



# FOR FUTURE GENERATIONS

SUSTAINABILITY  
DATABOOK  
2021





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This 2021 Sustainability Databook has been developed to support the 2021 Sustainable Development Report and forms part of the 2021 Annual Reporting Suite.

Additional Disclosure References

Document/disclosure
<a href="#">2021 Annual Report</a>
<a href="#">2021 Corporate Governance Statement</a>
<a href="#">2021 Modern Slavery Statement</a>
<a href="#">2021 Tax Transparency and Payments to Government Report</a>
<a href="#">Sustainability Policy</a>
<a href="#">Code of Business Conduct</a>
<a href="#">Addendum to our Speak up Policy (Australia)</a>
<a href="#">Sustainability and Business Conduct - Minimum Supplier Requirements</a>
<a href="#">Our Approach to Australian Aboriginal and Torres Strait Islanders Cultural Heritage</a>
<a href="#">Our Approach to Industry Associations</a>
<a href="#">Our Approach to Human Rights</a>
<a href="#">Anti Bribery and Corruption Policy</a>
<a href="#">2021 Directory of Tailings Storage Facilities</a>
<a href="#">2021 Conflict Minerals Statement</a>
<a href="#">2021 Workplace Gender Equality Agency (WGEA) Report</a>
<a href="#">South32 Innovate Reconciliation Action Plan</a>

**Important notices**

This Sustainability Databook has been prepared by South32 Limited (ABN 84 093 732 597) (South32) for informational purposes only. This report should be read in conjunction with South32’s Annual Report, Sustainable Development Report and other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.south32.net](http://www.south32.net).

**About this Sustainability Databook**

This Sustainability Databook has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (Core option), the GRI Mining and Metals Sector Supplement and the International Council on Mining and Metals (ICMM) Mining Principles. Unless otherwise stated, (a) metrics describing health, safety, environment, people and community related performance in this report apply to ‘operated operations’ that have been wholly owned and operated by South32, or that have been operated by South32 in a joint arrangement<sup>(1)</sup> from 1 July 2020 to 30 June 2021 (FY21), and (b) operations that we divested during the reporting period are shown for the period up until we ceased operational control of those operations (being 31 December 2020 for Tasmanian Electro Metallurgical Company (TEMCO) and 31 May 2021 for South Africa Energy Coal (SAEC)). Monetary amounts in this document are reported in US dollars, unless otherwise stated. Figures in italics indicate that an adjustment has been made since the figures were previously reported.

We engaged an independent external assurance organisation, KPMG, to provide the Directors of South32 Limited with assurance on select sustainability information, as explained in the independent assurance report in this document.

**Disclaimer**

This Sustainability Databook contains forward-looking statements, including statements of current intention and expectation. This includes statements regarding climate change and other environmental and energy transition scenarios. These forward-looking statements are based on the information available at the date of this document. While these forward-looking statements discuss South32’s expectations at the date of this document, they are not guarantees or predictions of future performance, and by their nature, are subject to significant uncertainties, many of which are beyond South32’s control. Actual results and developments may differ materially from those expressed in this document and South32 cautions readers against reliance on any forward-looking statements or guidance. There are also limitations with respect to scenario analysis, and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis is not an indication of probable outcomes and relies on assumptions that may or may not prove to be correct or eventuate. Except as required by applicable laws or regulations, the South32 Group does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events.

Certain information contained in this document is based on information prepared by third parties. South32 does not make any representation or warranty that third-party material is accurate, complete or up to date.

(1) In this Sustainability Databook, references to ‘joint arrangements’ mean operations that are not wholly owned by South32, such as joint ventures and joint operations. Joint arrangements are classified in accordance with IFRS 11 Joint Arrangements.

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## Our sustainability approach

Our purpose is to make a difference by developing natural resources, improving people’s lives now and for generations to come. We are trusted by our owners and partners to realise the potential of their resources.

Sustainable development is at the heart of our purpose and forms an integral part of our strategy. Our approach to sustainability focuses on five interconnected pillars and supports the UN Sustainable Development Goals (SDGs). It reflects issues that are material to our business and our stakeholders.

Our sustainability approach is based on the International Council on Mining and Metals (ICMM) Mining Principles, United Nations Global Compact (UNGC) Ten Principles, UN SDGs and applicable legal requirements. Our approach also considers how we interact with our people, the environment, local communities and society. Our Sustainability Policy affirms our commitment to sustainable development and outlines our commitment to governance and transparency on sustainability matters.

Our 2021 Sustainable Development Report, available at [www.south32.net](http://www.south32.net), explains how our business-wide processes support our sustainability objectives, how we manage our most important sustainability topics, and the progress we have made during the 2021 financial year. This 2021 Sustainability Databook has been developed to support the 2021 Sustainable Development Report and forms part of the 2021 Annual Reporting Suite.

Topic	Spreadsheet tab
Materiality	<a href="#">Materiality</a>
Stakeholder engagement	<a href="#">Stakeholder engagement</a>
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# Materiality

## Our material topics

We conduct a materiality assessment each year to obtain that we understand the sustainability topics that matter most to our business and our stakeholders. The materiality process is described in more detail below. We use the results of this process to inform our sustainability approach, and to inform the focus and structure of the topics for our annual sustainability reporting. The most significant material topics identified through our FY21 analysis, grouped into sustainability pillars, are described below.

Sustainability pillar	Pillar description	Material topics
Protecting and respecting our people	We are a people powered business. The most important commitment we all make at South32 is that everyone goes home safe and well. By providing a safe, secure and inclusive workplace we're unlocking the full potential of our people.	Health and safety
		Inclusion and diversity
		Attracting, developing and retaining talent
Partnering with local communities	We are a global business with a local focus – passionate about supporting the communities where we operate. We work closely with our communities and consider different perspectives, working together to create shared value.	Cultural heritage
		Communities, social impact and wellbeing
		Wider economic contribution
Operating ethically and responsibly	Trust underpins everything we do. We earn and build trust by working with integrity, doing the right thing and meeting our commitments. High ethical standards and transparency are fundamental to the way we operate.	Human rights
		Business ethics and integrity
		Responsible value chain
Addressing climate change	The impacts of climate change are being felt by countries, communities and businesses around the world. We are playing our part by reducing operational carbon emissions, shifting to low-carbon energy sources and increasing our exposure to the base metals required in a low-carbon world.	Climate change and greenhouse gas emissions
Managing our environmental impact	Successful environmental management is essential – not only for our business, but for all our stakeholders. Through planning, conservation and land management we are working hard to be responsible stewards of the environment and treat natural resources with care so that they are available for future generations.	Biodiversity
		Water
		Waste
		Other emissions, effluents and pollution

## Our materiality process

In 2021, we undertook a thorough materiality assessment with an external consultant that combined significant desktop research with digital and social media analysis as well as stakeholder and focus groups interviews. The process followed the AA1000 Stakeholder Engagement Standard methodology and was aligned with guidance set out in the GRI Sustainability Reporting Standards.

### Desktop research

Desktop research entailed the review of documentation and data produced both by South32 and other commentators to identify key sustainability focus areas, including:

- Sustainability Reporting Standards, Principles and Frameworks - including Global Reporting Initiative (GRI), United Nations Sustainable Development Goals (UN SDGs), Sustainability Accounting Standards Board (SASB), CDP, International Council on Mining and Metals (ICMM), United Nations Global Compact (UNGC), Task Force on Climate-related Financial Disclosures (TCFD);
- ESG ratings agencies' scores and commentary (including DJSI, FTSE4Good, Sustainalytics, ISS and MSCI);
- Industry association publications and journals;
- Financial brokers' reports;
- Investor feedback;
- Customer and community engagement feedback;
- South32 AGM transcript;
- Enterprise risk reports;
- Internal survey data;
- Internal health, safety and environmental reports;
- Six peer companies' sustainability disclosures (as comparators);
- Media (referring to South32 and broader industry); and
- Numerous other internal and external sources.

In total over 250 sources of information were reviewed, which resulted in a long list of potential sustainability topics. In order to prioritise topics, two criteria were considered, namely: the frequency with which topics were mentioned and the nature and significance of the data source. This resulted in the definition of 14 material sustainability topics which were grouped into five sustainability pillars.

### Social and digital media analysis

We assessed the digital 'conversations' taking place relating to South32 and the key sustainability topics identified during desktop research. We also looked at the wider extractives industry using the same search parameters to establish our relative digital sustainability 'footprint'. The findings of the social and digital media scanning were used to validate the outcomes of the desktop research.

### Interviews and focus groups

We interviewed 18 key stakeholders across different levels, disciplines and geographies within the business to determine the issues they considered to be most important to South32. Three focus groups also took place to identify key themes among larger groups of stakeholders from similar backgrounds. A qualitative inductive process was adopted which encouraged the participants to discuss the issues most important to them. The findings of the interviews and focus groups generally supported the outcomes of the desktop research, although they led to changes being made to the categorisation of issues in terms of their grouping and their overall level of significance.

## Stakeholder engagement

Our stakeholders are integral to our success. We operate in diverse geographies and markets and consequently have a wide range of stakeholders. We work to build positive, meaningful and respectful relationships with our stakeholders. We are guided by ICMM Mining Principle 9 - Social Performance, ICMM Mining Principle 10 – Stakeholder Engagement, as well as our Code of Business Conduct and internal standards.

