield)
Work Using Lifting Equipment and Transport	Lifting using lifting equipment and transport (heavy equipment, dump truck, etc.)	Implementing the HIRADC process, enacting the SOPs and JSA, inspection and observation, promoting NMR, training & education (internal), issuing permits to work, provision of PPE according to the type of work, and providing License of Competency.
General Welding Activity	Explosion, 3rd-degree burns, intoxicated, asphyxiated	<ul style="list-style-type: none"> • Person fit for work • Completed risk assessment (near miss report) • PPE • Barricade the area • Inspect all tools and install tags properly • Conduct a pre-start check of all tools • Aware of pinch point • Permit to work (hot work) • Competent person (certified) • HHFE nearby • Clear the area from combustible • ERP • Isolation procedures • Authorized gas tester to check the air • Ventilation • Clear access in and out of the space; • Additional PPE such as full body harness and gas mask • MSDS • Full supervisory
Furnace Operator	Tapping and slagging: burn, explosion, CO, mechanical injury, electric shock	Craft control, water-liquid contact control, CO detector, SOP and PPE
Rotation Kiln	Burn, explosion, CO	Craft control, water-liquid contact control, CO detector, SOP and PPE
Indoor Ore Yard	Heavy vehicle activity	Traffic management plan

Occupational Health Services

Nickel Industries provides the following health services and facilities to its employees:

- provision of First Aid Station facilities according to standards;
- health facilities: 1 doctor and four nurses;
- medical checkups for all employees;
- COVID-19 Vaccinations;
- every month, all employees are given vitamins;
- 1x24 hour Health Service for all employees in need (sick/unfit);
- conducting annual Health Risk Assessments (HRAs) by MKK Doctors (Master of Occupational Medicine) (IMIP);
- conducting canteen inspections (IMIP); and
- provide work labour protection equipment.

Worker Participation, Consultation and Communication on OHS

Nickel Industries includes all of its employees during the OHS consultation and communication process. The Company established a Mining Safety Committee, which is responsible for managing OHS performance. The Head of Mining Engineering leads the safety committee on-site with the participation of members from the Operational Supervisor, Technical Supervisor, Competent Mining Technical Personnel, Mining OHS and Mining Operational Safety, who has been appointed by the Company’s management and approved by the Head of Mining Engineering and employee representatives. Furthermore, Safety Committee meetings are held at least once a month and General Safety Tool Box Meetings are held every Monday.



In addition, our employees at Hengjaya Nickel, Ranger Nickel and Angel Nickel are invited to participate and provide their input during OHS consultations, which include the following:

- conducting safety talks prior to the beginning of work activities;
- safety patrols to conduct OHS inspections;
- safety sign/OHS banners;
- emergency response procedure;
- updating current laws and regulations;
- investigation of accidents and follow-up evaluation;
- reports of workplace accidents and diseases;
- internal/external OHS consultations;
- OHS meetings;
- safety talk, which targeted to enhance communication between management and workers (4 times a month by each superintendent and above level); and
- safety campaign such as safety speech competition, safety related drills, and safety knowledge contest.

OHS Training and Education

OHS training and education are essential for employee capacity building and ensuring that they are equipped with the necessary skills to perform their work successfully.

In the last three years, our employees have undertaken relevant training and workshops on OHS, such as first-aid simulation, firefighter skills, the safety of handling chemical substances and many others, to make sure that our personnel have sufficient knowledge and skills to run our operations safely.

For example, the Company provides Basic Life Support Training. This program equips participants with the knowledge and skills necessary to maintain life when confronted with life-threatening situations. This course focuses on performing CPR (Cardiac Pulmonary Resuscitation) and is designed to educate individuals who encounter cases/incidents of cardiac arrest or respiratory arrest on the job or in the surrounding region. This CPR serves as a reminder to all employees of the critical nature of OHS.

OHS Training and Education – Hengjaya Mine

OHS Training for Employees						
Type of Training	2022		2021		2020	
	Total Participants	Total Training Hours	Total Participants	Total Training Hours	Total Participants	Total Training Hours
Working at Height	0	0	0	0	5 Contractor	4 Hours
Near Miss Report	40 HM	80 Hours	27 HM 9 Contractor	2 Hours	12 HM	2 Hours
HIRADC	4 Contractor	8 Hours	4 Contractor	4 Hours	0	0
Incident Investigation (ICAM Method)	0	0	0	0	0	0
ERT Training (Basic Life Support)	15 HM	60 Hours	28 HM 1 Contractor	4 Hours	15 HM 3 Contractor	4 Hours
ERT Training (Fire Fighting)	24 HM 35 Contractor	118 Hours	0	0	62 HM 12 Contractor	4 Hours
ERT Training (Kendrick Extrication Devices)	0	0	8 HM	4 Hours	0	0
ERT Training (Emergency Reporting)	9 HM 5 HM	118 Hours	0	0	0	0
Confined Spaces	0	0	0	0	0	0
Lock Out Tag Out (LOTO)	37 Contractor	74 Hours	0	0	0	0

OHS Training and Education – Hengjaya Nickel

Employee Occupational Health and Safety Training						
Training Type	2022		2021		2020	
	Total Number of Participants	Total Training Hours	Total Number of Participants	Total Training Hours	Total Number of Participants	Total Training Hours
Working at Heights	24	1	16	1	0	0
Occupational Health and Safety Certification	47	1	35	1	0	0
5S Management Training	142	1	61	1	48	1
Safety Management Basic Knowledge Training	148	1	76	1	0	0
Safe Operating Procedures	97	1	30	1	44	1
Environmental Management Knowledge Training	93	1	33	1	0	0
Special Operations Personnel Management Training	50	1	38	1	0	0
Fire Safety Training	196	1	34	1	8	1
Accident Case	105	1	39	1	0	0
Security Management	38	1	26	1	14	1

OHS Training and Education – Ranger Nickel

Employee Occupational Health and Safety Training						
Training Type	2022		2021		2020	
	Total Number of Participants	Total Training Hours	Total Number of Participants	Total Training Hours	Total Number of Participants	Total Training Hours
Working at heights	16	1	10	1	0	0
Occupational Health and Safety Certification	31	1	23	1	0	0
5S management training	94	1	41	1	32	1
Safety management basic knowledge training	98	1	51	1	0	0
Safe Operating Procedures	64	1	20	1	29	1
Environmental management knowledge training	62	1	23	1	0	0
Special Operations Personnel Management Training	50	1	25	1	0	0
Fire Safety Training	130	1	24	1	6	1
Accident case	70	1	20	1	0	0
Security Management	25	1	17	1	10	1

OHS Training and Education – Angel Nickel

OHS Training for Employees		
Type of Training	2022	
	Total Participants	Total Training Hours
Working at Height	448	448
Lifting & rigging	7	14
Defensive Driving	254	254
Safety Rigging & Lifting	80	120
Safety Training on the Third Level	58	58
Safe Working Heavy equipment	7	14
Field Introduction Safety	197	394
Hand Injury Risk	185	185
Safety Walking in the working area	152	76
HSE Management Responsibility	166	166
Ferronickel Production Process Safety	1,040	1,560
JCC <Job Cycle Check>	130	195
PPE Requirement on site	186	93
Single Crane	42	84

OHS Training and Education – Angel Nickel (cont.)

