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*This sustainability report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.*

*This sustainability report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.*

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# 1 CORPORATE PROFILE



Silkroad Nickel Ltd. (“Silkroad Nickel” or the “Company”, and together with its subsidiaries, the “Group”) is the first nickel mining company to be listed on the Singapore Exchange. The Company’s mission and vision is to be a carbon neutral, nickel supplier-of-choice, that is driving a Green and Sustainable Future. Silkroad Nickel is committed to reducing its carbon footprint and the Company has a clear path to developing nickel products with the ESG credentials to help drive sustainability in the Stainless Steel and Electric Vehicle (“EV”) industries.

Through its wholly-owned subsidiary, PT Teknik Alum Services, the Company owns and carries out its nickel ore mining operations at an approximately 1,301 hectares mining concession area in the Morowali Regency, Central Sulawesi, Indonesia (the “Mining Concession Area”). The Group currently conducts its mining activities in the Mining Concession Area using an open pit mining method, which includes the exploration, planning and clearing of required surface areas, mining, transportation and stockpiling, delivery and barging, as well as reclamation and rehabilitation works throughout the mine’s lifetime. The Group utilizes its own local mining team as well as engaging third party mining contractors to undertake the necessary mining and production activities aforementioned.

The Group completed the acquisition of PT Anugrah Tambang Smelter in February 2022 to expedite its development of the Rotary-Kiln Electric Furnace smelter in Sulawesi, Indonesia. For the production of Nickel Pig Iron (“NPI”), which is vital for manufacturing stainless steel, the Group is pursuing smelter operation initiatives with various parties including Shandong Xinhai Technology Co. Ltd and PT Aneka Tambang Tbk. In addition, the Group’s mine’s laterite ore contains both nickel and cobalt, which are key components used in lithium-ion batteries. The Company has also partnered with Ganfeng Lithium Co. Ltd., the world’s largest lithium producer, to develop further downstream and upstream initiatives in the EV industry.

These plans to develop and grow the Group’s downstream NPI and EV initiatives will transition Silkroad Nickel from its primary nickel mining operations to a fully-integrated nickel producer.

## 2 BOARD STATEMENT

### BOARD STATEMENT

We are pleased to present the annual Sustainability Report of Silkroad Nickel Ltd. for the financial year from 1 January 2021 to 31 December 2021 (“**FY2021**”).

The key material economic, environmental, social and governance (“**EESG**”) factors for the Group were first identified and reviewed by Mr. Eddy Pratomo (Independent Chairman) and Mr. Hong Kah Ing (Executive Director and Chief Executive Officer of the Company) when the Group embarked on its sustainability journey. Subsequently, on an annual basis, a materiality review incorporating inputs gathered from stakeholders’ engagements would be conducted to ensure the relevance and materiality of the EESG factors identified. The board of directors of the Company (“**Board**”) oversees the management and monitoring of the EESG factors and takes them into consideration in the determination of the Group’s strategic direction and policies. Sustainability is a part of the Company’s wider strategy to create long-term value for all its stakeholders.

FY2021 has proven to be a milestone for the Group operationally and financially as we made significant progress in our upstream nickel mining business. Despite the challenges from the ongoing Novel Coronavirus (“**COVID-19**”) global pandemic, we were well-prepared and committed to our vision, and we are proud to say that the Group achieved record production for FY2021 and the consequent improvement in our financial performance culminated in a positive year for us.

It is imperative for businesses to adapt quickly to key stakeholders’ concerns, closing any potential gaps and capitalising on opportunities amid today’s rapidly changing business environment.

The EESG data and information provided have been derived from internal data monitoring and verification to ensure accuracy. We may consider seeking external assurance of our Sustainability Report in the future.

### REPORTING FRAMEWORK

In defining our reporting content, we applied the Global Reporting Initiative (“**GRI**”)’s principles by considering the Group’s activities, impact and substantive expectations and interests of its stakeholders. We observed a total of four principles, namely materiality, stakeholder inclusiveness, sustainability index and completeness. For reporting quality, we observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

Silkroad Nickel has chosen the GRI framework as it is the most established international sustainability reporting standard and in respect of the extent to which such framework is applied, this report has been prepared in reference to the GRI Standards reporting guidelines, at Core level. No external assurance has been sought for this report.

This report is set out on a “comply or explain” basis in accordance with Rule 711B and Practice Note 7F on Sustainability Reporting Guide of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

### REPORTING PERIOD AND SCOPE

Corresponding to GRI’s emphasis on materiality, this report highlights the key EESG related initiatives carried out by the Group throughout the 12-month period of FY2021.



## FEEDBACK

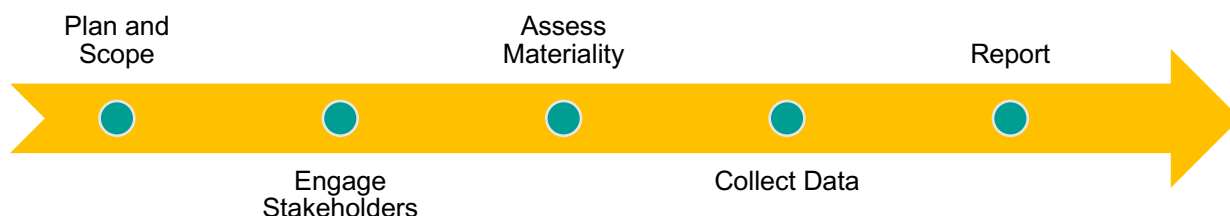
We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to [enquiries@silkroadnickel.com](mailto:enquiries@silkroadnickel.com).

This report is available for download on (i) the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>; and (ii) the Company's corporate website at the URL <https://silkroadnickel.com/sgx-announcements/>.

