Sustainability Report | 2024

NICKEL INDUSTRIES

Strengthening Our Sustainable Foundations

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

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About the Report

Nickel Industries Limited ('Nickel Industries' or 'the Company') presents its 2024 Sustainability Report ('Report'), the Company's fourth sustainability report. This Report builds on the 2023 Sustainability Report and outlines the Company's sustainability performance and progress during the reporting period from 1 January to 31 December 2024.

Sustainability Reporting Standards

The Report has been prepared with reference to IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board, specifically IFRS S1 on General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 on Climate-related Disclosures. In addition, the Report refers to the Global Reporting Initiative (GRI) Standards for certain clauses, including GRI 14 Mining Sector. It also references the disclosure principles outlined in the Sustainability Accounting Standards Board (SASB) Standards for Metals and Mining and incorporates selected indicators from the Task Force on Climate-Related Financial Disclosures (TCFD). [2-3]

Nickel Industries recognises the shift from TCFD-aligned disclosure to the requirements of AASB S2, effective 1 January 2025. In preparation, we have initiated an internal readiness assessment and identified key reporting gaps, aiming to gradually align the company's disclosures with the AASB standards. There is a restatement of information from the previous report regarding the 2023 revenue due to the reclassification made in alignment with the Annual Report. Any updates or changes to previously reported information are clearly identified. [2-4]

Scope and Assurance

The Report in its entirety was prepared through stakeholder input and aligned with the Company's strategic objectives, with final approval by the Board of Directors. It encompasses the operations of Nickel Industries and its subsidiaries, including Hengjaya Mine, Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel. The Company's Consolidated Financial Statements have been independently audited by KPMG. To ensure compliance with reporting requirements, Social Responsibility (SR) Asia has provided assurance on selected sustainability disclosures. [2-2, 2-5]

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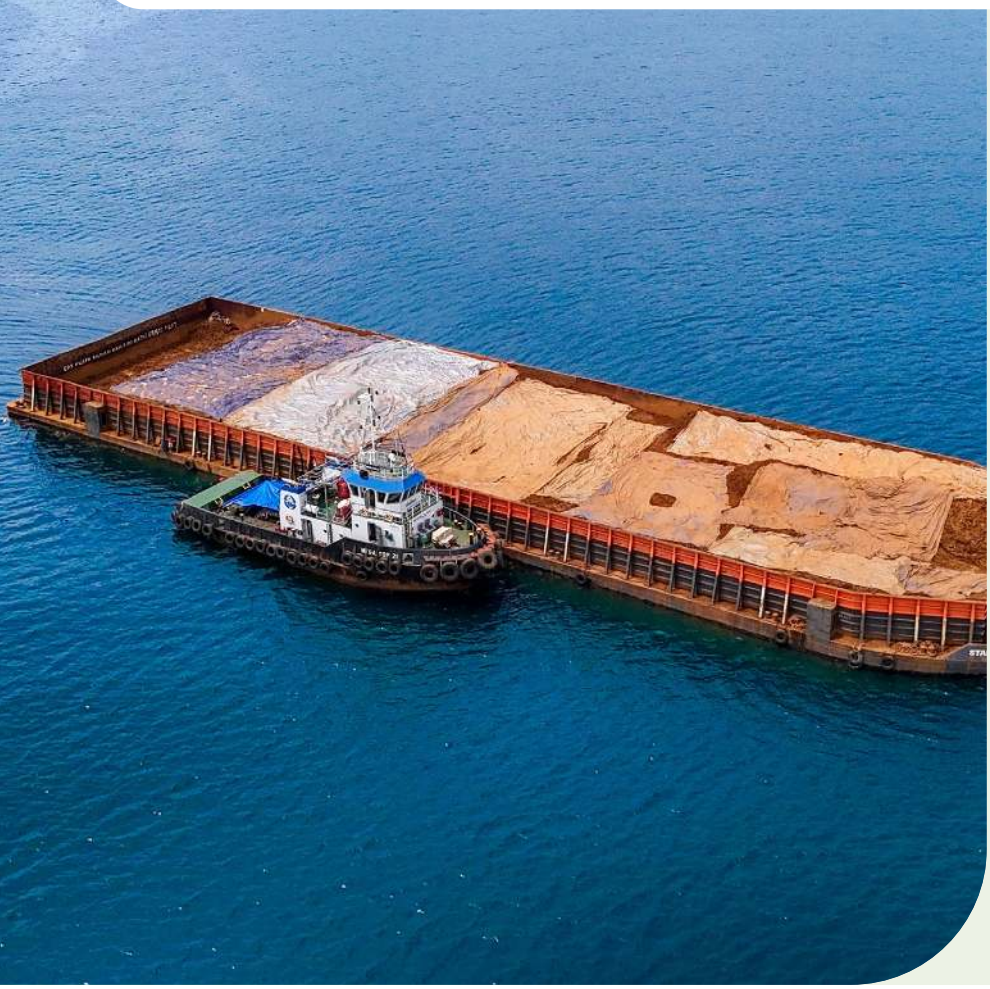
Disclaimer

This Report contains forward-looking statements prepared in accordance with the prevailing regulatory laws of applicable jurisdictions. Forward-looking statements are generally identified by terms such as “may,” “will,” “expect,” “intend,” “plan,” “estimate,” “anticipate,” “believe,” “continue,” “objectives,” “targets,” “outlook,” “guidance,” or similar expressions. These statements may include but are not limited to, estimates of reserves and resources, plans, strategies, management objectives, anticipated production schedules, construction timelines, expected costs, cash flow projections, production outputs, and the anticipated operational life of projects and mines.

Forward-looking statements are subject to inherent risks and uncertainties, which may result in actual developments differing materially from those anticipated. These statements are based on various assumptions regarding current conditions, future events, and the business environment in which the Company operates. The Company assumes no obligation to ensure that the forward-looking statements will lead to the anticipated results or outcomes.

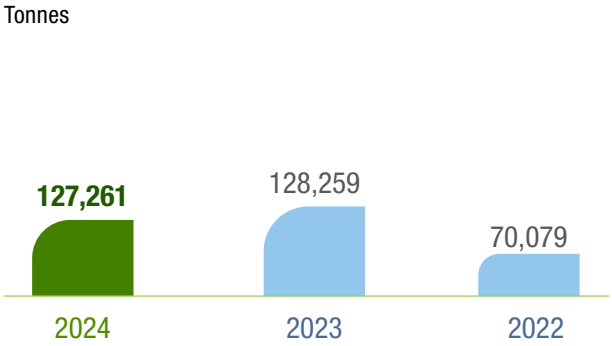


Sustainability Performance Highlights

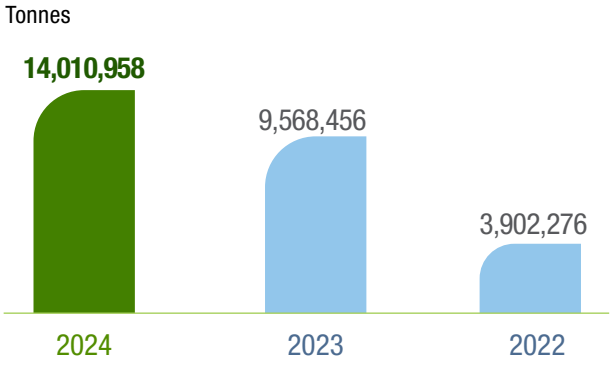
Economic Development Highlights

Production Performance

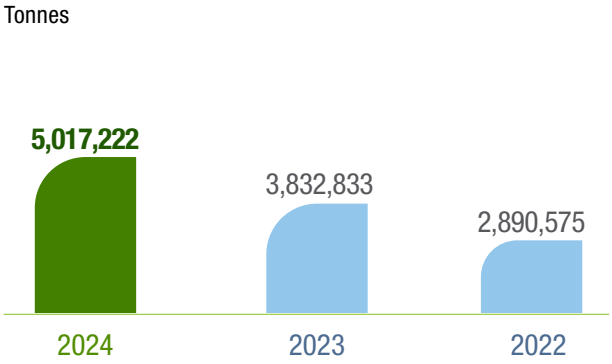
Nickel Metal Production (100% basis)



Limonite Ore Production (100% basis)

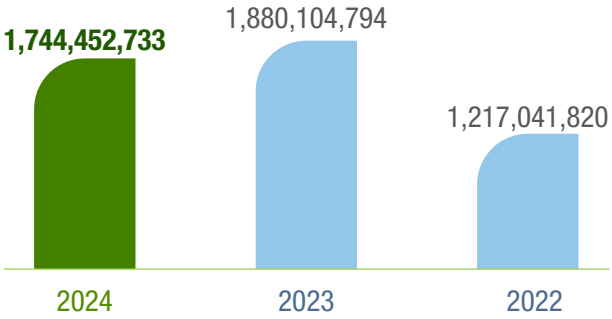


Saprolite Ore Production (100% basis)

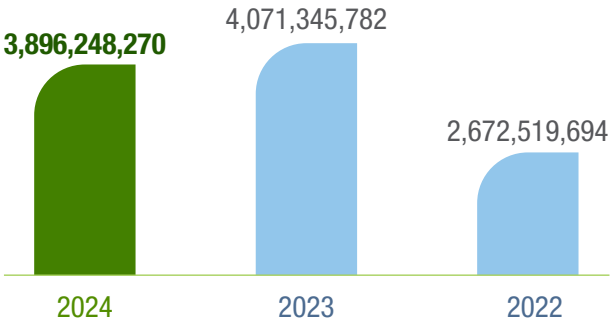


Financial Performance (USD)

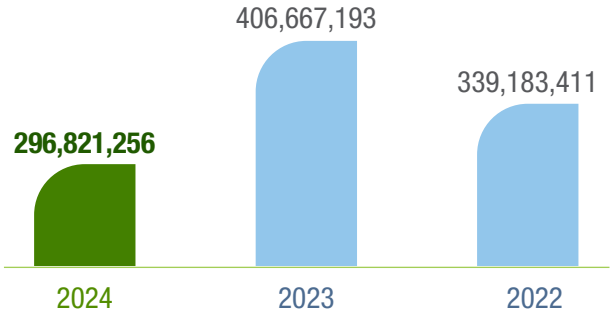
Total Revenue



Total Assets



Adjusted EBITDA



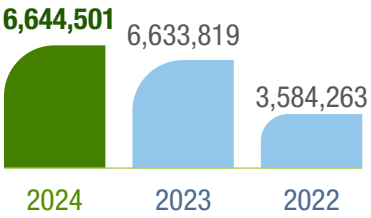
Environmental Stewardship Highlights

Environmental Performance

Environmental Performance

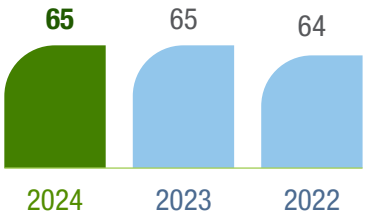
Green House Gas (GHG) Emissions (Scope 1 & 2)

Tonnes CO_2eq



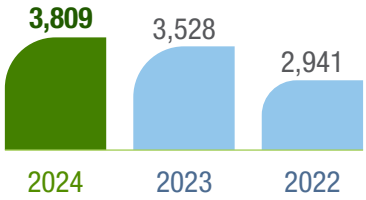
Emissions Intensity

tCO_2e/tonnes of Ni



Emissions Intensity per Generated Revenue

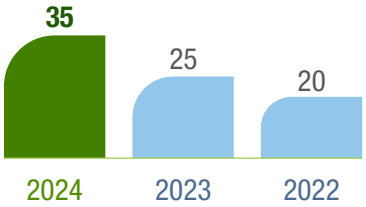
tCO_2e/ USD



Rehabilitated Land Area at Hengjaya Mine

Rehabilitated Land Area at Hengjaya Mine

Ha



Total Rehabilitated Area Since 2019 (Ha): 2,057

Total Trees Planted Since 2019 (Ha): 2,258,500

Social Responsibility Highlights

2024 Safety Performance

- LTIFR: **0.11**, with 2 lost time injuries (LTI) recorded across **17.4** million work hours.
- TRIFR: **1.43**, with 3 medical treatment injuries and 22 first aid injuries.
- Hengjaya Mine Achievement: Over **18.2** million work hours without a lost time injury since November 2021.

Nickel Industries Employee Diversity

Male

	<30 years old	30-50 years old	>50 years old
2024	2,352	1,788	23

2024	4,163
2023	5,015
2022	3,954

Female

	<30 years old	30-50 years old	>50 years old
2024	384	161	4

2024	549
2023	463
2022	457

Grand Total

2024	4,712
2023	5,478
2022	4,411

TOP CSR Awards
Top Business Magazine

Indonesia Social Responsibility Awards
Prospect Indonesia

Nusantara CSR Awards
La Tofi School of Social Responibility

IDX Channel ESG Awards
PT Tivi Bursa Indonesia

Environmental & Social Innovation Awards
Sucofindo Indonesia

Good Mining Practices Awards
The Ministry of Energy and Natural Resources of Indonesia

The Best Overall Sustainable Performance Awards 2024
Indonesia Leadership Awards 2024

Top Human Capital Awards
TOP Business Magazine

IDX Channel Anugerah Inovasi Indonesia Awards
PT Tivi Bursa Indonesia

Outstanding Social Welfare Award 2024 - IMIP
China Chamber of Commerce in Indonesia

Fortune Indonesia Change the World
Fortune Indonesia

Blue PROPER (Public Disclosure Program for Environmental Compliance) – Ranger Nickel
Indonesia Ministry of Environmental and Forestry

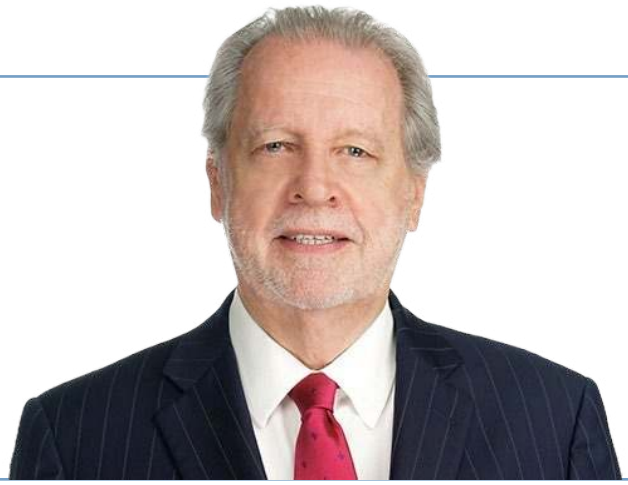
Blue PROPER (Public Disclosure Program for Environmental Compliance) – Hengjaya Nickel
Indonesia Ministry of Environmental and Forestry

Green PROPER (Public Disclosure Program for Environmental Compliance) – Hengjaya Mine
Indonesia Ministry of Environmental and Forestry

ESG Rating

- 'BBB' MSCI ESG Rating
- Continued improved ratings from S&P Global Corporate Sustainability Assessment, with our scores rising to 37 in 2024, above the global average of 29 for mining and metals worldwide.

Message from the Chairman [2-22]



Dear Fellow Stakeholders,

I am pleased to present Nickel Industries' 2024 Sustainability Report.

This year marked an important evolution in our sustainability journey as we continued to respond to the rising expectations of stakeholders and the growing emphasis on transparent disclosure. In 2024, Nickel Industries pivoted to refer with the ASX Climate-related Financial Disclosures and the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), reinforcing our commitment to international best practices in governance, risk management and climate resilience.

Our efforts throughout the year were underpinned by measurable progress across key areas of sustainability. We strengthened environmental stewardship through initiatives in coral reef cultivation, mangrove preservation and biodiversity area development, while expanding our contribution to education through new scholarship programmes at both local and national levels. In parallel, we maintained a strong focus on operational safety, achieving a significant milestone of over 18.2 million work hours since the last reported LTI in November 2021 at Hengjaya Mine. Recognition of our environmental leadership was further reinforced as Hengjaya Mine received the Green PROPER rating for the third consecutive year.

At the same time, we intensified our approach to climate risk mitigation to support our long-term decarbonisation ambitions. The installation of a solar energy system at Hengjaya Mine, now supplying approximately 20% of the site's electricity needs, was complemented by the introduction of electric vehicle (EV) haul trucks and the adoption of electric loaders to improve operational efficiency and reduce emissions. In addition, through Oracle Nickel, we transitioned to the use of recycled furnace gas for industrial processes, reducing reliance on coal and further lowering our carbon footprint.

These achievements reflect our ongoing commitment to integrate sustainability into every aspect of our operations. As we pursue our targets of reducing carbon intensity by 50% by 2035 and achieving net zero emissions by 2050, we believe our growing high-pressure acid leach (HPAL) portfolio, renewable energy initiatives and operational innovations position us strongly to contribute to the global transition towards a low-carbon economy.

Looking ahead, we remain firmly committed to fostering shared value for our stakeholders and building long-term resilience across our operations. I invite you to explore this report to learn more about the progress we have made in 2024, and I thank you for your continued trust and support as we shape a sustainable future together.

