

PT Vale and PT BNSI Inaugurate the Construction of the Integrated Low Carbon Nickel Mining and Processing Project in Morowali

Morowali, Central Sulawesi – February 10th, 2023 - PT Vale Indonesia Tbk (PT Vale) and PT Bahodopi Nickel Smelting Indonesia (PT BNSI) inaugurated the construction of the integrated low-carbon nickel mining and processing project in Morowali, Central Sulawesi and held in two locations for the mining site and for the processing factory site respectively. The mining site is in Bungku Timur & Bahodopi Subdistrict and the processing factory site is in Sambalagi Village, Bungku Pesisir Subdistrict.

The Morowali project will be developed by PT Vale and its partners. PT Vale plays a full role in the construction and operation of the mining facilities. PT BNSI, a company created by PT Vale that aims to become a joint venture between PT Vale and its partners, is responsible for the construction and operation of the processing factory.

Through the Regulation of the Coordinating Ministry for Economic Affairs, the Morowali Project has been declared as one of the government's National Strategic Projects (PSN) in 2022. The Coordinating Minister Airlangga stated that the Morowali project is a form of the government's hope for the realization of downstream policy of natural resources to provide added value and improve people's welfare.

"This is the first green smelter plant that I have seen. Based on LNG, surely we need support from the Energy Commission (DPR RI) that this is green energy, green product, and green mining. The indicator of green economy is simple, we should see whether the sky is blue or gray. If the sky is blue, it means green, and good," Airlangga explained.

First Nickel Processing Plant with Energy Source from Natural Gas

The smelter to be built in Sambalagi will use the Rotary Kiln Electric Furnace (RKEF) technology. Supported by a source of electricity from natural gas, it will be a reliable, energy-efficient, and environmentally friendly factory.

The natural gas power plant will be a major contributor to reducing carbon emissions from the overall operation of this project. Reducing carbon emissions has become part of PT Vale's sustainability roadmap, with a target of reducing carbon emissions by up to 33% by 2030.

A total investment cost of up to IDR37.5 trillion have been allocated, with production capacity of 73 thousand tons per year.

"The presence of this Morowali project is a representation of our commitment to be a reliable and sustainable nickel producer for Indonesia with the lowest carbon footprint. We will bring the best mining practices carried out in the Sorowako Block to Morowali. In addition to supporting the government's downstream program, we also want to contribute to the community and our earth," said Febriany Eddy, CEO and President Director of PT Vale.

PT Vale Indonesia Tbk

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Press Release



"This groundbreaking reinforces our unwavering commitment to Indonesia and its people while pushing forward on an accelerated path with our multibillion-dollar growth pipeline," said Deshnee Naidoo, President Commissioner of PT Vale and Executive Vice President of Vale's Base Metals business. "Together with our esteemed partners, we are excited to bring to fruition a critical growth project that will deliver low-carbon nickel production safely and sustainably and bolster a domestic supply chain for energy transition materials and electric vehicles."

Commitment to the Morowali Community

Together with partners, PT Vale will implement a sustainable Community Development and Empowerment Program (PPM), by reflecting on best practices conducted in the Sorowako Block. In the 2015-2022 period, PT Vale has disbursed IDR46 billion for various social programs in 17 villages, which are included in the empowerment area, both in Morowali.

Support for the villages around the mine, among other things, includes the construction of infrastructure in the fields of education, health, and social facilities. In addition, PT Vale also aided programs for organic rice farming.

The Morowali project will absorb up to 15,000 workers in the construction phase and around 5,000 workers in the operational phase. Therefore, maximizing the absorption of local workers and increasing their competence is PT Vale's commitment.

At the end of 2022, PT Vale also provided support in the field of human resource development by training the local workforce by teaching electrical and welding skills. In addition, PT Vale also invites suppliers and local entrepreneurs to hold Local Entrepreneur Prequalification Technical Guidance.

Central Sulawesi Governor Rusdy Mastura and Morowali Regent Taslim hope that the Morowali project will be able to bring a multiplier effect to the communities. The Regent also supports the realization of PT Vale's commitment to operate with due regard to the environment.

"I appreciate the implementation of PT Vale's groundbreaking, hopefully it can be completed quickly so that it will have a welfare impact on Central Sulawesi Province, especially in Morowali. Thank you PT Vale, let's work well together to increase regional income. I believe PT Vale has a commitment in operating to protect the environment," said Rusdy Mastura.

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