

Contributing Towards a More Sustainable Future



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About This Report

Contributing Towards a More Sustainable Future



The Nickel Industries Limited (Nickel Industries or the Company) 2023 Sustainability Report (Report) is the third sustainability report published by the Company and is a continuation of the previous year's report published in March 2023.

The Report demonstrates our commitment towards our stakeholders, reflecting our accountability to sustained, long-term growth, and our responsibility towards ESG and sustainability through a holistically integrated, multi-stakeholder approach.

This Report has been meticulously developed in accordance with key reporting principles, including stakeholder inclusiveness, materiality, completeness, accuracy, balance, clarity, comparability, reliability, and timeliness. It reflects the collaborative efforts of discussions held throughout 2023. The selection of this year's material topics aligns with the Company's corporate strategy and has received approval from the Board Directors. There is no restatement of information from the previous report. [2-4]

The Company has reported the information cited in this GRI content index for the period 1st January 2023 to 31st December 2023 in accordance with the GRI Standards, along with the Metals and Mining (MM) Supplement Sector; Sustainability Accounting Standards Board (SASB) for Metals and Mining Standard; and the early adoption of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards. [2-3]

All the information presented in this Report is sourced directly from the Company and its affiliated entities, encompassing Hengjaya Mine, Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel. KPMG, functioning as an independent auditor, has conducted an audit of the Company's Consolidated Financial Statements. Furthermore, SR Asia Indonesia, a leading sustainability assurance provider in the region, has independently verified the compliance of the Report with selected information regarding the Company's sustainability performance. The selection of the assurance provider followed a procurement process and has been approved by the highest governance body. [2-2, 2-5]

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I Disclaimer

This Report incorporates forward-looking statements that adhere to the prevailing regulatory laws in 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. This may encompass, 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. However, these statements are subject to prospective risks and uncertainties and may cause actual developments to differ materially from the reported results.

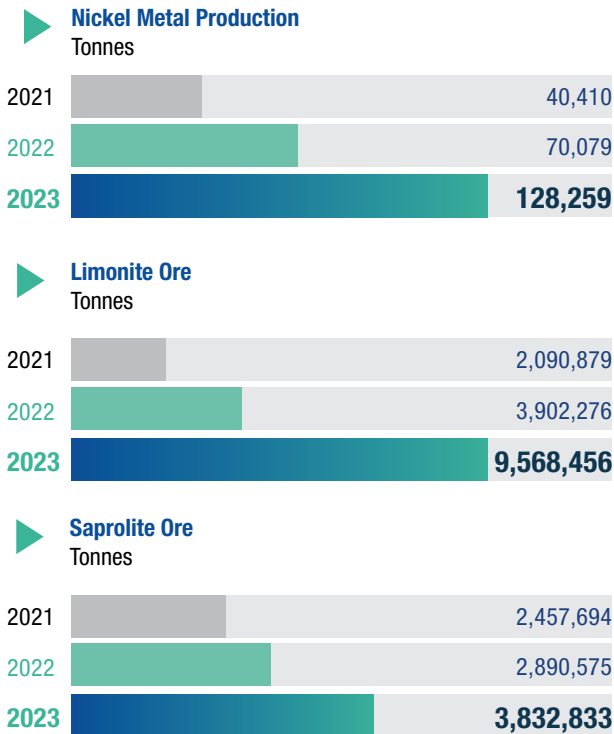
The forward-looking statements within this Report were prepared based on a multitude of assumptions concerning present conditions, future events, and the business environment in which the Company operates. The Company shall have no obligation to guarantee that all the valid information presented will bring the specific results as expected.

I Sustainability Performance Highlights

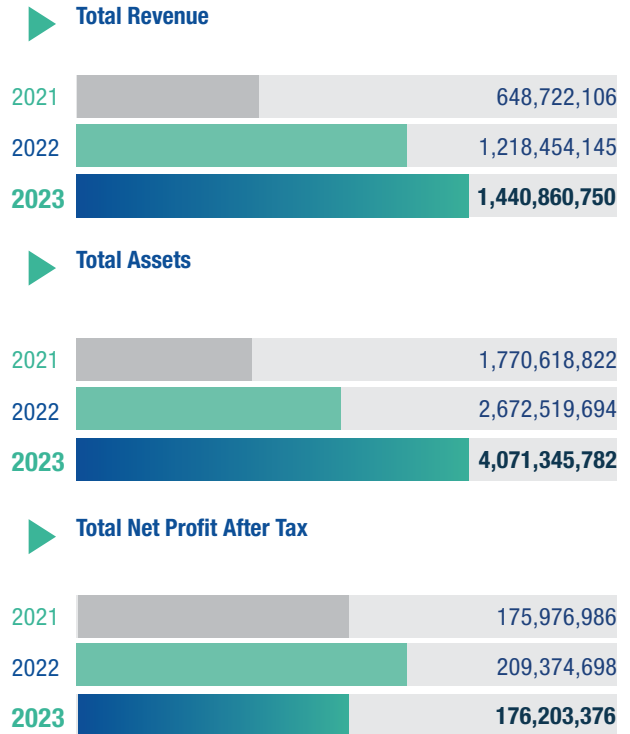
Economic Development Highlights



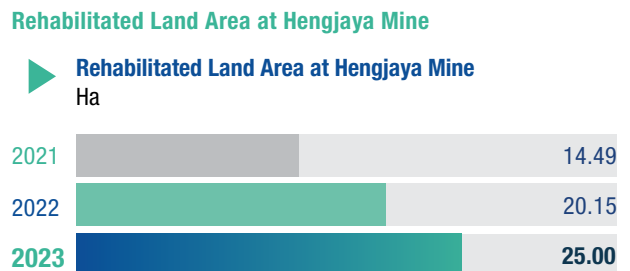
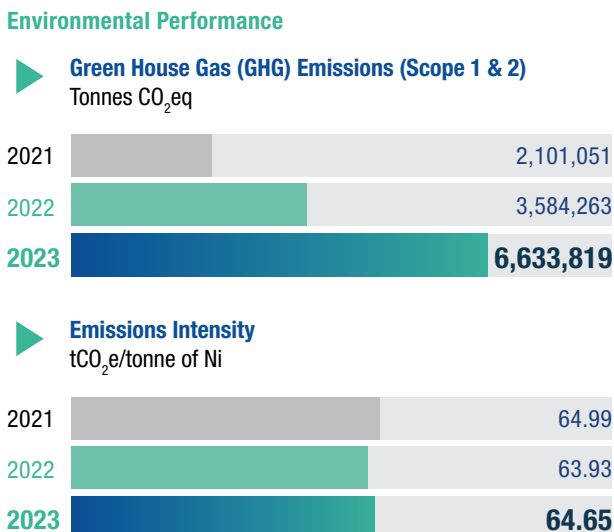
Production Performance



Financial Performance (USD)



Environmental Performance



Total Rehabilitated Area
Since 2019 (Ha):

2,057

Total Trees Planted Since
2019 (Ha):

2,257,036



Nickel Industries pledged to a 50% reduction in carbon intensity by 2035 and net zero emissions by 2050 during the 2023 United Nations Climate Change Conference (COP 28).



For the second consecutive year, Nickel Industries' Hengjaya Mine has succeeded in winning the Green PROPER award for the second time and getting the highest grade for the sustainability initiative in the nickel industries in Indonesia from the Ministry of Environment and Forestry (KLHK) in 2023



Social Responsibility Highlights

16,718,448 LTI-free man hours across all of Nickel Industries' projects were achieved in 2023.

Nickel Industries Employee Diversity

	<30 years old	30-50 years old	>50 years old	Total
Male	2023 3,255 2022 2,511 2021 794	2023 1,664 2022 1,421 2021 540	2023 18 2022 22 2021 9	2023 4,937 2022 3,654 2021 1,343
Female	2023 388 2022 334 2021 122	2023 153 2022 120 2021 39	2023 0 2022 3 2021 1	2023 541 2022 457 2021 162
Grand Total	2023 5,478	2022 4,441	2021 1,505	

Nickel Industries and The Cross Sector Development Partnership entered into a two-year partnership and sponsorship agreement aimed at supporting the identification of social development projects aligned with the Company's ESG development and implementation strategy. Additionally, the Company has signed a Memorandum of Understanding with Hasanuddin University

Makassar to provide financial support to indigenous students from Central Sulawesi, North Maluku, and West Papua Provinces. This collaboration envisions offering full scholarship funding to students throughout their degree, focusing on undergraduate programs in metallurgical, environmental, and mining engineering.





I Message from the Chairman ^[2-22]

Dear Fellow Shareholders,

I am pleased to present our 2023 Sustainability Report to you. This year's report holds particular significance as it marks numerous milestones in our sustainability journey. The growth in our sustainability initiatives from 2023 compared to our inaugural report in 2021 has been remarkable.

Nickel Industries proudly assumes leadership in advancing sustainability within Indonesia's nickel sector. We are honoured to showcase these initiatives in our Sustainability Report. Our commitment extends to promoting and implementing industry best practices across our mining and downstream processing operations, with steadfast support from the local communities in which we operate.

One of the most important goals of the Company is to reduce our carbon footprint. In December 2023, Nickel Industries announced its emission reduction target in conjunction with the COP28 United Nations Climate Change Conference. The Company unveiled its commitment to a 50% reduction in carbon intensity by 2035 and achieving net zero emissions by 2050. Our presence at the conference, where we were one of only two companies with Indonesian mining operations invited to present, underscores our dedication to becoming the world's pre-eminent global nickel company. This is underpinned by a platform of diversified, low-cost, sustainably produced nickel products, adhering to global best practice mining standards.

In pursuit of this commitment, Nickel Industries implemented several initiatives this year. In October 2023, we signed an Operation Lease and Service Agreement (OLSA) with PT Sumber Energi Surya Nusantara (SESNA) for the installation of

a 200-MWp solar project with a 20-MWh battery to power our operations in Indonesia. This initiative positions us as the sole offtake partner to the project. In December 2023, we added Electric Vehicles (EV) to our haulage fleet at Hengjaya Mine, which marked a significant step towards driving operational efficiencies and materially reducing our emissions profile.

Furthermore, we continue to expand our portfolio of high pressure acid leach (HPAL) projects. This includes a positive final investment decision to invest in Excelsior Nickel Cobalt (ENC), a next-generation HPAL project capable of producing MHP, nickel sulphate, and nickel cathode. Each incremental unit of HPAL nickel production contributes to reducing Nickel Industries' carbon intensity, which aims to see our operations on track to becoming carbon-neutral by 2050.

Our integrated and multi-stakeholder approach, strategic partnerships, and global reach give us the opportunity — and the responsibility — to spearhead sustainable change across our industry. Nickel Industries' efforts to reduce emissions are poised to establish a precedent, motivating other companies to adopt similar initiatives. As our journey towards sustainability continues, we affirm our commitment to transparently sharing our progress with you through this Sustainability Report.

I cordially invite you to read our report and gain insights into how we integrate environmental, social, and governance (ESG) best practices into every aspect of our operations. Your engagement in understanding our commitment to sustainability is integral to our collective progress.

Yours sincerely,
Norman Seckold



01 Sustainability at Nickel Industries

I Sustainability Report 2023 Theme

Contributing Towards a More Sustainable Future

Nickel Industries recognises the importance of ESG and sustainability in our operations. As the Company enters its third year of sustainability reporting, Nickel Industries continues to spearhead efforts to optimise its sustainability impacts. Embracing the theme “Contributing Towards a More Sustainable Future” in the 2023 report, the Company proudly showcases progress in resource management, emissions reduction, and

innovative sustainability practices. Our journey unfolds not just as a documentation of practices but as a narrative of resilience, innovation, and responsibility. Through transparency and accountability, Nickel Industries invites stakeholders to join us in reshaping industries and fostering a collective dedication to a brighter, more sustainable tomorrow.

I Sustainability Policy [2-23, 2-24]

Nickel Industries' sustainability policy is centred on cultivating long-term values for the Company, local communities, and various stakeholders. As performing at a world-class level in sustainability is critical to our business success, the Company aspires to responsibly supply a pivotal base metal, essential for the planet's future growth, while concurrently championing environmental protection, social empowerment, and enhancing the wellbeing of its workers, host communities, and regional neighbours.

The Company policy is rooted in three realms of influence: sustainable operations, stimulation of local development, and contribution to global sustainability. These dimensions serve as the foundation and guiding principles for formulating the Company's sustainability strategy and non-financial objectives and priorities, which are subject to annual evaluation and refinement. Upholding the Company's commitments in these domains is pivotal for ensuring continued access to resources, capital, and engaged employees, while fostering sustainable development both within its operational areas and on a global scale.

Moreover, the Company is committed to supporting the United Nations Sustainable Development Goals (SDGs) by actively contributing to the implementation of the SDGs on local, national, and global levels, all in alignment with its operational activities. The Company's aim is to work towards the accomplishment of these goals by the year 2030.



Policy

Sustainable operations



Description

Nickel Industries will act responsibly across the life cycle of its activities, from project conception, through to execution and operation, to the closure of the Company's activities, respecting the local people and customs where it operates.

Commitments

- To meet or exceed the regulatory standards where the Company operates and continuously improve performance.
- To achieve zero harm to its employees, contractors and local communities by promoting active, genuine care inside and outside the Company.
- To continuously improve its activities, seeking increased efficiency in the use of natural resources.
- To manage risks and impacts by adopting elimination, mitigation, compensation, monitoring measures and maximising the positive benefits of our activities.
- To work with responsibility, ethics and transparency, engaging with its stakeholders.

Policy

Stimulation of local development



Description

Beyond the management of its activities, the Company seeks to stimulate local socioeconomic development that sustainably contributes to the livelihoods and wellbeing of the communities and environment around Nickel Industries' areas of operation.

Commitments

- To support the development and hiring of local workforce and suppliers.
- 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 wellbeing in the most appropriate and meaningful ways.
- To develop programs related to social needs, with the long-term economic development vision, avoiding reactive social investments.
- 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.

Policy

Contribution to global sustainability



Description

Nickel Industries recognises its important role in addressing shared global challenges. Therefore, the Company will contribute to the dialogue and confrontation of the challenges in terms of sustainable development as appropriate to our scope of activities.

Commitments

- To be transparent to the Company stakeholders in terms of governance, policy, procedures, practices, and performance.
- To contribute towards global goals related to the Company's business by continuously improving its operations and seeking partnerships, solutions, and technology to address sustainable development challenges.
- To contribute to creating a positive legacy for future generations, balancing the social, environmental and economic aspects of its business.
- To work with colleagues, partners and communities globally to deliver the products our customers need and learn from each other to improve the Company's performance.
- To promote active partnerships at international, national, regional and local levels based on mutual commitment and trust.
- To engage with our joint venture partners to share our practices and insights and learn from theirs.
- To recognise and respect diverse cultures, communities and points of view.
- To respect human rights and work with communities and organisations to create mutual value throughout and beyond the life of our operations.
- To strive to contribute to the SDGs.

I Sustainability Strategy ^[2-25]

Nickel Industries' commitment to sustainability is reflected in its sustainability strategy. With its products playing a vital role in the global energy transition, sustainability is intrinsic to the Company's identity. This strategy was developed as the result of ongoing engagement with stakeholders, where short- and long-term objectives are shaped to align with evolving societal expectations. The Company's strategy centres around three core pillars, chosen for their relevance to the Company's operations. Each pillar is supported by specific sub-pillars, developed in harmony with established sustainability policies and international best practices.



Pillar Economic Development

Sub-pillar

- Financial Performance
- Indirect Economic Impacts
- Procurement Practices

Description

Dedicated to stimulating local socioeconomic development and sustainably contributing to the wellbeing of local communities and the surrounding environment.



Pillar Environmental Stewardship

Sub-pillar

- Biodiversity
- Energy
- Emissions
- Waste
- Water and Effluent

Description

Committed to reducing our carbon footprint and developing products that are essential for the global energy transition and the stability of our operating environment.



Pillar Social Responsibility

Sub-pillar

- Anti-corruption
- Community Development
- Donation and Sponsorship
- Education
- Gender and Diversity
- Health and Safety
- Human Rights
- Infrastructure

Description

Long-term vision to grow the business in a way that optimally benefits local communities.



I Stakeholder Engagement & Material Topics



Stakeholder Engagement [2-29, 3-1 3-3]

Nickel Industries conducts an annual materiality assessment as a crucial step to ensure the alignment and effectiveness of its sustainability strategy. This assessment aims to accurately and correctly evaluate the evolving sustainability landscape and prioritise significant issues for the Company's business and stakeholders. Through this process, Nickel Industries determines which material topics warrant inclusion and reporting in our publications, as they hold relevance to the Company's growth and future as a natural resources entity.

The Company's materiality assessment is a comprehensive endeavour that involves extensive engagement with both internal and external stakeholders. The Company leverages local and global information related to its business and the nickel industry as a whole. The Company's stakeholders are actively engaged in the process and are provided opportunities to express their viewpoints and concerns via appropriate communication channels. This collaborative approach ensures a holistic understanding of our material topics.

Identification of Stakeholder Needs and Approach

Stakeholders	Identification Base
Internal Stakeholders	
Investors and Shareholders	D, R, I, P
Management	D, R, T, 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 towards someone or an organization.
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 ^[3-2, 3-3]

Material topics are the key sustainability issues that significantly influence Nickel Industries performance and its impact on the economy, environment, and people. These topics shape and guide the implementation of our sustainability strategy, influencing the Company's decision-making processes. In 2023, the selected material topics remained consistent, emphasising

their continued relevance to the Company's stakeholders. Unless otherwise stated, the scope of these material topics encompass the following operations: the Hengjaya Mine and the Company's RKEF operations; being Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel.



Environment

Biodiversity

Material Topic

Biodiversity is essential for the Earth and its inhabitants, as it creates functional ecosystems crucial for sustaining life. Neglecting this vital aspect could lead to a decline in the overall quality of life on our planet.

Concerns

Reclamation, conservation, preservation.

Impacted Stakeholders

Internal : Investors, Shareholders and Employees.

External : Government and Local Communities.



Emissions

Material Topic

Climate change is a consequence of greenhouse gas (GHG) emissions, posing a significant threat to human survival. Given the nickel sector's role in generating GHG emissions, it's imperative for the Company to curtail its emissions. This action is vital to align with global initiatives aimed at addressing climate change and ensuring a sustainable future.

Concerns

Climate change, emission reduction, energy transition.

Impacted Stakeholders

Internal : Management, Investors and Shareholders.

External : Contractors and Business Partners.



Energy

Material Topic

Energy consumption on a significant scale directly impacts the wellbeing of all life forms on our planet and the sustainability of businesses. This underscores the critical importance of adopting responsible and efficient energy practices.

Concerns

Renewable energy, efficiency and technology in the production process.

Impacted Stakeholders

Internal : Investors and Shareholders.

External : Government, Contractors and Business Partners.



Water and Effluent



Material Topic

Water and effluents hold significant importance, as their mishandling can trigger severe repercussions for the Company and its neighbouring environments. Such mismanagement may result in critical issues like land subsidence, land depletion, and the intrusion of seawater into freshwater sources.

Concerns

Water treatment, reuse and recycle (close-loop system).

Impacted Stakeholders

Internal : Management.
External : Government and Local communities.

Waste



Material Topic

Managing waste is essential to minimise pollution's impact on the environment and avoid the spread of disease to surrounding areas.

Concerns

Non-hazardous and domestic waste management.

Impacted Stakeholders

Internal : Management.
External : Government and Local Communities.



Social

Human Capital Development



Material Topic

Training and education are essential for achieving optimal job performance. They enhance employees' understanding, enabling them to execute their roles accurately and effectively. The Company's comprehensive programs and initiatives form an integral component of its broader human capital development strategy. Additionally, certifications are mandated for specific positions within the operations.

Concerns

Training and education, certification.

Impacted Stakeholders

Internal : Management and Employees.
External : Government.

Local Communities



Material Topic

The communities where the Company's business operates are integral stakeholders, and the Company acknowledges the significance of the value it contributes to these communities. The Company is dedicated to upholding responsible corporate citizenship, encompassing the fulfilment of social, socioeconomic, and enterprise development requirements within these communities.

Concerns

Community empowerment, infrastructure, education and health.

Impacted Stakeholders

Internal : Management.
External : Local Communities, Government and Business Partners.

Occupational Health and Safety (OHS)



Material Topic

OHS is imperative for safeguarding the wellbeing of employees and the Company's assets. Effective OHS management ensures the health and safety of employees during their work, facilitating their optimal physical and mental performance.

Concerns

Employee health and safety, working condition, HSE certification.

Impacted Stakeholders

Internal : Management and Employees.
External : Government and Contractors.

Governance

Ethical Business Practices



Material Topic

Enforcing ethical business practices expedites progress towards enhanced human development, bolsters environmental conservation efforts, generates employment opportunities, and guarantees broader accessibility to vital services like healthcare and education.

Concerns

Anti-corruption, human rights, modern slavery, diversity and equal opportunity.

Impacted Stakeholders

Internal : Management, Investors and Shareholders.
External : Government and Local communities.

Economy

Economic Performance



Material Topic

Economic performance holds significant importance as it pertains to the continuity of business operations and the equitable distribution of value to stakeholders.

Concerns

Indirect economic impact, production and tax compliance.

Impacted Stakeholders

Internal : Shareholders and Management.
External : Customers and Business Partners.

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

Nickel Industries is committed to good corporate governance practices, managing risks through sound business processes and decision-making and adherence to laws and standards as set out in the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council. Our core values drive transparency, fair dealings, stakeholder protection, fostering a culture of professionalism, ethics, and responsibility among our leadership and employees.

