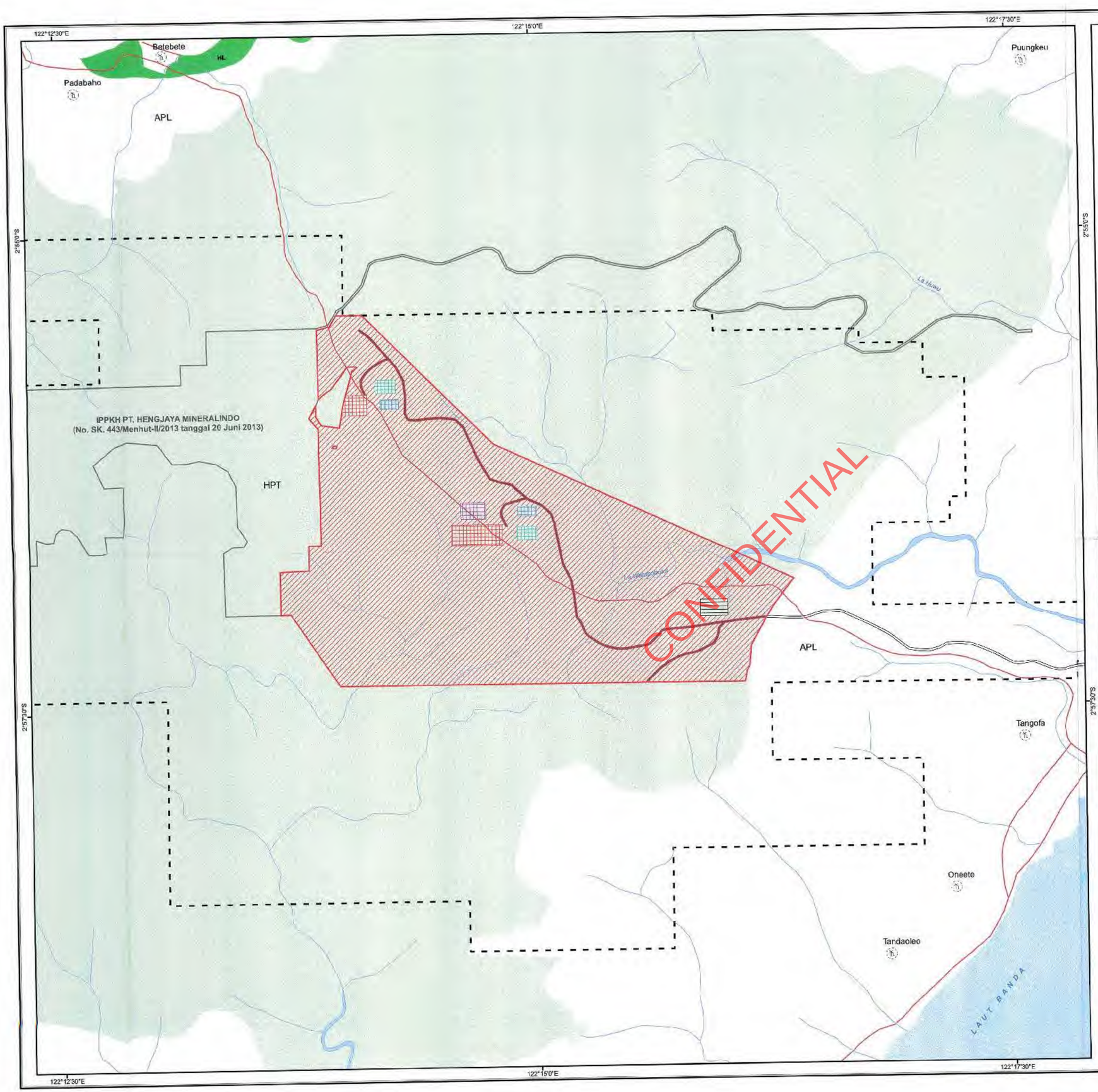


PETA
IZIN PINJAM PAKAI KAWASAN HUTAN UNTUK KEGIATAN OPERASI PRODUKSI BIJIH NIKEL DAN SARANA PENUNJANGNYA PADA KAWASAN HUTAN PRODUKSI TERBATAS (HPT)

a.n. PT. HENGJAYA MINERALINDO

DI KABUPATEN MOROWALI
PROVINSI SULAWESI TENGAH
LUAS : ± 994,32 Ha
SKALA 1 : 25.000

0 0,25 0,5 1 1,5 2 2,5 Km
0 1 2 4 6 8 10 Cm

U

LAMPIRAN KEPUTUSAN MENTERI LINGKUNGAN HIDUP DAN KEHUTANAN REPUBLIK INDONESIA
NOMOR : 3 / 1 / IPPKH / PMA / 2018
TANGGAL : 06 FEB 2018

a.n. MENTERI LINGKUNGAN HIDUP DAN KEHUTANAN REPUBLIK INDONESIA
KEPALA BADAN KOORDINASI PENANAMAN MODAL

THOMAS TRIKASIH LEMBONG

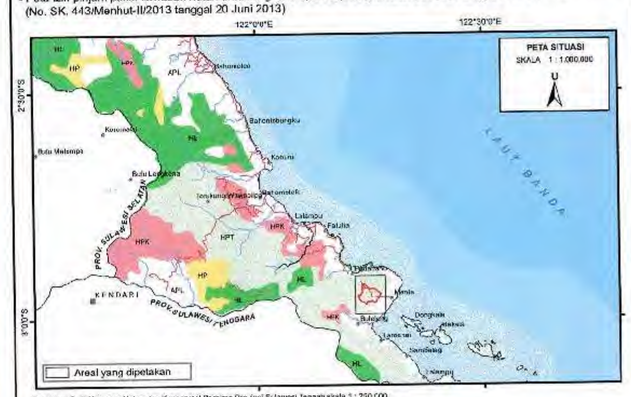
KETERANGAN :

- Batas sehagian izin usaha pertambangan operasi produksi bijih nikel a.n. PT. Hengjaya Mineralindo
- Batas izin pinjam pakai kawasan hutan unluk kegiatan operasi produksi bijih nikel dan sarana penunjangnya a.n. PT. Hengjaya Mineralindo seluas ± 994,32 Ha, dengan rinclan penggunaan :
  - a. Areal penambangan seluas ± 947,64 Ha
  - b. Sarana dan prasarana seluas ± 46,68 Ha, terdiri dari :
    - Camp, office dan workshop seluas ± 4,29 Ha
    - ROM stockpile seluas ± 3,78 Ha
    - Sedimen pond seluas ± 3,52 Ha
    - Disposal top soil seluas ± 5,09 Ha
    - Waste dump seluas ± 14,19 Ha
    - Jalan angkut bijih nikel (p. 7,905 m; l. 20 m) seluas ± 15,81 Ha

HL	Hutan Lindung		Pemukiman
HPT	Hutan Produksi Terbatas		Jalan
APL	Areal Penggunaan Lain		Sungai dan anak sungai
			Batas areal IPPKH PT. Hengjaya Mineralindo sesuai Keputusan Menteri Kehutanan No. SK. 443/Menhut-II/2013 tanggal 20 Juni 2013

DASAR :
- Instruksi Presiden Republik Indonesia No. 6 Tahun 2017 tanggal 17 Juli 2017
- Rekomendasi Gubernur Sulawesi Tengah No. 522/13/DISHUTDA tanggal 5 Maret 2015
- Surat Direktur Jenderal Mineral dan Batubara No. 2023/30/DJB/2015 tanggal 5 November 2015
- Surat Direktur Utama PT. Hengjaya Mineralindo No. 21.1/HM-IPPKH-BKPM/XI/2015 tanggal 13 November 2015 dan No. 18.1/HM-IPPKH/II/2017 tanggal 20 Februari 2017

SUMBER :
- Peta Rupa Bumi Indonesia (RBI) skala 1 : 50.000 lembar 2213-21 dan 2213-22, Bakosurtanal
- Peta Kawasan Hutan dan Konservasi Perairan Provinsi Sulawesi Tengah skala 1 : 250.000 (Lampiran Keputusan Menteri Kehutanan No. SK. 869/Menhut-II/2014 tanggal 29 September 2014)
- Peta izin pinjam pakai kawasan hutan unluk kegiatan operasi produksi nikal a.n. PT. Hengjaya Mineralindo (No. SK. 443/Menhut-II/2013 tanggal 20 Juni 2013)



Sumber : Peta Kawasan Hutan dan Konservasi Perairan Provinsi Sulawesi Tengah skala 1 : 250.000

KEMENTERIAN LINGKUNGAN HIDUP DAN KEHUTANAN

MENTERI LINGKUNGAN HIDUP DAN KEHUTANAN
REPUBLIK INDONESIA

KEPUTUSAN MENTERI LINGKUNGAN HIDUP DAN KEHUTANAN
REPUBLIK INDONESIA
NOMOR : SK.676/MENLHK/SETJEN/PLA.0/9/2021

TENTANG

PERSETUJUAN PENGGUNAAN KAWASAN HUTAN UNTUK KEGIATAN EKSPLORASI LANJUTAN PADA TAHAP OPERASI PRODUKSI BIJIH NIKEL ATAS NAMA PT. HENGJAYA MINERALINDO SELUAS ± 984,0 HA (SEMBILAN RATUS DELAPAN PULUH EMPAT HEKTARE) PADA KAWASAN HUTAN PRODUKSI TERBATAS DI KABUPATEN MOROWALI, PROVINSI SULAWESI TENGAH

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DENGAN RAHMAT TUHAN YANG MAHA ESA

MENTERI LINGKUNGAN HIDUP DAN KEHUTANAN REPUBLIK INDONESIA,

Menimbang : a. bahwa PT. Hengjaya Mineralindo sebagai perusahaan Pemegang Perizinan, berdasarkan :

1) Keputusan Bupati Morowali Nomor 540.3/SK.001/DESDM/VI/2011 tanggal 16 Juni 2011 tentang Persetujuan Peningkatan Izin Usaha Pertambangan (UIP) Eksplorasi menjadi Izin Usaha Pertambangan Operasi Produksi seluas ± 6.249 Ha (enam ribu dua ratus empat puluh sembilan hektare), berlaku selama 20 (dua puluh) tahun sampai dengan tanggal 26 Mei 2031;

2) Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Provinsi Sulawesi Tengah a.n Gubernur Sulawesi Tengah Nomor 540/345/IUP-OP-PENCUITAN/DPMPTSP/2020 tanggal 10 Juli 2020 tentang Pencuitan Wilayah Izin Usaha Pertambangan Operasi Produksi PT. Hengjaya Mineralindo sesuai Keputusan Bupati Morowali Nomor 540.3/SK.001/DESDM/VI/2011 menjadi seluas ± 5.983 Ha (lima ribu sembilan ratus delapan puluh tiga hektare);

b. bahwa Direktur PT. Hengjaya Mineralindo dengan surat Nomor 011/LGD.DIR-HM/II/2021 tanggal 23 Februari 2021, mengajukan permohonan Izin Pinjam Pakai Kawasan Hutan untuk Kegiatan Eksplorasi Lanjutan Bijih Nikel seluas ± 990,00 Ha (sembilan ratus sembilan puluh hektare) di Kabupaten Morowali, Provinsi Sulawesi Tengah;

c. bahwa Direktur Jenderal Planologi Kehutanan dan Tata Lingkungan dengan surat Nomor S.621/PKTL/REN/PLA.0/8/2021 tanggal 12 Agustus 2021, menyampaikan telaah terhadap permohonan Persetujuan Penggunaan Kawasan Hutan a.n. PT. Hengjaya Mineralindo :

1) permohonan PT. Hengkaya Mineralindo telah dilampiri persyaratan sesuai ketentuan Pasal 379 sampai dengan Pasal 381 Peraturan Menteri Lingkungan Hidup dan Kehutanan Nomor 7 Tahun 2021 tentang Perencanaan Kehutanan, Perubahan Peruntukan Kawasan Hutan dan Perubahan Fungsi Kawasan Hutan, serta Penggunaan Kawasan Hutan;

2) berdasarkan hasil perhitungan ulang secara digital, areal yang dimohon menjadi seluas ± 984,0 Ha (sembilan ratus delapan puluh empat hektare) berada pada Kawasan Hutan Produksi Terbatas dan berada pada Wilayah Pengelolaan Unit XIV-KPHP Tepe Asa Moroso;

3) permohonan Persetujuan Penggunaan Kawasan Hutan untuk Kegiatan Eksplorasi Lanjutan pada Tahap Operasi Produksi Bijih Nikel a.n. PT. Hengjaya Mineralindo secara teknis dapat dipertimbangkan untuk diproses lebih lanjut seluas ± 984,0 Ha (sembilan ratus delapan puluh empat hektare) di Kabupaten Morowali, Provinsi Sulawesi Tengah;

d. bahwa berdasarkan :

1) Peraturan Pemerintah Nomor 23 Tahun 2021 tentang Penyelenggaraan Kehutanan :

a) Pasal 90 ayat (2), Penggunaan Kawasan Hutan dilakukan tanpa mengubah fungsi pokok Kawasan Hutan dengan mempertimbangkan batasan luas dan jangka waktu tertentu serta kelestarian lingkungan;

b) Pasal 91 ayat (1) dan ayat (2) huruf b, Penggunaan Kawasan Hutan untuk kepentingan pembangunan di luar kegiatan Kehutanan hanya dapat dilakukan untuk kegiatan yang mempunyai tujuan strategis yang tidak dapat dielakkan meliputi kegiatan pertambangan;

c) Pasal 94 ayat (1) dan Pasal 96 ayat (1), Penggunaan Kawasan Hutan untuk kepentingan pembangunan di luar kegiatan Kehutanan dilakukan berdasarkan Persetujuan Penggunaan Kawasan Hutan dan Persetujuan Penggunaan Kawasan Hutan diberikan oleh Menteri berdasarkan permohonan;

d) Pasal 94 ayat (8) huruf b, Persetujuan Penggunaan Kawasan Hutan untuk kegiatan survei dan eksplorasi dikecualikan dari kewajiban membayar PNBP Penggunaan Kawasan Hutan, membayar PNBP kompensasi dan melakukan penanaman dalam rangka rehabilitasi DAS;

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e) Pasal 294 huruf b, Kawasan Hutan Produksi Terbatas sebelum berlakunya Peraturan Pemerintah ini, dinyatakan tetap berlaku sesuai dengan tahap pengukuhannya serta diberlakukan peruntukan dan fungsinya sebagai Kawasan Hutan Produksi Tetap;

2) Peraturan Menteri Lingkungan Hidup dan Kehutanan Nomor 7 Tahun 2021 tentang Perencanaan Kehutanan, Perubahan Peruntukan Kawasan Hutan dan Perubahan Fungsi Kawasan Hutan, Serta Penggunaan Kawasan Hutan :

a) Pasal 366 ayat (1) dan ayat (2) huruf a, Penggunaan Kawasan Hutan untuk kepentingan pembangunan di luar kegiatan Kehutanan hanya dapat dilakukan untuk kegiatan yang mempunyai tujuan strategis yang tidak dapat dielakkan dilakukan dengan mekanisme Persetujuan Penggunaan Kawasan Hutan dengan keputusan Menteri;

b) Pasal 367 huruf b, Penggunaan Kawasan Hutan dengan mekanisme Persetujuan Penggunaan Kawasan Hutan dengan keputusan Menteri, meliputi pertambangan mineral, batubara, minyak dan gas bumi, pertambangan lain, termasuk sarana dan prasarana antara lain jalan, pipa, conveyor dan smelter;

c) Pasal 369 ayat (2) huruf b, Persetujuan Penggunaan Kawasan Hutan tanpa kewajiban membayar PNBP Penggunaan Kawasan Hutan, membayar PNBP Kompensasi, dan melakukan penanaman dalam rangka Rehabilitasi DAS, diantaranya untuk kegiatan survei dan eksplorasi;

d) Pasal 372 ayat (7), Dalam hal Persetujuan Penggunaan Kawasan Hutan untuk kegiatan pertambangan mineral dan batubara di Kawasan Hutan Produksi pada suatu provinsi berada pada areal KPH, kuota yang dapat dipertimbangkan paling banyak 10% (sepuluh perseratus) dari luas Kawasan Hutan Produksi pada masing-masing KPH yang tidak dibebani Perizinan Berusaha Pemanfaatan Hutan;

e) Pasal 372 ayat (10) huruf a, Ketentuan kuota 10% (sepuluh perseratus) diantaranya tidak berlaku bagi permohonan Persetujuan Penggunaan Kawasan Hutan untuk kegiatan eksplorasi atau eksplorasi lanjutan pertambangan;

f) Pasal 406 ayat (2) huruf a, Persetujuan Penggunaan Kawasan Hutan diberikan dalam jangka waktu paling lama sesuai perizinan di bidangnya atau keputusan tentang tahap kegiatan untuk kegiatan eksplorasi dan operasi produksi pertambangan meliputi pertambangan minyak dan gas bumi, mineral, dan batubara termasuk sarana dan prasarana;

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g) Pasal 406 ayat (3), Persetujuan Penggunaan Kawasan Hutan diberikan dalam jangka waktu paling lama 2 (dua) tahun untuk kegiatan eksplorasi lanjutan pada tahap operasi produksi dan dapat diperpanjang;

e. bahwa berdasarkan pertimbangan tersebut huruf a sampai dengan huruf d, perlu menetapkan Keputusan Menteri Lingkungan Hidup dan Kehutanan tentang Persetujuan Penggunaan Kawasan Hutan untuk Kegiatan Eksplorasi Lanjutan pada Tahap Operasi Produksi Bijih Nikel atas nama PT. Hengjaya Mineralindo seluas ± 984,0 Ha (sembilan ratus delapan puluh empat hektare) pada Kawasan Hutan Produksi Terbatas di Kabupaten Morowali, Provinsi Sulawesi Tengah;

Mengingat : 1. Undang-Undang Nomor 5 Tahun 1990 tentang Konservasi Sumberdaya Alam Hayati dan Ekosistemnya;

2. Undang-Undang Nomor 41 Tahun 1999 tentang Kehutanan, sebagaimana telah diubah beberapa kali, terakhir dengan Undang-Undang Nomor 11 Tahun 2020 tentang Cipta Kerja;

3. Undang-Undang Nomor 26 Tahun 2007 tentang Penataan Ruang, sebagaimana telah diubah dengan Undang-Undang Nomor 11 Tahun 2020 tentang Cipta Kerja;

4. Undang-Undang Nomor 32 Tahun 2009 tentang Perlindungan dan Pengelolaan Lingkungan Hidup, sebagaimana telah diubah dengan Undang-Undang Nomor 11 Tahun 2020 tentang Cipta Kerja;

5. Undang-Undang Nomor 18 Tahun 2013 tentang Pencegahan dan Pemberantasan Perusakan Hutan, sebagaimana telah diubah dengan Undang-Undang Nomor 11 Tahun 2020 tentang Cipta Kerja;

6. Undang-Undang Nomor 23 Tahun 2014 tentang Pemerintahan Daerah, sebagaimana telah diubah beberapa kali, terakhir dengan Undang-Undang Nomor 11 Tahun 2020 tentang Cipta Kerja;

7. Peraturan Pemerintah Nomor 26 Tahun 2008 tentang Rencana Tata Ruang Wilayah Nasional, sebagaimana telah diubah beberapa kali, terakhir dengan Peraturan Pemerintah Nomor 21 Tahun 2021 tentang Penyelenggaraan Penataan Ruang;

8. Peraturan Pemerintah Nomor 26 Tahun 2020 tentang Rehabilitasi dan Reklamasi Hutan;

9. Peraturan Pemerintah Nomor 22 Tahun 2021 tentang Penyelenggaraan Perlindungan dan Pengelolaan Lingkungan Hidup;

10. Peraturan Pemerintah Nomor 23 Tahun 2021 tentang Penyelenggaraan Kehutanan;

11. Peraturan Pemerintah Nomor 24 Tahun 2021 tentang Tata Cara Pengenaan Sanksi Administratif dan Tata Cara Penerimaan Negara Bukan Pajak yang berasal dari Denda Administratif Bidang Kehutanan;

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12. Peraturan Pemerintah Nomor 43 Tahun 2021 tentang Penyelesaian Ketidaksesuaian Tata Ruang, Kawasan Hutan, Izin dan/atau Hak atas Tanah;
13. Peraturan Presiden Nomor 68 Tahun 2019 tentang Organisasi Kementerian Negara, sebagaimana telah diubah dengan Peraturan Presiden Nomor 32 Tahun 2021;
14. Peraturan Presiden Nomor 92 Tahun 2020 tentang Kementerian Lingkungan Hidup dan Kehutanan;
15. Keputusan Presiden Nomor 113/P Tahun 2019 tentang Pembentukan Kementerian Negara dan Pengangkatan Menteri Negara Kabinet Indonesia Maju Periode Tahun 2019-2024, sebagaimana telah diubah beberapa kali, terakhir dengan Keputusan Presiden Nomor 72/P Tahun 2021 tentang Pembentukan dan Pengubahan Kementerian serta Pengangkatan beberapa Menteri Negara Kabinet Indonesia Maju Periode Tahun 2019-2024;
16. Instruksi Presiden Nomor 5 Tahun 2019 tentang Penghentian Pemberian Izin Baru dan Penyempurnaan Tata Kelola Hutan Alam Primer dan Lahan Gambut;
17. Peraturan Menteri Kehutanan Nomor P.60/Menhut-II/2009 tentang Pedoman Penilaian Keberhasilan Reklamasi Hutan;
18. Peraturan Menteri Lingkungan Hidup dan Kehutanan Nomor P.32/MenLHK/Setjen/Kum.1/3/2016 tentang Pengendalian Kebakaran Hutan dan Lahan;
19. Peraturan Menteri Lingkungan Hidup dan Kehutanan Nomor 4 Tahun 2021 tentang Daftar Usaha dan/atau Kegiatan yang Wajib Memiliki Analisis Mengenai Dampak Lingkungan Hidup, Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup atau Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup;
20. Peraturan Menteri Lingkungan Hidup dan Kehutanan Nomor 7 Tahun 2021 tentang Perencanaan Kehutanan, Perubahan Peruntukan Kawasan Hutan dan Perubahan Fungsi Kawasan Hutan, Serta Penggunaan Kawasan Hutan;
21. Peraturan Menteri Lingkungan Hidup dan Kehutanan Nomor 8 Tahun 2021 tentang Tata Hutan dan Penyusunan Rencana Pengelolaan Hutan, Serta Pemanfaatan Hutan di Hutan Lindung dan Hutan Produksi;
22. Peraturan Menteri Lingkungan Hidup dan Kehutanan Nomor 15 Tahun 2021 tentang Organisasi dan Tata Kerja Kementerian Lingkungan Hidup dan Kehutanan;
23. Keputusan Menteri Lingkungan Hidup dan Kehutanan Nomor SK.2111/MENLHK-PKTL/REN/PLA.0/4/2020 tentang Peta Indikatif dan Areal Perhutanan Sosial (Revisi V);
24. Keputusan Menteri Lingkungan Hidup dan Kehutanan Nomor SK.5050/MenLHK-PKTL/KUH/PLA.2/9/2020 tentang Peta Indikatif Alokasi Kawasan Hutan untuk

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Penyediaan Sumber Tanah Obyek Reforma Agraria/TORA (Revisi V);

25. Keputusan Direktur Jenderal Planologi Kehutanan dan Tata Lingkungan atas nama Menteri Lingkungan Hidup dan Kehutanan Nomor SK.666/MenLHK-PKTL/IPSDH/PLA.1/2/2021 tentang Penetapan Peta Indikatif Penghentian Pemberian Perizinan Berusaha, Persetujuan Penggunaan Kawasan Hutan, atau Persetujuan Perubahan Peruntukan Kawasan Hutan Baru pada Hutan Alam Primer dan Lahan Gambut Tahun 2021 Periode I;

Memperhatikan:

1. Dokumen ANDAL, RKL- RPL a.n. PT. Hengjaya Mineralindo;
2. Keputusan Bupati Morowali Nomor 660.1/71.A/KHL/2011 tanggal 13 Juni 2011 tentang Kelayakan Lingkungan Kegiatan Pertambangan Bijih Nikel di Kabupaten Morowali, Provinsi Sulawesi Tengah oleh PT. Hengjaya Mineralindo;
3. Surat Kepala Dinas Lingkungan Hidup Daerah Kabupaten Morowali Nomor 660.1/13/BID.P4LH-DLHD/IV/2021 tanggal 9 April 2021 perihal Rekomendasi Kelayakan Lingkungan Hidup Addendum Andal dan RKL-RPL Tipe A Kegiatan Pertambangan Bijih Nikel di Kecamatan Bahodopi dan Kecamatan Bungku Pesisir, Kabupaten Morowali, Provinsi Sulawesi Tengah oleh PT. Hengjaya Mineralindo;
4. Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Kabupaten Morowali Nomor 188.4/Kep.023/Ad/DPMPTSP/IV/2021 tanggal 21 April 2021 tentang Kelayakan Lingkungan Hidup Addendum Andal dan RKL-RPL Tipe A Rencana Kegiatan Pertambangan Bijih Nikel di Kecamatan Bahodopi dan Kecamatan Bungku Pesisir, Kabupaten Morowali, Provinsi Sulawesi Tengah oleh PT. Hengjaya Mineralindo;
5. Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Kabupaten Morowali Nomor 188.4/Kep.023.G/IL/DPMPTSP/IV/2021 tanggal 21 April 2021 tentang Izin Lingkungan Hidup Addendum Andal dan RKL-RPL Tipa A Rencana Kegiatan Pertambangan Bijih Nikel di Kecamatan Bahodopi dan Kecamatan Bungku Pesisir, Kabupaten Morowali, Provinsi Sulawesi Tengah oleh PT. Hengjaya Mineralindo;
6. Surat Kepala Dinas Kehutanan Provinsi Sulawesi Tengah Nomor 522/32.61/Bid.P2H tanggal 17 November 2020 hal Pertimbangan Teknis untuk Kegiatan Eksplorasi Lanjutan a.n. PT. Hengjaya Mineralindo di Kabupaten Morowali Provinsi Sulawesi Tengah;
7. Surat Direktur Jenderal Mineral dan Batubara, Kementerian Energi dan Sumber Daya Mineral Nomor 328/MB.04/DJB/2021 tanggal 10 Februari 2021 Hal Klarifikasi untuk IPPKH Eksplorsi Lanjutan a.n. PT. Hengjaya Mineralindo seluas 990 Ha;
8. Surat Direktur Rencana, Penggunaan dan Pembentukan Wilayah Pengelolaan Hutan, Direktorat Jenderal Planologi Kehutanan dan Tata Lingkungan Nomor S.322/REN/

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PPKH/PLA.0/5/2021 tanggal 19 Mei 2021 hal Klarifikasi Dokumen Lingkungan untuk Kegiatan Eksplorasi lanjutan Bijih Nikel a.n. PT. Hengjaya Mineralindo di Kabupaten Morowali, Provinsi Sulawesi Tengah;

9. Surat Kepala Dinas Lingkungan Hidup Daerah Kabupaten Morowali Nomor 660/238/BID.P4LH-DLHD/VI/2021 tanggal 15 Juni 2021 perihal Hasil Klarifikasi Dokumen Lingkungan PT. Hengjaya Mineralindo;
10. Kronologis dan Telaah Persetujuan Penggunaan Kawasan Hutan untuk Kegiatan Eksplorasi Lanjutan pada Tahap Operasi Produksi Bijih Nikel pada Kawasan Hutan Produksi Terbatas atas nama PT. Hengjaya Mineralindo di Kabupaten Morowali, Provinsi Sulawesi Tengah, Lampiran surat Direktur Jenderal Planologi Kehutanan dan Tata Lingkungan Nomor S.621/PKTL/REN/PLA.0/8/2021 tanggal 12 Agustus 2021;

MEMUTUSKAN:

Menetapkan : KEPUTUSAN MENTERI LINGKUNGAN HIDUP DAN KEHUTANAN TENTANG PERSETUJUAN PENGGUNAAN KAWASAN HUTAN UNTUK KEGIATAN EKSPLORASI LANJUTAN PADA TAHAP OPERASI PRODUKSI BIJIH NIKEL ATAS NAMA PT. HENGJAYA MINERALINDO SELUAS ± 984,0 HA (SEMBILAN RATUS DELAPAN PULUH EMPAT HEKTARE) PADA KAWASAN HUTAN PRODUKSI TERBATAS DI KABUPATEN MOROWALI, PROVINSI SULAWESI TENGAH.