Yours sincerely,
Norman Seckold
Chairman

About the Company

Company Profile [2-1]

Nickel Industries Limited was incorporated on 12 September 2007 under the laws of New South Wales, Australia. The Company is an Australian listed company which owns a portfolio of mining and low-cost downstream nickel processing assets which produce nickel for the stainless steel industry and the electric vehicle supply chain. Its head office is located at Level 2, 66 Hunter Street, Sydney, NSW, 2000, Australia. In addition to NPI production, the Company holds interests in HPAL projects, which produce mixed hydroxide precipitate (MHP) for use in the electric vehicle supply chain.

Vision, Mission, & Values

Vision

To become a global leader in low-cost nickel production.

Mission

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

Values

Performance:

The Company has a performance-driven culture, striving to generate returns for shareholders by meeting strategy and targets developed to drive continuous improvement for all stakeholders.

Safety, environment and community:

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

Team work:

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

Respect:

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

Governance:

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

2024 Sustainability Milestones

14 June 2024
Coral reef cultivation and mangrove preservation

Collaborating with Halu Oleo University in developing green ecosystems in the coastal and marine areas of Morowali.

12 July 2024
University Scholarship Program

The Nickel Industries scholarship program with Hasanuddin University has started by providing opportunities for 10 local students annually in Morowali.

2 August 2024
Biodiversity Area Development

The Central Sulawesi Natural Resources Conservation Agency Technical Implementation Unit of the Ministry of Environment and Forestry supports Nickel Industries' Hengjaya Mine's initiative to develop a 197-hectare high-conservation-value area at the IUP Nickel Mining Site Tangofa, Morowali.

IMIP Scholarship
November - December 2024

The Indonesia Morowali Industrial Park (IMIP) scholarship awarded by IMIP Peduli Foundation to 1,000 undergraduate students in 30 universities in Sulawesi, Java, Sumatra, and Kalimantan, such as Polytechnic of Metal Industry Morowali, Polytechnic Academy of Industrial Engineering Makassar, Gorontalo State University, Gadjah Mada University, Tadulako University, Hasanuddin University, Halu Oleo University, Indonesia University, Bogor Agricultural Institute, and Bandung Institute of Technology.

Association Membership and External Initiatives [2-28]

Nickel Industries actively engages in external initiatives and industry associations to advance its sustainability goals and support the collective growth of the nickel sector. These platforms enable the Company to collaborate with governments, regulators, communities, and other stakeholders to address key industry challenges and drive sustainable development.

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

In 2024, the Company engaged in the following external initiatives:

26 June 2024	Panelist	SMM LME Asia Week 2024	
26 July 2024	Panelist	Automotive Electrical Indonesia Summit 2024	
8 August 2024	Panelist	Digitalisation in Mining Indonesia 2024 Conference	
29 July 2024	Panelist	International Battery Summit 2024	
30 August 2024	Panelist	Mine Maintenance, Asset Management Reliability Strategies 2024 Conference	
9 September 2024	Panelist	International Critical Minerals & Metals Summit 2024	
14 October 2024	Panelist	Carnaval of Universities Virtual Career Expo	
11 September 2024	Panelist	Engineering Forum: Reliable Decarbonisation and Energy Efficiency in Mining 2024	
5 November 2024	Panelist	The 9th APAC Stainless Steel Conference 2024	
7 November 2024	Panelist	294th Sydney Mining Club Lunchtime Event	
29 November 2024	Panelist	Coal Metal Outlook Conference 2024	
19 November 2024	Panelist	ASEAN Mining Conference 2024	
5 December 2024	Panelist	MarkPlus Conference 2024	
12 December 2024	Panelist	Indonesia Social Investment Forum 2024	

Certifications

Nickel Industries has received ISO 14001: 2015 Environmental Management System certification and ISO 45001: 2018 Occupational Health and Safety Management System certification for Hengjaya Nickel, Ranger Nickel, Oracle Nickel, Angel Nickel and Hengjaya Mine. Furthermore, the Company's Angel Nickel has received ISO 9001:2015 Quality Management System.

Sustainability at Nickel Industries

2024 Sustainability Report Theme

Strengthening Our Sustainable Foundations

Nickel Industries continues strengthening its foundations in resource management, emissions reduction, and governance. This year's report outlines efforts to solidify sustainability frameworks and integrate them further into operational processes, ensuring long-term accountability and measurable progress.

Sustainability Policy [2-23, 2-24]

The Company's sustainability policy drives long-term value creation through responsible production, addressing environmental impacts, supporting social progress, and prioritising employee and community well-being. Focused on sustainable operations, local development, and global sustainability, the policy shapes strategy and is reviewed annually to align with evolving priorities and ensure resource access, investments, and contributions to sustainable development.

Sustainable Operations

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.

- 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.

Stimulation of local development

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.

- 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.

Contribution to global sustainability

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.

- 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 Sustainable Development Goals (SDGs).

Sustainability Strategy [2-25]

Nickel Industries' sustainability strategy integrates environmental, social, and governance considerations into its operations, aligning with global standards and stakeholder expectations. Developed through ongoing stakeholder engagement, the strategy is based on three core pillars supported by specific sub-pillars that address key aspects of the Company's activities. These pillars provide a structured approach to achieving both short- and long-term objectives while ensuring relevance to the Company's operations and its role in the global energy transition.

Pillar	Sub-pillar	Description
Economic development	Financial performance Indirect economic impacts Procurement practices	• Long-term vision to grow the business in a way that provides optimum benefit to the lives of people in the community. • Continuously improve the Company's performance to generate indirect economic impacts on the local community. • Help the local community grow simultaneously alongside the Company.
Environmental stewardship	Biodiversity Energy Emissions Waste Water and effluent	• Environmental sustainability is a core part of Nickel Industries' existence. • Our products are essential for the global energy transition and the stability of our operating environment. • Committed to reducing our carbon footprint – HNC has one of the lowest carbon intensities per tonnes of nickel produced.
Social responsibility	Anti-corruption Community development Donation and sponsorship Education Gender and diversity Health and safety Human rights Infrastructure	• Committed to stimulating local socioeconomic development. • Sustainably contribute to the livelihoods and well-being of the communities and environment around our areas of operation. • Respect the local people and customs wherever we operate.

Materiality and Stakeholder Engagement [2-29, 3-1, 3-2, 3-3, 14.1.1]

Nickel Industries conducts an annual materiality assessment to align its sustainability strategy with industry developments and stakeholder expectations. This process includes stakeholder engagement, analysis of global and local industry trends, and identification of key sustainability priorities. The Stakeholder Engagement and Identification Base framework supports this process by categorising stakeholder relationships based on six dimensions: Dependency, Responsibility, Tension, Influence, Diverse Perspective, and Proximity. It enables the Company to identify, prioritise, and engage with stakeholders, including investors, employees, business partners, governments, and local communities. The assessment informs decision-making and sustainability initiatives.

Stakeholder Engagement and Identification Base

Dependency (D)

The extent to which Nickel Industries relies on a specific individual or organisation, or vice versa.

Internal Stakeholders

- Investors and Shareholders √
- Management √
- Employees √

External Stakeholders

- Customers √
- Contractors √
- Business Partners √
- Local Communities √

Responsibility (R)

The legal, commercial, or ethical obligations that Nickel Industries holds toward an individual or organisation.

Internal Stakeholders

- Investors and Shareholders √
- Management √
- Employees √

External Stakeholders

- Customers √
- Contractors √
- Business Partners √
- Governments √
- Local Communities √

Tension (T)

The degree of influence exerted by an individual or organisation on the Company regarding specific economic, social, or environmental matters.

Internal Stakeholders

- Management √
- Employees √

External Stakeholders

- Contractors √
- Business Partners √
- Governments √
- Local Communities √

Influence (I)

The ability of an individual or organisation to impact Nickel Industries' strategic direction, stakeholder policies, or broader business operations.

Internal Stakeholders

- Investors and Shareholders √
- Management √
- Employees √

External Stakeholders

- Customers √
- Contractors √
- Business Partners √
- Governments √
- Local Communities √

Diverse Perspective (DP)

The presence of differing viewpoints from individuals or organisations that may shape decision-making processes and drive actions previously unconsidered.

External Stakeholders

- Governments √
- Local Communities √

Proximity (P)

The geographical or operational closeness of an individual or organisation to Nickel Industries, which may affect engagement and collaboration.

Internal Stakeholders

- Investors and Shareholders √
- Management √
- Employees √

External Stakeholders

- Customers √
- Contractors √
- Business Partners √
- Local Communities √

Based on the assessment in 2024, material topics for the Company's are energy and emissions, biodiversity, water and effluent, waste, local communities, occupational health and safety, human capital development, and ethical business practices. These topics reinforce the relevance of the Company's sustainability commitments and strategic priorities within its sphere of influence.

Energy & Emission

Importance/Impact

As part of our climate change mitigation efforts, we are increasing the use of renewable energy and utilising technological advances for emission reduction.

Strategy

- Establishing 2050 net zero roadmap.
- Implemented energy efficiency measures to reduce energy consumption.
- Undertake GHG reduction initiatives through the transition strategy.
- Using of renewable energy.

Achievements 2024

- Hengjaya Mine has introduced EV trucks to reduce emissions and fuel consumption.
- Hengjaya Nickel and Ranger Nickel have utilised eight electric loaders to reduce fuel consumption. The electric loaders are recharged at designated stations within the facilities and are used for loading and unloading of ore. The electric loaders use 3.6 times less energy than diesel-powered ones, reducing fuel consumption.
- In October 2024, Oracle Nickel transitioned to using coke oven gas, a byproduct of coking plants within the IMIP area, after it underwent cleaning by the Tsingshan Gas Department to meet stainless-steel production standards. Distributed via a 3-kilometre pipeline, this gas now replaces approximately 800 tonnes of coal per day in the kiln plants.

Responsible Department and Evaluation Method

PIC: Sustainability Manager, Operations Department, Environmental Department.

Evaluation: Oversees energy management and reports GHG emissions and analysis on a regular basis.

Impacted Stakeholders

Internal: Management, Investors and Shareholders.

External: Government, Contractors and Business Partners.

Biodiversity

Importance/Impact

To maintain biodiversity and reduce negative impacts, we ensure a percentage of success in reclamation areas. We also participate in protecting marine life through conservation programs.

Strategy

- Conduct regular biodiversity assessment.
- Take the initiative to improve the marine ecosystem.
- Collaborating with the government in preparing high biodiversity conservation areas.

Achievements 2024

- Up to 2,057 Ha of total rehabilitation area in 2024.
- Restored 8,244 Acropora coral seedlings using 1,439 artificial reef units.
- Restored more than 5,000 mangrove seeds.

Responsible Department and Evaluation Method

PIC: Environmental Department.

Evaluation: Oversees the conservation and protection of biodiversity

Impacted Stakeholders

Internal: Investors, Shareholders and Employees.

External: Government and Local Communities.

Water and Effluent

Importance/Impact

Efficient management of water extraction volumes ensures the availability of water resources for operational needs. Control of water discharge volume and quality is required to prevent environmental pollution and minimise negative impacts on surrounding communities.

Strategy

- Fulfill wastewater quality standards in accordance with applicable regulations.
- Monitoring the amount and quality of discharged water.

Achievements 2024

- Meeting the regulatory standards set by the Indonesian government.

Responsible Department and Evaluation Method

PIC: Environmental Department.

Evaluation: Oversees water and effluent management.

Impacted Stakeholders

Internal: Management.

External: Government and Local Communities.

Waste

Importance/Impact

The Company strives to minimise the impact on the environment and surrounding communities through waste management, especially domestic waste, which is a concern around the operational area. Internally, the Company tries to manage waste utilisation.

Strategy

- Conducting waste management by 4R principles - Reduce, Reuse, Recycle, and Recover.
- Provides a Domestic Material Recovery Facility.

Achievements 2024

- Established a Domestic Material Recovery Facility at the Hengjaya Mine.

Responsible Department and Evaluation Method

PIC: Environmental Department and Corporate Social Responsibility Team.

Evaluation: Oversee the environmental and community impacts from waste management initiative, evaluate the actual waste reduction regularly through actual waste generation data.

Impacted Stakeholders

Internal: Management.

External: Government and Local Communities.

Local Communities

Importance/Impact

As a part of the community, the Company engaged in local development in terms of economy, health, education, and collaboration with the government in providing infrastructure.

Strategy

- Established eight focus areas for the Community Empowerment Program (PPM)/Corporate Social Resonsibility (CSR).
- Conduct social mapping periodically.

Achievements 2024

- Eight surrounding villages benefited from the PPM and CSR program.
- 10 university scholarship beneficiaries from the local residents.

Responsible Department and Evaluation Method

PIC: CSR Department.

Evaluation: The evaluation is conducted on a regular basis, and the team provides a monthly newsletter on community relations and development to the management.

Impacted Stakeholders

Internal: Management.

External: Local Communities, Government and Business Partners.

Occupational Health & Safety

Importance/Impact

Employees are valuable assets for the Company. Hence, ensuring health and safety at work is the Company's responsibility, both physically and mentally. OHS Management ensures that employees are in good health so that they can perform efficiently.

Strategy

- Established 8 Golden Rules while working.
- Implemented OHS Management System.
- Increasing awareness regarding the importance of OHS implementation through various activities.
- Operating a 24-hour emergency clinic.

Achievements 2024

- LTIFR: 0.11, with 2 lost time injuries recorded across 17.4 million work hours in the reporting year.
- TRIFR: 1.43, with 3 medical treatment injuries and 22 first aid injuries in the reporting year.
- Over 18.2 million work hours without a lost time injury since November 2021 at the Hengjaya Mine.

Responsible Department and Evaluation Method

PIC: Safety Department.

Evaluation: OHS Management Audit, Contractor Compliance Check, planned and unplanned inspections.

Impacted Stakeholders

Internal: Management and Employees.

External: Government and Contractors.

Human Capital Development

Importance/Impact

To ensure work is carried out efficiently, every employee receives training and education in their respective fields. Opportunities and equality at work are also provided according to individual abilities.

Strategy

- Provide training that is required by the individual.
- Require employees to take certification according to their position.

Achievements 2024

- 4,712 people were employed by the Company in 2024.

Responsible Department and Evaluation Method

PIC: Human Resources and Department Heads.
Evaluation: Carried out by each individual's respective superiors and overseen by the HR.

Impacted Stakeholders

Internal: Management and Employees.
External: Government.

Ethical Business Practices

Importance/Impact

The implementation of anti-corruption principles, respect for human rights, diversity and inclusion, and whistleblowing systems are key factors in creating transparent and ethical governance for the Company.

Strategy

- Has established a Code of Conduct, Anti-Bribery and Corruption Policy, Whistleblower Policy, and Securities Trading Policy, which can be accessed through the Company's website.

Achievements 2024

- Zero case for conflict of interest or corruption.
- Zero complaints related to discrimination, freedom of association, or indigenous rights.

Responsible Department and Evaluation Method

PIC: Corporate Secretary, Sustainability Department, CSR Department, and HR Department.
Evaluation: Carried out by each individual's respective superiors.

Impacted Stakeholders

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

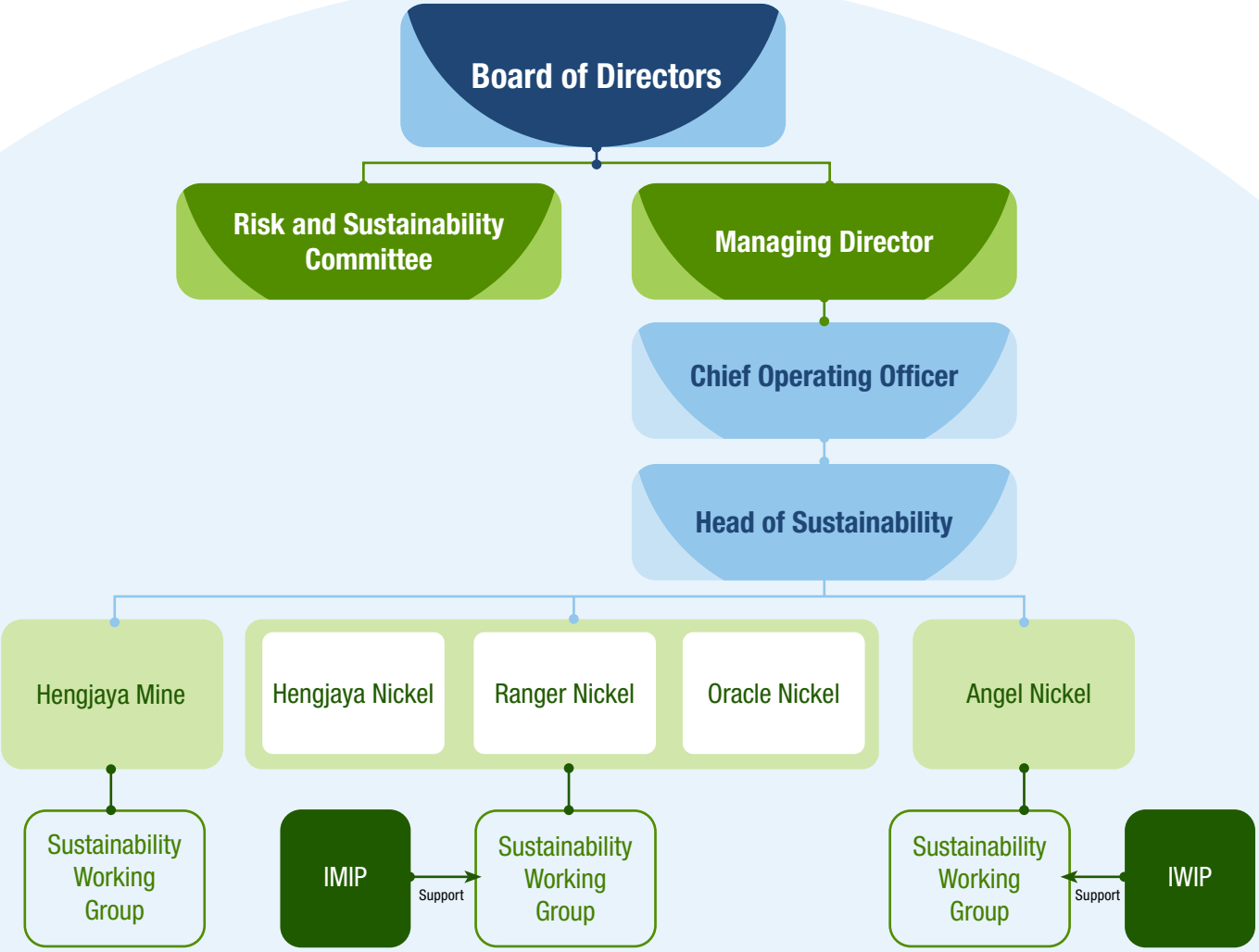
Sustainability Governance [2-9, 2-11]

Nickel Industries integrates sustainability governance within its corporate governance framework to ensure effective oversight of Environmental, Social, and Governance (ESG) matters. The Board oversees sustainability-related risks and opportunities, incorporating ESG considerations into decision-making processes. The Company aligns its sustainability governance with international best practices and regulatory requirements, ensuring compliance with applicable laws and industry standards.