OHS Training for Employees		
Type of Training	2022	
	Total Participants	Total Training Hours
Conveyor Operation Safety	73	73
Metal Liquid high temperature	45	45
LOTO (Lock Out Tag Out)	134	268
Traffic Management at the Site	184	184
Forklift safe Operation	67	105
Injury prevention at machinery	142	142
Prevention and Handling of Electric Shock	78	78
Bush Safety	118	118
5S	113	113
Basic Safety	242	242
Hazard identification & control	231	231
JSA (Job Safety Analysis)	217	217
Indonesia Safety Regulation	234	234
Fatigue management	125	125
Incident reporting	175	175
Supervisory Safety Accountability	177	354
Safety Meeting	180	90
Emergency Response (Basic Fire)	122	183

OHS Training and Education – Oracle Nickel

Employee Occupational Health and Safety Training		
Training Type	2022	
	Total Number of Participants	Total Training Hours
Double and Mutual Insurance Joint Insurance Management System	31	1
Employee Safety Behavior Standard Double Mutual Insurance System	301	1
Reporting and Registration Management System for Driving Up and Down	13	1
Chain Labor System	37	1
Employee Code of Conduct	44	1
5S Management Training	41	1
The Management System of the Person in Charge of Safety Production	45	1
Basic Knowledge Training of Environmental Protection	48	1
High Voltage and High-Temperature Work Training	47	1
Discipline Training	36	1
Departmental Accident Case Training	32	1
Firefighter Safety Knowledge Training	40	1
Lockout and Outage Regulations Training	43	1
Order and Security	56	1

Employee Health Promotion

Nickel Industries includes all of its Nickel Industries promotes employee health through several activities and mediums, which include:

- banner installations;
- socialization in internal meetings/general safety toolbox meetings ; and
- sending materials and videos related to health protocols via Whatsapp Group.

Furthermore, through our collaboration at IMIP, we provide an emergency clinic where employees who are ill or have work-related accidents can be picked up and transported to the clinic via an ambulance to receive medical treatment.

This clinic is a 24-hour health care facility that offers outpatient polyclinic, inpatient and emergency unit services.

Prevention and Mitigation of OHS Impacts Directly Related to Operations

The Company utilises a preventive approach toward the negative impacts of OHS. Through education and training initiatives, we aim to protect their health, increase work efficiency and prevent workplace accidents and diseases. The benefits include the ability to anticipate the presence of hazard-causing factors and take preventive measures in advance, to comprehend the various types of hazards present in the workplace, to assess the level of hazards present and to control the occurrence of hazards, including Business Relations within the scope of our nickel smelting operations.



Work-Related Injuries & Work-Related Ill Health [403-9] [403-10] [EM-MM-320a.1]

Work Accident Rate and Number – Hengjaya Mine			
Work Accident Rate	2022	2021	2020
Occupational Accident			
• Light	4	7	3
• Heavy	0	0	0
• Fatal	0	1	0
Lost Time Injury Frequency Rate (LTIFR)	0.22	2.75	0.00
Total Injury Frequency Rate (TIFR)	1.30	30.20	1.47
Total	9,304.38	16,474.35*	168.06

Calculation of work accidents is based on 1,000,000 hours worked

Total Occupational Accidents at Hengjaya Nickel			
Description	2022	2021	2020
Fatality	0	-	-
Loss Time Injury	2	-	-
Restricted Work Day Case	2	-	-
Medical Treatment Injury	0	1	4
First Aid Treatment	0	9	9
Total	4	10	13

Total Occupational Accidents at Ranger Nickel			
Description	2022	2021	2020
Fatality	0	-	-
Loss Time Injury	5	-	-
Restricted Work Day Case	0	-	-
Medical Treatment Injury	2	-	-
First Aid Treatment	0	10	11
Total	7	10	11

Total Occupational Accidents at Angel Nickel	
Description	2022
Fatality	0
Loss Time Injury	3
Restricted Work Day Case	2
Medical Treatment Injury	3
First Aid Treatment	23
Total	31

Total Occupational Accidents at Oracle Nickel	
Description	2022
Fatality	0
Loss Time Injury	24
Restricted Work Day Case	0
Medical Treatment Injury	2
First Aid Treatment	0
Total	26

Continued COVID-19 Monitoring

The Company is pleased to report that conditions in Indonesia and globally have improved with regard to the COVID-19 pandemic. However, we continue to monitor COVID-19 cases in our operational areas through prevention, detection and screening. Nickel Industries’ COVID-19 policy strives to comply with and adhere to the latest government regulations and to support COVID-19 prevention programs.

Preventive measures include disinfection actions to avoid the spread of COVID-19 in the office area, dormitory, canteen, security posts, preparations, prayer rooms, transportation equipment entering and exiting the area and other locations where our staff conduct business. The Company has also made third-dose COVID-19 vaccinations mandatory for all personnel.

Protocols and procedures for early detection include the distribution of questionnaires to assess health, body temperature checks at entry/ exit checkpoints, mask mandates, medical examinations and patient referrals to hospitals and public health facilities in the event of COVID-19-related symptoms.





OHS Targets for 2023

The Company has planned out the following OHS targets and initiatives for Hengjaya Mine in 2023:

- assess the Hazards and Risks employees face. Thoroughly conduct work behaviour and conditions, including potential hazards and risks that may endanger employees and the environment of mining facilities, infrastructure, and installations;
- involve the Team in reporting safety hazards at work;
- building a solid Occupational Safety and Health Policy, namely the commitment to maintain a safe and healthy workplace from employers to do everything and anything within management resources to protect all employees. Employers must develop protocols and implement OHS policies to protect employees in accordance with government regulations;
- measuring OHS Achievement Success (Safety Performance), which covers the measurement of OHS achievement success using Safety Metrics such as the number of injuries/fatalities, specific types of injury, number of hazard assessments that have been carried out, number of sick days and occupational safety and health surveys. In addition to quantitative metrics, successful achievement can be obtained through interactive and engaging training sessions and meetings between management and employees;
- building a Strategy for OHS Achievement through a well-planned and well-implemented strategy that is assigned to all employees. The safety improvement strategy includes the use of various technologies and platforms (digital safety), such as OHS campaigns through social media, video and even artificial intelligence. This strategy can also involve engaging and interactive training sessions involving competent digital-based experts; and
- obtaining ISO 45001:2018 certification on the Occupational Health and Safety Management System.

Local Communities ^[413-1]

Local Communities Policy

We believe it is crucial to contribute to the improvement of the well-being of the communities surrounding our projects in the most suitable and significant ways. To avoid reactive social investments and create mutual value throughout and beyond the duration of our operations, we seek to develop community-focused programs with a vision for long-term economic development. Our programs aim to promote the sustainable growth of the economy, education, sociocultural, health, environment, welfare and community independence in our operating area.

We base our corporate social and environmental responsibility programs in accordance with the following:

- Indonesia MEMR Regulation No. 11/2018 on Procedures for Granting Licensing and Reporting Areas on Mining Business Activities
- Indonesian Law No. 40/2007 on CSR; and
- Indonesia Government Regulation No. 47 of 2012.

Corporate Social Responsibility (CSR)

The Company's CSR initiatives and programs are aimed to contribute indirectly to the achievement of the SDGs while also directly benefiting the communities in which we operate. All of these activities necessitate the active participation of all societal elements and the full support of the local government in synchronising and coordinating numerous programs from various funding sources, including the public and private sectors in Morowali.

Corporate Social Responsibility at Hengjaya Mine

In 2022, the Hengjaya Mine prioritised Community Empowerment Development (PPM) programs as an embodiment of its commitment to realising the concept of corporate social responsibility by promoting the education, health, economy, socio-culture, environment, institutions, infrastructure, and sustainable self-sufficiency of the community surrounding its mines.

January

Hengjaya Mine provided soccer uniforms and footballs to 8 villages surrounding the mine as an incentive to invigorate the sport of football in the surrounding villages by hosting inter-village football tournaments.

February

Drug socialisation was conducted in collaboration with the Morowali District branch of the National Narcotics Agency and the Morowali District Health Office to socialise the Impact and Prevention of Narcotics Abuse for students, as well as Socialization of the New Variant Covid-19 in the SMP Negeri 1 building, Bungku Pesisir District, which was attended by Lafeu junior and senior high school students.