This approach resulted in the Company not incurring any fines for non-compliance with laws and regulations in 2023. Further, no legal actions have been reported for instances of anti-competitive behaviour, anti-trust, and monopoly practices.

[2-27, 206-1]

Governance Structure [2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15]

Sustainability is a shared responsibility among all directors and senior executives of Nickel Industries. The Company's organisational structure serves as a framework that seamlessly integrates ESG factors into every dimension of its operations. This comprehensive approach guarantees that sustainability is not an isolated effort but an intrinsic component of the Company's business strategy and decision-making mechanism. In addition, the Board of Directors is responsible for reviewing and approving the information in the report as well as ensures that the reporting and assurance process adheres to applicable regulations and standards.

For additional information regarding Nickel Industries' governance practices and the disclosure of remuneration for the Board of Directors and the Board of Commissioners, including the annual remuneration ratio, please refer to the Corporate Governance Statement, Nomination Committee Charter, and Board Management section available on the Company's website, along with the 2023 Annual Report. [2-18, 2-19, 2-20]





Sustainability Committee [2-9, 2-11, 2-13]

Nickel Industries has established a Sustainability Committee to support the Board in formulating, implementing, and overseeing specific sustainability policies and practices. It ensures the effective communication of the Company's sustainability policy and performance to its stakeholders. The Sustainability Committee is also responsible for other functions mandated by

law and the Company's Articles, as well as those required by the Board.

Further details regarding the Sustainability Committee can be found via the Company's Sustainability Committee Charter.

Authority	Responsibilities	Members
<ul style="list-style-type: none"> Conduct or authorise investigations into any matters within its scope of responsibility. 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. 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. Meet with Company officers, employees, external auditor, internal auditor (if any) or outside counsel, as necessary and without management present. 	<ul style="list-style-type: none"> 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. Review reports prepared by the Company to ensure appropriate sustainability disclosure in the Company's disclosure documents and make recommendations, as necessary, to ensure that the Company's sustainability policy and performance are being appropriately communicated. 	<ul style="list-style-type: none"> Members of the Committee are comprised of members of the Board appointed by the Board. In addition, selected senior executives of the Company have been 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 members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may determine from time to time. 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.

Risk Management

The Company is exposed to a range of economic, environmental and social sustainability risks, and has inherent exposure to market volatility and operational risks, which can adversely impact it. It manages these risks through the following:

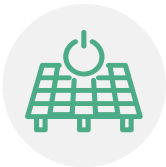


Risk

Economic Risk

Mitigation

Ensuring sufficient funding and monitoring future rolling cash flow forecasts for our operations, which encompass expectations regarding financial returns, assets, and liabilities. The Company also communicates periodically with financial entities in Australia and Indonesia. Further information on our business risks can be found in our 2023 Annual Report.



Risk

Environmental Risk

Mitigation

Seeking expert guidance on environmental matters and implementing tailored environmental management programs and initiatives. Information on our environmental risk mitigation can also be found in the Environmental Stewardship Chapter of this Report.

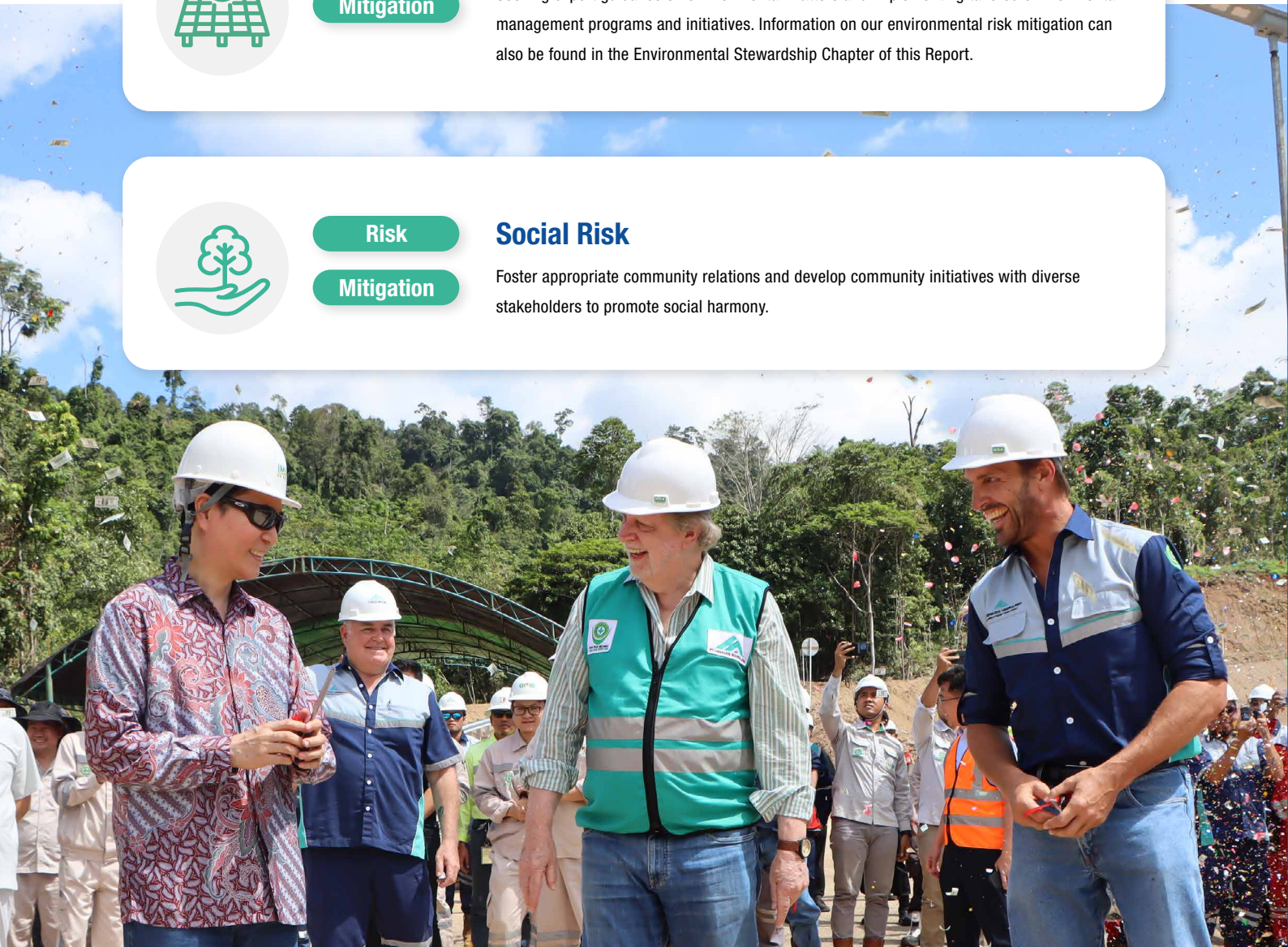


Risk

Social Risk

Mitigation

Foster appropriate community relations and develop community initiatives with diverse stakeholders to promote social harmony.





02 Company Profile



I About the Company ^{[2-1] [2-6]}

Nickel Industries, founded on September 12, 2007, under New South Wales Law, is an ASX-listed company that owns a portfolio of mining and low-cost downstream nickel processing assets in Indonesia. Our Head Office is located at Level 2, 66 Hunter Street, Sydney, NSW, 2000, Australia.

The Company has a rich history in Indonesia, holding controlling interests in the Hengjaya Mine and operating four rotary kiln electric furnace (RKEF) projects.

Having solidified its position as a globally significant nickel pig iron (NPI) producer for the stainless-steel industry, the Company is swiftly transitioning its production focus to cater to the EV battery supply chain. In 2022, the Company converted some of its existing production from NPI to nickel matte and acquired a 10% interest in the Huayou Nickel Cobalt (HNC) HPAL project in

2023, expanding its product portfolio to include mixed hydroxide precipitate (MHP).

Nickel Industries has also taken a positive final investment decision to invest in ENC, a cutting-edge HPAL project capable of producing MHP, nickel sulphate and nickel cathode. Expected to yield approximately 72,000 tonnes of nickel metal annually, ENC represents a significant diversification of the Company's production portfolio. In 2023, we acquired a 13.75% interest in ENC with our interest to increase to 55% once construction is completed.

A full overview of our operations this year can be found in the Economic Performance section of this Report and our 2023 Annual Report. Meanwhile, information regarding Nickel Industries' history can be viewed on the Company's website.



I Vision, Mission & Values



Vision

To become the world's pre-eminent global nickel company with an unrivalled platform of diversified, low-cost, sustainably produced nickel products, underpinned by global best practice mining standards.



Mission

Advancing the sustainability of Indonesia's nickel industry by playing a leadership role in promoting and implementing industry best practices across our mining and downstream processing operations with the support of the local communities in which we operate.



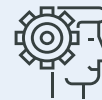
Safety, health, environment and community

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.



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.



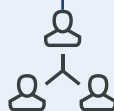
Governance

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.



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.



Teamwork

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 mutual respect.

I 2023 Sustainability Milestones

18 January 2023

<https://nickelindustries.com/carbon/assets/2021/10/pjn10991.pdf>

Nickel Industries has entered into agreements to acquire interests in two nickel-producing assets that utilise high-pressure acid leach (HPAL) technology with significantly lower carbon intensity.

21 June 2023

<https://nickelindustries.com/carbon/assets/2023/06/pjn11712.pdf>

The Company Receives “Most Promising Transition Award” at the 2023 ESG World Summit and GRIT Awards.

9 October 2023

https://nickelindustries.com/carbon/assets/2023/10/20231005-NIC_Solar-announcement-FINAL.pdf

Execution of a binding agreement for a solar project at the IMIP.

4 December 2023

<https://nickelindustries.com/carbon/assets/2023/12/2652443.pdf>

Nickel Industries presents at COP28 Summit and commits to net zero emissions by 2050.

11 December 2023

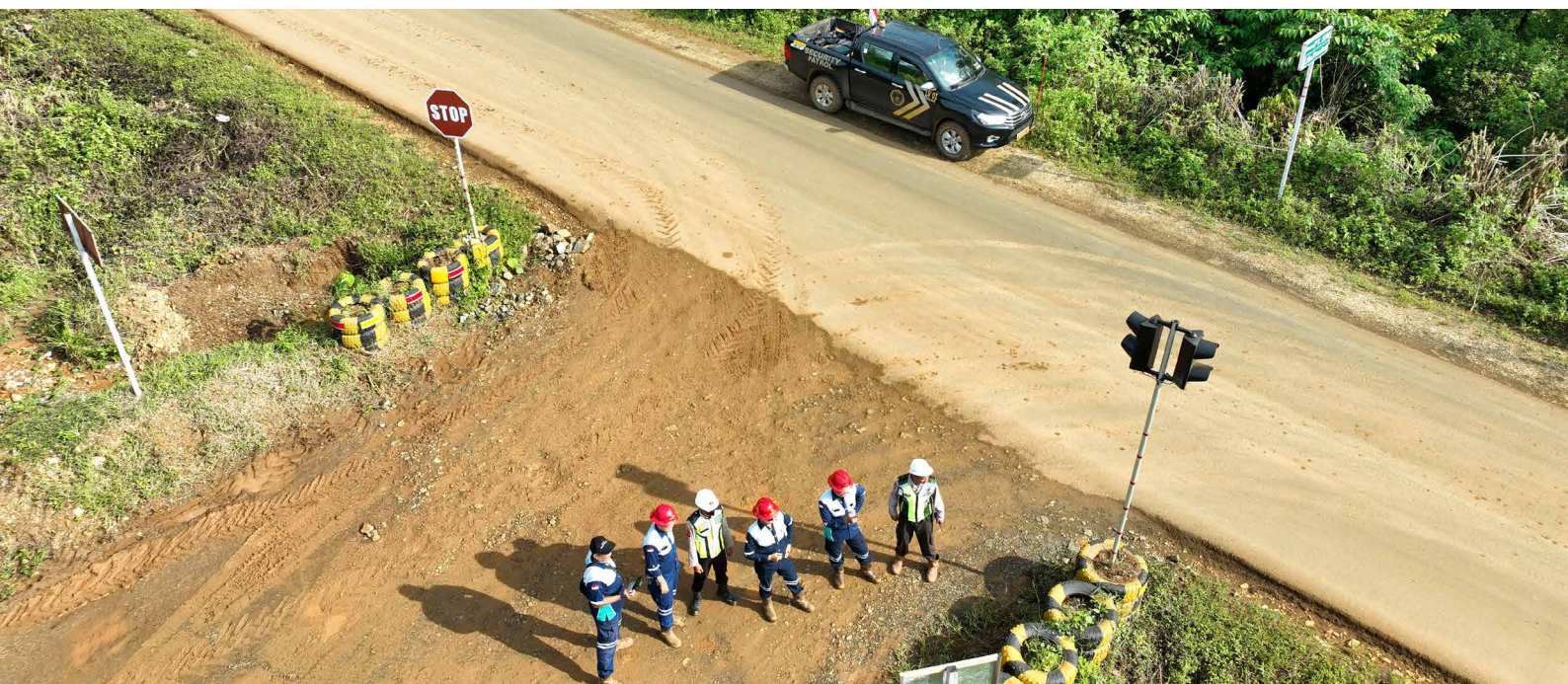
<https://nickelindustries.com/carbon/assets/2023/12/2656211.pdf>

Nickel Industries begins trialling EV haul trucks in its Operations.

20 December 2023

Nickel Industries’ Hengjaya Mine was awarded the Green PROPER rating for the second consecutive year with the highest score in Indonesia’s nickel sector.

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



External Initiatives

Nickel Industries actively participates in various external initiatives to advance its sustainability goals and facilitate the collective progress and development of the nickel industry. The Company views these platforms as instrumental in engaging with governments, regulators, communities, and other stakeholders to address the key challenges confronting the nickel industry.

In 2023, the Company engaged in the following external initiatives:

Initiative	Capacity	Date
2023 United Nations Climate Change Conference (COP28)	Panellist	December, 2 nd 2023
2023 ESG World Summit and GRIT Awards	Panellist	June, 15 – 16 th 2023

Association Membership

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

Association Name	Role	Scope
Asosiasi Penambang Nikel Indonesia (APNI)	Member	National, Indonesia
Forum Industri Nikel Indonesia (FINI)	Member	National, Indonesia

Awards & Accolades



Green Rating – Public Disclosure Program for Environmental Compliance (PROPER)

Indonesia Ministry of Environment and Forestry (KLHK)

December 2023



June 2023

Most Promising Transition Award
CorpStage



August 2023

Platinum, Silver & Gold Category - Environmental & Social Innovation Award
Sucofindo Indonesia



July 2023

Life Below Water & Partnerships for the Goals SDGs - Nusantara CSR Awards
La Tofi School of Social Responsibility



November 2023

Silver – Asia Sustainability Reporting Rating (ASRRAT)
National Center for Corporate Reporting (NCCR)



August 2023

ESG Award - Sustainability Aspect of the Nickel Mining Sector
TrenAsia



December 2023

Silver Category – Indonesian Sustainable Development Goals (ISDA)
Corporate Forum for CSR Development (CFCD)

S&P Global

Second-top quartile (69%) of ESG performers for the Metals & Mining Industry Group globally as of September 2023, compared to the 59% in the previous year.



- 'BBB' ESG Rating, one of the highest given to Indonesian-based Metals and Mining companies.

Hengjaya Mine has been recognised by the Indonesian Ministry of Environment and Forestry (KLHK) for **achieving the highest sustainability scores** in the nickel sector according to the **PROPER Book 2023**.

Certifications

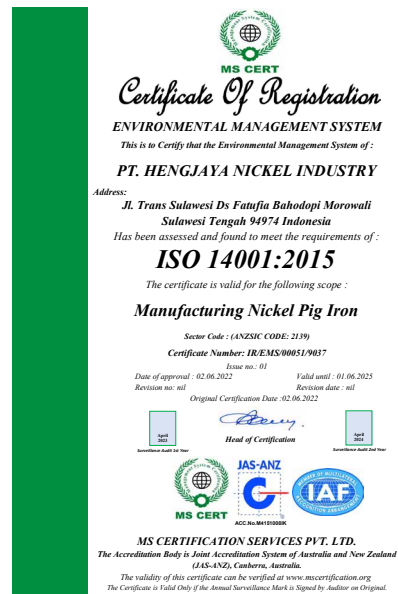
ISO 45001: 2018

Occupational Health and Safety Management System



ISO 14001: 2015

Environmental Management System





03 Economic Development

I Economic Development

Nickel Industries firmly believes in the pivotal role of economic development as a foundational pillar of its sustainability objectives and goals. The Company is committed to establishing itself as one of the most capital-efficient and profitable producers of nickel metal on a global scale, with strategic partnerships forming a central component of this commitment. This strategic emphasis not only positions the Company for optimal financial performance but also serves as a catalyst for generating significant indirect economic benefits for the regions surrounding its operational facilities.

The Company acknowledges the significant impact our operations have on the local communities, recognising that the success of our sustainability endeavours is intricately linked to economic and financial wellbeing. Nickel Industries actively contributes to the growth and prosperity of local communities, its valued suppliers, and other stakeholders, fostering a shared journey of progress alongside the Company.



Operations ^[2-1, 2-6]

Nickel Industries' principal operations are located in Indonesia. Additional information regarding the Company's operations can be accessed via the Company's [website](#).

Operations	Description	Ownership
Hengjaya Mine	The Hengjaya Mine is a large tonnage nickel ore deposit located in Morowali Regency near the Indonesia Morowali Industrial Park (IMIP), covering an area of 5,983 hectares.	Nickel Industries holds an 80% interest in the share capital of PT Hengjaya Mineralindo, an Indonesian PMA company. The remaining 20% of the interest is owned by the Company's Indonesian partner, the Wijoyo family.

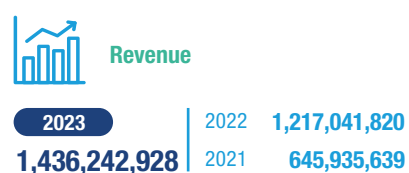
Operations	Description	Ownership
Hengjaya Nickel Project	The Hengjaya Nickel Project is a 2-line RKEF plant constructed within the IMIP, with an annual production capacity of 15,000 tonnes of nickel metal equivalent (in nickel matte or NPI).	Nickel Industries holds an 80% interest in the Hengjaya Nickel Project, with the remaining 20% owned by its partner, Shanghai Decent Investment (Group) Co., Ltd.
Rangel Nickel Project	The Ranger Nickel Project, is a 2-line RKEF plant operating within the IMIP with an annual production capacity of 14,000 IMIP with an annual production capacity of 15,000 tonnes of nickel metal equivalent (in NPI).	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 4-line RKEF plant operating within the Indonesia Weda Bay Industrial Park (IWIP) on Halmahera Island in Indonesia's North Maluku province with an annual nameplate production capacity of 36,000 tonnes of nickel metal (in NPI) and a 380MW power plant.	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 4-line RKEF plant operating within the IMIP with an annual nameplate production capacity of 36,000 tonnes of nickel metal (in nickel pig iron) and a 380MW power plant.	Nickel Industries holds an 80% interest in the Oracle Nickel Project, with the remaining 20% owned by its partner, Shanghai Decent Investment (Group) Co., Ltd.

Direct Economic Value [2-1, 201-1, 201-4]

Revenue from nickel ore and nickel metal sales is determined in accordance with the terms specified in each customer contract. The Company recognises revenue when control of goods or services is transferred to a customer. In 2023, the Company's RKEF lines collectively produced 128,259 tonnes of nickel metal. For the fiscal year ending on December 31, 2023, the total revenue of Nickel Industries and its subsidiaries amounted to USD 1,440,860,750. Further, the Company did not receive financial assistance from any Government during the reporting period.

Direct Economic Value Generated and Distributed (USD)

Economic Value Generated



Other Income



Total Revenue



Economic Value Distributed



Economic Value Retained



Organisational Scale (USD)

Total Capitalisation



Total Liabilities

2023	2022	857,975,255
1,164,704,194	2021	472,706,783



Total Equity

2023	2022	1,814,544,439
2,906,641,588	2021	1,329,912,039

Total Assets

2023	2022	2,672,519,694
4,071,345,782	2021	3,075,999,476

Total Net Profit After Tax

2023	2022	209,374,698
176,203,376	2021	212,228,602

Production Performance

NPI Production

Tonnes

2023	2022	473,116
834,192	2021	298,353

NPI Grade

%

2023	2022	13.8
12.9	2021	13.5

Nickel Metal Production

Tonnes

2023	2022	70,079
128,259	2021	40,410

Saprolite Ore Production

Tonnes

2023	2022	2,890,575
3,832,833	2021	2,457,694

Limonite Ore Production

Tonnes

2023	2022	3,902,276
9,568,456	2021	2,090,879

Defined Benefit Plan Obligations and Other Retirement Plans ^[201-3][401-2]

In line with government regulations, Nickel Industries enrolls its employees in a Defined Contribution Pension Program administered by the Financial Institution Pension Fund, along with participation in the Old Age Security Program and the Pension Security Program managed by BPJS Ketenagakerjaan.

Further, 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.



Approach to Tax [201-4, 207-1, 207-2, 207-3, 207-4]

Nickel Industries places a strong emphasis on strict adherence and compliance with applicable tax regulations and obligations. All tax reports from the Company's operating subsidiaries are exclusively prepared for Indonesia, reflecting the Company's commitment to fulfilling its tax responsibilities in accordance with local regulations.