KESATU : Memberikan Persetujuan Penggunaan Kawasan Hutan untuk Kegiatan Eksplorasi Lanjutan pada Tahap Operasi Produksi Bijih Nikel kepada PT. Hengjaya Mineralindo seluas ± 984,0 Ha (sembilan ratus delapan puluh empat hektare) pada Kawasan Hutan Produksi Terbatas di Kabupaten Morowali, Provinsi Sulawesi Tengah, sebagaimana peta lampiran Keputusan ini, dengan rincian rencana pengeboran (*drilling*) sebanyak 200 (dua ratus) titik bor :

a. kedalaman titik bor 20 m (dua puluh meter);
b. jarak antar titik bor 200 m (dua ratus meter);
c. diameter titik bor 10 – 15 cm (sepuluh – lima belas centimeter).

KEDUA : Pemberian Persetujuan sebagaimana dimaksud dalam Amar KESATU adalah untuk Kegiatan Eksplorasi Lanjutan pada Tahap Operasi Produksi Bijih Nikel atas nama PT. Hengjaya Mineralindo, bukan untuk kegiatan lain serta arealnya tetap berstatus sebagai kawasan hutan.

KETIGA : PT. Hengjaya Mineralindo berhak :

a. berada, menempati dan mengelola serta melakukan kegiatan-kegiatan yang meliputi Kegiatan Eksplorasi Lanjutan pada Tahap Operasi Produksi Nikel, serta melakukan kegiatan-kegiatan lainnya yang berhubungan dengan kegiatan tersebut dalam kawasan hutan yang digunakan;
b. melakukan penebangan pohon dalam rangka pembukaan lahan yang tidak dapat dielakkan dengan membayar Provisi

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Sumber Daya Hutan (PSDH) dan/atau Dana Reboisasi (DR) sesuai dengan ketentuan peraturan perundang-undangan.

KEEMPAT : PT. Hengjaya Mineralindo wajib :

a. melaksanakan reklamasi pada kawasan hutan yang sudah tidak dipergunakan tanpa menunggu selesainya jangka waktu Persetujuan Penggunaan Kawasan Hutan;

b. melakukan inventarisasi tegakan pada areal yang direncanakan untuk dilakukan pembukaan lahan sebagai dasar pembayaran Provinsi Sumber Daya Hutan (PSDH) dan/atau Dana Reboisasi (DR);

c. membayar PSDH dan/atau DR sesuai ketentuan peraturan perundang-undangan;

d. membayar ganti rugi nilai tegakan kepada pemerintah apabila areal yang dimohon merupakan hutan tanaman hasil rehabilitasi seluas yang digunakan sesuai ketentuan peraturan perundang-undangan;

e. melaksanakan perlindungan hutan pada areal Persetujuan Penggunaan Kawasan Hutan dan areal sekitar persetujuan sesuai dengan ketentuan peraturan perundang-undangan;

f. melakukan pengendalian kebakaran hutan dan lahan, berupa antara lain:

f.1. menempatkan sekurang-kurangnya 1 (satu) Regu Inti Pengendali Kebakaran Hutan;

f.2. merekrut karyawan pada perusahaan sebagai anggota Regu Pendukung Pengendali Kebakaran Hutan;

f.3. menyiapkan Sumberdaya Manusia pengendalian kebakaran hutan dalam Brigade Pengendalian Kebakaran Hutan dan Lahan (Brigdalkarhutla) dalam organisasi kelompok-kelompok Masyarakat Peduli Api;

f.4. menyiapkan sarana dan prasarana (sarpras) untuk menunjang kegiatan Brigdalkarhutla antara lain sarpras pencegahan kebakaran hutan dan pemadaman kebakaran hutan.

g. memberikan kemudahan bagi aparat Kementerian Lingkungan Hidup dan Kehutanan baik pusat maupun daerah pada saat melakukan monitoring dan evaluasi di lapangan;

h. mengkoordinasikan kegiatan kepada instansi Lingkungan Hidup dan Kehutanan setempat;

i. melakukan pemberdayaan masyarakat sekitar areal Persetujuan Penggunaan Kawasan Hutan;

j. melakukan kegiatan persiapan penggunaan kawasan hutan secara bertahap untuk menjaga penurunan emisi karbon sampai dengan 0 % (nol persen) sesuai rencana tahun 2030;

k. melaksanakan kewajiban lain yang ditetapkan oleh Menteri;

l. membuat laporan berkala setiap 6 (enam) bulan sekali secara *online* dan menyampaikan bukti pelaporan kepada Menteri mengenai Penggunaan Kawasan Hutan yang dipergunakan dengan tembusan disampaikan kepada Direktur Jenderal Planologi Kehutanan dan Tata Lingkungan, Direktur Jenderal Pengelolaan Hutan Lestari,

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Direktur Jenderal Konservasi Sumber Daya Alam dan Ekosistem, Direktur Jenderal Pengendalian Daerah Aliran Sungai dan Rehabilitasi Hutan, Kepala Dinas Kehutanan Provinsi Sulawesi Tengah, Kepala Balai Pemantapan Kawasan Hutan Wilayah XVI Palu, dan Kepala Balai Pengelolaan Daerah Aliran Sungai dan Hutan Lindung Palu Poso.

KELIMA : PT. Hengjaya Mineralindo dilarang :

a. memindahtangankan Persetujuan Penggunaan Kawasan Hutan kepada pihak lain atau melakukan perubahan nama pemegang Persetujuan Penggunaan Kawasan Hutan tanpa persetujuan Menteri Lingkungan Hidup dan Kehutanan;
b. menjaminkan atau mengagunkan areal Persetujuan Penggunaan Kawasan Hutan kepada pihak lain;
c. menggunakan merkuri dalam kegiatan pertambangan;
d. melakukan kegiatan lainnya yang dilarang sesuai ketentuan peraturan perundang-undangan.

KEENAM : PT. Hengjaya Mineralindo wajib menyelesaikan hak-hak pihak ketiga, apabila terdapat hak-hak pihak ketiga di dalam areal Persetujuan Penggunaan Kawasan Hutan dengan meminta bimbingan dan fasilitasi Pemerintah Daerah setempat.

KETUJUH : Persetujuan Penggunaan Kawasan Hutan untuk Kegiatan Eksplorasi Lanjutan pada Tahap Operasi Produksi Bijih Nikel ini dicabut dan pemegang Persetujuan dikenakan sanksi sesuai ketentuan peraturan perundang-undangan, apabila pemegang persetujuan tidak memenuhi kewajiban dan/atau melakukan pelanggaran atas ketentuan-ketentuan sebagaimana dimaksud dalam Keputusan ini.

KEDELAPAN : Perpanjangan Persetujuan Penggunaan Kawasan Hutan diberikan dengan mempertimbangkan hasil evaluasi terhadap pemenuhan kewajiban dalam Persetujuan Penggunaan Kawasan Hutan dan diajukan oleh pemegang Persetujuan Penggunaan Kawasan Hutan sebelum Persetujuan Penggunaan Kawasan Hutan berakhir.

KESEMBILAN : Keputusan ini mulai berlaku pada tanggal ditetapkan untuk jangka waktu paling lama selama 2 (dua) tahun, kecuali apabila dicabut oleh Menteri Lingkungan Hidup dan Kehutanan.

Ditetapkan di Jakarta
pada tanggal 9 September 2021

Salinan sesuai dengan aslinya
PLT. KEPALA BIRO HUKUM,

MENTERI LINGKUNGAN HIDUP DAN KEHUTANAN REPUBLIK INDONESIA,

ttd.

RAHMAN KUSNANDAR

SITI NURBAYA

Salinan Keputusan ini disampaikan kepada Yth :
1. Menteri Koordinator Bidang Kemaritiman dan Investasi;
2. Gubernur Sulawesi Tengah;
3. Sekretaris Jenderal Kementerian Lingkungan Hidup dan Kehutanan;

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4. Direktur Jenderal Planologi Kehutanan dan Tata Lingkungan;
5. Direktur Jenderal Pengelolaan Hutan Lestari;
6. Direktur Jenderal Pengendalian Daerah Aliran Sungai dan Rehabilitasi Hutan;
7. Direktur Jenderal Konservasi Sumber Daya Alam dan Ekosistem;
8. Direktur Jenderal Penegakan Hukum Lingkungan Hidup dan Kehutanan;
9. Direktur Jenderal Mineral dan Batubara, Kementerian Energi dan Sumber Daya Mineral;
10. Bupati Morowali;
11. Kepala Dinas Kehutanan Provinsi Sulawesi Tengah;
12. Kepala Balai Pemantapan Kawasan Hutan Wilayah XVI Palu;
13. Kepala Balai Pengelolaan Hutan Produksi Wilayah XII Palu;
14. Kepala Balai Pengelolaan Daerah Aliran Sungai dan Hutan Lindung Palu Poso;
15. Kepala Wilayah Pengelolaan Unit XIV-KPHP Tepe Asa Moroso, Provinsi Sulawesi Tengah;
16. Direktur PT. Hengjaya Mineralindo.

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PETA
PERSETUJUAN PENGGUNAAN KAWASAN HUTAN UNTUK KEGIATAN EKSPLORASI LANJUTAN PADA TAHAP OPERASI PRODUKSI BIJIH NIKEL PADA KAWASAN HUTAN PRODUKSI TERBATAS (HPT)

a.n. PT. HENGJAYA MINERALINDO

DI KABUPATEN MOROWALI
PROVINSI SULAWESI TENGAH
LUAS : ± 984,0 Ha
SKALA 1 : 25.000

U

LAMPIRAN KEPUTUSAN MENTERI LINGKUNGAN HIDUP DAN KEHUTANAN REPUBLIK INDONESIA

NOMOR : SK.676/MENLHK/SETJEN/PLA.0/9/2021
TANGGAL : 8 September 2021

MENTERI LINGKUNGAN HIDUP DAN KEHUTANAN REPUBLIK INDONESIA

SITI NURBAYA

KETERANGAN :

- Batas wilayah izin Usaha Pertambangan a.n. PT. Hengjaya Mineralindo
- Batas areal Persetujuan Penggunaan Kawasan Hutan untuk kegiatan eksplorasi lanjutan pada tahap operasi produksi bijih nikel a.n. PT. Hengjaya Mineralindo seluas ± 984,0 Ha, meliputi kegiatan :
  - Rencana pengeboran (drilling) sebanyak 200 titik bor, dengan rincian :
    - Kedalaman titik bor : 20 m
    - Jarak antar titik bor : 200 m
    - Diameter titik bor : 10 - 15 cm
- HL Hutan Lindung
- HPT Hutan Produksi Terbatas
- HPK Hutan Produksi yang Dapat Dikonversi
- Batas areal persetujuan penggunaan kawasan hutan lainnya
- Sungai dan anak sungai
- Jalan

Catatan :

[illegible]

DASAR :

- Instruksi Presiden RI Nomor 5 Tahun 2019 tanggal 7 Agustus 2019
- Keputusan Menteri Kehutanan Nomor SK.869/Menhut-II/2014 tanggal 29 September 2014 sebagaimana telah diubah dengan Keputusan Menteri Lingkungan Hidup dan Kehutanan Nomor SK.452/MENLHK/SETJEN/PLA.0/11/2020 tanggal 30 November 2020
- Keputusan Bupati Morowali Nomor 540.3/SK.001/DESDM/V/2011 tanggal 16 Juni 2011
- Surat Kepala Dinas Kehutanan Provinsi Sulawesi Tengah Nomor 522/32.9/1/BIS/P3H tanggal 17 November 2020
- Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Provinsi Sulawesi Tengah a.n. Gubernur Sulawesi Tengah Nomor 540/0456/KP-OP-PENCIUTAN/DPMPTSP/2020 tanggal 10 Juli 2020
- Surat Direktur Jenderal Mineral dan Batubara Nomor 328/MB.04/DJB/2021 tanggal 10 Februari 2021
- Surat Direktur PT. Hengjaya Mineralindo Nomor 011/LGD.DIR-HM/II/2021 tanggal 23 Februari 2021

SUMBER :

- Peta Rupa Bumi Indonesia (RBI), skala 1 : 50.000
- Peta Kawasan Hutan dan Konservasi Perairan di Provinsi Sulawesi Tengah, skala 1:250.000 (Lampiran Keputusan Menteri Kehutanan Nomor: SK.869/Menhut-II/2014 tanggal 29 September 2014 sebagaimana telah diubah dengan Keputusan Menteri Lingkungan Hidup dan Kehutanan Nomor SK.452/MENLHK/SETJEN/PLA.0/11/2020 tanggal 30 November 2020)
- Peta lampiran surat Direktur Jenderal Mineral dan Batubara Nomor 328/MB.04/DJB/2021 tanggal 10 Februari 2021
- Peta lampiran surat Direktur PT. Hengjaya Mineralindo Nomor 011/LGD.DIR-HM/II/2021 tanggal 23 Februari 2021

Sumber : Peta Kawasan Hutan dan Konservasi Perairan di Provinsi Sulawesi Tengah, Skala 1:250.000

KEMENTERIAN LINGKUNGAN HIDUP DAN KEHUTANAN

Appendix 3
ESG Reports

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About this Report

This is Nickel Industries Limited's (the 'Company', 'Nickel Industries', or 'we') inaugural Sustainability Report ('Report'), which showcases our commitment and intentions towards our employees, investors, stakeholders, the environment and the communities in which we operate. Consequently, this report contains no restatement of information. The performance disclosures in the report pertain to the period from 1 January to 31 December 2021. We approach the subject of sustainability very seriously and have taken great care in determining a unified framework to ensure consistent long-term sustainability performance. We are committed to publishing a report every year. [102-48, 102-49, 102-50, 102-51, 102-52]

This inaugural Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option, with Metals and Mining (MM) Supplement Sector, Sustainability Accounting Standards Board (SASB) for Metals and Mining Standard and the Task Force on Climate-Related Financial Disclosures (TCFD) for selected disclosure indicators. [102-54]

This Report has been prepared based on relevant reporting principles (stakeholder inclusiveness, materiality, completeness, accuracy, balance, clarity, comparability, reliability, timeliness) and stages through collaborative discussions during 2021. The material topics were chosen in line with the Company's corporate strategy and have been approved by the Board of Directors. The report includes financial information based on the Consolidated Financial Statements audited by KPMG as an independent auditor. The Social Responsibility (SR) Asia, a leading sustainability assurance provider in the region, has independently assured the Report's compliance with regards to selected information concerning the Company's sustainability performance. [102-45, 102-46, 102-56]

Contact information regarding the Report: [102-53]
Nickel Industries Limited
Level 2, 66 Hunter Street,
Sydney, NSW, 2000, Australia
Phone : +61 (2) 9300 3311
Email : info@nickelmines.com.au
Website : https://nickelmines.com.au/

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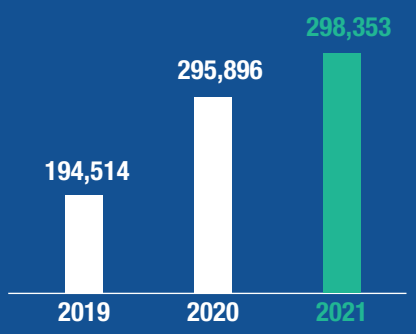
Sustainability Performance Highlights

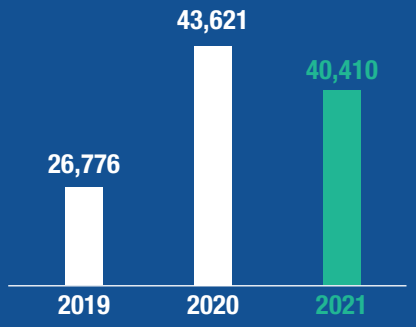
Economic Performance

Production Performance

Nickel Pig Iron (NPI) Production (Tonnes)



Nickel Metal Production (Tonnes)



Financial Performance (USD)

Revenue

2021	645,935,639
2020	523,492,413
2019	236,059,160*

Total Assets

2021	1,802,618,822
2020	1,234,676,984
2019	897,496,621

Total Net Profit After Tax

2021	175,976,986
2020	153,698,840
2019	91,280,434*

*6 months to 31 December 2019

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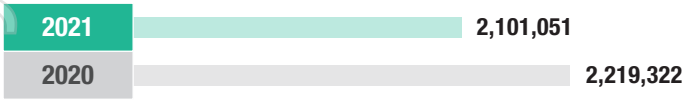
Environmental Performance

Green House Gas (GHG) Emissions (Scope 1 & 2 plus partial data from the Scope 3) (tonnes of CO_2eq)



2021

Blue PROPER ratings achievement for a second consecutive year, which means 100% environmental regulations compliance in the operational area of **Hengjaya Mine.** Only two mining companies in Central Sulawesi Province received this acknowledgment from the Indonesia Ministry of Environment and Forestry in the last year.

- Black: Not in compliance (negligence)
- Red: Not in compliance
- Blue: In compliance
- Green: Beyond compliance
- Gold: Beyond compliance (consistent performance)

Social Performance

Number of Occupational Accidents

Description	2019	2020	2021
Hengjaya Nickel	6	13	10
Ranger Nickel	-	11	10
Hengjaya Mine	8	3	8

Total Training Participants by Employee Category and Gender*

Employee Category	2020		2021	
	Male	Female	Male	Female
Permanent	4	1	42	6
Contract	0	0	0	0
Total	4	1	42	6

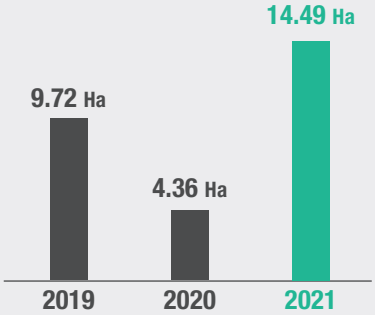
*Data from Hengjaya Mineralindo

Average Hours of Training*

Year	Total Training Hours	Average per Participant		Average per Employee	
		Total	Average	Total	Average
2021	1,288	48	26.83	263	4.90
2020	320	5	64	234	1.37

*Data from Hengjaya Mineralindo

Rehabilitated Land Area at Hengjaya Mine



Since 2019

We have supported mangrove and watershed rehabilitation in Central Sulawesi with a total area of **1,781 Ha** and planted more than **2 million trees.** These efforts will stimulate economic development of our local community, with a projected income of USD 535 per hectare which will begin eight years after the trees' plantation.

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Pillar	Sub-Pillar	Achievement(s)
Economic Development	Financial Performance	Continued strong production and EBITDA, with operations set to triple in size over the next 12 months.
	Procurement Practices	Hiring 100% local and national suppliers at the mining site that sustainably contribute to the livelihoods and wellbeing of the communities around our areas of operations.
	Indirect Economic Impacts	Collectively contributes to the total growth of 4.9% of Central Sulawesi Province in 2020, while the Indonesian economy contracted by 2.1% in the same year. Over the past decade, the District of Morowali in Central Sulawesi, where our Hengjaya Mine, Hengjaya Nickel, and Ranger Nickel operations are located, grew by 1,200% versus the whole province's growth of 161%.
Environmental Stewardship	Biodiversity	Supporting mangrove and watershed rehabilitation in Central Sulawesi with a total area of 1,781 Ha and planted more than two million trees since 2019. These efforts will stimulate the community's economy, with a projected income of USD 535 per hectare which will begin eight years after the trees' plantation. The related forestry institutions have acknowledged that PT Hengjaya Mineralindo's watershed rehabilitation programme is one of the best in the region. A coaching clinic was held at the end of November 2021 in our watershed rehabilitation areas, attended by various forestry and environmental agencies so that they can adopt PT Hengjaya Mineralindo's watershed rehabilitation methods and processes. Absorbed 9,392 tonnes of CO_2eq from reforestation projects in 2020. Some of the types of planted trees in the area were pine, rattan, hazelnut, and durian. Preparing to survey a potential biodiversity zone in 2022 with a total area of 62 Ha inside our operational border of Hengjaya Mine.
	Energy	Through our collaboration at Indonesia Morowali Industrial Park ('IMIP'), we have supported: • the establishment of nickel processing facilities near the mine sites which could reduce the energy consumption of nickel ore transportation; • the construction of waste heat boiler of 2×25 MW in the coke power plant and the use of high-temperature coke oven flue gas to generate electricity which could save the use of energy in the operations; • the installation of waste to heat power generation with the capacity of 7 MW to recover and utilise low calorific value flue gas of sintering machine to produce electric power, decreasing the use of coal in the process; and • the improvement of enterprise heat energy utilisation ratio to conserve our energy consumption.
	Emissions	Working with Hatch and Pertiwi Consulting, professional carbon consulting firms, to calculate our emissions in 2021 and to develop a decarbonisation roadmap. Also, in the last year, the Company and Shanghai Decent launched its 'Future Energy' collaboration framework, aimed at exploring to transition current energy sources utilised across the Company's operations to renewable energy and other lower carbon-emitting solutions. Discussions are already well advanced on collaborations involving solar and LNG-based energy solutions to begin the transition away from current coalfired power sources. One of the early implementations was the installation of 450 KWp solar panels at our Hengjaya Mine to reduce the amount of fossil fuel usage in our mine site. It is anticipated that the Hengjaya Mine solar project will reduce diesel consumption by approximately 31 million litres over the 25-year projected project life. At IMIP, the nickel-iron hot metal and blast furnace hot metal are sent direct to steelmaking production, while billet steel is sent directly to hot rolling, which avoids the need to re-melt the nickel in the steelmaking process and thereby greatly reduces energy consumption and carbon emissions. Controlling the level of air particles at our operations at IMIP, such as: • the installation of dust screen on both sides of the dust retaining wall of the coal yard, and more than 20 sets of atomisation spray equipment at the hopper of the door crane, as well as the belt transfer station and the material outlet of the belt at the wharf to effectively control the coal ash floating during the loading and unloading process; and • the improvement of dust collecting covers to effectively reduce the dust produced in the production process.

Pillar	Sub-Pillar	Achievement(s)
	Waste	Supporting Morowali Regency and Indonesia Free of Waste visions in 2025 (70% waste handling and 30% waste reduction) by providing 20 motorcycle carts and one truck for waste collection activities.
	Water and Effluents	Meeting water effluent standards in its operations following Indonesia's regulations. The Hengjaya Mine received Blue PROPER from the Indonesia Ministry of Environment in 2021 which means full compliance with environmental regulations in the country. Only two mining companies in Central Sulawesi Province received this acknowledgment from the Indonesia Ministry of Environment and Forestry in the last year. The use of automatic continuous monitoring system for water effluent, advanced circulating water and sewage treatment facilities at IMIP, which greatly improve the utilisation rate of water resources and realise zero water discharge.
Social Responsibility	Community Relations and Development	PT Hengjaya Mineralindo is committed to encouraging economic growth and providing quality welfare to the communities around its mining activities. The Company is fully aware that active mining activities are expected to have positive impacts on the communities and the surrounding environment, including for internal and external stakeholders. Working to fulfil the Corporate social and environmental responsibility law as mandated by the Indonesia Limited Company Law No. 40/2007 and Indonesia Government Regulation no. 47/2012. Supported various education, health services, infrastructure, social, cultural and religious programs in 2021. Funded 18 projects from eight surrounding villages, including local port rehabilitation and community health facility development. Distributing groceries to local villagers and many other beneficial programmes. Preparing to initiate three flagship programs in 2022: • coral reef conservation; • community-based waste management; and • regional library/community reading park to increase reading interest, reduce illiteracy and meet the educational needs of the community, especially the young generation. Supporting the teachers at the local schools near the IMIP. Waste management support for the Bahodopi District via collaboration with the IMIP.
	Anti-Corruption	Published its Anti-Bribery and Corruption Policy.
	Health and Safety	Providing free health clinic for local villagers around the IMIP. Achieved five million working hours without a lost-time injury in Hengjaya Mine operations until October 2021.

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Message from the Chairman [102-14]

Dear Fellow Shareholders

I am very pleased to be able to present to you Nickel Industries' inaugural Sustainability Report for the calendar year ended 31 December 2021.

The COVID-19 pandemic has a residual effect in the countries and markets in which we operate. The pandemic revealed enormous social and economic disparities and dramatically demonstrated the vulnerability of our societies and individual selves. At the same time, we must never underestimate the profound resilience and tenacity of humans in the face of adversity, that has resulted in the world's rapid recovery. As a result, the global economy continues to recover, even as the pandemic resurfaces.

Despite the pandemic's unpredictable nature, our response has remained robust. We were able to safeguard our employees' health and safety and adapt the Company's business processes and operations effectively to the current reality and situation. I can confidently state that COVID-19 has had no material adverse effect on the Company's operating or financial performance in 2021; in fact, we have continued to grow.