**11 May 2022**

## 3 SUSTAINABILITY APPROACH

### OUR SUSTAINABILITY METHODOLOGY



### STAKEHOLDERS ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material ESG factors relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, suppliers, shareholders, customers, employees, government and regulators, the Board, bankers and community. We adopt both formal and informal channels of communication to understand the needs of key stakeholders and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

Key Stakeholders	Engagement Platforms	Frequency of Engagement	Key Concerns Raised
<b>Suppliers</b>	Meetings (via face-to-face or online)	Monthly	Prompt payment, accurate specifications, selection of reliable suppliers Delivery performance and quality performance
	Vendor Assessment	Annually	
<b>Shareholders</b>	Annual General Meetings	Annually	Financial and operational performance of the Group, corporate governance and sustainability practices, business strategies of the Group
	Extraordinary General Meetings	As and when applicable	
	Annual Report	Annually	
	Announcements	As and when applicable	
<b>Customers</b>	Meetings (via face-to-face or online)	Monthly	Quality of services, on-time delivery, product quality level
<b>Employees</b>	Staff Appraisal	Annually	Employee compensation and benefits, personal development
	Townhall Sessions	Quarterly	
	Monthly Birthday Celebrations	Monthly	
	Staff Bonding Sessions	Annually	
<b>Government and Regulators</b>	Regulatory Reporting	As and when applicable	Timely reporting Full compliance with all laws, rules and regulations
<b>Board</b>	Board Meetings	Quarterly	Financial performance, policies and strategies and annual budgets of the Group
	Board Papers	Quarterly	
<b>Bankers</b>	Meetings (via face-to-face or online)	Monthly	Project financing, working capital financing

Key Stakeholders	Engagement Platforms	Frequency of Engagement	Key Concerns Raised
Community	Sponsorship	Annually	Corporate Social Responsibility (CSR) contribution Donation to local villagers
	Donations	Monthly	

## MATERIALITY ASSESSMENT

Our sustainability process begins with the identification of relevant EESG factors. Relevant EESG factors are then prioritised to identify material EESG factors which are subject to validation. The end result of this process is a list of material EESG factors disclosed in this report. Our sustainability process, as detailed above, is as shown below:



A materiality assessment to identify the relevant and materiality of the EESG factors applicable to the Group was conducted when we first embarked on our sustainability journey. For the Group's Sustainability Report for FY2021, a materiality review, which incorporated inputs gathered from stakeholders' engagements, was conducted to ensure the relevance and materiality of the EESG factors identified. We engaged our employees from different departments, seeking our internal stakeholders' feedback for prioritisation of these topics. A materiality review of the EESG factors identified by the Group will be conducted every year, incorporating inputs gathered from stakeholders' engagements.

In order to determine if an EESG factor is material, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. Applying the guidance from GRI, we have identified the following as our material EESG factors. We added "Emissions" as one of our material environmental factors starting from this year.





## 4 ECONOMIC

### ECONOMIC PERFORMANCE

FY2021 has proven to be a milestone for the Group operationally and financially as we made significant progress in our upstream nickel mining business. Despite the challenges from the ongoing COVID-19 global pandemic, the Group achieved record production for FY2021 and the consequent improvement in our financial performance culminated in a positive year for us.

FY2021's performance has given us confidence for this current financial year ending 31 December 2022 ("**FY2022**"). Barring unforeseen circumstances, we are optimistic that we will be able to achieve higher targets and perform even better operationally, in line with our planned increase in production capacity for FY2022.

The Group's mining operations were hampered by COVID-19, especially during the initial stage of global outbreak. Chinese workers of the Group's external mining contractor were unable to enter Indonesia as a result of Indonesia's ongoing travel restrictions. However, the Group has managed to secure its own local production team and whilst production resumed in April 2021 due to the deployment of our Indonesian employees, production levels were still lower than the year prior because of safety considerations arising from COVID-19.

For more details on the financial results of the Group for FY2021, please refer to the following sections of the Company's annual report for FY2021:

- Financial & Operations Review, pages 4 to 5; and
- Financial Statements, pages 43 to 97.

### ANTI-CORRUPTION

Silkroad Nickel does not tolerate corruption in any form. Our Group is guided by our anti-corruption policy. The management of Silkroad Nickel ("Management") emphasized to our staff that the Group has zero tolerance with corruption and that stern actions will be taken if anyone is involved in any corruption. Any report of corruption will be escalated to the attention of the Chairman of the Audit and Risk Committee of the Company ("ARC"). We prohibit corruption in all forms, including extortion and bribery.

Silkroad Nickel has in place a whistleblowing policy (the "**WB Policy**") which provides a framework to promote responsible and secured whistleblowing without fear of adverse consequences. Details of the WB Policy have been disseminated and made available to all employees of the Company. The WB Policy sets out procedures for a whistleblower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers in confidence and in good faith, without fear of reprisal, discrimination or adverse consequences.

The ARC is responsible for oversight and monitoring of whistleblowing. The Independent Chairman of the Board shall receive all complaints on behalf of the ARC. The Group is committed to ensure protection of the whistleblowers against detrimental or unfair treatment. The Group will also take all reasonable steps to protect the identity of the whistleblower so as to ensure that the identity of the whistleblower is kept confidential, subject to legal or regulatory requirements.

For all incidents made in good faith, the Company has designated an independent function to investigate. The Independent Chairman of the Board and the ARC, may, in consultation with the senior Management, lead the investigation to ensure prompt and appropriate investigation and resolution. All information disclosed during the course of investigation will remain confidential, except as necessary or appropriate to conduct the investigation and to take any remedial action, in accordance with any

applicable laws and regulations. The Group prohibits discrimination, retaliation or harassment of any kind against a whistleblower who submits a complaint or report in good faith.