The Company has a dedicated taxation division, overseen and evaluated directly by the Chief Finance Officer (CFO), who serves as the highest tax governance authority. The CFO consistently reviews the Company's taxation strategy, including tax planning and consulting activities aligned with the provisions of applicable tax laws and regulations. The tax planning incorporates a comprehensive management strategy aimed at mitigating tax risks and optimising tax payments within the framework of Indonesian laws and regulations. The Company has also implemented a whistleblowing system to foster a conducive working environment that prioritises integrity in tax-related matters.

The Company conducts routine and systematic monitoring and evaluation of its tax compliance, ensuring consistent application and review of internal controls in the taxation process. This review encompasses both internal assessments and external evaluations. Internally, the Company's control measures ensure the appropriate identification of tax consequences for all transactions and events within or outside the regulatory scope. Moreover, the Company engages with Tax Advisors to ensure compliance with transfer pricing regulations.

Nickel Industries actively collaborates with key government stakeholders, including the Ministry of Finance's Directorate General of Taxes, the Ministry of Energy and Mineral Resources, and the Ministry of Environment and Forestry. This collaborative effort extends to engagement with KPP Setiabudi 3, participating in tax-related training sessions and seminars to enhance its tax knowledge and stay abreast of industry developments.

Supply Chain [2-6]

Nickel Industries' suppliers, vendors, contractors, consultants and other partners are involved in the Company's business operations in Indonesia. However, no significant changes were made to the supply chain during the 2023 reporting period.

Nickel Industries also engages with local suppliers in its supply chain. The Company defines local suppliers as businesses

located and/or operating in the Morowali Regency of Central Sulawesi. As of December 31st, 2023, 69 local suppliers, or 22% of the total vendors/ suppliers at Hengjaya Mine, were part of our supply chain. As for the RKEF operations, the Company only focused on differentiating the national (Indonesian) and international suppliers. [204-1]



Hengjaya Mine

Suppliers – Hengjaya Mine

Description	2023		2022		2021	
	Total	%	Total	%	Total	%
Local Suppliers	69	22	65	26	9	5
National Suppliers	241	78	185	74	183	95
Total	310	100	250	100	192	100

Supplier Contract Value (USD) – Hengjaya Mine

Description	2023		2022		2021	
	Total	%	Total	%	Total	%
Local Suppliers	255,323	3	93,584	2	111,160	3
National Suppliers	7,169,080	97	4,879,121	98	3,689,705	97
Total	7,424,403	100	4,972,705	100	3,800,865	100

Hengjaya Nickel

Supplier – Hengjaya Nickel

Description	2023		2022		2021	
	All	%	All	%	All	%
National Supplier	153	91	97	93	99	91
International Supplier	15	9	7	7	10	9
Total	168	100	104	100	109	100

Supplier Contract Value (USD) – Hengjaya Nickel

Description	2023		2022		2021	
	All	%	All	%	All	%
National supplier	254,010,886	96	205,955,321	93	159,251,679	91
International Supplier	11,962,029	4	15,927,105	7	15,896,596	9
Total	265,972,914	100	221,882,426	100	175,148,275	100

Ranger Nickel

Supplier – Ranger Nickel

Description	2023		2022		2021	
	Total	%	Total	%	Total	%
National supplier	138	90	91	94	112	94
International supplier	16	10	6	6	7	6
Total	154	100	97	100	119	100

Supplier Contract Value (USD) – Ranger Nickel

Description	2023		2022		2021	
	All	%	All	%	All	%
National supplier	213,376,043	86	227,785,898	94	142,654,334	90
International supplier	35,664,003	14	16,276,108	6	16,557,184	10
Total	249,040,046.00	100	244,062,006	100	159,211,518	100

Angel Nickel

Suppliers – Angel Nickel

Description	2023		2022	
	Total	%	Total	%
National Suppliers	161	91	97	88
International Suppliers	15	9	13	12
Total	176	100	110	100

Supplier Contract Value (USD) – Angel Nickel

Description	2023		2022	
	Total	%	Total	%
National Suppliers	477,830,000	92	332,270,000	88
International Suppliers	43,930,000	8	43,950,000	12
Total	521,760,000	100	376,220,000	100

Oracle Nickel

Suppliers – Oracle Nickel

Description	2023		2022	
	Total	%	Total	%
National Suppliers	251	98	129	98
International Suppliers	6	2	2	2
Total	257	100	131	100

Supplier Contract Value (USD) – Oracle Nickel

Description	2023		2022	
	Total	%	Total	%
National Suppliers	483,615,718	88	106,734,695	24
International Suppliers	63,021,401	12	337,762,727	76
Total	546,637,119	100	444,497,422	100

Indirect Economic Impact ^[203-2]

Nickel Industries places a strong emphasis on its indirect economic impact by giving priority to local workforces and suppliers in its operational areas, thereby fostering local economic development. Additionally, the Company designs programs and initiatives that align with the needs of local communities and our long-term strategy, avoiding reactive social investments. Nickel Industries expects its operations to impact the local economy positively and to be a driving force for growth in the future.



In Bungku Pesisir and Bahodopi, where the Company's mining site and RKEF lines are situated, our presence has contributed to the concurrent growth of the local economy. Our internal research has shown a statistically significant difference between the period before Nickel Industries commenced operations in 2012 and now.

Impact of Nickel Industries' presence in Bungku Pesisir and Bahodopi



Bungku Pesisir



Number of Cooperatives



Infrastructure



Bahodopi



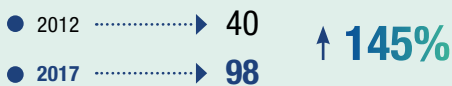
Number of Workshops



Number of Shops



Number of Restaurants



Number of Vehicles



Infrastructure Investments and Services Provided ^[203-1]

Nickel Industries strategically invests in infrastructure and services with a focus on long-term sustainability and growth. These investments are commercial and pro bono engagements, designed to create robust operational capabilities, enhance logistics and efficiency, and uphold our commitment to delivering high-quality products and services to our customers. Externally, these strategic investments not only fortify our

internal operations but also have a cascading impact, fostering job creation, supporting local businesses, and stimulating economic activity in the regions where the Company operates.

Given the Company's role as a leading nickel producer, its focus on infrastructure developments remains paramount. In 2023, the Company intensified its efforts by constructing a new haul road, Markarti Bridge and lab building."



04 Environmental Stewardship

I Environmental Stewardship

Nickel Industries firmly upholds the belief that environmental sustainability constitutes an integral element of the Company. Recognising the pivotal role its products play in facilitating the global energy transition, the Company is aware that the stability of the environment is essential for the long-term success of its operations. In line with this ethos, the company is resolutely committed to ensuring zero harm to the environment and creating a positive and lasting legacy in the regions where it operates, encompassing all phases from initial exploration to meticulous rehabilitation and eventual closure.

Environmental Policy [2-23] [3-3]

Nickel Industries recognises the importance of environmental sustainability and management and this commitment is enshrined in its Environmental Stewardship principle. The Company's environmental policy serves as the concrete embodiment of this principle, reflecting its commitment to ensuring zero harm to the environment and fostering a positive and lasting legacy in all areas where it operates, spanning from initial exploration through rehabilitation and eventual closure.

The Company's environmental policy undergoes routine review, meticulous documentation, effective implementation, and widespread dissemination, reaching all employees, contractors, visitors, and stakeholders. Within the spectrum of its business operations, key environmental considerations encompass biodiversity, energy management, emissions reduction, water and effluent management as well as waste management.

Environmental Management

The Company strives to uphold its environmental stewardship and management through the actions set out below.

Environmental Management	
No.	Action
1	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.
2	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.
3	Designing and operating projects in accordance with the Company's Environmental Management System.
4	Conducting environmental inspections, audits and performance appraisal programs to measure the effectiveness of the environmental management system and the implementation of policies.
5	Developing and maintaining an environmentally conscious culture through risk management and responsibility, education and training for all employees and contractors.
6	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.
7	Communicating the environmental performances openly, accurately and transparently.

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

The Company's commitment to environmental stewardship is demonstrated through its continuous recognition from the government. In 2023, the Company's Hengjaya Mine received a prestigious Green rating (beyond compliance) for the second consecutive year under the Public Disclosure Program for

Environmental Compliance (PROPER) from the Indonesian Ministry of Environment and Forestry. This green rating signifies that Hengjaya Mine has fully adhered to Indonesia's environmental regulations.

Good Mining Practices ^{[2-23] [MM3]}

Precautionary Principle

Nickel Industries' Hengjaya Mine maintains steadfast adherence to Good Mining Practices, ensuring that our mining process is meticulously planned, implemented in phases, and subject to

regular evaluations. This approach is in strict compliance with the requirements specified in Minister of Energy and Mineral Resources (MEMR) Regulation No. 26 of 2018 and MEMR Ministerial Decree 1827K/30/MEM/2018.

Mining Safety Management System

Our comprehensive Mining Safety Management System plays a pivotal role in overseeing our mining operations. This system encompasses policies, planning, organisation, personnel management, implementation, monitoring, evaluation, follow-up, management review, workplace improvement, and risk management. During the Company's planning phase,

it employs a five-year timeline, further divided into yearly, quarterly, monthly, weekly, and daily planning intervals. Nickel Industries' planning process incorporates geological modelling of exploration findings, the development and approval of optimal pit designs, the procurement of auxiliary excavation and transportation equipment, and project-based scheduling.

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

Summary of Mined Materials and their Management

Description	Related Environmental Risk	Management
<ul style="list-style-type: none"> Overburden 	<ul style="list-style-type: none"> Landslide, sedimentation when it rains. 	<ul style="list-style-type: none"> Management of overburden disposal through geotechnical studies. Periodic monitoring to reduce the risk of landslides.
<ul style="list-style-type: none"> Rock 	<ul style="list-style-type: none"> Landslide, sedimentation when it rains. 	<ul style="list-style-type: none"> Utilisation of rock for road lining in the pits.
<ul style="list-style-type: none"> Tailing 	<ul style="list-style-type: none"> No tailings are produced in the Hengjaya Mine area. 	<ul style="list-style-type: none"> No tailings are produced in the Hengjaya Mine area.
<ul style="list-style-type: none"> Sludge 	<ul style="list-style-type: none"> No sludge is produced in the Hengjaya Mine area. 	<ul style="list-style-type: none"> 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 minimise soil erosion and sediment runoff from all active mine areas.	

Substantial initiatives have been undertaken to enhance the quality of our mining procedures. These efforts encompass various aspects, such as the repurposing of materials from open pits for access construction, the development of material storage facilities that align with the site's natural topography, the establishment of settling ponds proportionate to the catchment area and deposition rate, and the optimisation of excavation activities to adhere to specified limits. Additionally, Nickel Industries has refined material mixing processes to achieve the desired ore grade. Further mine optimisations have been realised through meticulous mine planning and scheduling, resulting in reduced rehandling of ore and waste materials.



Pit Design

The Company strives to develop optimal designs that consider the natural topography, water flow, and ore requirements, adhering to within-grade limits and detailed final rehabilitation and landform planning. In cases where mine pits are adjacent to the license boundary, the Company establishes pit design boundaries and final landforms to maintain a sufficient distance from the permitted limit.

Climate Action

Nickel Industries recognises its responsibility to support the global effort to transition to a low-carbon economy, whilst ensuring that its operations reduce its exposure to climate risks.

In December 2023, Nickel Industries announced its emission reduction target against the backdrop of the COP28 United Nations Climate Change Conference that took place in Dubai, United Arab Emirates. During the conference, the Company unveiled its commitment to a 50% reduction in carbon intensity by 2035 and net zero emissions by 2050. The Company was one of only two companies with Indonesian mining operations invited to present at the conference, reflecting the growing recognition it is receiving for taking a leadership role in advancing the sustainability of Indonesia's nickel industry.

Climate Strategy [2-23]

This year, as part of our ongoing commitment to international best practices, Nickel Industries has chosen to be an early adopter of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards. These standards establish a global foundation for sustainability disclosures tailored to the needs of investors and financial markets, enhancing trust and confidence in company sustainability disclosures for more informed investment decisions.

These standards have been developed by building upon the efforts of investor-focused reporting initiatives driven by the market, including the Climate Disclosure Standards Board, the Task Force for Climate-related Financial Disclosures (TCFD), the Value Reporting Foundation's Integrated Reporting Framework and industry-based SASB Standards, as well as the World Economic Forum's Stakeholder Capitalism Metrics.

Moreover, Nickel Industries has signed a binding OLSA with SESNA with respect to the development, installation, operation and maintenance of a 200MWp + 20MWh battery solar project within the IMIP. This project is designed to supply power to the Company's existing RKEF operations, along with the future ENC HPAL project, and represents a transitioning of the Company's operations to renewable energy sources and its commitment to a more sustainable future for Indonesia's mining industry. Furthermore, the Company has recently diversified into the 'Class 1' EV battery supply chain by converting some of its current production into nickel matte and acquiring an interest in the operating Huayue Nickel Cobalt project, in which each incremental unit of HPAL nickel production decreases Nickel Industries' carbon intensity.

Building on the Company's previous advancements within the TCFD framework and now transitioning into the IFRS Sustainability Standards, Nickel Industries remains steadfast in strengthening its climate resilience and capitalising on the opportunities arising from this transitioning economy. The Company's objective is to progressively align with Climate-related Disclosures (IFRS S2) starting in 2024.

In alignment with short, medium, and long-term climate actions developed in 2021, Nickel Industries has further engaged external consultants in 2023 to assist in the creation of our decarbonisation roadmap. This initiative is integral to our commitment to achieve a 50% reduction in carbon intensity by 2035 and reach net-zero emissions by 2050. Through these efforts, the Company aims to address climate-related challenges and capitalise on relevant opportunities in a systematic and impactful manner.



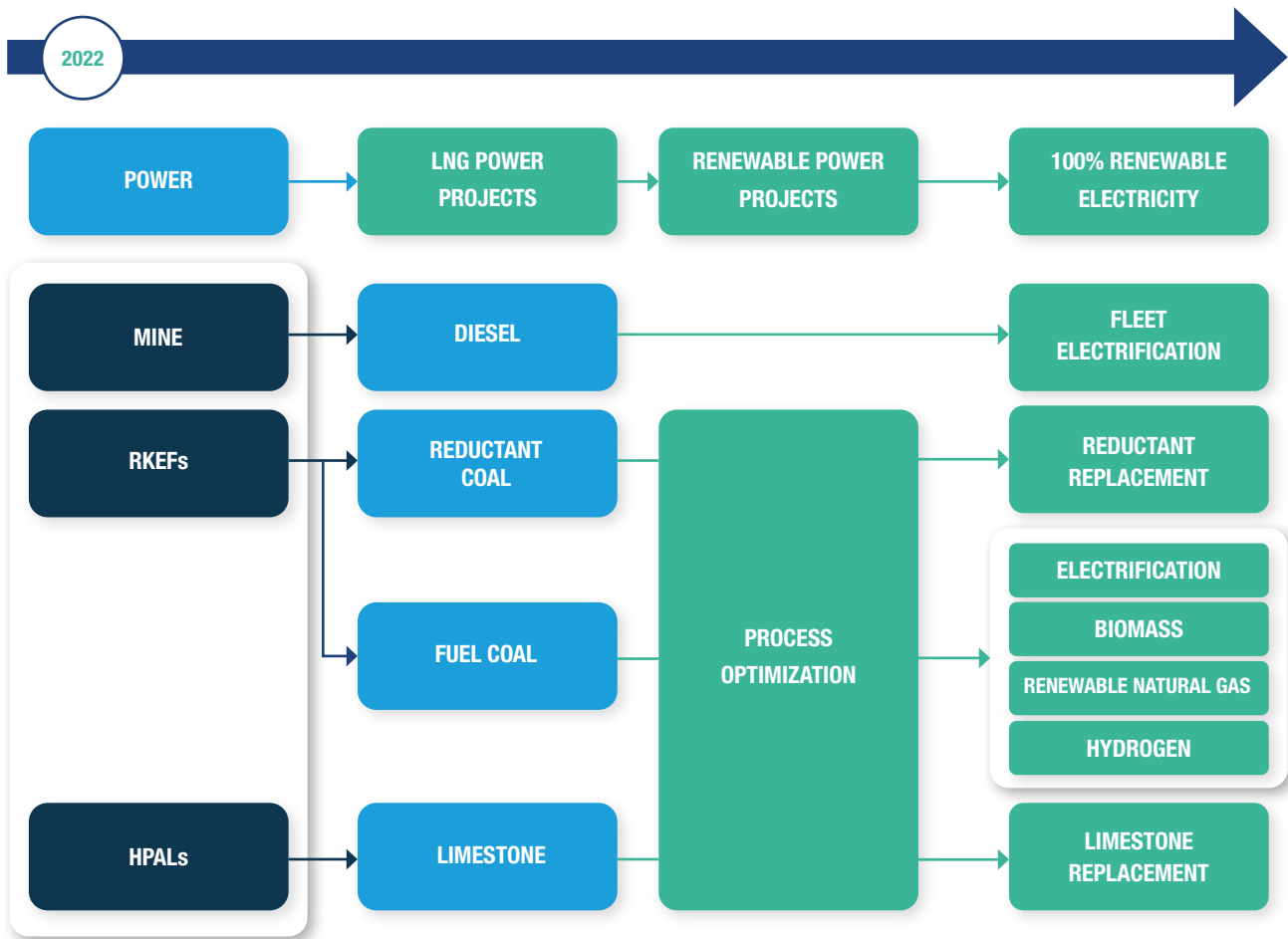
Net Zero Roadmap

At COP 28, Nickel Industries announced its emission targets, aiming to reduce its scope 1 and 2 emissions intensity by 50% by 2035 from a 2022 target base year. In the long term, the Company has committed to achieving net zero operational emissions by 2050.

To achieve these targets, Nickel Industries has recalculated its GHG emissions forecast, which now includes emissions associated with its equity share in recent acquisitions, including

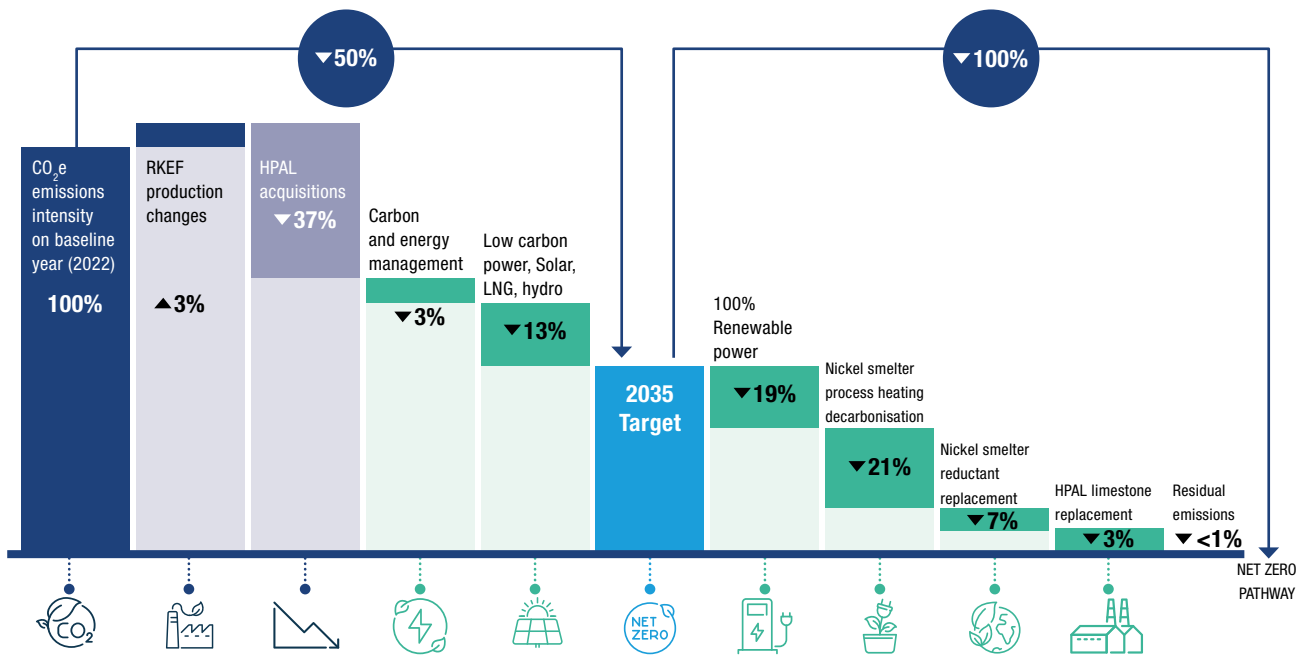
the Huayue Nickel Cobalt and ENC HPAL facilities. The Company will continue to improve its GHG emissions inventory, which will include a re-baseline of its 2022 GHG emissions. Over half of Nickel Industries' Scope 1 and 2 emissions are from electricity used at its facilities, followed by fossil fuels and carbon reductants in the nickel smelting process, and finally by limestone in the acid leaching process. Other GHG emissions sources contribute to less than 1% of the Company's Scope 1 and 2 emissions.

2050 Decarbonisation Roadmap



At COP 28, Nickel Industries announced its emission targets, aiming to reduce its scope 1 and 2 emissions intensity by 50% by 2035 from a 2022 target base year. In the long term, the Company has committed to achieving net zero operational emissions by 2050. To achieve these targets, Nickel Industries has recalculated its GHG emissions forecast, which now includes emissions associated with its equity share in recent acquisitions, including the HNC and ENC HPAL facilities.