Simultaneously, the Company is conscious of the responsibilities of being a globally significant nickel producer. We have always operated in a responsible manner, and take pride in our significant contribution to the sustainable development of the regions in which we operate.

With this, our first-ever Sustainability Report, we hope to take a step forward in demonstrating accountability for our business activities by taking an ever-more sustainable and responsible approach. As you will read in the following pages, sustainability has always been ingrained in our operations and is a crucial component of our business.

The report's key topics have been carefully considered and selected due to extensive research and consultations with internal and external stakeholders. This multi-stakeholder approach ensures that we are all collectively moving towards a more sustainable future in every way possible.

I invite you to read our report and learn how we incorporate environmental, social, and governance (ESG) best practices into every aspect of our business. Please read about our commitments, initiatives, progress to date, the challenges and barriers we encountered, as well as our path forward.

Our three sustainability pillars of economic development, environmental stewardship, and social responsibility direct our decisions and actions toward long-term value creation for our stakeholders and the planet.

Last but not least, I would like to take this opportunity to thank you for your continued interest in the Company's sustainability-related performance. This would not be possible without all those who work for and with us, whose continued efforts ensure the success and sustainability of the Company.

Yours sincerely,

Rob Neale
Chairman

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Vision, Mission, and Values [102-16]

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

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

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

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

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

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

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

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

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Sustainability at Nickel Industries: Incorporating Our Values

Sustainability Policy

The Sustainability Policy represents Nickel Industries' commitment to implementing sustainable development through its non-financial objectives and priorities that result in long-term value creation for the Company, local community, and other stakeholders. The policy acts as a precursor for the Company's sustainability strategy and future targets, and is evaluated, adjusted or expanded accordingly each year.

As this year is the Company's first sustainability report, the theme is aptly named 'Incorporating Our Values', signaling the Company's commitment to incorporate sustainability values across the life cycle of our activities and to continuously improving disclosure of our sustainability performance.

We believe that sustainable development is core to our existence and we aspire to responsibly supply a critical base metal for the future of our planet while also promoting environmental protection, social empowerment, and improving the health and safety of our workers, host communities and regional neighbours.

Performing at a world-class level in sustainability is critical to our business success. Meeting our commitments in these areas contributes to sustainable development in our operational areas and, more broadly, worldwide, and is critical to our continued access to resources, capital, and engaged employees.

Hence, the core sustainability policy is rooted in three realms of influence, which are increasingly broad in nature: 1) sustainable operations; 2) stimulation of local development; and 3) contribution to global sustainability. These policies act as a foundation and are guiding principles in developing our sustainability strategy.

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Policy
Sustainable operations

Description
Nickel Industries recognises the important role that we play in addressing shared global challenges. We will contribute to the dialogue and confrontation of the challenges in terms of sustainable development, as appropriate to our scope of activities.

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

Policy
Stimulation of local development

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

Commitments
- To support the development and hiring of local workforce and suppliers.
- To understand and monitor the key social and environmental indicators for the regions where we operate, and make conscious decisions to improve social and environmental wellbeing in the most appropriate and meaningful ways.
- To develop programmes related to social needs, according to the long-term economic development vision, while 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, promoting engagement, free, prior and informed consultation and risk and impact evaluation.

SUSTAINABLE DEVELOPMENT GOALS

Policy
Contribution to global sustainability

Description
We recognise the important role that we play in addressing shared global challenges. Nickel Industries will contribute to the dialogue and confrontation of the challenges in terms of sustainable development, as appropriate to our scope of activities.

Commitments
- To be transparent in terms of governance, policy, procedures, practices and the Company's performance to our stakeholders.
- To contribute towards global targets related to our business, by continuously improving our operations and seeking partnerships, solutions and technology for challenges to sustainable development.
- To contribute to creating a positive legacy for future generations, balancing the social, environmental and economic aspects of our business.
- To work together with colleagues, partners and communities globally to deliver the products our customers need, and to learn from each other to improve our 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 United Nations' Sustainable Development Goals.

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Sustainability Strategy

The Company's commitment to sustainability is reflected through its strategy. We are constantly engaging with stakeholders to ensure our strategy and activities align with society's evolving expectations.

Our sustainability strategy focuses on three core pillars, each with its own set of sub-pillars that are chosen based on existing sustainability policies and international best practices. We believe the pillars that we have chosen are the most relevant to our operations.

Pillar
Economic Development

Sub-Pillar
- Financial performance
- Indirect economic impacts
- Procurement practices

We recognise that we are part of the community in the regions where we operate, and our presence has a significant positive social impact. We have a long term vision, and strive to continue to grow our business in a way that provides an optimum benefit to the lives of people in the community. Hence, the Company strives to continuously improve its financial performance that generates indirect economic impacts to the surrounding areas of our operational sites and helps thousands of people and local suppliers to grow simultaneously with the Company.

Pillar
Environmental Stewardship

Sub-Pillar
- Climate change
- Biodiversity
- Energy
- Emissions
- Waste
- Water and effluents

We believe that environmental sustainability is a core part of our existence. Our products are essential for the global energy transition and the stability of our operating environment is critical to the long term success of our operations. As a company, we are committed to seeking zero harm for our environment and establishing a positive legacy in our operational regions wherever and whenever we operate, from exploration, to rehabilitation and closure.

Pillar
Social Responsibility

Sub-Pillar
- Anti-corruption
- Community relations and development
- Donation and sponsorship
- Education
- Gender and Diversity
- Health and Safety
- Human rights
- Infrastructure

We are committed to stimulating local socioeconomic development that sustainably contributes to the livelihoods and wellbeing of the communities and environment around our areas of operation as parts of our social responsibility; we will also respect the local people and customs wherever we operate.

Furthermore, we are committed to strive to contribute to the United Nations Sustainable Development Goals (SDGs), by supporting the implementation of the SDGs at local, national, and global scales, as appropriate to our scope of activities.

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Stakeholder Engagement & Material Topics

Starting from this year, the Company will conduct an annual materiality assessment to ensure our sustainability strategy is focused appropriately, to assess the changing sustainability landscape, and to better understand and prioritise the issues that matter to our business and stakeholders. The reporting of our sustainability performance focuses on topics that the Company and its stakeholders have identified as material to the Company's progress and future as a nickel producing company, based on the results of this materiality assessment.

The materiality assessment determines which ESG issues need to be included and reported in our publication. Our materiality assessment includes extensive consultations with our internal and external stakeholders, and accommodates information regarding our business and the broader nickel sector both at a local and global level. Each stakeholder has been contacted and given the opportunity to express their opinions and concerns via the channels of communication that are most appropriate for them. Below is a full list of the stakeholders involved in our materiality assessment.

Identification of Stakeholder Needs and Approach [102-40] [102-42] [102-43] [102-44]

Stakeholders	Identification Base	Engagement Method	Key Concerns
Internal Stakeholders			
Investors and Shareholders	D, R, I, P	Meeting and electronic communication	Economic performance, energy and emission, diversity and equal opportunity, anti-corruption, human rights
Employees	D, R, T, I, P		Occupational health and safety, diversity and equal opportunity, human capital development
External Stakeholders			
Customers	D, R, I, P	Meeting and electronic communication	Economic performance
Contractors	D, R, T, I, P		Occupational health and safety, energy and emission, good mining practices, human capital development
Business Partners	D, R, T, I, P		Economic performance, local communities, energy and emission
Governments	R, T, I, DP	Meeting	Good mining practices, local communities, water and effluent, biodiversity, waste, energy, occupational health and safety, indirect economic impact, anti-corruption, human rights
Local Communities	D, R, T, I, DP, P		Indirect economic impact, local communities

Explanation of Identification Base

Dependency (D)
Nickel Industries' dependence on someone or an organisation, or vice versa

Tension (T)
Someone or an organisation has an influence on the Company regarding certain economic, social or environmental issues

Proximity (P)
Someone or an organisation has a geographical and operational closeness with the Company

Responsibility (R)
The existence of legal, commercial or ethical responsibility towards someone or an organisation

Influence (I)
Someone or an organisation has an influence on the Company or other stakeholder strategies or policies

Diverse Perspective (DP)
Someone or an organisation has different views that can influence the situation and encourage actions that did not exist before

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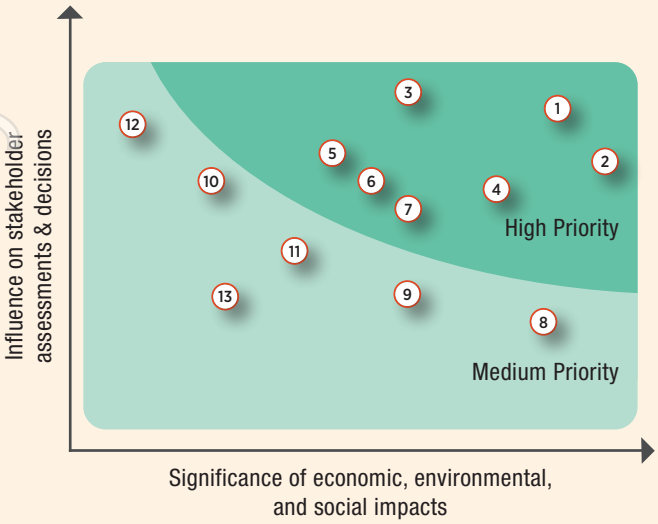

1. Local Communities
2. Occupational Health and Safety
3. Economic Performance
4. Human Capital Development
5. Energy & Emission
6. Diversity and Equal Opportunity
7. Good Mining Practices
8. Anti-corruption
9. Human Rights
10. Water and Effluent
11. Biodiversity
12. Waste
13. Indirect Economic Impact

Based on the results of materiality assessment in 2021, we will focus on the high priority topics as listed below:

High Priority [102-47]

Material Topics	Support for SDGs
Local Communities	1, 8, 10
Occupational Health and Safety	3, 4
Economic Performance	8, 10
Human Capital Development	3, 4, 8
Energy & Emission	12, 13
Diversity and Equal Opportunity	10, 5
Good Mining Practices	3, 4, 15, 16

Medium Priority [102-47]

Material Topics	Support for SDGs
Anti-corruption	16
Human Rights	5, 10, 16
Water and Effluent	6, 12, 15
Biodiversity	15
Waste	13, 15
Indirect Economic Impact	1, 3, 4, 6, 8, 10

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Local Communities
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
Operations with local community engagement, impact assessments, and development programmes [413-1]

Importance
The communities in which our business operate are our stakeholders and, as such, we are mindful of the value we create for those communities. The Company is committed to responsible corporate citizenship, which includes meeting the social, socioeconomic, and enterprise development needs of the communities in which it operates.

Scope, Initiatives, and Achievements
Performance Target:
At a minimum, we aim to fulfill the obligations of the Company according to the regulations on local community development in our operational areas.

Achievement Strategy:
We have identified eight focuses for our community relations and development programmes to achieve their targets: education, health, real income & job creation, economic independence, social-cultural & religious support, life environment, civil society organisation, and infrastructure.

Achievements:
The Company is being referred as a role model in Morowali City, our operational area in 2021.

Person in Charge and Form of Evaluation
Person in Charge: 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, Business Partner

Occupational Health and Safety (OHS)
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Occupational Health and Safety Management System [403-1, 403-3]
- Hazard Identification, Risk Assessment, and Incident Investigation [403-2]
- Occupational Health Services [403-3]
- Worker Participation, Consultation, and Communication on Occupational Health and Safety [403-4]
- Worker Training on Occupational Health and Safety [403-5]
- Promotion of Worker Health [403-6]
- Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships [403-7]
- Workers Covered by an Occupational Health and Safety Management System [403-8]
- Work-Related Injuries & Work-Related Ill Health [403-9] [403-10]

Importance
OHS is a material topic because it is necessary to protect the health and safety of employees as well as the Company's assets. OHS management ensures that employees are healthy and safe on the job, allowing them to perform at their best.

Scope, Initiatives, and Achievements
Performance Target:
- Zero Fatality and Zero Loss Time Injury ('LTI');
- Preventing Accidents, Occupational Diseases, Accidents Due to Labour Diseases, Dangerous Events; and
- Realising a Mining Safety culture.

Achievement Strategy:
- All content of the OHS policy is granulated into work programmes;
- Commitment in implementing OHS Policy at all levels of our operations;
- Evaluating the OHS programmes on a regular basis;
- Conduct management reviews by involving stakeholders.

Achievements:
The Hengjaya Mine recorded over five million hours of work without a fatality or LTI from November 2019 to October 2021.

Person in Charge and Form of Evaluation
Evaluation: OHS Management Audit, Contractor Compliance Check, planned and unplanned inspections.
Person in Charge: Safety Department

Impacted Stakeholders
- Internal: Management, Employees
- External: Contractors, Government

Economic Performance
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Economic Value Generated and Distributed [201-1]
- Financial implications and other risks and opportunities due to climate change [201-2]
- Defined Benefit Plan Obligations and Other Retirement Plans [201-3]

Importance
Economic performance is significant as it relates to business continuity and the distribution of added value to stakeholders.

Scope, Initiatives, and Achievements
The scope of reporting includes all of our operating subsidiaries in 2021, based on the Consolidated Financial Statement in the same year.

Person in Charge and Form of Evaluation
The Board of Directors is responsible for the Company's economic performance data and are audited by KPMG.

Impacted Stakeholders
- Internal: Shareholders, Management
- External: Customers, Business Partners

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Good Mining Practices
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Total amounts of overburden, rock, tailings and sludge and their associated risks [MM3]

Importance
Mining requires prudence and industry-standard best practices as it has the propensity to significantly impact the environment. We always exercise due diligence and planning to ensure that our operations are reasonable, safe, and appropriate in accordance with all applicable laws, regulations, and permits.

Scope, Initiatives, and Achievements
Performance Target:
At a minimum, we aim to fulfill the obligations of the Company according to the regulations on mining operations in our operational areas.

Achievement Strategy:
The team works closely with the contractors and business partners to make sure that the mining operations are conducted responsibly.

Achievements:
The Hengjaya Mine received Blue PROPER from the Indonesia Ministry of Environment in 2021 as the proof of regulatory compliance from the authority. Only two mining companies in Central Sulawesi Province received this acknowledgment from the Indonesia Ministry of Environment and Forestry in the last year. In terms of production, a record annual result of 2,457,694 wmt of mined saprolite ore was achieved in 2021, an increase of 182% from the production of totalled 870,503 wmt mined ore in 2020.

Person in Charge and Form of Evaluation
Persons in Charge: Mining Operations Department
Evaluation: Weekly, monthly, and annually.

Impacted Stakeholders
- Internal: Management
- External: Contractors, Governments

Emissions
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Governance
- Direct (Scope 1) GHG emissions [305-1]
- Electricity indirect (Scope 2) GHG emissions [305-2]
- Other indirect (Scope 3) GHG emissions [305-3]
- GHG emissions intensity [305-4]

Importance
Global warming and climate change are understood to be a result of GHG emissions, putting human survival in jeopardy. Given the mining industry's propensity to generate GHG emissions, the Company's emissions must be reduced in order to contribute to global efforts to combat climate change.

Person in Charge and Form of Evaluation
The sustainability manager is responsible for the reporting of Green House Gas (GHG) emissions and the figures are evaluated on a regular basis.

Scope, Initiatives, and Achievements
The report identifies organisational and operational boundaries for which the GHG inventory is confined, for inventory data to be gathered for the Hengjaya Nickel and Ranger Nickel projects and the Hengjaya Mine and associated facilities and services (project). The emissions intensity in 2021 decreased by 6% in comparison with the previous year.

The Company also works to define its decarbonisation roadmap in the upcoming years with the support of climate experts and professionals.

Impacted Stakeholders
- Internal: Management, Investors and Shareholders
- External: Contractors, Business Partners

Energy
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Energy consumption within the organisation [302-1]
- Energy consumption outside of the organisation [302-2]
- Energy intensity [302-3]
- Reduction of energy consumption [302-4]

Importance
Energy use in large quantities has a direct effect on the life of all living things on the planet and the viability of businesses, emphasising the vital nature of energy use that is responsible and efficient.

Person in Charge and Form of Evaluation
Energy management is the responsibility of the Operations Department and is supported by the Environmental Department.

Scope, Initiatives, and Achievements
The Scope of this Report includes all of the Company's subsidiaries: Hengjaya Mine, Hengjaya Nickel, and Ranger Nickel. In 2021, we reduced our energy consumption by 830,028 GJ in comparison with the previous year.

In 2021, Nickel Industries and Shanghai Decent launched their 'Future Energy' collaboration framework to jointly explore opportunities to transition current energy sources utilised across the Company's operations to renewable energy and other lower carbon-emitting solutions.

One of the early implementations was the installation of 450KWp solar panels at our Hengjaya Mine to reduce the amount of fossil fuel usage in our mine site.

Impacted Stakeholders
- Internal: Investors and Shareholders
- External: Contractors, Business Partners, Governments

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Diversity and Equal Opportunity
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Diversity of governance bodies and employees [405-1]
- Ratio of basic salary and remuneration of women to men [405-2]

Importance
Diversity and equal opportunity enable the Company to recruit solely on the basis of merit and contribute to the development of an inclusive culture. As a result, the Company is able to recruit and retain the best talent.

Person in Charge and Form of Evaluation
Persons in Charge: Human Resource Department
Evaluation: The evaluation is conducted on a regular basis.

Scope, Initiatives, and Achievements
Performance Target:
The Company offers equal opportunity for anyone who meets our job and service qualifications to work and collaborate with the Company.

Achievement Strategy:
The Company communicates its commitment to diversity and equal opportunity publicly on its corporate website. The management will consider targets for this aspect in the upcoming period.

Achievements:
No report was received about any violation against this commitment in 2021. Also, male and female employees on the same work level received equal payment in 2021.

Impacted Stakeholders
- Internal: Investors and Shareholders, Employees
- External: -

Human Capital Development
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Hours of Training per Year per Employee [404-1]
- Programmes for Upgrading Employee Skills and Transition Assistance Programmes [404-2]

Scope, Initiatives, and Achievements
By implementing received training materials, employees and workers can avoid making errors while performing their jobs. Achievements include employees and workers who have passed certification/training, as well as how they apply it in their respective functions. These development programs contribute for the low turnover rate in the company. At Hengjaya Mine, the rate was 11% in 2021.

Achievement
The total training hours at Hengjaya Mine were increased by more than 300% in 2021 in comparison with the 2020.

Importance
Training and education are necessary for optimal job performance, and provides a deeper understanding for employees to perform their job properly and correctly. Our programmes and initiatives are part of our wider human capital development plan. Furthermore, certifications are required for some positions.

Person in Charge and Form of Evaluation
Evaluations are carried out by an individual's respective superiors, and are overseen by Human Resources and Department Heads.

Impacted Stakeholders
- Internal: Management, Employees
- External: Contractors

Water and Effluents
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Water process [303-1]
- Management of water discharge-related impacts [303-2]
- Water withdrawal [303-3]

Importance
Water and effluents is a material topic as without the proper management and use of water, it can lead to devastating effects for the Company and its surrounding environments such as land subsidence, empty space and seawater intrusion.

Person in Charge and Form of Evaluation
Water and effluent management are overseen by Environmental Department.

Scope, Initiatives, and Achievements
The scope of the reporting period encompasses our nickel mining site: the Hengjaya Mine and our RKEF lines at IMIP: Hengjaya Nickel and Ranger Nickel.

Impacted Stakeholders
- Internal: Management
- External: Government

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Waste
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Waste generation and significant waste-related impacts [306-1]
- Management of significant waste-related impacts [306-2]
- Waste generated [306-3]
- Waste diverted from disposal [306-4]
- Waste directed to disposal [306-5]

Importance
Waste management is essential to minimise pollution's impact on the environment and avoid the spread of disease to surrounding areas.

Person in Charge and Form of Evaluation
Waste management is the responsibility of the Environmental Department.

Scope, Initiatives, and Achievements
The scope of the reporting period encompasses our nickel mining site: the Hengjaya Mine and our operations at IMIP: Hengjaya Nickel and Ranger Nickel.

In 2021, more than 3,100 kg of waste at our RKEF Plants was recovered and diverted from landfill.

Impacted Stakeholders
- Internal: Management
- External: Governments

Biodiversity
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Significant impacts of activities, products, and services on biodiversity [304-2]

Importance
Biodiversity provides functioning ecosystems that are necessary for the Earth and its inhabitants. Failure to do so would result in the deterioration of the quality of life on Earth.

Person in Charge and Form of Evaluation
The conservation and protection of biodiversity is overseen by the Environmental Department.

Scope, Initiatives, and Achievements
The scope of the reporting period encompasses our nickel mining site: the Hengjaya Mine. Since 2019, we have supported the rehabilitation of 1,781 Ha in Central Sulawesi and more than 2 million trees have been planted in the same period.

These efforts will stimulate the community's economy, with a projected income of USD 535 per hectare which will begin eight years after the trees' plantation.

Impacted Stakeholders
- Internal: Management
- External: Governments

Anti-Corruption
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Operations assessed for risks related to corruption [205-1]
- Confirmed incidents of corruption and actions taken [205-3]

Importance
Corruption pervades every facet of society. Preventing corruption accelerates progress toward greater human advancement, contributes to the protection of our planet, generates jobs, advances gender equality, and ensures greater access to essential services such as healthcare and education.

Person in Charge and Form of Evaluation
Person in Charge: Corporate Secretary

Scope, Initiatives, and Achievements
Performance Target:
Zero corruption cases for the Company.

Achievement Strategy:
The Company communicates its commitment to anti-corruption publicly on its corporate website.

Achievements:
No report was received about the violation against this commitment in 2021.

Impacted Stakeholders
- Internal: Management, Investors and Shareholders
- External: Governments

Indirect Economic Impact
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Infrastructure Investments and Services Supported [203-1]
- Significant Indirect Economic Impacts [203-2]

Importance
Indirect economic performance is a material topic because it impacts the Company's sustainability through community support. Support is derived from the perceived benefits and increased welfare of the community.

Person in Charge and Form of Evaluation
The sustainability manager is responsible to find data about the indirect economic impact from the Company to its operational areas.

Scope, Initiatives, and Achievements
The scope of the reporting period encompasses all of our operating subsidiaries in Morowali city. Collectively, we have contributed for the growth of 1,200% of the city in the last decade.

Impacted Stakeholders
- Internal: Management
- External: Governments, Local Communities

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Human Rights
Management Approach [103-1, 103-2, 103-3]

Key Disclosures
- Operations that have been subject to human rights reviews or impact assessments [412-1]

Importance
Human rights are fundamental rights that all humans possess simply by virtue of being human. They are vital safeguards for everyone, but especially for those who may face abuse, neglect, and isolation. We are committed to ensuring that our society embodies fundamental values such as justice, dignity, equality, and respect.

Person in Charge and Form of Evaluation
Person in Charge: Sustainability Department, CSR Department, HR Department.

Scope, Initiatives, and Achievements
Performance Target:
Compliance with human rights regulations in its operational areas.

Achievement Strategy:
Working together with its contractors and business partners to respect human rights along the value chain.

Achievements:
No report was received about the violation against this commitment in 2021.

Impacted Stakeholders
- Internal: Management, Investors and Shareholders
- External: Governments

Company Profile

History [102-1] [102-3] [102-4] [102-5]

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

In 2009, the Company acquired an 80% stake in the Hengjaya Mineralindo Nickel Mine ('Hengjaya Mine'), located in the Morowali Regency of Central Sulawesi, Indonesia, from which nickel ore was exported until the Indonesian government banned unprocessed mineral exports in January 2014. The export ban on unprocessed minerals was imposed to encourage the development of an Indonesian downstream processing industry that would allow Indonesians to benefit more from their country's vast mineral wealth.

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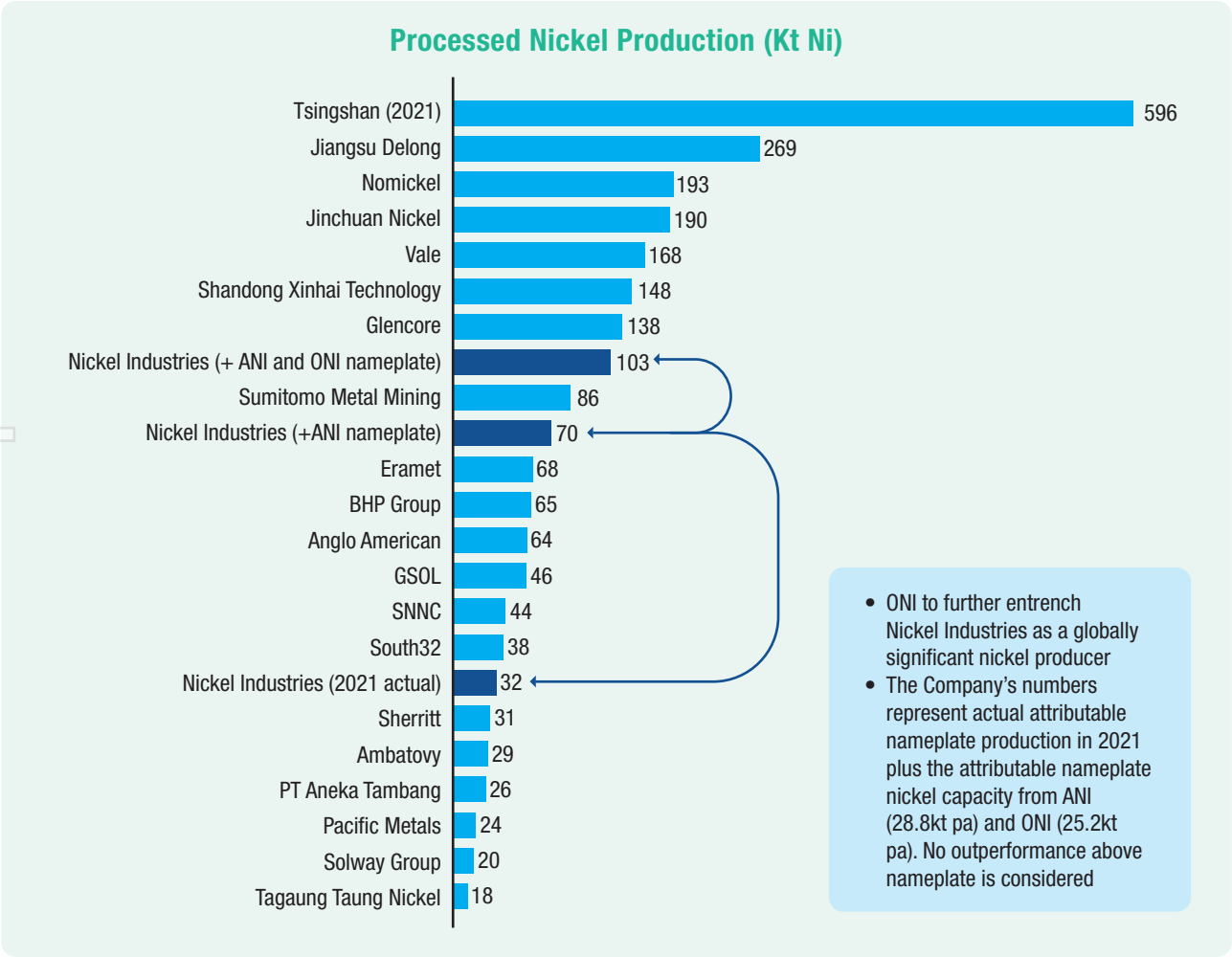
Tsingshan, one of the first companies that committed to the Indonesian government's vision of local processing, began construction of its world-class Indonesia Morowali Industrial Park ('IMIP') in July 2013. As Tsingshan required additional nickel ore as feedstock for its expanded NPI and stainless-steel capacity within IMIP, Nickel Industries resumed operations in October 2015 and entered into an offtake agreement with Tsingshan for high-grade saprolite ore.