Stakeholder	Why we engage	How we engage	Key topics
<b>Customers</b> <i>Companies that buy our products.</i>	<p>We are committed to reliable product supply including volume, quality, cost and delivery.</p>	<p>We closely engage with our customers on all issues, including ensuring that our products are used in the most efficient way. We also participate in product stewardship initiatives and customer surveys.</p> <p>We engage frequently through a regular schedule and as required.</p>	<ul style="list-style-type: none"> <li>- COVID-19 Business Continuity Plans – Safe Operating Practices and Commercial Flexibility in scheduling, volume &amp; brand optionality</li> <li>- On time delivery of quality product as per the agreed terms</li> <li>- Participation in product stewardship initiatives and customer surveys</li> <li>- Our Environmental, Social and Governance (ESG) approach</li> <li>- Increased demand in due diligence from customers on human rights compliance</li> </ul>
<b>Employees</b> <i>People that work for us.</i>	<p>We recognise the value of our people and the importance of timely and transparent engagement.</p> <p>With a well-informed and engaged workforce, the business is best placed to achieve its strategy. Our approach to employee relations respects freedom of association, representation and collective bargaining.</p>	<p>We engage with our people using a variety of communications channels. This includes meetings, videos, toolbox talks, newsletters, leadership calls, presentations, and web-based forums including SharePoint, Teams and Yammer as well as our external digital channels.</p> <p>The frequency of our engagement is daily, weekly, monthly, quarterly, half yearly and annually depending on the engagement channel.</p> <p>We connect with employee representatives and representative groups via telephone conversations, face-to-face meetings, negotiations, letters and emails, as required.</p>	<ul style="list-style-type: none"> <li>- Ensuring our people go home safe and well at the end of every shift</li> <li>- Supporting our people and communities through the impacts of COVID-19</li> <li>- Mental health and wellbeing</li> <li>- Transitioning how we work post COVID-19</li> </ul>
<b>Governments and regulators</b> <i>At local, national and international levels.</i>	<p>We rely on a high level of public policy certainty to make commercial and operational decisions, in order to develop mineral resources whilst managing risk.</p> <p>We build and maintain positive relationships to ensure governments and regulators understand policy and regulatory impacts on the business.</p>	<p>Engagement with governments and regulators is wide-ranging, depending on the local context and issue.</p> <p>We engage through face-to-face meetings, emails, submissions, telephone calls and mail correspondence, as required.</p>	<ul style="list-style-type: none"> <li>- Regulatory compliance</li> <li>- Community investment</li> <li>- Job creation</li> <li>- Local procurement</li> <li>- Environmental and cultural heritage protection</li> <li>- Workplace safety</li> <li>- Climate change</li> <li>- Just transition</li> </ul>
<b>Industry peers and associations</b> <i>Associations of shared interest groups.</i>	<p>Membership of key industry associations provides opportunities to understand, learn and contribute to industry best practice. Our participation provides an avenue to engage in and influence matters affecting our industry.</p>	<p>Through regular participation in meetings, working groups, committees and policy feedback processes and on an ad hoc basis where required.</p>	<ul style="list-style-type: none"> <li>- Advocacy and engagement</li> <li>- Policy alignment</li> <li>- Industry positioning</li> <li>- Industry best practice</li> <li>- Legislative and regulatory reform</li> </ul>
<b>Financial community</b> <i>Including lenders, shareholders, debt and equity analysts.</i>	<p>Our Lead Team present our performance, strategy, operations and prospects to shareholders and potential investors, in accordance with securities law, to achieve fair valuation of South32 securities in the equity markets.</p> <p>We engage with our lenders, rating agencies and other financial institutions to ensure the South32 credit profile is accurately assessed to support the Group's ability to maintain a diversity of funding sources.</p>	<p>We present on matters, including performance metrics and results, in a timely manner. We answer shareholder and investor requests (phone, email and face-to-face discussions).</p> <p>We meet with the financial community annually through engagements such as roadshows or conference calls, including Lead Team or Board members in these engagements, as required.</p>	<ul style="list-style-type: none"> <li>- Our response to COVID-19</li> <li>- Climate change strategy and our target to halve our operational emissions by FY35</li> <li>- The divestment of South Africa Energy Coal and the TEMCO manganese alloy smelter</li> <li>- Progress on our studies for our base metals development projects at Hermosa and Ambler Metals</li> <li>- Cultural heritage</li> <li>- Progress on our Dendrobium Next Domain life extension project at Illawarra Metallurgical Coal</li> </ul>
<b>Local and Indigenous communities</b> <i>Local communities, including Indigenous groups, that have interests and concerns in relation to our operations.</i>	<p>We recognise our operations can have both a positive and negative impact on our communities. We support community practices that empower people to make choices and enable communities to increase control over decisions that affect their lives, beliefs, institutions, wellbeing and the lands they occupy or otherwise use.</p> <p>We maintain regular contact with local environmental groups and community-based organisations and charities to understand their interests or concerns about our operations and planned activities, so their feedback can inform our approach.</p>	<p>Our engagements vary depending on the location of the operation and the stakeholder, in accordance with our stakeholder engagement plans. Engagements typically include face-to-face meetings, community consultative committees and forums, operational open days, newsletters, web-based information, telephone conversations and site visits. We also take part in community activities and engage through various community initiatives.</p>	<ul style="list-style-type: none"> <li>- Our response to COVID-19</li> <li>- Community investment</li> <li>- Job and business opportunities</li> <li>- Supplier development</li> <li>- Responsible environmental stewardship</li> <li>- Impact management</li> <li>- Complaints and grievance process</li> <li>- Engaging with Indigenous and Tribal Peoples on cultural heritage protection</li> <li>- Community engagement</li> <li>- Resourcing and representation</li> </ul>
<b>Non-government organisations (NGOs)</b> <i>Organisations that hold specific interests in environmental, social and human rights issues.</i>	<p>NGOs are interested in specific issues relevant to their group, such as human rights (including health and safety), environmental issues or transparency.</p>	<p>We monitor NGO campaigns and seek to engage with groups at local, national and international level, where relevant.</p>	<ul style="list-style-type: none"> <li>- Climate change</li> <li>- Environmental stewardship</li> <li>- Addressing risks of modern slavery in supply chains, and related labour exploitation</li> <li>- Working to support seafarers as part of response to COVID-19</li> <li>- Just transition</li> <li>- Community investment</li> </ul>
<b>Civil society partners</b> <i>Public or private organisations that we partner with on specific projects that have a societal benefit.</i>	<p>To ensure that we and our partners operate in a way that is consistent with values and performance and that brings benefits to society.</p>	<p>We engage with potential partners through the project process and through regular project updates as required.</p>	<ul style="list-style-type: none"> <li>- Our response to COVID-19</li> <li>- Stakeholder engagement</li> <li>- Job and business opportunities</li> <li>- Reconciliation</li> <li>- Good health and social well being</li> <li>- Economic participation</li> <li>- Education and leadership</li> <li>- Natural resource resilience</li> </ul>
<b>Suppliers and contractors</b> <i>Large and small businesses that we procure goods and services from.</i>	<p>We need surety of supply for the various products we purchase, as well as understanding the supply chain we are purchasing from.</p>	<p>The various entities and functions responsible for procurement engage suppliers regularly through contractual agreements, performance reviews and training, and according to our internal standards and ongoing updates.</p>	<ul style="list-style-type: none"> <li>- Our response to COVID-19 and mitigating the impact of COVID-19 on supply chains</li> <li>- Continued focus on improving the safety, health and well-being of employees of our business partners</li> <li>- Continued provision of opportunities for local, empowered and indigenous enterprises to partner with South32</li> </ul>



## Risk management and governance

### Risk management

Risk management is fundamental to maximising the value of our business and informing its strategic direction. Effective risk management enables us to identify priorities, allocate resources, demonstrate due diligence in discharging legal and regulatory obligations, and meet the standards and expectations of our stakeholders.

Our approach to risk management is delivered through our System of Risk Management, which is aligned to the principles of the International Standard for Risk Management AS/NZS ISO31000:2018. It applies to all employees, Directors, contractors and our subsidiaries.

Our approach to risk management is governed by our Risk Management Framework, which has been in place since 2015. Our internal material risk management standard defines the minimum mandatory requirements for management of risks that have a material impact on our purpose, strategy and business plans. These risks are regularly assessed and managed at both a company-wide strategic level and at an operational and project level. Our approach to managing the sustainability aspects of our business-wide strategic risks and our operational-level material sustainability risks are detailed in our FY21 Annual Report.

With the impact of COVID-19, our current risk management focus is on keeping our people safe and well, maintaining safe and reliable operations, and supporting our communities, all of which are critical to protecting the future of our business.

### Sustainability Governance

We set high standards of corporate governance and integrity which are aligned with our purpose, values and with ICMM Mining Principle 1 – Ethical Business. At South32, good governance is essential to the way we work – not just in what we do, but in how we act, how we communicate and how we evaluate our behaviour. For more details see our Corporate Governance Statement at [www.south32.net](http://www.south32.net)

Our Board acknowledges the unique relationship connecting resource companies, the communities in which they operate, and the standards and expectations of our company to act lawfully, ethically and responsibly. Our Board is assisted by the Sustainability Committee and the Risk and Audit Committee to manage the sustainability aspects of their responsibilities, which include health, safety, human rights, environmental and social performance.

Our Chief Executive Officer is accountable for the sustainability performance of our business. Working under the supervision of our Chief Executive Officer, our Leadership Team deliver on our strategy in line with our values, our Code of Business Conduct, the risk appetite set by the Board and our Sustainability Policy.

For more information about both the Sustainability Committee and the Risk and Audit Committee, refer to [www.south32.net](http://www.south32.net) for the:

- 2021 Corporate Governance Statement;
- Sustainability Committee Terms of Reference; and
- Risk and Audit Committee Terms of Reference.

## Protecting and respecting our people

The most important commitment we all make at South32 is that everyone goes home safe and well. We are committed to working together safely, continuously improving how we work, and creating an environment where our people are empowered to speak up and stop work if they feel unsafe.

We aspire to be an organisation where our people feel comfortable bringing their whole selves to work and our workforce reflects the broader demographic of the countries and communities where we operate. We believe an inclusive, diverse and engaged workforce will unlock the full potential of our business.

Material topic and disclosure	Spreadsheet tab
Health and safety	<a href="#">Health and safety approach</a>
	<a href="#">Health and safety data</a>
Inclusion and diversity	<a href="#">Inclusion and diversity</a>
Attracting, developing and retaining talent	Attract, develop, retain talent



## Our health and safety management approach

Nothing is more important than the health, safety and wellbeing of our employees, contractors, suppliers, and communities. We are committed to working together safely and continuously improving no matter where we work.

Our approach aligns with ICMM Mining Principle 5 – Health and Safety, and complies with local laws and regulations. We aim to minimise and manage impacts on people working in our operations and value chains by implementing and following business processes which enables work to be designed, planned and executed in a safe way.

### Our health and safety management system

We implement our approach through our Sustainability Policy, our internal standards related to health and safety, and our operational procedures, all of which we review regularly. Together these documents set minimum performance requirements and define how we identify and manage risk, design and execute work, report and investigate events and hazards, and share knowledge to enable us to learn from significant events.

Our Health and Safety Stewardship team designs our health and safety management systems and governs the implementation of our global standards at our operations. Our internal health and safety standards define the minimum performance requirements and minimum controls to manage common safety-related risks and common health-related fatality risks. Our standards are aligned to the International Organisation for Standardisation (ISO) 45001 Occupational Health and Safety Management System Standard (2018) and adhere to applicable legal requirements.

We apply our health and safety systems of work to all operations, functions and projects for employees and contractors working in locations and involved in work that we control. Our 'Sustainability and Business Conduct - Minimum Requirements for Suppliers' requires that suppliers must comply with South32's Health Safety Environment and Community requirements relevant to the work completed as part of the supply terms and conditions with South32. Our Health and Safety Stewardship team designs and implements our health and safety management systems. They also govern the implementation of our internal standards and provide subject matter expertise to our operations and major projects.

These systems, and associated standards and tools, enable frontline leaders to make good decisions for our teams and execute work in a safe way. Our operations establish a safe workplace through the safety systems they put in place. Our operations are accountable for health and safety at their sites overseen by our Chief Operating Officers. Processes and tools are in place so that hazards are identified and reported, investigated and actioned. Risk assessment processes are in place, including task-based risk assessment, and each operation and project has a risk register which articulates the health and safety risks present as well as the controls required to manage these risks.

Events are reported and logged in our Global360 risk management system. The potential and actual severity of the event determines if an investigation is required, and if so what type of investigation is appropriate. Subject to limited exceptions, we reported and investigated all events which occurred in locations and for activities which we controlled, regardless of whether employees or contractors were involved. Actions are assigned using Global360 to address the findings from event investigations, and we apply the hierarchy of controls to eliminate the risk of a recurrence of events. Learnings from events are shared with the broader business, where relevant.

We use leading and lagging indicators to measure performance and drive performance improvements. Our performance data is reflected in the 'Health and safety data' tab.

### Our assurance model

Assurance is a key component of our health and safety management system. To this end we use a three lines assurance model.

- Our first line consists of checks by frontline employees and managers on a routine basis to ensure that controls are in place as tasks are being carried out.
- Our second line, also referred to as our Stewardship program, involves reviews by functional experts, focused on improving the systems that support our operations. This helps our operations and projects teams identify material gaps and improvement opportunities in their processes and controls and improve the way we monitor and report on conformance. We undertake regularly planned checks which use data analytics and remote testing techniques to check our processes and controls, as well as planned and triggered reviews that include in-field testing techniques.
- Our third line involves internal and external audits conducted by independent experts to ensure that our systems are effective and meet international standards. Each year our independent external sustainability auditors review our health and safety systems at selected operations.