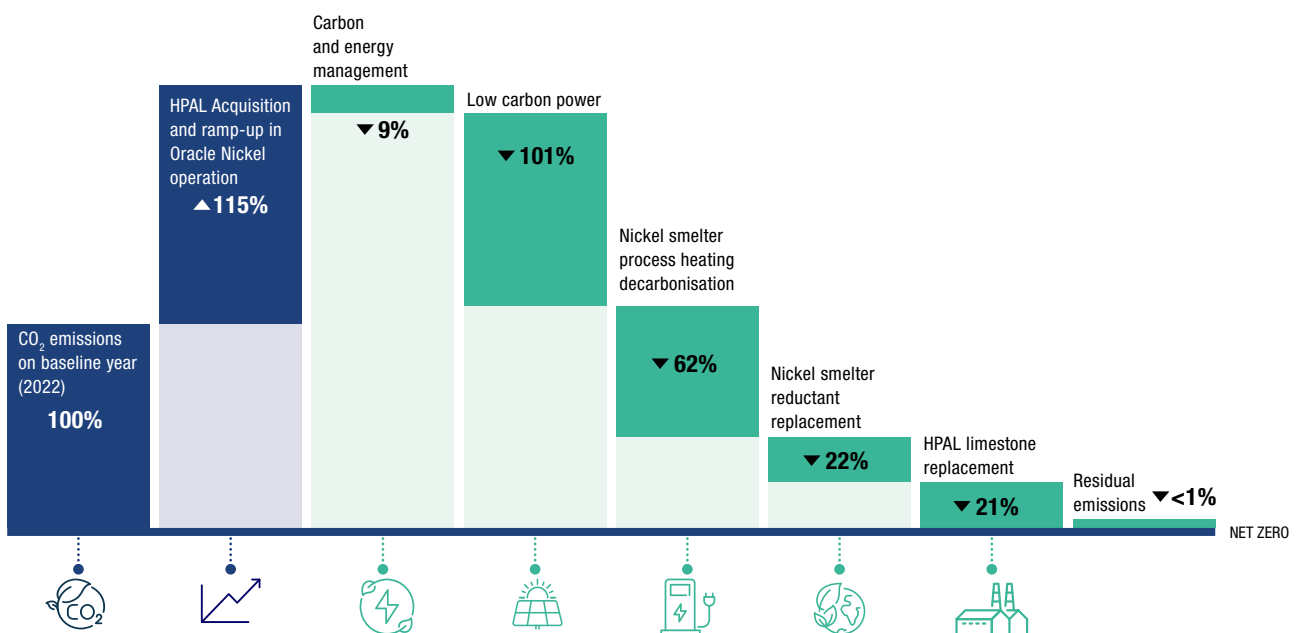
Net Zero Pathway – Emissions Intensity



To achieve net zero emissions by 2050, Nickel Industries has identified three priorities corresponding to the Company's largest GHG emissions sources:

- **Transition to renewable power by 2050.** Achieving net zero will require complete decarbonisation of the Company's power supply by 2050. This effort is supported by one of its major partners, Tsingshan Group, with its commitment not to build new coal power projects.
- **Replacement of fossil fuels and carbon reductants at the nickel smelters.** Options to mitigate hard-to-abate emissions include electrification, hydrogen, and biomass decarbonisation pathways. Additional development will be required to achieve net zero.
- **Replacement of limestone used for neutralisation at the HPAL facilities.** CO₂ emissions are inherent to limestone usage. Eliminating these emissions will require substitution with new materials like low-carbon lime.

Net Zero Pathway – Absolute Emissions



Short-term Strategy

In 2021, Nickel Industries initiated the development of a GHG inventory, coupled with a comprehensive analysis of governance and risks.

To further this endeavour, we collaborated with Pertiwi Consulting and Hatch. The assessment aimed to understand our emissions profile, and results revealed that the predominant contributors were coal combustion and electricity consumption.

In response, Nickel Industries has identified optimising fuel and energy consumption as a key short-term action to mitigate our environmental impact.

Medium-term Strategy

Given the current status of Scope 1 and 2 GHG emissions, along with the climate scenario analysis and the formulation of a coal climate policy, it is anticipated that carbon-related regulations may be enacted in the near future.

Recognising the potential financial impact of such regulations, including the imposition of penalty fees and the necessity for reduced emissions, the Company is proactively directing its efforts towards energy transition. This involves strategic investments in renewable or lower-emission energy options and technology across key operations.

Notably, the development phase of a solar power project with a capacity of 200 MWp at IMIP is underway, offering a promising avenue for emissions reduction in the Company's processes.

Long-term Strategy

Anticipating increased pressure from international and national regulations to reduce GHG emissions, Nickel Industries is strategically planning to mitigate transition risks associated with the adoption of low-carbon technologies. This involves the installation of renewable energy technologies at the Company's sites.

Recognising the time-intensive nature of this technological transition, additional studies are underway. In parallel with the gradual reduction of carbon emissions through operational changes, the Company is exploring the implementation of mechanisms to offset carbon emissions during the transition period.

Nickel Industries is also leveraging market opportunities in the development of low-carbon technologies, including supplying ore to battery manufacturers.

Climate Risk & Resilience [201-2]

Nickel Industries is dedicated to taking proactive measures to tackle the challenges associated with climate change. The Company recognises the financial implications posed by climate-related risks and responds by systematically accounting for our GHG emissions while prioritising the assessment of the most financially significant risks. The Company's commitment extends to the development of a holistic sustainability strategy, which not only mitigates its vulnerability to climate-related risks but also identifies avenues for innovation and expansion within the emerging low-carbon economy.



Aspect

Physical Risk

Importance

The Company recognises the potential physical risks associated with climate change, including extreme weather events and long-term shifts in weather patterns that could impact its operations. These risks may result in production delays, increased costs, loss of productivity days, and heightened liabilities. To comprehensively assess current and future risks, Nickel Industries employs various climate scenarios. These scenarios offer distinct descriptions of future climate projections based on GHG concentration. The Company evaluates physical risks using a scenario developed by the Intergovernmental Panel on Climate Change (IPCC) the Representative Concentration Pathway (RCP) 4.5 and 8.5 scenarios, representing medium and high emission concentrations, to gauge the potential severity of climate change impacts on our company.

The IPCC RCP that describes different climate futures based on the trajectory of GHG concentration and its radiative forcing. The scenario has a set of projections and is named 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



Temperature

Description

IMIP and IWIP are experiencing temperature increases, with both scenarios indicating a range of 28-29°C (approximately a 0.6°C increase). This additional temperature rise poses challenges for field working conditions, potentially making them harsher, as well as potentially increasing demand for water resources.



Precipitation

In both scenarios, IWIP is anticipated to undergo an increase in average precipitation ranging from 2,500 to 2,700 mm per year. On the other hand, precipitation around IMIP is slightly reduced from 2,300 to 1,900 mm annually. Despite the rise in precipitation in IWIP, a study using scenario RCP 8.5 indicates a tendency for longer dry periods (6 months) in North Maluku Province compared to Central Maluku Province (3 months). In Central Halmahera, where IWIP is situated, the quality of surface water might pose a challenge.



Sea Level Rise

Both IMIP and IWIP are situated in coastal areas. Currently, the available data has not indicated a rise in sea levels. However, it is important to note that data on the rise of sea levels is limited. High tide events were recorded in Central Sulawesi Province in 2015 and 2018, but as of now, they have not had a significant impact on the operations of IMIP.



Disasters

Climate-related disasters have been documented in both Central Sulawesi and North Maluku provinces. From 2021 to 2023, Central Sulawesi experienced two disasters, namely extreme weather events and drought. Meanwhile, North Maluku faced flooding, landslides, storms, droughts, and forest fires during from 2015 to 2023. Fortunately, these disasters have not directly impacted the Company's operational sites, resulting in significant financial losses.

The only notable indirect impact occurred in 2019 when flooding in North Konawe Regency, Southeast Sulawesi Province, affected Nickel Industries' operations. This event led to a reduction in nickel production, disrupted mining operations and logistics, and resulted in damaged public facilities, including three broken bridges. The disruption caused a decrease in mine production from 127,000 to 78,000 wet metric tonnes in the second quarter of 2019, primarily due to logistical challenges and staff movement disruptions on the Hengjaya Mine site.

Aspect

Transition Risk

Importance

The Company recognises that the global shift toward low-carbon development, aligned with the Paris Agreement, could potentially impact our business, particularly in the mining and metal production sectors, which are often associated with significant GHG emissions due to their energy-intensive operations. To assess transitional risks, it employs the International Energy Agency World Energy Outlook (IEA WEO) 2021 Announced Policy and Sustainable Development Scenarios for the years 2021 to 2050. This IEA WEO scenario serves as a valuable tool for evaluating our preparedness for forthcoming changes in the global energy landscape.

Risk

Description



Policy

Nickel Industries faces medium risks related to policy changes in the IEA WEO 2021 'Announced Pledges' and 'Sustainable Development' Scenario. The Company may encounter challenges due to regulatory shifts promoting low carbon in the energy and power sector. Indonesian regulations are rapidly evolving, showcasing a clear direction toward low-carbon development. This policy shift also influences the nickel market.

The Indonesian Government is actively integrating climate considerations across various policy areas to achieve its Nationally Determined Contribution target, aligning with the IEA WEO 2021 'Announced Pledges' scenario, spanning power generation to industry. Specific regulations include not building new coal power plants by 2030 and increasing the use of renewables in the energy mix, with targets of 14% natural gas and 30% renewable energy sources.

In the 'Sustainable Development' scenario, policies pivot towards supporting the deployment of Carbon Capture Storage (CCS)/ Carbon Capture Utilisation and Storage (CCUS) and hydrogen in industries and fuel transformation. Both scenarios emphasise policy measures for carbon, energy efficiency, and management. While hydrogen has the potential to become a significant renewable resource, its use is currently being studied and planned in Indonesia. Similarly, CCS/CCUS is in the development and pilot phase, with the government preparing regulations to reduce carbon emissions from hard-to-abate industries, despite debates and scepticism about the widespread application of this technology.



Technology

Nickel Industries is exposed to medium to long-term risks involving additional costs in its operations due to the technology shift, primarily stemming from policy changes in the energy and power plant sectors. The IEA WEO 2021 'Announced Policy' and 'Sustainable Development' scenarios envision the adoption of low-carbon technologies across the energy sector, including crucial renewable electricity production and storage technologies. While both scenarios project that technology will become progressively cheaper over time, the initial shift requires significant capital investment.

Additional costs arise from the implementation of a carbon tax driven by the high intensity of carbon emissions from fossil fuel technologies. In the IEA WEO 2021 'Sustainable Development' scenario, the carbon price is projected to start at 40 USD/tonne CO₂ in 2030, increase to 110 USD/tonne CO₂ in 2040, and further rise to 160 USD/tonne CO₂ in 2050. The Indonesian government plans to implement the carbon tax in 2025 and develop the necessary system. This will contribute to additional costs for industries with high carbon emissions, like those associated with fossil fuel technologies.



Reputation

Nickel Industries encounters moderate risks regarding its reputation, a common challenge for mining and processing industries associated with perceived negative impacts on climate change, environmental degradation, and social conflicts. The global shift towards low-carbon development aligns with the goals of the Paris Agreement, aiming to limit temperature increases to 1.5 degrees. Investors are increasingly attuned to climate policy trends, and financial institutions factor climate change considerations into their financing practices.



Market

Nickel Industries faces low market risk, encountering fewer challenges in both the IEA WEO 2021 'Announced Pledges' and 'Sustainable Development' scenarios. Nickel continues to play a pivotal role in emerging industries, and our strategic product diversification efforts effectively manage market risks. The prevailing favourable conditions validate future business prospects.

Nickel Industries has actively explored new markets and diversified its products, enhancing its competitiveness for the future. The growing demand for EVs directly impacts the demand for nickel, aligning with the trajectories outlined in both scenarios. The increased interest in the EV battery industry globally, particularly in China and Indonesia, presents new opportunities for the Company to participate in.

Climate Risk Management [201-2]



Nickel Industries proactively searches for opportunities to further enhance its climate risk management approach to mitigate potential disruption in its operations due to the increased risk of disasters in its surrounding sites, mainly attributed to physical and transition risks. This may lead to an increase in business costs due to possible delays.

In addressing physical risks, the following risk management measures are considered:

- 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, both onsite and offsite, whenever such extreme climate disasters arise.

Further, Nickel Industries faces significant transition risks, primarily stemming from policy, technology, and reputational risks, while market risk remains relatively low. To address these

challenges, a comprehensive transition risk management plan is being developed and implemented in collaboration with strategic partners. Additionally, the Company is taking the following measures to enhance climate resilience and reduce emissions:

- continuation of the 'Future Energy' collaboration framework to optimise the transition to renewable energy sources across the Company's operations;
- proactive planning and implementation of green practices across the Company's operations and facilities to anticipate a carbon tax;
- continue building its reputation as a responsible nickel producer to build trust among investors and the broader public;
- market expansion towards high-grade nickel to position the Company as a prominent player in sustainable, transition-oriented businesses, particularly within the EV battery sector; and
- continuous monitoring of both Indonesian and global climate policies is an integral part of the Company's risk management strategy to stay adaptive and explore potential collaborations in line with emerging standards and regulations.

Climate Governance

Nickel Industries has established a sustainability committee dedicated to addressing ESG concerns, with a specific focus on climate change. We recognise climate change as a significant governance and strategic issue, consistently featuring on the agenda of the Board of Directors. This prominence is evident in discussions related to strategy, portfolio evaluations, investment decisions, risk management oversight, and performance assessments against established commitments.

Furthermore, the diverse backgrounds and experiences of the Board of Directors contribute positively to the Company's approach to climate change and other ESG-related matters. The varied perspectives of each Board member are valuable in shaping decisions related to these issues. The committee ensures that inputs and outputs from regular sessions are integrated into the decision-making process.



Emissions [305-1, 305-2, 305-4, 305-5] [EM-MM-110a.1] [EM-MM-120a.1]

The Company calculates its GHG emissions in accordance with the principles outlined in ISO 14064-1:2018 and the GHG Protocol Standard. These calculations encompass the Hengjaya Mine, Hengjaya Nickel, Ranger Nickel, Angel Nickel and Oracle Nickel RKEF lines.

GHG Emissions of Nickel Industries*

GHG Emissions (tCO ₂ e)	2023	2022	2021
Scope 1 - Direct Emissions Category <small>[305-1]</small>			
Stationary Fuel Combustion	3,253,113	1,788,264	951,666
Mobile Fuel Combustion	20,842	22,892	13,968
Carbon fraction in the NPI	-80,386	-41,076	-24,942
Total Scope 1 (tCO₂e) <small>[EM-MM-110a.1]</small>	3,193,569	1,770,086	940,808
Scope 2 - Indirect Electricity Emissions Category <small>[305-2]</small>			
Total Scope 2 (tCO ₂ e)	3,440,250	1,814,177	1,086,944
Total Emissions (tCO₂e)	6,633,819	3,584,263	2,101,051
Emissions intensity (tCO₂e/tonne of Ni)	64.65	63.93	64.99

* The emission figures were calculated using an equity-share approach, taking into account the Company's ownership of an 80% interest in each subsidiary.

Nickel Industries' GHG emissions in 2023 significantly increased in comparison to the previous year due to the addition of Oracle Nickel in its portfolio, which started to operate effectively last year. Following the Company's decarbonisation roadmap research in 2021, it has taken a further step in the reporting year by analysing fuel optimisation opportunities to reduce our direct carbon footprints. In addition, the Company has also implemented a solar power system at Hengjaya Mine, which successfully decreased fuel consumption for the generators at the site.

Indirect emissions from electricity generation are still the biggest source of carbon footprints in the Company's operations. Nickel Industries prioritised improving renewable energy utilisation within its portfolio by entering into a memorandum of understanding with SESNA to supply 200 MWp of solar energy for its operations at IMIP. This solar initiative complements the Company's current project involving 450 kWp plus 250 kWh battery storage at the Hengjaya Mine, also in collaboration with SESNA. This initiative replaced diesel-

powered generators and is anticipated to decrease diesel consumption by around 31 million liters over the projected 25-year lifespan of the project. The implementation of this technology is still ongoing, with land acquisition and permit applications becoming the milestones in 2023.

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, the Company's GHG emissions intensity was slightly higher than the previous year due to the commissioning of the Oracle Nickel facility that requires minor adjustments before it can run as smoothly as other RKEF plants.

Trialling EV Trucks

To achieve a 50% reduction in carbon intensity by 2035 and net-zero emissions by 2050, the Company has begun trialling EVs within its operating fleet as a strategic initiative. We are implementing the use of EVs for both IMIP and Hengjaya Mine operations, with each EV anticipated to yield substantial emissions savings compared to traditional vehicles.



Energy [302-1, 302-3, 302-4, 302-5] [EM-MM-130a.1]

Nickel Industries' energy commitments are instrumental in fostering sustainable development within its operational regions and on a global scale, securing access to resources, capital, and a dedicated workforce. Accordingly, the Company is committed to ongoing enhancements in energy efficiency across its projects and operations. To curtail energy consumption, the Company meticulously identify, evaluate, and implement energy efficiency measures, thereby reducing GHG emissions and operational costs. The Company's efforts are underpinned by energy reduction

targets integrated into project design and operations. These various efforts successfully reduced our overall energy intensity from 469.12 GJ/tonne in 2022 to 462.70 GJ/tonne in 2023.

The Company has started to report its energy and emissions reporting since 2021, marking the initiation of a comprehensive monitoring process covering all aspects of energy use. This includes a detailed analysis of both internal and external energy consumption.

Total Energy Consumption (GJ) [302-1] [EM-MM-130a.1]

Type of Energy Source	2023	2022	2021
Coal (bituminous - smelting)	29,705,562	13,526,902	7,070,786
Coal (semi-coke - reductant)	10,905,103	8,877,213	4,902,930
Electrode paste	258,713	153,044	93,655
Electricity	17,917,970	9,448,840	5,661,165
Petrol	38	72	61
Biodiesel B30	558,013	312,924	304,995
Diesel	-	555,645	443,471
LPG	448	533	409
Acetylene (C2H2)	0	0	4
Total Energy (GJ)	59,345,846	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 Intensity [302-3]

Description	Unit	Year		
		2023	2022	2021
Total Energy Usage	GJ	59,345,846	32,875,172	18,248,403
Nickel Metal Production	Tonnes of nickel equivalent	128,259	70,079	40,410
Energy Intensity of the Nickel Production	GJ/ Tonnes of nickel equivalent	462.70	469.12	451.58

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

Nickel Industries is committed to ongoing improvements in water efficiency and strives to meet or exceed local effluent/waste standards. The Company understands the significance of preserving the availability and quality of surface and groundwater sources by promoting efficient usage and preventing water pollution. Therefore, the Company actively engages in international, national, regional, and local partnerships to protect and conserve water for future generations.

**Water and Effluent Usage**

Nickel Industries consistently identifies and assesses water-related risks, implementing continuous improvement plans to manage them. The Company conducts water audits in collaboration with third parties, focusing on enhancing water efficiency performance and reducing pollution loads within the company.

Nickel Industries' commitment extends to safeguarding the rights of indigenous and local communities to clean and safe water. The Company actively collaborates with these

communities, seeking mutually beneficial agreements that recognise their deep connections to land, water, and the environment. Emphasising the principles of free, prior, and informed consent, the Company works to protect their rights to access safe and clean water. Nickel Industries' broader objective involves forming partnerships at the international, national, regional, and local levels to ensure the sustained conservation and protection of water resources for future generations.