March

Along the coast of the village, prospective locations for the Hengjaya Mine coral reef conservation area were surveyed. The activity began in Tandaoleo and ended in Puungkeu, both within the Bungku Pesisir subdistrict. The survey determined that Tangofa Village, 100 metres to the north of Tanjung Batu Manu, would be an ideal location for coral reef conservation. The location was chosen as it is currently devoid of local resident activities.

April

The Safari Ramadhan activity is an annually reoccurring event in the villages surrounding the Hengjaya Mine, with an agenda consisting of Ramadan Takjil Aid to be used as one of the fast break menus in every village mosque in the vicinity of the mine.

Bungku Pesisir Subdistrict and Menui Subdistrict received Hilux Garbage Collectors that were reconditioned from used company cars that had reached the end of their useful life so that they could provide greater benefits to the villages surrounding the mine.

May

Community Reading Containers were provided as an educational facility for local residents. The addition of Adequate Reading Corner floor work as building support will make Reading Corner Container users feel at ease. It is planned that this Reading Corner will be operated in collaboration with the Morowali Regency Regional Library service to provide both traditional and digital books, with the management of the library falling under the purview of the two district governments.

June

Hengjaya Mine provided soccer uniforms and footballs to 8 villages surrounding the mine as an incentive to invigorate the sport of football in the surrounding villages by hosting inter-village football tournaments.

July

Hengjaya Mine Qurban is an annual routine activity in which sacrificial animals were distributed to eight villages surrounding the mine, namely Tangofa, Bete bete, Padabaho, Puungkeu, Makarti, One ete, Tandaoleo, and Lafeu, to celebrate Eid al-Adha. Sacrificial animals were handed over directly to each village's committee to be distributed among those entitled to the sacrifice.

August

Delivery of the blood refrigerator, aided by the Hengjaya Mine, to the PMI Morowali Regency of the Indonesian Red Cross in order to meet the district's blood requirements.

The donated blood refrigerator is a Blood Bank Refrigerator model HXC-1308 with a capacity of 576 450 ml blood bags and the ability to maintain blood temperature for 50 hours without electricity.

This assistance is intended to aid the Morowali Regency Indonesian Red Cross, which has had difficulty storing blood donations from volunteers due to PMI Morowali's lack of a suitable Blood Bank Refrigerator.

The blood bank refrigerator was received directly by the Chairman of the Indonesian Red Cross Morowali Regency, Hj. Asnoni Taslim, together with the Secretary of the Indonesian Red Cross of Morowali Regency, Hj. Nirmawati, SKM., MPH.

Providing operational support to Al Ikhlas Private Madrasah Ibtaiyah (MIS) in One ete village. Madrasah Ibtidaiyah One ete Private is a private Islamic elementary school located in the community of One ete. Hengjaya Mine decided to provide monthly support for the MIS operations beginning in June 2022. This program is anticipated to promote the improvement of the quality of children's education and the human resource capacity of MIS Al-Ikhlas One Ete for both teaching staff and students.

To demonstrate Hengjaya Mine's concern for the environment, on August 4-8, 2022, Hengjaya Mine invited waste practitioner trainers from Malang, East Java Province, to conduct the TPS3R Waste Management Training in Makarti Jaya Village for community groups and the local government. The research was then continued with a comparative analysis of participants in one Malang location who successfully managed waste through TPS3R.

It is hoped that this solid waste training program will help the Bahodopi subdistrict overcome its waste problems in the future.

September

As a sign of commitment to implementing a clean and healthy lifestyle, this year, Hengjaya Mine re-enacted the program for implementing Clean and Healthy Behavior in the villages surrounding the mine at Kartini Kindergarten in Tangofa Village, where this program was held annually until the Covid pandemic. In addition, the Hengjaya Mine distributed fresh fruit to the students of Kindergarten Kartini Tangofa Village every month as supplemental food. Fresh fruit contains a great deal of water, nutrients, nutrients, and vitamins, which are beneficial for regenerating body cells and maintaining a healthy, disease-resistant body.

October

Hengjaya Mine is the pioneer mining company in Morowali Regency in implementing a coral reef conservation program.

This program is important to us because the mining industry not only has many activities on land but also how the Hengjaya Mine prepares a post-mining exit strategy.

As a result, Hengjaya Mine considers the need for a coral reef conservation program by reducing the number of used cars used by Hengjaya Mine that are no longer suitable for operation to be used as an Artificial Reef and Coral, which will become an underwater plantation for Hengjaya Mine.

With the formation of artificial reefs, it is hoped that our underwater plantation can serve as an alternative site for scuba diving excursions in the Bungku Pesisir District.

November

Hengjaya Mine donated football shirts for Morowali Team and supported a metrological socialisation event by the government.

December

Hengjaya Mine donated six 3-wheel motorbikes to the Morowali Regency Government to assist with transporting garbage or waste from residential areas to the Final Disposal Site (TPA).

On December 19, 2022, Hengjaya Mine carried out a tree planting program covering 2 hectares at the Kapopo Community Forest Park (Tahura) area, Ngata Baru, Sigi Regency, Central Sulawesi Province.

Together with the Central Sulawesi Provincial Forestry Service, both parties planted a variety of plants, including consumption fruit trees such as candlenut trees, mango trees, avocado trees, and others, as well as non-consumption plants such as mahogany and pine trees.

In addition to CSR activities in 2022, the Hengjaya Mine CSR department has distributed the remaining Community Development and Empowerment (PPM) funds for the 2022 fiscal year to all villages surrounding the mine, including Bete Bete Village, Tangofa Village, Padabaho Village, Puungkeu Village, One ete Village, Tandaoleo Village, and Lafeu Village.

The Hengjaya Mine has also planned the following initiatives for 2023:

<h3 style="text-align: center; margin: 0;">January</h3> <ul style="list-style-type: none"> • Procurement of Bungku Garbage Collector Motors • Coral Reef Monitoring 	<h3 style="text-align: center; margin: 0;">February</h3> <p style="text-align: center;">Rehabilitation of the Quba Mosque in One ete Village</p>	<h3 style="text-align: center; margin: 0;">March</h3> <ul style="list-style-type: none"> • Construction of Paving Blocks • Rehabilitation of Kartini Kindergarten in Tangofa Village
<h3 style="text-align: center; margin: 0;">April</h3> <ul style="list-style-type: none"> • Inexpensive Groceries Bazaar in the Mine Circle Village • Ramadhan Safari 	<h3 style="text-align: center; margin: 0;">May</h3> <ul style="list-style-type: none"> • Construction of a Material Recovery Facility in Makarti Village • Economic empowerment activities 	<h3 style="text-align: center; margin: 0;">June</h3> <p style="text-align: center;">Construction of Labota Village TPS</p>
<h3 style="text-align: center; margin: 0;">July</h3> <p style="text-align: center;">Hengjaya Mine Qurban</p>	<h3 style="text-align: center; margin: 0;">August</h3> <ul style="list-style-type: none"> • Independence Day celebrations • Billboard Airport Morowali 	<h3 style="text-align: center; margin: 0;">September</h3> <ul style="list-style-type: none"> • Ambulance support for local communities • Monitoring and Additional Artificial Reef plantation
<h3 style="text-align: center; margin: 0;">October</h3> <p style="text-align: center;">Free Community Treatment</p>	<h3 style="text-align: center; margin: 0;">November</h3> <ul style="list-style-type: none"> • Mangrove Planting • Beach Clean Action 	<h3 style="text-align: center; margin: 0;">December</h3> <ul style="list-style-type: none"> • Evaluation of PPM • Coral Reef Monitoring

Corporate Social Responsibility at Hengjaya Nickel, Ranger Nickel and Oracle Nickel

The social responsibility activities of HNI, RNI, and ONI are organized and carried out by IMIP. In 2022, HNI, RNI, and ONI supported various social responsibility programs, such as:

- ecological environment, biodiversity conservation;
- community Volunteering, Infrastructure Assistance;
- various public welfare activities in the name of festivals;
- volunteer public welfare activities; and
- facility investment and event assistance for religion.