Our lines of defence ensure that minimum controls, as defined in our internal health and safety standards, are implemented across all our operations and that the execution of control management activities are taking place as planned.

### Health and safety training and communication

Ensuring our people and contractors are trained and competent for the work they do is essential to maintaining strong safety performance. In accordance with our internal training standard, training frameworks are developed and periodically reviewed. Competencies required by our internal health and safety standard, and as required by local laws, are incorporated into training needs and skills analysis. Our internal safety standard specifically identifies the training and competency required when executing work involving a material safety risk such as lifting and electrocution activities. The health and safety induction also has training on potential material health and safety exposures in the workplace. We actively verify training and competency to enable safe execution of work.

We have processes in place to effectively communicate health and safety information to people at all sites. The workforce is engaged in safety decision making through the appointment of health and safety representatives, establishment of committees and inclusion in safety related meetings. Employees and contractors are involved in hazard identification, risk assessment, workplace inspections and event investigations.

Our people are empowered and expected to stop work where there is a threat to health and safety. These requirements are:

- Embedded in our internal safety standard, supported by our aim to achieve an inclusive culture; and
- Outlined in our Speak Up Policy available at [www.south32.net](http://www.south32.net), which states how to report any concerns, what happens after reporting and how people will be protected.

### Occupational health services

We provide fit for purpose occupational health services to employees and contractors which includes health surveillance to prevent or detect any early stage adverse health effects from exposures in the workplace. This is informed by our monitoring programs to assess and characterise exposures in the workplace.

The potential material health risks at our operations and projects include exposure to airborne contaminants and hazardous substances, non-ionising radiation, communicable and infectious diseases. Other health exposures include exposure to noise and ergonomic stressors. We have defined the minimum controls for the management of these risks in the workplace in our internal health standard.

During FY21 our health surveillance programs continued to be disrupted by COVID-19 due to the risks associated with the close contact required for testing, such as spirometry. We continue to follow the guidance from Health Authorities in the regions in which we operate. While we continue to monitor COVID-19 development and suitable controls remain in place, we are progressing our plans to resume and bring testing up to date.

### Emergency preparedness

Our internal security and emergency management standard requires that Crisis and Emergency Management (CEM) plans are developed, implemented, resourced and routinely exercised to mitigate material risks and to respond to emergencies. CEM plans are designed to help us deliver a well-coordinated emergency response. This includes protecting our people while minimising our impact on the environment and surrounding communities. Business continuity and recovery form part of the plan to mitigate significant operational loss.

Our CEM standards allow for a layered management approach and response targeted at the appropriate impact level. Along with detailed CEM plans, each operation has well-resourced emergency response and incident management teams with business continuity planning in place to manage potential events.

Our internal dam management standard requires that dam failure contingency and emergency response plans be prepared. These take into account the hazards and consequence category of each facility and involve employees, relevant local communities, other identified stakeholders including directly and indirectly impacted parties, and emergency response agencies. Emergency response plans are required to be implemented and periodically tested.

## Health and safety data

To ensure that incident classification definitions are applied uniformly across our workforce, we have adopted the United States Government Occupational Safety and Health Assessment guidelines for the recording and reporting of occupational injuries and illnesses. We use leading and lagging indicators to measure our health and safety performance - shown below:

### Health and safety performance

	FY21 <sup>(6)</sup>	FY20	FY19	FY18	FY17
Employees <sup>(1)</sup>	9,074	14,554	14,244	14,192	14,002
Fatalities from safety incidents <sup>(2)</sup> – employees	0	0	0	1	0
Fatalities from safety incidents <sup>(2)</sup> – contractors	1	1	0	0	1
Fatalities from health incidents <sup>(2)</sup> – employees	0	0	0	0	0
Fatalities from health incidents <sup>(2)</sup> – contractors	0	0	0	0	0
Fatality Frequency (per 1,000,000 hours worked) – total <sup>(3)</sup>	0.0	0.0	0.0	0.0	0.0
Fatality Frequency (per 1,000,000 hours worked) – employees <sup>(3)</sup>	0.0	0.0	0.0	0.0	0.0
Fatality Frequency (per 1,000,000 hours worked) – contractors <sup>(3)</sup>	0.0	0.0	0.0	0.0	0.0
Value of fines and prosecutions – safety (US\$)	769	0	45,730	1,336	0
Total recordable injuries – total	210	225	263 <sup>(4)</sup>	268	288
Total recordable injuries – employees	109	114	130 <sup>(4)</sup>	151	188
Total recordable injuries – contractors	101	111	133	117	100
Total recordable injury frequency (TRIF) (per 1,000,000 hours worked) – total <sup>(3)</sup>	4.3	4.2	4.5 <sup>(4)</sup>	5.1	6.1
Total recordable injury frequency (TRIF) (per 1,000,000 hours worked) – employees <sup>(3)</sup>	4.6	4.3	4.7	5.6	7.1
Total recordable injury frequency (TRIF) (per 1,000,000 hours worked) – contractors <sup>(3)</sup>	4.1	4.1	4.4	4.6	4.8
Total actual significant events <sup>(5)</sup>	1	1	1	1	1
Total potential significant events	287	331	297	194	202
Total potential significant near miss frequency (per 1,000,000 hours worked)	4.9	5.1	4.0	3.2	3.3
Total recordable occupational illness – total	52	79	73	89	64
Total recordable occupational illness – employees	38	64 <sup>(4)</sup>	56	74	54
Total recordable occupational illness – contractors	14	15	17	15	10
Total recordable illness frequency (TRILF) (per 1,000,000 hours worked) – total <sup>(3)</sup>	1.1	1.5 <sup>(4)</sup>	1.3	1.7	1.3
Total recordable illness frequency (TRILF) (per 1,000,000 hours worked) – employees <sup>(3)</sup>	1.6	2.4	2.0	2.7	2.0
Total recordable illness frequency (TRILF) (per 1,000,000 hours worked) – contractors <sup>(3)</sup>	0.6	0.5	0.6	0.6	0.5

(1) Employee numbers are direct employees and exclude Non-Executive Directors except where stated otherwise.

(2) Incidents are included where South32 controls the work location or controls the work activity.

(3) These calculations exclude working from home hours as well as working from home injuries and illnesses.

(4) Figure has been restated since it was previously reported due to a reclassification or recalculation of data.

(5) Total actual significant events result in an actual severity level 4 or greater health, safety, environment and community impact and includes injury or illness, environmental, equipment damage and community impacts.

(6) FY21 data includes SAEC for 1 July 2020 - 31 May 2021 and TEMCO data for 1 July 2020 - 31 December 2020.

## Inclusion and diversity

As a global organisation, we're working to build an inclusive and diverse workforce that is representative of the countries and communities where we operate, where everyone's unique differences are valued and celebrated. This helps us attract, develop and retain talented people, who feel engaged and empowered at work, which in turn supports better business outcomes. The metrics we use to measure our inclusion and diversity performance are shown below.

### Workforce diversity<sup>(1)</sup>

Percentage	Gender		Age Groups			Black People <sup>(2)</sup>
	Female	Male	Under 30	30-50	Over 50	
South32 Board <sup>(3)</sup>	37.5	62.5	0.0	12.5	87.5	12.5
Executives and senior management <sup>(4)</sup>	33.3	66.7	0.0	50.0	50.0	66.7
Management	28.2	71.8	0.0	70.9	29.1	50.0
Supervisory/ professional/ operational support	18.1	81.9	7.6	67.2	25.2	86.3

(1) Data is measured as at 30 June 2021 and excludes SAEC and TEMCO.

(2) Generic term meaning Africans, Coloureds and Indians who are citizens of the Republic of South Africa by birth or descent; or who become citizens of the Republic of South Africa by naturalisation before 27 April 1994 or on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date.

(3) Board includes Non-Executive Directors. Black People percentage on the Board includes members of the Board who are Black / Total members regardless of location.

(4) Executives and Senior Management include members of the South32 Lead Team and Senior Leadership Team.

### Diversity representation

Percentage	FY21 <sup>(1)</sup>
Women representation of total workforce	18.4
Women represented on South32 Board	37.5
Women represented in South32 Lead Team	44.4
Women represented in Senior Leadership Team <sup>(2)</sup>	29.6
Women represented in Operational Leadership Team <sup>(3)</sup>	18.3
Representation of Black People in South Africa in total workforce	85.7
Representation of Black People in South Africa in management roles <sup>(4)</sup>	52.4

(1) Data is measured as at 30 June 2021 and excludes SAEC and TEMCO.

(2) The Senior Leadership Team includes Presidents and Vice Presidents reporting to members of the South32 Lead Team.

(3) The Operational Leadership Team includes all General Managers and Managers reporting to Vice President Operations, and All Managers reporting to General Managers at an Operation.

(4) Management roles are leaders with an identified job grading, based on the requirements of their role and salary rate, of 13 or higher.

### Pay ratio of women to men based on salary<sup>(1)</sup>

	Australia	Colombia	Mozambique	Singapore	South Africa	United States	Total
Executives <sup>(2)</sup> and senior management	1.1	0.0	0.0	0.0	0.0	0.0	1.1
Management	1.0	0.8	1.0	0.9	0.9	0.8	0.9
Supervisory/ professional/ operational support	1.0	1.3	1.0	0.8	1.0	1.1	1.0

(1) Countries with less than 50 South32 employees are not listed, however the data is included in the overall total.

(2) Executive figures exclude key management personnel.

## Attracting, developing and retaining talent

Our ability to identify, attract, support and retain talented people is fundamental to delivering our business strategy. The metrics we use to measure our performance are shown below.

### FY21 employees by gender and employment type<sup>(1)</sup>

Number	Female	Male	Total
Permanent - total <sup>(2)</sup>	1,472	7,111	8,583
Permanent - full time	1,399	7,080	8,479
Permanent - part time	73	31	104
Temporary	199	292	491
<b>Total</b>	<b>1,671</b>	<b>7,403</b>	<b>9,074</b>
Percentage	18.4%	81.6%	-

(1) Employment contract type is for direct South32 employees only. Data is measured as at 30 June 2021 and excludes SAEC and TEMCO.

(2) Figures for total permanent employees includes full time and part time permanent employees.

### FY21 workforce distribution<sup>(1)</sup>

Number	Gender		Age groups			Employment type <sup>(1)</sup>		Total employees
	Female	Male	Under 30	30-50	Over 50	Permanent	Temporary	
Australia	720	3,843	365	2,835	1,363	4,390	173	4,563
Brazil	7	8	0	13	2	15	0	15
Canada	2	5	0	6	1	7	0	7
Colombia	123	759	59	548	275	829	53	882
Mozambique	88	902	33	756	201	966	24	990
Singapore	60	34	5	72	17	91	3	94
South Africa	633	1,779	194	1,803	415	2,175	237	2,412
United Kingdom	10	7	0	11	6	16	1	17
United States	28	66	12	59	23	94	0	94
<b>Total</b>	<b>1,671</b>	<b>7,403</b>	<b>668</b>	<b>6,103</b>	<b>2,303</b>	<b>8,583</b>	<b>491</b>	<b>9,074</b>

(1) Data measured as at 30 June 2021 and excludes SAEC and TEMCO.

(2) Employment contract type is for direct South32 employees only.