The Company's Corporate Governance Statement outlines the Company's application of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Any deviations are disclosed on an "if not, why not" basis. The statement and related policies are available on the Company's website at www.nickelindustries.com.au/corporate-governance.

In 2024, the Company incurred no fines for non-compliance with laws or regulations. No legal actions were reported concerning anti-competitive behaviour, anti-trust, or monopoly practices. [2-27]

Sustainability Governance Structure



Risk and Sustainability Committee [2-14]

The Risk and Sustainability Committee supports the Board of Directors in overseeing sustainability policies, climate-related risks, and stakeholder engagement. It reviews and monitors the Company's sustainability strategy, making recommendations to the Board of Directors to ensure alignment with operational, local, and global sustainability objectives. The Committee also evaluates climate-related performance metrics and their integration into corporate governance and risk management processes.

The Committee has the authority to conduct investigations, engage external experts, and request information from employees and management. It meets at least four times per year, reporting quarterly to the Board of Directors. Comprising at least three Board members, with additional senior executives as associate members, the Committee is chaired by an independent director whenever possible. While it provides recommendations, final decisions remain with the Board of Directors.

Risk Management [2-12, 2-13]

Nickel Industries is exposed to economic, environmental, and social sustainability risks, including market volatility and operational challenges. The Company mitigates these risks through structured management strategies:

Risk	Mitigation
Economic risk	The Company continues to focus on minimising the cost of production, which we believe provides a level of cash flow protection through the cycle. The Company's continued diversification of its product offering, including once the ENC HPAL is in production, increased MHP as well as nickel cathode and nickel sulphate - these products all have different price drivers that, over the medium to long-term, should increase the stability of the Company's earnings.
Environmental risk	The Company seeks to minimise these risks by conducting its activities (including its operating entities where within its control) in an environmentally responsible manner, in accordance with applicable laws and regulations.
Social risk	The Company maintains strong community relations to ensure that the local stakeholders are supportive of the Company's operations in Indonesia.

Anti-Corruption and Ethical Compliance [2-23, 205-3, 14.22.4]

Nickel Industries upholds strict anti-corruption measures to comply with legal requirements, maintain ethical standards, and ensure operational sustainability. The Company adheres to the Criminal Code Act 1995 (Australia) and relevant anti-corruption laws in all jurisdictions where it operates, including Indonesia. These standards apply to all personnel, including directors, officers, employees, consultants, contractors, and advisors.

The Company enforces a Code of Conduct, Anti-Bribery and Corruption Policy, Whistleblower Policy, and Securities Trading Policy, all accessible via its website. Regular policy reviews, internal training, and compliance monitoring support its zero-tolerance approach to corruption. In 2024, no reports of conflicts of interest or corruption were recorded. The Company continues to strengthen its anti-corruption framework with expanded training programs and broader distribution of its Code of Ethics to employees. [2-26, 205-2]

Upholding Human Rights

Nickel Industries ensures compliance with human rights standards, prohibiting child and forced labour while adhering to local laws. The Company's Human Rights Policy focuses on risk identification, employee awareness, impact assessments, and stakeholder engagement, with continuous evaluations to strengthen compliance. In 2024, no complaints were reported related to discrimination, freedom of association, or indigenous rights. [406-1, 407-1, 408-1, 409-1, 411-1]

In 2024, the Company reviewed its operations for compliance with Indonesian laws and the Australian Modern Slavery Act 2018, identifying areas for improvement. While policies regulate living conditions, occupational health and safety, and worker protections, the Company aims to strengthen land acquisition frameworks, contractor obligations for worker welfare, and grievance handling oversight to enhance its commitment to human rights and modern slavery prevention.

Sustainability Performance

Economic Development

Nickel Industries integrates economic development into its sustainability strategy, recognising its operations' direct impact on local communities. The Company prioritises financial strength and operational efficiency to drive regional economic benefits. Its strategic focus on producing value added products such as NPI and MHP, enhances financial performance and supports local employment and supplier engagement. By fostering economic growth in surrounding communities, Nickel Industries reinforces its role as a responsible corporate entity.

Operations [2-1, 2-6]

The Company's principal operations are located in Indonesia. Additional information regarding our operations can be accessed via the website.

Operations	Description	Ownership Structure
Hengjaya Mine	The Hengjaya Mine is a large tonnage nickel deposit located in Morowali Regency near the IMIP covering 5,983 hectares.	Nickel Industries holds an 80% interest in the share capital of PT Hengjaya Mineralindo, an Indonesian PMA Company. The remaining 20% interest is owned by the Company's Indonesian partner, the Wijoyo family.
Hengjaya Nickel Project	The Hengjaya Nickel Project, located within IMIP, consists of two RKEF lines with a nameplate capacity of 15 ktpa. NPI production began in March 2019, and the project benefits from a seven-year corporate income tax exemption, followed by a two-year period at 50% of the prevailing tax rate. In 2022, the Company transitioned production from NPI to nickel matte, entering the EV battery supply chain.	Nickel Industries holds an 80% interest in the Hengjaya Nickel Project, with the remaining 20% owned by Decent Investment International Private Limited, a related party of the Company's partner Shanghai Decent Investment (Group) Co., Ltd.
Rangel Nickel Project	The Ranger Nickel Project, located within IMIP, consists of two RKEF lines with a nameplate capacity of 15 ktpa. NPI production began in May 2019, and the project benefits from a seven-year corporate income tax exemption, followed by a two-year period at 50% of the prevailing tax rate.	Nickel Industries holds an 80% interest in the Ranger Nickel Project, with the remaining 20% owned by Decent Investment International Private Limited, a related party of the Company's partner Shanghai Decent Investment (Group) Co., Ltd.

Operations	Description	Ownership Structure
Angel Nickel Project	The Angel Nickel Project is a development project within the Indonesia Weda Bay Industrial Park (IWIP) on Halmahera Island in Indonesia's North Maluku province comprising four 54 KVA RKEF lines with an annual nameplate production capacity of 36,000 tonnes of nickel metal (in nickel pig iron) and a 380MW power plant. Commissioned in January 2022, the Project was awarded material tax concessions, paying no income tax for a period of 10 years followed by an additional 2-year period paying 50% of the prevailing corporate income tax rate.	Nickel Industries holds an 80% interest in the Angel Nickel Project, with the remaining 20% owned by Decent Resource Limited, a related party of the Company's partner Shanghai Decent Investment (Group) Co., Ltd.
Oracle Nickel Project	The Oracle Nickel Project, located within IMIP, consists of four RKEF lines with a nameplate capacity of 36 ktpa and a 380MW power plant. NPI production commenced in November 2022, and the project benefits from a 10-year corporate income tax exemption, followed by a two-year period at 50% of the prevailing tax rate.	Nickel Industries holds an 80% interest in the Oracle Nickel Project, with the remaining 20% owned by a related party of the Company's partner Shanghai Decent Investment (Group) Co., Ltd.
Huayue Nickel Cobalt HPAL Project	Nickel Industries holds a 10% interest in the Huayue Nickel Cobalt HPAL project, currently producing low-carbon battery-grade nickel for the EV market.	Nickel Industries holds a 10% interest in Huayue Nickel Cobalt, acquired from Shanghai Decent, for a total consideration of US$270 million.
Excelsior Nickel Project (ENC)	The Excelsior Nickel Cobalt project is an HPAL facility under construction at the IMIP in Central Sulawesi, Indonesia. Designed to produce 72,000 metric tons of nickel per annum, producing MHP, nickel sulphate, and nickel cathode for the EV battery market. The project has a 15-year corporate income tax holiday and a USD 2.3 billion cost guarantee, including slurry pipeline from Hengjaya Mine, dry-stack tailings storage and a sulphuric acid plant for renewable energy.	Nickel Industries holds a 44% interest and is acquiring an additional 11% interest in the Excelsior Nickel Cobalt HPAL project.

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

Direct Economic Value Generated and Distributed

Description	Unit	2024	2023	2022
Economic Value Generated				
Revenue	USD	1,744,452,733	1,880,104,794	1,217,041,820
Economic Value Distributed				
Cost of sales	USD	1,429,798,345	1,430,421,113	856,617,781
Economic Value Retained				
EBITDA	USD	296,821,256	406,667,193	339,183,411

Organisational Scale

Description	Unit	2024	2023	2022
Total assets	USD	3,896,248,270	4,071,345,782	2,672,519,694

Production Performance

Description	Unit	2024	2023	2022
NPI production	tonnes	1,042,655	954,014	473,116
NPI grade	%	12.2	13.4	13.8
Nickel metal production	tonnes	127,261	128,259	70,079
Saprolite ore production	tonnes	5,017,222	3,832,833	2,890,575
Limonite ore production	tonnes	14,010,958	9,568,456	3,902,276

Defined Benefit Plan Obligations and Other Retirement Plans [201-3, 401-2, 14.17.4]

Liabilities for wages, salaries, annual leave, and sick leave due within 12 months are recognised at undiscounted amounts, based on applicable remuneration rates, including related on-costs such as workers' compensation insurance and payroll tax. In compliance with government regulations, Nickel Industries enrols employees in a Defined Contribution Pension Program administered by the Financial Institution Pension Fund, along with the Old Age Security Program and the Pension Security Program managed by BPJS Ketenagakerjaan.

In 2024, the working schedules across operational sites, including IMIP, were structured based on different work systems and shift arrangements. Non-shift employees adhered to an eight-hour workday supplemented by one hour of mandatory overtime. Employees operating under a two-shift, three-squad system were assigned 12-hour shifts, while those under a three-shift, three-squad system worked eight-hour shifts with an additional two hours of overtime. All scheduling structures were established to meet operational requirements while remaining in full compliance with applicable labour regulations.

Tax Compliance [207-1, 207-2, 207-3, 207-4, 14.23.4, 14.23.5, 14.23.6, 14.23.7]

Nickel Industries ensures full compliance with Indonesian tax regulations across its operating subsidiaries. The Company's taxation division, overseen by the Chief Finance Officer (CFO), is responsible for tax strategy, planning, and compliance, aligning with applicable laws and mitigating tax risks. A whistleblowing system is in place to uphold integrity in tax-related matters.

Regular internal and external reviews are conducted to monitor tax compliance, including assessing the tax implications of transactions and ensuring adherence to transfer pricing regulations with guidance from Tax Advisors. The Company engages with key government agencies, including the Directorate General of Taxes, the Ministry of Energy and Mineral Resources, and the Ministry of Environment and Forestry, and participates in tax-related training and seminars to stay updated on regulatory developments.

Supply Chain [2-6, 204-1, 14.9.5]

Nickel Industries' supply chain in Indonesia includes suppliers, vendors, contractors, consultants, and other partners, with no significant changes reported in 2024. The Company engages local (Indonesian) and international suppliers.

Mining Operations

Suppliers – Hengjaya Mine

Description	Unit	2024		2023		2022	
		Total	%	Total	%	Total	%
Local suppliers	entities	440	100	310	100	250	100
International suppliers	entities	0	0	0	0	0	0
Total	entities	440	100	310	100	250	100

Supplier Contract Value – Hengjaya Mine

Description	Unit	2024		2023		2022	
		Total	%	Total	%	Total	%
Local suppliers	USD	9,789,173	100	7,424,403	100	4,972,705	100
International suppliers	USD	0	0	0	0	0	0
Total	USD	9,789,173	100	7,424,403	100	4,972,705	100

RKEF Operations

Suppliers

Description	Unit	2024		2023		2022	
		Total	%	Total	%	Total	%
Local suppliers	entities	649	94	703	93	414	94
International suppliers	entities	44	6	52	7	28	6
Total	entities	693	100	755	100	442	100

Supplier Contract Value

Description	Unit	2024		2023		2022	
		Total	%	Total	%	Total	%
Local suppliers	USD	1,165,184,676	87	1,428,832,647	90	872,745,914	68
International suppliers	USD	168,812,320	13	154,577,433	10	413,915,940	32
Total	USD	1,333,996,996	100	1,583,410,080	100	1,286,661,854	100

Indirect Economic Impact [203-2, 14.9.4]

The Company 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, we design programs and initiatives that align with the needs of local communities and our long-term strategy, avoiding reactive social investments. Nickel Industries expects that our operations can continue to stimulate the growth of the local economy in the future.

The downstream development of the nickel industry has significantly contributed to economic growth in Central Sulawesi and North Maluku. Between 2015 and 2022, the region recorded an average annual economic growth rate of 11.7%, with manufacturing GDP increasing by 73% over the same period. In North Maluku, GDP grew by 22.9% in 2023, further illustrating the sector's regional impact. These growth rates notably exceed Indonesia's national average of 5% per year over the 2015–2024 period, underscoring the nickel industry's role in accelerating local economic development.

Infrastructure Investments and Services Provided [203-1, 14.9.3]

The Company invests in infrastructure and services through a strategic approach that prioritises long-term sustainability and growth. These investments are aimed at enhancing our operational capabilities, improving efficiency, and ensuring that we can continue to deliver high-quality products and services to our customers. Additionally, it not only strengthens our own operations but also has a ripple effect, contributing to indirect economic growth by fostering job creation, supporting local businesses, and stimulating economic activity in the regions where we operate.

Environmental Stewardship

Nickel Industries recognises environmental sustainability as essential to its operations and long-term stability. Given the role of its products in the global energy transition, the Company prioritises a stable operating environment. It is committed to zero environmental harm and responsible resource management.

Hengjaya Nickel and Ranger Nickel were awarded the Blue PROPER for the first time in 2024, paving the pathway of their position as responsible nickel producers by demonstrating the companies' commitment to the fulfilment of environmental compliance obligations referred to Indonesia's regulatory compliance standards.

In 2024, Hengjaya Mine was awarded the Green PROPER (beyond compliance) for the third year running, maintaining its government recognition from 2022 for demonstrating proactive environmental management and exceeding Indonesia's regulatory compliance standards.

Our Approach

The Company's environmental and climate approach stems from its environmental policy that establishes a commitment to zero environmental harm and responsible management across all phases, from exploration to rehabilitation and closure. The policy is regularly reviewed, documented, and implemented to ensure compliance and accountability. It is communicated to employees, contractors, visitors, and stakeholders. Key environmental considerations include biodiversity, energy management, emissions reduction, water and effluent management, and waste management.

Climate Risks

- Increased rainwater runoff, land erosion, and flood risk.
- Decreased river flow, higher drought risk downstream, and increased water consumption.
- Declining biodiversity on land, in rivers, and at sea.
- Increased coastal abrasion, sedimentation, and water pollution (surface, groundwater, and seawater).
- Depletion of surface water reservoirs and groundwater levels.
- Higher production of hazardous waste and associated sanitation and health risks.
- Increased air and noise pollution.

Strategy

- Minimise land clearing based on construction progress, establish topsoil storage with erosion control and develop green space and green belts as forest buffers.
- Construct runoff drainage, sedimentation ponds, and water reservoirs; assist with water supply and flood management through socio-environmental programs.
- Provide sediment barriers (silt curtains, gabions, sand sacks), transplant and monitor coral reefs, and protect coastal areas through mangrove planting as a part of the socio-environmental program.
- Continuously monitor flue gas emissions, maintain equipment and vehicles, implement noise suppression, and use dust suppression measures (spraying, covers).
- Recycle water, monitor cooling water and wastewater discharge, establish port Standard Operational Procedures (SOPs) for spill prevention, and expand wastewater treatment and waste collection.
- Maintain nursery areas, educate employees on biodiversity, and promote environmental stewardship to internal & external stakeholders.
- Implement ground lining and leakage control for stockpiles to prevent contamination.
- Optimise utilisation of generated byproducts for energy savings and other supporting activities.
- Reduce reliance on fossil fuel usage from fleet utilisation by transitioning to electric-powered vehicles.