Under the leadership of the IMIP, the Company will continue to promote social responsibility activities in 2023, including the initiatives below:

- continue to provide power supply infrastructure construction for surrounding communities;
- medical facility construction;
- education field construction;
- assistance in the construction of public infrastructure in surrounding communities, such as roads, religion, drainage facilities, and equipment); and
- environmental protection, such as forestation, community environment cleaning, mine vegetation restoration, coral transplantation, and wildlife protection.



Corporate Social Responsibility at Angel Nickel

Implementation in 2022



Education

Assistance with learning infrastructure and teacher welfare at PAUD IT Global Sains Akejawi Wasile Selatan Halmahera Timur

Paving material assistance and complete school facilities Islamic Education Institution (LPI) Weda Dispensing Madrasah Diniyah Takmiliah Bustanul Ulum District

Professional development training for PT IWIP and PT Central Halmahera WBN

Paving material assistance and complete school facilities Islamic Education Institute (LPI) Distribute Weda Madrasah Diniyah Takmiliah Bustanul Ulum Regency



Health

Nusa Jaya Health Center stunting cadre training

Dental and oral health UKGS innovation activities for elementary school children in the working area of the Kobe Health Center



Economy

A hand-held tractor for horticultural farming activities in Woekob Village

Material assistance to build community-owned businesses as a form of land compensation

Empowerment of Small and Medium Enterprises. ANI and IWIP have provided a sales booth in the industrial area, which is intended for small entrepreneurs who come from communities around the industrial area

Training for 20 fishermen and assisting 20 boats for these people



Social-Cultural

Sandyakala Home Production musical instrument assistance in the framework of a free music concert in Weda City

Funding assistance for Fagogoru CUP in East Halmahera



Environment

Complete social service assistance cleaning up the village in Lelilef Waibulan Village by the Tidore Island Family Association (IKTK)

Assistance for Beach Clean Up activities/Cleaning of coastal areas in Sagea Village



Infrastructure

Lending heavy equipment to open a new access road in Lelilef Sawai Village 2 km

Plumbing assistance to create waterways in anticipation of the overflow of the Kobe River

Material assistance for making a garden in Lelilef Waibulan Village

Plan for 2023

Main Programs	Description	Location	Implementation Time
Education			
Educational scholarships for students in college	Education development donation fund assistance program (SPP) and professional development training	Mining villages	January - December
Outstanding Student Scholarships (SD, SMP, SMA/SMK)	Education fund assistance program and school supplies for underprivileged students with achievements (Rank 1-10)	Mining villages	January - December
Training to improve numeracy skills for elementary school students.	Numeracy skills improvement training for elementary school students through the Fagogoru Numeracy program	Gemaf, Lelilef Sawai, Lelilef Waibulan, Lukulamo, Woekob, Were, Fidijaya, Nusajaya, Ekor	January - December
Basic skills and expertise training	Teacher Capacity Building Assistance through Teacher Mobilization Programs, Seminars, and Information Technology Workshops.	Mining villages	January - December
Assistance for formal and non-formal education facilities and/or infrastructure	Meubelair school support	Lukulamo, Woekob, Sagea, Nusa jaya, Ekor	January - December
	School IT Device Support	Mining villages	January - December
Increasing Community Literacy	Provision of village library infrastructure and community literacy training	Desa Sagea, Lelilef Sawai, Lelilef Waibulan, Were	January - December
Health			
Posyandu revitalization in order to reduce stunting rates	Training of health workers, health centre cadres, and caregivers	2 posyandu in Kabupaten Halmahera Tengah and two health centres in Halmahera Timur	January - December
	Support for the Vaccination program for toddlers		
	Provision of additional food for infants and toddlers		
Cooperation of local partners and health professional organizations.	Community health counselling and treatment with specialist doctors	Mining villages	January - December
Improvement of Public Health Clinic facilities	Procurement of Lelilef Public Health Clinic inpatient room equipment	Desa Lelilef Waibulan	January - December
Environmental Sanitation Improvement Program	Provision of environmental sanitation infrastructure	Mining villages	January - December

Main Programs	Description	Location	Implementation Time
Real Income			
Agriculture			
Regional potential-based plantation business training and development.	Strengthening the capacity of farmer groups to improve the quality of agricultural production and market access	Mining villages and Haltim	January - December
Entrepreneurship			
Increasing the capacity and access of local communities in small and medium enterprises.	UMKM Training at Gate 2	Mining villages	January - December
Fishery			
Training and development of freshwater fish farming business	Freshwater fish feed supply	Desa Woejerana	January - December
Capture fish business training and development	Procurement of fishery business cold storage	Desa Lelilef Sawai	January - December
	Provision of fish FADs	Desa Sagea	
Livestock			
Livestock business training and development	Training for beef cattle breeders	Desa Ino Jaya dan Desa Jiko moi	January - December
	Duck and laying hen breeder training	Desa Yawal	
Economic Independence			
Increase the capacity and access of local communities in small and medium enterprises, including building relationships with financial institutions for community development.	Mine Circle Villages MSMEs training and mentoring	Mining villages	January - December
Socio-Cultural Sector			
Promotion of local culture	Cogoipa festival, Fagogoru festival and other event cultures.		
Development and facilitation of cultural cooperation	support for local cultural events and tourism promotion through the Regional Tourism Ambassador program		
	Tobelo Forest Community Group Seminar	Mining villages	January - December
Contribution to religious, social and humanitarian activities	Eid al-Fitr, Eid al-Adha		
	Construction of houses of worship		

Main Programs	Description	Location	Implementation Time
Providing opportunities for local communities to participate in sustainable community environmental management			
Environmental management program initiatives and preservation of natural resources, flora, fauna and ecosystems	Community empowerment activities with Aketajawe Lolobata National Park (solar cells, Mitra Jagawana Community equipment, etc.)	Mining villages	January - December
	Development and Promotion of Environment-Based Ecotourism		
	Mangrove Rehabilitation and Coral Reef Transplantation		
	Community-based waste management		
Formation of community institutions to support the independence of PPM			
Optimalisasi peran dan kapasitas BUMDES	Management training of BUMDES	Woekob, Woejerana	January - December
Supporting infrastructure sector			
Supporting infrastructure for village community business groups/Bumdes	Construction of fishing boat moorings	Desa Tanure, Desa Sidanga	January - December
	Construction of a wooden bridge	Desa Woekob, Desa Woejerana, dan Desa Kulojaya	January - December
Development and provision of village clean water	Rainwater Treatment Plant (PAH)	Desa Lelilef Sawai, Desa Lelilef Waibulan	January - December





Ethical Business Practices

➤ Ethical Business Practices

Responsible and sustainable production practices are embedded into Nickel Industries’ operations. Responsible and ethical practices ensure that we do not contribute to human rights abuses or conflict, corruption, or discrimination of any kind.



Diversity and Equal Opportunity [405-1, 405-2]

Diversity and Inclusion Policy

Diversity is important to the Company and its values of hiring and retaining diverse talent. At every level, we work to foster a culture and team that is inclusive and diverse. The Company values diversity in all of its employees, including those who differ in gender, age, ancestry, religion or culture, language, marital or family status and disability.

The diversity policy is crafted by the Board of Directors, who are also responsible for its oversight. Directors of the Company actively evaluate and work to improve the effectiveness of diversity initiatives in the workplace. We want the Board of directors and Executive team to be representative of the entire community.

The Company is aware that it must cultivate a culture that values diversity at the management level and educate the value of diversity in terms of both the hiring practises and strategies used on a day-to-day basis, and it will do so by providing the necessary training and resources. Furthermore, the Board is required to initiate diversity initiatives.

All employees are required to advocate for the diversity policy’s goals and to promote diversity in the workplace. Nickel Industries’ management actively encourages employees to provide feedback and ideas regarding diversity and inclusion initiatives.