Nickel Industries now holds 80% economic interest in the Hengjaya Nickel and Ranger Nickel projects, both of which operate rotary kiln electric furnace ('RKEF') plants producing NPI within the IMIP. In 2021, Nickel Industries acquired an 80% interest in the Angel Nickel project, comprising four 54KVA RKEF lines and a 380MW power plant within the Indonesia Weda Bay Industrial Park ('IWIP'). In 2021, the Company entered into a definitive agreement to acquire a 70% interest in the Oracle Nickel Project ('ONI' or 'ONI Project'), a new development project that has commenced construction within the IMIP comprising four next-generation RKEF lines with an annual nameplate production capacity of 36,000 tonnes of nickel-metal (in nickel pig iron). Nickel Industries' 70% interest in ONI represents 25,200 tonnes per annum ('tpa') of attributable nameplate nickel-metal capacity which will increase the Company's total attributable nameplate capacity to 78,000 tpa of nickel metal.

		IMIP	IMIP	IMIP	IWIP	Total
Annual Capacity		**HNI**	**RNI**	**ONI**	**ANI**	
Nameplate	Ni tonnes	15,000	15,000	36,000	36,000	102,000
Nickel Industries attributable		12,000	12,000	25,200	28,800	78,000

As illustrated in the chart below, the ONI Project will further cement Nickel Industries as a globally significant nickel producer.



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Milestones in 2021

03 May

The Company signed an MoU with its collaboration partner, Shanghai Decent, for two of its four 80% owned operating RKEF lines to undergo the necessary modifications to allow them to produce a nickel matte product suitable for sale into the electric vehicle battery market.

22 November

Nickel Industries and Shanghai Decent agreed to establish a "Future Energy" collaboration framework to optimise the transition to renewable energy sources across the Company's operations and announce the signing of a further MoU to acquire a 70% interest in the Oracle Nickel Project.

24 December

Nickel Industries' 80% owned subsidiary, PT Hengjaya Mineralindo, received Blue PROPER from the Indonesia Ministry of Environment and Forestry, confirming 100% compliance with environmental regulations in our operational area.

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External Initiatives & Memberships [102-13]

Nickel Industries is a member of numerous national, regional, and international organisations. These organisations help develop and implement industry safety and environmental standards at the Company. They are also a great way to engage governments, regulators, and communities on energy, climate, and trade issues. The Company participates in industry associations and consortiums to learn more about issues, share knowledge, help develop standards, and represent the industry before regulators.

During 2021, the Company joined several external initiatives, including: [102-12]

- Uniting Business LIVE, hosted by the UN Global Compact;
- Nickel Industries, through its operating subsidiaries at IMIP (Hengjaya Nickel Industry and Ranger Nickel Industry), was registered as a member of Forum Industri Nikel Indonesia ('FINI'); and
- Asosiasi Penambang Nikel Indonesia ('APNI').

Association Membership [102-13]

Association Name	Role	Scope
APNI	Member	National
FINI	Member	National

External Awards and Appreciation

PROPER

2020 Blue PROPER Award (awarded in 2021)

"100% regulatory compliance"

2021 Blue PROPER Award

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Sustainability Performance

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Economic Performance

Economic development is fundamental to the Company's sustainability goals and objectives. We produce some of the lowest capital-intensive and most profitable NPI in the global market, in partnership with Tsingshan, the world's largest, lowest cost stainless steel producer. This allows us to continuously improve our financial performance, enabling us to generate increased indirect economic impacts to the surrounding areas of our operational sites and help thousands of people and local suppliers to grow simultaneously with the Company.

Our principal operations in Central Sulawesi, Indonesia, are the Hengjaya Nickel and Ranger Nickel projects located within the IMIP, and the Hengjaya Mine. At year-end, the Company held an 80% interest in each RKEF project and the Hengjaya Mine, a large tonnage, high-grade nickel laterite deposit close to the IMIP.

The Company has acquired an 80% interest in an additional four RKEF lines and a 380MW power plant ('Angel Nickel' / 'ANI') within the IWIP in October 2021. The ANI plant commenced commissioning in January 2022, ahead of the October 2022 contractual delivery date, with the ANI project utilising power from the existing IWIP electricity grid in the interim.

The Company has also signed a multi-faceted MoU with Shanghai Decent Investment (Group) Co., Ltd ('SDI') setting out a framework for future collaborations between the parties over the next several years. This includes the Company's purchase of a 70% interest in the Oracle Nickel Project ('ONI' or 'ONI Project'), a new development project that has commenced construction within the IMIP comprising four next-generation RKEF lines with an annual nameplate production capacity of 36,000 tonnes of nickel metal (in NPI) and a 380MW power plant.

NPI production raw materials include nickel ore acquired by PT Hengjaya Nickel Industry and PT Ranger Nickel Industry from PT Hengjaya Mineralindo, operator of the Hengjaya Mine, as well as other third-party mines. [102-2]

Operational Areas [102-4]

5,963
Hengjaya Mine (Ha)

27
Hengjaya Nickel (Ha)

30
Ranger Nickel (Ha)

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Markets Served [102-6]

Geographic location	Indonesia and China
Sectors served	Metals and mining
Types of customers	Business
Beneficiaries	Metals processing companies

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

All NPI sales during the year were to Tsingshan-related entities located in either Indonesia or China. All nickel ore sales during the year ended 31 December 2021 were to the Company's 80% owned subsidiaries PT Hengjaya Nickel Industry and PT Ranger Nickel Industry, under a series of offtake agreements to supply 100,000 WMT per month between each entity, and to the Huayue Nickel Cobalt project located within the IMIP. [102-2]

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

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

Economic Value Generated

In 2021, The Company's Hengjaya Nickel and Ranger Nickel projects at the IMIP produced a combined 298,353 tonnes of NPI.

The total revenue of Nickel Industries and its controlled entities (together 'the Group') for the year ended 31 December 2021 was $645,935,639.

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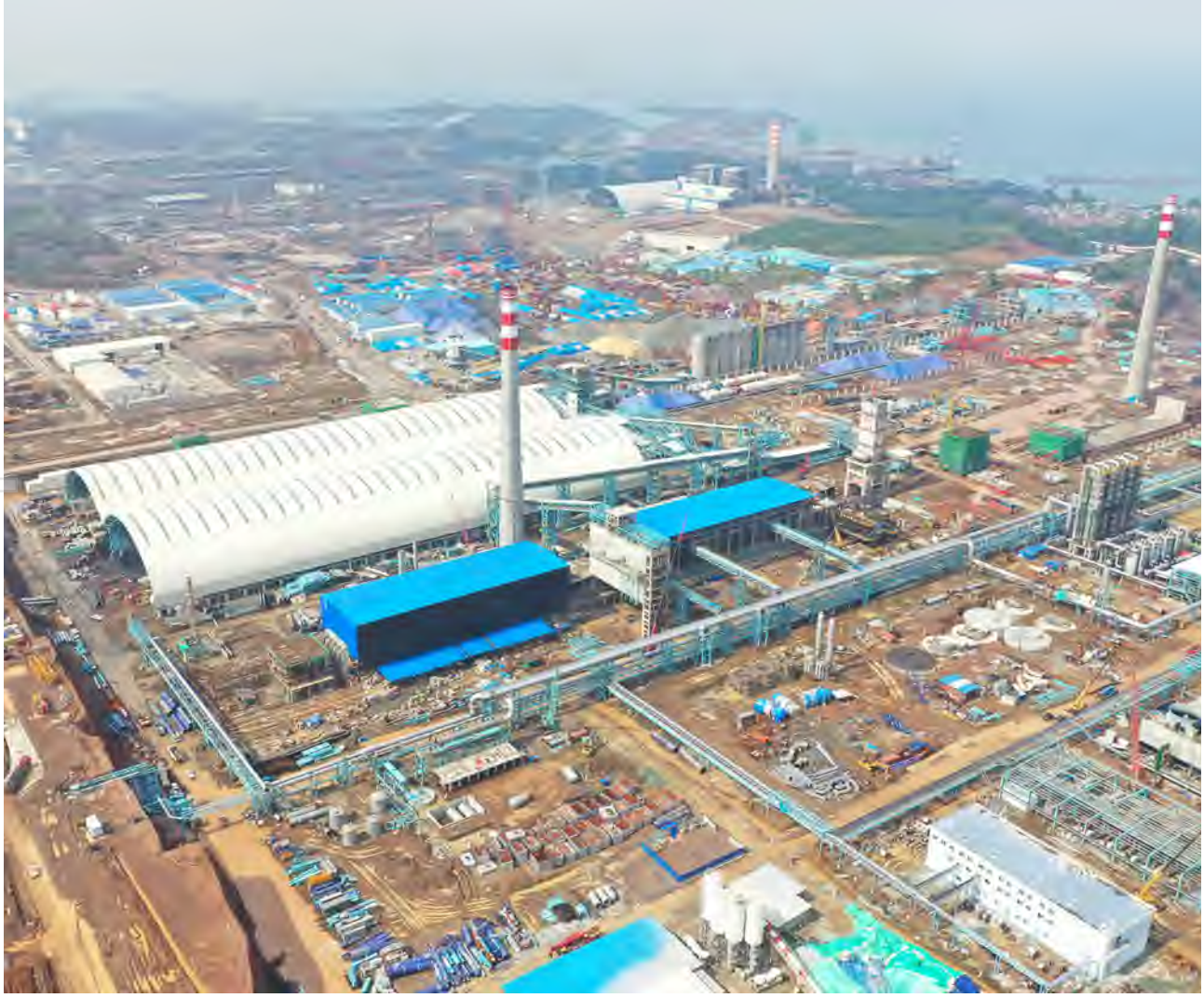
Production Performance

Production Performance

Description	Unit	2019	2020	2021
NPI Production	Tonnes	194,514	295,896	298,353
NPI Grade	%	13.8	14.7	13.5
Nickel Metal Production	Tonnes	7,885	43,621	40,410

Growth of NPI Production

Description	2019	2020	2021	Δ%	
	1	2	3	1:2	2:3
Nickel Industries Limited	194,514	295,896	298,353	52	1



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Supply Chain [102-9]

Suppliers Type

Description	2019		2020		2021	
	Total	%	Total	%	Total	%
Local Suppliers	18	9	15	8	9	5
National Suppliers	182	91	179	92	183	95
International Suppliers	0	0	0	0	0	0
Total	200	100	194	100	192	100

Contract Value by Supplier (IDR)

Description	2019		2020		2021	
	Total	%	Total	%	Total	%
Local Suppliers	832,100,000	3	2,024,388,998	5	1,665,397,000	3
National Suppliers	28,768,567,194	97	36,263,784,552	95	55,279,170,314	97
International Suppliers	0	0	0	0	0	0
Total	29,600,667,194	100	38,288,173,549	100	56,944,567,314	100

Notes: Supplier data refers to the Hengjaya Mine operations

Significant Changes to the Organisation and Its Supply Chain [102-10]

In 2021, Nickel Industries increased the ownership for Angel Nickel to 80%. Subsequent to year end, two RKEF lines have been modified and now have the ability to continue to produce NPI or when required, a nickel matte product. However, there were no significant changes to the supply chain during the reporting period. Various stakeholders (including suppliers, vendors, contractors, and consultants) are involved in various business operations at Morowali City. [102-9, 102-10]

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Organisational Scale (USD) [102-7]

Description		2019	2020	2021
Revenue		236,059,160*	523,492,413	645,935,639
Total Capitalisation	Total Liabilities	175,377,516	148,448,076	472,706,783
	Total Equity	722,119,105	1,086,228,908	1,329,912,039
Total Assets		897,496,621	1,234,676,984	1,802,618,822
Total Net Profit After Tax		91,280,434*	153,698,840	175,976,986

*6 months to 31 December 2019

In 2021, Nickel Industries has a Head Office in Sydney, Australia and three operating subsidiaries: Hengjaya Mine, Hengjaya Nickel, and Ranger Nickel.

Economic Value Generated (USD) [201-1]

Description	2019*	2020	2021
Economic Value Generated			
Revenue	236,059,160	523,492,413	645,935,639
Other Income	13,035,913	2,166,484	2,786,467
Total	**249,095,073**	**525,658,897**	**648,722,106**

*6 months to 31 December 2019

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

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

Indirect Economic Impact

We are committed to contributing to sustainable development in our operational areas, and more broadly across the globe to create a positive legacy for future generations. We help and stimulate economic development in our operational areas by prioritising the hiring of local workforces and suppliers. Additionally, we create programmes that are connected and relevant to the needs of residents and our long-term economic development strategy, avoiding reactive social investments.

Our operations in Central Sulawesi indirectly contributed to the total growth of 4.9% of this province in 2020, while the Indonesian economy contracted by 2.1% in the same year. As a background note, the District of Morowali in Central Sulawesi (where our Hengjaya Mine, Hengjaya Nickel, and Ranger Nickel are located) grew by 1,200% versus the whole province's growth of 161% over the past decade.

Significant Indirect Economic Impacts [203-2]

Infrastructure is a fundamental need of the communities in which we operate. The Company recognises the critical role we play in addressing these issues and will continue to support these needs as they arise within the scope of our operations.

In 2021, our infrastructure developments included school renovations and improved water infrastructure quality for Bete-Bete Village. Further information regarding the infrastructure investments provided by the Company can be found in the Social Performance section of the report. [203-1]

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Environmental Performance

Our Environmental Policy

We believe that environmental sustainability is a core part of why we exist. As a Company, we are committed to seeking zero harm to our environment and establishing a positive legacy in our operational regions wherever and whenever we operate, from exploration, rehabilitation and closure. We realise that environmental management is an important part of our operations. For this reason, we are committed to managing all aspects of effective and efficient environmental performance by:

1. complying with all Indonesian laws and regulations related to the environment and anticipate through ongoing consultation with the authorities, as well as any changes in the future that can affect the continuity of the project;
2. setting environmental goals and evaluate the performance of the achievement of those goals, and be determined to continue to improve environmental performance and evaluate targets in response to changing needs and expectations;
3. designing and operating projects in accordance with the Company's Environmental Management System;
4. carrying out environmental inspections, audits, and performance appraisal programmes to measure the effectiveness of the environmental management system and the implementation of policies;
5. developing and maintaining an environmentally conscious culture through management concern and responsibility, education and training for all employees and contractors;
6. involving stakeholders for their attention, and aspirations relating to aspects of the development, operation and closure of the mine, and recognise the close links between environmental, economic, social, and cultural issues; and
7. communicating our performance openly, accurately, and transparently.

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

Our commitment to environmental sustainability has been recognised by the Indonesian Ministry of Energy and Natural Resources, which in 2021 awarded the Company's Hengjaya Mine a 'Blue PROPER' rating to confirm full compliance with the mine's operating license of associated rehabilitation programmes and commitments. Only two mining companies in Central Sulawesi Province received this acknowledgment from the Indonesia Ministry of Environment and Forestry in the last year.

The Company intends to improve its 'Blue PROPER' rating to 'Green PROPER' and possibly 'Gold PROPER', the highest level that could be achieved by an operating entity in Indonesia, as a commitment from the management to become a role model in the nickel sector for the sustainability aspects.

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Water and Effluents

Water and Effluent Usage

The Company is committed to continuously improving water efficiency and meeting or exceeding local effluent standards. We continually identify and assess water-related risks and implement continuous improvement plans to manage the risks. We respect indigenous and local communities' rights to safe and clean water, and we work to develop active partnerships at the international, national, regional, and local levels to safeguard and conserve water for future generations. With regards to indigenous and local communities' connections to land, water, and the environment, we seek to develop mutually beneficial agreements with land-connected peoples by promoting engagement, free, prior, and informed consultation, as well as risk and impact assessment. [303-1]

It is crucial to maintain the availability and quality of surface and groundwater sources through efficient use and prevention of water pollution. The Company maintains a continuous effluent monitoring system at the Hengjaya Mine as a commitment to safeguarding the access and quality of the area's water resources.

The Company adheres to prevailing Indonesian laws such as Decree of the State Minister of the Environment No. 51 of 2004 concerning Standard Quality of Seawater; and Government Regulation No. 82 of 2001 concerning Water Quality Management and Water Pollution Control. These regulations allow us to anticipate any potential impacts through ongoing consultation with the relevant authorities, meeting water effluent standards in its operations by the local standards. [303-2]

To ensure water quality in our mining areas, we conduct the following activities before, during, and after our operations:

- land clearing is limited to the development of supporting facilities on the site;
- managing runoff water by constructing drainage channels and channelling runoff water into sediment pond systems;
- avoiding the disposal of solid and liquid waste into bodies of water;
- avoiding the discharge of water used to wash construction equipment into bodies of water;
- continuous water monitoring and a thorough analysis of all discharges to ensure that they will have no adverse effect on the environment and comply with water effluent standards in our operational areas;
- avoiding land clearing activities adjacent to rivers, river borders, or water springs; and
- plant and/or maintain vegetation along the river's banks and water-courses.

To avoid potential degradation of water quality due to soil erosion at the mining sites, we implement the following activities:

- conduct mining gradually and immediately follow up with reclamation and revegetation following each mining operation;
- no mining on land with a slope greater than 35%;
- no mining within a radius of 250 metres of a river;
- design and install terraces to increase sediment capacities in proportion to land clearing area and therefore minimise erosion potential;
- plant cover crops and timber plants on former mining sites to prevent soil erosion;
- cover excavated nickel ore piles with tarpaulins to prevent gully erosion, migration of ore; and
- construct drainage diversions to control external runoff water from entering the mine site, the stockpile, and the mine road.

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In our RKEF lines at IMIP, we monitor water quality regularly by a certified laboratory at a predetermined monitoring point. The results of this water quality monitoring are then compared with the applicable quality standards and the residual water produced is processed by circulating it and then reused for the production process so that nothing is discharged into the environment. The water source for production and domestic activities comes from the Water Treatment Plant ('WTP') Department as the water provider in the area with the quantity in the table below: [303-3]

Source of Water	Unit	Hengjaya Nickel's Water Withdrawal (All Areas)		
		2019	2020	2021
Surface water	m^3	0	0	0
Groundwater		0	0	0
Produced water		0	0	0
Third-party water		766,042	1,105,545	751,345

Source of Water	Unit	Ranger Nickel's Water Withdrawal (All Areas)		
		2019	2020	2021
Surface water	m^3	0	0	0
Groundwater		0	0	0
Produced water		0	0	0
Third-party water		618,115	1,105,545	751,345

Water Consumption [303-5]

Description
Domestic water used in office and basecamp of Hengjaya Mine (m^3)

2020
5,597

2021
39,350

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

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Biodiversity

Biodiversity Policy and Protection

We acknowledge the importance of biodiversity in our operations and projects and commit to implementing biodiversity management programmes as a part of our good mining practices. We are committed to making conscious decisions to improve biodiversity levels in the most appropriate and meaningful ways and to comply with the local biodiversity regulations wherever we operate.

We implement biodiversity conservation strategies to positively impact the presence of high-value biodiversity in our project areas. We ensure that mine closure activities are well planned and carried out as soon as possible after our operational phase. This process is communicated with all relevant stakeholders to ensure an integrated approach to the final land-use plan. Our biodiversity management adheres to Indonesia Government Regulation No. 28 of 2011 as amended by Indonesia Government Regulation No. 108 of 2015 concerning Conservation of Biological Natural Resources and Their Ecosystems. [EM-MM-160a.1]

Our technological approach for biodiversity conservation entails the following:

- land clearing is limited to mining areas only;
- reclaiming and replanting each mined area;
- optimising the impact management for the disturbances to the animal habitat and vegetation; and
- preserving wild animal habitats by limiting land clearing only to areas used for mining infrastructure development.

Additionally, we have developed a socioeconomic strategy to protect biodiversity across all of our operations, which includes the following:

- counselling employees and society on the prohibition of and disturbance of endemic and protected vegetation;
- establishing a bulletin board of hunting prohibition. The ban board is primarily located in the forest area and is designed to be informative, with the sanctions listed for each offence; and
- counselling employees and the general public on the prohibition of disturbing wildlife.

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Counselling is provided to employees and residents in the vicinity of the mining site. The material delivered is primarily information about the types of protected wildlife and the importance of preserving their sustainability and existence. Additionally, it explains the sanctions and violations that extend to the entire mining area.

Our principal biodiversity programme is to support mangrove and watershed rehabilitation in Central Sulawesi with a total area of 1,781 Ha. More than two million trees have been planted since 2019 with the potential of an additional one million trees to be planted. These efforts will stimulate the community's economy, with a projected income of USD 535 per hectare which will begin eight years after planting with sap from the trees being the main source of income. If the price at the collectors is used, the income will reach USD 800 per hectare per month. Additionally, after forty years, the sap price per hectare can reach USD 3,200 per hectare per month. The projected economic income is the main reason why Forest Management Unit Tepeasa Maroso (Poso District) and PT Hengjaya Mineralindo chose to plant pine trees. It is hoped that a sustainable source of income can be generated through this watershed rehabilitation project.

Through its subsidiary, PT Hengjaya Mineralindo, the Company held a four-day rehabilitation training programme in November 2021, which was attended by representatives from local villages and the local forestry institutions. The program aimed to educate participants about forest rehabilitation and how to plant indigenous pine trees in Ensa Village. The related forestry institutions have acknowledged that PT Hengjaya Mineralindo's watershed rehabilitation program is one of the best in the region. The initiative is one of many efforts made by the Company to protect the biodiversity of local areas, which aligns with our Environmental Stewardship pillar.

In December 2021, PT Hengjaya Mineralindo repurposed 1,094 hectares of land into rehabilitation planting areas in Ensa and Bomba villages, North Morowali Regency as an extension of its commitment towards environmental stewardship.

Significant Impacts of Activities, Products, and Services on Biodiversity

[304-2] [MM2]

Direct Impact
Land conversion for nickel mining activities

Indirect Impact
Species migration

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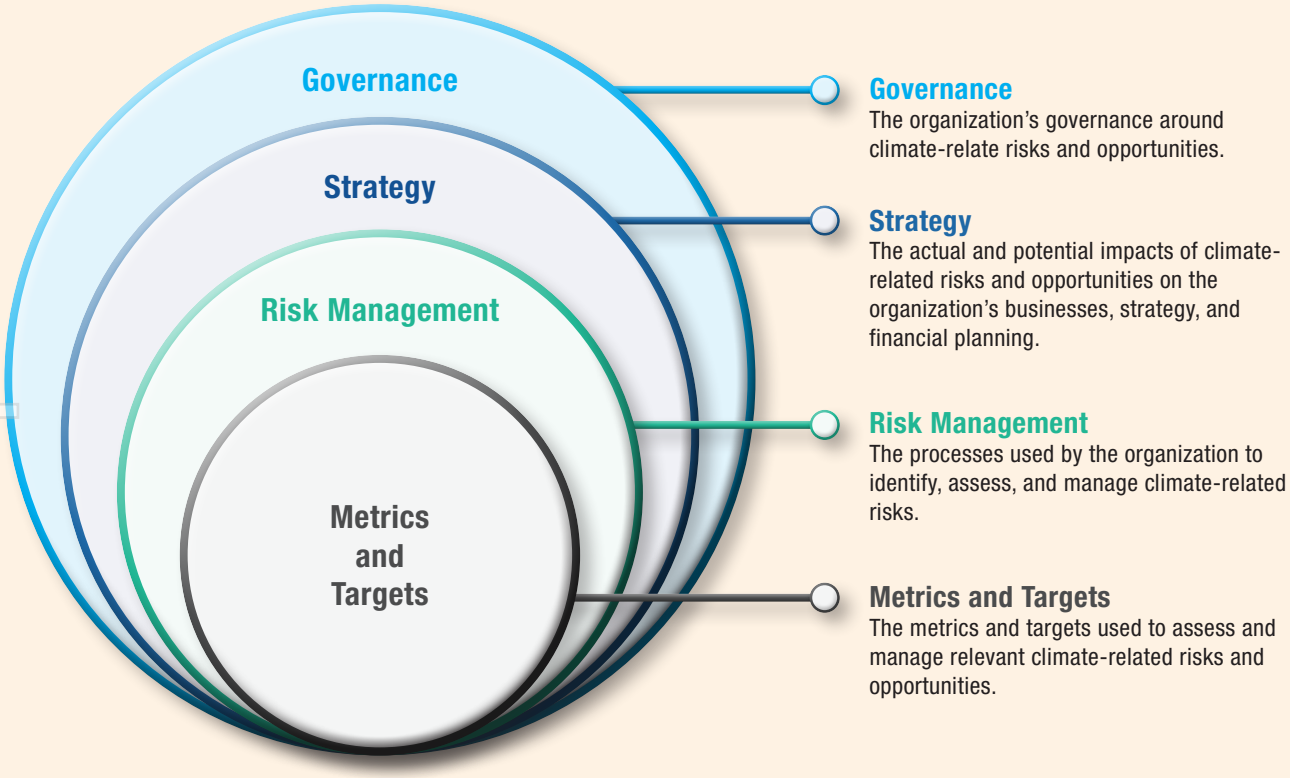
Climate Risk and Resilience

Climate Change is fundamentally altering the risks that people, businesses, and the financial sector face throughout the world. The direct impact of climate change already affects businesses, via extreme weather events, such as floods and droughts and shortages of raw materials owing to severe weather conditions. In addition, many companies also face substantial indirect climate risks, such as shifting market trends, increased legislation and financial and public policies that accelerate a global transition to a low-carbon economy.