Commitments and Actions

- Ensure adherence to environmental laws and regulations while proactively consulting authorities on potential future changes.
- Establish, evaluate, and refine environmental targets to align with evolving needs and expectations.
- Design and operate projects in compliance with the Company's Environmental Management System, incorporating inspections, audits, and performance evaluations.
- Foster an environmentally conscious culture through management leadership, employee education, contractor training and stakeholder partnership.
- Involve internal and external stakeholders in discussions on development, operations, and mine closure, recognising the interconnected environmental, economic, social, and cultural aspects.
- Report environmental performance openly, accurately, and consistently to all stakeholders.

Climate Adaptation and Mitigation

Governance

The Risk and Sustainability Committee at Nickel Industries oversees climate-related risks and opportunities, reporting to the Board of Directors quarterly. The Committee monitors and integrates climate considerations into strategic decisions and risk management whilst engaging external experts when required. The Company is committed to fostering an environmentally conscious culture through leadership, training, and stakeholder engagement. Employees, contractors, and suppliers receive climate awareness education to ensure the sustainability strategy is embedded at every operational level.

The Committee at Nickel Industries Limited derives its governance and authority from the Board of Directors, with its responsibilities outlined in the Risk and Sustainability Committee Charter. It is tasked with supporting the Board in formulating, implementing, and overseeing sustainability policies, ensuring these align with the Company's long-term ESG commitments. The Committee provides a critical advisory role, making recommendations to the Board on sustainability strategies and disclosure practices. The Committee possesses several key powers, including the ability to conduct evaluations of sustainability-related matters and retain external consultants or legal advisors at the Company's expense. Additionally, it has the right to request information from employees and external parties, ensuring transparency and accountability in sustainability reporting. To maintain oversight, the Committee meets at least four times a year, with additional meetings convened as needed to address emerging ESG issues.

As reference to the TCFD recommendations, Nickel Industries ensures that climate-related risks and opportunities are embedded in its governance structure. The Committee, along with senior management, plays a central role in monitoring and reporting on climate risk strategies. These risks are integrated into investment decisions, operational planning, and long-term sustainability initiatives. Management is responsible for identifying and mitigating physical risks, such as extreme weather events, and transition risks, including regulatory changes like carbon taxation.

Strategy

Nickel Industries is committed to supporting the global transition to a low-carbon economy while effectively managing climate risks and taking advantage of opportunities. The Company has conducted a climate scenario analysis to assess the resilience of its strategy under different climate futures. The Company evaluates both physical and transition risks by referencing projections from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), incorporating models such as the Representative Concentration Pathway (RCP) 4.5 and 8.5 scenarios as well as the IEA's Sustainable Development Scenario.

Over the short term, the Company has developed a comprehensive GHG inventory, identified key emission sources (coal combustion and electricity use), and prioritised energy efficiency improvements. In 2024, the Hengjaya Mine utilised solar panels with a capacity of 396 kWp alongside a 250 kWh storage system that has been installed since 2022. This solar power system now fulfils approximately 20% of the mine's electricity needs, lessening dependence on fossil fuels and aiding in reducing its carbon footprint. Alongside the solar initiative, the mine has launched a strategy to cut energy consumption by gradually introducing EV trucks. In 2024, EV trucks were integrated into the mining operations to decrease greenhouse gas emissions. Oracle Nickel has enhanced resource efficiency in energy production by replacing conventional coal with recycled furnace gas for its drying and grinding processes, which has decreased coal usage by approximately 800 tonnes of coal per day.

In addition, Hengjaya Nickel and Ranger Nickel have switched to electric loaders, moving away from traditional diesel-powered versions. These eight electric loaders are charged at specific stations within the facilities and are utilised for loading and unloading ore. Electric loaders consume 3.6 times less energy than their diesel counterparts, leading to a reduction in fuel usage.

Our medium-term plan emphasises the adoption of carbon-related regulations, proactive investments in renewable energy and the optimisation of low-carbon technologies to align with emerging standards. The HPAL technology has been implemented to process nickel ores with lower emissions and energy requirements, utilising power from the captive waste heat boiler system from the acid plant, which can provide up to 40% of power needs. This new technology is capable of processing limonite nickel ore, which can be moved through a slurry pipeline instead of conventional truck transportation. The ENC HPAL expansion is anticipated to lower the Group's emissions intensity by 37%.

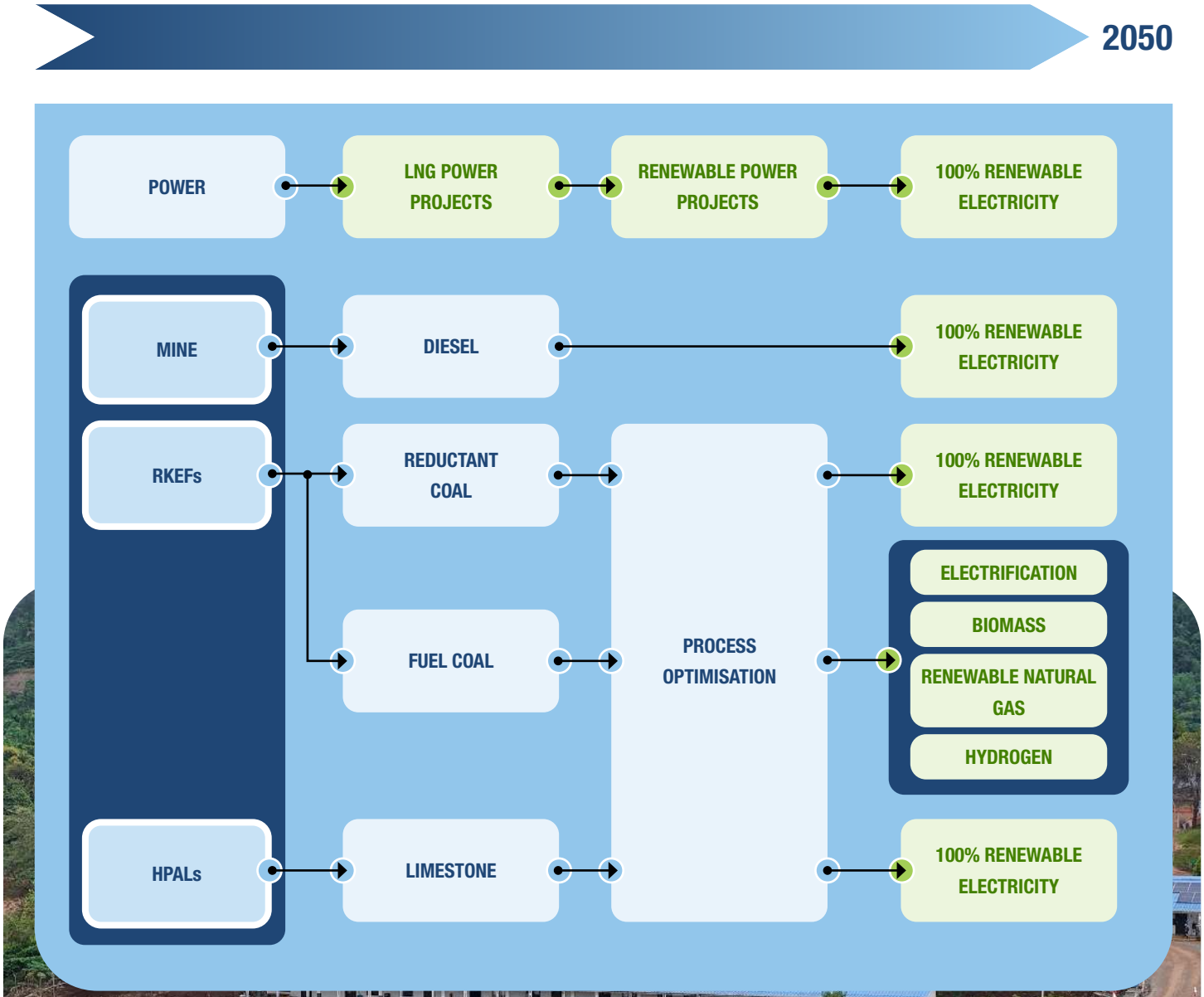
Our long-term vision aims for net-zero emissions by 2050 by enhancing renewable energy capacity, fully embedding sustainability into the Company's operational framework, and replacing fossil fuels in nickel smelting with innovative low-carbon technologies. The Company is also dedicated to increasing water recycling and refining waste management practices.

Net Zero Roadmap

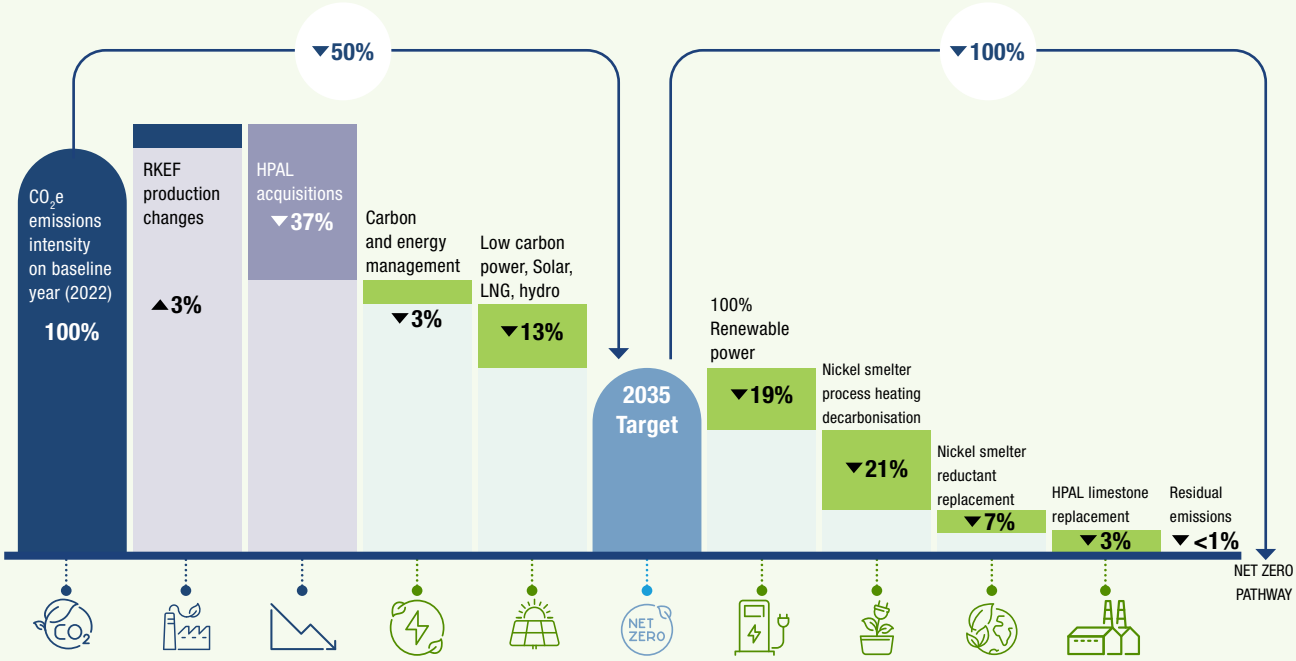
The Company's key initiatives to achieve net zero include:

- **Utilising low-carbon technologies to process nickel ores by** constructing the new nickel processing plants using the latest HPAL technology, which is going to be much more efficient than the existing RKEF operations in terms of the carbon footprint.
- **Transitioning to renewable energy sources,** decarbonising its power supply. Tsingshan Group, the Company's key partner, has committed to no new coal power projects to support this transition. As a concrete step, the Company has introduced solar cells at the Hengjaya Mine since 2022 and is developing a 255 MWp photovoltaic and 80 MWh Battery Energy System Storage (BESS) solar project in Morowali.
- **Substituting fossil fuels and carbon reductants in nickel smelting,** exploring other alternatives to mitigate hard-to-abate emissions. Further technological development will be required.

2050 Decarbonisation Roadmap



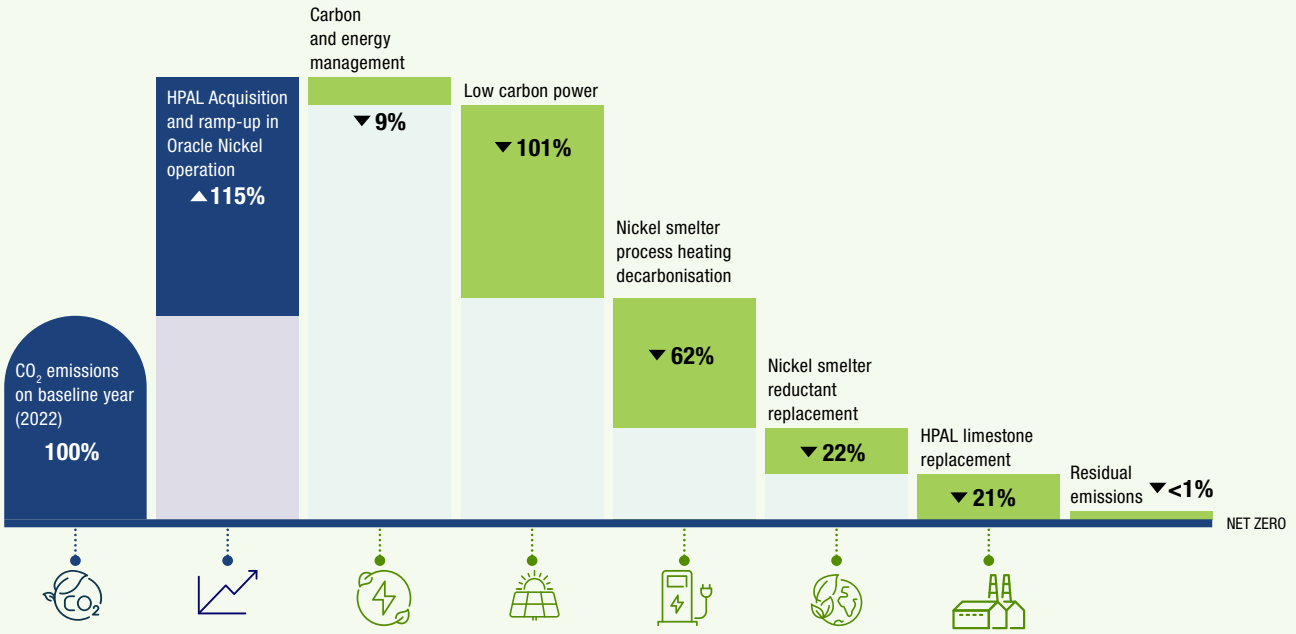
Net Zero Pathway – Emissions Intensity



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.** CO_2 emissions are inherent to limestone usage. Eliminating these emissions will require substitution with new materials like low-carbon lime.

Net Zero Pathway – Absolute Emissions



Risk Management [201-2, 14.2.2]

Nickel Industries actively addresses climate-related risks by integrating climate considerations into its risk management framework. The Company prioritises the systematic assessment of its most significant climate-related risks to safeguard operations and financial stability.

Physical Risk

Nickel Industries recognises the physical risks posed by climate change, including extreme weather events and long-term shifts in weather patterns that may affect operations. These risks could lead to production delays, increased costs, loss of productivity, and heightened liabilities. To assess both current and future risks, the Company utilises various climate scenarios, each providing distinct projections based on greenhouse gas concentration levels.

Physical risks are evaluated using the IPCC RCP 4.5 and 8.5 scenarios, which represent medium and high greenhouse gas concentration trajectories. RCP 4.5 is a moderate scenario where emissions peak around 2040 before declining, whereas RCP 8.5 represents a high-emissions trajectory in which emissions continue rising throughout the twenty-first century. By incorporating these scenarios, the Company can better understand and prepare for the potential impacts of climate change on its operations.

Temperature

IMIP and IWIP are experiencing temperature increases, with both scenarios projecting a rise to 28–29°C, approximately 0.6°C higher than current levels. This additional warming may result in harsher working conditions in the field and an increased demand for water.

Precipitation

In both scenarios, IWIP is projected to experience an increase in average annual precipitation, ranging from 2,500 to 2,700 mm, while precipitation around IMIP is expected to decrease from 2,300 to 1,900 mm per year. Despite the increased rainfall in IWIP, a study using the RCP 8.5 scenario indicates that North Maluku Province is likely to experience longer dry periods, lasting up to six months, compared to three months in Central Maluku Province. Additionally, surface water quality may become a challenge in Central Halmahera, where IWIP is located.

Sea Level Rise

Both IMIP and IWIP are located in coastal areas. Currently, available data does not indicate any significant increase in sea levels. However, data on the rise in sea level remains limited. High tide events were recorded in Central Sulawesi Province in 2015 and 2018, but they have not had a significant impact on IMIP operations.

