

# Sustainability Policy

|                                   |                                   |
|-----------------------------------|-----------------------------------|
| <b>Identification:</b>            | <b>Use:</b> Public.               |
| <b>Resolution:</b>                | <b>Issued on:</b> 26/04/2024      |
| <b>Responsible:</b> Febriany Eddy | <b>Revision until:</b> 26/04/2026 |

## 1. Objective:

At PT Vale Indonesia Tbk ("**PTVI**" or "**Company**"), we aim to be a leader in sustainable and good mining practices within the nickel industry. We aim to reinforce our purpose to improve life and transform the future together. Hence, this sustainability policy serves as a guideline that aligns our operations with the principles of sustainable practices in the aspects of environment, social, and governance.

Through this policy, we commit to following all prevailing laws and regulations where the company operates and to integrating sustainable practices, fostering innovation, maximizing resource efficiency, and collaborating with stakeholders to minimize risks and negative impacts. We believe that by embracing sustainable mining, we can create lasting positive impacts for people, communities, and the environment.

## 2. Scope of Policy

This Policy applies to PTVI and its fully owned subsidiaries. Its application is encouraged in other entities in which PTVI holds an equity interest.

## 3. Concepts and Principles of the Sustainability Policy

PTVI believes that sustainable development is achieved when its business generates value for its shareholders and other stakeholders while supporting community empowerment and improving the health and safety of its workers and surrounding communities. This also involves the environmental responsibility and economic development of the regions where it operates through conscious and responsible management, voluntary corporate actions, and cross-sectoral partnerships.

One of PTVI's principles is to prioritize risk and impact management, seeking zero harm for its employees and communities and establishing a positive social, economic, and environmental legacy in the territories where it operates. Since mining is an activity related to mineral deposits with finite lifespans, sustainability legacies depend on the development of new economic venues throughout the mineral cycle, which enables social well-being in harmony with the environment.

## 4. Dimensions of Activity

PTVI's Sustainability Policy encompasses three key dimensions of activity, which embrace the fundamental pillars of sustainability: Environmental, Social, and Governance ("ESG"). This policy serves as the framework for our overall ESG approach and is further supported by detailed policies as necessary.

### Sustainable Operator

To be a sustainable operator, PTVI will work consciously and responsibly across the lifecycle of our projects, from their conception through implementation, operation, and closure, while respecting the local culture in which we operate. PTVI will strive to develop a sustainable development perspective concerning its products and value chains.

## Local Development Catalyst

Establish multi-stakeholder collaboration with local government, communities, suppliers, and other businesses towards socio-economic and environmental development in the areas where we are present throughout the mineral cycle and establish cross-sectoral partnerships that will lead to leaving a positive legacy.

## Global Sustainability Agent

Contribute to promoting, discussing, and addressing the challenges of sustainable development in the different regions where we operate.

## 5. Our Commitments

This policy firmly establishes PTVI's commitments across the three pillars of sustainability:

### 5.1 Environmental

PTVI's commitment centers on minimizing risks and mitigating the adverse impact of the Company's operations on the environment while simultaneously providing benefits and ensuring environmental protection within the boundaries of our operations.

1. Implementing the Environmental Management System (EMS/ISO14001) following the applicable law and standards.
2. Providing training for EMS implementation and conducting environmental awareness programs to encourage environmental protection behavior among employees and contractors.
3. Seeking climate change adaptation strategies and implementing measures to reduce greenhouse gas emissions (GHG). Our GHG reduction efforts are driven by our Vale Global Net Zero Targets and Strategy<sup>1</sup>, which are aligned with the Paris Agreement and Indonesia's Nationally Determined Contribution Net-Zero Targets.
4. Implementing measures to reduce air pollution and focus on managing emissions of conventional gases such as particulate matter, sulfur oxides (SOx), and nitrogen oxides (NOx).
5. Executing water management strategies aimed at reducing water pollution and minimizing freshwater consumption. This includes maximizing the efficient use of water resources and implementing recycling measures to ensure sustainable water usage.
6. Promoting the utilization of renewable energy sources, aiming to achieve 100% renewable electricity consumption by 2030, and the efficient use of resources, aiming to improve global energy efficiency indicator by 5% in 2030, throughout our production value chains, including mineral resources and fossil fuels.
7. Applying the principles of reuse, reduce, and recycle by adopting recent and proven management technologies that enable us to effectively minimize the generation of both hazardous and non-hazardous waste from our operations. We actively explore the potential for creating a circular economy, seeking innovative opportunities to maximize resource efficiency and minimize waste.
8. Implementation of biodiversity management in our processes and value chain to reduce the impacts on biodiversity and protected areas that may be affected by our activities and seeking potential applications to "no net loss" and "net positive impact" approaches, as well as not developing new mines in protected areas prior the Government's approval.