### FY21 parental leave profile

Number	Employees	Women	Men
Employees that took parental leave during FY21	446	146	300
Employees who returned from parental leave during FY21	359.0	75.0	284.0

### FY21 employee hiring rate per country

Percentage	Gender		Age groups			Total hiring rate
	Female	Male	Under 30	30-50	Over 50	
Australia	36.8	63.2	31.9	54.7	13.5	8.4
Brazil	100.0	0.0	0.0	100.0	0.0	6.6
Canada	0.0	100.0	0.0	100.0	0.0	14.6
Colombia	37.7	62.3	52.5	44.3	3.3	7.0
Mozambique	100.0	0.0	0.0	100.0	0.0	0.1
Singapore	60.0	40.0	80.0	20.0	0.0	4.6
South Africa	38.4	61.6	38.9	57.6	3.5	8.0
United Kingdom	50.0	50.0	0.0	50.0	50.0	10.6
United States	0.0	100.0	50.0	50.0	0.0	7.2
<b>Total</b>	<b>37.5</b>	<b>62.5</b>	<b>36.1</b>	<b>54.5</b>	<b>9.4</b>	<b>7.2</b>

### FY21 employee turnover per country

Percentage	Gender		Age groups			Total turnover rate <sup>(1)</sup>
	Female	Male	Under 30	30-50	Over 50	
Australia	26.0	74.0	13.8	64.2	22.0	7.1
Brazil	50.0	50.0	0.0	50.0	50.0	13.3
Canada	0.0	0.0	0.0	0.0	0.0	0.0
Colombia	11.8	88.2	3.9	43.1	52.9	5.8
Mozambique	16.4	83.6	9.1	60.0	30.9	5.4
Singapore	25.0	75.0	0.0	75.0	25.0	11.1
South Africa	21.1	78.9	11.4	53.7	35.0	5.0
United Kingdom	0.0	0.0	0.0	0.0	0.0	0.0
United States	22.2	77.8	22.2	66.7	11.1	16.2
<b>Total</b>	<b>22.8</b>	<b>77.2</b>	<b>11.7</b>	<b>59.9</b>	<b>28.3</b>	<b>6.3</b>

(1) Turnover rates are calculated using the total number of employees per region for FY21 as the denominator and the total count for FY21 as the numerator. Turnover rates include employees who left South32 voluntarily or due to dismissal, retirement or death in service. These figures exclude employee departures as a result of redundancy or end of contract.

### FY21 collective bargaining agreements<sup>(1)</sup>

Employee Headcount	# Individual agreements	# Collective agreements	% Collective agreements
<b>Total<sup>(2)</sup></b>	<b>4,304</b>	<b>4,744</b>	<b>52.3</b>

(1) Data measured as at 30 June 2021 and excludes SAEC and TEMCO.

(2) Total excludes 26 international assignees.

### FY21 entry level roles - new hires

Role Type	Gender #		Gender %	
	Female	Male	Female	Male
Apprentices	37	53	41	59
Trainees / Learners	81	122	40	60
Vacation students	22	22	50	50
Graduates	12	23	34	66
Scholarships / Bursaries	44	29	60	40
<b>Total</b>	<b>196</b>	<b>249</b>	<b>44</b>	<b>56</b>

### Employee-related work stoppages due to employee disputes<sup>(1)</sup>

Number	FY21
Employee-related work stoppages due to employee disputes	0

(1) Including strikes and lockouts

### Minimum notice regarding operational changes

When we need to make a significant operational change or provide notice of termination of employment our processes are, at a minimum, compliant with all local legislation in the jurisdictions where we work. In many cases, we provide notice well in excess of minimum standards, and we always engage with our people as soon as practicable if we identify a requirement to make a significant change to the business. This includes informing employees who may be affected at the time or during the period where we intend to make changes.

## Partnering with local communities

We're a global business with a local focus and we are passionate about supporting the communities where we operate. Trust and transparency are essential to the way we operate. That means being in touch with the broader community – considering different perspectives and working together to create shared value.

As well as supporting local economies through direct employment and local procurement, we also support community programs. We partner with local organisations and governments to invest where it is needed most based on a deep understanding of the local community.

Our approach to community investment focuses on initiatives that enhance education and community leadership, good health and social wellbeing, economic participation, and natural resource resilience.

By working together, we're building strong and lasting relationships to improve lives and help local communities thrive now and into the future.

Material topic and disclosure	Spreadsheet tab
Wider economic contribution	<a href="#">Wider economic contribution</a>
Communities, social impact and wellbeing	<a href="#">Communities, social impact</a>
Cultural heritage	Cultural heritage

## Wider economic contribution

We're committed to making a meaningful contribution to people's lives by creating lasting social, environmental and economic value where we operate. We do this by providing jobs and business opportunities, paying taxes and royalties, developing local suppliers and supporting community programs. The metrics we use to measure our performance are shown below.

### Wider economic contribution<sup>(1)</sup>

US\$ million	FY21 <sup>(2)</sup>	FY20	FY19
Government royalties paid	176	196	208
Total corporate income tax paid	262	407	557
Total corporate income tax accrued on profit/loss	298	249	543
Wages, salaries and redundancies	1,047	989	1,090

(1) Includes South32's ownership proportion for equity accounted investments.

(2) Figures include data from SAEC for 1 July 2020 - 31 May 2021 and TEMCO from 1 July 2020 - 31 December 2020.

Refer to the 'Responsible Value Chain' tab for enterprise supplier development spend.



## Communities, social impact and wellbeing

Our relationships with wider society – whether local, regional, or global – are important to our shared success. We believe trust and transparency are essential to the way we operate. We listen to our stakeholders and communities to understand what's important to them, consider different perspectives and work together to create value for all our stakeholders. The metrics we use to measure our performance are shown below.

### Community investment by country<sup>(1)</sup>

US\$ million	FY21	FY20
Australia	5.1	7.4
Colombia	3.3	3.8
Mozambique	2.1	1.7
South Africa	10.7	9.7
United States	1.0	1.8
<b>Total</b>	<b>22.2</b>	<b>24.5</b>

(1) Community investment consists of direct investment, in-kind support and administrative costs.

### Operations with local community engagement, impact assessments, and development programs

Percentage	FY21	FY20
Operations with implemented stakeholder engagement plans	100	100
Operations with implemented impact assessments	100	100
Operations with implemented community investment programs	100	100

### Significant non-compliance with laws and regulations in the social and economic area

Number	FY21
Significant non-compliances with laws and regulations in social and economic area	0

### Operating sites where artisanal and small-scale mining takes place on, or adjacent to, the site

	FY21	FY20
Number of operating sites where artisanal and small-scale mining takes place	0	0
Percentage of operating sites where artisanal and small-scale mining takes place	0	0

### Significant disputes relating to land use, customary rights of local communities and Indigenous peoples and grievance mechanisms

Number	FY21	FY20
Significant disputes	0	0

### Resettlements

Number	FY21 <sup>(1)</sup>	FY20
Households resettled	2	1

(1) Two households were resettled as part of the SAEC expansion project. Livelihoods were not negatively impacted and there were no disputes related to the resettlement. The South African Human Rights Commission was involved in all the engagements to ensure that the human rights of the affected households were protected at all times.

### Community complaints by type of complaint

FY21	Type of complaint	Resolved complaints
	Number	Percentage
Dust	63	98
Noise	144	100
Traffic	34	100
Stakeholder engagement	43	100
Business and employment opportunities	9	100
Environment	27	93
Other	23	100
<b>Total</b>	<b>343</b>	

### Community-related non-technical delays

	FY21
Number of delays	5
Total duration of delays (days)	1.3

## Cultural heritage

Many of our operations and projects intersect areas of cultural significance and we have a critical role to play in preserving cultural heritage.

We respect the unique cultural and spiritual relationships that Indigenous and Tribal Peoples have to the land and waters and their rich contribution to society. We are committed to working together to build lasting, meaningful relationships and we continually work to strengthen and enhance our approach to preserving cultural heritage.

The metrics we use to measure our performance are shown below.

### Operations on or adjacent to Indigenous and Tribal People's territories

Number	FY21
Operations on or adjacent to Indigenous and Tribal People's territories	4
Operations where there are formal agreements with Indigenous and Tribal People's communities	3
Percentage	
Operations where there are formal agreements with Indigenous and Tribal People's communities <sup>(1)</sup>	33

(1) Does not include Hermosa, Eagle Downs, SAEC or TEMCO.

### Employees who have completed cultural awareness training

Number	FY21
Cultural awareness training	588

## Operating ethically and responsibly

It is essential that businesses operate responsibly to build trust and meet the expectations of employees, stakeholders and society. More than this, it's the right thing to do. At South32, operating ethically and responsibly is essential to fulfil our purpose and deliver on our strategy.

Transparency and high ethical standards are essential to the way we operate and to achieving our aspiration of building strong, mutually beneficial relationships with our stakeholders.

Respecting human rights and applying responsible business practices are central to the way we work with our people, other organisations and across our value chain.

Material topic and disclosure	Spreadsheet tab
Business ethics and integrity	<a href="#">Business ethics and integrity</a>
Human rights	<a href="#">Human rights</a>
Responsible value chain	<a href="#">Responsible value chain</a>

## Business ethics and integrity

At South32, we're committed to the highest standards of integrity and accountability. Our values and Code of Business Conduct guide how we act, work, communicate and evaluate our conduct. It sets out our standards of business conduct and applies to our People (including South32 Directors, executive management, employees and contractors), our suppliers and our joint venture partners acting on our behalf.

Our global whistleblower policy encourages our people to speak up when our values and standards of conduct are not being followed (a business conduct concern). The policy outlines the reporting options available to report a business conduct concern, which can include, amongst others, bullying, harassment, discrimination, victimisation or intimidation of any kind towards others.

Read more about our Speak Up Policy and our EthicsPoint reporting hotline at [www.south32.net](http://www.south32.net)

Read more about our corporate governance in our 2021 Corporate Governance Statement available at [www.south32.net](http://www.south32.net)

The metrics we use to measure our performance are shown below.

### Anti-bribery and corruption

We are not aware of any legal action commenced, continuing or completed against us in FY21 regarding breaches of anti-corruption laws.

Transparency International's Corruption Perception Index	FY21
Production in countries in 20 lowest rankings in Transparency International's Corruption Perception Index	Nil

### Economic sanctions

We are not aware of any legal action commenced, continuing or completed against us in FY21 regarding breaches of applicable sanctions or anti-money laundering laws.

### Competition

We are not aware of any legal action commenced, continuing or completed against us in FY21 regarding breaches of competition laws.

## Human rights

We are committed to respecting human rights and it is at the core of our sustainability approach. Not only is it the right thing to do, but it is critical to the success and integrity of operating as a responsible business. We celebrate the diversity, dignity, and uniqueness of every individual. The metrics we use to measure our performance are shown below.

### Employee training on human rights policies or procedures

Number of completions	FY21
Voluntary Principles on Security and Human Rights Training	199
Code of Conduct Training <sup>(1)</sup>	8,162
Modern Slavery Training <sup>(2)</sup>	1,105
Cultural Awareness Training <sup>(3)</sup>	588

(1) Excludes SAEC and TEMCO completions. This represents 90 per cent of our employees as at 30 June 2021.

(2) Includes SAEC completions during 1 July 2020 - 31 May 2021 and TEMCO completions during 1 July 2020 - 31 December 2020.

(3) This figure excludes SAEC and TEMCO.

### External security guards trained in human rights policies or procedures

Number of completions	FY21
Security and Human Rights Training	3,515 <sup>(1)</sup>

(1) Excluding South Africa Energy Coal, completions were 184.