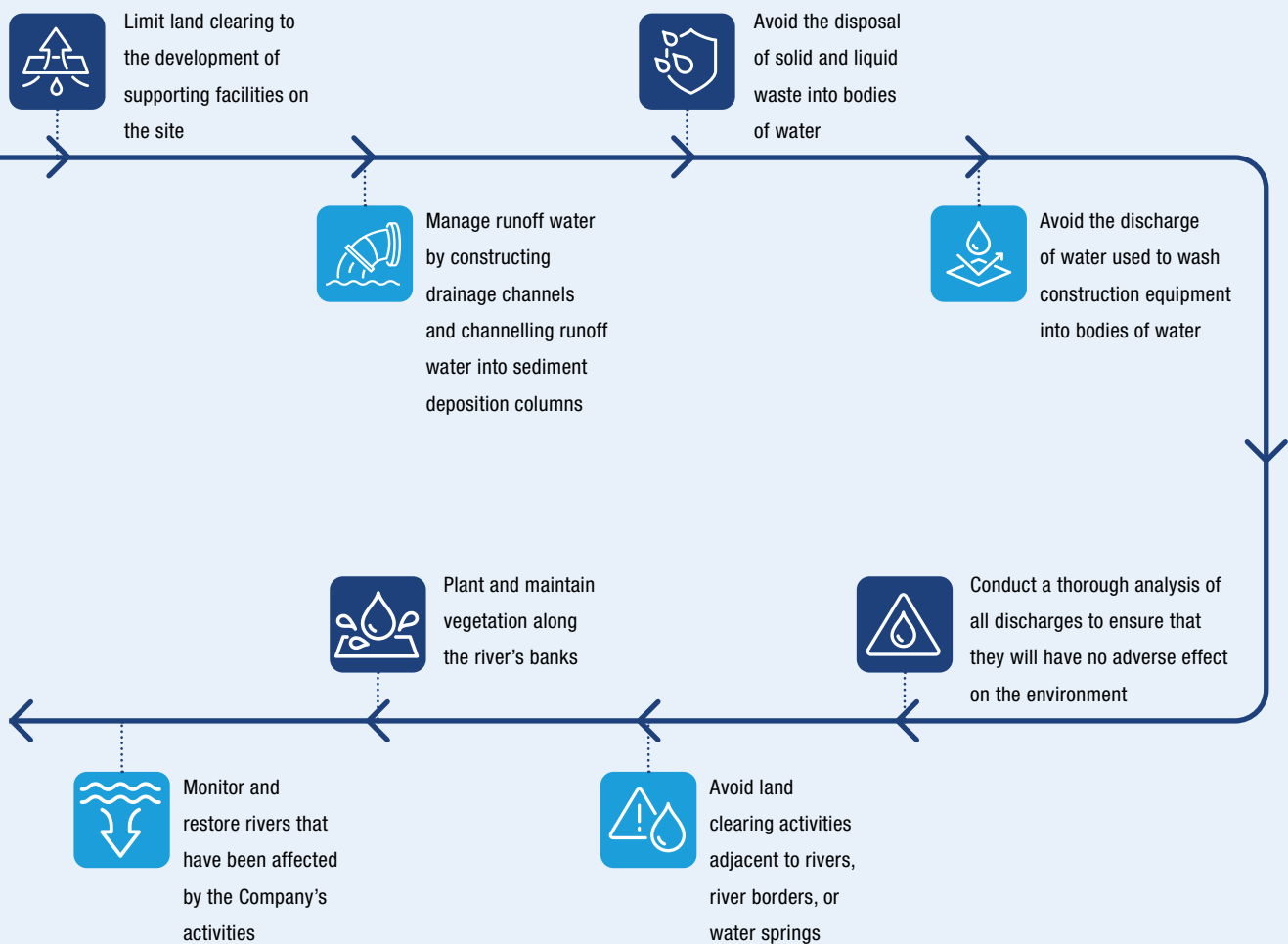
Water and Effluent Management [303-2, 303-3]

To uphold Nickel Industries' commitment to preserving the accessibility and quality of water resources, the Company implements water management practices at the Hengjaya Mine. Rainwater runoff in open areas is initially managed through settling, and daily internal testing of quality parameters such as pH and TSS. Additionally, monthly testing is performed by an independent laboratory, aligning with government regulations specified in Minister of Environment Regulation No. 09 of 2006, specifically addressing the quality of wastewater in nickel mining.

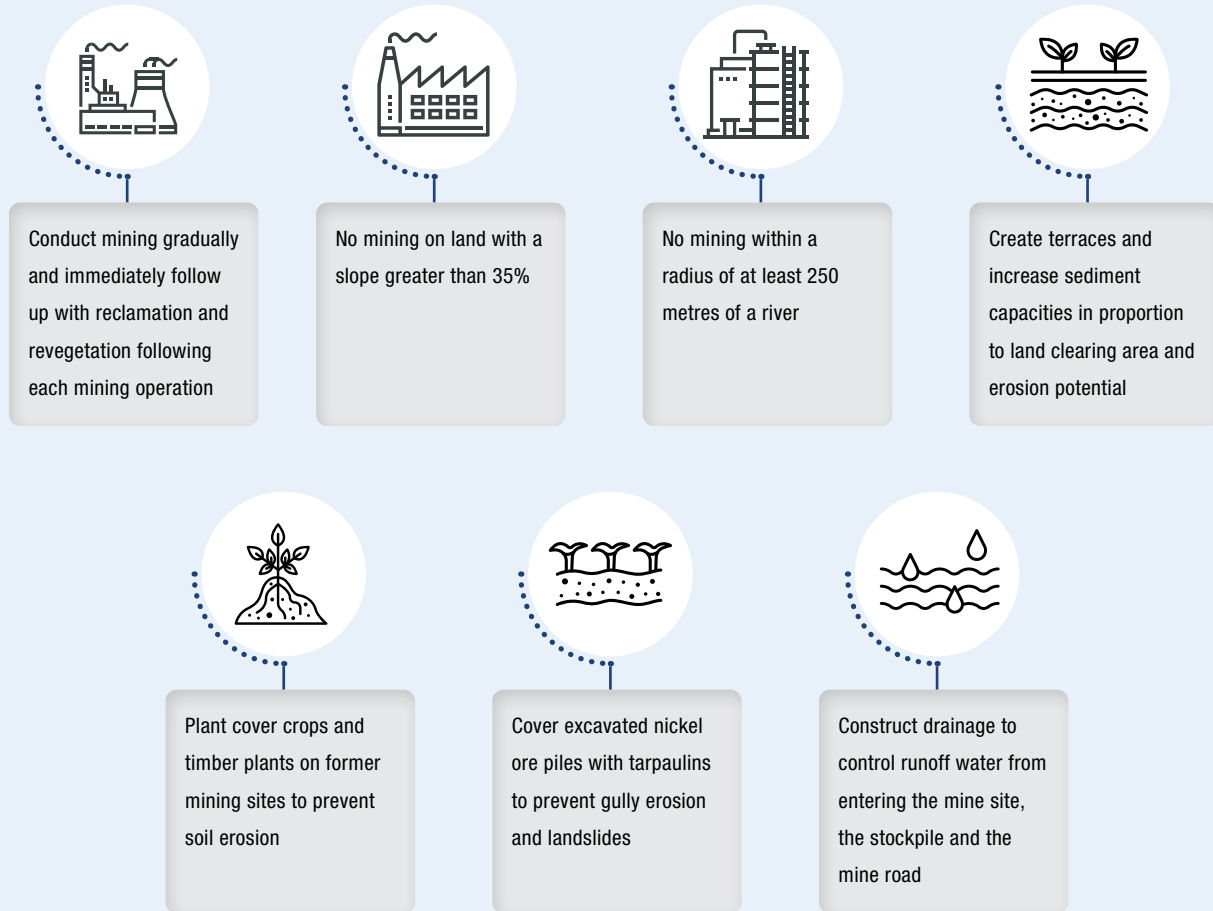
Nickel Industries also complies with other relevant Indonesian laws, including the Decree of the Minister of the Environment No. 51 of 2004, which addresses the Standard Quality of Seawater; Government Regulation No. 82 of 2001, which

focuses on Water Quality Management and Water Pollution Control; and Government Regulation Number 22 of 2021 concerning the implementation of environmental protection and management. By adhering to these regulations, the Company engages in ongoing consultations with the relevant authorities to proactively anticipate and address potential impacts. This commitment enables the Company to consistently meet local water effluent standards in its operations and anticipate potential impacts through ongoing consultation with relevant authorities. [2-23]

To ensure the water quality in Nickel Industries' operational areas, the activities conducted by the Company before, during and after the operations are set out below.



The Company engages in a range of activities to avoid potential degradation of water quality due to soil erosion, as set out below.



Water Sources

Water quality at the Company's RKEF lines in IMIP undergoes regular monitoring by a certified laboratory at a designated monitoring point. The results of this monitoring are systematically compared to relevant quality standards. To minimise environmental impact, the residual water is efficiently managed through recirculation and reuse within the production process, ensuring that no discharge occurs into the environment. Additionally, the Water Treatment Plant facility plays a crucial role as the local water supplier, providing the specified water quantities for both production and domestic needs.





Water Withdrawal

Surface water

m³

Hengjaya Nickel

2023	2022	2021
0	0	0

Ranger Nickel

2023	2022	2021
0	0	0

Angel Nickel

2023	2022
0	0

Oracle Nickel

2023	2022
0	0

Ground water

m³

Hengjaya Nickel

2023	2022	2021
0	0	0

Ranger Nickel

2023	2022	2021
0	0	0

Angel Nickel

2023	2022
0	0

Oracle Nickel

2023	2022
0	0

Produced water

m³

Hengjaya Nickel

2023	2022	2021
1,177,484	1,091,600	751,345

Ranger Nickel

2023	2022	2021
930,680	1,078,688	751,345

Angel Nickel

2023	2022
3,890,000	1,082,421

Oracle Nickel

2023	2022
2,782,002	1,078,688

Third-party water

m³

Hengjaya Nickel

2023	2022	2021
0	0	0

Ranger Nickel

2023	2022	2021
0	0	0

Angel Nickel

2023	2022	2021
0	0	0

Oracle Nickel

2023	2022	2021
0	0	0



Water Discharge

Source of Water	Unit	2023	2022
Waste Water Treatment Plant at Angel Nickel	m ³	1,452m ³ /day	3,500 m ³ /day

Water Consumption

Source of Water	Unit	2023	2022	2021
Surface water used in the office and basecamp of Hengjaya Mine	m ³	16,641	13,296	13,507

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

The Company is committed to responsible waste management throughout the entire lifecycle of its operations, from project inception and execution to ongoing activities and eventual closure. The overall goal of this initiative is to effectively manage and mitigate risks and impacts associated with waste generation.



Waste Treatment Policy [2-23, 303-3]

The Company promotes the application of the "4R" principles—Reduce, Reuse, Recycle, and Recover—across all stages of its operations' lifecycle to effectively address waste generation risks and minimise impacts. Through the adoption of these principles, the Company ensures the secure storage and appropriate disposal of waste and process residues.

Nickel Industries collaborates closely with relevant authorities to manage hazardous waste in accordance with approved waste processing techniques. The Company's commitment to

responsible waste management extends to collaborating with local stakeholders at our sites and projects, advocating for sustainable waste practices in alignment with the Company's long-term objectives.

Furthermore, the Company hazardous waste storage areas strictly adhere to all relevant laws and regulations, including compliance with Minister of Environment and Forestry Regulation No. P.12/Menlhk/Secretary General/PLB.3/5/2020 concerning Hazardous Waste Storage and Government Regulation No. 101 of 2014 on Hazardous Waste Management.

Waste Management

Nickel Industries utilises a technology-driven and socioeconomic approach to waste management.



Technology-driven Approach

Establishing sufficient temporary waste storage around the project site.

Collecting waste from temporary waste storage periodically and transporting it to the landfill.

Establishing a garbage disposal area around the activity site to prevent workers from throwing garbage carelessly and polluting the surrounding waters.

Establishing a location for workers to dispose of feces (septic tank).

Accommodating remnants of lubricating oil, fuel and or other hazardous waste that may pollute the waters.



Socioeconomic Approach

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.

Conducting specialised training for hazardous waste management workers.

Waste Generation [MM3]

Nickel Industries implements a comprehensive waste separation system, categorising waste into three distinct groups: organic waste, inorganic waste, and hazardous waste. The domestic waste generated is managed by the internal team, while hazardous waste is entrusted to licensed hazardous waste transporters. The Company takes great care to ensure that these carriers and waste processors possess the necessary permits in strict accordance with the regulations. Furthermore, the Company maintains a manifest for every shipment of hazardous waste, ensuring that the details of each shipment are recorded and documented in compliance with the regulations.

The waste generated in 2023 includes:

	Hengjaya Nickel	Ranger Nickel	Angel Nickel	Oracle Nickel
Waste Composition	Waste Generated and Diverted from Disposal (tonnes)	Waste Generated and Diverted from Disposal (tonnes)	Waste Generated and Diverted from Disposal (tonnes)	Waste Generated and Diverted from Disposal (tonnes)
NPI Slag	1,176,793	1,165,532	2,784,000	2,074,571
Used Oil	9.72	7.74	0	23.4
Used Battery	1.333	1.459	0	0.145
Used Filter	0.887	1.016	0	4.112
Used Clot	0.980	0.962	0	1.395

Additionally, hazardous and toxic waste at the Hengjaya Mine is managed and processed by third parties. [306-3]

Type of Hazardous and Toxic Waste	Management Method	2023	2022	2021
Used oil	Processed by the third parties	110.4	138.47	4.98
Contaminated clot		2.9	0.46	0.02
Used filter		10.53	8.76	0.23
Used battery		5.77	4.59	0.07

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

Biodiversity is a crucial aspect of Nickel Industries' environmental stewardship commitment, and the Company has integrated biodiversity management programs into its good mining practices. The Company is dedicated to making informed decisions that enhance biodiversity in meaningful and sustainable ways. Nickel Industries aims not only to meet, but to exceed local biodiversity regulations in all its operational areas whenever possible.

The Company's mining operations area is located in the Morowali Regency of the east coast province of Central Sulawesi, Indonesia, on an IUP permit concession area covering 5,983 hectares. The mine holds a 20-year IUP mining operation/production license and concession area covering 5,983 hectares, with two 10-year extension options.



Biodiversity and Protection Policy [2-23, 303-3]

Nickel Industries' biodiversity management practices are in accordance with the Indonesian Government Regulation No. 28 of 2011, as amended by the Indonesian Government Regulation No. 108 of 2015, concerning the Conservation of Biological Natural Resources and Ecosystems.

Nickel Industries' conservation strategies are designed to positively impact high-value biodiversity in its project areas

through well-planned mine closure activities, ensuring their efficient completion as our operational phase concludes. The Company maintains open communication with all relevant stakeholders to ensure a coordinated approach to the final land use plan.

Our two-pronged strategy employs a technology-driven and socioeconomic approach, as set out below.

Technology-driven Approach	Socioeconomic 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.	Establishing 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.	Coordinating with relevant government agencies to ensure that the amount of disturbed lands is minimal and in line with the long-term mining plan.

Biodiversity Program [304-1, 304-3]

Nickel Industries has designated a ±200-hectare area within Hengjaya Mine for its flagship biodiversity conservation program. The area is accessible approximately 400 meters on foot from the Morowali highway. The topography varies from hilly to steep

and wavy, with perennial rivers flowing throughout the year. The conservation area boasts good forest cover, exhibiting high diversity in both flora and fauna. Serving as a habitat for wildlife along the river and upstream in the forest area, this region holds significant ecological value.



Since 2019, we have supported the rehabilitation of 2,057 Ha of watershed area in Central Sulawesi, in which 2,257,036 trees (such as pines, rattans, and durians) have been planted. 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.

Anticipated to serve as a hub for research, local seed plant cultivation, and a tourist attraction, the conservation area has undergone infrastructure development. Construction of routes, installation of signs, and shelters have been implemented around the Ciamsi forest, which connects to the conservation area. Ciamsi has been chosen as the showcase for the conservation forest due to its relatively good potential in terms of flora and fauna, providing a snapshot of the mine's conservation efforts within the broader landscape. On the other hand, the Company's RKEF operations have implemented various conservation initiatives, including:

- Planting 10,500 mangrove seedlings at Labota Wharf and Padabaho Wharf, with an additional 4,390 mangrove seedlings planted at the mouth of Kumpi River.
- Distributing mangrove seedlings to social organisations: 2,200 for Padabaho Youth Organization and UGM KKN group, 1,100 for Gondrong Morowali community, and 500 for Morowali Metal Industry Polytechnic.
- Expanding the nursery area by 105 square meters.
- Planting 14,218 seedlings in the nursery area.
- Creating 10,309 square meters of new green open space (RTH) in the park.



Hengjaya Mine's commitment to preserving the Tangofa coral reefs.

The Hengjaya Mine is dedicated to preserving the Tangofa coral reefs is exemplified through the Tangofa Coral Reef Conservation Program (SEA Tangofa), which was initiated in 2022. The Hengjaya Mine collaborates with government bodies, professional institutions, and the local community to implement a pilot coral transplantation project in the marine area of Tangofa Village, specifically Tanjung Batu Manu, covering approximately 150 by 90 meters.

The SEA Tangofa program aims to protect and sustain coral reef ecosystems by maximising the reuse of company waste. It aligns with national and global agendas to achieve the SDGs, particularly addressing issues related to marine ecosystems.

Setting itself apart from conventional coral transplantation programs, SEA Tangofa creatively repurposes discarded vehicles, pipes, and scrap metal into artificial coral reef structures. By utilising corporate waste, the Company not only contributes to ecosystem restoration in Tangofa Village but also indirectly reduces overall waste production.

In collaboration with stakeholders, the Hengjaya Mine team promotes awareness among coastal

communities and internal staff regarding the significance of biodiversity protection, especially marine life. The Hengjaya Mine aims to pioneer breakthroughs that contribute to environmental sustainability. Furthermore, SEA Tangofa provides an alternative fishing zone by introducing new species to the coastal community of Tangofa Village, benefiting local fishermen.

Based on the monitoring and evaluation conducted by the Hengjaya Mine team in collaboration with Sombori Dive Conservation (SDC), 80% of hard coral growth (717 pots) and soft coral (83 pots) is considered healthy and thriving. Conserved coral reef species include Acropora Breancing, Acropora Cevicuris, and Soft Coral. Additionally, there is evident flourishing marine life in Tanjung Batu Manu, featuring new fauna such as lionfish (*Pterois volitans*), squid (*Sepiida*), parrotfish, surgeonfish, barracuda, and others.

The success of SEA Tangofa was nationally recognised in 2023, earning acknowledgment from the La Tofi School of Social Responsibility through the Nusantara CSR Awards, focusing on SDGs and marine ecosystem issues. On this occasion, the Hengjaya Mine team proudly received a certificate and trophy at the GOLD level.

Post-Mining and Reclamation Plan

Hengjaya Mine is engaged in laterite nickel mining in Morowali, operating under a Production Operation Mining Business Permit (IUP-OP) with letter Number SK 540/345/IUP-OP-Penciuatan/DPMPSTSP/2020 issued on 10 July 2020. This permit spans an area of 5,983 hectares and is valid until 26 May 2031 with two 10-year extension options.

As part of regulatory requirements, every mining company must establish a post-mining land reclamation programme. This programme is closely aligned with Regional Spatial Plan of Bete-bete Village and Tangofa Village, Bahodopi District, Morowali Regency, Central Sulawesi. The goal is to transform former mining land into areas with high economic value, benefiting both landowners and local communities, while also prioritising environmental considerations.

Reclamation activities at Hengjaya Mine for the period 2021-2025 are conducted concurrently with production operations and cover the former mining excavation area. The process involves filling the former mining area with topsoil material, which was previously stored in a designated topsoil bank location. This location is also planned to serve as a revegetation area.

Additionally, Hengjaya Mine has developed a comprehensive Post-Mining Plan Report to review the programmes and vegetation plans for laterite nickel ore commodity mining in Bahodopi and Bungku Pesisir Districts, Morowali Regency, Central Sulawesi Province. The post-mining implementation activities, scheduled for 2032-2035, span four years and include four stages: post-mining preparation, demolition of supporting facilities, care and maintenance, and handover of land status to the Morowali Regency Government.

Hengjaya Mine executes post-mining activities through the empowerment of plants beneficial for the local communities within the mining environment. The Company supports various facilities encompassing health, education, self-sufficiency, the economy, and infrastructure. Hengjaya Mine collaborates with stakeholders on the community empowerment and development program, emphasising the recruitment of local personnel in the hiring process.





SDG
5
Social
Responsibility

I Social Responsibility



Social responsibility is an integral aspect of Nickel Industries' operations and the Company is dedicated to fostering positive change and making a meaningful impact on society. As part of our commitment, Nickel Industries actively works towards stimulating local socioeconomic development and sustainability, with a focus on contributing to the livelihoods and wellbeing of the communities and the environment surrounding the Company's areas of operation. Nickel Industries approaches its activities with deep respect for the local people and their customs, recognising the importance of cultural sensitivity in all our endeavours.

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 acknowledges that its operations may result in conflict and disruption to the local communities and their environments. However, the Company is committed to actively involving local communities and villages by providing expanded business opportunities, boosting public income, and generating local employment opportunities. The Company aims to foster positive relationships and promote sustainable development in the regions where it operates.

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 places a strong emphasis on local employment within its operations and is committed to enhancing the capacity of its employees through training and workshops. Moreover, the Company has implemented various Corporate Social Responsibility (CSR) programmes for the surrounding villages, with the aim of proactively creating value and avoiding reactionary sentiments.

[2-25, 2-26]

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

Human capital development fuels the Company's growth, innovation, and fosters a culture of continuous learning and improvement. Employees are Nickel Industries' most valuable asset, and by dedicating resources to their professional and personal development, the Company empowers them to reach their full potential. Consequently, this step enables the Company to provide exceptional products and services and maintain a competitive edge in the industry.

Training and Education Policy

Nickel Industries invests in its workforce through tailored development programs that empower its employees to enhance their skills and knowledge, fostering career growth within the Company.

There are two approaches to calculating average employee training hours per year, which are the average training hours per participant and per employee. Average training hours per employee is a total number of training hours provided to participants divided by the total number of participants, while average training per employees is a total number of training hours provided to participants divided by the total number of employees.