---

<sup>1</sup> Vale Global Net Zero Targets: Reduce scope 1 and 2 emissions by 33% by 2030 from the baseline year of 2017; achieve a 15% reduction in net scope 3 emissions by 2035, compared to the base year of 2018; achieve net-zero Scope 1 and 2 emissions by 2050;

9. Implementation of progressive mine reclamation for disturbed areas of previous mining activities by integrating mining and reclamation planning to effectively minimize the mine footprint toward closure.
10. Developing and implementing a mine closure plan and regularly updating it through stakeholder engagement and public consultation. This ensures the optimization of creating a safe and sustainable environment while providing new alternative economic resources to support ongoing regional development in accordance with its designation.
11. Not using substances prohibited by the UN Globally Harmonized System of Hazard Classification and Labelling or other regulations such as the Restriction of Hazardous Substances (RoHS) and implementing effective chemical management practices.
12. Conducting sustainable consumption, production, and procurement.

## 5.2 Social

PTVI prioritizes the health, safety, and welfare of every individual from employees, consumers, and local communities around the Company. PTVI complies with and aims to go beyond various national and international regulations regarding health and safety, labor protection, human rights, indigenous peoples, and local communities, as well as the protection of consumers.

### Anti-Discrimination and Decent Working Conditions

1. Committing to not discriminate against workers partners, customers, and other parties (based on their gender, religion, special needs, children, indigenous peoples, immigrants, race, and other discriminatory factors).
2. Providing and ensuring decent, safe working conditions and social security for employees that comply with national and international law and conventions (such as International Labour Organization Conventions/ILO). We aim to ensure our contractors adhere to PTVI's commitments and practices.
3. Encouraging individuals' right to speak and express their opinions through open and transparent dialogue.
4. Ensuring fair and competitive wages and incentives following applicable laws for employees without discrimination and additionally considering competitive remuneration in similar sectors.

### Diversity and Freedom in the Workplace

1. Developing and implementing a recruitment mechanism that promotes inclusiveness and diversity including people with disability.
2. Encouraging employee affinity groups, diversity councils, or networking groups.
3. Implementing working hours and leave for employees and contractors, which complies with national and international laws and conventions.
4. Respecting the freedom of all workers to form and join a union of their choice, as well as conducting regular dialogues with union representatives to address their aspirations, in accordance with respective labor laws and regulations.
5. Actively monitoring and transparently reporting on the diversity within the company.

### Occupational Health and Safety

1. Implementing a health and safety management system to manage health and safety risks in the workplace to acceptable risks through elimination, mitigation, compensation, and monitoring measures that comply with laws, regulations, and standards such as *Sistem Manajemen Keselamatan Pertambangan* (Indonesia's OHS system for the mining industry/SMKP) and ISO 45001.
2. Making efforts to prevent accidents, occupational diseases, incidents due to work-related illnesses, and dangerous incidents, as well as prevent damage to assets and cessation of production.
3. Creating safe, efficient, effective, and productive mining operations and fostering a culture of mining

safety.

4. Implementing and providing the necessary safety equipment and personal protective equipment to workers.
5. Developing, implementing, and providing competent personnel, tools, and equipment for emergency response plans.
6. Providing training and promoting awareness of employees and contractors to create a health and safety culture and behavior.
7. Ensuring the security and confidentiality of employee health and safety personal data.