### Operations that have been subject to human rights reviews or impact assessments in reporting period

Number	FY21	FY20
Operations that have been subject to human rights reviews or impact assessments (independent)	1	0 <sup>(1)</sup>
Operations that have been subject to human rights reviews or impact assessments (self-assessed)	4	2

(1) FY20 data has been restated to specify the number of operations that were subject to human rights reviews in the reporting period.

# Responsible value chain

We seek to apply responsible business practices throughout our value chain to not only minimise and manage impacts on people and the environment but also to maximise opportunities for our communities and other stakeholders. We work with our customers and suppliers to source responsibly and enhance product stewardship in our value chain. The metrics we use to measure our performance are shown below.

Metric	Unit of Measure	Target	FY21	FY20	FY19
Enterprise supplier development spend	Spend in US\$ million	3% of NPAT <sup>(1)</sup>	5.3	5.6	8.7
Business development support	No. of SMMEs <sup>(2)</sup> participating	No target <sup>(3)</sup>	37	172	59
Funding support	No. of SMMEs <sup>(2)</sup> participating	No target <sup>(3)</sup>	60	27	35
Procurement from Aboriginal and Torres Strait Islander businesses (Reconciliation Action Plan commitment)	Spend in US\$ million	10% Growth Year on Year <sup>(4)</sup>	14.0	12.0	12.0
Local procurement	Spend in US\$ million	No target	855.8	862.1	Not available

(1) Targets for Enterprise Supplier Development Spend based on 3% net profit after tax (US\$ million): FY21: 4.73; FY20: 5.62; FY19: 9.34

(2) SMME: Small, medium and micro-enterprises.

(3) Dependent on applications and ESD Spend targets.

(4) Target set in FY21. FY21 performance exceeds target (of 10 per cent) with an 18 per cent year-on-year increase in procurement of goods and services from Aboriginal and Torres Strait Islander businesses.



## Addressing climate change

The impacts of climate change are being felt by countries, communities and businesses around the world. We are playing our part by reducing operational carbon emissions, shifting to low-carbon energy sources and focusing our portfolio on the commodities needed in a low-carbon future.

We support the objectives of the Paris Agreement and are committed to achieving net zero operational carbon emissions by 2050. We have set a medium-term target to halve our operational carbon emissions by 2035.

There is no definitive ‘best pathway’ to net zero and some of the innovations we need are not fully developed. That’s why we are working with others and transparently reporting our progress. By providing essential resources to support the global low-carbon energy transition, we can help to create a sustainable world for future generations.

Material Topic and Disclosures	Spreadsheet tab
Energy	<a href="#">Energy</a>
GHG emissions	GHG emissions
Other disclosures	Spreadsheet tab
Emissions methodology	<a href="#">Emissions methodology</a>
Climate risk assessment	<a href="#">Climate risk assessment</a>
Industry associations	Industry associations

## Energy

The metrics we use to measure our performance are shown below.

### Primary sources of energy used

Petajoules	FY21 <sup>(1)</sup>	FY20	FY19	FY18	FY17
Coal and coke	53	51	43	42	42
Distillate and gasoline	7	8	9	7	7
Electricity <sup>(2)</sup>	75	78	79	79	79
Natural gas	29	27	27	27	27
Other	1	8	17	18	18
<b>Total energy used<sup>(3)</sup></b>	<b>165</b>	<b>172</b>	<b>176</b>	<b>174</b>	<b>174</b>
Renewable sources	33	33	31	33	37

(1) Data includes SAEC for 1 July 2020 - 31 May 2021 and TEMCO from 1 July 2020 - 31 December 2020.

(2) Grid electricity represents over 45 per cent of total energy use.

(3) Total energy used excludes renewable sources. Reduction in energy consumption of seven petajoules between FY20 and FY21. To convert from petajoules to gigajoules multiply by 1,000,000.

## Greenhouse gas emissions

The metrics we use to measure our performance are shown below.

### Total greenhouse gas emissions

Millions of tonnes of CO <sub>2</sub> -e	FY21 <sup>(1)</sup>	FY20	FY19	FY18	FY17
GHG – Scope 1 <sup>(2)</sup>	9.7	10.4	10.5	10.2	10.6
GHG – Scope 2 market-based <sup>(2)</sup>	11.9	12.9	13.0	12.6	12.0
GHG – Scope 2 location-based <sup>(3)</sup>	20.4	21.1	19.6	19.8	20.3
GHG Scope 1 and 2	21.6	23.3	23.5	22.8	22.6
GHG Scope 3 <sup>(4)</sup>	106.0	110.0	116.4	117.0	125.0

The sum of the categories may vary to the total figure due to rounding.

(1) Figures include GHG emissions from SAEC for 1 July 2020 - 31 May 2021 and TEMCO for 1 July 2020 - 31 December 2020.

(2) Measured according to the World Resources Institute and World Business Council for Sustainable Development Greenhouse Gas Protocol.

(3) In accordance with the GHG Protocol Scope 2 disclosure requirements, our location-based Scope 2 emissions were 20.4MtCO<sub>2</sub>-e, which is 8.5MtCO<sub>2</sub>-e higher than our market-based emissions. This difference is associated with our purchased of hydroelectric power at Mozal Aluminium.

(4) The calculation of our Scope 3 emissions is in accordance with the methodologies in the World Resources Institute and World Business Council for Sustainable Development Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Refer to the Emissions methodology tab for further information.

### Facility level greenhouse gas emissions

Millions of tonnes of CO <sub>2</sub> -e FY21	Scope 1	Scope 2
Cannington	0.1	0.0
Cerro Matoso	0.5	0.2
GEMCO	0.2	0.0
South Africa Aluminium (Hillside)	1.4	10.7
Illawarra Metallurgical Coal	2.2	0.3
Metalloys	0.0	0.0
Mozal Aluminium	1.1	0.1
Tasmanian Electro Metallurgical Company <sup>(1)</sup>	0.1	0.1
Worsley Alumina	3.7	0.1
South Africa Energy Coal <sup>(2)</sup>	0.3	0.4
South Africa Manganese	0.1	0.0
<b>Total</b>	<b>9.7</b>	<b>11.9</b>

The sum of the categories may vary to the total figure due to rounding.

(1) GHG emissions from TEMCO are for 1 July 2020 - 31 December 2020.

(2) GHG emissions for SAEC are for 1 July 2020 - 31 May 2021.

### Sources of total Scope 1 and 2 greenhouse gas emissions

Millions of tonnes of CO <sub>2</sub> -e	FY21 <sup>(1)</sup>	FY20	FY19	FY18	FY17
Electricity	11.9	12.9	13	12.6	12
Fugitive sources	2.5	2.8	2.7	2.5	3
Coal and coke	5.1	4.7	3.8	3.8	3.8
Other sources	0.0	0.9	1.9	1.9	1.9
Natural gas	1.5	1.4	1.4	1.4	1.4
Distillate and gas	0.6	0.6	0.7	0.6	0.5
<b>Total</b>	<b>21.6</b>	<b>23.3</b>	<b>23.5</b>	<b>22.8</b>	<b>22.6</b>

The sum of the categories may vary to the total figure due to rounding

(1) Figures include SAEC from 1 July 2020 - 31 May 2021 and TEMCO from 1 July 2020 - 31 December 2020.

### Total Scope 3 greenhouse gas emissions by category

Millions of tonnes of CO <sub>2</sub> -e	FY21 <sup>(1)</sup>	FY20	FY19
Purchased goods and services	2.8	2.7	3.4
Capital goods	1.1	1.4	1.3
Fuel and energy-related activities	1	1.1	2.2
Upstream transportation and distribution	1.3	1.1	1.2
Business Travel	0.0	0.0	0.0
Commuting Employees	0.0	0.0	0.0
Processing of sold products	40.9	37.5	37.9
Use of sold products	58.1	65.3	69.6
Investments	0.8	0.8	0.8
<b>Total</b>	<b>106.0</b>	<b>109.9</b>	<b>116.4</b>

(1) Figures include SAEC from 1 July 2020 - 31 May 2021 and TEMCO from 1 July 2020 - 31 December 2020.

## Emissions methodology

### Scope 1 and 2 GHG emissions methodology

We calculate our Scope 1 and 2 GHG emissions according to the World Resources Institute and World Business Council for Sustainable Development Greenhouse Gas Protocol (revised edition). Our calculations are aligned with Intergovernmental Panel on Climate Change (IPCC) Tier 1, 2 and 3 methodologies, industry standards, as well as country-specific standards and methods, including the Australian National Greenhouse and Energy Reporting (Measurement) Determination 2008 (NGER Determination), the South African National Greenhouse Gas Emissions Reporting Regulations and the South African *Carbon Tax Act, 2019*. We apply the operational control consolidation approach and use the Global Warming Potentials (GWPs) from the IPCC Assessment Report 4 (AR4) - 100 year time horizon. We do not calculate any biogenic emissions.

We use a range of GHG emission factors in the calculation of our GHG emissions. For our Australian operations, we apply GHG emission factors from the NGER Determination, Compilation no.12 dated 1 July 2020. For our South African operations, we apply the GHG Emission factors published in the *Carbon Tax Act, 2019*, the Eskom grid emission factor, as well as certain site specific or IPCC default emission factors. Our Columbian operations apply the Emission factors of the UPME, Colombia's National Mining and Energy Planning Unit, Colombian National Interconnected System, 2019. Our Mozambique operation applies the Eskom grid emission factor as well as factors from Electricidade de Moçambique (EDM). Our Scope 1 carbon dioxide equivalent emissions include the following gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, PFCs and SF<sub>6</sub>.

### Scope 3 GHG emissions methodology

We calculate our Scope 3 emissions in accordance with the methodologies in the World Resources Institute Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Detail on the specific methodologies used for each Scope 3 category is listed below. The most material emissions are from Category 10 and Category 11, which account for over 93 per cent of our Scope 3 inventory.

Accounting for Scope 1, Scope 2 and Scope 3 emissions leads to an inevitable overlap in reporting boundaries. The most significant examples of double counting within our inventories are:

- Use of sold products: emissions from the use of energy coal supplied to Eskom is also included in our Scope 2 emissions; and post-mining emissions for coal are calculated as part of our Scope 1 inventory; and
- Processing of sold products: could include raw materials that are produced by South32 and accounted for elsewhere in our inventories (e.g. coal used in manganese alloy production).

Emissions are accounted for on an equity-shared basis for categories 1, 2, 4, 10, 11 and 15 and on a 100 per cent basis for categories 3, 6 and 7.