Any whistleblowing reports received will be reviewed and investigated in accordance with the WB Policy.

### **Our 2-year Performance and Target**

We have achieved the target we set last year. We are not aware of any incident of corruption in FY2021.

<b>FY2021</b>	<b>FY2020</b>
No reported incidents of corruption. (Target met)	No reported incidents of corruption. (Target met)

### **FY2022 Target**

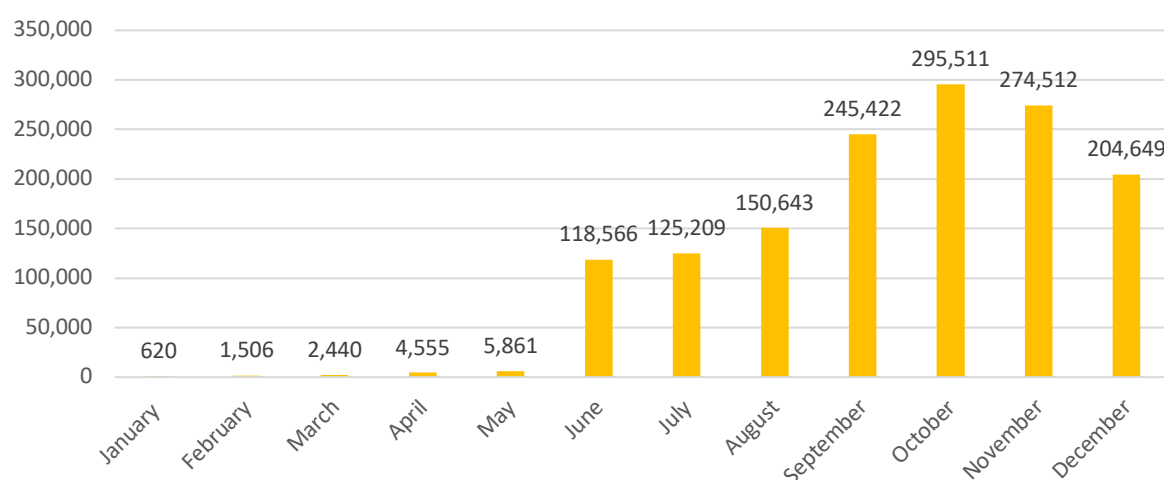
The Group aims to continue to maintain zero incident of corruption.

## 5 ENVIRONMENTAL

### ENERGY

Energy consumption is inevitable in the daily operations of a mining company. At our mining site, diesel is used for our excavators, dump trucks, graders, genset and bulldozers. Our average monthly diesel consumption in FY2021 was approximately 119,125 liters which is 98% of our Scope 1 GHG Emissions, as compared to 2,552 liters in FY2020. The significant increase in our diesel consumption was due to the increased production levels as the Group has successfully ramped up our operations from April 2021 onwards. In FY2021, we recorded an intensity (fuel usage per production volume) of 2.04 liters/tons (FY2020: 2.26 liters/tons).

**Average Monthly Diesel Consumption (liters)**



We will actively review our energy consumption levels to gain an insight into how the average fuel consumption intensity level for our mining operations can be further improved. We will also proactively perform the necessary research to better understand how we can adopt and implement alternative sources of energy and green initiatives for our daily operations.

#### Our 2-year Performance and Target

We have achieved the target we set last year and recorded no harmful emissions nor spill in our operations in FY2021.

FY2021	FY2020
Recorded no harmful emissions nor spill in our operations. (Target met)	Recorded no harmful emissions nor spill in our operations. (Target met)

#### FY2022 Target

We aim to maintain the record of not having harmful emissions nor spill, improve the energy efficiency of our daily operations and incorporate greener; more sustainable initiatives in FY2022.



## BIODIVERSITY

The land we used for mining activities will be rehabilitated in order to return the land to its pre-mining natural state. The land will be refilled with soil and trees will be replanted on the land. Fertilizer will also be added to the soil and the land. In FY2021, the Group had replanted 3,750 pots of trees in about slightly more than 6 hectares of land (FY2020: Not able to achieve its target due to the COVID-19 pandemic which halted operational activities for most of the year). The increase was due to the increase in the Group's mining activities from April 2021 onwards.



### Our 2-year Performance and Target

We have achieved the target we set last year, which brought the total number of pots of trees planted to 3,950.

FY2021	FY2020
Replanted 3,750 pots of trees in about slightly more than 6 hectares of land. (Target met)	Not able to achieve its target due to the COVID-19 pandemic which halted operational activities for most of the year. (Target not met)



### FY2022 Target

We will continue with our efforts to rehabilitate the land that is used for our mining operations and in FY2022, we aim to rehabilitate 6 additional hectares of land.