Nickel Industries recognises its responsibility to support the global efforts to transition to a low-carbon economy, while at the same time ensuring that its operations reduce its exposure to climate risks. Climate change aspects need to be addressed via two components: Accounting for Greenhouse Gas ('GHG') emissions and second to understanding the financial related risks coming from Climate change. For reporting purpose, the guideline for Climate-related Financial Disclosure ('TCFD') is followed. It starts via the set-up on Climate change analysis within the business, then looks at existing or possible strategies that include climate change aspects to provide further information on the risks the business is exposed to and then reports on the data analysis of the Company's GHG inventory via the Metrics and Targets section.

Recognising the challenge to address the requirements, the Company engaged external consultants to build capacity in house and start with important data collection to understand the risks and opportunities that climate change can pose towards our business. A three-year roadmap was developed and for the first year, the Company investigated climate-related governance, the development of its GHG inventory and GHG emission reduction strategies.

Core elements of recommended climate-related financial disclosure



Governance

Since 2020, the Company has engaged third parties to assist to develop a GHG inventory and GHG decarbonisation strategy. The supervision lies with the national sustainability team, but local monitoring and data collection is carried out by the local environment teams at Hengjaya Mine and IMIP.

	2021	2022	2023	2030
Governance	Identification for internal & external stakeholders	Strengthen cross-departmental working groups on climate related issues	Climate specific expert/ unit High level position aware of climate risks & opportunities	Climate specific expert/unit High level position aware of climate risks & opportunities
Strategy	Internal communication & coordination with higher level management	Adopt GHG reduction targets into strategies	Present climate impact analysis & discuss strategic decisions	Revise and update targets & have regular (biannual meetings) External communication & coordination
Risk Management	Exposure to GHGs	Capacity building & data collection	Climate scenario Fiscal and transition risk identification Evaluate business impacts Adapt risk management	Institutionalisation/ Monitoring/ Implementation & Evaluation
Metrics & Targets	Develop internal database GHG inventory Scope 1, 2 and 3 GHG reduction targets for operations		Screen for climate related risks Climate risk priorities	Institutionalisation/ Monitoring/ Implementation & Evaluation

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Metrics and Targets - GHG Inventory

The Company's greenhouse gas emissions were calculated according to the principles of ISO 14064-1:2018 and the Greenhouse Gas Protocol Standard.

The source of emissions has been collected for the different parts of Nickel Industries:

- the mining operations by Hengjaya Mine (HM) and its main subcontractors (PT RJS, PT STM, PT Buana, PT Danmar and PT Monalisa); and
- the RKEF operations in IMIP by Hengjaya Nickel ('HNI') and Ranger Nickel ('RNI').

The reduction of emissions through tree planting have also been computed at:

- the Hengjaya Mine area; and
- DAS Bomba and Ensa.

The equity approach was used to define the organizational boundaries of the GHG inventory, as Nickel Industries owns the majority of the reported business units (80% of HM, HNI and RNI) and has control over them.

Most of the emission factors ('EF') used for the computation of the GHG inventory 2021 are local EF (Tier 2); the ones related to combustion (Scope 1) are published by the Indonesian Ministry of Energy and Mineral Resources and the ones related to deforestation and reforestation are mainly based on field observations and Indonesian literature.

The Tier 1 EF of the Intergovernmental Panel on Climate Change ('IPCC') guidelines have been used when local EF were not available. These are the main factors as to why we have chosen 2021 as our baseline for benchmarking GHG emissions.

In the case of the electricity consumption of HNI and RNI, there is no EF specific to the electricity grid of IMIP (constituted of a group of 8 providers, independent from the external PLN grid) and it could not be computed because of the lack of data. For that reason, a market-based approach has been used, and the considered EF is an average grid factor for Indonesia. The impact of the Scope 2 emissions will be reevaluated in the future, when a more accurate EF for IMIP grid is available.

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The GHG Inventory 2020 has been computed based solely on Tier 1 EF from IPCC, which explains some disparities in results while the consumption values are similar.

Some assumptions and extrapolations have been carried out to gather incomplete datasets, however this should not have any significant impact on the overall results. The complete methodology and these assumptions are described in the GHG inventory report.

GHG Emissions of Nickel Industries in 2020-2021*

GHG Emissions (tCO_2e)	2020	2021
Scope 1 - Direct Emissions Category [305-1]		
Stationary Fuel Combustion	1,209,108	951,666
Mobile Fuel Combustion	22,917	13,968
Carbon fraction in the NPI	-24,737	-24,942
Refrigerants	138	116
Total Scope 1 (tCO_2e) [EM-MM-110a.1]	1,207,426	940,808
Scope 2 - Indirect Electricity Emissions Category [305-2]		
Total Scope 2 (tCO_2e)	975,078	1,086,944
Scope 3 - Other Indirect Emissions Category [305-3]		
Purchased Goods and Services	-not available-	20,182
Transportation	-not available-	645
Total Scope 3 (tCO_2e)	-	20,828
Biogenic Emissions		
Combustion of Biofuel (tCO_2e)	274	4,682
Land use change		
Deforestation	44,058	55,888
Reforestation	-7,514	-8,098
Total Land Use Change (tCO_2e)	36,545	47,790
Total Emissions and Removals (tCO_2e)	2,219,322	2,101,051

*Data from Hengjaya Mine, Ranger Nickel Project, and Hengjaya Nickel Project. The emission figures were counted based on equity-share approach in which the Company own 80% of interest in each subsidiary.

Direct (Scope 1) GHG Emissions [305-1]

The direct emissions considered in the inventory 2021 are:

- HM: all significant fuel combustion sources (stationary and mobile) and the main fugitive emissions; and
- HNI and RNI: the main fuel combustion emissions (stationary and mobile).

The vast majority (98%) of the Scope 1 emissions is due to the coal combustion in the RKEF processes of HNI and RNI.

Energy Indirect (Scope 2) GHG Emissions [305-2]

As previously stated, the EF of the IMIP electricity grid that supplies HNI and RNI is not available. Additional analyses have helped to limit the probable range for the emission factor and a provisional EF of 0.864 has been chosen for this analysis as it is the default low value indicated by the analysis; this value is in line with regular electrical Indonesian grids like the Java-Bali grid (JAMALI: 0.87 ex-post 2019).

Ini 2021, the electricity from a grid provider is exclusively by HNI and RNI, as HM and its contractors are producing their electricity by genset.

Other Indirect (Scope 3) GHG Emissions [305-3]

The most significant indirect emissions for the Hengjaya Mine have been computed:

- all the fuel combustion and fugitive emissions resulting from the mining activities of the main subcontractors (PT STM, PT RJS, PT Buana, PT Monalisa, PT Danmar) have been recorded under the Purchased goods and services Scope 3 category; and
- the staff commuting and business travels of HM and its subcontractors have been recorded under the Transportation Scope 3 category.

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Biogenic GHG Emissions

As per the ISO standard requirements, the biogenic emissions from the combustion of biofuels have been separated from the rest of the fuel combustion reporting. A total of 8.8 million litres of B30 biodiesel have been consumed in 2021 by HM and its contractors, representing an emission for Nickel Industries of 4,682 tons of CO_2-e.

GHG Emissions due to Land Use Change

The land clearing operations in view of the exploitation of new mining areas in 2021 have led to the deforestation of tropical rainforest representing 55,888 tons of CO_2-e emissions for the Company.

Other parts of the pits which have already been exploited are benefiting from a reforestation program with the fast-growing sengon trees (Paraserianthes falcataria) and local grass as pioneer species. The first areas have been replanted in 2014 and the total currently accounts for 45.96 ha.

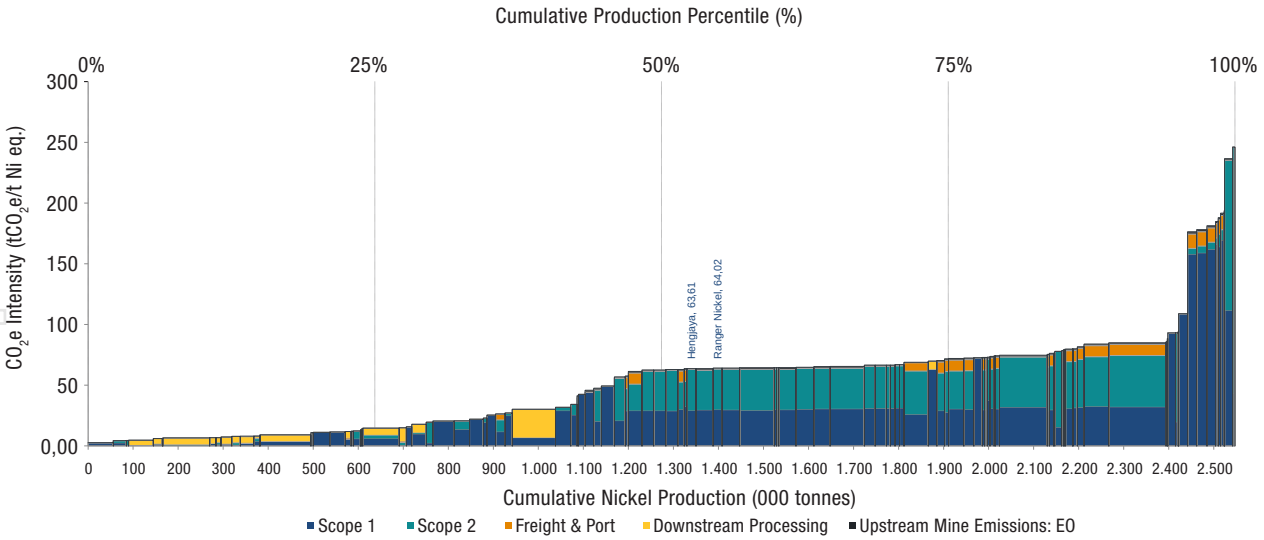
We also support two rehabilitation projects in Central Sulawesi (DAS Bomba and Ensa) where pine trees (Pinus merkusii) have already been planted in degraded areas. Overall, these reforestation projects represent a reduction of 8,098 tons of the CO_2-e emissions for the Company.

GHG Emissions Intensity [305-4]

For the purpose of the characterisation of the GHG emission intensity, the following values are computed on considering 100% of the emissions of the Organisation (Scope 1, 2 and 3), hence not following the equity share approach. The biogenic emissions and the impact of deforestation and reforestation have also been included.

Description	Unit	2020	2021
Total Emissions	tCO_2e	2,774,153	2,626,314
Nickel Metal Production	t Ni eq.	43,621	40,410
Carbon Intensity of the nickel production	tCO_2e / t Ni eq.	63.60	64.99

Nickel Industries' GHG Intensity Based on the Third-party Data



Source: Skarn's GHG Intensity Curves

Our carbon intensity in the last year was slightly higher than in 2020 due to a lower nickel content from our NPI production in 2021. Nevertheless, the Company still ranked close to the second quartile to Skarn's GHG intensity Curves for the nickel sector globally and was in a better position than many nickel producers, especially in Indonesia and other ASEAN countries.

As a side note, Skarn used different approaches in calculating the Company's carbon footprint and that was why there are small gaps between their figures and the results of our GHG inventory. As an example, Skarn does not consider Scope 3 emissions in the calculation while the Company includes some elements of this scope in the GHG inventory. Nevertheless, the Company is committed to decarbonising its value chain and pushing its operations to be included in the first quartile of Skarn's curves in the future.

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Strategies for GHG emission reductions

Nickel Industries is continuously improving our activities, seeking increased efficiency in using natural resources and reducing carbon footprint in our projects and operations. We have diversified our product range by producing nickel matte products that can be used to make battery-grade nickel for use in electric vehicles and other low carbon technologies.

The Company increases energy use efficiency through the identification, assessment and application of energy efficiency of the project to reduce greenhouse gas emissions and operational costs. We adhere to comply with the emission standards and, regularly evaluate these achievements in response to changing needs and expectations. Also, we worked with Hatch and Pertiwi Consulting, professional carbon consulting firms, to develop a decarbonisation roadmap for the Company.

Nickel Industries ensures that its emissions and particulates do not exceed the quality standards stipulated in Indonesia Government Regulation Number 41 of 1999 concerning Air Pollution Control. Our technological approach focuses on using appropriate vehicles and heavy equipment, watering the roads in the mobilisation path three to four times daily or whenever there is evidence of an impact, tree planting along the mobilisation path and transport route, securing vehicle bodies when transporting construction materials, and installation of solar cells in the camp to reduce diesel fuel for power generation. [EM-MM-120a.1]

In 2021, Nickel Industries and Shanghai Decent launched its 'Future Energy' collaboration framework, aimed to jointly explore opportunities to transition current energy sources utilised across the Company's operations to renewable energy and other lower carbon-emitting solutions. Discussions are already well advanced on collaborations involving solar and LNG-based energy solutions to begin the transition away from current coal-fired power sources.

'Future Energy' projects that are under discussion include but are not limited to:

- the collaboration with PT Sumber Energi Surya Nusantara ('SESNA') on the installation of 200MWp solar capacity, becoming the first tenant at IMIP to participate in this initiative, with electricity generated to contribute to the power requirements of the Company's RKEF lines.

  This project would mark a larger foray into solar power for the Company with its 80%-owned HM Mine commissioning its 450 KWp solar project that will significantly reduce the requirement for diesel-fired generators to power the mine and camp facilities. It is estimated that every kWh generated from this solar cell could reduce the number of carbon emissions by 0.864 kg of CO_2e; and
- the development of an LNG-to-power solution for IMIP utilising a parcel of land within the HM Mine IUP whereby LNG receiving jetty, storage, and regasification facilities, auxiliary pipelines and transmission lines could fuel a 180MW combined-cycle gas turbine power plant.

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The 'Future Energy' projects identified above represent two of the more immediate opportunities, with both parties committed to exploring other opportunities to reduce carbon emissions from the Indonesian nickel industry significantly.

Energy

Energy Policy and Statistics

Delivering world-class sustainability performance is essential to our business success. Meeting our commitments in the energy aspect contributes to sustainable development in our operational areas and more broadly across the globe, and is essential to our continued access to resources, capital and engaged people. Thus, we are always committed to continuously improving our activities, seeking increased efficiency in energy in our projects and operations.

Nickel Industries increases energy use efficiency through the identification, assessment and application of energy efficiency of the project to reduce greenhouse gas emissions and operational costs. We implement energy identification and assessment in all operations to reduce energy use, and design and operate our projects by energy reduction targets.

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

- exploring new technology and new methods of energy-saving and recycling;
- the establishment of smelters near the mine greatly saves the energy consumption of nickel ore transportation;
- a 225MW energy-efficient waste heat boiler was installed in the coke power plant, and electricity is generated using the high-temperature coke oven flue gas;
- blast furnace sintering equipped with waste to heat power generation with a 7MW capacity, recovery and utilisation of low calorific value flue gas of sintering machine to produce electric power, increasing burning and efficiency; and
- high knot and enterprise heat energy utilisation ratios result in significant energy savings. At IMIP, nickel-iron hot metal and blast furnace hot metal are sent directly to steelmaking. In contrast, billets are sent directly to hot rolling, resulting in significant energy savings and a reduction of carbon dioxide emissions.

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Energy Consumption

Total Energy Consumption

In view of the reporting of 2021, a comprehensive audit of the sources of energy consumption has been carried out in HM and its main contractors, which will explain some disparities between the consumptions of 2020 and 2021. Some dataset was not available for HNI and RNI, hence only the most significant ones have been included in this table.

This year, we began a more thorough monitoring of our energy consumption both within and outside the organization, as well as an examination of every aspect of energy use. As a result, the baseline year for future reporting will follow 2021.

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

Type of Non-Renewable Energy	Energy Consumption (GJ)	
	2020	2021
Anthracite coal	1,579,857	1,787,439
Bituminous coal	7,675,421	7,070,786
Semi-coke coal	3,566,376	2,994,990
Electrode paste	93,834	93,655
Electricity	5,765,901	5,661,165
Gasoline	69	61
Biodiesel (B30)	23,477	304,995
Diesel	373,283	334,898
LPG	213	409
Acetylene	-not available-	4
Total	**19,078,431**	**18,248,403**

Note: The energy content factor is from Table 1.2 from Volume 2 (Energy), Chapter 1 (Introduction) of the 2006 IPCC Guidelines. The conversion factors are from the GHG Protocol tool for stationary combustion, Version 4.1. of the World Resources Institute (2015).

Energy Consumption within The Organisation

Type of Non-Renewable Energy	Energy Consumption (GJ)
	2021
Anthracite coal	1,787,439
Bituminous coal	7,070,786
Semi-coke coal	2,994,990
Electrode paste	93,655
Electricity	5,661,165
Gasoline	61
Biodiesel (B30)	62,202
Diesel	227,880
LPG	362
Acetylene	4
Total	**17,898,545**

The source data has been collected for the purpose of the GHG Inventory. The energy content factor is from Table 1.2 from Volume 2 (Energy), Chapter 1 (Introduction) of the 2006 IPCC Guidelines. The conversion factors are from the GHG Protocol tool for stationary combustion, Version 4.1. of the World Resources Institute (2015).

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The source data has been collected for the purpose of the GHG Inventory: the energy reported as consumed outside of the Organisation was consumed by the main subcontractors of the mining site (PT STM, PT RJS, PT BUANA). The energy content factor is from Table 1.2 from Volume 2 (Energy), Chapter 1 (Introduction) of the 2006 IPCC Guidelines. The conversion factors are from the GHG Protocol tool for stationary combustion, Version 4.1. of the World Resources Institute (2015).

Energy Consumption outside of The Organisation [302-2]

Type of Non-Renewable Energy	Unit	Energy Consumption 2021
Biodiesel (B30)	GJ	242,793
Diesel	GJ	108,574
LPG	GJ	47
Total	**GJ**	**351,414**

Energy Intensity [302-3]

Total Energy Usage (GJ)

2020	2021
19,078,431	18,248,403

Nickel Metal Production (tonnes of nickel equivalent)

2020	2021
43,621	40,410

Energy Intensity of the Nickel production (GJ/tonne of nickel equivalent)

2020	2021
437.36	451.58

Reduction of Energy Consumption [302-4]

At the end of 2021, HM had installed solar panels on the camp buildings' roofs in view of shifting a significant part of the electricity produced by diesel generators to renewable energy. More panels have also been installed on each of the six guard posts in the mining area. It is anticipated that the Hengjaya Mine solar project will reduce diesel consumption by approximately 31 million litres over the 25-year projected project life. HM and some of its subcontractors (PT STM and PT Buana) are using biodiesel (B30) to shift 48% of the total diesel consumption towards more renewable energy.

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Waste

Waste Treatment Policy & Statistics

Nickel Industries acts responsibly across the life cycle of our activities, from project conception, through to execution and operation, till the closure of our activities, to manage risks and impacts related to waste generation by promoting the '4R' principles: reduce, reuse, recycle, and recovery. In addition, we are also working collectively with the local stakeholders in our sites and project areas to promote responsible waste management as part of our long-term sustainability commitments. [306-1] [306-2]

By implementing the 4R concept and ensuring the safe storage and disposal of waste and process residues. We manage overburden in our disposal areas to ensure that drainage issues can be identified, organised and rehabilitated to support stable and safe structures. Our hazardous waste storage areas adhere to applicable laws and regulations, including Indonesia Minister of Environment and Forestry Regulation No. P.12/Menlhk/Secretary-General/PLB.3/5/2020 on Hazardous Waste Storage and Indonesia Government Regulation No. 101 of 2014 on Hazardous Waste Management. The Company coordinates and collaborates with relevant agencies to manage generated hazardous waste through accepted waste processing methods in our operational areas.

Our technological approach to waste management entails the following activities:

- 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 faeces (septic tank); and
- accommodating remnants of lubricating oil, fuel, and or other hazardous waste that may pollute the waters.

Meanwhile, our socioeconomic approach entails the following measures:

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

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At Hengjaya Nickel and Ranger Nickel, waste is sorted into three types: organic waste, inorganic waste, and hazardous waste. Domestic waste generation is recorded by IMIP while the hazardous waste is handed over to the licensed carriers of hazardous waste. We ensure that the carriers and processors of hazardous waste have permits according to the regulations, in which every transportation of this waste is equipped with a manifest so that every transportation data is always recorded in accordance with regulations. The amount of waste generated in 2021 is listed below: [306-3] [306-4] [306-5]

Hengjaya Nickel	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
Waste Composition			
Organic Waste	169.90 tonnes	-	169.90 tonnes
Inorganic waste	90.89 tonnes	-	90.89 tonnes
Slag Nickel Pig Iron	2,043,673 tonnes	-	2,043,673 tonnes
Used oil	1.08 tonnes	0.9 tonnes	0.18 tonnes
Used Battery	1.46 tonnes	1.28 tonnes	0.18 tonnes
Used filter	0.05 tonnes	0.04 tonnes	0.01 tonnes
Used clot/majun	0.04 tonnes	-	0.04 tonnes

Ranger Nickel	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
Waste Composition			
Organic Waste	209.66 tonnes	-	209.66 tonnes
Inorganic Waste	112.15 tonnes	-	112.15 tonnes
Slag Nickel Pig Iron	2,052,886 tonnes	-	2,052,886 tonnes
Used oil	0.90 tonnes	0.72 tonnes	0.18 tonnes
Used Battery	0.45 tonnes	0.13 tonnes	0.32 tonnes
Used filter	0.05 tonnes	0.04 tonnes	0.01 tonnes
Used clot/majun	-	-	-

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

Type of Hazardous and Toxic Waste	Management Method	2020	2021
Used oil	Processed by the third parties	13.90 tonnes	4.98 tonnes
Contaminated clot		0.13 tonnes	0.02 tonnes
Used filter		0.14 tonnes	0.23 tonnes
Used battery		0.35 tonnes	0.07 tonnes

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Social Performance

Nickel Industries seeks to contribute positively to the places we operate. We are driven by an intrinsic sense of duty and have long believed that we must emphasise human well-being and societal advancement to be a sustainable business. We work to create a harmonious society and strengthen communities through our operations, activities, initiatives, and other resources that improve people's livelihoods.

Occupational Health and Safety (OHS)

OHS Policy and Statistics

The Company regards health and safety as a top priority; it is paramount in our industry. We are committed to upholding rigorous health and safety standards, striving to keep our workplaces injury- and illness-free, and actively promoting a zero-accident work culture in every aspect of our operations. Our objective is to achieve 'Zero-Harm' for our employees, contractors, and the surrounding communities in which we operate.

Our commitment to a safe work environment is reflected in our Occupational Health and Safety (OHS) policies that were designed to protect our employees, contractors, suppliers, and other workers. Effective implementation of OHS policies demonstrate our commitment as a mining company. OHS in the Company itself is achieved by cultivating employee habits that prioritise OHS; when good habits are practised repeatedly and continuously, they become ingrained in our behaviour and culture.

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The implementation of an OHS management system in a company is a requirement under Article 87 of Law 13 of 2003 on Manpower, which states that companies must implement an Occupational Health and Safety Management System that is integrated with a company's management system. HNI and RNI have implemented an Occupational Health and Safety Management System by adhering to applicable OHS laws and regulations, implementing risk management procedures, and adhering to OHS standards. HNI and RNI will implement the OHS Management System in the future, and it is hoped that by implementing this system, the Company will be able to maintain a healthy work environment that is also safe, efficient, and productive. Additionally, implementing an OHS and Environmental Management System can assist the Company's leaders in implementing OHS standards.

Occupational Health and Safety Management System [403-1][403-3][403-8]

We maintain a compliant occupational health and safety management system for all employees, contractors, visitors, and other stakeholders. Our OHS management system is based on the following seven principles: Policy; Planning; Organisation and Personnel; Implementation; Evaluation and Follow-up; Documentation; and Management Review. The implementation of the OHS management system aims to ensure the safety and health of all employees and contractor/supplier workers and mining operations.

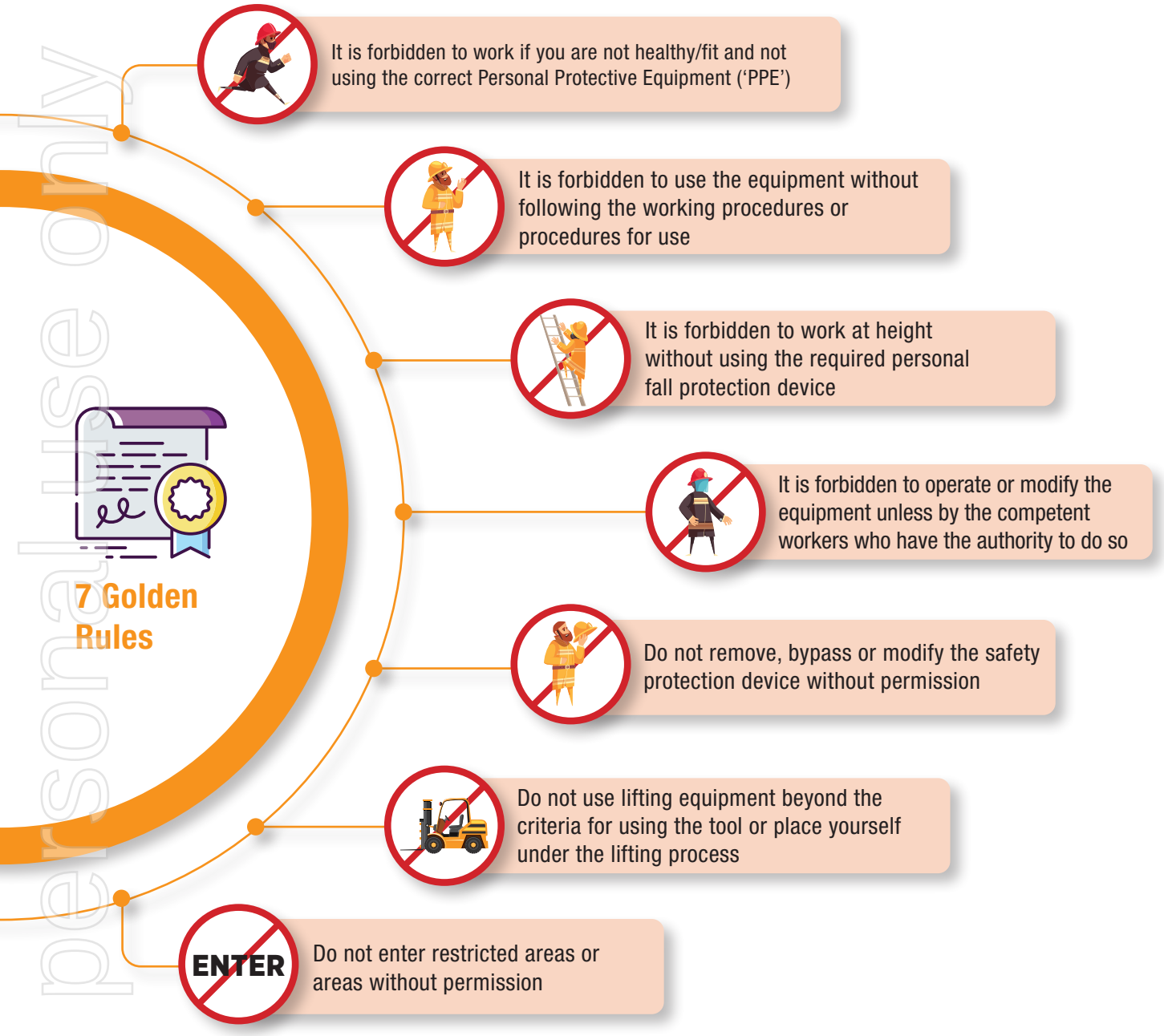
Our operations in Indonesia comply with Indonesia Law No. 1 of 1970 – on Occupational Safety and Health; Decree of the Director General of Indonesia Minister of Energy and Mineral Resources (MEMR) no 185.K37.04 DJB 2019 concerning Technical Guidelines for Mining Safety and OHS Management System; Indonesia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

Additionally, we develop and implement occupational health and safety management system standards in line with mine safety management systems.