Disasters

From 2015 to 2021, Central Sulawesi and North Maluku experienced flooding, landslides, storms, and forest fires, though the Company's operations remained unaffected. The only indirect impact occurred in 2019 when flooding in North Konawe Regency disrupted logistics and reduced mine production from 127,000 to 78,000 wet metric tonnes due to damaged infrastructure, including three broken bridges.

Transition Risk

Nickel Industries acknowledges that the global transition to low-carbon development, in line with the Paris Agreement, may impact its business, particularly in the mining and metal production sectors, which are characterised by energy-intensive operations and significant greenhouse gas emissions. To assess transitional risks, the Company utilises the IEA World Energy Outlook (WEO) 2021 Announced Policy and Sustainable Development Scenarios for the period 2021 to 2050. These scenarios provide a structured framework for evaluating the Company's preparedness for anticipated changes in the global energy landscape.

Policy

Nickel Industries faces medium risks from policy changes under the IEA WEO 2021 'Announced Pledges' and 'Sustainable Development' scenarios, particularly as Indonesian regulations increasingly promote low-carbon development in the energy and power sectors. This policy shift also influences the nickel market.

The Indonesian Government is advancing climate policies to meet its Nationally Determined Contribution (NDC) target, aligning with the IEA WEO 2021 'Announced Pledges' scenario. Key regulations include a ban on new coal power plants from 2030 and a mandate for an energy mix comprising 14% natural gas and 30% renewables.

Under the 'Sustainable Development' scenario, policies focus on supporting Carbon Capture Storage (CCS), Carbon Capture Utilisation and Storage (CCUS), hydrogen adoption in industries, and fuel transformation. Hydrogen is emerging as a potential renewable resource with applications in major industrial processes.

In Indonesia, hydrogen and CCS/CCUS remain in the study and planning phase. While the government is drafting regulations to enable CCS/CCUS adoption for hard-to-abate industries, its widespread application remains uncertain due to ongoing debates and scepticism.

Technology

Nickel Industries faces medium- to long-term cost risks due to policy-driven technological shifts in the energy and power sectors. The IEA WEO 2021 scenarios project increased reliance on low-carbon technologies, which, while expected to become more cost-effective, require significant capital investment.

Rising carbon taxes also add to business costs, given the high emissions from fossil fuel-based technologies. Under the IEA WEO 2021 'Sustainable Development' scenario, carbon prices are expected to rise from 40 USD/tonnes CO_2 in 2030 to 160 USD/tonnes CO_2 in 2050. Indonesia's planned carbon tax system in 2025 will further impact cost structures.

Market

Nickel Industries faces low market risk under the IEA WEO 2021 scenarios, as nickel remains essential for future industries. Positioned as an integrated producer, the Company supplies the stainless steel and battery markets through nickel pig iron and nickel matte production. In October 2022, it commissioned RKEF lines to produce nickel matte, expanding its market reach. Rising EV demand and growth in battery industries, particularly in China and Indonesia, further strengthen market opportunities. With a diversified product strategy, the Company anticipates no significant market risks in the near future.

Reputation

Nickel Industries faces medium reputational risks, as mining and processing industries are often linked to climate change, environmental impact, and social conflicts. With the global shift toward low-carbon development to meet the Paris Agreement's 1.5°C target and increasing national commitments to net zero by 2050, scrutiny of the sector has intensified. Investors closely monitor climate policies, and financial institutions increasingly integrate climate considerations into lending decisions, reinforcing the need for the Company to align with sustainability expectations.

To mitigate the risks above, some measures are taken as detailed below:

a. Physical Risk Management Measures:

- Monitoring acute and chronic climate risks through annual data collection.
- Developing and implementing water management plans.
- Enhancing water recycling to reduce losses from waste, leakage, and evaporation.
- Establishing contingency plans for extreme climate events.

b. Transition Risk Management Measures:

- Continuing the 'Future Energy' collaboration to accelerate renewable energy adoption.
- Proactively integrating green practices in anticipation of carbon taxation.
- Developing and utilising low-carbon technologies for processing nickel ores.
- Strengthening its reputation as a responsible nickel producer to foster investor and public trust.
- Expanding its market presence in high-grade nickel to position itself as a leader in sustainable mining and EV battery supply chains.
- Monitoring Indonesian and global climate policies to remain adaptive and explore strategic collaborations.

Metrics and Targets

Nickel Industries acknowledges its responsibility to support the global transition to a low-carbon economy while mitigating climate risks across its operations. The Company is committed to a 50% reduction in carbon intensity by 2035 and achieving net-zero emissions by 2050, using 2022 as a baseline. While early-stage initiatives have been implemented, the full impact on absolute and intensity metrics reduction is expected to materialise from 2025 onward. The expected commissioning of the ENC HPAL project in the second half of 2025 is expected to deliver material reductions in carbon emissions intensity, which remains a focus area for execution and monitoring.

Emissions [305-1, 305-2, 305-3, 305-4, 14.1.5, 14.1.6, 14.1.7, 14.1.8, 14.1.9] [EM-MM-110a.1, EM-MM-120a.1]

Nickel Industries calculates its GHG emissions in accordance with ISO 14064-1:2018 and the Greenhouse Gas Protocol Standard, covering operations at Hengjaya Mine and its RKEF facilities: Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel.

In 2024, Oracle Nickel transitioned from using recycled furnace gas to coke oven gas sourced from IMIP coking plants to enhance resource efficiency. Distributed via a 3-kilometre pipeline, this cleaner fuel replaces approximately 800 tonnes of coal per day, reducing coal consumption per 1% nickel produced from 0.108 tonnes to 0.051 tonnes monthly.

In line with its energy transition strategy, Nickel Industries introduced eight electric loaders at Hengjaya Nickel and Ranger Nickel in early 2024, replacing diesel-powered units. Electric loaders, consuming 73% less energy, significantly reduce fuel costs and emissions. Compared to diesel loaders, which require 12.6 litres of biodiesel per hour, electric loaders operate at 34.62 kWh per hour, cutting operational energy demand and lowering the environmental footprint.

GHG Emissions [305-1, 305-2, 305-4, 14.1.5, 14.1.6, 14.1.8] [EM-MM-110a.1]

GHG Emissions	Unit	2024	2023	2022
Scope 1 - Direct Emissions Category				
Stationary fuel combustion	(tCO_2e)	3,003,366	3,253,113	1,788,264
Mobile fuel combustion		17,985	20,842	22,892
Carbon fraction in the NPI		-87,166	-80,386	-41,076
Total Scope 1		2,934,253	3,193,569	1,770,086
Scope 2 - Indirect Electricity Emissions Category				
Total Scope 2	(tCO_2e)	3,710,248	3,440,250	1,814,177
Total Emissions	**(tCO_2e)**	**6.644.501**	**6,633,819**	**3,584,263**
Emissions intensity	tCO_2e /tonnes of Ni	65	65	64

Energy [302-1, 302-2, 302-3, 302-4, 302-5, 14.1.2, 14.1.3, 14.1.4] [EM-MM-130a.1]

In 2024, Nickel Industries implemented energy efficiency measures to reduce consumption and emissions across its operations. At Hengjaya Mine, a 396 kWp solar system with 250 kWh storage was commissioned, supplying 20% of site electricity and reducing reliance on diesel generators. This initiative is expected to decrease diesel consumption by 31 million litres over 25 years. Additionally, EV trucks were integrated into operations, with 25 more planned in 2025 to replace diesel-powered haulage. This transition aims to lower emissions and operational fuel costs.

Total Energy Consumption (GJ) [302-1, 14.1.4][EM-MM-130a.1]

Type of Energy Source	2024	2023	2022
Coal (bituminous - smelting)	27,170,425	29,705,562	13,526,902
Coal (semi-coke-reductant)	10,345,488	10,905,103	8,877,213
Electrode paste	291,758	258,713	153,044
Electricity	19,324,208	17,917,970	9,448,840
Petrol	50	38	72
Biodiesel B30	488,945	558,013	312,924
Diesel	-	-	555,645
Liquefied Petroleum Gas (LPG)	582	448	533
Acetylene (C2H2)	0	0	0
Total Energy (GJ)	**57.621.456**	**59,345,846**	**32,875,172**

*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	2024	2023	2022
Total energy usage	GJ	57,621,456	59,345,846	32,875,172
Nickel metal production	tonnes of nickel equivalent	127,263	128,259	70,079
Energy intensity of the nickel production	GJ/ tonnes of nickel equivalent	452.78	462.70	469.12

Good Mining Practices [2-23]

Nickel Industries' Hengjaya Mine adheres to Good Mining Practices as mandated by the Indonesian Ministry of Energy and Mineral Resources (MEMR) Regulation No. 26 of 2018 and MEMR Decree 1827K/30/MEM/2018. Operations are systematically planned, executed in phases, and regularly evaluated to ensure compliance.

In 2024, the Ministry of Energy and Mineral Resources awarded Hengjaya Mine the Good Mining Practices Award, recognising its compliance with environmental regulations and operational excellence. Environmental management initiatives include reforestation, waste management, and ongoing audits to mitigate impacts and ensure sustainable resource utilisation.

Mining Safety Management System

Nickel Industries' Mining Safety Management System (MSMS) ensures operational safety through structured policies, risk assessment, and continuous monitoring. Integrated into a multi-level planning framework from five years to daily intervals, it aligns geological modelling, pit design, equipment procurement, and project scheduling while considering natural topography, water flow, and ore-grade requirements.

To optimise excavation efficiency and minimise material rehandling, the Company repurposes materials for access construction, develops storage facilities in line with natural contours, refines material mixing for targeted ore grades, and establishes proportionate settling ponds. Pit designs maintain safe distances from license boundaries, with rehabilitation and landform planning ensuring long-term stability and regulatory compliance.

Mining Activities at Hengjaya Mine	Good Mining Principles Framework	Mining Safety Management System Initiatives	Medium-Term Mining Operations Initiatives
• 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.	• 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.	• 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.	• 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**
Overburden	• Landslide, erosion and sedimentation when it rains. • Acid mine drainage from runoff discharge. • Heavy metals contained such as chromite, manganese, and iron when chemical reaction between dissolved minerals with runoff water. • Turbid water generated from mine drainage & runoff.	• Management of overburden disposal through geotechnical studies. • Periodic monitoring to reduce the risk of landslides. • Establish and update sequencing and scheduling of mine planning on pit and disposal regularly. • Establish and update the mine water management plan regularly. • Construct sediment ponds to maintain the mine wastewater discharge. • Periodic monitoring of mine wastewater discharge in each compliance point to maintain its water quality. • Usage of coagulant and flocculant agents to treat suspended solids and dissolved minerals within the wastewater discharge to meet water quality thresholds.
Rock	Landslide, erosion and sedimentation when it rains.	Utilisation of rock for road lining in the pits.
Tailing	No tailings are produced in the Hengjaya Mine area.	No tailings are produced in the Hengjaya Mine area.
Sludge	No sludge is produced in the Hengjaya Mine area.	No sludge is produced in the Hengjaya Mine area.

No.	Land Clearing Minimisation and Optimisation Measures	Limonite Conservation Optimisation Measures
1	Optimising the stripping ratio based on available geological information.	Collecting data on areas that have reserves of low-grade ore (limonite) according to the specified grade limit.
2	Optimising the selection of mining locations, especially avoiding areas with waterways, such as rivers and lakes, to reduce the potential of water flow contamination and allow successful rehabilitation.	Plan mining sequence so limonite materials can be easily identified and mined and could be utilised for metallurgical processing.
3	Maintaining the administrative boundaries given by the government and providing certain buffer distances between pits and disposal boundary limits to reduce the risk of over-clearing or unauthorised clearing activities.	Coordinating departments to separate 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.	
5	Avoiding high biodiversity areas to be mined and establishing a high-conservation value area within the mining lease to be protected and maintained regularly.	

Water and Effluents [303-1, 303-2, 303-3, 303-4, 303-5, 14.7.2, 14.7.3, 14.7,4 14.7.5, 14.7.6]

Nickel Industries manages water use and effluent discharge in compliance with Indonesia Ministerial Decree No. 51 of 2004 on Seawater Quality Standards and Government Regulation No. 82 of 2001 on Water Quality Management and Pollution Control. Effluent quality is monitored at Hengjaya Mine to assess water-related risks and ensure regulatory compliance.

At Hengjaya Mine, rainwater runoff is processed through settling ponds, with daily internal testing of the Potential of Hydrogen and Total Suspended Solids and monthly independent laboratory testing in accordance with Indonesia Minister of Environment Regulation No. 09 of 2006 on Nickel Mining Wastewater Standards. At IMIP, water quality in RKEF operations is monitored at designated points by a certified laboratory, with wastewater recirculated within the production process to eliminate discharge. The Water Treatment Plant Department supplies water for production and domestic use.

Nickel Industries engages with local communities to address water access and resource management. The Company consults with relevant stakeholders to align water conservation efforts with local and regulatory requirements, ensuring the availability of clean water and supporting long-term resource sustainability.

Water Management and Quality Control

The Company's water management aims to prevent soil erosion and protect water quality. Mining is conducted in phases, with reclamation and revegetation restoring disturbed land. Restrictions on mining in steep areas and near water bodies help minimise environmental impact, while terraces and sediment controls stabilise soil and reduce runoff. Drainage systems are in place to manage water flow and prevent accumulation in operational areas.

Water quality is monitored throughout the mining lifecycle, with measures in place to control runoff and prevent contamination. Wastewater discharge into natural water bodies is prohibited, and sediment deposition systems help maintain compliance with environmental standards. Vegetation along riverbanks reduces sedimentation, and post-mining restoration ensures that affected water sources are rehabilitated to meet regulatory requirements.

Water Withdrawal - RKEF Operations

Source of Water	Unit	2024	2023	2022
Produced Water	m^3	8,894,461	8,780,166	4,331,397

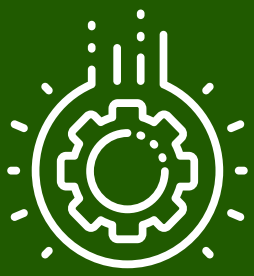
Water Consumption - Mining Operations

Source of Water	Unit	2024	2023	2022
Domestic water used in the office and basecamp of Hengjaya Mine	m^3	15,252	16,641	13,296

Waste [306-1, 306-2, 306-3, 306-4, 306-5, 14.5.2, 14.5.3, 14.5.4, 14.5.5, 14.5.6]

Nickel Industries manages waste across all operational phases in compliance with Ministerial Regulation No. P.12/ Menlhk/2020 on Hazardous Waste Storage and Government Regulation No.22 of 2021 on Implementation of Environmental Protection and Management, Environmental and Forestry Minister Regulation No. 10 of 2021 about Non-Hazardous and Toxic Waste Management. Waste is categorised as organic, inorganic, or hazardous, with hazardous waste managed by licensed transporters and each shipment recorded for regulatory compliance. Waste management follows the 4R principles— Reduce, Reuse, Recycle, and Recover— to ensure secure storage and proper disposal of process residues.

In 2024, Nickel Industries commissioned a Domestic Material Recovery Facility at Hengjaya Mine, reducing 14% of waste sent to disposal sites. The facility streamlines waste sorting, directing recyclable materials to third-party processors and converting organic waste into compost for mine rehabilitation.



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 Generated in 2024

Waste Composition	Unit	RKEF Operations	
		Waste Generated	Waste Diverted from Disposal
Slag nickel pig iron	Tonnes	8,127,766.68	5,340,766.68
Used oil		87.48	84.96
Used battery		5.70	5.41
Used filter		9.35	9.29
Used clot		5.59	4.11

Moreover, hazardous and toxic waste at Hengjaya Mine is managed and processed by third parties, as listed in the table below. [306-3, 14.15.2]

Type of Hazardous and Toxic Waste	Unit	2024	2023	2022
Used oil	Tonnes	239.07	110.40	138.47
Contaminated clot		20.75	2.90	0.46
Used filter		33.68	10.53	8.76
Used battery		8.67	5.77	4.59

Domestic Waste: Material Recovery Facility

Nickel Industries has established a Domestic Material Recovery Facility at the Hengjaya Mine to improve waste management efficiency. The facility functions as a temporary holding and sorting centre, separating recyclable materials for processing by third-party companies. Organic waste is converted into compost for use in land rehabilitation. The facility has reduced waste sent to final disposal by approximately 14%, with further reductions expected as waste management processes improve. The inorganic waste collected in the domestic material recovery facility has been diverted to a local waste off-taker to be recycled. This initiative has reduced inorganic waste sent to landfills by stimulating the circular waste chain, and it aligns with the Company's strategy to minimise environmental impact and enhance resource recovery.

Social Responsibility

Nickel Industries recognises its social responsibility and is committed to fostering local socioeconomic development while minimising disruptions to communities and the environment. The Company acknowledges that its operations may impact local livelihoods, economic conditions, and employment and actively engages with communities to mitigate conflicts, create business opportunities, and generate income.

The Company prioritises local employment, provides employee training, and has established a grievance redress unit to manage complaints. It is implementing long-term CSR programs for surrounding villages and facilitates community engagement through information workshops and centres. These initiatives support sustainable development and operational stability.