## EMISSIONS

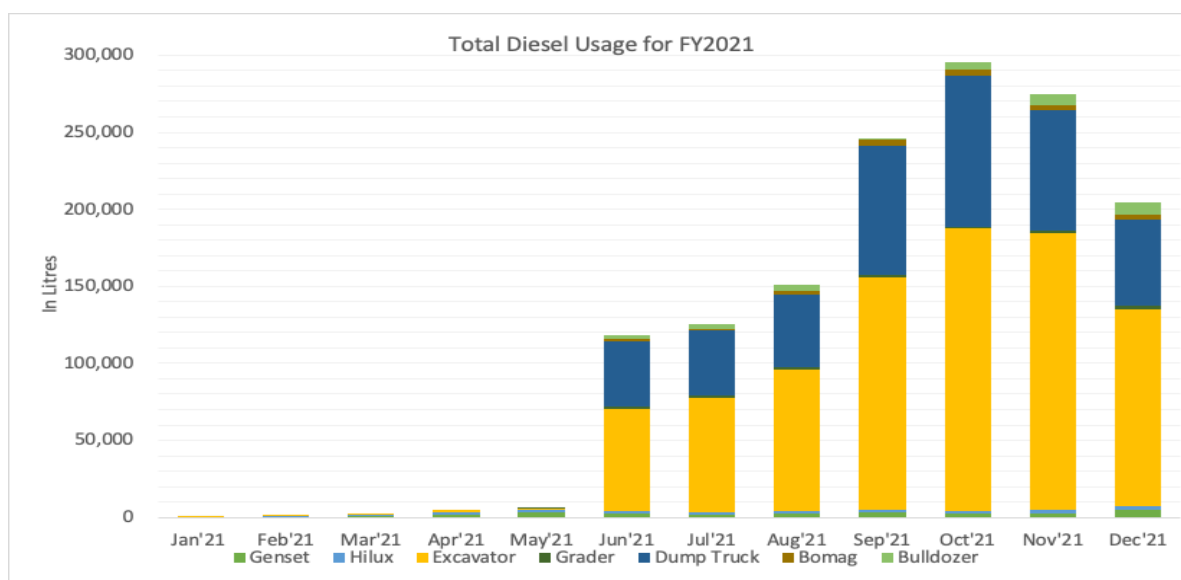
Climate change poses a substantial threat to the environment, and mitigation measures require the combined efforts from all parties, including corporations from various industries. As the world transitions to a low carbon economy, sustainability-oriented data and climate-related insights would help all parties to be more conscious of undertaken choices and their impact on the environment.

The Group recognises that to aid the mitigation of climate change, reducing carbon emissions plays an important part and thus, we engaged a professional carbon consultant to perform an in-depth carbon assessment to quantify our Greenhouse Gas (“GHG”) emissions for the Group’s operations in FY2021. The carbon assessment covers the Group’s operating Morowali nickel mine, Jakarta head office and the Singapore corporate office.

GHG Emissions (tonnes CO <sub>2</sub> e)	Morowali Mine	Jakarta Head Office	Singapore Corporate Office	Group
<b>Scope 1: Direct Greenhouse Gas Emissions</b>	<b>3,858</b>	<b>--</b>	<b>--</b>	<b>3,858</b>
<i>Fuels (Mobile Combustion)</i>	3,783	--	--	3,783
<i>Fuels (Stationary Combustion)</i>	75	--	--	75
<b>Scope 2: Indirect Greenhouse Gas Emissions</b>	<b>4</b>	<b>232</b>	<b>8</b>	<b>244</b>
<i>National Grid Electricity</i>	4	232	8	244
<b>Total Greenhouse Gas Emissions</b>	<b>3,862</b>	<b>232</b>	<b>8</b>	<b>4,102</b>

The Group strives to be a vertically integrated nickel producer with a goal of net zero carbon footprint. However, Silkroad Nickel is currently positioned in the Mining industry as an upstream producer of nickel and the breakdown of our carbon emissions in FY2021 are 94% and 6% in Scope 1 and Scope 2 emissions respectively. The Group understands the importance of quantifying its Scope 3 emissions as part of the overall carbon management strategy and is working to identify material Scope 3 categories for future disclosure and mitigation.

Delving further into the source of emissions, majority of Silkroad Nickel’s carbon emissions stem from the fuels used for Mobile Combustions classified under Scope 1 which are Direct Greenhouse Gas Emissions. In FY2021, the Group only started ramping up its productions in April 2021 due to the uncertainty of the COVID-19 pandemic which resulted in the temporary pause in operations.



Day-to-day operations of the Morowali nickel mine concession requires the utilization of heavy vehicles which contributes heavily to the 94% Direct Greenhouse Gas Emissions (Scope 1) as these vehicles require diesel to operate. As seen from the chart above, most of the diesel usage were attributed for the dump trucks and excavators in which the peak of diesel consumption was 295,000 litres during the month of October 2021.

Through the carbon assessment, the Group has gained a better understanding of the different factors contributing to its carbon emissions and will continue to assess and disclose its GHG emissions in future which is in line with the Group's commitment to reduce its carbon footprint. The Group will continuously review its existing operations and consider implementing recommendations from the carbon consultant which follows the mitigation hierarchy of Avoid, Reduce, Substitute and Offset.

### **Silkroad Nickel's Carbon Offset Policy**

This carbon offset policy (the "**Policy**") governs Silkroad Nickel's approach to carbon offsetting and the procurement of verified carbon credits from our operations. It represents one part of our broader, holistic strategy to reduce the impact of our operations on the climate. At present, the Policy focuses on carbon credits generated from project-based activities, from which the vast majority of carbon credits are sourced. Silkroad Nickel will review the Policy periodically to ensure that it remains up to date with international standards and industry best practices.

The Policy adheres to the following carbon management hierarchy:

1. **Avoid:** We show preference for actions that lead to lower greenhouse gas (GHG) emissions.
2. **Reduce:** Where emissions cannot be avoided, we seek to reduce our emissions through the improvement of energy efficiency and conservation.
3. **Compensate:** Where we cannot avoid or reduce emissions, we seek to offset our remaining emissions through the procurement of high-quality carbon credits from accredited registries. Our carbon offset procurement criteria have been detailed below.