Scope 3 Categories					
Category	Inclusions	Exclusions	Rationale	Data Source	Calculation Method
1. Purchased goods and services	Emissions from upstream production and transport of purchased goods and services.	Spend associated with activities reported under other scope 3 categories (e.g. capital goods, fuel consumption, transportation & business travel).	Not considered as material but included for completeness.	Spend data extracted from the internal system. Emission factors were sourced from the Quantis Scope 3 Evaluator Tool.	Spend-based method from the GHG Protocol Scope 3 Guidance.
2. Capital goods	Emissions from upstream production and transport of capital goods.	None.	Not considered as material but included for completeness.	Spend data extracted from the internal system. Emission factors were sourced from the Quantis Scope 3 Evaluator Tool.	Spend-based method from the GHG Protocol Scope 3 Guidance.
3. Fuel and energy related activities	Upstream emissions of purchased fuels and electricity (incl transmission and distribution losses).	None.	Scope 1 & 2 emissions from fuel and energy are material; hence scope 3 for this category is of interest.	Fuel and energy consumption data extracted from internal databases. Emissions factors from Australian National Greenhouse Accounts (NGA) and the UK's Greenhouse gas Reporting Conversion Factors (DEFRA).	Average data from WRI Greenhouse Gas Protocol - Technical Guidance for Calculating Scope 3 Emissions
4. Upstream transportation and distribution	Emissions from third party shipping of raw materials and sold products where South32 pays for the costs.	Container shipments, road and rail transport provided by third parties.	Shipping is outsourced and contributes to our risk exposure.	Spend data extracted from the internal system. Emission factors were sourced from the Quantis Scope 3 Evaluator Tool.	Spend-based method from the GHG Protocol Scope 3 Guidance.
5. Waste generated in operations	Not calculated.		Not considered as material – most waste does not produce GHG	Not calculated.	
6. Business travel	Emissions from air and rail travel for business purposes	Business travel for which distance data is not available (e.g. car hire).	Not considered as material but included for completeness.	Air and rail travel data from our corporate travel provider, which was categorised by distance into Domestic, Short Haul and Long Haul. Transport emission factors were sourced from DEFRA (UK). The air travel factors used do not include radiative forcing.	Distance based method from the GHG Protocol Scope 3 Guidance.
7. Commuting employees	Charter flights for fly-in, fly-out workers.	All other commuting employees for which data is unavailable.	Not considered as material but included for completeness.	Air travel data from our charter flight providers for Cannington and GEMCO, which was categorised by distance into Domestic, Short Haul and Long Haul. Transport emission factors were sourced from DEFRA (UK). The air travel factors used do not include radiative forcing.	Distance based method from the GHG Protocol Scope 3 Guidance.
8. Upstream leased assets	Not calculated.		Our only leased assets are office buildings, which are not considered as a material source of emissions.	Not calculated.	
9. Downstream transportation and distribution	Not calculated.		Data on destination of vessels is not currently collected.	Not calculated.	
10. Processing of sold products	Processing of alumina into aluminium ingot and aluminium ingot into aluminium sheet.	Processing of nickel, silver, lead and zinc due to lower production volumes and a large range of possible downstream uses.	Considered to be one of the most material sources of South32's Scope 3 emissions.	Sales volumes were sourced from internal systems. For manganese processing, factors were sourced from the International Manganese Institute's 'Lifecycle Assessment of Global Manganese Alloy Production' report. For processing of alumina into aluminium ingot, factors were sourced from the International Aluminium Institute's 'Life Cycle Inventory Data and Environmental Metrics' report. For processing of aluminium ingot into aluminium sheet, factors were sourced from the European Aluminium Association's 'Environmental Profile Report'.	Average data method from the GHG Protocol Scope 3 Guidance.
11. Use of sold products	Combustion of metallurgical coal and energy coal.	None.	Considered to be one of the most material sources of South32's Scope 3 emissions.	Sales volumes were sourced from internal systems. Factors were sourced from the Australian National Greenhouse Accounts (NGA) and the South African <i>Carbon Tax Act, Act 15 of 2019</i> .	Calculation method for direct use-phase emissions from fuels and feedstocks.
12. End-of-life treatment of sold products	Not calculated.		Not considered as material as our metals and minerals products have minimal end-of-life emissions. Difficult to model given there are many possible end uses of our products with multiple end-of-life treatment options.	Not calculated.	
13. Downstream leased assets	N/A	N/A	South32 does not have downstream leased assets.	N/A	N/A
14. Franchises	N/A	N/A	South32 does not have franchised operations.	N/A	N/A
15. Investments	Non-operated Joint Ventures (Brazil Aluminium).	None.	Contributes to South32's climate change risk exposure.	Scope 1 & 2 data. Alumar and MRN report on a calendar year basis, as such data is for January - December 2020.	Proportional scope 1 and scope 2 emissions of equity investments.

## Climate risk assessment

We identify and assess climate-related risks in line with our Risk Management Framework. Given the uncertainty regarding how and when climate change risks will impact South32, we complement our risk management approach with scenario analysis to stress test climate-related risks. Since our first climate-related scenario analysis in 2017, we have continued to revise and build upon our assessment of resilience to extreme physical impacts as well as transition impacts, using an approach aligned with the Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations.

### Physical Resilience Assessment

Our last physical resilience assessment was undertaken in FY19. The results of this assessment can be found in 'Our Approach to Climate Change 2019' on [www.south32.net](http://www.south32.net). Our physical resilience assessment will be reviewed and updated in FY22.

### Portfolio Resilience Assessment

In FY21 we added to our portfolio risk resilience assessment by using a 1.5°C-aligned scenario to test for rapid decarbonisation impacts. The table below provides a description of our 1.5°C-aligned scenario. For further information, refer to our 2021 Sustainable Development Report.

#### Description of our 1.5°C scenario

Policy summary	Immediate global action to limit global warming to 1.5°C
Carbon budget	580 GtCO <sub>2</sub>
Gross emissions	8 GtCO <sub>2</sub> /year by 2050 (5% reduction rate p.a.)
Negative emissions	2.6 GtCO <sub>2</sub> /year by 2050
Carbon price	US\$160/t
Energy	Rapid electrification, with large declines in fossil fuel consumption
Electricity	Renewable capacity grows exponentially
Renewable deployment	Solar and wind ~34% of electricity generation by 2030 and ~48% by 2050
Industry	Decarbonisation through switch to gas, electrification, and carbon capture and storage
Transport	Electrification is rapid, with cars fully electrified by 2050
Hydrogen	Increased competitiveness of green hydrogen. Green steel competes with new and existing blast furnaces beyond 2040

Source: Vivid Economics

Note 1: Assumes the IPCC’s “Middle of the road” shared socioeconomic pathway is used, which provides global and regional narratives for GDP and population growth.

## Industry associations

The table below shows the FY21 review of South32's alignment against the climate change positions of the Industry Associations that we participate in. To view the positions that have not changed, refer to Table 5.3 in the South32 2020 Sustainable Development Report, available at [www.south32.net](http://www.south32.net)

### Legend

Associations with public positions that are aligned with South32's position.

Associations with positions that are aligned and expected to be made public in FY22.

Associations with positions that are aligned, but require improved transparency.

### Industry associations

#### Arizona Mining Association, USA (AMA)

AMA is developing a climate change policy paper, which we expect to be publicly released in FY22. We welcome this development to improve the transparency of AMA's positions.

#### Australian Coal Association Research Program (ACARP)

No change

#### Business Council of Australia (BCA)

No change

#### Carbon Market Institute (CMI), Australia

No change

#### Chamber of Minerals and Energy (CME), Western Australia

South32 have participated in the update of CME's climate change policy positions, which are expected to be published in 2021. South32 welcome this development to improve transparency of CME's support for climate action and the Paris Agreement.

#### Low Emissions Technology Australia (LETA)

No change

#### Asociación Colombiana de Minería (ACM) (Colombian Mining Association)

ACM are closely involved in the implementation of the Ministry of Mines and Energy's Comprehensive Climate Change Management Plan for the Colombian energy mining sector. We will continue to engage with ACM and advocate for them to establish a transparent position on climate change matters aligned to the Paris Agreement.

#### Minerals Council South Africa (Minerals Council)

No change

#### New South Wales Minerals Council (NSWMC)

No change. South32 will continue to monitor NSWMC's public advocacy on climate change issues for consistency against their policy positions.

#### Queensland Resources Council (QRC)

In FY21, QRC updated its policy position to explicitly support the Paris Agreement. South32 will continue to monitor QRC's public advocacy on climate change issues for consistency against their policy positions.

#### South African National Energy Association (SANEA)

We have participated in the development of a draft SANEA climate change statement, which we expect to be published in FY22. We welcome this development and SANEA's recommendations for action in their *South African Energy Risk Report 2020* to address the energy and climate challenge in South Africa, and realise opportunities during the transition to a cleaner lower carbon energy sector.



## Managing our environmental impact

Successful environmental management is essential – not only for our business, but for all our stakeholders. We are committed to protecting natural resources including water, air, land biodiversity aspects as well as the surrounding ecosystems.

We work hard to be responsible stewards of the environment and treat natural resources with care so that they are available for future generations. From exploration through to the closure of our operations and beyond, the rehabilitation of the surrounding landscape remains front of mind.

Managing our environmental impact	Spreadsheet tab
Our environmental management approach	<a href="#">Environmental approach</a>
Biodiversity	<a href="#">Biodiversity approach</a>
	<a href="#">Biodiversity data</a>
Water	<a href="#">Water risks and targets</a>
	<a href="#">Water data</a>
Waste	<a href="#">Waste</a>
Other emissions, effluents and pollution	<a href="#">Other emissions</a>

## Our environmental management approach

### Our environmental management system

We have a comprehensive environmental management system, which includes our internal standards and reporting framework. Our approach is designed to manage our risk profile and is aligned with our stewardship commitments as a member of the International Council on Mining and Metals (ICMM) and guided by ICMM Mining Principle 6 – Environmental Performance, and other recognised industry guidelines and statutory frameworks.

Our commitment to responsible environmental stewardship is embedded within our Code of Business Conduct and Sustainability Policy, and our environmental management approach is codified in our internal environment standard. Additional requirements specific to our local contexts are included in our operational management plans and procedures. Our internal environmental standard requires that clear roles and responsibilities for environmental management are established.

Our systems and standards are regularly reviewed to ensure they reflect current legal requirements and ICMM guidelines. Our environmental considerations span the full life cycle of our business. An essential part of our work is securing environmental approvals for our exploration and development projects, as well as life extensions of our existing operations.

### Environmental performance and assurance

Our internal environmental standard requires that processes are in place to enable continuous improvement relevant to environmental performance, at both the Group and the operational level, including key environmental performance targets and objectives. It also requires that processes to track and monitor progress against the agreed plans are in place.

Our environmental management is supported by EQUIS, a global environmental data management system that was implemented during FY19 and FY20 to improve our data recording and information sharing across the business.

Our environment-related data and management systems are subject to both internal and external assurance processes. These processes assist us to evaluate the efficacy of our management approach and we use findings to continuously improve. Through our annual planning, we assess our performance and changing risk profile, to determine priorities for the coming year.

### Environmental incidents

	FY21	FY20	FY19	FY18	FY17
Significant environmental incidents	0	0	1	0	0
Value of fines and prosecutions – environment (US\$)	11,205 <sup>(2)</sup>	0 <sup>(1)</sup>	23,719	506,802	110,390

(1) In FY20, we recorded no fines or prosecutions relating to environmental performance.

(2) Penalty notice was issued by the Environmental Protection Authority on 18 March 2021 for Illawara Metallurgical Coal. This was due to the uncontrolled release of water containing coal fines at the Kemira Valley Sediment Pond on 10 August 2020. This was not recorded as a significant environmental incident.

## Our biodiversity approach

We recognise the importance of protecting ecosystems and avoiding or minimising the impact we have on biodiversity. It is our responsibility to minimise the impacts of land clearing and to rehabilitate land disturbed by our activities. We support biodiversity conservation, effective systems for designating protected areas and integrated land use. We have committed not to explore or mine in World Heritage Areas and to respect legally designated protected areas.

### Our approach

Our approach is guided by ICMM Mining Principle 7 – Conservation of Biodiversity, and the associated Position Statement on Mining and Protected areas, as well as other relevant industry guidelines. Our commitment to land management and biodiversity is stated in our Sustainability Policy and managed through our internal environmental and closure standards. We also take regional and local biodiversity needs and regulatory requirements into account when we develop our operational procedures.