### **Human Rights in Business Operations and Value Chain**

1. Conducting human rights risk assessments in the production and supply chain, as well as monitoring and reporting the impact.
2. Committing not to have a partnership with business partners, including suppliers and contractors, that violates human rights.
3. Enforcing disciplinary penalties for suppliers, contractors, third parties, and internal companies in case of human rights violations.
4. Applying a mitigation hierarchy in conducting our business to ensure human rights are not violated in line with relevant standards such as International Finance Corporation (IFC).
5. Performing a communication process and/or approach that upholds human rights and security following the Voluntary Principles on Security and Human Rights.
6. Ensuring the security and confidentiality of employee personal data.
7. Adopting programs that specifically address human rights issues in the mining industry.
8. Preventing the use of force and firearms unless as a last resort, aligning the conditions of use with the UN Basic Principles on the Use of Force and Firearms.

### **Respect Local Community and Support for the Community Development**

1. Maintaining good relations with the local community by keeping them informed about our operations, development activities, and mitigation of any potential negative impacts, as well as establishing a grievance mechanism.
2. Upholding open, regular, meaningful engagement and communications with communities, including indigenous peoples (if any), in order to resolve conflicts and address complaints.
3. Implementing a mitigation hierarchy to prevent adverse impacts and provide sustainable benefits for indigenous peoples following applicable standards such as those set by the PTVI's grievance mechanism which refer to IFC and ISO26000.
4. Supporting local culture, human capital development, and sustainable economic diversification to foster resilience and independence, particularly women and other vulnerable groups.
5. Supporting the local government to improve community welfare in the fields of education, health, economy, infrastructure, social, and culture.
6. Respecting, conserving, and preserving cultural heritage in areas affected by our operations. Moreover, following ICMM's Performance Standards, we commit to neither exploring nor developing new mines in World Heritage sites.
7. Thoroughly and exhaustively seek alternatives to avoid, and when avoidance is not possible, minimize involuntary resettlement. Involuntary resettlement, if unavoidable, complies with national regulations and align with international standards, ensuring extensive stakeholder engagement and disclosure in the process. We commit to following the mitigation hierarchy in anticipating adverse social and economic impacts from involuntary resettlement, improving, or restoring the displaced persons' livelihoods and standards of living.
8. Protect and improve the health and safety of individuals, families, and communities affected by our mining projects.

## Responsible Sourcing

1. Establishing clear expectations and requirements for our suppliers to adhere to responsible sourcing practices, as set forth in Vale's Supplier's Code of Ethics and Conduct. This includes ensuring compliance with applicable laws, regulations, and international standards.
2. Conducting due diligence on our supply chain to identify and address any potential risks associated with human rights violations, environmental harm, or unethical practices.
3. Engaging with suppliers to monitor performance, conduct regular assessments, and implement necessary corrective actions to address any identified issues or gaps related to risks and impacts in social and environmental aspects, such as human rights, OHS, biodiversity, etc.
4. Actively collaborating with suppliers to promote responsible sourcing throughout the supply chain.

## Protection of Customer

1. Providing complete, accurate, and transparent product information to consumers.
2. Protecting consumers' data and safety.
3. Maintaining and improving company systems to prevent service interruptions and provide grievance mechanisms.

## 5.3 Governance

PTVI recognizes that good governance is integral to its sustainability commitments.

### Gender Equality in Leadership and Board Independence

1. Promoting gender equality in Leadership.
2. Ensuring that the board of commissioners has qualified, independent, members that adhere to all laws, regulations, and related fiduciary duties.

### Business Ethics

1. Adhering to the Company's Code of Conduct which prohibits acts of corruption, bribery, and conflict of interest, and to support fair competition.
2. Conducting regular training and promoting the Company's Code of Conduct among employees, contractors, and relevant stakeholders.
3. Ensuring robust whistleblowing mechanisms for suppliers, consumers, and other third parties.
4. Upholding property rights, both physical and intellectual, including traditional knowledge. We aim to ensure the recognition, protection, and fair treatment of property owners in all our operations and interactions, as well as follow legitimate means and procedures for acquisition when seeking to use such property.