### **Carbon Offset Procurement Criteria**

Silkroad Nickel has developed a set of robust criteria to guide us in identifying and procuring high-quality carbon credits to offset the remaining emissions of our operations. We apply the following criteria and standards when selecting projects to invest in:

1. **Real:** Carbon offsets represent real emission reductions or removals that have already occurred.
2. **Additional:** Emission reductions or removals are in addition to what would have occurred otherwise (without the financial incentives provided by revenue generated by offset sales).
3. **Measurable:** Emission reductions or removals generated from the offset projects can be accurately quantified.
4. **Verifiable:** Emission reductions or removals must be verified by an independent auditor against established protocols or methodologies.
5. **Permanent:** Carbon offset projects have established approaches to lower the risk of reversal and emissions are compensated in the event of non-permanence.
6. **Minimised leakage:** Leakage happens when emission reductions occurring within the boundary of the project result in emission increases elsewhere. Carbon offset projects should demonstrate that any leakage is minimised and accounted for as a result of the project activity.
7. **No net harm:** Carbon offset projects have established approaches to identify related environmental and social risks and take actions to avoid significant harm and to mitigate associated harm.
8. **Co-benefits:** Carbon offset projects that generate positive environmental and social benefits beyond reducing or removing emissions will be prioritised. Examples include reducing air pollution, supporting poor communities, improving public health and contributing to social well-being.



The criteria are informed by international standards set by accredited registries such as the Verra Registry and the Gold Standard Registry.

#### **Carbon Offset Procurement**

The Group is in the process of procuring carbon credits to offset up to 5% of its FY2021 carbon emissions. The Group is committed to being a low carbon producer and this is a step forward to achieve carbon neutrality in its upstream operations. The procured carbon credits are high-quality carbon credits under the Gold Standard Registry.

#### **FY2022 Target**

In addition to the existing sustainability initiatives that are in place, the Group aims to implement new sustainability initiatives based off the recommendations from the carbon consultant. The Group targets to continue reducing its carbon emissions and offsetting a portion of its carbon emissions via high quality carbon credit projects in FY2022.

### **ENVIRONMENTAL COMPLIANCE**

Silkroad Nickel is in compliance with the regulations of the Ministry of Energy and Mineral Resources, which specify that mining activities cannot result in flooding in the mining area. To prevent flooding, the Group has built a sediment pond, which is a temporary pond built on a mining site to capture eroded or disturbed soil and protect the water quality of the water bodies within the vicinity.

#### **Our 2-year Performance and Target**

We have achieved the target we set last year. There was no incidence of non-compliance with the regulations and no penalty imposed from local authorities in FY2021.

<b>FY2021</b>	<b>FY2020</b>
Sediment ponds are well-maintained to prevent flooding and complied with all regulations of Indonesia's Ministry of Energy and Mineral Resources with no penalty imposed from local authorities. (Target met)	Maintained the sediment pond to prevent flooding and comply with all regulations with no penalty imposed from local authorities. (Target met)

#### **FY2022 Target**

We target to ensure that the sediment ponds are well-maintained to prevent flooding and comply with all regulations of Indonesia's Ministry of Energy and Mineral Resources with no penalty imposed from local authorities in FY2022.

## 6 SOCIAL

### OCCUPATIONAL HEALTH AND SAFETY

Our employees' safety and health at the workplace is one of our top priorities, and our goal is to have a zero-accident workplace. Although we have engaged an external mining contractor for our mining operations, we also monitor our contractor to ensure necessary health and safety of all our mining workers employed are in place. We have started hiring local Indonesians for our own internal mining team to work alongside the external mining contractor. We are committed to providing and upholding a safe working environment for all workers. We will engage in proactive discussions with our internal team and external mining contractor to constantly evaluate how the working environment and health and safety protocols can be further improved.

The Group has appointed the Head of Mining Engineering to lead a worker health and safety committee at the mine site. The Group has developed various safety guidelines which provide rules and measures relating to work safety in which all workers must be trained and clearly understand the following:

- Safety inspection system
- Work safety education and training
- Management of technical measures, protective devices, and special equipment for work safety
- Rewards/incentives or penalties on work safety
- Occupational health management
- Casualty management

Any work-related incidents would primarily be investigated by our internal mining team and external mining contractor. We would then perform an in-depth review of all findings from the investigations as reported in the table below:

Type of Accident	Accident Reporting	Accident Investigation
Minor Injury	To be reported to Head of Mining Engineering and Management within 24 hours.	Investigation to be organized and led by Head of Mining Engineering.
Serious Injury to Moderate Accident	To be reported to Head of Mining Engineering, Management, and local department for production safety within 2 hours.  Local health administrative department should also be notified.	Investigation to be organized and led by Head of Mining Engineering and COO.
Critical, Life-Threatening, or Death/Casualty Accidents	To be reported to Head of Mining Engineering, Management and Board, and local department for production safety within 1 hour.  Local health administrative department should also be notified.	Investigation to be conducted by local or provincial authorities. The Management will also take part and assist in accident investigation.

This process will enable us to better understand how we can play our part to address the incident and more importantly, prevent any future work-related incidents. We will also frequently review the health and safety protocols that we have at our offices and mine site, and update them, when necessary, to assure our employees and all mining workers that they are working in a safe environment.

## Our 2-year Performance and Target

Unfortunately, we did not achieve our target last year which was to maintain zero work injury and death by accident. There was a minor accident regarding an external contractor whilst operating the dump trucks. However, the minor work injury accident did not require hospitalization and was treated immediately onsite.

FY2021	FY2020
Recorded 1 minor accident in the worksite. (Target not met)	No record of any major accident, which resulted in any injury or death. (Target met)

## FY2022 Target

The Group is committed to maintaining zero major work injury accident as it strongly values the health and safety of all employees and mining workers. The Group will achieve this through the various strategies and will continue to explore how the health and safety of all employees and mining workers can be further improved.