Hengjaya Mine

Total Training Participants by Employee Category and Gender – Hengjaya Mine

Employee Category	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Permanent	342	42	66	15	42	6
Contract	10	1	0	0	0	0
Total	352	43	66	15	42	6

Average Hours of Training – Hengjaya Mine

Year	Total Training Hours	Average Based on Participants		Average Based on Employee	
		Total	Average	Total	Average
2023	1,481	65	23	395	4
2022	3,440	81	42	305	11
2021	1,288	48	27	263	5

Hengjaya Nickel

Total Training Participants by Employee Category and Gender – Hengjaya Nickel

Employee Category	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Permanent	469	79	461	79	470	57
Contract	58	13	110	14	109	13
Total	548	92	571	93	579	70

Average Training Hours – Hengjaya Nickel

Year	Total Training Hours	Average Based on Participants		Based on Employee Average	
		Total	Average	Total	Average
2023	34,826	640	54	640	54
2022	1,734	664	3	664	3
2021	1,728	649	3	649	3

Ranger Nickel

Total Training Participants by Employee Category and Gender - Ranger Nickel

Employee Category	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Permanent	438	78	424	78	486	66
Contract	52	4	81	14	41	0
Total	490	82	505	92	527	66

Average Training Hours – Ranger Nickel

Year	Total Training Hours	Average Based on Participants		Based On Employee Average	
		Total	Average	Total	Average
2023	38,982	572	68	572	68
2022	1,734	597	3	597	3
2021	1,728	593	3	593	3

Angel Nickel

Total Training Participants by Employee Category and Gender - Angel Nickel

Employee Category	2023		2022	
	Male	Female	Male	Female
Permanent	1,494	144	1,024	80
Contract	211	13	104	13
Total	1,705	157	1,128	93

Average Hours of Training - Angel Nickel

Year	Total Training Hours	Average Based on Participants		Average Based on Employee	
		Total	Average	Total	Average
2023	20,442.9	23,383	2	951	28
2022	6,638	5,612	1	1,128	6

Oracle Nickel

Total Training Participants by Employee Category and Gender - Oracle Nickel

Employee Category	2023		2022	
	Male	Female	Male	Female
Permanent	1,479	141	3,529	141
Contract	322	24	143	3
Total	1,801	165	3,672	144

Average Hours of Training – Oracle Nickel

Year	Total Training Hours	Average Based on Participants		Average Based on Employee	
		Total	Average	Total	Average
2023	40,445	1,966	21	1,966	21
2022	1,734	3,816	2	3,816	2

We also conduct training and competency development on sustainability principles with the goal of enhancing understanding and maximising sustainability performance.

ESG/Sustainability Training

Training

Number of Participants

Certification of Competence for Operational Supervisor of Wastewater Treatment (POPAL)

1

Training

Number of Participants

Pollution Control Officer (PPA) Competence Certification

1

Training

Number of Participants

Certification of Competence for Operational Supervisor of Air Pollution Control Installation

1

Training

Number of Participants

Corporate Social Responsibility

2

Human Rights Training

Training

Number of Participants

Human Right Policy

15

Occupational Health and Safety [403-1, 403-2,

403-3, 403-4, 403-5, 403-6, 403-7, 403-8] [EM-MM-320a.1]

Occupational Health and Safety (OHS) is of paramount importance to Nickel Industries, representing a critical aspect to ensure the Company's operations are successful. Nickel Industries maintain the highest and most stringent health and safety standards, actively pursuing a 'Zero-Harm' work culture across all facets of our operations.

16,718,448 LTI-free man hours across all of Nickel Industries' projects were achieved in 2023. The Company will continue to strengthen its 'best practice' mining and all processing standards. In addition to the Hengjaya Mine, all of our operations continue to focus on our safety training, risk assessments and change management. The Company remains committed to continuous improvement throughout all operations and will continue to work collaboratively with stakeholders to drive positive environmental, safety, social, and governance outcomes.



OHS Policy ^[2-23]

The Company's 'Zero-Harm' objective is a fundamental commitment aimed at ensuring the safety and wellbeing of its employees, contractors, suppliers, and surrounding communities. The effective implementation of OHS policies is instrumental in realising this objective, fostering OHS-focused habits among our employees. Consistent and diligent practice of these good habits becomes ingrained in our behaviour and culture, further strengthening the Company's commitment to safety.

To fulfil this expectation, the Company has established the following policy:

Obey all Regulations and internal company rules related to occupational health and safety.

Determine and implement occupational health and safety management system standards in accordance with mine safety management system (SMKP) and other occupational health and safety management systems such as ISO 45001:2018.

Conduct hazard identification and risk assessment for all company activities and determine risk controls to reduce risk to the accepted levels.

Determine occupational health and safety targets and regularly evaluate their achievements.

Develop and implement mine occupational health and safety and operational safety program by involving all employees to prevent occupational health and safety incidents, including occupational illness.

Develop safe work procedures, provide appropriate personal protective equipment and safe equipment and provide training and relevant competencies.

Report unsafe events and conditions and 'stop the job' until corrective actions have been made.

Enforce continuous improvement by evaluating Health and Safety Management system performance through internal and external audits and follow up any non-conformances.

Implement the emergency response and preparedness procedure, provide resources and regularly test to ensure their effectiveness.

The Company's OHS Policy are in accordance with and adhere to the following regulations: ^[2-3]

- Indonesian Law No. 1 of 1970 on Occupational Safety and Health.
- 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.
- Indonesian MEMR Decree No. 1827 K 30 MEM 2018 regarding Guidelines for the Implementation of Good Mining Engineering Rules.
- Indonesian MEMR Regulation No. 26 2018 concerning the Implementation of Good Mining Rules and Supervision of Minerals and Coal.



Nickel Industries policies undergo regular review, documentation, implementation, and dissemination to all employees, contractors, visitors, and relevant stakeholders. Additionally, the Company has established 11 Golden Rules that are applicable to all employees, contractors, visitors, and other stakeholders:

11 Golden Rules



Do not work if you are not in good health or not using the appropriate Personal Protective Equipment (PPE).



Only competent workers with the necessary authority may operate or modify equipment.



Follow working procedures and usage protocols when using equipment.



Do not remove, bypass, or modify safety protection devices without permission.



Always use the required personal fall protection device when working at heights.



Do not exceed the specified criteria for using lifting equipment, and avoid placing yourself under a lifting process.



Do not enter restricted areas or areas without proper authorisation



Hazardous and toxic materials or B3 waste must not be disposed of in the vicinity of the mine.



Dispose of domestic or non-B3 waste only in designated locations.



Do not damage or disturb plants, including reclaimed and natural plants, outside the reclamation area without permission from the Head of Mining (KTT).



Do not engage in the hunting of any fauna within the mining area.

OHS Management System

The Company has established an Occupational Health and Safety Management System (OHSMS) in compliance with relevant OHS laws and regulations. Nickel Industries follow risk management protocols and adhere to OHS standards as mandated by Article 87 of Indonesian Law 13 of 2003 on Manpower, which requires the implementation of an integrated OHSMS.

The Company's OHSMS is presently enforced across all our operational sites, including Hengjaya Mine, Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel. Moreover, these sites have obtained OHSMS in accordance with the ISO 45001:2018. The Company's objective is to sustain a work environment that prioritises health, safety, efficiency, and productivity.

Hazard Identification, Risk Assessment and Incident Investigation

Types of High-Risk Jobs	Description of Activities and Risks	Mitigation
Fire	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 PPE according to the type of work (Face Shield, Apron, Special Hand Gloves, welding screen, etc.), emergency response, routine conduct emergency drill.
Explosion	Explosion, 3rd-degree burns, intoxicated, asphyxiated	<ul style="list-style-type: none"> • Person fit for work. • Completed risk assessment (JSEA/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). • Clear the area from combustible. • ERP. • Isolation procedures. • Authorised 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.

Types of High-Risk Jobs	Description of Activities and Risks	Mitigation
Working at height	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.) emergency response, routine conduct emergency drill.
	Falling Down, Struck Down Material	<ul style="list-style-type: none"> • Person fit for work. • Completed risk assessment (JSEA/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.), emergency response, routine conduct emergency drill.
Energy Sources	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), emergency response, routine conduct emergency drill.
Confined Space	Fainted while enter the confined space	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, provide gas test before entering the confined space, ensure rescue plan while there are emergency case, routine conduct emergency drill.
Earthquake	All working area are affected of earthquake	Follow SOP Emergency response earthquake; If trapped in a building, do the following instruction: a. Seek the shelter, protect the head; b. Bend under a table, protect your head, and hold the legs of the table, Stay away from glass (window pane, mirror, etc), falling objects, exterior walls, stairs; e. Stay where you are, because stepping in during an earthquake is at risk of making you fall or be hit by an object, emergency response, routine conduct emergency drill.
Land Slide	Land slide at mining or beside hauling road	Monitoring Geotech, early warning awareness, good mining planning, emergency response, routine conduct emergency drill.
Chemical Spill	Spill at mining area	Good preventive maintenance unit, provide spill kit for handling spill, emergency response, routine conduct emergency drill.
Excavation Work	Underground facility damage	Permit to Work system, have update underground facilities drawing layout, LOTO system if excavation near the electrical cable, emergency response, routine conduct emergency drill.

Types of High-Risk Jobs	Description of Activities and Risks	Mitigation
Interaction Unit	Collision	Pedestrian area, safety sign, provide separation route, provide in and out area of unit, monitor speed unit, emergency response, routine conduct emergency drill.
Tsunami	All working area are affected of tsunami	Early warning awareness, emergency response, routine conduct emergency drill.

Occupational Health Services & Employee Health Promotion

Occupational health services are crucial for safeguarding the wellbeing of employees, ensuring a safe work environment and promoting productivity in the workplace. Nickel Industries ensures the wellbeing of its employees by providing a range of health services and facilities, including:

- First aid station facilities that meet established standards.
- Health facilities staffed by one doctor and four nurses.
- Regular medical check-ups for all employees.
- Monthly distribution of vitamins to all employees.
- Offering round-the-clock health services (1x24 hours) for employees in need, whether due to illness or unfitness.
- Conducting annual health risk assessments led by the medical doctors at IMIP.
- Carrying out inspections of canteen facilities at IMIP.
- Providing essential labour protection equipment to ensure employee safety.
- Perform a physical check for the Emergency Response Team (ERT) every week.

In addition to these health services, Nickel Industries actively promotes employee health through various activities and communication methods, such as banner installations, socialisation in internal meetings and general safety toolbox meetings, campaigns via bulletin, and sharing materials and videos related to health protocols via WhatsApp Group.

Through the Company's collaboration with IMIP, it has established an emergency clinic that serves as a 24-hour healthcare facility. This clinic offers outpatient polyclinic, inpatient, and emergency unit services, ensuring that employees who are ill or experience work-related accidents receive timely and appropriate medical care.

Worker Participation, Consultation and Communication on OHS

Nickel Industries prioritises employee involvement in the OHS consultation and communication process. To oversee and manage OHS performance, the Company has established a Mining Safety Committee at the Hengjaya Mine, led by the Head of Mining Engineering, and includes members such as Operational Supervisors, Technical Supervisors, Competent Mining Technical Personnel, and Mining OHS and Mining Operational Safety experts, all appointed by the Company's management and approved by the Head of Mining Engineering. Additionally, employee representatives actively participate in these safety committee meetings, which are conducted at least

once a month. Furthermore, General Safety Tool Box Meetings are held every Monday to promote ongoing safety awareness and communication among all employees.

Furthermore, employees at Hengjaya Nickel, Ranger Nickel, Oracle Nickel, and Angel Nickel are actively encouraged to participate in Occupational Health and Safety (OHS) consultations, where their valuable input contributes to the Company's comprehensive safety practices. These consultations encompass a wide range of topics and activities, including:

Regular Safety Talks

These talks occur before work activities commence to ensure all personnel are aware of safety procedures and concerns.

Safety Patrols for OHS Inspections

Regular inspections are carried out to identify and rectify safety hazards.

Safety Signage and OHS Banners

These aids enhance safety communication and awareness throughout the workplace.

Emergency Response Procedures

Well-defined procedures are in place to address emergencies promptly and effectively.

Emergency Drill Response in every month

Drills are conducted monthly for every top-risk.

Updating Laws and Regulations

The Company stays up to date with all relevant OHS laws and regulations to ensure compliance.

Updating Laws and Regulations

The Company stays up to date with all relevant OHS laws and regulations to ensure compliance.

Accident Investigations and Follow-up Evaluation

In-depth investigations are conducted, followed by evaluations, to prevent recurrence.

Workplace Accident Reports and PAK

The Company maintains a system for reporting workplace accidents and utilising the PAK system (Peraturan Analisis Kecelakaan or Accident Analysis Regulation).

Internal/External OHS Consultations

Engaging in both internal and external consultations helps us foster a culture of safety.

OHS Meetings

Regular meetings are held to address various health and safety-related matters.

Weekly Safety Talks

These targeted talks aim to enhance communication between management and workers and occur four times a month at each superintendent and above level.

Safety Campaigns

The Company organises safety campaigns, including events such as Safety Speech Competitions, Safety-related Drills, and Safety Knowledge Contests, to promote safety awareness and engagement among employees.

OHS Audit

Internal and external OHS audits concerning ISO and the OHSMS.

OHS Training and Education

Training and education in OHS are paramount to building employee capacity and ensuring their ability to perform their work effectively and safely.

In the last three years, the Company's employees have undertaken relevant training and workshops on OHS, such as first-aid simulation, firefighter skills, the safety of handling chemical substances to ensure that its personnel have sufficient knowledge and skills to run the operations safely.



OHS Training and Education – Hengjaya Mine

OHS Training for Employees						
Type of Training	2023		2022		2021	
	Total Participants (HM & Contractors)	Total Training Hours	Total Participants (HM & Contractors)	Total Training Hours	Total Participants (HM & Contractors)	Total Training Hours
Working at Height	40	80	0	0	0	0
Near Miss Report	438	876	40	80	36	2
HIRADC	240	480	4	8	4	4
Incident Investigation (ICAM Method)	94	188	0	0	0	0
ERT Training (Basic Life Support)	63	126	15	60	29	4
ERT Training (Fire Fighting)	107	214	59	118	0	0
ERT Training (Kendrick Extrication Devices)	49	98	0	0	8	4
ERT Training (Emergency Reporting)	733	1,466	14	118	0	0
Confined Spaces	45	90	0	0	0	0
Lock Out Tag Out (LOTO)	153	612	37	74	0	0

OHS Training and Education – Hengjaya Nickel

Employees OHS Training						
Training Type	2023		2022		2021	
	Total Number of Participants	Total Training Hours	Total Number of Participants	Total Training Hours	Total Number of Participants	Total Training Hours
Working at Heights	52	1	24	1	16	1
OHS Certification	35	1	47	1	35	1
5S Management Training	30	1	142	1	61	1
Safety Management Basic Knowledge Training	31	1	148	1	76	1
Safe Operating Procedures	372	1	97	1	30	1
Environmental Management Knowledge Training	156	1	93	1	33	1
Special Operations Personnel Management Training	47	1	50	1	38	1
Fire Safety Training	34	1	196	1	34	1
Accident Case	9	1	105	1	39	1
Security Management	18	1	38	1	26	1

OHS Training and Education – Ranger Nickel

Employees OHS Training						
Training Type	2023		2022		2021	
	Total Number of Participants	Total Training Hours	Total Number of Participants	Total Training Hours	Total Number of Participants	Total Training Hours
Working at heights	46	1	16	1	10	1
OHS Certification	30	1	31	1	23	1
5S management training	34	1	94	1	41	1
Safety management basic knowledge training	31	1	98	1	51	1
Safe Operating Procedures	341	1	64	1	20	1
Environmental management knowledge training	74	1	62	1	23	1
Special Operations Personnel Management Training	47	1	50	1	25	1
Fire Safety Training	24	1	130	1	24	1
Accident case	9	1	70	1	20	1
Security Management	18	1	25	1	17	1

OHS Training and Education – Angel Nickel

Employees OHS Training				
Type of Training	2023		2022	
	Total Participants	Total Training Hours	Total Participants	Total Training Hours
Working at Height	201	201	448	448
Lifting & rigging	28	56	7	14
Defensive Driving	364	364	254	254
Safety Rigging & Lifting	105	158	80	120
Safety Training on the Third Level	30	30	58	58
Safe Working Heavy equipment	35	35	7	14
Field Introduction Safety	412	618	197	394
Hand Injury Risk	100	100	185	185
Safety Walking in the working area	68	68	152	76
HSE Management Responsibility	144	144	166	166
Ferronickel Production Process Safety	1145	1145	1,040	1,560
JCC <Job Cycle Check>	1023	511	130	195
PPE Requirement on site	456	456	186	93
Single Crane	21	21	42	84
Conveyor Operation Safety	167	167	73	73
Metal Liquid high temperature	66	66	45	45
LOTO (Lock Out Tag Out)	246	246	134	268
Traffic Management at Site	45	45	184	184
Forklift Safety Operations	32	32	67	105
Injury Prevention at Machinery	305	305	142	142
Prevention and Handling of Electric Shock	72	72	78	78
Bush Safety	75	75	118	118
5S	1,045	522	113	113
Basic Safety	114	114	242	242
Hazard identification & control	98	98	231	231
JSA (Job Safety Analysis)	78	78	217	217
Indonesia Safety Regulation	62	62	234	234
Fatigue Management	62	62	125	125
Incident Reporting	75	75	175	175
Supervisory Safety Accountability	92	92	177	354
Safety Meeting	480	480	180	90
Emergency Response (Basic Fire)	195	195	122	183

OHS Training and Education – Oracle Nickel

Training Type	Employees OHS Training			
	2023		2022	
	Total Number of Participants	Total Training Hours	Total Number of Participants	Total Training Hours
Double and Mutual Insurance Joint Insurance Management System	0	0	31	1
Employee Safety Behavior Standard Double Mutual Insurance System	51	1	301	1
Reporting and Registration Management System for Driving Up and Down	55	1	13	1
Chain Labor System	0	0	37	1
Employee Code of Conduct	0	0	44	1
5S Management Training	30	1	41	1
The Management System of the Person in Charge of Safety Production	32	1	45	1
Basic Knowledge Training of Environmental Protection	61	1	48	1
High Voltage and High-Temperature Work Training	114	1	47	1
Discipline Training	131	1	36	1
Departmental Accident Case Training	354	1	32	1
Firefighter Safety Knowledge Training	66	1	40	1
Lockout and Outage Regulations Training	99	1	43	1
Order and Security	57	1	56	1

Prevention and Mitigation of OHS Impacts Directly Related to Operations [2-25,403-9, 403-10] [EM-MM-320a.1]

The Company adopted a preventive approach to mitigate the negative impacts of OHS. Through comprehensive education and training programmes, our primary objectives are to safeguard employee health, enhance work efficiency, and proactively prevent workplace accidents and illnesses. These initiatives offer several advantages, such as the capacity to foresee potential hazard factors and proactively implement preventive measures, a thorough understanding of the various workplace hazards, effective hazard assessment, and robust hazard control measures. These efforts encompass all aspects of our nickel smelting operations, including our business relations. The Company also conducted National OHS Month 2023, with theme “The Realisation of Decent Work with K3 Culture to Support Business Continuity in Every Workplace”



Work-Related Injuries & Work-Related Ill Health

Scope of data for work accident rate includes employees and contractors.

Work Accident Rate and Number – Hengjaya Mine			
Work Accident Rate	2023	2022	2021
Occupational Accident			
Light	4	4	7
Heavy	0	0	0
Fatal	0	0	1
Lost Time Injury Frequency Rate (LTIFR)	0.1	0.22	2.75
Total Injury Frequency Rate (TIFR)	0.98	1.30	30.20
Total	589.76	9,304.38	16,474.35*

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

Work Accident Rate and Number										
Work Accident Rate	Hengjaya Nickel			Ranger Nickel			Angel Nickel		Oracle Nickel	
	2023	2022	2021	2023	2022	2021	2023	2022	2023	2022
Occupational Accident										
Light	0	2	4	2	2	2	24	30	7	1
Heavy	0	0	0	0	0	0	1	1	0	0
Fatal	0	0	0	0	0	0	0	0	0	1
Total	0	2	4	2	2	2	25	31	7	2
Lost Time Injury Frequency Rate (LTIFR)	0	0	0	1.94	0	0	0.246	0	2.06	0
Total Injury Frequency Rate (TIFR)	0	0	0	1.94	0	0	0.246	0	2.06	0

Total Occupational Accidents										
Occupational Accident	Hengjaya Nickel			Ranger Nickel			Angel Nickel		Oracle Nickel	
	2023	2022	2021	2023	2022	2021	2023	2022	2023	2022
Fatality	0	0	0	0	0	0	0	0	0	0
Loss Time Injury	0	2	0	0	5	0	2	3	0	24
Restricted Work Day Case	1*	2	0	0	0	0	2	2	0	0
Medical Treatment Injury	0	0	1	0	2	0	2	3	2*	2
First Aid Treatment	1*	0	9	2*	0	10	15	23	5*	0
Total	2	4	10	2	7	10	21	31	7	26

*minor injuries

OHS Targets for 2024

In 2024, the Company has outlined the following Occupational Health and Safety (OHS) targets and initiatives:

- National OHS Month 2024: Conducting ceremonies, seminars on OHS and the environment, organizing competitions, and carrying out simulations of the early warning system and APAR with local residents.
- Bring Your Family (Off-the-Job Safety) Activity: Socialisation efforts to remind workers of safety practices to their families, ensuring that families are aware of workplace safety.
- Zero lost time injury (LTI) Initiative: Emphasising a "safety no holiday, every day is safety" approach to achieve zero lost time injuries.
- Maintain ISO 45001 OHS certification.



Local Communities ^[413-1]

It is imperative to enhance the wellbeing of the communities through meaningful and appropriate contributions. Nickel Industries' approach revolves around developing community-centric corporate social responsibility (CSR) initiatives that focus on meaningful, long-term economic development rather than reactive, short-term social investments. The Company's ultimate goal is to promote the enduring prosperity and independence of these communities.

Additionally, the Company has signed a Memorandum of Understanding with Hasanuddin University Makassar to provide financial support to indigenous students from Central Sulawesi, North Maluku, and West Papua Provinces. This collaboration envisions offering full scholarship funding to students throughout their degree, focusing on undergraduate programs in metallurgical, environmental, and mining engineering.