As of July 2024, Hengjaya Nickel, Ranger Nickel, and Oracle Nickel have adopted the International Labour Organisation-Sustaining Competitive and Responsible Enterprises (ILO-SCORE) program to improve management practices, productivity, and workplace conditions. The program enhances occupational health and safety, human resources, and employee rights through department and division-level improvement teams with diverse representation, including at least 10% female participation. Employees submit workplace improvement suggestions online, categorised into areas such as safety, health, and efficiency. Submissions are reviewed weekly, with management providing monthly evaluations and recognition.

Human Capital [2-7, 2-19, 2-30]

As of December 2024, Nickel Industries employed 4,712 individuals, all covered under Indonesia's Government Regulations in Lieu of Law 2 of 2022 on Job Creation as the amendment of Labour Law No 11 of 2020. The Company enforces binding Company Regulations governing employer-employee agreements. Nickel Industries does not engage part-time employees, and all employees are remunerated in accordance with the Minimum Provincial Wage regulation.

Total Employees by Position and Gender

Location	2024		2023		2022	
	Male	Female	Male	Female	Male	Female
Management	33	3	32	2	31	3
Senior Officer	394	55	707	46	409	48
Officer	3,736	491	4,276	415	3,514	406
Total	4,163	549	5,015	463	3,954	457
	4,712		5,478		4,411	

Total Employees Based on Employment Status and Gender in 2024

Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
Permanent Employees	3,546	75	491	10	4,037	86
Temporary Employees	617	13	58	2	675	14
Total	4,163	88	549	12	4,712	100

Total Employees Based on Employment Status and Placement in 2024

Placement	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
Site	3,752	80	671	14	4,423	94
Office	285	6	4	0	289	6
Total	4,037	86	675	14	4,712	100

Total Employees Based on Age Group and Gender in 2024

Age Group	2024	
	Male	Female
<30 years old	2,352	384
30-50 years old	1,788	161
>50 years old	23	4
Total	4,163	549
Grand Total	4,712	

Turnover Rate

Description	Turnover Rate					
	2024		2023		2022	
	Employees	%	Employees	%	Employees	%
Nickel Industries	987	21	656	13	688	17

Human Capital Development [404-1, 404-2, 14.21.4]

Nickel Industries invests in human capital development through structured programs that enhance employee skills and knowledge, ensuring operational efficiency and long-term growth. The Company supports professional advancement by fostering continuous learning and implementing best practices in workforce development.

Total Training Participants by Employee Category and Gender		
Employee Category	2024	
	Male	Female
Permanent	3,886	519
Contract	277	30
Total	4,163	549

Diversity and Equal Opportunity [2-8, 2-23, 405-1, 405-2, 14.21.5, 14.21.6]

Nickel Industries ensures equal opportunity for its employees. The Board of Directors oversees diversity initiatives, while management implements inclusion efforts and engages employees. All employees are expected to comply with the Company's diversity policy. Further details are available through the Company's website.

Sustaining Competitive and Responsible Enterprises (SCORE) Implementation

SCORE Program enhances productivity and sustainability through workplace cooperation, quality management and adherence to international labour standards. Developed from the ILO Factory Improvement Programme, it promotes innovation, environmental responsibility and structured improvement initiatives such as Enterprise Improvement Teams (EITs) and the 5S (Sortir, Set in Order, Shine, Standardise, and Sustain) methodology.

At IMIP, targeted measures have been implemented to improve gender equality, focusing on workplace safety, accessibility and employee well-being. To reduce physical contact and enhance security, signage and separate queues were introduced at punch-in machines, while access to essential hygiene products was improved by providing menstrual supplies in control rooms and emergency kits in office and production areas. Employee comfort was further addressed with the installation of benches at bus stops for pregnant employees and designated seating in canteens and duty rooms. Restroom privacy concerns were resolved by sealing door gaps. Additionally, the Bus Station Management System enforces structured queuing, prohibits harassment, and establishes clear disciplinary actions. These initiatives align with SCORE's broader objective of fostering responsible business practices and long-term competitiveness.

Occupational Health and Safety (OHS) [403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 14.16.2, 14.16.3, 14.16.4, 14.16.5, 14.16.7, 14.16.8, 14.16.9] [EM-MM-320a.1]

Nickel Industries enforces strict OHS standards to ensure safe operations for employees, contractors, suppliers, and surrounding communities. The Company is committed to a Zero-Harm objective, prioritising the safety and well-being of all personnel and stakeholders. OHS policies include hazard identification, risk assessment, incident prevention, safety training, and continuous evaluation through internal and external audits. All policies are documented, reviewed regularly, and communicated to employees, contractors, visitors, and stakeholders.

The Company complies with Indonesia's regulatory framework, including Law No. 1 of 1970 on Occupational Safety and Health and various MEMR regulations governing mining safety and operational standards as of the end of the reporting period. Additionally, Nickel Industries has established 8 Golden Rules applicable to all personnel.

8 Golden Rules

- Fit to work
- Do not work without appropriate Personal Protective Equipment
- Do not conduct work without appropriate tools and equipment
- Do not carry out work without permission and authority
- Obey to lockout and tagout
- Hazardous and toxic materials must be managed in accordance with procedures
- Do not disturb or damage flora and fauna, including reclamation areas.
- Do not disturb any area without approval

OHS Management System

Nickel Industries implements an OHS Management System in compliance with Article 87 of Law 13 of 2003 on Manpower, which mandates an integrated OHS framework. The system is applied across all operational sites, including Hengjaya Mine, Hengjaya Nickel, Ranger Nickel, Angel Nickel, and Oracle Nickel, to maintain workplace safety and efficiency.

The Company applies a preventive approach to OHS risks through structured education and training programs focused on hazard identification, risk assessment, and control measures. These initiatives support workplace safety, operational continuity, and compliance across nickel smelting operations and business activities.

Hazard Identification, Risk Assessment and Incident Investigation

Types of High-Risk Jobs	Description of Activities and Risks	Mitigation
Working with heat	Welding, cutting, grinding	Implementing Hazard Identification and Risk Assessment Determining Control (HIRADC) process, enacting SOPs and Job Safety Analysis (JSA), inspection and observation, promoting Near Miss Report (NMR), training and education (internal), issuing permits to work, provision of Personal Protective Equipment (PPE) according to the type of work (face shield, apron, special hand Gloves, welding screen, etc.).
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 and education (internal), issuing permits to work, provision of PPE according to the type of work (full body harness with shock absorber, static line etc.).

Types of High-Risk Jobs	Description of Activities and Risks	Mitigation
Working at height	Falling down, struck down material	• 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 and education (internal), issuing permits to work, provision of PPE according to the type of work (ring buoy, life jacket, etc.).
Work using electric tools	Use of electrical tools (hand grinding, hand drill, etc.)	Implementing the HIRADC process, enacting the SOPs and JSA, inspection and observation, promoting NMR, training and education (internal), issuing permits to work, provision of PPE according to the type of work.
Work using lifting equipment and transport	Lifting using lifting equipment (manitou forklift) and transport (heavy equipment, dump truck, etc.)	Implementing the HIRADC process, enacting the SOPs and JSA, inspection and observation, promoting NMR, training and education (internal), issuing permits to work, provision of PPE according to the type of work, and providing License of Competency.
General welding activity	Explosion, 3rd-degree burns, intoxicated, asphyxiated	• Person fit for work. • Completed risk assessment (JSEA/near miss report). • PPE. • Barricade the area. • Inspect all tolls 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. • 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. • Full supervisory.
Furnace operator	Tapping and slagging: burn, explosion, CO, mechanical injury, electric shock	Craft control, water-liquid contact control, SOP and PPE.
Rotation kiln	Burn and explosion	Craft control, water-liquid contact control, SOP and PPE.
Indoor ore yard	Heavy vehicle activity	Traffic management plan.

Occupational Health Services & Employee Health Promotion [2-25]

Nickel Industries provides occupational health services to ensure employee well-being and workplace safety. Health facilities include first aid stations, clinic staff, and round-the-clock medical services. Employees undergo regular medical check-ups, annual Health Risk Assessments (HRAs) led by occupational medicine specialists, and monthly vitamin distributions. Workplace safety is further supported through the provision of labour protection equipment and regular inspections of canteen facilities.

To reinforce health awareness, the Company conducts employee health promotion initiatives through internal meetings, safety toolbox meetings, banners, and digital communication. In collaboration with IMIP, Nickel Industries also operates a 24-hour emergency clinic, providing outpatient, inpatient, and emergency care to ensure timely medical assistance for employees.

Employee Engagement in OHS

Nickel Industries involves employees in OHS management through a Mining Safety Committee, led by the Chief Mine Officer and comprising supervisors, technical personnel, and safety experts. Employee representatives, including contractors, participate in monthly committee meetings, while General Safety Toolbox Meetings are held every Monday to reinforce safety awareness. At Hengjaya Nickel, Ranger Nickel, and Angel Nickel, employees contribute to OHS consultations, ensuring continuous improvement in workplace safety practices.

OHS Consultation Topics

Daily Safety Talks
Ensuring all personnel are aware of safety procedures and concerns before work activities commenced.

Safety Patrols for OHS Inspections
Regular inspections are carried out to identify and rectify safety hazards.

Safety Signage and OHS Banners
Enhancing safety communication and awareness throughout the workplace.

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

Updating Laws and Regulations
Ensuring compliance with all relevant OHS laws and regulations.

Accident Investigations and Follow-up Evaluation
Conducting the In-depth investigations, followed by evaluations, to prevent recurrence.

Workplace Accident Reports and PAK
Maintaining 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
Enhancing the communication between management and workers, which occurs four times a month at all levels.

Safety Campaigns
Organising 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 Training and Education

OHS Training and Education – Mining Operations

Employee Occupational Health and Safety Training			
Training Type	2024	2023	2022
	Total Participants	Total Participants	Total Participants
Working at height	24	0	0
Near miss report	67	43	40
HIRADC	7	0	0
Incident investigation (ICAM Method)	20	18	0
Basic life support	7	0	15
Fire fighting	26	16	24
Kendrick extrication devices	20	11	0
Emergency reporting	117	17	14
Confined spaces	7	0	0
Lock Out Tag Out (LOTO)	13	13	0

Contractor Occupational Health and Safety Training			
Training Type	2024	2023	2022
	Total Participants	Total Participants	Total Participants
Working at height	1,024	40	0
Near miss report	314	395	0
HIRADC	73	240	4
Incident investigation (ICAM Method)	15	76	0
Basic life support	1,024	63	0
Fire fighting	208	91	35
Kendrick extrication devices	9	38	0
Emergency reporting	1,024	716	0
Confined spaces	5	45	0
Lock Out Tag Out (LOTO)	137	140	37

OHS Training and Education – RKEF Operations

Employee Occupational Health and Safety Training			
Training Type	2024	2023	2022
	Total Participants	Total Participants	Total Participants
Working at heights	239	299	488
Occupational health and safety certification	71	65	78
5S management training	1,671	1,139	390
Safety management basic knowledge training	173	176	488
Safe operating procedures	1,001	745	206
Environmental management knowledge training	262	291	203
Special operations personnel management training	66	94	100
Fire safety training	287	319	488
Accident case	198	444	382
Security management	239	93	119
Ferronickel production process safety	1,327	1,145	1,040
Job cycle check	1,212	1,023	130
Safety meeting	520	480	180
PPE requirement on site	607	456	186
Others	3,455	3,637	3,705

OHS Targets for 2025

Mining Operations

- Strengthening human resource capacity to support the implementation of the Mining Safety Management System and improve productivity.
- Achieving 20 million work hours without a Lost Time Injury.
- Organising a Family Day event as part of Mining Safety Management System Element IV.11, promoting off-the-job safety awareness.
- The Emergency Response Team will participate in the Indonesia Fire Rescue Challenge competition in Sumatera.

RKEF Operations

- Zero workplace fatalities, occupational diseases, poisoning incidents, fires, explosions, thefts, and traffic accidents.
- 100% safety training completion for all employees.
- Full compliance with accident and hazard rectifications within designated timelines.
- Strengthening safety management by refining processes, defining responsibilities, and improving interdepartmental coordination.
- Enhancing safety training through structured programs tailored to different job roles, integrating online and offline methods, and linking assessment results to employee performance.
- Conducting comprehensive risk assessments, implementing dynamic risk controls, and establishing a robust hazard identification and reporting system.
- Strengthening environmental controls, including hazardous waste management and emissions monitoring.
- Promoting a safety culture through ongoing awareness campaigns and employee engagement initiatives.
- Ensuring strict compliance with maintenance and repair safety protocols, including detailed work plans, task-specific briefings, and 24-hour supervision of high-risk activities.
- Enhancing emergency preparedness through regular drills, response team training, and continuous improvement of emergency plans.

Local Communities [413-1, 14.10.2]

Nickel Industries is committed to supporting long-term economic development in communities surrounding its operations through sustainable CSR initiatives. These initiatives focus on education, healthcare, social welfare, and community self-reliance. The Company prioritises sustainable development, ensuring that efforts are aligned with the needs and aspirations of these communities. By focusing on long-term empowerment rather than short-term investments, the Company aims to help these communities thrive and maintain independence.

CSR at Hengjaya Mine

The Hengjaya Mine has conducted social mapping across eight villages to identify local social and environmental issues, integrating findings into decision-making processes. The results are updated every four years through independent third-party reviews. An environmental impact study and social impact assessment were conducted before operations to fulfil regulatory requirements and ensure community engagement through transparent communication.

Aligned with the Indonesia Ministerial Decree No. 41/2016 and Governor Regulation No. 38/2019, Hengjaya Mine's Community Empowerment Program (PPM) focuses on eight key areas: economic development, education, healthcare, environmental sustainability, and local self-sufficiency. The 2024 PPM budget totaled IDR 5 billion, supporting eight villages near the mine.

8 Areas of Focus

Education

Supporting early childhood education, vocational training, religious schools, and teacher capacity-building to improve education access and quality. The program aligns educational outcomes with local workforce needs, enhancing literacy and lifelong learning.

Healthcare

Strengthening basic healthcare services for vulnerable groups by supporting local health posts and working with local authorities. The focus includes preventive, promotive, curative, and rehabilitative healthcare, addressing respiratory infections, tuberculosis, and waterborne diseases.

Employment and Income Generation

Strengthening basic healthcare services for vulnerable groups by supporting local health posts and working with local authorities. The focus includes preventive, promotive, curative, and rehabilitative healthcare, addressing respiratory infections, tuberculosis, and waterborne diseases.

Economic Self-Sufficiency

Supporting local entrepreneurship, Small Medium Enterprises (SMEs), and cooperatives to promote economic diversification. The program focuses on value-added production, market access, and financial literacy to strengthen the local economy.

Social, Cultural, and Religious Development

Supporting community events, interfaith cooperation, and disaster management initiatives to maintain social cohesion. The Company integrates local traditions and religious values into community programs.

Environmental Stewardship

Managing pollution control and post-mining land rehabilitation through community engagement in waste management, reforestation, and sustainable land use. The program addresses environmental impacts and promotes conservation.

Community Institutions

Strengthening local governance through capacity-building for village institutions, administrative support, and community participation. The Company promotes one-village-one-planning to improve resource allocation.

Infrastructure Development

Improving transportation networks, public facilities, and connectivity in remote areas of Morowali to enhance access to essential services and economic opportunities. The program aligns with regional development plans to support long-term growth.

Enhancing communities' well-being through thoughtful and impactful contributions is crucial. Nickel Industries is dedicated to implementing CSR initiatives that are deeply rooted in the needs and aspirations of the communities they serve. Instead of opting for quick, temporary solutions, the Company prioritises sustainable economic development that fosters resilience and growth over the long term. By doing so, Nickel Industries aims to empower these communities, ensuring they thrive and maintain their independence while cultivating a prosperous future.

Nickel Industries, through its Hengjaya Mine, has undertaken an extensive social mapping initiative across eight villages. This initiative aims to comprehensively understand the local communities' social landscapes and dynamics. By engaging with local communities, the Company seeks to identify each community's specific social and environmental issues, concerns, and demands. Recognising that these factors can significantly influence the success of mining operations, the Company is committed to integrating these insights into its decision-making processes. The social mapping results are not static; they will be updated every four years to reflect any changes in the communities. These updates will be conducted by independent third-party organisations to ensure objectivity and credibility in the findings.

In addition, Hengjaya Mine also carried out an Environmental Impact Study before commencing operations. This comprehensive study included a detailed social impact assessment to fulfil the regulatory requirements set forth by Indonesian law. The environmental impact study encompasses several critical components: environmental impact monitoring and management plans, known as *Rencana Pengelolaan Lingkungan dan Rencana Pemantauan Lingkungan.* It also incorporates a structured public engagement procedure to facilitate transparent communication with local communities, allowing them to provide input and feedback. This approach not only verifies the study's conclusions but also fosters a collaborative relationship between Nickel Industries and the communities in which it operates. By addressing both social and environmental considerations, Nickel Industries strives to ensure sustainable mining practices that benefit all stakeholders involved.

Corporate Social Responsibility

PPM Program Implementation:

In accordance with Indonesia Ministry of Energy and Mineral Resources Decree No. 41/2016 and Central Sulawesi Governor Regulation No. 38 of 2019, which emphasises the importance of community development and empowerment in the mineral and coal mining sectors, Hengjaya Mine has made a firm commitment to promote economic growth and enhance the quality of life for the communities in its vicinity.