## Emergency Preparedness

The safety of our employees and mining workers is important to us. We have assigned a Safety Officer to be stationed at our mine site. We also have an evacuation plan in place, which will be activated during emergencies. Pursuant to the evacuation plan, designated safe areas have been identified, and our employees and mining workers will be evacuated to the safe areas as instructed by the Safety Officer, in case of emergencies.

## COVID-19 Control Measures

The Group has organised several initiatives to help our employees fight against COVID-19. The Group strictly enforces safe distancing measures and makes it compulsory for all employees to wear a mask at all times. Daily temperature taking is also mandated at the start and end of each day. After different phases of government restrictions in Singapore, staggered working days were introduced for a month to reduce physical interactions among employees in the Singapore office. Frequent disinfection of the office was conducted in the Jakarta office and any employees that have tested positive for the virus are instructed to work from home.

Despite the Group's efforts, there were 18 employees in the Jakarta office who contracted COVID-19 in FY2021 and immediately, the Company disinfected the entire Jakarta office and implemented a 50% work from home schedule. This allowed us to prevent COVID-19 from spreading and infecting other employees. In addition, the Group provided constant support to the employees over their entire recovery process.

The Group is pleased to report that there have been zero employee deaths due to COVID-19 and we will continue to stay resilient in the coming year.

## DIVERSITY AND EQUAL OPPORTUNITY

### Board Diversity

The Company is committed to building a diverse, inclusive and collaborative culture. The Company recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Board noted that gender diversity on the Board is also one of the recommendations under the Singapore Code of Corporate Governance issued on 6 August 2018 (the “Code”) to provide an appropriate balance of diversity. Although there is currently no female Director appointed to the Board, the Board does not rule out the possibility of appointing a female Director if a suitable candidate



is nominated for the Board's consideration. In reviewing the Board composition and appointments, the Nominating Committee takes into consideration diversity of skills, experience, background, gender, age, ethnicity and other relevant factors although merit remains the key driver.

### **Employee Diversity**

We offer workplace diversity and equal opportunities to our employees. For workplace diversity, we value everyone's differences. We learn from each other regardless of cultural background and bring those differences into the workplace to broaden experience and knowledge. Diversity includes not only race but gender, ethnicity, personality, age, education and background.

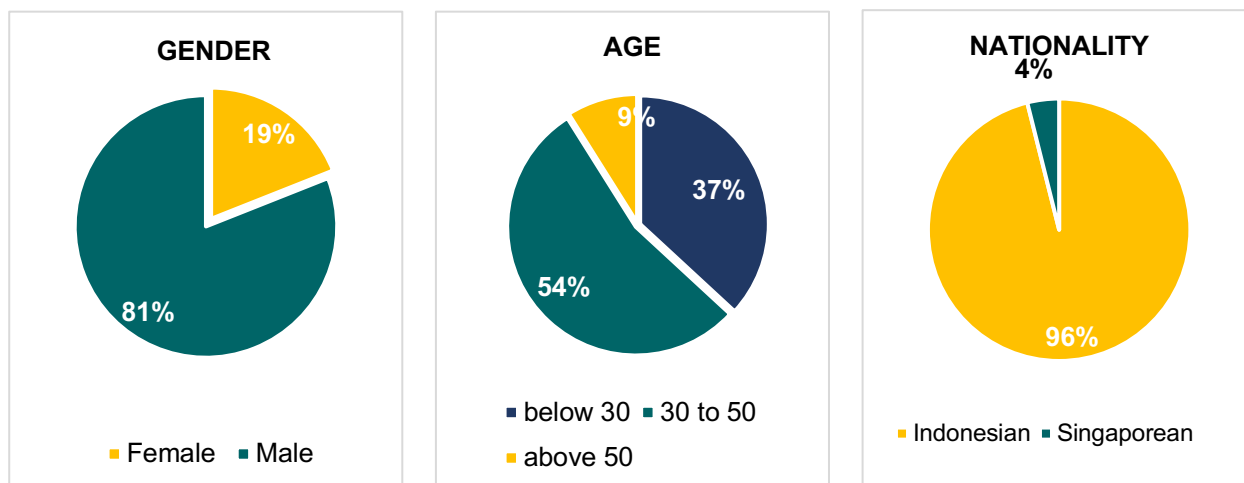
For equal opportunities, all employees are treated equally and not disadvantaged by prejudices or biases. Well performing employees will qualify for promotion or rewards regardless of their race, gender, ethnicity, personality, age, education and background. Employees are hired primarily based on their relevant credentials and experience. The Group strongly believes in delivering positive reinforcements to employees for the benefit of our long-term growth. This can be achieved by giving credit to employees who have performed well in their respective roles, through initiatives such as annual Best Employee of the Year award.

In addition, we celebrate an array of festivals such as Chinese New Year, Hari Raya, Deepavali and Christmas, by organising team meals and get togethers. The Group believes that by embracing diversity and multi-racial harmony in the workplace, it will help to foster a healthy and co-operative working environment that encourages team building. During the month of August 2021, Employee Appreciation Day was organised for all employees in which female employees received manicure-pedicure services whilst the male employees were treated to body massages. Subsequently in the month of November 2021, the Group organised a team building trip to Bali, Indonesia for a 5-day retreat. Quarterly town hall sessions are also conducted to keep our employees updated on our business development and human resource-related matters.