Key Focus Areas



Education



Health



Real Income,
Economic
Independence



Infrastructure



Social-Cultural

Nickel Industries acknowledges that its mining operations can potentially have negative impacts on the community, particularly those around the operational sites. The Company recognises that any mining and processing activities can lead to adverse consequences, such as ecosystem disruption, soil and water contamination, dust issues, and noise pollution if not carried out in accordance with applicable regulations. Consequently, Nickel Industries is committed to adhering to all relevant laws and guidelines, and ensures that its operations adhere to best mining practices to prevent potential negative impacts. ^[413-2]

CSR

Nickel Industries' CSR initiatives and programmes are strategically designed to indirectly align with the SDGs while directly enhancing the wellbeing of host communities. The successful implementation of these initiatives requires active engagement from all segments of society and the support of local government authorities. This collaboration ensures the alignment and coordination of diverse programmes funded by a range of sources, including both public and private sectors in the Morowali region. The Company's CSR programmes are structured in compliance with Indonesian MEMR Regulation No. 11/2018 on Procedures for Granting Licensing and Reporting Areas on Mining Business Activities, Law No. 40/2007 on CSR, and Indonesian Government Regulation No. 47 of 2012. [2-23]



CSR at Hengjaya Mine

The Hengjaya Mine's CSR Initiatives by SDG

No	Purpose	Total CSR Initiatives	Total Beneficiaries
1	SDG 1: No poverty	4	205
2	SDG 2: Zero hunger	0	-
3	SDG 3: Good health and wellbeing	14	141,474
4	SDG 4: Quality education	19	1,405
5	SDG 5: Gender equality	0	-
6	SDG 6: Clean water and sanitation	1	230
7	SDG 7: Affordable and clean energy	0	-
8	SDG 8: Decent work and economic growth	8	4,510
9	SDG 9: Industry, innovation and infrastructure	13	8,647
10	SDG 10: Reduced inequality	0	-
11	SDG 11: Sustainable cities and communities	6	29,600
12	SDG 12: Responsible consumption and production	2	2,600
13	SDG 13: Climate action	0	-
14	SDG 14: Life below water	4	1,613
15	SDG 15: Life on land	1	35
16	SDG 16: Peace, justice and strong institutions	41	28,458
17	SDG 17: Partnerships for the goals	5	113
Total		118	218,890

METANA BUMI (Menanam Tanpa Merusak Bumi)

The Menanam Tanpa Merusak Bumi or Metana Bumi program exemplifies our unwavering commitment to the environment and the communities surrounding the mine. In 2023, the Hengjaya Mine engaged in educating and providing practical capacity building for local farmers in Makarti Jaya Village through an organic farming approach. Through the Metana Bumi program, Hengjaya Mine aspires to empower local farmers to contribute to climate change mitigation in Morowali through environmentally friendly agricultural practices. Local farmer groups have gradually transitioned to using their own organic fertiliser, completely phasing out chemical fertilisers in the cultivation of vegetables. This initiative has garnered national recognition, earning prestigious awards through the Environmental and Social Innovation Awards (ENSIA) in 2023.

“After receiving training, I invited other local farmers to make Local Micro Organisms (MOL) from several materials that are easily obtained in the environment. The process was easy, the results look better, and it can help us save much money since we no longer need to buy chemical fertilisers because they are usually expensive and difficult to reach,” Yacobus - Chair of the Metana Bumi Farmers Group



PANEL DESA (Peduli Kesejahteraan Nelayan Desa)

Recognising the significance of the fisheries sector in the local economy, Hengjaya Mine has been actively involved in supporting sustainable programs to accelerate the village economy. Under the PANEL DESA program, initiated as part of the mine's Community Development and Empowerment Master Plan for 2021-2031, the Hengjaya Mine team has implemented both short-term and long-term strategies.

In 2023, the Hengjaya Mine extended support to 20 local fishermen and 2 community groups. This assistance focused on enhancing infrastructure and knowledge capacity related to sustainable marine ecosystems, with a particular emphasis on waste management. The positive impact of this contribution resonated within the local community and garnered national recognition, particularly for addressing SDG 14, pertaining to Marine Ecosystems. The Company received the Indonesian Sustainable Development Goals (ISDA) award in 2023 as acknowledgment of its commitment and efforts in this domain.

“Our income has increased after receiving assistance, because previously we only relied on conventional boats while our coverage area was so far from the village,” Usman - Chair of the Love for Peace Fishermen Group



SMART (Sinergi Bersama Hengjaya Meraih Cita – Cita)

By investing in education, Hengjaya Mine continues to strive increasing the knowledge and skills capacity of students and teachers in secondary schools in the area around the company's mines and in Morowali Regency more broadly. The Company has established partnerships with five vocational high schools through the SMART (Sinergi Bersama Hengjaya Meraih Cita-cita) Program, engaging in pre-employment education activities that focus on mentoring to enhance technical skills. Hengjaya Mine has also contributed to the improvement of facilities and infrastructure in these schools.

“At school, I mostly only get theory, while the learning method at Hengjaya Mine is mentoring-based, so I could practice directly in the field based on the responsibility. Thus, hopefully I could work at Hengjaya Mine and develop my knowledge and skills” Isnawati - Bungku Mining State Vocational School student



Education

Dream Reading Corner

Demonstrating its commitment to education, Hengjaya Mine embarked on the "Dream Reading Corner" program in 2023. This initiative, inclusive of the facilities, was inaugurated with the direct involvement of the Deputy Regent of Morowali. The reading corner is designed to provide a diverse range of literacy experiences for children residing in the mining area. The establishment of this reading corner aims to cultivate a reading habit among children, empowering them to become independent readers—a crucial skill for engaging in various daily life activities. The program is a collaborative effort with the Morowali Regency Regional Library and Archives Service.

Teacher Scholarship

Hengjaya Mine remains steadfast in its commitment to the wellbeing of educators, particularly those at Kartini Tangofa Kindergarten and One Ete Private Madrasah Ibtidaiyah (MIS), by supporting their undergraduate and postgraduate education. This initiative is founded on the belief that empowering educators through scholarships enhances their capacity to deliver high-quality education.

In 2023, the Company extended scholarships to four teachers worth Rp. 18,000,000. By investing in the professional development of teachers, the Company aims to ensure a deeper understanding of the value and significance of providing innovative, engaging, and accessible education to local students. Beyond teacher scholarships, the Company also contributes to school curriculum agendas by offering financial assistance and supporting infrastructure for students and teachers at Kartini Tangofa Kindergarten and One Ete MIS.

Anti-Drug Socialisation

Substance use during adolescence poses significant health risks, incurring substantial costs to society. Recognising the importance of this issue, in 2023, Hengjaya Mine conducted an anti-drug movement awareness campaign targeting school children. The program successfully engaged 150 participants from SMP Negeri 1 and SMA Negeri 1 Bungku Pesisir, aiming to address and mitigate the risks associated with substance abuse in the adolescent demographic.

Disaster Mitigation

In its commitment to social responsibility and disaster mitigation, Hengjaya Mine implemented a comprehensive program encompassing disaster outreach activities and first aid simulations. This initiative was specifically designed for students of SMA Negeri 1 Bungku Pesisir, aimed to equip students with the knowledge and skills needed for disaster response, enabling them to act as First Responders in the event of a disaster in their local environment. This proactive approach aims to enhance the community's resilience and preparedness in the face of potential disasters.



Socio-Cultural and Religious Initiatives

HM's Service to the Kaili Tribe of Palu

In collaboration with PT Trisula Bersatu (Tribber), Hengjaya Mine conducted social services in 2023, specifically targeting the Kaili Tribe residing in the isolated area of Palu, Central Sulawesi. The initiative, centred in Kalora Village, Hamlet 3 Batambaya, Bikovaro District, aimed to support inclusive education, particularly focusing on improving children's reading abilities. Beyond education, the Company is dedicated to ongoing efforts aimed at unlocking the full potential of the Kaili Tribe community. This collaborative approach with various agencies underscores the company's commitment to grassroots community development and wellbeing.

Ramadan Safari

As part of its commitment to social responsibility, particularly in religious endeavours, Hengjaya Mine initiated a Ramadan safari program. This program involved distributing takjil at eight nearby village mosques, namely Tangofa, Bete Bete, One Ete, Pu'ungkeu, Tandoaleo, Lafeu, Padabaho, and Makarti Jaya Villages. By engaging in such initiatives, the Company aims to foster positive relationships with the community and local governments. Additionally, the mine contributes to fulfilling the basic needs of vulnerable communities, especially those facing economic challenges, by providing takjil and organising affordable basic food bazaars in preparation for Eid al-Fitr.

Hengjaya Mine Qurban

In 2023, as part of its commitment to contributing to the religious sector, especially during Eid al-Adha 1444 H, PT HM implemented the Hengjaya Mine Qurban program. Through this initiative, the Company distributed one cow to each of the eight closest villages around the mining area, reflecting its dedication to supporting religious practices in the community.



Health

Hengjaya Mine Blood Donation

The blood donation program is an annual event organised by Hengjaya Mine in collaboration with the Bungku Morowali Regency Indonesian Red Cross (PMI) and the local government. This initiative reflects the Company's commitment to social responsibility and providing assistance to those in need. The Hengjaya Mine Blood Donation event in 2023 was open to both employees and local communities, continuing the tradition of supporting the wellbeing of the people in Morowali Regency. In the previous year, the event garnered the participation of over 100 donors, all united by the common goal of offering positive support to those requiring assistance.

Nutrition for Local Children

Every child has the fundamental right to proper nutrition, a principle that holds particular significance in the current landscape. Hengjaya Mine has been steadfast in its commitment to supporting the wellbeing of kindergarten students at Kartini Tangofa schools. The Company ensures that these young learners, comprising 60 students, have regular access to fruits, providing essential vitamins and nutrition.

CSR of the RKEF Operations

The strategic locations of Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel create synergies for Nickel Industries to conduct its CSR initiatives. The collaborative efforts involve partnerships with the IMIP, IWIP, and other tenants within the industrial parks. This cooperative approach allows for a more comprehensive and impactful CSR strategy, leveraging the combined resources and efforts of various entities within the industrial park to address social, environmental, and community-related challenges.



Hidaya Literacy House and Bajo Makmul Literacy House

The Sidaya Literacy House and Bahomakmur Literacy House stand as pillars of education in the illiteracy eradication campaign. These initiatives tailor educational programs to the unique needs of the community, catering to students of various ages and academic backgrounds, including preschool (PAUD/TK), primary school (SD), junior high school (SMP), and high school/vocational school (SMA/SMK).

Courses offered at these cultural houses encompass language education (English and Chinese), art programs (drawing, coloring, and crafts), dance, and music. Sidaya Literacy House, situated in Sidaya IMIP land in Labota Village, accommodates 41 students, while Bahomakmur Literacy House, located in the Bahuo Prosperity Village Reading Garden, serves 60 students. The literacy activities are focused on environmental themes, and the education is facilitated by IMIP's education volunteers and community volunteer teachers.

IMIP Collaborative Scholarship 2023 (Second Batch)

The IMIP Together We Can Scholarship, initiated in 2022, has evolved into the IMIP Bersinergi Scholarship, launched in 2023. The program is a collaborative effort between IMIP and the Bahodopi Regional Family Assistance Group, aiming to benefit all children in the Bahodopi District. Initially involving 25 students, IMIP is committed to sustaining and expanding the scholarship program in the subsequent years.

Child Malnutrition Education and Screening

As part of IMIP's commitment to community health, CSR Sinergi Berdaya provides education to parents about parenting styles, particularly addressing the issue of developmental delays in children. This initiative, conducted in Padabaho and Bahomakmur villages as a pilot project, aims to tackle stunted growth problems prevalent in developing countries, including Indonesia. The program includes socialisation efforts and practical activities such as providing additional nutritional assistance, including formula milk, quail eggs, and children's growth vitamins, for children with developmental delays and malnourishment. Medical professionals from IMIP, including doctors, nutritionists, midwives, and posyandu cadres, are actively involved in these educational activities.

Mangrove Planting

The "Coastal Collaboration: Padabaho Village Mangrove Restoration Movement (GROVE)" is an annual mangrove planting activity held in celebration of World Mangrove Day. This initiative is led by Padabaho village's Karang Taruna organisation in collaboration with IMIP's CSR-ComDev department and the environment department, along with the participation of the UGM 2023 KKN-PPM team. Mangrove seedlings are sourced from the environment department and the UGM 2023 KKN-PPM team. The number of plantings is adjusted based on the growth and survival of mangrove plants, ensuring the success of the restoration movement.

Planned Initiatives for 2024

Health

- Procurement of Clean Water Based on Solar Panels at Lafeu Community Health Center
- Mobile Health Service Unit for the local communities
- Healthy life education for local students
- Providing first aid medicines for play group – senior high schools

Education

- Socialisation of Drug Abuse among students & Planting the Red Pucuk Trees
- Hengjaya Mine Employees Volunteerism

Economic Empowerment

Women's Economic Empowerment

Capacity Building

Carpentry Training for local communities

Environment

- Beach Clean Day
- Constructing the Waste Management System for local communities
- Waste Management Training



Ethical Business Practices

I Ethical Business Practices

The Company integrates responsible and sustainable production methods into its core operations. These ethical approaches serve as a robust defence against any potential engagement in human rights violations, conflicts, corruption, or discrimination. Its primary objective is to foster a positive societal and environmental impact, embodying the Company's commitment to leaving a lasting and beneficial footprint while upholding the highest standards of integrity and equity in every facet of our work.



Diversity and Equal Opportunity [405-1]

Diversity and equal opportunity are fundamental principles at the Company, reflecting its commitment to attracting and retaining a diverse workforce. Nickel Industries actively promote a culture of inclusivity and diversity at every organisational level and value diversity among employees, acknowledging differences in gender, age, heritage, religious or cultural background, language, marital or family status, and disability. This inclusive approach strengthens and fosters innovation, creativity, and a broader range of perspectives.

Diversity and Inclusion Policy [2-7, 2-8, 2-30]

The Company's diversity policy is developed and overseen by the Board of Directors, who take an active role in assessing and enhancing the effectiveness of our diversity initiatives within the organisation. Nickel Industries is committed to ensuring that the composition of both the Board of Directors and the Executive team reflects the diversity of our broader community, striving for representative and inclusive leadership.

[202-2]

Nickel Industries recognises the importance of fostering a culture that highly values diversity, both in its management practices and daily operations. To achieve this, the Company is committed to providing the requisite training and resources that promote the significance of diversity in hiring practices and overall strategies. Additionally, the Board plays a crucial role in initiating and driving diversity initiatives within the organisation.

Every employee is expected to champion the objectives outlined in the diversity policy and actively work towards promoting diversity within the workplace. Management takes an active role in encouraging employees to share their feedback and ideas concerning diversity and inclusion initiatives. This collaborative approach ensures that the workforce remains committed to fostering a diverse and inclusive environment. The Company's full diversity policy can be accessed via our [website](#).



Total Employees based on Position and Gender (Consolidated) ^[405-1]

Position	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Senior Manager	2	0	6	0	2	0
Manager	30	2	25	3	7	0
Superintendent	62	5	55	3	28	2
Supervisor	645	41	354	45	167	16
Staff	3,866	397	2,377	323	1,002	144
Non-Staff	410	18	1,137	83	137	0
Total	5,015	463	3,954	457	1,343	162
	5,478		4,411		1,505	

*consolidated

As of 2023, Nickel Industries employed a total of 5,478 individuals. All our employees are afforded protection under Indonesia's Labour Law No. 13 of 2003 and Labour Law No. 11 of 2020 on Job Creation. Nickel Industries also implements Company Regulations (PP) which are binding agreement between the Company and employees. The Company do not engage part-time employees, and there is no disparity in the basic salary and remuneration received by women and men, maintaining a 1:1 ratio to ensure equal compensation for all employees. Also, each employee receives remuneration according to the Minimum Provincial wage (UMP) Regulation. ^[2-30, 202-1, 405-2]

**Total Employees based on Position and Gender (Per Project)**

Position	Hengjaya Mine					
	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Director	2	0	2	0	2	0
Manager	23	1	18	2	5	0
Superintendent	17	2	12	0	13	1
Supervisor	34	7	29	7	28	4
Staff	77	26	57	19	52	21
Non-Staff	199	7	159	0	137	0
Total	352	43	277	28	237	26
	395		305		263	

Hengjaya Nickel

Position	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Director	0	0	1	0	0	0
Manager	2	0	2	0	1	0
Superintendent	14	2	19	2	13	0
Supervisor	64	15	89	14	87	11
Staff	453	77	460	77	478	59
Non-Staff	0	0	0	0	0	0
Total	533	94	571	93	579	70
	627		664		649	

Ranger Nickel

Position	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Director	0	0	0	0	0	0
Manager	0	1	1	1	1	0
Superintendent	5	0	5	0	2	1
Supervisor	74	12	73	12	52	1
Staff	429	70	426	79	472	64
Non-Staff	0	0	0	0	0	0
Total	508	83	505	92	527	66
	591		597		593	

Angel Nickel

Position	2023		2022	
	Male	Female	Male	Female
Director	0	0	0	0
Manager	4	0	1	0
Superintendent	7	0	12	0
Supervisor	350	0	137	10
Staff	1211	68	0	0
Non-Staff	211	11	978	83
Total	1,783	79	1,128	93
	1,862		1,221	

Oracle Nickel

Position	2023		2022	
	Male	Female	Male	Female
	Director	0	0	3
Manager	1	0	3	0
Superintendent	19	1	7	1
Supervisor	123	7	26	2
Staff	1,696	156	1,434	148
Non-Staff	0	0	0	0
Total	1,839	164	1,473	151
	2,003		1,624	

Total Employees Based on Employment Status and Gender in 2023 (Per Project)

Hengjaya Mine

Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
	Permanent Employees	342	86.5	42	13.5	384
Temporary Employees	10	13.5	1	1	11	2.78
Total	352	89.11	43	10.89	395	100

Hengjaya Nickel

Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
	Permanent Employees	473	86	77	14	550
Temporary Employees	60	78	17	22	77	100
Total	533	85	98	15	627	100

Ranger Nickel

Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
	Permanent Employees	456	86	77	14	533
Temporary Employees	52	90	6	10	58	100
Total	508	86	83	14	591	100

Angel Nickel

Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
	Permanent Employees	1,494	91.21	144	8.79	1,638
Temporary Employees	211	94.20	13	5.80	224	100
Total	1,705	91.57	157	8.43	1,862	100

Oracle Nickel

Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
	Permanent Employees	1,329	91	130	9	1459
Temporary Employees	510	94	34	6	544	100
Total	1,839	92	164	8	2003	100

Total Employees Based on Employment Status and Placement in 2023 (Per Project)

Hengjaya Mine

Placement	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
	Site	362	97	11	3	373
Office	22	100	0	0	22	100
Total	384	97	11	3	395	100

Hengjaya Nickel

Placement	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
	Site	499	88	69	12	568
Office	51	100	0	0	51	100
Total	550	88	77	12	627	100

Ranger Nickel

Placement	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
	Site	466	90	52	10	518
Office	67	92	6	8	73	100
Total	533	90	58	10	591	100

Angel Nickel

Placement	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
	Site	1,638	88	224	12	1,862
Office	0	0	0	0	0	0
Total	1,632	88	224	12	1,862	100

Oracle Nickel

Placement	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
	Site	1,404	73	521	27	1,925
Office	55	71	23	29	78	100
Total	1,459	73	544	27	2,003	100

Total Employees Based on Age Group and Gender (Per Project)

Hengjaya Mine

Age Group	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
	<30 years old	168	29	120	15	106
30-50 years old	172	14	148	12	122	9
>50 years old	12	0	9	1	9	1
Total	352	43	227	28	237	26
Grand Total	395		305		263	

Hengjaya Nickel

Age Group	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
	<30 years old	294	62	300	62	328
30-50 years old	239	32	268	31	251	17
>50 years old	0	0	3	-	-	-
Total	533	94	571	93	579	70
Grand Total	627		664		649	

Ranger Nickel

Age Group	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
<30 years old	286	52	294	58	360	53
30-50 years old	222	31	209	32	167	13
>50 years old	0	0	2	2	-	-
Total	508	83	505	92	527	66
Grand Total	591		597		593	

Angel Nickel

Age Group	2023		2022	
	Male	Female	Male	Female
<30 years old	1,271	117	687	63
30-50 years old	434	40	436	30
>50 years old	0	0	5	-
Total	1,705	157	1,128	93
Grand Total	1,862		1,221	

Oracle Nickel

Age Group	2023		2022	
	Male	Female	Male	Female
<30 years old	1,236	128	1,110	136
30-50 years old	597	36	360	15
>50 years old	6	0	3	-
Total	1,839	164	1,473	151
Grand Total	2,003		1,624	

Nickel Industries (Consolidated)

Age Group	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
<30 years old	3,255	388	2,511	334	794	122
30-50 years old	1,664	153	1,421	120	540	39
>50 years old	18	0	22	3	9	1
Total	4,937	541	3,654	457	1,343	162
Grand Total	5,478		4,441		1,505	

Turnover Rate [401-1]

Description	Turnover Rate					
	2023		2022		2021	
	Employees	%	Employees	%	Employees	%
Hengjaya Mine	23	6	20	7	28	11
Hengjaya Nickel	80	12.7	77	12	66	10
Ranger Nickel	95	16	86	17	63	11
Angel Nickel*	137	7.36	420	11		
Oracle Nickel*	344	17	105	7		
Nickel Industries**	679	12	708	16	157	10

*commissioned in 2022

** consolidated

Maternity Leave in 2023 [401-3]

Description	Maternity Leave				
	Hengjaya Mine	Hengjaya Nickel	Angel Nickel	Ranger Nickel	Oracle Nickel
Total employees entitled to maternity leave	5	94	31	83	164
Total employees who took maternity leave	0	0	7	7	2
Total employees who returned to work in the reporting period after maternity leave ended	0	0	4	5	2

Anti-corruption [205-1, 205-2]

Anti-corruption measures are of paramount importance to Nickel Industries, serving not only to fulfil legal obligations but also to safeguard the Company's reputation, uphold the highest ethical standards, and ensure the sustainability of its operations. These measures are integral to the Company's long-term success and resilience within the industry. They also play a pivotal role in attracting responsible investors who align with the Company's commitment to integrity and transparency.