#### *Identifying our biodiversity risks and opportunities*

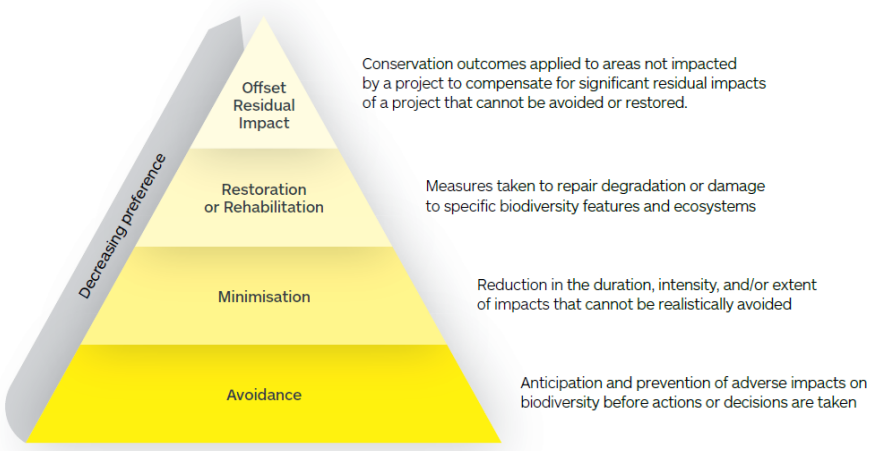
Our internal standards specify that all operations and major projects must complete a risk and opportunity screening exercise at least every five years to assess:

- Projected changes in climate that may impact the bioregion;
- Our current and predicted land footprint;
- The proximity of the operation to areas of high conservation value;
- Interactions with threatened animal or plant species;
- Broader contextual factors, for example cumulative impacts or changes to land use;
- The perceptions and concerns of local communities; and
- Regulatory framework and compliance.

Operations that face material risks related to biodiversity are required to put in place management and control measures that support the mitigation hierarchy – avoid, minimise, rehabilitate, offset – along with ways of verifying that these are effective. The design of the controls must reflect potential cumulative impacts connected to local use, for example climate change or planned developments.

In line with our internal standards, we also apply the mitigation hierarchy – avoid, minimise, rehabilitate, offset – across all of our operations, and have committed to work towards a no net loss outcome for all major expansions and new projects.

### Biodiversity mitigation hierarchy



#### *Strengthening our biodiversity management approach*

This year we implemented new minimum performance requirements for land disturbance and rehabilitation activities in our internal environment standard. These new requirements include:

- Mapping and grading the significance of biodiversity features within and beyond operating boundaries;
- Incorporating progressive rehabilitation of vegetation, topsoil, and other elements into operational plans;
- Setting performance criteria for progressive rehabilitation activities, measuring actions against them and adapting processes to achieve better outcomes;
- Implementing an effective 'permit to clear' process, reflecting all biodiversity features, their significance, and all relevant legislation; and
- Undertaking research to close biodiversity knowledge gaps and support better performance and outcomes.

## Biodiversity

The metrics we use to measure our performance are shown below.

### Landholdings, biodiversity and closure

	FY21	FY20	FY19	FY18	FY17
Total South32 landholdings – land owned, leased or managed (hectares) <sup>(1)</sup>	634,521	689,083	679,343	607,623	609,279
Biodiversity management plans implemented, where required (percentage)	100	100	100	100	100
Operations with closure plans in place (percentage) <sup>(2)</sup>	100	100	100	-	-

(1) FY21 data as at 30 June 2021 and excludes SAEC & TEMCO following divestment.

(2) Metric not measured in FY17 and FY18.

### Land disturbance, rehabilitation and conservation

	FY21	FY20	FY19	FY18	FY17
Total land disturbed (hectares) <sup>(1)</sup>	11,584	23,591	22,747	23,313	23,028
Total land rehabilitated (hectares) <sup>(1)</sup>	5,769	15,912	15,549	15,560	15,144
Total land disturbed and not yet rehabilitated (hectares) <sup>(1)</sup>	5,815	7,679	7,198	7,753	7,884
Total land rehabilitated against total land disturbed <sup>(2)</sup> (percentage)	33	40	41	40	40
Newly disturbed land (hectares)	225	815	182	1,718	669
Newly rehabilitated land (hectares)	251	258	427	3,487	729
Land set aside for conservation during the year (hectares)	83	0	8	553	1
Total land set aside for conservation (hectares)	1,947	2,010	2,010	2,001	2,107

(1) FY21 data as at 30 June 2021. Significant year on year variances due to SAEC & TEMCO divestment.

(2) This figure is calculated as total land rehabilitated divided by sum of total land disturbed and total land rehabilitated.

### Designated protected areas per South32 country presence

	Areas adjacent to land managed by our operations (number)	Areas on or containing portions of land managed by our operations (number)	Portion of owned, leased or managed land in the area or containing portions of designated protected areas (hectares)
<b>Australia</b>			
Terrestrial	2	12	41,200
Freshwater	0	0	0
Maritime	1	0	0
<b>Colombia</b>			
Terrestrial	3	1	334
Freshwater	1	0	0
Maritime	0	0	0
<b>Mozambique</b>			
Terrestrial	0	0	0
Freshwater	0	0	0
Maritime	0	0	0
<b>South Africa</b>			
Terrestrial	0	0	0
Freshwater	0	0	0
Maritime	0	0	0
<b>Total for South32</b>			
Terrestrial	5	13	41,534
Freshwater	1	0	0
Maritime	1	0	0

### International Union for Conservation of Nature (IUCN) Red List species and national conservation list species with habitats per South32 country presence

Number	Critically	Endangered	Vulnerable	Near threatened	Least concern
Australia <sup>(1)</sup>	9	42	63	27	157
Colombia <sup>(2)</sup>	9	13	23	7	1,168
South Africa	3	7	15	16	51

(1) The number of IUCN red listed species and national conservation list species with habitats in areas affected by Illawarra Metallurgical Coal have increased from FY20 – FY21 as we have improved our approach to highlight the species which have the potential to be impacted by our operation, as a result of an independent consultant/review conducted during FY21.

(2) The number of IUCN red listed species and national conservation list species with habitats in areas affected by Cerro Matoso have increased from FY20 – FY21 as we began a monitoring program in September 2020 to ensure that we are accurately identifying and reporting these species. As a result of the monitoring program, we have identified a greater number of species, especially those deemed least concern.

## Water risks and contextual water targets

Water is a valuable resource that we all share. In many of the areas where we operate water is scarce and we must carefully manage our water-related impacts. Water is a critical input in our mining, refining, and smelting activities – where it is used for processing, suppressing dust, managing tailings, as well as for sanitation and catering for our people – so we need a secure supply. At the same time, because water is vital for our local communities and the natural environment, we must actively work to minimise and where possible avoid any negative impacts on its availability and quality. We are water consumers but also water stewards.

Each operation and major project is required to undertake a risk and opportunity screening process at least every five years. These cover any projected changes in climate and baseline water stress, our current and projected water requirements, water risks, needs and issues related to other water users in the catchment we share, community concerns, legislation and compliance, and other relevant information. If significant risk factors are identified, further assessments are undertaken to effectively manage the risk.

Operations that face material water-related risks are required to assess the long-term social and economic consequences of water impacts and how we manage these, with consideration of the broader catchment and community needs. Consistent with our internal environment standard and ICMM requirements, operations that face material water-related risks also set contextual water targets.

The targets are designed to deliver an intended outcome based on the environmental and social context and needs of the local catchment. Contextual water targets are developed with consideration of:

- Existing water-related management methods;
- Targets for water use in our operations;
- Current and predicted future catchment conditions;
- Current catchment user needs and local regulatory processes; and
- Our wider water commitments including the United Nations Sustainable Development Goal 6 - Water and Sanitation targets.

Our water-related material risks and associated contextual water targets for each of our operations are set out in the table below.

Operation	Water-related material risks	Contextual Water Target	Year set	FY21 progress
Hillside Aluminium	Variability of rainfall in the region means there is a risk of disruption to water supply to our smelter.	Improve catchment water balance knowledge by December 2022 to aid water-related collective action.	2019 (set) 2021 (revised)	Positive and effective engagement with uMhlathuze Water Stewardship Partnership, National Business Initiative and World Wildlife Fund, to commence work on our target to improve information sharing around available water resources in the catchment.
Mozal Aluminium	Drought in the region, water restrictions and extreme weather, all mean there is a risk of variability and disruptions to water supply to our smelter.	Identify opportunities to improve community access to water of the Boane District by June 2022.	2019 (set) 2020 (revised)	We are on track with our target, having completed significant stakeholder engagement in the region to identify areas requiring intervention that will support the communities in the Boane District. Our engagement involved consultation with local and government and municipal stakeholders. The draft report is expected to be available during the first half of FY22.
Worsley Alumina	Insufficient water in the refinery catchment lake could result in water supply disruptions to the refinery.  Oversupply of water in the refinery catchment lake resulting in overtopping of storage facilities leading to contamination of the site's fresh-water lake.	Work towards delivering a 10 per cent reduction in water demand at the refinery by FY28.	2019 (set)	We have progressed studies on projects that have the potential to deliver co-benefits in water demand reduction, decarbonisation and energy security. Additional work has been progressed with our stakeholders in the local and wider catchments to mitigate shorter term impacts related to reduced regional rainfall.
Illawarra Metallurgical Coal	Operating in a sensitive water catchment where there is potential to cause damage as a result of subsidence from our underground mining operations. This potential could also impact ability to secure new regulatory approvals.  Inrush or inundation risk associated with our underground mining operations.	Under development, to be finalised in FY22.	-	We focused on strengthening internal planning and governance process in relation to water management and stewardship, which included investment in additional water treatment capacity at our Appin operation. We also progressed options for our contextual water target, including linking opportunities within the catchment to embed Traditional Custodian knowledge in land and waterway management.
Hotazel Manganese Mines	Growing water scarcity, increasing competition for resources and the ageing distribution infrastructure in the region mean there is a water supply risk to Wessels and Mamatwan mines, and the town of Hotazel.	Under development, to be finalised in FY22.	-	Recognising our Hotazel-based operations will gain increased benefit from a consolidated approach to water access and water-risk management, we have worked to improve our internal water governance structure and forward planning with operations during FY21.

Note: A full operational water risk assessment has not yet been performed for Hermosa as it is a development project.

## Water data

Water data has been presented in accordance with the Minerals Council of Australia Water Accounting Framework and meets the ICMM disclosure requirements for water quality.