Our OHS policies include the following:

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

We practise our 7 Golden Rules policy that applies to all employees, contractors, visitors, and other stakeholders:



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

To assess OHS execution, the Company periodically performs an internal audit of the Mining Safety Management System ('MSMS'). This is a shared responsibility for all companies operating in the mining industry.

The MSMS audit is a systematic and independent review of the Company's compliance with predetermined criteria to quantify the results of planned and implemented activities in the execution of MSMS.

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

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

Types of High-Risk Jobs
Working with heat

Description of Activities and Risks
Welding, cutting, grinding

Mitigation
Implementing Hazard Identification and Risk Assessment Determining Control (HIRADC) process, enacting Standard Operational Procedures (SOPs) and Job Safety Analysis (JSA), inspection and observation, promoting Near-Miss Report (NMR), training & education (internal), issuing permit to work, provision of Personal Protective Equipment (PPE) according to the type of work (face shield, apron, special hand gloves, welding screen, etc.)

Types of High-Risk Jobs
Working at height

Description of Activities and Risks
All work carried out at height (minimum 1.8 metres from ground/floor level)

Mitigation
Implementing Hazard Identification and Risk Assessment Determining Control (HIRADC) process, enacting Standard Operational Procedures (SOPs) and Job Safety Analysis (JSA), inspection and observation, promoting Near-Miss Report (NMR), training & education (internal), issuing permit to work, provision of Personal Protective Equipment (PPE) according to the type of work (full body harness with shock absorber, static line, etc.)

Types of High-Risk Jobs
Working near water

Description of Activities and Risks
Activities around water (barging activity, water sampling, etc.)

Mitigation
Implementing Hazard Identification and Risk Assessment Determining Control (HIRADC) process, enacting Standard Operational Procedures (SOPs) and Job Safety Analysis (JSA), inspection and observation, promoting Near-Miss Report (NMR), training & education (internal), issuing permit to work, provision of Personal Protective Equipment (PPE) according to the type of work (ring buoy, life jacket, etc.)

Types of High-Risk Jobs
Work using electric tools

Description of Activities and Risks
Use of Electrical Tools (hand grinding, hand drill, etc.)

Mitigation
Implementing Hazard Identification and Risk Assessment Determining Control (HIRADC) process, enacting Standard Operational Procedures (SOPs) and Job Safety Analysis (JSA), inspection and observation, promoting Near-Miss Report (NMR), training & education (internal), issuing permit to work, electrical tagging, provision of Personal Protective Equipment (PPE) according to the type of work (face shield)

Types of High-Risk Jobs
Work Using Lifting Equipment and Transport

Description of Activities and Risks
Lifting using lifting equipment (Manitou Forklift) and Transport (heavy equipment, dump truck, etc.)

Mitigation
Implementing Hazard Identification and Risk Assessment Determining Control (HIRADC) process, enacting Standard Operational Procedures (SOPs) and Job Safety Analysis (JSA), inspection and observation, promoting Near-Miss Report (NMR), training & education (internal), issuing permit to work, electrical tagging, provision of safety signs, provision of Personal Protective Equipment (PPE) according to the type of work, providing Licenses of Competency.

Occupational Health Services [403-3]

Some of the health services and facilities provided by the Company to employees:

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

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Worker Participation, Consultation, and Communication on Occupational Health and Safety [403-4]

- We established a Mining Safety Committee which is responsible for managing OHS performance;
- The Head of Mining Engineering leads the safety committee on site with the participation of members (Operational Supervisor, Technical Supervisor, Competent Mining Technical Personnel, Mining OHS and Mining Operational Safety) who have been appointed by Company management and approved by the committee and employee representatives;
- The Safety committee meeting is held at least once a month; and
- The General Safety Tool Box Meeting is held once a week (Monday).

HNI and RNI's participation, communication, and consultation processes include the following:

1. conducting Safety Talks prior to the beginning of work activities;
2. safety patrols to conduct OHS Inspections;
3. Safety signs/OHS banners;
4. emergency response procedure;
5. reviewing applicable laws and regulations;
6. investigation of accidents and follow-up evaluation;
7. reporting of workplace accidents and occupational health diseases;
8. internal/external OHS consultations; and
9. OHS meetings.

OHS Training and Education

We provided OHS training to both employees and contractors throughout the reporting period as part of our human capital development programme. Due to the COVID-19 pandemic, some training was conducted online, while face-to-face training adhered to strict health protocols.

One of our additional initiatives to maintain a strong OHS culture in in our operations was the adoption of weekly Safety Talks to share knowledge about OHS culture with all employees. The sharing opportunity is rotated amongst departments, with each meeting focusing on a different aspect of OHS. Regular safety meetings serve as an excellent reminder to all employees of the critical nature of implementing OHS.

For example, on January 11, 2021, our project in Hengjaya Mine participated in the 2021 National OHS Month by hosting an opening ceremony with the topic 'Optimising Community Self-Reliance Cultivated OHS in the Industrial. Revolution 4.0-Based Era Information Technology.' that served as the kick-off for Hengjaya Mine's series of OHS competitions, aiming to further increase employee understanding of OHS implementation.

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

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

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Worker Training on Occupational Health and Safety [403-5]

OHS Training for Employee at Hengjaya Mine						
Type of Training	2019		2020		2021	
	Number of participants	Number of Training Hours	Number of participants	Number of Training Hours	Number of participants	Number of Training Hours
Working at Height	25 HM 9 Contractor	4 Hours	5 Contractor	4 Hours	0	0
Near Miss Report	68 HM 4 Contractor	2 Hours	12 HM	2 Hours	27 HM 9 Contractor	2 Hours
HIRADC	0	0	0	0	4 Contractor	4 Hours
Incident Investigation (ICAM Method)	3 HM	4 Hours	0	0	0	0
ERT Training (Basic Life Support)	15 HM 2 Contractor	4 Hours	15 HM 3 Contractor	4 Hours	28 HM 1 Contractor	4 Hours
ERT Training (Fire Fighting)	9 HM 21 Contractor	4 Hours	62 HM 12 Contractor	4 Hours	0	0
ERT Training (Kendrick Extrication Devices)	9 HM	4 Hours	0	0	8 HM	4 Hours
ERT Training (Emergency Reporting)	8 HM	4 Hours	0	0	0	0
Confined Spaces	4 HM	4 Hours	0	0	0	0
Lock Out Tag Out (LOTO)	8 HM 6 Contractor	4 Hours	0	0	0	0

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Employee Health Promotion [403-6]

Health promotion activities carried out:

- banner installations;
- socialisation in internal meetings/general safety toolbox meetings; and
- sharing videos related to health protocols via a Whatsapp group.

Additionally, through our collaboration at IMIP, we provide an emergency clinic where employees who are ill or have work-related accidents can be picked up and transported to the clinic via an ambulance, to receive medical treatment. This clinic is a 24-hour health care facility that offers outpatient polyclinic, inpatient, and emergency unit services.

Prevention and Mitigation of OHS Impacts Directly Related to Operations [403-7]

Efforts to prevent and handle COVID-19:

- temperature measurement for all employees who will enter the mining work area;
- implementation of strict health protocols;
- distributing masks to all employees;
- conducting rapid tests on each employee returning home, entering the site, or returning from a visit/outside the Morowali area;
- employees who are infected with COVID will receive treatment in accordance with the SOP, which may include self-isolation; and
- carrying out fatigue checks and alcohol/drug testing. [403-10]

The Company's approach to preventing and mitigating the Negative Impact of OHS is to educate employees about OHS standards in order to protect their health, increase work efficiency, and prevent workplace accidents and diseases. The benefits include the ability to anticipate the presence of hazard-causing factors and take preventive measures in advance, to comprehend the various types of hazards present in the workplace, to assess the level of hazards present, and to control the occurrence of hazards, including Business Relations within the scope of HNI and RNI.

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

Number of Occupational Accidents at Hengjaya Mine

Description	2019	2020	2021*
Occupational Accident			
• Light	6	3	7
• Heavy	1	0	0
• Fatal	1	0	1
Lost Time Injury Frequency Rate (LTIFR)	1.07	0.00	2.75
Total Injury Frequency Rate (TIFR)	4.27	1.47	20.30
Total	8	3	8

Calculation of work accidents based on 1,000,000 hours worked
*There were changes in the calculation methods in 2021 to comply with the Indonesia Ministry of Energy and Mineral Resource's new standard.

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Number of Occupational Accidents at Hengjaya Nickel

Description	2019	2020	2021
Fatality	-	-	-
Loss Time Injury	-	-	-
Restricted Work Day Case	-	-	-
Medical Treatment Injury	2	4	1
First Aid Treatment	4	9	9
Total	6	13	10

Number of Occupational Accidents at Ranger Nickel

Description	2019	2020	2021
Fatality	-	-	-
Loss Time Injury	-	-	-
Restricted Work Day Case	-	-	-
Medical Treatment Injury	-	-	-
First Aid Treatment	-	11	10
Total	-	11	10

Our commitment to occupational health and safety management is paramount, and we believe that all injuries, fatalities, and occupational diseases are preventable. However, we are deeply saddened to report that one fatality occurred in November 2021 at Hengjaya Mine. Before this, we recorded over five million hours of work without LTIs or fatalities at the mine site. We believe that any loss of life is intolerable and are committed to eliminating fatalities across our organisation. The Company has taken this incident seriously and with utmost care, working together with authorities to develop mitigation procedures to avoid a repeat of this accident in the future.

COVID-19 Response

Additionally, to mitigate the effect and spread of COVID-19, we made modifications to our procedures to make our project sites safer for our employees, contractors, visitors, and other stakeholders to work in. The Company complies with and refers to Morowali Bupati Regulation No. 25 of 2020 Concerning Guidelines for the Implementation of a New Normal in Handling COVID-19. This is accomplished by implementing our Standard Operating Procedures for COVID-19 prevention—early detection and screening.

Preventive measures include disinfection actions to avoid the spread of COVID-19 in the office area, dormitory, canteen, security posts, preparations, prayer rooms, transportation equipment entering and exiting the area, and other locations where our staff conduct business.

Additionally, our health protocol is put in place to prevent the spread of infection, which includes frequent hand washing, covering of the mouth and nose while coughing or sneezing, fully cooking meat and eggs in the canteen, maintaining a safe distance, avoiding crowds, and restricting mobilisation and engagement where necessary.

Protocols and procedures for early detection include the distribution of questionnaires to assess health, body temperature checks at entry/exit checkpoints, mask mandates, medical examinations, and patient referrals to hospitals and public health facilities in the event of COVID-19-related symptoms. We assist our employees in regularly conducting antigen and polymerase chain reaction ('PCR') swab tests for personnel who travel to and from the site.

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With regular use of these principles, the Covid-19 pandemic in our operational sites may be correctly anticipated, and our personnel can maintain a healthy and safe environment.

Human Capital Development

Training and Education Policy and Statistics

Nickel Industries continues to design and invest in human capital development programmes that help our employees develop the skills and knowledge they need to advance within our Company.

Despite the challenges posed by the COVID 19 pandemic throughout the reporting period we still held various training and education programmes, including in person and virtual sessions.

Average Hours of Training per Year per Employee* [404-1]

Total Training Participants by Employee Category and Gender

Employee Category	2020		2021	
	Male	Female	Male	Female
Permanent	4	1	42	6
Contract	0	0	0	0
Total	4	1	42	6

Average Hours of Training

Year	Total Training Hours	Average per Participant		Average per Employee	
		Total	Average	Total	Average
2021	1,288	48	26.83	263	4.90
2020	320	5	64	234	1.37

Programmes for Upgrading Employee Skills in 2021* [404-2]

Training Programme	Participants	Training Hours
OHS management system implementation	1	40
OHS management system auditor	1	152

*Notes: Data from Hengjaya Mineralindo

Diversity and Equal Opportunity

Diversity and Inclusion Policy

The Company has a strong commitment to diversity and recognises the value of attracting and retaining personnel with different backgrounds, knowledge, and expertise. We are focused on fostering an inclusive culture and creating a more diverse, inclusive team at every level. We aim to set the tone at the top through a diverse board and executive team.

The Company recognises that diversity not only encompasses gender but extends to age, ethnicity, religious or cultural background, language, marital or family status, and disability.

The Board of Directors is responsible for designing and overseeing the implementation of its diversity policy. The directors of the Company are responsible for promoting diversity within the Company's culture and monitoring the effectiveness of this diversity policy.

The Company recognises that it needs to provide management with appropriate guidance to foster a value for diversity within its management culture. To achieve this, the Company is committed to providing its management with the appropriate training and resources to understand the benefits of diversity in recruitment strategies and day-to-day management

strategies. The Board are also required to develop initiatives that will promote and achieve diversity goals.

Meanwhile, all personnel are required to act in a manner that supports diversity within the workplace and promotes the objectives set out in this diversity policy.

Employees are encouraged to provide feedback to management regarding programmes or initiatives which will improve the Company's approach to diversity and inclusion in the workplace.

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Diversity of Governance Bodies and Employees* [405-1]

Age Group	Total Employees					
	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
< 30 years old	88	9	80	10	106	16
30-50 years old	100	15	121	12	122	9
> 50 years old	11	2	11	0	9	1
Total	199	26	212	22	237	26

Ratio of Basic Salary and Remuneration of Women to Men [405-2]

> There is no difference in the basic salary and remuneration earned by women and men **(1:1 ratio).**

Maternity Leave

Information regarding maternity leave provided by the Company to employees in 2021.

*Data from Hengjaya Mineralindo

Number of Maternity Leave* [405-1]

Number of employees entitled to maternity leave	19
Number of employees who took maternity leave	1
Number of employees who returned to work in the reporting period after maternity leave ended	1

Turnover Rate* (%)

2020	2021
13 employees = 6%	28 employees = 11 %

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Employee Statistics [102-8][102-41]

Up until the end of 2021, based on the Hengjaya Mine's data, the Company employs 263 people, consisting of 237 or 90% male employees and 26 or 10% female employees. All employees are protected under Indonesia's Law No.13 of 2003 concerning Manpower and Law No.11 of 2020 on Job Creation, and we do not have any part-time employees.

Employee Profile [102-8]

Number of Employees in 2021 Based on Employment Status and Gender

Employment Status	Male		Female		Total	
	Total	%	Total	%	Total	%
Permanent Employees	203	77	24	9	227	86
Temporary Employees	34	13	2	1	36	14
Total	237	90	26	10	263	100

Number of Employees in 2021 Based on Employment Status and Placement

Placement	Permanent Employees		Temporary Employees		Total	
	Total	%	Total	%	Total	%
Site	213	86	36	15	249	100
Head Office	14	5	0	0	14	100
Total	227	91	36	15	263	100

Number of Employees Based on Position and Gender

Position	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Director	2	0	2	0	2	0
Manager	4	0	4	0	5	0
Superintendent	8	0	13	1	13	1
Supervisor	20	2	26	4	28	4
Staff	35	15	42	17	52	21
Non-staff	126	13	125	0	137	0
Total	195	30	212	22	237	26
	225		234		263	

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Local Communities

Local Communities Policy and Statistics

Nickel Industries is committed to encouraging economic growth and providing quality welfare to the communities around the mining activities. The Company is fully aware that mining activities are expected to have positive impacts on the communities and the surrounding environment, including for internal and external stakeholders.

The Company believes that it is very important to contribute to improving the wellbeing of communities around our projects in the most appropriate and meaningful ways. We seek to develop programmes related to the communities' needs, with a long-term economic development vision, to avoid reactive social investments to create mutual value throughout and beyond the life of our operations.

We base our corporate social and environmental responsibility programmes according to Indonesia Minister of Energy and Resource Regulation No. 11/2018 on Procedures for Granting Licensing and Reporting Areas on Mining Business Activities, Indonesia Law No. 40/2007 and Indonesia Government Regulation No. 47 of 2012. Our programmes aim to encourage the development of economy, education, socio-culture, health, the environment, welfare, and community independence around our area of operations in a sustainable manner.

Flagship CSR Programmes [413-1]

The Company provides many flagship CSR initiatives that contribute indirectly to the achievement of the SDGs while also directly benefiting the communities in which we operate. In 2021, the priority areas for our social empowerment programmes focused mainly on waste, clean water resources, and COVID-19-related donations.

The Company routinely contributes to charitable causes, including through charitable grants or donations, financial or other assistance, or sponsorship of a person or activity on a charitable basis, without expecting or accepting favourable action or the exercise of influence. We promote genuine care both within and outside the Company to develop mutually beneficial relationships with the communities in which we operate.

Our charitable donations included the following:

- provisions for earthquake victims in West Sulawesi, working directly with the provincial Ministry of Energy and Natural Resources and Governor's office;
- staple food donations at One Ete Village;
- staple food donation at Lafeu Village;
- donating sacrificial cows on the Feast of Idul Adha (Islamic festival);

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- donation of waste truck units to eight villages within two districts around Hengjaya Mine' operational area; and
- donation to Mount Semeru victims in Lumajang, West Java.

We believe that clean water access is a fundamental human right and that waste management is inextricably linked to this. Recognising this, we have aided communities with facilities and infrastructure necessary for clean water. These efforts include the following:

- monitoring Water Reservoirs Construction at Bete-Bete; and
- monetary donation for Bete-Bete Village to support Clean Water Infrastructure.

Although the COVID-19 pandemic is a hard hit to public health, the epidemic's effect extends to the economic and social sectors. We believe we must participate in and contribute to the prevention and control of epidemics, and the mitigation of their effects, by launching the COVID-19 Disaster Care Programme.

The Company is committed to assisting the Government in its efforts to minimise the effects of COVID-19 through the following efforts:

- donation of 2750 masks;
- donation of 25 Oxygen Tanks to North Morowali Hospital;
- donation of 25 Oxygen Tanks to Morowali Hospital; and
- provision of dozens of food packages to impoverished residents in the Tangofa and Puungkeu villages.

Education is one of the priority areas for our social empowerment. We implement various initiatives to enhance the educational level in our areas of operation. We believe these activities in the long-term will help improve the quality of human capital of our local communities. Our contributions in the field of education include the renovation and construction of new facilities at TK Kartini Kindergarten.

Human Rights

Human Rights Policy

Nickel Industries commits to respect human rights and the interests of cultures, customs and values of employees and communities affected by our activities. We believe that all individuals are born equal and have certain inherent rights.

While governments are responsible for protecting human rights, we and other companies uphold those rights. In other words, responsibility for human rights is shared. Respect for human rights is fundamental for the Company to establish and maintain confidence with its customers, colleagues, and other stakeholders, and to minimise risk to individuals and enterprises.

We respect the rights of workers by not employing child or forced labour; avoiding human trafficking; eliminating harassment and discrimination; respecting freedom of association and collective bargaining; and providing a mechanism to address workers grievances. As a result, given the absence of such violation of human rights, these topics have relatively lower priorities for this Report. Whilst, the Company acknowledges the importance of these topics and continually strives to improve and uphold human rights where possible.

Operations that Have Been Subject to Human Rights Reviews or Impact Assessments [412-1]

Indonesia
Country of operations

1
Total Number

33%
Percentage

CSR Collaboration at the IMIP

In addition, our operational activities at the IMIP have allowed us to jointly collaborate with our neighbouring companies and industries in the development and implementation of CSR activities within the surrounding area through PT IMIP. Together, our efforts have allowed us to create a more significant impact in communities in education and training, provision of infrastructure, environmental conservation, healthcare, religious donations and activities, and COVID-19 related donations.

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Sustainability Governance

Governance Structure

Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of stakeholders' interests. Since its incorporation, the Company has set a corporate governance framework in compliance with regulatory requirements and international best practices.

Nickel Industries is committed to conducting its business activities and governing the Company by best practices of corporate governance to the appropriate extent to the size and nature of the Company's operations. As a publicly-listed company, the Company complies with the recommendations set out in the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.

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

Furthermore, the Company, primarily through its operating subsidiaries, is exposed to a range of economic, environmental and social sustainability risks. The Company has inherent exposure to market volatility and operational risks which can have potentially adverse impacts on the Group.

The Company manages these risks through the following means:

- maintaining adequate funding where possible and monitoring of future rolling cash flow forecasts of our operations, which reflect expectations of financial returns, assets and liabilities;
- dealing with regulated financial entities in Australia and Indonesia;
- seeking experts' advice on environmental issues and adopting appropriate environmental management programmes; and
- seeking to foster appropriate community relations with stakeholders, both present and future.

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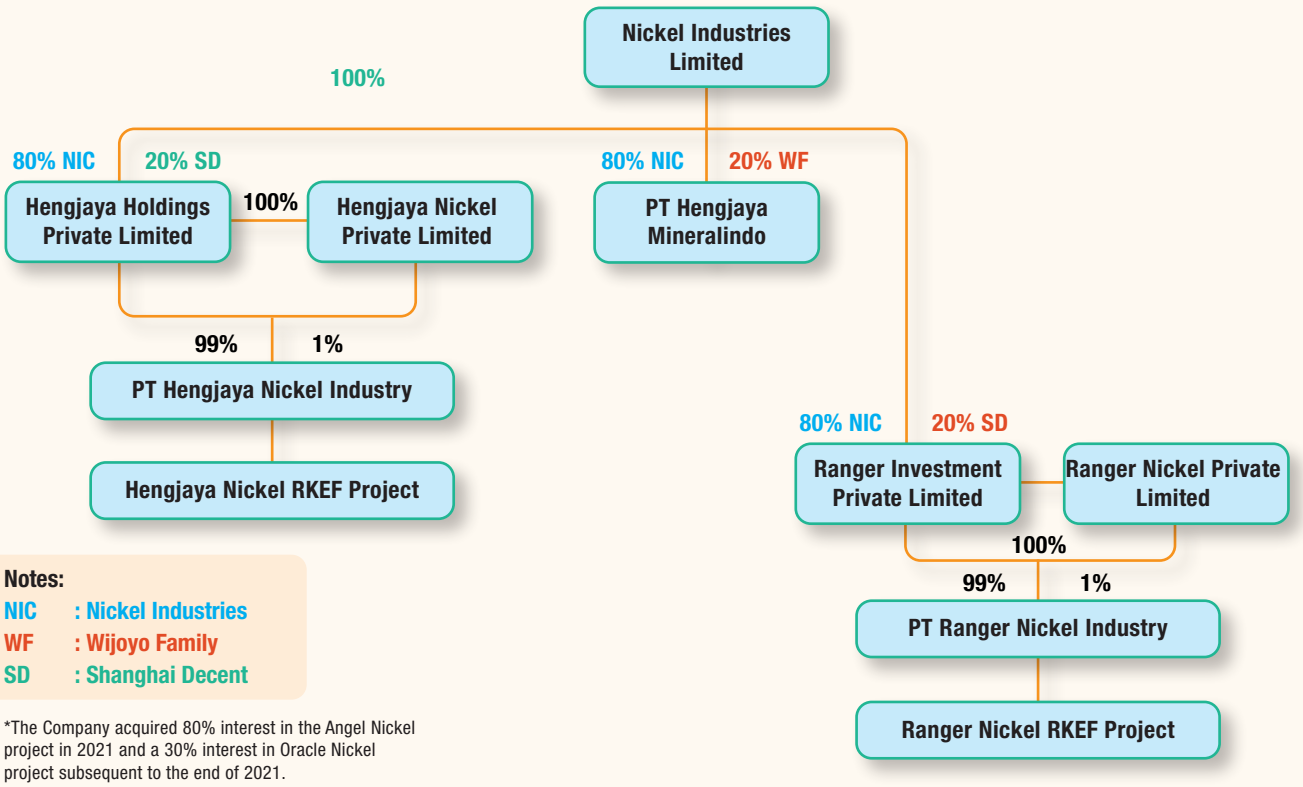
In 2021, Nickel Industries appointed its first ever sustainability manager in Indonesia to manage the environmental, social, and governance ('ESG') aspects of the Company's operations, helping to ensure the Company delivers on its ESG commitments and align the organisation's business model with its sustainability strategy and to assist the implementation of this strategy with a direct reporting line to our Chief Operating Officer ('COO'). Moreover, sustainability is a collective responsibility for all of the board and directors of the Company. [102-18]

Organisational Structure*



Notes:
NIC : Nickel Industries
WF : Wijoyo Family
SD : Shanghai Decent

*The Company acquired 80% interest in the Angel Nickel project in 2021 and a 30% interest in Oracle Nickel project subsequent to the end of 2021.

Good Mining Practices

Precautionary Principle [102-11]

Nickel Industries always follows a mining process in compliance with Good Mining Practices at our Hengjaya Mine, which is carried out comprehensively through planning, staged implementation, and periodic evaluations. The Good Mining Practices implemented by the Hengjaya Mine are in accordance with the obligations stated in the Indonesia Minister of Energy and Mineral Resources (MEMER) Regulation No. 26 of 2018 and Indonesia MEMR Ministerial Decree 1827K/30/MEM/2018.