In 2022, the Company employed 4,411 people. All employees are protected under Indonesia’s Law No.13 of 2003 concerning Manpower and Law No.11 of 2020 on Job Creation. The Company does not have any part-time employees. There is no difference in the basic salary and remuneration earned by women and men (1:1 ratio). [2-7, 2-8, 2-30, 405-2]

The diversity of Nickel Industries' employees is provided in the tables below:

- Total employees based on position and gender

Hengjaya Mine						
Position	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Director	2	0	2	0	2	0
Manager	18	2	5	0	4	0
Superintendent	12	0	13	1	13	1
Supervisor	29	7	28	4	26	4
Staff	57	19	52	21	42	17
Non-Staff	159	0	137	0	125	0
Total	277	28	237	26	212	22
	305		263		234	

Hengjaya Nickel						
Location	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Director	1	0	0	0	0	0
Manager	2	0	1	0	1	0
Superintendent	19	2	13	0	11	0
Supervisor	89	14	87	11	90	8
Staff	460	77	478	59	490	56
Non-Staff	0	0	0	0	0	0
Total	571	93	579	70	592	64
	664		649		656	

Ranger Nickel						
Location	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Director	0	0	0	0	0	0
Manager	1	1	1	0	1	0
Superintendent	5	0	2	1	1	1
Supervisor	73	12	52	1	47	2
Staff	426	79	472	64	477	61
Non-Staff	0	0	0	0	0	0
Total	505	92	527	66	526	64
	597		593		590	

Angel Nickel		
Position	2022	
	Male	Female
Director	0	0
Manager	1	0
Superintendent	12	0
Supervisor	137	10
Staff	0	0
Non-Staff	978	83
Total	1,128	93
	1,221	

Oracle Nickel		
Position	2022	
	Male	Female
Director	3	0
Manager	3	0
Superintendent	7	1
Supervisor	26	2
Staff	1,434	148
Non-Staff	0	0
Total	1,473	151
	1,624	

Nickel Industries*						
Position	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Director	6	0	2	0	2	0
Manager	25	3	7	0	6	0
Superintendent	55	3	28	2	25	2
Supervisor	354	45	167	16	163	14
Staff	2,377	323	1,002	144	1,009	134
Non-Staff	1,137	83	137	0	125	0
Total	3,954	457	1,343	162	1,330	150
	4,411		1,505		1,480	

*consolidated

- Total employees based on employment status and gender in 2022**

Hengjaya Mine						
Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
Permanent Employees	276	90.49	28	9.18	304	99.67
Temporary Employees	0	0	1	0.33	1	0.33
Total	276	90.49	29	9.51	305	100

Hengjaya Nickel						
Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
Permanent Employees	460	69.27	76	11.45	536	80.72
Temporary Employees	111	16.71	17	2.57	128	19.28
Total	571	85.98	93	14.02	664	100

Ranger Nickel						
Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
Permanent Employees	424	71.02	78	13.06	502	84.08
Temporary Employees	81	13.57	14	2.35	95	15.92
Total	505	84.59	92	15.41	597	100

Angel Nickel						
Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
Permanent Employees	1,024	83.87	80	6.55	1,104	90.42
Temporary Employees	104	8.52	13	1.06	117	9.58
Total	1,128	92.39	93	7.61	1,221	100

Oracle Nickel						
Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
Permanent Employees	990	60.97	131	8.07	1,121	69.04
Temporary Employees	483	29.74	20	1.23	503	30.96
Total	1,473	90.71	151	9.29	1,624	100

Nickel Industries*						
Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
Permanent Employees	3,174	71.95	393	8.92	3,567	80.87
Temporary Employees	780	17.68	64	1.45	844	19.13
Total	3,954	89.63	457	10.37	4,411	100

*consolidated

- Total employees based on employment status and placement in 2022

Hengjaya Mine						
Placement	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
Site	284	93.11	1	0.33	285	93.44
Office	20	6.56	0	0.00	20	6.56
Total	304	99.67	1	0.33	305	100

Hengjaya Nickel						
Work Place	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
Site	531	79.97	118	17.77	649	97.74
Office	5	0.75	10	1.51	15	2.26
Total	536	80.72	128	19.28	664	100

Ranger Nickel						
Work Place	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
Site	498	83.42	91	15.24	589	98.66
Office	4	0.67	4	0.67	8	1.34
Total	502	84.09	95	15.91	597	100

Angel Nickel						
Placement	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
Site	1,104	90.42	117	9.58	1,221	100.00
Office	0	0.00	0	0.00	0	0.00
Total	1,104	90.42	117	9.58	1,221	100

Oracle Nickel						
Work Place	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
Site	1,111	68.41	491	30.23	1,602	98.64
Office	10	0.62	12	0.74	22	1.36
Total	1,121	69.03	503	30.97	1,624	100

Nickel Industries*						
Placement	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
Site	3,528	79.98	818	18.54	4,346	98.53
Office	39	0.88	26	0.59	65	1.47
Total	3,567	80.86	844	19.14	4,411	100

*consolidated

- Total employees based on age group and gender

Hengjaya Mine						
Age Group	Total Employees					
	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
< 30 years old	120	15	106	16	80	10
30-50 years old	148	12	122	9	121	12
> 50 years old	9	1	9	1	11	-
Total	277	28	237	26	212	22
Grand total	305		263		234	

Hengjaya Nickel						
Age Group	Total Employees					
	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
< 30 years old	300	62	328	53	361	48
30-50 years old	268	31	251	17	229	18
> 50 years old	3	-	-	-	-	-
Total	571	93	579	70	590	66
Grand total	664		649		656	

Ranger Nickel						
Age Group	Total Employees					
	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
< 30 years old	294	58	360	53	378	55
30-50 years old	209	32	167	13	148	9
> 50 years old	2	2	-	-	-	-
Total	505	92	527	66	526	64
Grand total	597		593		590	

Angel Nickel		
Age Group	Total Employees	
	2022	
	Male	Female
< 30 years old	687	63
30-50 years old	436	30
> 50 years old	5	-
Total	1,128	93
Grand total	1,221	

Oracle Nickel		
Age Group	Total Employees	
	2022	
	Male	Female
< 30 years old	1,110	136
30-50 years old	360	15
> 50 years old	3	-
Total	1,473	151
Grand total	1,624	

Nickel Industries *						
Age Group	Total Employees					
	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
< 30 years old	2,511	334	794	122	819	113
30-50 years old	1,421	120	540	39	498	39
> 50 years old	22	3	9	1	11	-
Total	3,954	457	1,343	162	1,328	152
Grand total	4,411		1,505		1,480	

*consolidated

- Turnover rate**

Turnover Rate							
	2022		2021		2020		
	Employees	%	Employees	%	Employees	%	
	Hengjaya Mine	20	7	28	11	13	6
Hengjaya Nickel	77	12	66	10	26	4	
Ranger Nickel	86	17	63	11	29	5	
Angel Nickel*	420	11					
Oracle Nickel*	105	7					
Nickel Industries**	708	16	157	10	68	5	

*commissioned in 2022

**consolidated

- Maternity leave**

Description	Hengjaya Mine	Hengjaya Nickel	Angel Nickel	Ranger Nickel	Oracle Nickel
Total employees entitled to maternity leave	4	93	6	9	151
Total employees who took maternity leave	1	0	0	0	0
Total employees who returned to work in the reporting period after maternity leave ended	1	0	0	0	0



Anti-corruption [205-1, 205-3]

Anti-corruption Policy

The Company is committed to complying with the laws and regulations of the countries in which it operates and acting with the highest standards of ethics and responsibility. These laws include the Criminal Code Act 1995 (Australia) and any other anti-corruption law of a country or a state, territory or province of a country in which the Company operates, including Indonesia, or which otherwise applies to the Company by its partners or third parties operating on the Company’s behalf. The Company has a written Code of Conduct, an Anti-Bribery and Corruption Policy, a Whistleblower Policy and a Securities Trading Policy that applies to all directors, officers, employees, consultants, contractors and advisors of the Company. The full policies are available on our website.