### Sustainable Management and Transparency

1. Ensuring accountability for sustainability performance at the Board of Directors' level.
2. Applying sustainable development principles in the investment, design, operation, and closure of facilities.
3. Communicating and reporting sustainability performance following applicable standards such as the Global Reporting Initiatives (GRI).
4. Reporting financial, sustainability, and social performance, including tax transparency in the annual report.
5. Adopting the sustainability and business transparency principles outlined in regulations, standards, and/or frameworks such as the regulations of the Indonesian Financial Services Authority (POJK) and the principles by the International Council on Mining and Metals (ICMM), the Extractive Industries Transparency Initiative (EITI), and the United Nations Global Compact (UNGC).

## Risk Management

1. Implementing a robust risk management framework that includes the risk policy, the risk appetite, and the risk management process steps. The philosophy is to anticipate and mitigate ESG risks to an acceptable level across all aspects of our business processes and operations to meet our long-term sustainability goals.
2. Engaging our stakeholders to gain insight and feedback in addressing risks that may impact the achievement of the company's sustainability objectives as well as present risks to our stakeholders.
3. Establishing the risk appetite provides guidance to decision-makers to ensure a balance between risk and reward while maintaining the Company's sustainability objectives.
4. Integrating sustainability and political risk management into our governance structure to protect and enhance our sustainability objectives by considering both opportunities and potential risks.
5. Performing continual monitoring, evaluating, reporting, and adopting the latest sustainability trends to assure and improve the quality and effectiveness of risk treatment/control and outcomes.
6. Communicating the risk performance throughout the organization to foster a risk awareness culture.

## PTVI will fulfill this commitment by:

1. Complying with applicable statutory provisions in the field of environment, social, governance, and other related standards and requirements.
2. Performing Environmental and Social Impact Assessment prior to the initiation of any new projects in order to assess the potential impacts of the project and develop a management plan to mitigate and prevent the risks or impacts associated with the project.
3. Establishing clear, measurable, and achievable goals and targets for environmental, social, and governance programs, actively performing regular monitoring and evaluation to control and ensure the achievement of excellent sustainability performance
4. Provide adequate required resources to achieve goals and targets, including but not limited to capital and operational cost, and competent persons through training and benchmarking.
5. Prioritizing open and transparent communication and providing encouragement to involve workers in mining safety management.
6. Conducting dialogue or consultation with stakeholders from external parties, such as the government, local communities, and Non-Governmental Organizations, on relevant issues related to environment, social, and governance aspects.
7. Committing to increase the implementation of the environment, social, governance, and Quality Management System on an ongoing basis, which is supported by periodic reviews and evaluations by the management for continual improvement.

## 6. References

This policy refers to the following standards, agreements, and guidelines:

- Related Laws and Government Regulations of the Republic of Indonesia
- ISO 26000 – Guidance on Social Responsibility
- ISO 14001:2015 - Environmental Management System.
- ISO 45001:2018 - Occupational Health and Safety Management System
- ISO 9001:2015 – Quality Management System
- ISO 31000:2018 – Risk Management International Council on Mining and Metals (ICMM) Principles
- Sustainability Accounting Standard Board (SASB) Metals & Mining 2021
- Sustainable Development Goals (SDGs)
- Labor standards and conventions of the International Labour Organization (ILO)
- ICMM - International Council on Mining and Metals

- United Nations Basic Principles on the Use of Force and Firearms
- UN Guiding Principles on Business and Human Rights
- United Nations Global Compact Principles
- International Finance Corporation (IFC) Performance Standards
- Global Reporting Initiative (GRI)
- Voluntary Principles on Security and Human Rights
- UN Paris Agreement 2015
- UN Declaration on the Rights of Indigenous Peoples
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Area

## 8. Approval

| Name                            | Position   | Signature   |
|---------------------------------|--|---|
| <b>Febriany Eddy</b>            | President Director/Chief Executive Officer (CEO) |    |
| <b>Adriansyah Chaniago</b>      | Vice President Director                          |    |
| <b>Abu Ashar</b>                | Director/Chief Operating Officer (COO)           |  |
| <b>Bernardus Irmanto</b>        | Director/Chief Financial Officer (CFO)           |  |
| <b>Vinicius Mendes Ferreira</b> | Director/Chief Development Officer (CDO)         |  |