In its implementation, the following activities are carried out:

1. good mining technical implementation;
2. implementation of mineral conservation that utilises all minerals by the specified level limits;
3. implementation of mining activities by the principles of Occupational Health and Safety; and
4. implementation of environmental management, including reclamation activities.

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

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Our mining activities include
- 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; and
- compliance and financial reporting.

To supervise mining activities, a comprehensive MSMS is implemented, which encompasses policies, planning, organisation, and personnel, implementation, monitoring, evaluation, follow up, management review, workplace improvement and risk management.

Our planning occurs periodically, beginning with five-year planning and progressing through annual, quarterly, monthly, weekly, and daily planning. This planning entails geological modelling of the exploration results, preparation and approval of the optimal pit designs, provision of auxiliary digging-transport equipment, and schedule according to project requirements.

Our Mine Planning Department is responsible for the preparation of these activities through initiatives detailed below:
1. conducting daily, weekly, and monthly coordination meetings with mining contractors to discuss the achievement of periodic targets;
2. reviewing the plans submitted by the mining contractors so that they are in line with the annual targets and in compliance with licensing regulations;
3. conducting daily internal meetings for the implementation of routine and additional tasks; and
4. periodic reviews of actual results versus planned production.

Summary of mined materials and their management [MM3]

Description	Related environmental risk	Management
Overburden	Landslide, sedimentation when it rains	• Management of overburden disposal by geotechnical studies; and • Regular monitoring to reduce the risk of landslides.
Rock	Landslide, sedimentation when it rains	Utilisation of rock for road lining in the pits
Tailing	No tailings are produced in the PT Hengjaya Mineralindo IUP	No tailings are produced in the PT Hengjaya Mineralindo IUP
Sludge	No sludge is produced in the PT Hengjaya Mineralindo IUP	No sludge is produced in the PT Hengjaya Mineralindo IUP

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Minimising and optimisation of land clearing is carried out in the following ways:

1. by optimising the stripping ratio based on available geological information so that only the cleared land in an area that actually contains ore body material or an amount of land required for mine infrastructure;
2. optimising the selection of mining location, especially avoiding areas with waterways, such as rivers and lakes, to reduce the potential of water flow contamination and allow successful rehabilitation;
3. observing the administrative boundaries given by the government and providing certain distances between pits and boundaries to reduce the risk of land clearing in areas that are not allowed by the permits; and
4. demarcate, design and install various controls to minimize soil erosion, sediment run off from all active mine areas.

Designing pits by the Mine's life requires consideration of the surrounding natural topography, water flow, and ore requirements within-grade limits and detailed final rehabilitation and landform.

In instances when mine pits are located adjacent to the license boundary, a pit design boundary and final landform is determined to ensure sufficient distance from the permitted limit is maintained.

With the progression of time and the growing market demand for nickel, plans have been made and reviewed periodically to expand mining production and optimise the project's resources. Apart from utilising saprolite nickel ore for RKEF production, Hengjaya Mine has begun to supply nickel limonite ore in 2021 to end-users for hydrometallurgical processing to produce products for electric vehicle battery market. Both types of ore materials are hauled or shipped to the industrial park factories for final metallurgical processing.

Optimisation of limonite conservation is carried out in the following ways:

1. collecting data on areas that have reserves of low-grade ore (limonite) according to the specified grade limit;
2. plan mining sequence so low-grade ore (limonite) materials can be easily identified and mined and can be utilised for metallurgical processing; and
3. coordinating departments to separate low-grade ore (limonite) from saprolite ore according to the nickel grade and mineral elements so that it is separated from overburden material and sent to intermediate stockpiles.

Following the increase in production, we continue to expand the exploration and ore storage areas, and the ore stockpiles storage area was excavated and covered. Additionally, we are well advanced in the construction of an 18-kilometre-long special haul road connecting the Hengjaya Mine area to the Industrial Park processing factory, this will reduce ore transport time by replacing barge transport with truck transport.

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

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Efforts for medium-term mining operations:

1. collecting data on available resources and reserves by level limits;
2. identifying new areas that are increasing the project's resources and reserves;
3. planning the drilling activities with a certain drilling spacing to better understand the volume of resources and reserves;
4. scheduling the mining process and sequencing in accordance to the capacity of the production equipment;
5. developing a pit design by the optimisation of the stripping ratio and content values; and
6. carrying out periodic control and reconciliations over the mine's plans so that accurate adjustments can be made to the schedule or design of the mining pit.

Anti-corruption

The Company is committed to complying with the laws and regulations of the countries in which it operates. These laws include the Criminal Code Act 1995 (Australia) and any other anti-corruption law of a country or a state, territory or province of a country in which the Company operates, or which otherwise applies to the Company by its partners or third parties operating on the Company's behalf. The Company has not yet conducted an internal assessment and analysis of its anti-corruption policy for 2021, owing to the fact that this is the Company's first Sustainability Report and the material topics that are prioritised. Nevertheless, efforts are being made to continuously improve and broaden the scope of anti-corruption measures in order to bolster governance. The Company intends to implement a more robust policy, combined with anti-corruption training for relevant employees in 2022. [205-1]

We have placed safeguards in our internal policies that minimise the Company's exposure to corruption, strengthened our internal training and communications to ensure effective anti-corruption policies for all employees, and upheld integrity as a core element in our corporate culture. We strive to continuously improve our efforts to mitigate and prevent corruption and will do better at demonstrating our commitment.

Specifically, the Company is committed to:

a. not engage in corrupt business practices;
b. implement measures to prevent bribery and corruption by all personnel;
c. at a minimum, endeavour to comply with all applicable laws, regulations and standards, including Anti-Bribery and Corruption Laws; and
d. when dealing with third parties, undertake reasonable due diligence to ensure that such parties are suitable for the Company to associate with and will not take bribes or perform corrupt acts on the Company's behalf or for which the Company may be or become responsible for, or otherwise liable.

The Company has adopted a Code of Conduct, Anti-Bribery and Corruption Policy, Whistleblower Policy and a Securities Trading Policy that applies to all directors, officers, employees, consultants, contractors and advisors of the Company. The Company is committed to acting ethically and responsibly. The policies are available on the Website.

In 2021, the Company did not receive any report where the interests and responsibilities of the employees conflicted with the Company nor our anti-bribery and corruption policy. [205-3]

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Independent Assurance Statement

The 2021 Sustainability Report of Nickel Industries Limited

Number : 03/000-174/II/2022/SR-Asia/Indonesia

Assurance Type : Type 1 assurance
Assurance Level : Moderate
Reporting Standards : GRI Standard 2020 Consolidated, GRI G4 Mining and Metals (MMSS)

Dear stakeholders,

Nickel Industries Limited ("the Company" or the "Reporting Organization") has engaged **Social Responsibility Asia** ("SR Asia") in the evaluation of its **2021 Sustainability Report** ("the Report") for the reporting periodof **January 1st to December 31st, 2021.** The Reporting Organization is a publicly listed Australian companythat manufactures nickel pig iron (NPI), a key ingredient in the production of stainless steel. This is the Independent Assurance Statement ("the Statement") indicating the results of assurance work following specific methods and approaches as agreed by the "Management[1]".

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 Assurance 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 performance or sustainability.

Responsibilities

As agreed with Management, SR Asia is responsible for conducting an assessment, NOT an audit, of the Report content and developing recommendations as well as the Statement as described in the scope of assurance. The Management is exclusively responsible for presenting data, figures, and information in the content of the Report. in As stated in the Non-Disclosure Agreement and the Engagement Agreement, SR Asia is responsible for presenting assurance results only to Management. We accept NO responsibility for any other reason or to any other individual or organization. Any third-party reliance on the Report is entirely at their own risk.

Independence, Impartiality, and Competency

To ensure its independence, SR Asia adheres to a strict assurance protocol as well as an ethical code of conduct. We also performed a pre-engagement assessment prior to the assurance work to evaluate the risks of engagement as well as the independence and impartiality of the experts leading the assurance work. We confirm that the assurance experts do not have any relationships with the Company that can influence their ability to produce unbiased and objective reviews and statements. SR Asia also certifies

[1] *Management refers to the management of the Company who was in charge for the sustainability report assurance project*

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that The Assurance Team have sufficient work experience and knowledge of sustainability report writing, AA1000 AccountAbility principles and standards, ISO 26000 projects, SUSBA, TCFD, SASB, GRI Standards, and POJK 51/POJK.03/2017.

Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content with respect to the AA1000 Assurance Standard v3 and AA1000APS (2018) AccountAbility Principles.
2. A **moderate level of assurance** to address **risks of information and conclusions of the Report being error is reduced, meaning not reduced 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, 2021**.
2. Material topics presented in the Report: **Local Communities; Occupational Health and Safety; Economic Performance; Human Capital Development; Energy & Emission; Diversity and Equal Opportunity; Good Mining Practices.**
3. Adherence to the Consolidated set of GRI Sustainability Reporting Standards 2020 ("GRI Standard") and GRI G4 Mining and Metals Sector Disclosure ("GRI-G4 MM") issued by the Global Reporting Initiative;
4. Evaluation of publicly disclosed information, system, and process of the Company to ensure adherence of the Report content to the reporting principles.
5. SR Asia does NOT include financial data, information, and figures in the Report content. We assumed that the Company, independent parties, or other parties associated with the Company have verified and/or audited financial statements, data, and information.

Exclusion

1. Stakeholders' engagement, which may be involved in developing the Report.
2. Financial data and information from the Company's documents other than those mentioned in the Report.
3. Aspects of the Report other than those mentioned under the defining materiality section and discussion on defining Report content.
4. Data and information outside the reporting period and/or in the public domain not covered in the reporting period.
5. Forward-looking statements and claims describe opinion, belief, expectation, advertisement, and future planning.
6. Evaluation of the adherence of the Report content to the Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainability Accounting Standard Board (SASB) standards and disclosures.

Methodology and Source of Disclosure

1. Form an Assurance Team whose members are the experts in sustainability report development and assurance
2. Perform pre-engagement phase to ensure the independence and impartiality of the Assurance Team
3. Carry out initial analysis on the Report document submitted by the Company
4. Evaluate data and information against the standards, principles, and indicators of AA1000AS v3, AA1000APS (2018), GRI Standards, GRI-G4 FS, and POJK 51

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5. Assess indicators data, including tracing back data to the sources, especially those related to material aspects
6. Review inline information relevant and significant to the sustainability context of the Company
7. Discuss online the results of the analysis with the Management and data contributors
8. Apply SR Asia Protocol on Assurance Analysis and use SR Asia Great Assurance Tool digital platform
9. Release the Independent Assurance Statement that SR Asia International has approved
10. Issue the Management Letter

Adherence to AA1000AP (2018) and GRI Standards

Inclusivity **–** Presentation of the Company's stakeholders is inclusive. The Reporting Organization has stated its commitment to conduct responsible business operations. The Reporting Organization also has included sustainability aspects into its risk management and business strategy, such as accommodating climate change as part of risk and opportunity concerns.

Materiality **–** The content of the Report includes material topics that are relevant to the business entity operating in the extractive industry. The Report identified and fairly represented topics from all three aspects of sustainability: economics, social, and environmental. The Company conducted a materiality assessment process, but no specific criteria with a minimum threshold were recorded.

Responsiveness **–** The Company has indicated sufficient responses to its sustainability aspects and sustainable development. The Company already has the whistleblower policy to accommodate complaints and grievances or reporting of unethical conducts. The Company is going to developing carbon reduction roadmap in the upcoming year. In over all, procedures and initiatives for developing responses are integrated across management functions and practices, supported by ongoing and continuous communication with the stakeholders.

Impact **–** The Company has sufficiently presented quantitative data and qualitative information on the economic, environmental, and social impacts of its business operations and decisions. However, the Reporting Organization is expected to engage third party to perform an impact assessment, mainly on its social aspects, including human rights.

In "Accordance" with Core Option **–** Based on the assurance work and findings, the SR Asia team concluded that the Report has been prepared and adheres to the Core Option of GRI Standards. At least one disclosure of each material topic is adequately presented in the Report. The DMA disclosure, if applicable, is well presented. However, we encourage the Company to disclose more indicators of the Mining and Metals sector's (MMSS) performance in future reporting.

GRI Standards Principles – The Report follows the Principles for Determining Report Content (stakeholder inclusiveness, sustainability context, materiality, and completeness) as well as the Principles for Determining Report Quality (balance, timeliness, comparability, accuracy, clarity, and reliability). During the assurance work, the Management provided excellent support by submitting evidence documents as requested.

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Recommendation

1. To conduct a more strategic and well-documented stakeholder engagement management as indicated by the AA1000 Stakeholder Engagement Standard (AA1000SES 2015).
2. To strengthen alignment of sustainability commitments with the Sustainable Development Goals (SDGs) when applicable with certain indicators and targets.
3. To improve and disclose more comprehensive and detail the method of each stakeholder engagement following the topic concerns.
4. To create an integrated management system across functions that covers sustainability performance data and information from various units or functions while adhering to sustainability reporting standards, approaches, and methodologies.
5. To identify and measure social impacts by engaging the third parties and using the globally-accepted impacts assessment methods, approaches, and standards.

The assurance provider,

Jakarta, 21th of February 2022

Birendra Rattan
International Director
Social Responsibility Asia

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Feedback Form

Nickel Industries' Sustainability Report 2021 provides an overview of our sustainability performance. We look forward to receiving any input from you regarding this Sustainability Report by sending an email, or completing this form.

Your Profile

Name (if you wish) : .....

Institution/Company : .....

Email : .....

Telephone/Mobile : .....

1. This report is easy to understand

☐ Disagree ☐ Neutral ☐ Agree

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

☐ Disagree ☐ Neutral ☐ Agree

3. Material topic(s) which is(are) the most important to you:
(score 1 = most important; score 13 = least important)

- Local Communities ( )
- Occupational Health and Safety ( )
- Economic Performance ( )
- Good Mining Practices ( )
- Emission and Energy ( )
- Diversity and Equal Opportunity ( )
- Anti-corruption ( )
- Human Rights ( )
- Training and Education ( )
- Water and Effluent ( )
- Waste ( )
- Biodiversity ( )
- Indirect Economic Impact ( )

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

.....

.....

.....

Stakeholders Group

☐ Investor and Shareholder ☐ Business Partner

☐ Employee ☐ Government

☐ Customer ☐ Local Community

☐ Contractor ☐ Other, 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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KEMENTERIAN LINGKUNGAN HIDUP DAN KEHUTANAN
REPUBLIK INDONESIA

MENGANUGERAHKAN PENGHARGAAN
PROGRAM PENILAIAN PERINGKAT KINERJA PERUSAHAAN
DALAM PENGELOLAAN LINGKUNGAN HIDUP

PROPER

PERINGKAT

BIRU

KEPADA

PT. Hengjaya Mineralindo

PERIODE 2019 - 2020

Ir. Sigit Reliantoro, M.Sc.
Sekretaris Direktorat Jenderal Pengendalian
Pencemaran dan Kerusakan Lingkungan

KEMENTERIAN LINGKUNGAN HIDUP DAN KEHUTANAN
REPUBLIK INDONESIA

MENGANUGERAHKAN PENGHARGAAN
PROGRAM PENILAIAN PERINGKAT KINERJA PERUSAHAAN
DALAM PENGELOLAAN LINGKUNGAN HIDUP

PROPER

PERINGKAT

BIRU

KEPADA

PT Hengjaya Mineralindo

PERIODE 2020 - 2021

KEMENTERIAN LINGKUNGAN HIDUP DAN KEHUTANAN
DIREKTORAT JENDERAL
PENGENDALIAN PENCEMARAN DAN KERUSAKAN LINGKUNGAN

Ir. Sigit Reliantoro, M.Sc.
Direktur Jenderal Pengendalian Pencemaran
dan Kerusakan Lingkungan

PT. HENGJAYA MINERALINDO

PEDULI

PPM Report

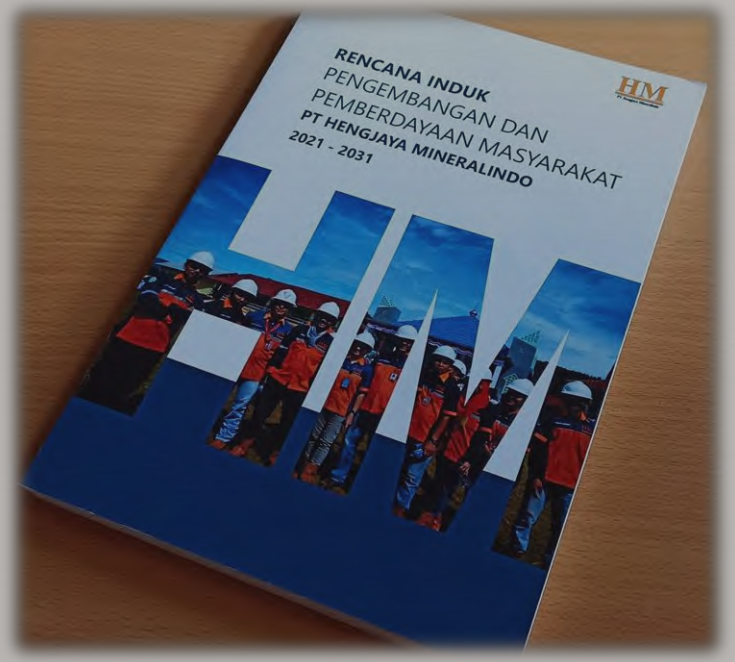
July 2022

In accordance with Government Regulation No. 47/2012 and the Minister of Energy and Mineral Resources Regulation No. 41 of 2016 regarding company obligations and Central Sulawesi Governor Regulation Number 38 of 2019. Therefore, PT Hengjaya Mineralindo (PT. HM) is fully committed to encouraging economic growth and the welfare of the community around mining area.

PT. HM is fully aware that the existence of mining is expected to have a positive impact on the community and the surrounding environment as stated in *the Blueprint for the Community Empowerment Development of Central Sulawesi Province for 2020 - 2024*

Through corporate social and environmental responsibility, the company is obliged to arrange and implement a Community Empowerment Development (PPM) program which includes 8 aspects as a form of the company's commitment to realizing the concept of Corporate Social Responsibility (CSR) to further encourage the Economy, Education, Social Culture, Health, Environment, Welfare and Self-reliance of communities around mining in a sustainable manner.

Based on the Main Plan for Community Development and Empowerment (RI PPM) which was approved by the Department of Energy and Mineral Resources of Central Sulawesi Province on December 4, 2020. There are 8 main PPM PT HM programs and its derivatives.



1.	**EDUCATION**	Preschool development facilities
		Islamic Boarding School development facilities (MI, MTs, MA and Pesantren)
		E-learning and *Kejar Paket A, B and C*
		Scholarship
		Cooperation with local governments in the Certification of Junior High School Teacher Competencies.
		Competency Training for Educators
		Vocational Training
		Internship collaboration
2.	**HEALTH**	Integrated Healthcare Center Facility
		Stunting prevention and treatment
		Health worker training
		Community-based total sanitation (providing healthy latrines)
		Facilities for providing public health infrastructure (*Puskesmas* and Pustu)
3.	**REAL INCOME AND EMPLOYMENT**	PT HM's policy on the utilization of local workers
		PT HM partnership with *BUM Desa*, Cooperatives and MSMEs
		Entrepreneurship programs in agriculture, fisheries, plantations and home industries
4.	**ECONOMIC INDEPENDENCE**	Increasing the added value of plant commodities (food, plantation, horticulture)
		Plant revitalization (food, plantation, horticulture)
		Post-harvest management
		Marker access
		Fisheries development
		Optimization of Fishery Processing and Production
		Fish marketing access
		Tourism area development
5.	**SOCIAL CULTURE AND RELIGION**	Mosque and Islamic School-based empowerment facilities
		Providing worship facilities
		Local arts and culture development facilities
		PT HM's participation in Indonesian and regional independence day activities
		Sports activity facilities
		Mainstreaming of disaster in the implementation of PPM
		Emergency and disaster response programs (floods, forest fires, social conflicts, etc.)
6.	**ENVIRONMENT**	Environmental conservation around the coast
		Arrangement of residential neighborhoods around the coast
		Domestic waste management
		Post-mining land use for the PPM program
7.	**INSTITUTIONAL**	Alignment of PPM programs and regional and village development plans
		Community institutional capacity enhancement (*Karang Taruna, Kelompok Perempuan, LKMD, OMS,* etc.)
8.	**INFRASTRUCTURE**	Development facilities and rehabilitation of integrated service units in the village (population, education and health)
		Facilities for construction and rehabilitation of farm roads and village markets
		Agricultural production infrastructure development facilities
		Tourism supporting infrastructure development facilities
		Facilities for improving information and communication networks (village internet)

On April 30, 2021 at the Morowali Regent's office hall is a historic day for the villages surrounding the mines of PT Hengjaya Mineralindo and Morowali Regency in general because the Socialization Event of PT Hengjaya Mineralindo's Community Development & Empowerment (PPM) Program in 2020 has been held. The event was attended by elements of regional leadership deliberations including the Head of the Regional Development Planning Agency, related agencies, the Bahodopi Sub-district and representatives of the Bungku Pesisir Sub-district as well as the Village Heads and and the Head of BPD of all villages surrounding the mines of PT Hengjaya Mineralindo.

The event was opened by the Regent of Morowali and also announced that the 2021 PT Hengjaya Mineralindo PPM Program has started. The Regents said that the PPM program is the obligation of all mining companies, where the regulations have been determined so that all parties involved in it must follow according to their respective duties, principals and functions. The Regent also hopes that every village will make good use of the PPM program which will be start because it will be a collaborative development program in villages around the mines of PT Hengjaya Mineralindo. The regent thanked PT Hengjaya Mineralindo for investing in Morowali and always implementing the principles of Good Mining Practice in its activities.

PT. HENGJAYA MINERALINDO

PPM Activity Proposal

Citizens' Aspiration

Exploring community needs, community Problems and community barriers to Village potential

Education
Health
Work
Economy
Social Culture
Institutional
Environment
Infrastructure

RPJMDes

6 years

RPJMDes contains a Longlist of Planned Solutions to Settle Residents' needs from various sources of funds (APBD, APBD Provinsi, APBN, Swadaya, other sources of funds)

PerDes

1 year

Village funds
Swadaya
Third Party (PPM Hengjaya)

PPM Implementation

Reviewing the implementation of a Year of activities
Are the citizens' needs being satisfied or not?

Explore the aspirations of the residents
For the following year

PT HENGJAYA MINERALINDO PPM PROGRAM FLOW

PT. HENGJAYA MINERALINDO

Approved TPK, submitted to HM
For Disbursement

Regency PPM Control Team
Morowali

PT. HENGJAYA MINERALINDO

HM only disburses the TPK that has been Approved by the Regency

Each TPK Prepares Proposals, submitted to ---->

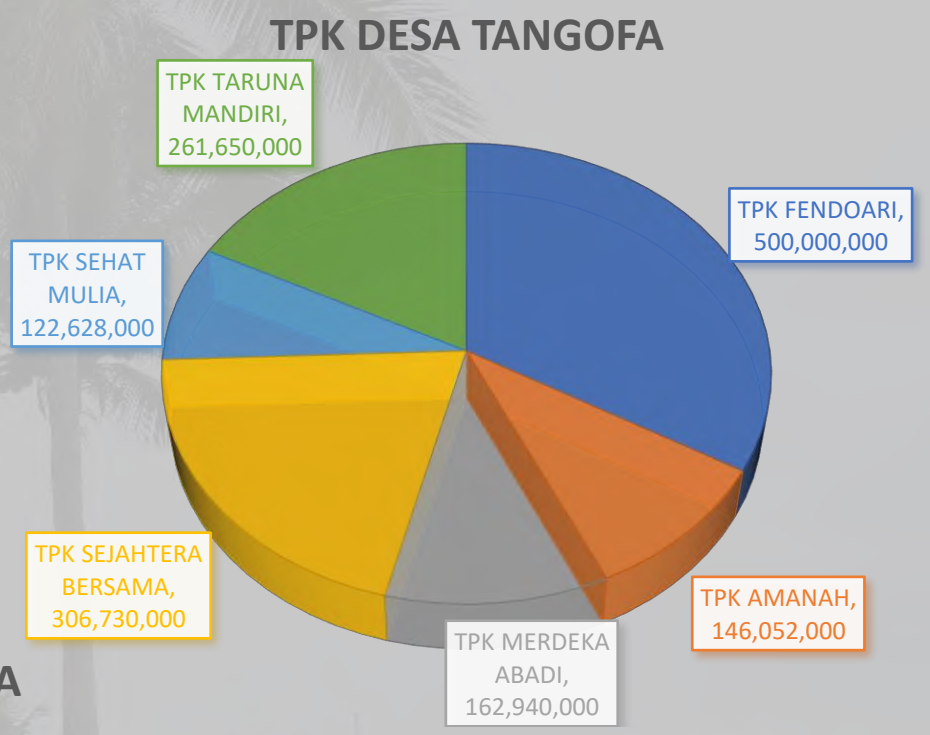
Disbursement of funds directly to The TPK account