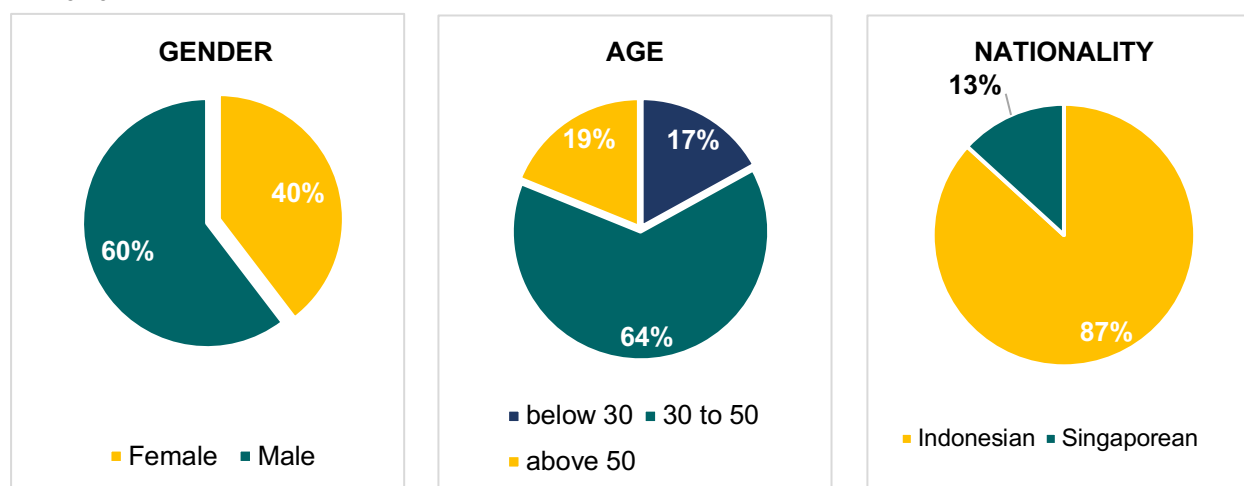


Our Group has a total of 179 employees as at the end of FY2021 (FY2020: 53), of which 137 employees joined us during the year (FY2020: 9). Our turnover rate has decreased to 9% in FY2021, as compared to 76% in FY2020. The reason behind the increase in the number of employees was due to the ramping up of our productions in FY2021 as we hired local Indonesians for our own internal mining team. Our workforce is distributed as follows:

#### FY2021



#### FY2020



#### Our 2-year Performance and Target

We have achieved the target we set last year. There was no report of discrimination in FY2021.

FY2021	FY2020
No cases of discrimination reported. (Target met)	No cases of discrimination reported. (Target met)

#### FY2022 Target

The Group aims to offer a diverse workplace that provides equal opportunities for all employees. It will continue to value diversity and treat everyone equally with respect. The Group will not tolerate any employees being disadvantaged as a result of prejudices or biases. Ultimately, the Group aims to maintain zero case of discrimination in FY2022.

## CHILD LABOR

We respect human rights, support the elimination of all forms of forced and compulsory labor, especially child labor. We do not employ minors as employees and we are not aware of any use of child labor by our suppliers.

### FY2022 Target

We will ensure that we eliminate forced and compulsory labor and child labor throughout our operations.

## LOCAL COMMUNITIES

Our Group is committed to serving and giving back to the community. We recognise that for long-term sustainability, we need to achieve a balance between being profit-driven and being a socially responsible corporate citizen.

We have set aside an annual budget for CSR initiatives, such as providing financial assistance for villages within close proximity of our mine site. The financial resources provided are used for the construction of houses and schools in the villages to enhance the communities' standards of living. In FY2021, the Group supplied uniforms and computers to the local community elementary and preschools.

### Our 2-year Performance and Target

We have achieved the target we set last year, which was to continue to support and give back to the community in FY2021.

FY2021	FY2020
Supplied uniforms and computers to the local community elementary and preschools. (Target met)	Supported and gave back to the community. (Target met)

### FY2022 Target

We will continue to support various charities and community organisations in FY2022 in order to serve and give back to the community. We are committed to achieving a balance between being profit-driven and a socially responsible corporate citizen.

## SOCIOECONOMIC COMPLIANCE

We pride ourselves in having good corporate governance and observing compliance with applicable laws and regulations. The Group is committed to conducting its business with integrity and to safeguard the interest of all our stakeholders, both internal and external. We will ensure compliance with applicable laws and regulations throughout the years to come.

### Our 2-year Performance and Target

We have achieved the target we set last year. There were no fines or penalties arising from contravention of laws and regulations in FY2021.

FY2021	FY2020
No fines or penalties arising from contravention of laws and regulations. (Target met)	No fines or penalties arising from contravention of laws and regulations. (Target met)

### FY2022 Target

We aim to continue maintaining a safe working environment and remain compliant to all applicable laws and regulations, as well as the Code.

## RIGHTS OF INDIGENOUS PEOPLE

Our Group does not have any instance of violation involving the rights of indigenous people in FY2021 (FY2020: Nil).

A CSR program was implemented by the district where the Group contributed RP5,000/MT (FY2020: RP5,000/MT) based on the sales quantity sold by the Group to the indigenous people in FY2021. This program aims to provide financial assistance to the indigenous population and improve their living standards.

### Our 2-year Performance and Target

We have achieved the target we set last year to continue supporting the CSR program implemented by the district.

FY2021	FY2020
Continued to support the CSR program implemented by the district. (Target met)	Continued to support the CSR program implemented by the district. (Target met)

### FY2022 Target

The Group will continue to support the CSR program implemented by the district in FY2022.



## 7 GOVERNANCE

### CORPORATE GOVERNANCE

Our corporate governance framework and practices for FY2021 are based on the principles and the provisions of the Code which forms part of the continuing listing obligations of the Catalist Rules. Please refer to the Corporate Governance Report section set out on pages 17 to 35 of the Company's annual report for FY2021, for more details of our corporate governance framework and practices.