The Company is committed to the following:

- not engage in corrupt business practices;
- implement measures to prevent bribery and corruption by all personnel;
- at a minimum, endeavour to comply with all applicable laws, regulations and standards, including Anti-Bribery and Corruption Laws; and

- when dealing with third parties, undertake reasonable due diligence to ensure that such parties are suitable for the Company to associate with and will not take bribes or perform corrupt acts on the Company’s behalf or for which the Company may be or become responsible for, or otherwise liable.

Furthermore, the Company periodically reviews its internal policies to ensure that its exposure to corruption is always minimised. Integrity is a pillar of the Company’s corporate culture, as evidenced by our extensive internal training and communications to ensure that all employees adhere to effective anti-corruption policies. We have a zero-tolerance policy for corruption and strive to improve our efforts to mitigate and prevent it continually.

Efforts are being made to continuously improve and broaden the scope of anti-corruption measures to bolster governance. In 2022, the Company conducted anti-corruption training for its employees in Morowali.

In 2022, the Company did not receive any report where the interests and responsibilities of the employees conflicted with the Company or our anti-bribery and corruption policy.



Human Rights [412-1]

Human Rights Policy

Nickel Industries upholds and promotes human rights and the interests of cultures, customs and values of employees and communities affected by our activities. We believe that all individuals are born equal and have certain inherent rights. The Company believes that its business can help promote human rights through its operations, but it also could pose risks to human rights if not properly managed and monitored.

The Company believes that its business can help promote human rights through its operations, but it also could pose risks to human rights if not properly managed and monitored.

The Company’s Human Rights Policy ensures that the Company can protect and respect human rights at all levels, including individuals, operations and resources.

Under this policy, the Company aims to give guidance on implementing human rights due diligence continuously by following the core components below:

- to identify human rights risks in all the Company's operations by considering all stakeholders involved, particularly rights-holders such as employees, indigenous people, local communities, human rights defenders, supply chain workers and business partners;
- to encourage human rights as a topic for every employee throughout the business;
- to prevent and mitigate human rights issues by taking appropriate actions and integrating findings from impact assessments across relevant Company processes. This step is taken to ensure that human rights are upheld and protected against all forms of human violation in its business operations and sourcing;
- to ensure compliance with all local laws and adopt relevant codes of practice relating to human rights; and
- to maintain meaningful stakeholder engagement in all human rights policy planning and implementation.

2022 Human Rights Assessment

In 2022, Nickel Industries commissioned JRP Advocates, an external and independent law consultant, to conduct a human rights assessment of its operations in Ranger Nickel and Hengjaya Mine, detailing the gaps and recommendations related to Human Rights and Modern Slavery in the Company's business operations, as well as the extent to which the Company has been implementing Human Rights values and avoiding Modern Slavery practices, as well including its risk assessment.

Based on the Company's evaluation of the provided Company policies, interviews and observations made during site visits, we have determined that the Company has complied with the mandatory requirements per Human Rights and Modern Slavery laws and is therefore deemed to have upheld Human Rights values and prevented Modern Slavery practises in its business operations in accordance with the Australian Modern Slavery Act 2018.

Nonetheless, to further demonstrate compliance with human rights and prevention of modern slavery practises to external parties and/or regulators, the Company will develop additional policies and/or internal regulations to demonstrate that it upholds human rights and prevents modern slavery.



Modern Slavery & Human Trafficking

Nickel Industries recognises that slavery and human trafficking remain a challenge for the global society and acknowledges its responsibility to Australia's Modern Slavery Act 2018. The Company continuously identifies modern slavery risks and ensures transparency within its value chain to ensure modern slavery is not happening anywhere in its operations.

In line with its Sustainability Policy and Human Rights Policy, the Company will (but is not limited to):

- maintain zero tolerance for slavery and human trafficking;
- encourage its employees to report concerns, protect whistleblowers and not tolerate retaliation of any kind toward individuals who report to the Company in good faith;
- provide appropriate supervision and management of its contract and identify concerns if they arise;
- audit and review its processes to ensure ethical behaviour in the workplace and implement steps to mitigate any gaps that may be identified;
- use standard contractual clauses with suppliers to prevent modern slavery practices; and
- endorse training on human rights and modern slavery to relevant staff.

Further Actions to Uphold Human Rights

Nickel Industries commits to taking comprehensive actions in implementing, maintaining and improving its human rights policy. To ensure the proper implementation of this policy, the Company will implement the following actions:



Identify human rights risks in Nickel Industries' operations and value chain actors

The Company commits to ensuring that the implementation of this policy is continuous and consistent. We take steps in assessments and evaluations to improve mechanisms and ensure the full implementation of this policy. The following steps can be done but are not limited to the following:

- assess the risks that might happen in Nickel Industries' current practices based on the relevant laws and regulations. It must cover all issues found in the mining industry, such as land acquisition conflict with local people, mining workers' exploitation, hazard in the workplace, harassment, etc;
- integrating human rights risk assessment into all environment and social assessment processes; and
- perform regular audits to ensure that human rights violence is not taking place.



Maintain the rights of indigenous peoples and other local communities

We commit to ensuring that the implementation of this policy covers the rights of indigenous people around the mining area, particularly the criteria mentioned in this policy.



Support and empower women, youth and vulnerable groups in the Company and local communities

At a minimum, the following steps would be conducted by the Company:

- evaluate all of the Company's employment processes considering the participation of women, youth and other vulnerable groups;
- monitor all grievances submitted by all employees, then conduct root cause analysis to find the closure and mitigation plan. This is particularly related to equality, sexual harassment and other human rights violence practices; and
- create a Corporate Social Responsibility ('CSR') plan that involves vulnerable groups in the local communities.



Review our Human Rights Policy

This policy can only be amended with the approval of the Board. The Company regularly evaluates the effectiveness of its human rights approach and its integration with other activities, including risk management, to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. It will be reviewed from time to time to ensure that it remains effective and meets best practice standards and the needs of the Company.



Appendix 1

Species	Status
Flora	
Actinodaphne glabra	LC
Agathis dammara	VU
Bouea oppositifolia	LC
Cinnamomum javanicum	LC
Dacryodes rostrata	LC
Diospyros celebica	VU
Garcinia dulcis	LC
Knema elmeri	LC
Koompassia excelsa	CD
Macaranga lowii	LC
Myristica maxima	LC
Pterospermum javanicum	LC
Santiria tomentosa	LC
Syzygium tawahense	LC
Dicranopteris linearis	LC
Leea indica	LC
Pandanus tectorius	LC
Fauna	
Bubalus depressicornis	EN
Macaca ochreata	VU
Rubrisciurus rubriventer	VU
Sus celebensis	NT
Babyrousa celebensis	VU
Viverra zangalunga	LC
Macrogalidia musschenbroekii	VU
Spilornis rufipectus	LC
Ichthyophaga humilis	NT
Accipiter soloensis	LC
Haliastur indus	LC
Pernis celebensis	LC
Todiramphus chloris	LC
Pelargopsis melanorhyncha	LC
Artamus leucorhynchus	LC
Rhyticeros cassidix	VU
Penelopides exarhatus	VU
Lalage leucopygialis	LC
Coracina atriceps	LC
Lalage sueurii	LC
Turacoena manadensis	LC