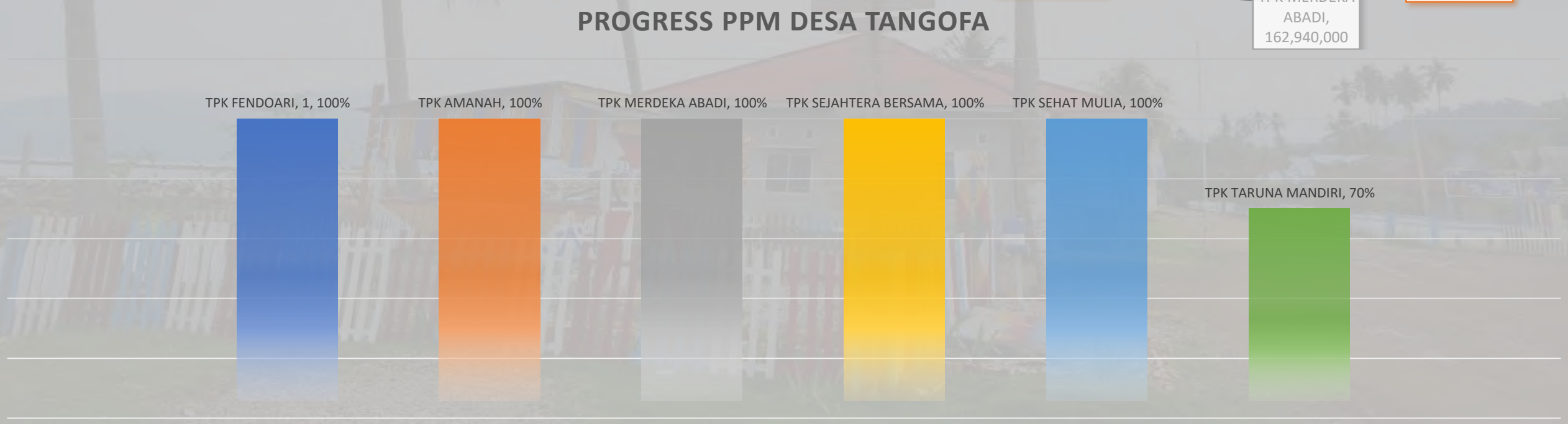
Lafeu	Tandaoleo	One ete	Tangofa	Pu'ungkeu	Bete-bete	Padabaho	Makarti Jaya
250 Juta	250 Juta	250 Juta	1.5 M	500 Juta	4.7 M	500 Juta	250 Juta
Boleh 1 TPK	Boleh 1 TPK	Boleh 1 TPK	Min 3 TPK	Min 2 TPK	Min 9 TPK	Min 2 TPK	Boleh 1 TPK
Education Health Economy Social Culture Institutional Environment Infrastructure	Education Health Economy Social Culture Institutional Environment Infrastructure	Education Health Economy Social Culture Institutional Environment Infrastructure	Education Health Economy Social Culture Institutional Environment Infrastructure	Education Health Economy Social Culture Institutional Environment Infrastructure	Education Health Economy Social Culture Institutional Environment Infrastructure	Education Health Economy Social Culture Institutional Environment Infrastructure	Education Health Economy Social Culture Institutional Environment Infrastructure

PPM 2021 REALIZATION

PERIOD JULY 2022

Desa TANGOFA





TPK FENDOARI
Tangofa Mosque Rehabilitation

TPK AMANAH
Construction of Ablution Place in Tangofa Mosque

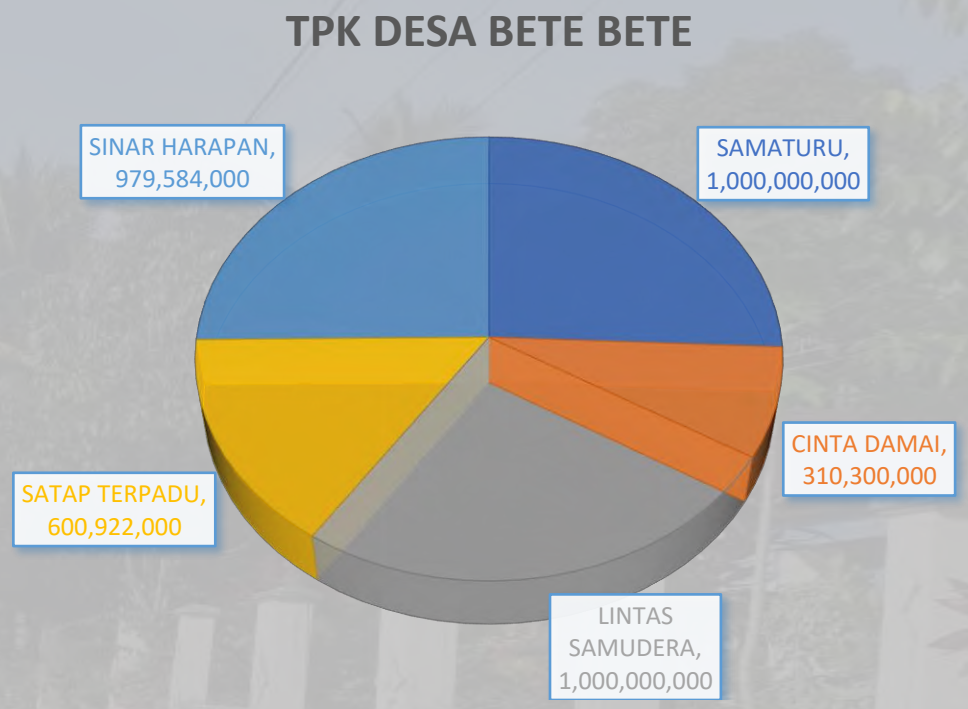
TPK MERDEKA ABADI
Karang Taruna Tangofa Fence Construction

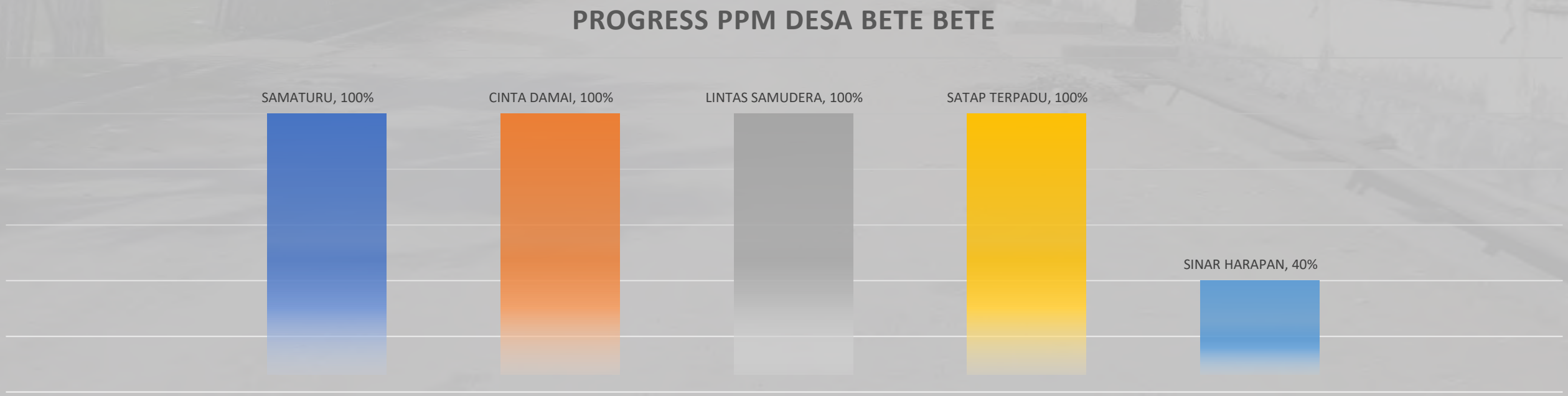
TPK SEJAHTERA BERSAMA
Tangofa Mosque Fence Construction

TPK SEHAT MULIA
Tangofa Elementary School Fence Construction

TPK TARUNA MANDIRI
Construction of Drainage and Plat Duiker

Desa BETE BETE





TPK SAMATURU
Rabat Concrete Construction

TPK LINTAS SAMUDERA
Dock Rehabilitation

TPK SATAP TERPADU
Construction of Paving Blocks for the countryard of Satu Junior High School

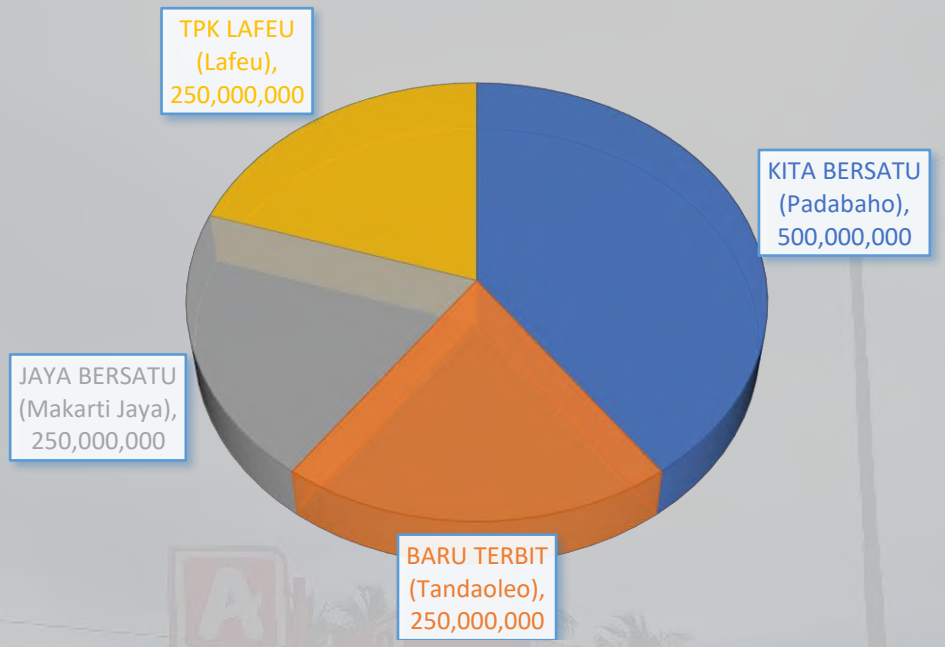
TPK CINTA DAMAI
Providing of Fiber Boats and Katinting Machines for Fishermen

TPK SATAP TERPADU
Satu Junior High School Fence Construction

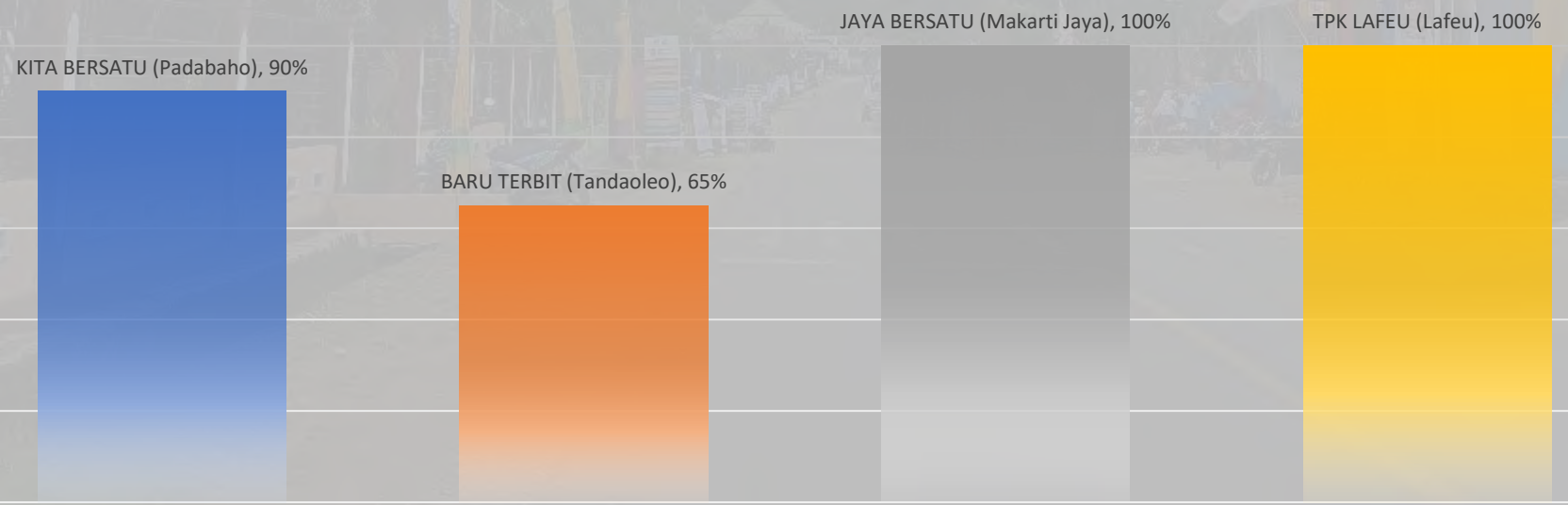
TPK SINAR HARAPAN
Village market construction

Desa PADABAHO TANDAOLEO MAKARTI JAYA LAFEU

TPK DESA PADABAHO, TANDAOLEO, MAKARTI JAYA & LAFEU



PROGRESS PPM DESA PADABAHO, TANDAOLEO, MAKARTI JAYA & LAFEU



TPK KITA BERSATU
Drainage/Aqueduct

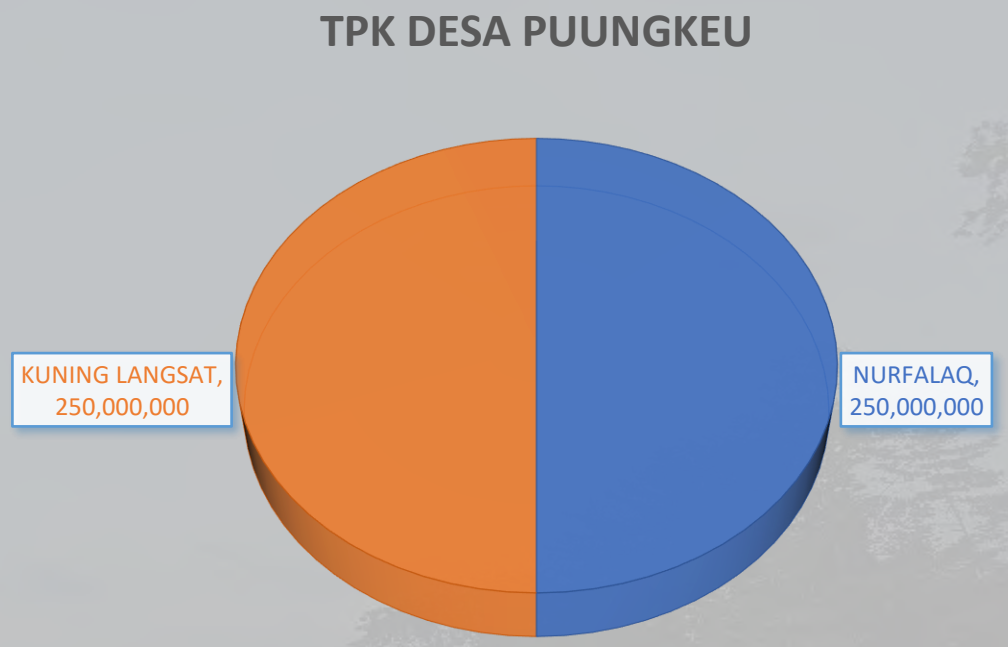
TPK KITA BERSATU
Construction of TPA AL Quran

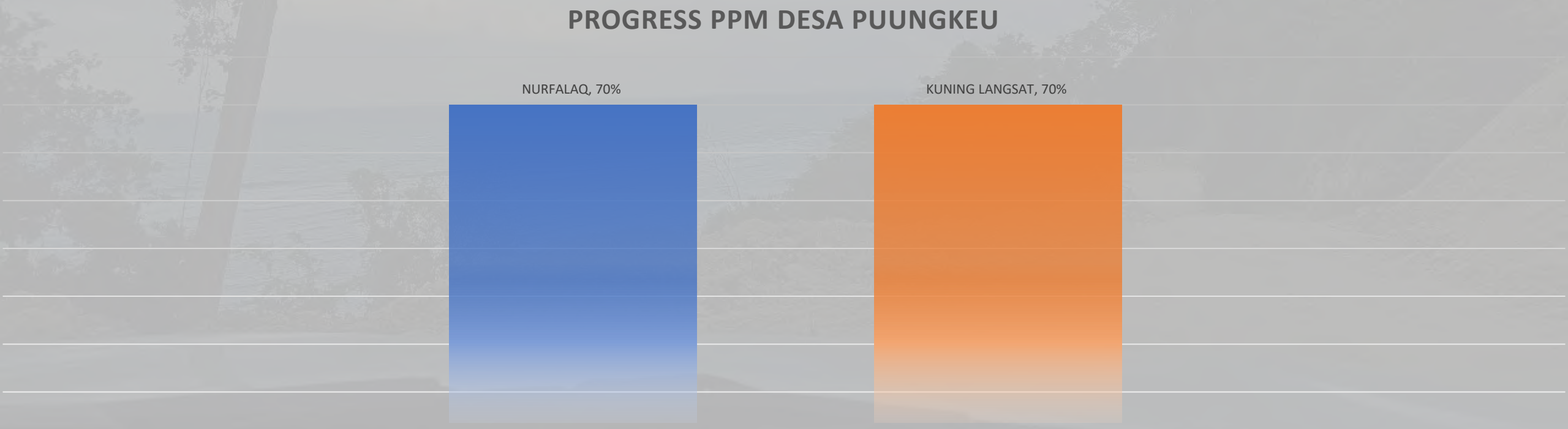
TPK BARU TERBIT
Construction of Islamic School Teacher's House

TPK BARU TERBIT
Community Health Center Rehabilitation

TPK JAYA BERSATU
Football Field Hoarding

Desa PUUNGKEU



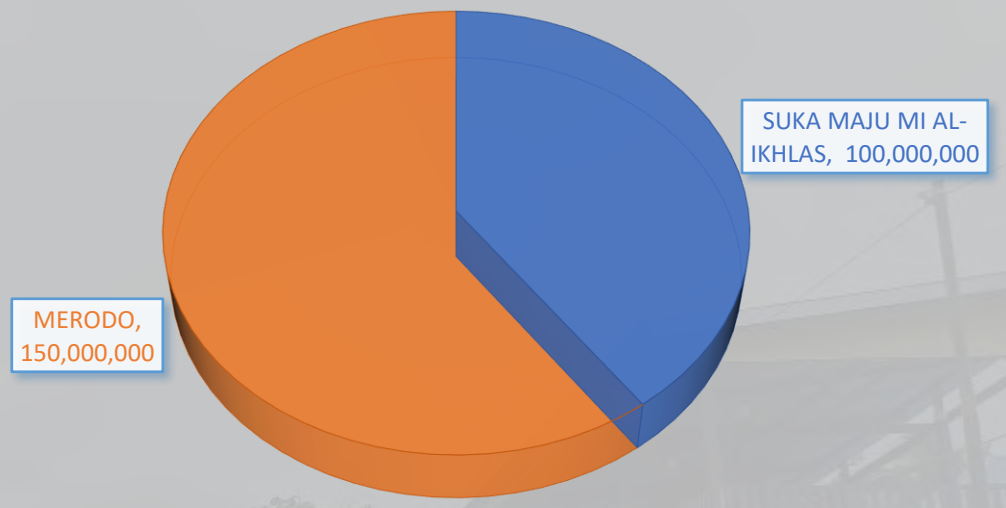


TPK NURFALAQ
Construction of Ablution Place in Puungkeu Mosque

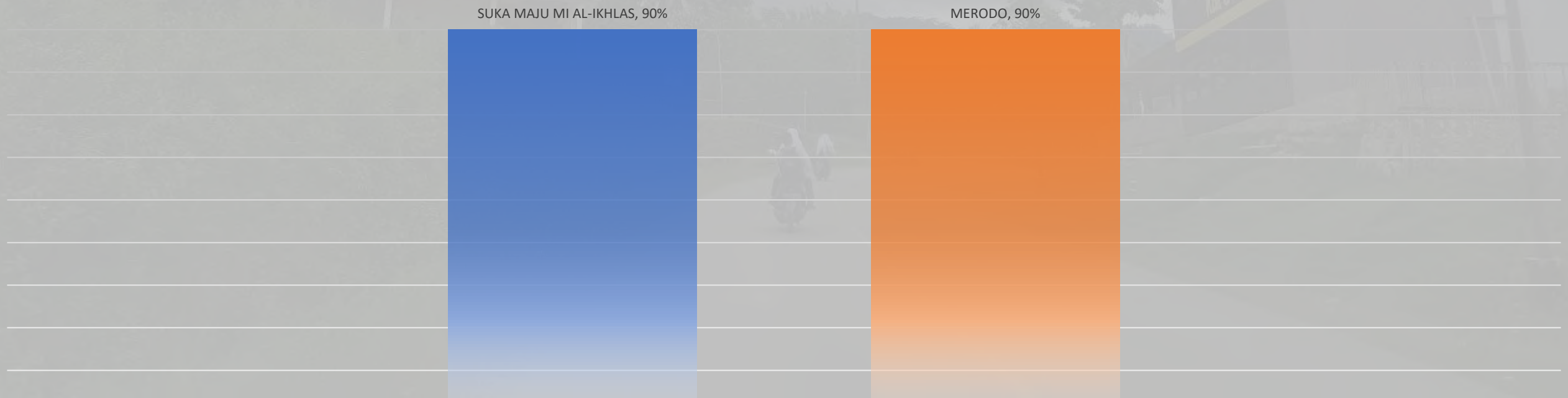
TPK KUNING LANGSAT
Preschool Construction

Desa ONE ETE

TPK DESA ONE ETE



PROGRESS PPM DESA ONE ETE



TPK SUKA MAJU MI AL-IKHLAS
Construction of Ablution Place in Puungkeu Mosque

TPK MERODO
Construction of lavatory and mosque roof terraces

PPM 2021 RECAPITULATION

DESA	RENCANA ALOKASI DANA	NAMA TPK	NAMA KEGIATAN	RENCANA ANGGARAN BIAYA	REALISASI PENCAIRAN DANA	PROGRESS PELAKSANAAN KEGIATAN		SISA DANA	SISA ALOKASI DANA PPM
						Financially	Physically		
TANGOFA	1,500,000,000	TPK FENDOARI	Rehabilitasi Mesjid Tangofa	500,000,000	500,000,000	100%	100%	-	-
		TPK AMANAH	Pembangunan Tempat Wudhu Mesjid Tangofa	146,052,000	146,052,000	100%	100%	-	
		TPK MERDEKA ABADI	Pembangunan Pagar Karang Taruna Tangofa	162,940,000	162,940,000	100%	100%	-	
		TPK SEJAHTERA BERSAMA	Pembangunan Pagar Mesjid Tangofa	306,730,000	306,730,000	100%	100%	-	
		TPK SEHAT MULIA	Pembangunan Pagar SDN Tangofa	122,628,000	122,628,000	100%	100%	-	
		TPK TARUNA MANDIRI	Pembangunan Drainase dan Plat Duiker	261,650,000	183,155,000	70%	70%	78,495,000	
	1,500,000,000		Jumlah Serapan Dana	1,500,000,000	1,421,505,000	95%	95%	78,495,000	-

PPM 2021 RECAPITULATION

DESA	RENCANA ALOKASI DANA	NAMA TPK	NAMA KEGIATAN	RENCANA ANGGARAN BIAYA	REALISASI PENCAIRAN DANA	PROGRESS PELAKSANAAN KEGIATAN		SISA DANA	SISA ALOKASI DANA PPM
						Financially	Physically		
BETE-BETE	4,700,000,000	SAMATURU	Pembangunan Rabat Beton	1,000,000,000	1,000,000,000	100%	100%	-	1,175,625,000
		CINTA DAMAI	Pengadaan Perahu Fiber dan Mesin Katinting Kelompok Nelayan	310,300,000	310,300,000	100%	100%	-	
		LINTAS SAMUDERA	Rehabilitasi Dermaga	1,000,000,000	1,000,000,000	100%	100%	-	
		SATAP TERPADU	Pembangunan Paving Block Pelataran SMP Satu Atap	234,491,000	234,491,000	100%	100%	-	
			Pembangunan Pagar SMP Satu Atap	366,431,000	366,431,000	100%	100%	-	
		SINAR HARAPAN	Pembangunan Pasar Desa	613,153,000	245,261,000	40%	40%	367,892,000	
	4,700,000,000		Jumlah Serapan Dana	3,524,375,000	3,156,483,000	90%	90%	367,892,000	1,175,625,000

PPM 2021 RECAPITULATION

DESA	RENCANA ALOKASI DANA	NAMA TPK	NAMA KEGIATAN	RENCANA ANGGARAN BIAYA	REALISASI PENCAIRAN DANA	PROGRESS PELAKSANAAN KEGIATAN		SISA DANA	SISA ALOKASI DANA PPM
						Financially	Phirically		
PADABAHO	500,000,000	**KITA BERSATU**	Drainase/Saluran Air	56,927,000	56,927,000	100%	90%	-	-
			Pembangunan TPA AL Quran	443,073,000	443,073,000	100%	90%	-	
	500,000,000		**Jumlah Serapan Dana**	**500,000,000**	**500,000,000**	**100%**	**90%**	**-**	**-**
TANDAOLEO	250,000,000	**BARU TERBIT**	Pembangunan Rumah Guru Pesantren	200,000,000	140,000,000	70%	60%	60,000,000	-
			Rehabilitasi Puskesdes	50,000,000	35,000,000	70%	70%	15,000,000	
	250,000,000		**Jumlah Serapan Dana**	**250,000,000**	**175,000,000**	**70%**	**65%**	**75,000,000**	**-**
MAKARTIJAYA	250,000,000	**JAYA BERSATU**	Penimbunan Lapangan Sepak Bola	250,000,000	250,000,000	100%	100%	-	-
	250,000,000		**Jumlah Serapan Dana**	**250,000,000**	**250,000,000**	**100%**	**100%**	**-**	**-**

PPM 2021 RECAPITULATION

DESA	RENCANA ALOKASI DANA	NAMA TPK	NAMA KEGIATAN	RENCANA ANGGARAN BIAYA	REALISASI PENCAIRAN DANA	PROGRESS PELAKSAMAAN KEGIATAN		SISA DANA	SISA ALOKASI DANA PPM
						Financially	Phirically		
PU'UNGKEU	500,000,000	**NURFALAQ**	Pembangunan Tempat Wudhu Masjid Puungkeu	250,000,000	175,000,000	70%	70%	75,000,000	-
		KUNING LANGSAT	Pembangunan Gedung PAUD	250,000,000	175,000,000	70%	70%	75,000,000	
	500,000,000		**Jumlah Serapan Dana**	**500,000,000**	**350,000,000**	**70%**	**70%**	**150,000,000**	-
LAFEU	250,000,000	**TPK LAFEU**	Pembuatan Lapangan Bola	250,000,000	250,000,000	100%	100%	-	-
	250,000,000		**Jumlah Serapan Dana**	**250,000,000**	**250,000,000**	**100%**	**100%**	-	-
ONE ETE	250,000,000	**SUKA MAJU MI AL-IKHLAS**	Pembangunan Pagar Sekolah Madrasah	100,000,000	100,000,000	100%	90%	-	-
		MERODO	Pembangunan WC dan atap teras Masjid	150,000,000	150,000,000	100%	90%	-	
	250,000,000		**Jumlah Serapan Dana**	**250,000,000**	**250,000,000**	**100%**	**90%**	-	-
	8,200,000,000	**Jumlah TPK 19**	**J U M L A H**	**7,024,375,000**	**6,352,988,000**	**91%**	**88%**	**671,387,000**	**1,175,625,000**