Hengjaya Mine knows its operations must positively affect the local population and the surrounding environment. This commitment aligns with the objectives in the Blueprint for Community Empowerment Development of Central Sulawesi Province for 2020 to 2024. Hengjaya Mine is tasked with the comprehensive development, implementation, and ongoing evaluation of a PPM to meet its social and environmental stewardship obligations. This initiative will address eight critical dimensions: economic development, educational opportunities, socio-cultural engagement, healthcare access, environmental sustainability, overall community welfare, and fostering the self-sufficiency of the local populations surrounding the mining operations. By focusing on these aspects, Hengjaya Mine aims to cultivate a thriving and resilient community that benefits from and contributes to sustainable development. Until 2024, the PPM budget implementation was about IDR 5 billion for into eight villages around Hengjaya's mine site operation.

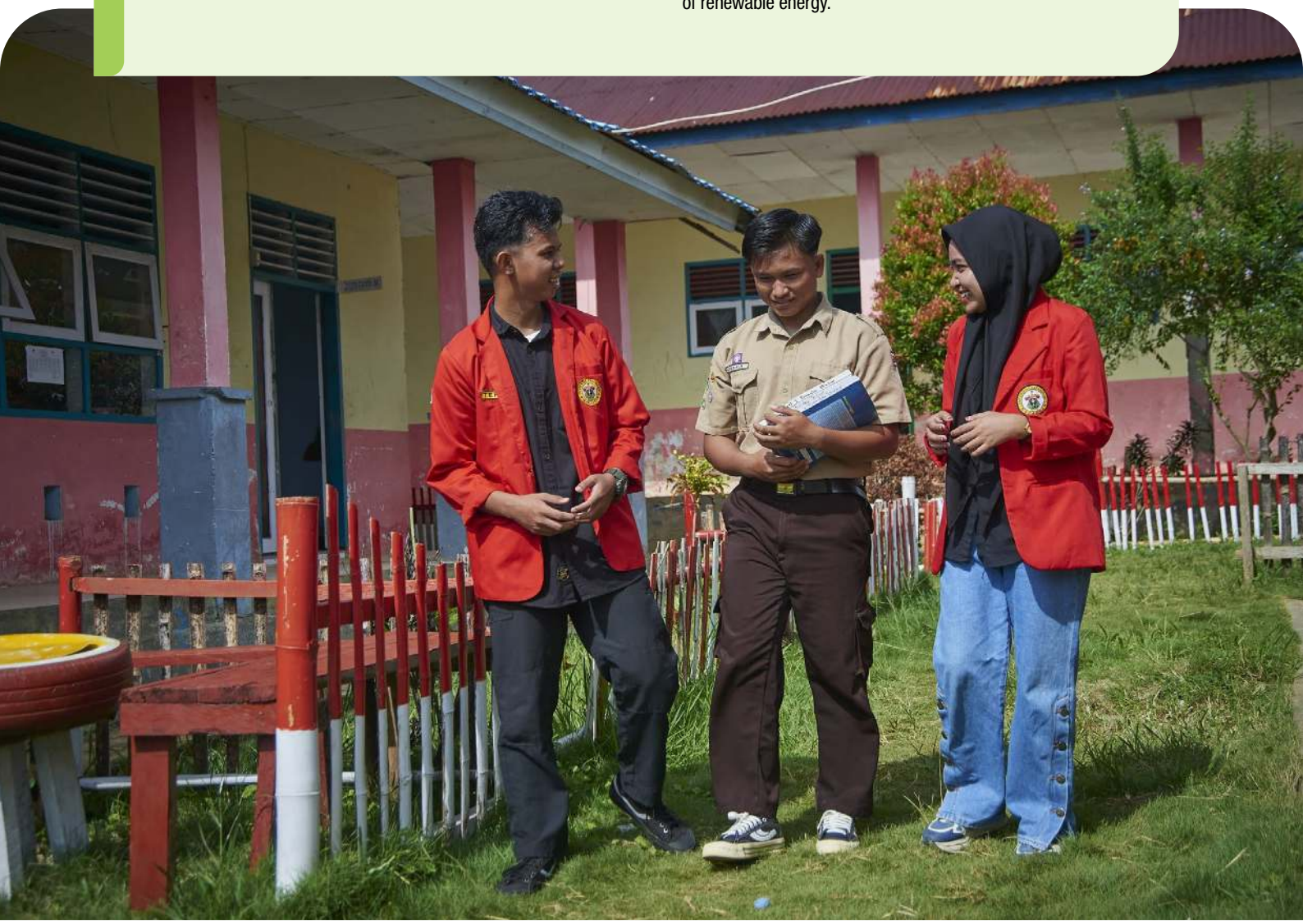
Our Flagship Programs

1 University Scholarship Program

Nickel Industries has entered into a significant memorandum of understanding (MoU) with Hasanuddin University in 2024. This collaboration aims to foster educational opportunities for Indigenous students hailing from Morowali. It is focused on providing essential financial support to these students as they embark on their journey toward higher education. In a notable initiative for the year 2024, the university granted scholarships to ten deserving students pursuing undergraduate degrees in various fields, including geology, environmental science, electrical engineering, mining, law, accounting, and informatics. These programs are critical for shaping the future of both the students and the communities they represent.

Recent evaluations conducted for Semester 1 revealed that the academic performance of these scholarship recipients was impressive, with an average GPA of approximately 3.54 out of a perfect score of 4.00. This achievement is remarkable, highlighting their potential and dedication to their studies.

The scholarship program will strengthen the Company's support for the local communities living around its area of operation by enabling it to take a leadership role in a number of community-based initiatives, including, but not limited to, economic development, education, capacity building, health protection, waste management, women's empowerment, and the adoption of renewable energy.



2 Metana Bumi (Menanam Tanpa Merusak Bumi)

Metana Bumi, known as Planting Without Damaging the Earth, has been one of the Company's flagship five-year social and environmental program since 2023. It focuses on changing the old agricultural system into a new, environmentally friendly, inclusive farming system. This program seeks to produce and maximise natural resources in Morowali without reducing the existence of living things (biotic) and other resources (abiotic) through climate change mitigation and adaptation strategies.

Metana Bumi has also had social impacts, such as being able to (1) increase the knowledge and skills of 15 local farmers and local communities related to sustainable agricultural management through continuous training, mentoring, and collective learning at Metana Bumi Learning Centre, which till December 2024, it has attracted more than 100 people; (2) provide alternative employment space for the people of Makarti Village other than becoming mine workers; (3) reduce social conflict (individual) in the community due to the high level of cow dung which can result in poor air quality and odour in Makarti Village; and (4) reactivate village-owned enterprise structurally in supporting sustainable agricultural business processes in the village.

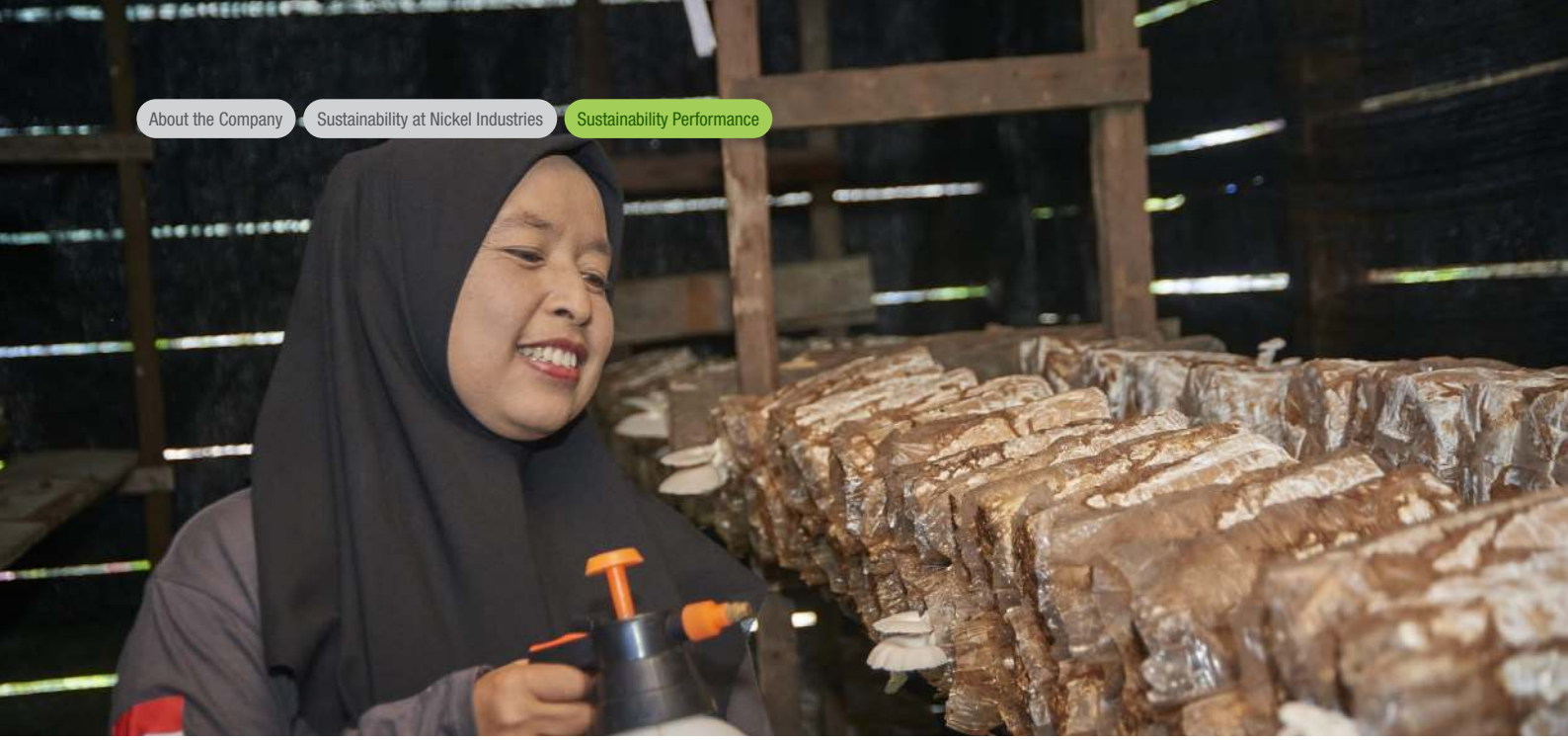
In 2024, Hengjaya Mine measured community satisfaction regarding the Metana Bumi program, resulting in a score of 3.5 with a converted community satisfaction index of 86.8. This score signifies that the Metana Bumi program, carried out in collaboration with the Pomponangi Group, has had a positive impact and is very satisfactory regarding program execution, program management, and the delivery of the program's services.

3 Srikandi Hijau (The Spirit of Women Farmers Makarti for Food Security and Independence through the Harmonisation of Sustainable Innovations)

Srikandi Hijau is the Company's premier socio-economic initiative launched in 2024. It focuses on uplifting women farmers in the vibrant community of Makarti Jaya Village. This innovative program seeks to inspire and empower women by enhancing their role in promoting family economic growth. It emphasises the cultivation of agriculture alongside the production of higher-value-added products that can significantly boost local livelihoods.

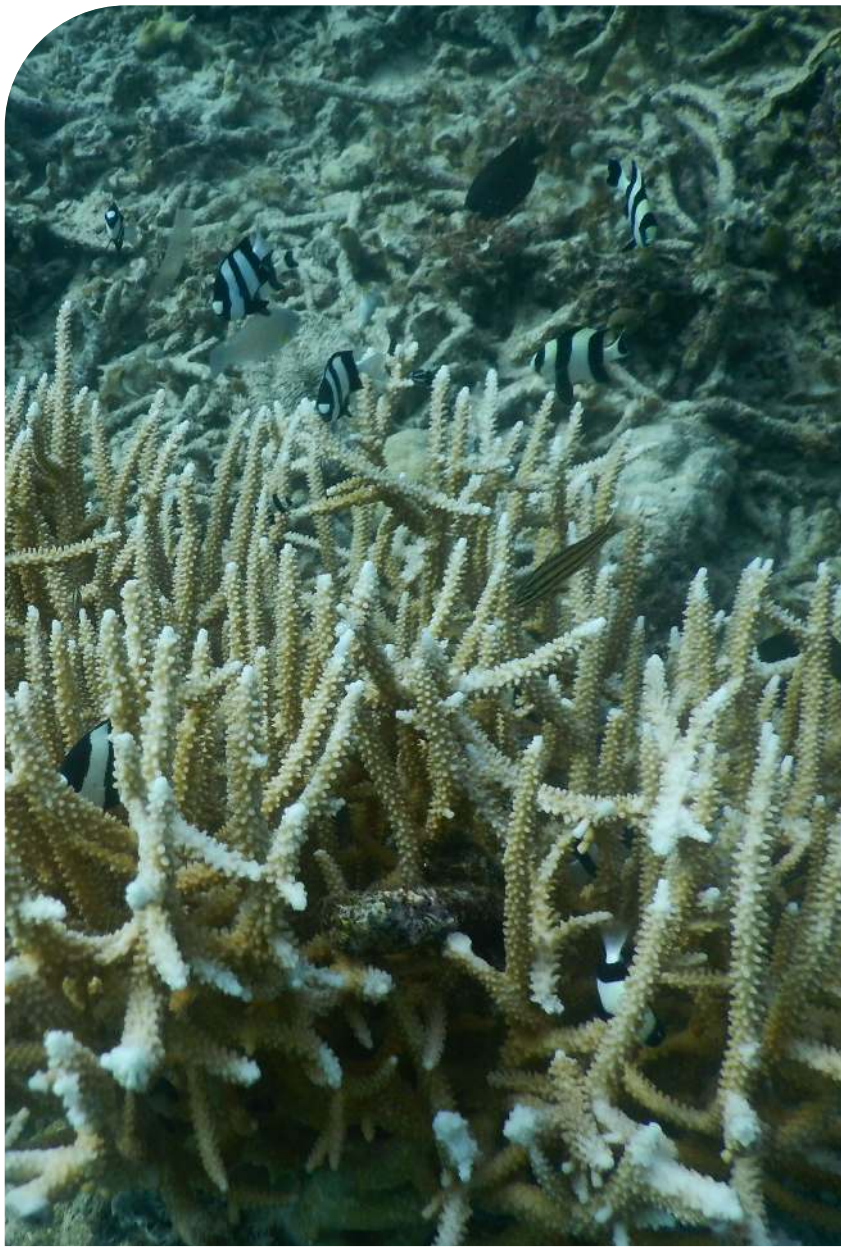
Hengjaya Mine is firmly committed to this cause. It invests in the development of women farmers by equipping them with vital knowledge and specialised skills. This initiative fosters a collaborative environment, bringing together diverse stakeholders to ensure comprehensive support and training for these women.

Currently, Hengjaya Mine has been providing support to 15 women farmers. The initial activities focus on cultivating oyster mushrooms, utilising 300 baglog units, which yield a daily harvest of 2 to 3 kilograms. In addition to mushroom farming, these women are also encouraged to process and package derivative products made from mushrooms and spinach for sale to companies and the general public.



Planned Initiatives for 2025

The community development plan for 2025 will prioritise the continuation and expansion of existing CSR programs, including coral reef rehabilitation, mangrove restoration, and sustainable farming initiatives, which have shown promising results in promoting environmental conservation and community engagement. Building on this foundation, the plan will introduce two new programs to address pressing environmental and social challenges.
The first initiative focuses on constructing waste-management facilities to improve local waste disposal practices, reduce pollution, and encourage recycling efforts. The second initiative involves training residents to repurpose used tyres into functional or decorative items, fostering creativity, generating income opportunities, and contributing to a circular economy. Together, these programs aim to enhance environmental sustainability while empowering the local community through skill development and improved infrastructure.



CSR at IMIP

CSR initiatives at Hengjaya Nickel, Ranger Nickel, Angel Nickel, Oracle Nickel, and Huayue Nickel Cobalt are conducted collaboratively with IMIP, where Nickel Industries operates as a tenant. The Company's CSR efforts focus on five pillars: Education, Health, Environment, Social, and Economic development.

Flagship CSR Programs

Education	IMIP's Guest Teacher program provided bi-monthly sessions from May to October 2024, covering topics like environmental conservation, energy use in nickel production, and career opportunities. National Children's Day included environmental competitions for various school levels. Thus, the Company has been partnering with Universitas Gadjah Mada Yogyakarta in the Social Community Voluntary Program (KKN) since 2022, which focuses on sustainable infrastructure and Micro, Small, and Medium Enterprises (MSME) development. In 2024, the KKN program benefited around 4,000 people around Makarti Jaya, Padabaho, and Bete-Bete villages.
Health	IMIP hosted multiple blood donation drives in 2024. The Company also implemented a deworming program in Bahodopi Village, distributing 879 doses to address stunting. Through The *Sinergi Berdaya* program, IMIP educated parents on stunting prevention, benefiting 61 children.
Environment	In 2024, IMIP conducted the Clean Environment Movement in the surrounding area, successfully collecting 700 tonnes of waste. On National Waste Awareness Day, the Genius Berdaya program emphasised waste management and initiated school waste banks. Additionally, as per data from 2024, IMIP also planted 10.000 mangrove saplings in Bete-Bete Village as part of its efforts to preserve the ecosystem.
Social	In 2024, The *IMIP Berbagi* program provided food and cash assistance to 625 individuals, including vulnerable groups such as the elderly and children. IMIP's Berkah Ramadhan event engaged 66 children in creative competitions, while IDR 65,000,000 was donated to flood relief in Kolaka and Tojo Una Una regencies. The Mass Circumcision program provided free health services to 150 children.
Economic	IMIP funded the development of Langala Island as a tourism destination, supporting local economic growth. In agriculture, IMIP assisted the Bumi Lere'a farmer group in Lele Village and the Pomponangi Farmers' Group at Makarti Jaya Village with fertilisers and equipment to improve crop yields.