Species	Status
Ducula aenea	NT
Ptilinopus melanospilus	LC
Macropygia doreya	LC
Coracias temminckii	LC
Corvus enca	LC
Corvus unicolor	CR
Phaenicophaeus calyrorhynchus	LC
Dicaeum aureolimbatum	LC
Dicaeum celebicum	LC
Dicrurus hottentottus	LC
Lonchura atricapilla	LC
Hemiprocne longipennis	LC
Cyornis omissus	LC
Anthreptes malacensis	LC
Nectarinia jugularis	LC
Leptocoma aspasia	LC
Oriolus chinensis	LC
Passer montanus	LC
Phylloscopus poliocephalus	LC
Loriculus stigmatus	LC
Prioniturus platurus	LC
Loriculus exilis	LC
Pycnonotus aurigaster	LC
Rhipidura teysmanni	LC
Streptocitta albicollis	LC
Scissirostrum dubium	LC
Basilornis celebensis	LC
Zosterops nehrkorni	CR
Zosterops atrifrons	LC
Ingerophrynus celebensis	LC
Ingerophrynus	LC
Limnonectes grunniens	LC
Limnonectes modestus	LC
Occidozyga celebensis	LC
Chalcorana mocquardi	LC
Hylarana celebensis	LC
Polypedates iskandari	NA
Rhacophorus edent	LC
Rhacophorus monticola	VU
Draco beccarii	LC

Species	Status
Draco rhytisma	LC
Draco spilonotus	LC
Tropidolaemus subannulatus	LC
Cyrtodactylus jellesmae	LC
Cyrtodactylus Sp	LC
Emoia caeruleocauda	LC
Emoia atocostata	LC
Sphenomorphus celebensis	DD
Sphenomorphus tropidonotus	EN
Sphenomorphus variegatus	LC
Psolos fuligo	NE
Papilio cf. blumei	LC
Appias nero	NE
Appias zarinda	NE
Eurema celebensis	NE
Charaxes sp.	NE
Faunis cf. menado	NE
Ideopsis juvena	NE
Junonia hedonia	NE
Lethe cf. arete	NE
Lexias aeetes	NE
Lohora ophthalmicus	NE
Melanitis cf. pyrrha	NE
Mycalesis cf. perseus	NE
Neptis hylas	NE
Pantoporia sp.	NE
Polyura cognata	NE
Vindula dejone	NE
Yoma sp.	NE
Ypthima pandocus	NE
Abisara echerius	NE
Caleta caleta	LC
Jamides celeno	NE
Ictinogomphus decoratus	LC
Aethrimanta sp.	NE
Agrionoptera insignis	LC
Celebothemis delectollei	LC
Diplacina cf. militris	NE
Diplacodes trivialis	LC
Lathrecista asiatica	LC
Nesoxenia sp.	NE

Species	Status
Neurothemis ramburii	LC
Neurothemis terminata	LC
Orthetrum cf. glaucum	LC
Orthetrum pruinosum	LC
Orthetrum serapia	LC
Pantala flavescens	LC
Tamea eurybia	LC
Amphicnemis sp.	NE
Libellago celebensis	DD
Neurobasis kaupi	LC
Onychargia sp.	NE
Pseudagrion sp.	NE
Rhinocypha phantasma	LC
Rhinocypha frontalis	LC

Notes:

NE: Not Evaluated

DD: Data Deficient

LC: Least Concern

NT: Near Threatened

VU: Vulnerable

EN: Endangered

Independent Assurance Statement

The 2022 Sustainability Report of Nickel Industries Limited

Number : 06/000-174/III/2023/SR-Asia/Indonesia

Assurance Type : Type 1

Assurance Level : Moderate

Reporting Standards : GRI Universal Standard 2021 Consolidated, GRI G4 Mining and Metals, SASB Metals and Mining, and TCFD

Dear stakeholders,

Nickel Industries Limited (“the Company” or the “Reporting Organization”) has engaged **Social Responsibility Asia** (“SR Asia”) as an AA1000 licensed assurance provider to assess the Report content and come up with this Independent Assurance Statement (“the Statement”) to assess its **2022 Sustainability Report** (“the Report”) for the reporting period of **January 1st to December 31st, 2022**. The Reporting Organization is a publicly listed Australian company that manufactures nickel pig iron (NPI), a key ingredient in the production of stainless steel.

Intended User and Purpose

The Statement discloses the results of the assessment covering our professional opinion, findings, and recommendations on the Report content to the stakeholders. The scope of analysis includes also the Company’s sustainability commitment, practices, and performance as specified in the Report content. The assurance work was performed following a specific mechanism, procedures, and scope of work based on the best practices and global standards and principles. Due to some limitations applied, except for the areas covered in the scope of assurance work, the Statement shall NOT be used as the basis for interpreting the sustainability or the whole performance of the Company.

Responsibilities

SR Asia is mainly responsible for evaluating the Report, NOT an audit, and generating recommendations as well as the Statement. We are also responsible for coming up with conclusions and recommendations based on the agreed standards, methods, and approaches. Unless the law requires it, we assume NOT to accept any responsibility to any other person or organization regarding the assurance work and the results. Hence SR Asia is only evaluated for the latest received editorial and data on the final draft as of March 10th, 2023. The Management is solely responsible for the presentation of claims, data, information, and figures in the Report content. Therefore, any dependence that a third party has placed on the Statement or the Report is entirely at its own risk.

Independence, Impartiality, and Competency

We apply the assurance mechanisms and procedures based on a professional code of conduct that requires our experts to carry out the assurance work in an objective and truthful manner. SR Asia confirms that NO members of the assurator team have any relationships with the Company that can prevent them to provide an independent and impartial statement. SR Asia also ensures that the appointed assurator team members have skills and expertise in reviewing sustainability reports of organizations in various industry sectors. They have knowledge of ISO 26000, the principles and standards of AA1000 AccountAbility, various reporting standards such as GRI, SASB, and TCFD.

Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content.
2. **A moderate level of assurance** procedure on the Report content and evidence, where the risks of information and conclusions of the Report being error is reduced, but not to very low, but not zero.

Scope and Limitation of Assurance Service

1. Data and information in the Report for the period of **January 1st to December 31st, 2022**.
2. Topics in the Report content that have been identified as “Material” by the Company: **Biodiversity, Emissions, Energy, Water and Effluent, Waste, Human Capital Development, Local Communities, Occupational Health and Safety, Ethical Business Practices, and Economic Performance**.
3. Financial data, information, and figures in the Report content are NOT included in the scope of assurance. SR Asia assumes the Company, independent parties, or other parties associated with the Company, have verified and/or audited any data and information related to financial statements.
4. Evaluation of publicly disclosed information, system, and process of the Company to ensure adherence of the Report content to the reporting principles.
5. Adherence to the following reporting principles, standards, and regulations:
 - a) The Consolidated set of GRI Sustainability Reporting Standards 2021 (GRI Universal Standards) issued by the Global Reporting Initiative and GRI G4 Mining and Metals Sector Disclosures (GRI-G4 MM) issued by the Global Reporting Initiative.
 - b) Sustainability Accounting Standard for Metals and Mining (MM) issued by the Sustainability Accounting Standard Board (SASB).
 - c) Task Force on Climate-Related Financial Disclosures (TCFD) created by the Financial Stability Board (FSB).

Exclusion

1. The expression of opinion, belief, expectation, advertisement, and also forward-looking statements, including future planning of the Company as specified in the Report content.
2. Analysis or assessment against regulations, principles, standards, guidelines, and indicators other than those indicated in the Statement.
3. Topics, data, and information outside the reporting period, or in the public domain not covered in the reporting period.
4. Financial performance data and information as presented in the Company’s financial statements and documents, other than those mentioned in the Report.

Methodology

1. Form an Assuror Team whose members are capable in sustainability report development and assurance.
2. Perform the pre-engagement phase to ensure the independence and impartiality of the Assuror Team.
3. Perform a kick-off meeting and initial analysis of the Report draft based on the SR Asia Protocol on Assurance Analysis refers to the standards, principles, and indicators of AA1000AS v3, AA1000APS (2018), and standards/regulations used in the Report.

4. Discuss online the results of the analysis with the Management and data contributors.
5. Verify evidence and trace data and information as covered in the Report.
6. The Company incorporated our recommendations in the draft Report and release the final Report content.
7. Prepare the Statement and send it to SR Asia International Director for review to get approval before submitting it to the Company.
8. Prepare a Management Letter detailing all aspects seen, recorded, and observed during the assurance work to the Management of the Company for further improvement of sustainability processes.