#### Our 2-year Performance and Target

We have achieved the target we set last year. The Board confirms that, for FY2021, the Company has adhered to the principles of the Code, and the provisions of the Code (except where otherwise explained). In so far as any provision has not been complied with, appropriate explanations have been provided in the Corporate Governance Report and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code.

FY2021	FY2020
Has adhered to the principles of the Code, and the provisions of the Code (except where otherwise explained). (Target met)	Has adhered to the principles of the Code, and the provisions of the Code (except where otherwise explained). (Target met)

#### FY2022 Target

The Group will continue to adhere to the principles of the Code, and the provisions of the Code and assess its needs and implement appropriate practices accordingly. For any provision of the Code not complied with, appropriate explanations will be provided and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code.

### RISK MANAGEMENT

The Board acknowledges its responsibility for the governance of risk and ensuring that the Management maintains a sound system of risk management and internal controls to safeguard interest of shareholders and the Group's assets. Please refer to Principle 9 of the Code in the Corporate Governance Report section set out on pages 27 to 28 of the Company's annual report for FY2021, for more details of our risk management practices.

#### FY2022 Target

We will review the ERM policies annually to ensure all relevant risks are identified, communicated and addressed timely.

### BUSINESS ETHICS

All our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. The Group regularly updates relevant staff with development in international and local regulations.

#### Our 2-year Performance

We have achieved the target we set last year. There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations in FY2021.

FY2021	FY2020
Maintained its record of complying with international and local laws and regulations to avoid incurring any significant fines or face any non-monetary sanctions. (Target met)	Maintained its record of complying with international and local laws and regulations to avoid incurring any significant fines or face any non-monetary sanctions. (Target met)

#### FY2022 Target

The Group targets to maintain its record of complying with international and local laws and regulations to avoid incurring any significant fines or face any non-monetary sanctions in FY2022.

## GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference / Description
<b>GRI 101: Foundation 2016</b>		
<b>GENERAL DISCLOSURE</b>		
<b>GRI 102: General Disclosures</b>	102-1	Name of organisation Silkroad Nickel Ltd.
	102-2	Activities, brands, products and services FY2021 Sustainability Report (SR) page 1
	102-3	Location of headquarters Singapore
	102-4	Location of operations SR page 1
	102-5	Ownership and legal form FY2021 Annual Report (AR) pages 15, 49, 104 to 105
	102-6	Markets served SR page 1, as well as AR page 87
	102-7	Scale of the organisation SR pages 1, 6, 14 to 16
	102-8	Information on employees and other workers SR pages 14 to 16
	102-9	Supply chain SR page 1
	102-10	Significant changes to the organisation and its supply chain None
	102-11	Precautionary Principle or approach We do not specifically address the precautionary approach.
	102-12	External initiatives SR pages 17 to 18
	102-13	Membership of associations The subsidiary company, PT Teknik Alum Service, is a member of the Association of Nickel Mining Indonesia (Assosiasi Penambang Nikel Indonesia - APNI).
	102-14	Statement from senior decision maker SR pages 2 to 3
	102-16	Values, principles, standards and norms of behaviour SR page 19
	102-18	Governance structure SR page 19, AR pages 17 to 35
	102-40	List of stakeholder groups SR pages 4 to 5
	102-41	Collective bargaining agreements None
	102-42	Identifying and selecting stakeholders SR pages 4 to 5
	102-43	Approach to stakeholder engagement SR pages 4 to 5
	102-44	Key topics and concerns raised SR pages 4 to 5
	102-45	Entities included in the consolidated financial statements AR page 71
	102-46	Defining report content and topic boundaries SR page 2
	102-47	List of material topics SR page 5
	102-48	Restatement of information None
	102-49	Changes in reporting None
	102-50	Reporting period SR page 2
	102-51	Date of most recent previous report 28 May 2021
	102-52	Reporting cycle Annually
	102-53	Contact point for questions about the report SR page 3
	102-54	Claims if reporting in accordance with the GRI Standards SR page 2
	102-55	GRI content index SR pages 20 to 21
	102-56	External Assurance SR page 2
<b>MATERIAL TOPICS</b>		
<b>GRI 201: Economic performance</b>	201-1	Direct economic value generated and distributed SR page 6
<b>GRI 205: Anti-corruption</b>	205-1	Operations assessed for risks related to corruption SR pages 6 to 7
<b>GRI 302: Energy</b>	302-1	Energy consumption within the organisation SR page 8
<b>GRI 304: Biodiversity</b>	304-2	Significant impacts of activities, products, and services on biodiversity SR page 9
<b>GRI 305: Emissions</b>	305-1	Direct (Scope 1) GHG emissions SR pages 10 to 12
	305-2	Energy indirect (Scope 2) GHG emissions

## GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference / Description
<b>GRI 307: Environmental compliance</b>	307-1	Non-compliance with environmental laws and regulations SR page 12
<b>GRI 403: Occupational Health and Safety</b>	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities SR pages 13 to 14
<b>GRI 405: Diversity and equal opportunity</b>	405-1	Diversity of governance bodies and employees SR pages 14 to 16
<b>GRI 408: Child Labor</b>	408-1	Operations and suppliers at significant risk for incidents of child labor SR page 17
<b>GRI 411: Rights of Indigenous People</b>	411-1	Incidents of violations involving rights of indigenous peoples SR page 18
<b>GRI 413: Local Communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs SR page 17
<b>GRI 419: Socioeconomic Compliance</b>	419-1	Non-compliance with laws and regulations in the social and economic area SR page 17