Anti-corruption Policy [2-15, 2-16, 2-23]

Nickel Industries is unwavering in its commitment to adhering to the laws and regulations of the countries in which it conducts its operations. The Company upholds the highest standards of ethics and responsibility, guided by a strong legal framework that includes the Criminal Code Act 1995 in Australia, as well as relevant anti-corruption laws in all countries, states, territories, and provinces where the Company operates, including Indonesia. These legal and ethical principles extend to all individuals associated with the Company, including directors, officers, employees, consultants, contractors, and advisors.

The Company's comprehensive framework for ethical conduct includes a written Code of Conduct, an Anti-Bribery and Corruption Policy, a Whistleblower Policy, and a Securities Trading Policy. These policies apply universally within the Company, ensuring that its commitment to integrity and transparency permeates every level of our organisation. The full policies are all accessible via our [website](#).

Nickel Industries regularly reviews its internal policies to minimise the Company's exposure to corruption consistently. Integrity serves as a cornerstone of the Company's corporate

culture, underscored by comprehensive internal training and communication efforts aimed at ensuring that all employees adhere to robust anti-corruption policies. Nickel Industries maintains a zero-tolerance stance towards corruption and continuously works to enhance our measures for mitigating and preventing it.

In 2023, the Company did not receive any reports indicating conflicts of interest, responsibilities, or instances of corruption among employees that would conflict with the Company or our anti-bribery and corruption policy. [2-11, 205-3]

Anti-corruption Training & Education

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 2023, the Code of Ethics, which includes guidance for employees not to be involved in any corrupt activities, was distributed further to the Company employees.

Human Rights

Nickel Industries is committed to upholding and promoting human rights, as well as respecting the cultures, customs, and values of our employees and the communities impacted by our operations. The Company firmly believes in the inherent equality and rights of all individuals. While the Company's business has the potential to advance human rights through its operations, Nickel Industries is also aware that it carries certain risks to human rights if not managed and monitored effectively. Therefore, Nickel Industries is committed to not employing minors (<18 years) in all business units of the Company and its

partners. The Company also ensures that there are no incidents of forced or compulsory labour in all of its operational areas.

[408-1, 409-1]

In 2023, Nickel Industries did not find or receive complaints regarding acts of discrimination or risks related to the right to freedom of association and collective bargaining in its operations or suppliers. Also, there were no incidents related to violations of the rights of local indigenous peoples. [406-1, 407-1, 411-1]

Governance Initiatives: Upholding and Protecting Human Rights

Anti-Corruption ^[2-26]

- Nickel Industries 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, employees, and related parties, and is committed to:
 - Not Engage in corrupt business practices.
 - Prevent bribery and corruption by all personnel.
 - Comply with all applicable laws, regulations and Standards, including Anti-Bribery and Corruption Laws.
 - Ensure third parties are suitable for NIC to associate with.
 - Refuse to take bribes or perform corrupt acts.

Human Rights and Anti-Slavery

- Nickel Industries' Human Rights Policy ensures the protection and respect of human rights at all levels by providing guidance to identify and mitigate risks across the business.
- Commissioned JRP Associates, and independent law consultant, to conduct a human rights assessment of our Ranger Nickel and Hengjaya Mine operations in 2022.
- Determined NIC complied with mandatory requirements in accordance with the Australian Modern Slavery Act 2018.
- Nickel Industries will continue to:
 - Maintain zero tolerance for slavery and human trafficking.
 - Encourage "whistle-blowing" any concerns.
 - Endorse training and regularly auditing and reviewing existing processes for gaps.

Equal Opportunity

- Nickel Industries' diversity and inclusion policy is crafted and overseen by the Board of Directors, focusing on fostering an inclusive and diverse culture.
- We believe diversity is paramount to hiring and retaining talent.
- In 2023, the Company employed 5,478 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 was no difference in the basic salary and remuneration earned by women and men (1:1 ratio).

Human Rights Policy ^[2-23, 2-25]

The Company established a Human Rights Policy designed to safeguard and respect human rights across various levels, encompassing individuals, operations, and resources. This policy provides guidance for continuous human rights due diligence, incorporating the following core components:

- identifying human rights risks across all Company operations, with a focus on stakeholders, including employees, indigenous people, local communities, human rights defenders, supply chain workers, and business partners;
- promoting awareness of human rights as a key topic for all employees throughout the business;
- preventing and mitigating human rights issues by taking appropriate actions and integrating findings from impact assessments into relevant Company processes. This proactive approach ensures the protection of human rights against all forms of violation in business operations and sourcing;
- ensuring compliance with local laws and adopting relevant codes of practice related to human rights; and
- meaningful stakeholder engagement in the planning and implementation of all human rights policies.

These measures underscore the Company's commitment to upholding and protecting human rights in its operations and interactions with stakeholders. The Company ensures that the implementation of this policy is continuous and consistent. Continuous assessments and evaluations are taken to improve mechanisms and ensure the full implementation of this policy.

2023 Human Rights Assessment

In 2022, Nickel Industries engaged JRP Advocates, an external and independent law consultant, to conduct a comprehensive human rights assessment of its operations in Ranger Nickel and Hengjaya Mine. The assessment aimed to identify gaps and provide recommendations concerning Human Rights and Modern Slavery in the Company's business operations. It also evaluated the extent to which the Company has implemented Human Rights values and avoided Modern Slavery practices, including a risk assessment.

In 2023, the Company reassessed its operations, including the Angel Nickel and Oracle Nickel plants which were not included in the 2022 evaluation, and concluded that the human rights of its employees have been fulfilled based on the discussion with the related stakeholders.

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.

Nickel Industries' full statement on Modern Slavery and Human Trafficking is available via our [website](#).

Security Practices ^[410-1]

The Company is responsible for ensuring the security of its operational sites and the safe running of its business activities. To maintain the security of Nickel Industries' areas, the Company requires all (100%) security officers to have attended a training program managed by a third party so that all security officers have the knowledge, ability and skills to carry out security duties and improve discipline.





Independent Assurance Statement

The 2023 Sustainability Report of Nickel Industries Limited

Number	: 15/000-758/VI/2024/SR-Asia/Indonesia
Assurance Type	: Type 1
Assurance Level	: Moderate
Reporting Standard	: GRI Universal Standard 2021 Consolidated, GRI G4 Mining and Metals (MMSS), and SASB Metals and Mining (EM-MM)
Reporting Regulation	: Regulation of Otoritas Jasa Keuangan No. 51/POJK.03/2017 on Sustainable Finance (Indonesia)

Dear stakeholders,

Social Responsibility Asia or “SR Asia” is issuing an **Independent Assurance Statement** (“the Statement”) of the **2023 Sustainability Report** (“the Report”) of **Nickel Industries Limited** (“the Company”). The Company is a publicly listed Australian company that produces Nickel Pig Iron (NPI). The Report presents the commitment and efforts of the Company in managing its sustainability performance for the reporting period of **January 1st to December 31st, 2023**. As agreed with Management, SR Asia’s responsibility is to make an assessment based on the data and content of the Report for the year.

Intended User and Purpose

The purpose of the Statement is to present our opinion including the findings and recommendations based on the results of assurance work to the Company’s stakeholders. The assessor team in accordance with specific procedures and a specific scope of work carried out the assessment. Except for the areas covered in the scope of the assurance, we encourage all NOT to solely interpret the Statement as the basis to conclude the Company’s overall sustainability performance.

Responsibilities

Our obligations to Management involve assessing the Report's content, generating findings and recommendations, and issuing a Statement. Additionally, we are tasked with establishing conclusions and recommendations according to agreed-upon standards, methods, and approaches. Consequently, SR Asia’s evaluation is solely based on the most recent editorial and data received as of May 31st, 2024, regarding the final draft. SR Asia's responsibility lies solely in providing assurance work, distinct from an audit, in accordance with the Non-Disclosure Agreement, the Assurance Engagement Agreement, Representation Letter, and Subsequent Event Testing. Management bears the sole responsibility for presenting data, information, and disclosures within the Report. Therefore, any parties relying on the Report and Statement must assume and manage their own risks.

Independence, Impartiality, and Competency

SR Asia confirms NO relationships between the assessor team and the clients that can influence their independence and impartiality to conduct the assessment and generate the Statements. The assessor team is mandated to follow a particular assurance protocol and professional ethical code of conduct to ensure their objectivity and integrity. We carried out a pre-engagement assessment before the assurance work was taken to verify the risks of engagement as well as the independence and impartiality of the team. The assessor team members have knowledge of ISO 26000, AA1000 AccountAbility standards and principles, and also have experience in sustainability report assessment based on various reporting regulations such as GRI Universal Standard, GRI G4 Mining and Metals, SASB Metals and Mining (EM-MM), and Regulation of Otoritas Jasa Keuangan No. 51/POJK.03/2017 on Sustainable Finance.



Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content.
2. **A moderate level of assurance** to the 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, 2023.
2. Material topics presented in the Report: **Biodiversity, Emissions, Energy, Water and Effluent, Waste, Human Capital Development, Local Communities, Occupational Health and Safety (OHS), Ethical Business Practices, and Economic Performance.**
3. Evaluation of publicly disclosed information, system, and process of the Company to ensure adherence of the Report content to the reporting principles.
4. SR Asia does NOT include financial data, information, and figures in the Report content. We assumed that the Company, independent parties, or other parties associated with the Company have verified and/or audited financial statements, data, and information.
5. Adherence to the following reporting principles, standards, and regulations:
 - a) Consolidated set of GRI Sustainability Reporting Standards 2021 (GRI Universal Standard) and GRI G4 Mining and Metals Sector Supplement (GRI-G4 MM) issued by the Global Reporting Initiative.
 - b) Sustainability Accounting Standard for Metals and Mining (EM-MM) 2021 issued by the Sustainability Accounting Standard Board (SASB).
 - c) Regulation of Otoritas Jasa Keuangan (POJK) No.51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institutions, Listed, and Public Companies (POJK 51) with reference to OJK Circular Letter (SEOJK) 2022 No.16/SEOJK.04/2021.

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 and Source Disclosure

1. Form an assessor team composed of individuals proficient in both sustainability report development and assurance standard.
2. Perform the pre-engagement phase to ensure the independence and impartiality of the assessor team.
3. Hold 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 integrated our suggestions into the initial report draft and subsequently published the finalized 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 content in the Report indicates its inclusivity in presenting the key stakeholders of the Company, both internal and external stakeholders. Nevertheless, the Report content does not present any information of the methods used and the frequency of the engagement process. Further, we recommend that the Company discloses the method and frequency of each stakeholder engagement process in the next reporting year.

Materiality – Based on the material topics presented in the report, we conclude that the overall selection of material topics can describe the sustainability context. The Company has carried out materiality assessments in the 2022 and 2023 reporting, as well as held internal and external discussions regarding material topics. We also appreciate the Company that have improved disclosure of operational business activities of each subsidiary in the Report.

Responsiveness – The Company has a robust governance structure, including a Sustainability Committee and annual materiality assessments, that prioritizes material topics based on their relevance and impact. The Sustainability Committee has responsibilities to ensure that the Company's sustainability policy and performance are being appropriately communicated. The Company also involves internal and external stakeholders in validating responses. This ensures that the process of disclosing information to stakeholders is transparent and rigorous. Moreover, the Company also has various kinds of grievance channel that can be accessed internally and externally. Apart from that, the existence of a whistleblower policy also shows that the Company is committed to their responsiveness.

Impact – Based on economic performance, the Company experienced increased revenue and total assets. During 2023, GHG Emissions production is likely to increase due to the addition of Oracle Nickel which has been operating effectively since the previous year. In its focus on expanding the use of renewable energy, the Company signed a memorandum with a vendor for providing solar panels in efforts to utilize renewable energy for operational activities at IMIP. This signed project was carried out to supply power to the Company's existing RKEF operations, along with the future Excelsior Nickel Cobalt (ENC) High-Pressure Acid Leach (HPAL) project, and demonstrating a transitioning of the Company's operations to renewable energy sources and its commitment to conducting a sustainable mining practices. To support the climate action, the Company already has a Net Zero Roadmap. The Company also has community program for local farmers in Makarti Jaya Village as a form of support in mitigating climate change in Morowali. This program is an environmentally friendly agriculture practice by gradually shifting to the use of organic fertilizer from previously using chemical fertilizer.

Statement of Use: "In Accordance with the GRI Standards" – We evaluated the Report content in adherence to the GRI Universal Standards principles, disclosures, and requirements for reporting. The Company has referred to the nine requirements: apply the reporting principles, report the disclosures in GRI 2: General Disclosures 2021, determine material topics, report the disclosures in GRI 3: Material Topics 2021, report disclosures from the GRI Topic Standards for each material topic, provide reasons for omission for disclosures and requirements that the organization cannot comply 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 sufficient support during the assurance work by submitting evidence/documents as requested.



Recommendation

1. To disclose in the Report regarding the information of methods used and frequency of stakeholder engagement process.
2. To enhance the competency of the Company's top management regarding sustainability such as participating in sustainability-related training and then state in the Report.
3. To prepare comprehensive data including from subsidiaries.
4. To start calculating and reporting the GHG emission reduction created from the community programs.

The assurance provider,
Jakarta, May 31st 2024

Lim Hendra

Country Director for Indonesia
Social Responsibility Asia



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GRI Standards Content Index

Statement of use	Nickel Industries has reported in accordance with the GRI Standards for the period January 1 to December 31 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable of GRI Sector Standard(s)	-

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-1	Organizational details	20, 27, 28			
	2-2	Entities included in the organization's sustainability reporting	2			
	2-3	Reporting period, frequency and contact point	2			
	2-4	Restatements of information	2			
	2-5	External assurance	2			
	2-6	Activities, value chain and other business relationships	20,27-28,30			
	2-7	Employees	85			
	2-8	Workers who are not employees	85			
	2-9	Governance structure and composition	15,17			
	2-10	Nomination and selection of the highest governance body	15			
	2-11	Chair of the highest governance body	15,17,93			
	2-12	Role of the highest governance body in overseeing the management of impacts	15			
	2-13	Delegation of responsibility for managing impacts	15,17			

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard	
			Requirement(s) Omitted	Reason	Explanation		
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	15				
	2-15	Conflict of interest	15, 93				
	2-16	Communication of critical concerns	93				
	2-17	Collective knowledge of the highest governance body	-	Data on disclosure 2-17 Collective knowledge of the highest governance body	Information incomplete	NIC has not disclosed information regarding the highest governance body that participated in sustainability-related training. The Company will disclose the information in the Sustainability Report 2024.	
	2-18	Evaluation of the performance of the highest governance body	15				
	2-19	Remuneration policies	15				
	2-20	Process to determine remuneration	15				
	2-21	Annual total compensation ratio	-	Data on disclosure 2-21 Annual total compensation ratio	Information incomplete	NIC will disclose the information in the Sustainability Report 2024.	
	2-22	Statement on sustainable development strategy	6				
	2-23	Policy commitments	8, 23, 36, 38, 40, 50, 53, 55, 66, 78, 93, 94				
2-24	Embedding policy commitments	8					

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-25	Processes to remediate negative impacts	10, 61, 75, 94			
	2-26	Mechanisms for seeking advice and raising concerns	61, 94			
	2-27	Compliance with laws and regulations	15			
	2-28	Membership associations	23			
	2-29	Approach to stakeholder engagement	11, 15			
	2-30	Collective bargaining agreements	85, 86			
Material topics						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	11, 15			
	3-2	List of material topics	12, 15			
	3-3	Management of material topics	11-15, 36			
Environmental						
Biodiversity						
GRI 304: Biodiversity 2016	3-3	Management of material topics	12			
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	55, 56			
	304-2	Significant impacts of activities, products and services on biodiversity	55, 58			
	304-3	Habitats protected or restored	55, 56			
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	55, 58			

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
Energy and Emissions						
GRI 302: Energy 2016	302-1	Energy consumption within the organization	48			
	302-2	Energy consumption outside of the organization	-	Data on disclosure 302-2 Energy consumption outside of the organization	Information incomplete	NIC has not calculated the Energy consumption outside of the organization yet. The information will be disclosed in the Sustainability Report 2024.
	302-3	Energy intensity	48, 49			
	302-4	Reduction of energy consumption	48			
	302-5	Reductions in energy requirements of products and services	48			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	47			
	305-2	Indirect (Scope 2) GHG emissions	47			
	305-3	Other indirect (Scope 3) GHG emissions	-	Data on disclosure 305-3 Other indirect (Scope 3) GHG emissions	Information incomplete	NIC has not implemented the scope 3 calculation yet. The Company will calculate the scope 3 emission in 2024.
	305-4	GHG emissions intensity	47			
	305-5	Reduction of GHG emissions	47			

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
GRI 305: Emissions 2016	305-6	Emissions of ozone-depleting substances (ODS)	-	Data on disclosure 305-6 Emissions of ozone-depleting substances (ODS)	Not applicable	The information is not very relevant because the operation is energy intensive, not chemical.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Data on disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information incomplete	Currently only Hengjaya Mineralindo is calculating these emissions. Data will be disclosed in the Sustainability Report 2024.
Water and Effluent						
GRI 3: Material Topics 2021	3-3	Management of material topics	13			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	49			
	303-2	Management of water discharge-related impacts	49			
	303-3	Water withdrawal	49, 50, 53			
	303-4	Water discharge	49			
	303-5	Water consumption	49			
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics	13			

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	53			
	306-2	Management of significant waste-related impacts	53			
	306-3	Waste generated	53, 55			
	306-4	Waste diverted from disposal	53			
	306-5	Waste directed to disposal	53			
Social						
GRI 3: Material Topics 2021	3-3	Management of material topics	11, 12, 15, 66			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	86			
	202-2	Proportion of senior management hired from the local community	85			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investment and services supported	34			
	203-2	Significant indirect economic impacts	33			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	92			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	29			
	401-3	Parental Leave	92			

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	62-64	Data on disclosure 404-1 Average hours of training per year per employee	Information incomplete	The company has not calculated average hours of training per year per employee by gender and employee categories. Data will be disclosed in Sustainability Report 2024.
	404-2	Programs for upgrading employee skills and transition assistance programs	62, 65			
	404-3	Percentage of employees receiving regular performance and career development reviews	-	Data on disclosure 404-3 Percentage of employees receiving regular performance and career development reviews.	Information incomplete	The company has not calculated Percentage of employees receiving regular performance and career development reviews. Data will be disclosed in Sustainability Report 2024.
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	85-86			
	405-2	Ratio of basic salary and remuneration of women to men	86			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	93			

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Right to freedom of association and collective bargaining risks at operations and suppliers	93				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child	93				
GRI 409: Forced or Compulsory Labor 2016	409-1 Forced or compulsory labour risks at operations and suppliers	93				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies of procedures	95				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	93				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	77				
	413-2 Operations with significant actual and potential negative impacts on local communities	77				

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
Business Ethics						
GRI 3: Material Topics 2021	3-3	Management of material topics	14			
	205-1	Operations assessed for risks related to corruption	92	Data on disclosure 205-1 Operations assessed for risks related to corruption	Information incomplete	NIC has not calculated the total number and percentage of operations assessed for risks related to corruption. will be disclosed in Sustainability Report 2024.
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	92	Data on disclosure 205-2 Communication and training about anti-corruption policies and procedures	Information incomplete	NIC provides anti-corruption training to employees only.
	205-3	Confirmed incidents of corruption and actions taken	93			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	15			
Economic Performance and Supply Chain Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	14			

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	28			
	201-2	Financial implications and other risks and opportunities due to climate change	43, 46	201-2.a.v the costs of actions taken to manage the risk or opportunity.	Information incomplete	NIC has not yet calculated the cost of actions taken to manage the risk or opportunity as it is still waiting for government regulations.
	201-3	Defined benefit plan obligations and other retirement plans	29	201-3.d. Percentage of salary contributed by employee or employer.	Information incomplete	The information will be disclosed in Sustainability Report 2024.
	201-4	Financial assistance received from government	28, 30			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	30			
GRI 207: Tax 2019	207-1	Approach to tax	30			
	207-2	Tax governance, control, and risk management	30			
	207-3	Stakeholder engagement and management of concerns related to tax	30			
	207-4	Country-by-country reporting	30			
GRI G4 - Metal & Mining Sector Supplement (MMSS)						
GRI G4 - Metal & Mining Sector Supplement (MMSS)	MM2	Sites identified as requiring biodiversity management plans	55			
	MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	38			

SASB: Metals and Mining

Topic		Description	Page
GHG Emissions	EM-MM110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	47
Air Quality	EM-MM120a.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)	47
Energy Management	EM-MM130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	48
Biodiversity Impacts	EM-MM160a.1	Description of environmental management policies and practices for active sites	55
Workforce Health & Safety	EM-MM320a.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	65, 75

Feedback Form

Nickel Industries Limited Sustainability Report 2023 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) :

Profession :

Institution/Company :

1. This report is easy to understand

Agree Neutral Disagree

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

Agree Neutral Disagree

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 Safety and Health ()
- Ethical Business Practices ()
- Economic Performance ()

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

.....

Stakeholder 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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NICKEL

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