Adherence to AA1000AP (2018) and GRI Universal Standards

Inclusivity – The Company has involved stakeholders according to the principle of inclusivity. The identification of stakeholders in the report has been carried out sufficiently, engaging both internal and external stakeholders. The company strives to reflect the opinions and expectations of stakeholders to support the company's sustainability pillars in its risk management and strategy.

Materiality – The materiality issues of the Report have equally described the sustainability context of the mining company. However, in future reporting, the Company needs to equally increase each entity's percentage of disclosure in each subsidiary's operational business activity in the Report. Nevertheless, we appreciate the Company has conducted a materiality assessment to consider the concerned topic.

Responsiveness – As indicated in the contents of the Report, the Company is quite developed and communicates responses to stakeholders on an ongoing basis. The company has a whistleblower policy and encourages its employees to be involved in reporting in any form that violates the code of ethics. However, we recommend the Company to conduct an assessment of ISO 37001:2016.

Impact – As a Nickel Company, energy, emission, biodiversity, and occupational health and safety are very critical. Overall, The Company performed well in social, environmental, and economic. Hence the Company's Occupational Health and Safety Management System has received ISO 14001:2015 and ISO 45001:2018 certifications. Besides that, the community development programs have been implemented sufficiently. Nonetheless, we suggest the Company to conduct a social impact assessment. Furthermore, for climate action purposes, the Company has installed a solar power system to reduce both energy consumption and emissions generated. The Company also support local and national suppliers by having their percentage of more than 90%.

Statement of Use: “with Reference to the GRI Standards” – Our experts evaluated the Report content against the GRI Universal Standards principles, disclosures, and requirements for reporting. The Company has already fulfilled its requirements with publish a GRI Content Index, provide a statement of use, and notify GRI.

GRI Standards Principles – As the assurance work was taken, the report content indicates its adherence to sustainability reporting principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability). The Management provided great support during the assurance work by submitting evidence and documents as requested.

Recommendation

1. To enhance the proportion of disclosure in the Report of each subsidiary's operational business activity in a more equitable way for each of its entities.
2. To consider taking an assessment of ISO 37001:2016 to build up the prevention, detection, and manage the system for anti-bribery purposes.
3. To develop an operationally integrated management system that incorporates data and information on sustainability performance from various units or activities while adhering to guidelines for sustainability reporting.

The assurance provider,

Jakarta, March 20th 2023




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 International Director
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➤ GRI Standards Content Index

Index	Indicator	Disclosure	Page
GRI 2: General Disclosures 2021	2-1	Organizational details	19, 26
	2-2	Entities included in the organization's sustainability reporting	1
	2-3	Reporting period, frequency and contact point	1
	2-4	Restatements of information	1, 47
	2-5	External assurance	1
	2-6	Activities, value chain and other business relationships	26 - 28
	2-7	Employees	74
	2-8	Workers who are not employees	74
	2-9	Governance structure and composition	15
	2-10	Nomination and selection of the highest governance body	15
	2-11	Chair of the highest governance body	15
	2-12	Role of the highest governance body in overseeing the management of impacts	15
	2-13	Delegation of responsibility for managing impacts	15
	2-15	Conflict of interest	15
	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	7, 18, 23, 34
	2-24	Embedding policy commitments	7
	2-28	Membership associations	23
	2-29	Approach to stakeholder engagement	9, 14
	2-30	Collective bargaining agreements	74
Economic Performance			
GRI 3: Material Topics 2022	3-3	Management of material topics	9, 14
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	27
	201-2	Financial implications and other risks and opportunities due to climate change	28
	201-3	Defined benefit plan obligations and other retirement plans	28
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	28
	203-2	Significant indirect economic impacts	28
Ethical Business Practice			
GRI 3: Material Topics 2022	3-3	Management of material topics	9, 14
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	81
	205-3	Confirmed incidents of corruption and actions taken	81
GRI 405: Diversity and Equal Opportunity 2016	405-1	Operations assessed for risks related to corruption	74
	405-2	Confirmed incidents of corruption and actions taken	74
Environmental Management			
GRI 3: Material Topics 2022	3-3	Management of material topics	9, 11
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	49

Index	Indicator	Disclosure	Page
Environmental Management			
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	49
	304-3	Habitats protected or restored	49
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	49 - 50
GRI 3: Material Topics 2022	3-3	Management of material topics	9, 11
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	42
	305-2	Energy indirect (Scope 2) GHG emissions	42
	305-3	Other indirect (Scope 3) GHG emissions	42
	305-4	GHG emissions intensity	42
GRI 3: Material Topics 2022	3-3	Management of material topics	9, 11
GRI 302: Energy 2016	302-1	Energy consumption within the organization	43
	302-2	Energy consumption outside of the organization	43
	302-3	Energy intensity	43
	302-4	Reduction of energy consumption	43
	302-5	Reductions in energy requirements of products and services	43
GRI 3: Material Topics 2022	3-3	Management of material topics	9, 12
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	44
	303-2	Management of water discharge-related impacts	44
	303-3	Water withdrawal	44
	303-4	Water discharge	44
	303-5	Water consumption	44
GRI 3: Material Topics 2022	3-3	Management of material topics	9, 12
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	47
	306-2	Management of significant waste-related impacts	47
	306-3	Waste generated	47
	306-4	Waste diverted from disposal	47
	306-5	Waste directed to disposal	47
Social Scope Management			
GRI 3: Material Topics 2022	3-3	Management of material topics	9, 13
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	63
GRI 3: Material Topics 2022	3-3	Management of material topics	9, 13
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	54
	403-2	Hazard identification, risk assessment, and incident investigation	54, 56
	403-3	Occupational health services	54
	403-4	Worker participation, consultation, and communication on occupational health and safety	54
	403-5	Worker training on occupational health and safety	54
	403-6	Promotion of worker health	54
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	54

Index	Indicator	Disclosure	Page
Social Scope Management			
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	54
	403-9	Work-related injuries	54, 61
	403-10	Work-related ill health	61
GRI 3: Material Topics 2022	3-3	Management of material topics	9, 12
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	52 - 54
	404-2	Programs for upgrading employee skills and transition assistance programs	52
GRI G4 - Metal & Mining Sector Supplement (MMSS)			
GRI G4 - Metal & Mining Sector Supplement (MMSS)	MM2	Sites identified as requiring biodiversity management plans	49
	MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	34

➤ SASB: Metals and Mining

Topic		Description	Page
Greenhouse Gas Emissions	EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	42
Air Quality	EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	42
Energy Management	EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	43
Biodiversity Impacts	EM-MM-160a.1	Description of environmental management policies and practices for active sites	49
Workforce Health & Safety	EM-MM-320a.1	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	54

➤ Feedback Form

Nickel Industries' Sustainability Report 2022 provides an overview of our sustainability performance. We look forward to receiving any input from you regarding this Sustainability Report by sending an email, or completing this form.

Your Profile

Name (if you wish) :

Institution/Company :

Email :

Telephone/Mobile :

1. This report is easy to understand:

- Disagree Neutral Agree

2. The report has described positive and negative information concerning the Company:

- Disagree Neutral Agree

3. Material topic(s) which is(are) the most important to you:

(score 1 = most important; score 10 = least important)

- Biodiversity ()
- Emissions ()
- Energy ()
- Water and Effluent ()
- Waste ()
- Human Capital Development ()
- Local Communities ()
- Occupational Health and Safety ()
- Ethical Business Practices ()
- Economic Performance ()

4. Kindly provide your input/suggestions/comments about this report:

.....

.....

.....

Stakeholders Group

- Investors and Shareholders
- Employees
- Customers
- Contractors
- Business Partners
- Governments
- Local Communities
- Others, please state:

Thank you for your feedback. Please send this feedback form to the contact listed in this report or directly to:

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