CSR at Siduarsi Project

Nickel Industries is advancing its Siduarsi Nickel-Cobalt Project in Papua Province, Indonesia, with a strong emphasis on ESG principles. The project, held under a 6th generation Contract of Work by PT Iriana Mutiara Mining, spans 16,470 hectares and is strategically located along the geo-tectonic strike from the Ramu nickel-cobalt project in Papua New Guinea.

Recognising the importance of community engagement, Nickel Industries has initiated a comprehensive social mapping exercise in collaboration with Cendrawasih University. This study aims to understand the social dynamics, needs, and aspirations of local communities, ensuring that future community development programs are tailored and effective. Through these concerted efforts, the Company demonstrates its commitment to responsible mining practices that prioritise community well-being and environmental stewardship.

Operations with Significant Actual and Potential Negative Impacts on Local Communities [413-2, 14.10.1]

Nickel Industries understands that its mining operations can significantly affect the communities located near its operational sites. The Company fully recognises that the extraction and processing of minerals can lead to a range of adverse environmental consequences. These may include disruptions to local ecosystems, contamination of soil and water resources, the generation of dust that can affect air quality, and noise pollution that can disturb both wildlife and residents alike.

In light of these potential impacts, Nickel Industries is deeply committed to operating in strict compliance with all relevant laws and environmental regulations. The Company prioritises the adoption of best mining practices to safeguard the health of the ecosystem and the well-being of nearby communities. By actively implementing effective environmental management strategies, Nickel Industries aims to prevent or minimise any negative consequences that may arise from its operations.

Biodiversity [304-1, 304-2, 304-3, 304-4, 14.4.3, 14.4.5, 14.4.7, 14.4.8] [EM-MM-160a.1]

Nickel Industries integrates biodiversity management into its mining practices in compliance with Law Number 32 of 2024 about the Conservation of Biological Natural Resources and their Ecosystems, Government Regulation No. 28 of 2011, as amended by Government Regulation No. 108 of 2015 on the Conservation of Biological Natural Resources and Ecosystems. The Company implements conservation strategies to mitigate impacts on high-value biodiversity, with a focus on mine closure planning to support habitat restoration and sustainable land use.

Biodiversity management follows a technology-driven and socio-economic approach, ensuring compliance with local regulations and stakeholder engagement in land rehabilitation efforts. The Company coordinates with relevant authorities to align final land use plans with conservation objectives, minimising long-term environmental impact.

Technology-Driven Approach	Socio-Economic Approach
Counselling employees and the general public on the prohibition of disturbing wildlife.	Counselling employees and society on the prohibition of disturbance on endemic and protected vegetation. This is related to one of the Company's eight golden rules.
Reclaiming and replanting each mined area.	Promote an environmental campaign about hunting prohibition through a bulletin board. 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.	

2024 Biodiversity Assessment

In 2024, biodiversity monitoring at the Hengjaya Mine recorded an increase in vegetation diversity in post-mining reclamation areas, with 71 species identified (22 tree species and 49 understory plants), compared to 60 species in natural forests (31 tree species and 29 understory plants). These findings indicate that habitat quality and ecological stability remain intact, supporting wildlife populations within the mining area.

Wildlife diversity in the Hengjaya Mine area falls within the moderate to high category, influenced by extensive natural forests and aquatic ecosystems. Monitoring identified 3 new mammal species, 12 bird species, 1 reptile/amphibian species, 9 butterfly species, and 5 dragonfly species, reflecting improved habitat conditions. The presence of rivers further supports species reliant on aquatic environments.

Biodiversity Program

Nickel Industries' biodiversity initiatives aim to restore ecosystems and support conservation efforts across its operational areas.

Watershed Rehabilitation

Since 2019, the Company has rehabilitated 2,057 hectares of watershed areas in Central Sulawesi and planted 2,258,500 trees, including pines, rattans, and durians. This initiative supports reforestation and local economic development, with a projected community income of USD 535 per hectare after eight years.

SEA Tangofa (Coral Reef Restoration)

In 2024, Nickel Industries restored 8,244 Acropora coral seedlings using 1,439 artificial reef units, including 61 repurposed light vehicle tyres installed at the Bungku Pesisir seabed. This initiative, in collaboration with Halu Oleo University, local communities, and the village government, aims to enhance marine biodiversity and promote sustainable coral reef conservation.

Green Shore (Mangrove Restoration)

In 2024, the Company planted 5,000 *Rhizophora mucronata* saplings to restore coastal mangrove ecosystems at One Ete Village. Routine weekly monitoring is conducted in partnership with local communities and Halu Oleo University to address threats from sea waves, tides, and herbivore activity. Protective barriers, including used dump truck tyres and rock piles, have been installed to safeguard saplings during their early growth.

BIO-SPARKS Conservation Program

Nickel Industries has designated 197 hectares within the Hengjaya Mine as a High Conservation Value (HCV) area, which was recognised by the Central Sulawesi Natural Resources Conservation Agency in 2024. Located 400 metres from the Morowali highway, this area serves as a research site, seed cultivation centre, and ecological tourism destination. Infrastructure improvements, including trails and informational signage, facilitate conservation education and biodiversity research.

Furthermore, the Company's 80% owned Hengjaya Mine operation in Central Sulawesi has received formal endorsement from the Central Sulawesi Natural Resources Conservation Agency (BKSDA) to develop a high conservation biodiversity area within the Hengjaya Mine mining concession. The conservation area will further solidify Nickel Industries as a leader in responsible and sustainable mining in Indonesia.

Preparation for the establishment of the in-situ biodiversity conservation zone started in 2022, with research focusing on biodiversity hotspots around the Hengjaya Mine mining concession to determine the locations of high conservation value. Within the Hengjaya Mine concession, the Company has selected an initial area of 197 hectares, which includes a primary forest of large trees with a relatively closed canopy. This area will not only protect and maintain the biodiversity of flora and fauna, but also help it grow for years to come.

The initial conservation area at the Hengjaya Mine concession supports several Indonesian Government initiatives, including:

- the Indonesian Presidential instruction number one of 2023 focuses on integrating biodiversity conservation into sustainable development across the country;
- the Indonesian Minister of Environment instruction number one of 2022 focuses on protecting wild animals from threats of trapping and illegal hunting; and
- the Directorate General of Biodiversity Conservation program focuses on preservation efforts by mapping the distribution of wild plant and animal habitats.

This conservation area is designed as a centre for education, research, tourism, and nursery and the conservation of genetic diversity that can benefit the local community.

In the future, the conservation area will be developed based on the concept of development design, an approach that links conservation planning with a mitigation hierarchy starting from avoiding, minimising and restoring to avoid negative impacts on biodiversity. The Company will also continue to collaborate and coordinate with multi-stakeholders, including the government, academics, and the local communities, in managing the high biodiversity conservation area.

SRAI Reaching Great

AA1000 Licensed Assurance Provider 000-758

Independent Assurance Statement

The 2024 Sustainability Report of Nickel Industries Limited

Number : 16/000-758/V/2025/SRAI

Assurance Type : Type 1
Assurance Level : Moderate
Reporting Standards : Australian Accounting Standards Board (AASB)

Dear stakeholders,

PT Sejahtera Rambah Asia or "SRAI" is issuing an **Independent Assurance Statement** ("the Statement") of **the 2024 Sustainability Report** ("the Report") of **Nickel Industries Limited** ("the Company"). The Company is an Australian-listed company which own nickel mining and processing assets in Indonesia. 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, 2024**. As agreed with Management, SRAI'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 assuror 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 the 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, SRAI's evaluation is solely based on the most recent editorial and data received as of May 28th, 2025, regarding the final draft. SRAI'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 risk.

Independence, Impartiality, and Competency

SRAI confirms NO relationships between the assuror team and the clients that can influence their independence and impartiality to conduct the assessment and generate the Statements. The assuror 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 assuror team members have knowledge of ISO 26000, AA1000 AccountAbility standards and principles, and are experienced in sustainability report assessment based on various reporting regulations, standards, and principles.

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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, 2024.**
2. Material topics presented in the Report: **Energy and Emission; Biodiversity; Water and Effluent; Waste; Local Communities; Occupational Health and Safety; Human Capital Development; and Ethical Business Practices.**
3. Evaluation of publicly disclosed information, system, and process of the Company to ensure adherence of the Report content to the reporting principles.
4. SRAI 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 standard: Australian Accounting Standards Board (AASB).

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 Assuror Team whose members are capable in sustainability report development and assurance.
2. Perform the pre-engagement phase to ensure the independence and impartiality of the Assuror Team.
3. Hold a kick-off meeting and initial analysis of the Report draft based on the SRAI Protocol on Assurance Analysis refers to the standards, principles, and indicators of AA1000AS v3, AA1000APS (2018), and standards/regulations used in the Report.
4. Discuss online the results of the analysis with the Management and data contributors.
5. Verify evidence and trace data and information as covered in the Report.
6. The Company incorporated our recommendations in the draft Report and release the final Report content.
7. Prepare the Statement and send it to AA1000 AccountAbility 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.

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Adherence to AA1000AP (2018) and AASB Reporting Standard

Inclusivity – The Company has identified its engagement with stakeholders. In the process of determining engagement, the Company conducted an analysis of global and local industry trends and identified key sustainability priorities. This aims to identify and prioritize the Company's engagement with stakeholders. Furthermore, we recommend that the Company explain the stakeholder engagement process for the next reporting.

Materiality – In determining material topics, the Company implements a discussion process involving internal and external stakeholders. The Company also maps topics that are of concern to stakeholders. We appreciate the Company for explaining the impact and strategy of each topic in the report. In the report describes the departments involved in each topic and the evaluations conducted to raise awareness of the topic.

Responsiveness – The Company has a dedicated unit that handles grievances and complaints. In order to improve oversight of complaint management, the Company evaluates its compliance with applicable regulations and identifies areas for improvement. As part of its responsiveness, the Company has a whistleblower policy. In 2024, the Company adopted the International Labor Organization-Competitive and Responsible Companies (ILO-SCORE) program, which aims to improve management practices, productivity, and workplace conditions. This program is implemented as a forum for employees to channel their aspirations, which will be reviewed and evaluated by management based on the results of the reviews received.

Impact – In terms of the environment, the Company has received a green PROPER (Corporate Performance Assessment Program in Environmental Management) rating for three consecutive years from the Ministry of Environmental Indonesia. The Company supports decarbonization efforts by installing a solar energy system at the Hengjaya Mine, which supplies electricity to the mining site to improve energy efficiency in operational activities and reduce emissions. This is evidenced by a decrease in energy consumption during 2024. Additionally, in the social aspect, the Company has developed programs as part of its employee engagement initiatives, with monthly evaluations. The Company has an Occupational Safety and Health (OSH) policy that includes identifying hazardous situations, risk assessment, incident prevention, safety training, and evaluations conducted by internal and external audits. Furthermore, the Company has a sustainability policy that serves as the foundation for its sustainability strategy, which is reviewed annually.

AASB S1 Standards Principles – As assurance work is carried out, the content of the report adequately demonstrates compliance with the Reporting Principles (disclosure of governance strategies, risk management, metrics and targets, and use of the conceptual basis for reporting such information). Management provided sufficient support during the assurance work by submitting the requested evidence and documents.

AASB S2 Standards Principles – As the assurance work was taken, the report content sufficiently indicates its adherence to the Reporting disclosure of information about their sustainability-related risks and opportunities in the general purpose financial reports. The Management provided sufficient support during the assurance work by submitting the requested evidence and documents.

SRAI Reaching Great

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Recommendation

1. The Company needs to incorporate environmental, social, and governance (ESG) aspects to the remuneration assessment of the highest governance body. This aims to strengthen the Company's sustainability strategy.
2. The Company may consider the financial impact of addressing risks based on the results of transition risk and physical risk analyses. This allows the Company to determine the likely costs of addressing the risks that have been analyzed, including climate-related risks. Furthermore, the Company may also identify aspects that have the potential to be maximized in cash flow.

The assurance provider,

Jakarta, May 28th 2025

Lim Hendra
Assurance Director
PT Sejahtera Rambah Asia
(SRAI)

SRAI Reaching Great

AA1000 Licensed Report 000-758/V3-7KRIP

GRI Standards Content Index

Statement of use	Nickel Industries has reported the information cited in this GRI content index for the period January 1 to December 31 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard		Disclosure	Location	GRI Sector Standard
GRI 2: General Disclosures 2021	2-1	Organisational details	9, 26, 27	
	2-2	Entities included in the organisation's sustainability reporting	2	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	2	
	2-5	External assurance	2, 66	
	2-6	Activities, value chain and other business relationships	26, 27, 28	
	2-7	Employees	46	
	2-8	Workers who are not employees	48	
	2-9	Governance structure and composition	23	
	2-11	Chair of the highest governance body	23	
	2-12	Role of the highest governance body in overseeing the management of impacts	24	
	2-13	Delegation of responsibility for managing impacts	24	
	2-14	Role of the highest governance body in sustainability reporting	24	
	2-19	Remuneration policies	46	
	2-22	Statement on sustainable development strategy	7	
	2-23	Policy commitments	14, 24, 41, 48	
	2-24	Embedding policy commitments	14	
	2-25	Processes to remediate negative impacts	16, 52	
	2-26	Mechanisms for seeking advice and raising concerns	24	
	2-27	Compliance with laws and regulations	23	
	2-28	Membership associations	11	
	2-29	Approach to stakeholder engagement	16	
	2-30	Collective bargaining agreements	46	

GRI Standard		Disclosure	Location	GRI Sector Standard
GRI 3: Material Topics 2021	3-1	Process to determine material topics	16	
	3-2	List of material topics	16	
	3-3	Management of material topics	16	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	27	14.9.2 14.23.2
	201-2	Financial implications and other risks and opportunities due to climate change	37	14.2.2
	201-3	Defined benefit plan obligations and other retirement plans	28	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investment and services supported	30	14.9.3
	203-2	Significant indirect economic impacts	30	14.9.4
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	28-29	14.9.5
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	24	
	205-3	Confirmed incidents of corruption and actions taken	24	14.22.4
GRI 207: Tax 2019	207-1	Approach to tax	28	14.23.4
	207-2	Tax governance, control, and risk management	28	14.23.5
	207-3	Stakeholder engagement and management of concerns related to tax	28	14.23.6
	207-4	Country-by-country reporting	28	14.23.7
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	40	14.1.2
	302-2	Energy consumption outside of the organisation	40	14.1.3
	302-3	Energy intensity	40	14.1.4
	302-4	Reduction of energy consumption	40	
	302-5	Reductions in energy requirements of products and services	40	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	43	
	303-2	Management of water discharge-related impacts	43	
	303-3	Water withdrawal	43	
	303-4	Water discharge	43	
	303-5	Water consumption	43	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	63	
	304-2	Significant impacts of activities, products and services on biodiversity	63	
	304-3	Habitats protected or restored	63	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	63	

GRI Standard		Disclosure	Location	GRI Sector Standard
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	39	14.1.5
	305-2	Indirect (Scope 2) GHG emissions	39	14.1.6
	305-3	Other indirect (Scope 3) GHG emissions	39	14.1.7
	305-4	GHG emissions intensity	39	14.1.8
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	44	
	306-2	Management of significant waste-related impacts	44	
	306-3	Waste generated	44,45	
	306-4	Waste diverted from disposal	44	
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GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	28	14.17.4
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	48	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	48	
	405-2	Ratio of basic salary and remuneration of women to men	48	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	24	14.21.7
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Right to freedom of association and collective bargaining risks at operations and suppliers	24	14.20.2
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child	24	
GRI 409: Forced or Compulsory Labor 2016	409-1	Forced or compulsory labour risks at operations and suppliers	24	
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	24	14.11.2
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	56	
	413-2	Operations with significant actual and potential negative impacts on local communities	62	

SASB: Metals and Mining

Topic		Description	Page
Greenhouse Gas Emissions	EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	39
Air Quality	EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	39
Energy Management	EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	40
Biodiversity Impacts	EM-MM-160a.1	Description of environmental management policies and practices for active sites	63
Workforce Health & Safety	EM-MM-320a.1	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	49

Feedback Form

Nickel Industries Limited Sustainability Report 2024 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)

- Energy & Emission ☐
- Biodiversity ☐
- Water and Effluent ☐
- Waste ☐
- Local Communities ☐
- Occupational Safety and Health ☐
- Human Capital Development ☐
- Ethical Business Practices ☐

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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Sustainability Report | **2024**

NICKEL INDUSTRIES

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