### Water accounting overview

		Water quality										
		Source/destination	Type 1	Type 2	Type 3	High	Low	FY21 Total <sup>(1)</sup>	FY20 Total	FY19 Total	FY18 Total	FY17 Total
Inputs/withdrawal (megalitres per annum)	Surface water	21,261	9,406	19,461	30,667	19,461	50,128	47,980 <sup>(2)</sup>	46,370	56,376	49,419	
	Groundwater	4,398	5,019	18,832	9,417	18,832	28,249	34,524 <sup>(2)</sup>	38,763	33,087	29,295	
	Seawater	0	-	143	0	143	143	195	456	863	415	
	Third party water	2,090	2,096	926	4,186	926	5,113	7,216 <sup>(2)</sup>	3,704	4,746	13,107	
	Total	27,749	16,522	39,361	44,271	39,361	83,632	89,916 <sup>(2)</sup>	89,293	95,072	92,236	
Outputs/discharge (megalitres per annum)	Surface water	5,076	6,923	2,937	11,999	2,937	14,936	11,463	12,828	13,581	15,163	
	Groundwater	71	254	668	325	668	993	1,113	14,352	14,270	3,585	
	Seawater	12	2,489	370	2,501	370	2,871	2,350	2,769	4,034	3,570	
	Third party water	77	639	2,195	716	2,195	2,911	3,290 <sup>(2)</sup>	3,260	2,382	11,505	
	Other	43,777	407	11,338	44,184	11,338	55,522	54,644 <sup>(2)</sup>	45,724	43,046	38,613	
		Total	49,013	10,712	17,508	59,725	77,233	72,861 <sup>(2)</sup>	78,932	77,313	72,436	
Consumption (megalitres per annum)		Total	This is intentionally blank as this is not reported by type					55,522	54,644 <sup>(2)</sup>	45,724	43,046	38,613
Efficiency – all South32 sites (percentage)		Total	This is intentionally blank as this is not reported by type					53	56	59	55	53
Recycling and reuse (megalitres per annum)		Total	This is intentionally blank as this is not reported by type					93,040	115,936 <sup>(2)</sup>	129,653	117,516	102,264

The sum of the categories may vary to the total figure due to rounding.

(1) Figures include SAEC from 1 July 2020 - 31 May 2021 and TEMCO from 1 July 2020 - 31 December 2020, as well as the Hermosa Project.

(2) Figure has been restated as a result of scheduled water accounting review for three of our operations during FY21. FY20 restatement was for Worsley only. No further restatement has occurred to FY17 - FY19 data.

### Operations with water-related material risk

		Worsley Alumina Refinery	Mozal Aluminium	Hillside Aluminium	Illawarra Metallurgical Coal	Hotazel Manganese Mines <sup>(1)</sup>	FY21 Total
Megalitres per annum	Source / destination						
Inputs/Withdrawal	Surface water	10,731	430	3	487	265	11,916
	Groundwater	1,624	0	0	3,844	1,118	6,586
	Seawater	0	143	0	0	0	143
	Third party water	2,735	21	707	558	322	4,342
	Total	15,090	594	710	4,889	1,705	22,987
Output/Discharge	Surface water	0	320	0	2,922	0	3,242
	Groundwater	0	0	0	0	24	24
	Seawater	0	87	0	2,489	0	2,576
	Third party water	0	69	332	51	13	466
	Other	13,664	221	378	895	1,037	16,195
	Total	13,665	697	710	6,358	1,074	22,503
Consumption	Total	13,664	221	378	895	1,037	16,195
Efficiency – all South32 sites with a water-related material risk (percentage)		24	0	94	30	2	46
Recycling and reuse (megalitres per annum)		4,561	1	12,181	2,072	37	18,851

The sum of the categories may vary to the total figure due to rounding.

(1) This is a cumulative figure of South32 mines in the region.

### Operations in areas of baseline water stress

	Water quality						FY21	FY20
Megalitres per annum	Source / destination	Type 1 <sup>(3)</sup>	Type 2	Type 3	High	Low	Total <sup>(1)</sup>	Total
Input/Withdrawal	Surface water	3,995	658	7,307	4,653	7,307	11,960	37,071 <sup>(2)</sup>
	Groundwater	55	3,314	3,314	3,369	3,314	6,683	31,098 <sup>(2)</sup>
	Seawater	-	-	143	0	143	143	0
	Third party water	613	2,096	926	2,709	926	3,635	4,674 <sup>(2)</sup>
	Total	4,662	6,068	11,690	10,731	11,690	22,421	72,843 <sup>(2)</sup>
Output/Discharge	Surface water	644	0	2,600	644	2,600	3,244	6,534
	Groundwater	15	0	24	15	24	39	536
	Seawater	12	2,489	76	2,501	76	2,576	2,250
	Third party water	14	0	120	14	120	134	2,340 <sup>(2)</sup>
	Other	10,819	0	5,141	10,819	5,141	15,960	46,551 <sup>(2)</sup>
	Total	11,503	2,489	7,961	13,992	7,961	21,953	58,211 <sup>(2)</sup>
Consumption	Total	This is intentionally blank as this is not reported by type					15,960 <sup>(3)</sup>	46,551 <sup>(2)</sup>
Efficiency – all South32 sites (percentage)	Total	This is intentionally blank as this is not reported by type					23	38 <sup>(2)</sup>
Recycling and reuse (megalitres per annum)	Total	This is intentionally blank as this is not reported by type					6,670	44,673 <sup>(2)</sup>

The sum of the categories may vary to the total figure due to rounding.

(1) Areas of baseline water stress as per World Resources Institute (WRI) Aqueduct Tool available at <https://www.wri.org/initiatives/aqueduct> (accessed July 2021) and reviewed as per Technical Note available at: <https://www.wri.org/research/aqueduct-30-updated-decision-relevant-global-water-risk-indicators>. FY21 data includes the following operations: Worsley Refinery, IMC, Mozal, HMM; as well as the Hermosa Project, all of which contribute to South32 total water inputs and outputs. These figures exclude Cerro Matoso, Hillside, Metalloys, TEMCO (divested), SAEC (divested), Cannington, GEMCO, Worsley Alumina Mine and Materials operations, Bayside, Eagle Downs and Mine Closure NPI projects, and corporate offices.

(2) Figure has been restated as a result of scheduled water accounting review for three of our operations during FY21. FY20 restatement was for Worsley only. No further restatement has occurred to FY17-FY19 data.

(3) Data reported for SASB Metals and Mining Sustainability Accounting Standard, 2018 metric EM-MM-140a.1 as follows: Total fresh water withdrawn and consumed is presented as Inputs (Withdrawals) Type 1 water (as per MCA WAF, 2014) and FY21 Total Consumption, respectively. To convert unit of measure from megalitres to m<sup>3</sup> multiply data by 1,000. Of the total freshwater withdrawn from South32 operations, 16.8 per cent comes from regions with high or extremely high baseline water stress. Of the total water consumed by South32 operations, 28.75 per cent was consumed by operations in regions of high or extremely high baseline water stress.

### Incidents of non-compliance associated with water quality permits, standards, and regulations

Number	FY21
Incidents of non-compliance associated with water quality permits, standards and regulations	1



## Waste

The safe management of waste from our operations and projects is essential to operating responsibly. We are determined to reduce waste generated from our operations and to reuse or recycle more waste that is unavoidable. Our highest waste volumes come from tailings – materials left after we have removed the target minerals from the ore. Our other waste streams include rock, water and materials containing hazardous chemicals or with dangerous physical properties, as well as non-hazardous waste. The metrics we use to measure our performance are shown below.

Mineral Waste	FY21 <sup>(1)</sup>	FY20	FY19	FY18	FY17
Total hazardous mineral waste <sup>(2)</sup> (kilotonnes)	22,519	24,148	23,741	22,627	16,226
Total non-hazardous mineral waste (kilotonnes)	5,403	4,849	5,458	5,909	16,236

(1) Figures include SAEC from 1 July 2020 - 31 May 2021 and TEMCO from 1 July 2020 - 31 December 2020.

(2) Hazardous waste based on classification by local legislation.

Tailings Waste	FY21
Total tailings waste (kilotonnes)	17,269
Total tailings recycled (kilotonnes) <sup>(1)</sup>	1,130

(1) Six per cent of product removed from tailings storage facilities and sold as product. To convert from kilotonnes to tonnes multiply by 1,000.

## Other emissions, effluents and pollution

The nature of our mining and processing activities can result in gaseous air emissions, noise, effluents and contamination. We take active steps to manage these and prevent and minimise any effect on neighbouring communities and the environment, in line with our strategy. The metrics we use to measure our performance are shown below.

Other emissions	FY21	FY20	FY19	FY18	FY17
Oxides of sulphur emissions (tonnes)	29,726	41,625	38,790 <sup>(1)</sup>	35,803	39,192
Oxides of nitrogen emissions (tonnes)	10,078	12,156	24,763	10,892	10,425
Mercury emissions (tonnes)	0.9	0.6	0.9	0.7	0.9

(1) Figure has been restated since it was previously reported due to a reclassification or recalculation of data.



Other sustainability topics

Other sustainability topics	Spreadsheet tab
Privacy	<a href="#">Privacy</a>
Cybersecurity	<a href="#">Cybersecurity</a>
Transformation	<a href="#">Transformation</a>

## Privacy

At South32, we respect and protect the personal information and privacy of others. We collect, manage and use personal information in accordance with our Privacy Policy and applicable privacy laws. Our South32 Sustainability and Business Conduct Supplier Requirements also require our suppliers confirm that they manage privacy of personal information in accordance with applicable laws and regulation.

This year we commenced a Company-wide privacy awareness program, including the development of a privacy-specific online training module.

The rollout of COVID-19 vaccines in the countries where we operate has prompted questions around the collection of our peoples' COVID-19 vaccination status. We have addressed the concerns by continuing to follow applicable privacy laws and advice from the relevant government organisations.

## Cybersecurity

Cyber incidents are a material risk to our business. We work proactively, assessing potential risks and taking steps to reduce the chances of an incident. We also have mitigation strategies and processes in place should they occur. In 2019, we launched a Cyber Security Program to improve our cyber resilience. The program includes fourteen different workstreams, each one targeting specific performance enhancements. The aspects they cover include governance, industry awareness, foundational security tools, operating model, and advanced security capabilities.

South32's cyber controls are designed and operated as per the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), an international best practice standard for information security controls. South32 engages independent auditors annually to review our cyber security risk management and control performance, to identify any gaps or potential improvements in our information security controls. A comprehensive assessment is performed by the Technology Risk & Compliance team, and an external auditor, both independent of the cyber team and reporting to the Vice President Digital Technology. External penetration tests were also performed in 2019 by a vendor, to identify weaknesses in the operational technology environments.

South32 implemented a comprehensive cyber security awareness training program that is a mandatory requirement for all South32 staff or contractors to complete during the onboarding process. Tailored cyber awareness training modules have been delivered to high-risk users and Executives. South32 performs annual phishing simulations to identify users falling victim to phishing attacks and provide further training.

The cyber team provides a high-level summary of the information risk treatment plan and control maturity levels (as aligned to NIST CSF - industry best practice) to the Risk and Audit Committee who present the findings to the Board.

### Key highlights and achievements this year

- We developed an improved cyber control set aligned to the NIST CSF.
- We defined and implemented an operating model to help embed cyber security capabilities, including skills, governance, controls, and behaviours.
- Solutions to enhance our cyber resiliency capabilities were deployed – they covered privileged access management, endpoint protection and a range of security monitoring solutions.
- We continued our ongoing work to build a cyber-aware culture throughout South32.

### Our performance

Over the past two years, the cyber team has enhanced our cyber security capabilities by uplifting the NIST maturity scores of our cyber controls (in line with maturity of our industry peers by the end of FY21) and seeking to improve our control effectiveness. The cyber risk and controls are continually assessed with recurring control verifications to provide additional assurance.

No high priority cyber security breaches have occurred in South32's technology environment within the last three years. High priority refers to cyber breaches that have the potential to result in significant damage to South32 (as per our internal material risk management standard and Cyber Security Operations - Threat Detection & Response Procedure).

## Transformation

‘Transformation’ in South Africa has a very specific meaning. It refers to change that enables Black People to participate meaningfully in the economy by owning, managing, and controlling productive assets. The government of South Africa has passed legislation to help redress the country’s historical socio-economic inequalities. This legislation includes the *Broad-based Black Economic Empowerment Act (B-BBEE)* and the *Mining Charter of 2018*. We report annually on our progress against targets in the Mining Charter and submit our reports to the Department of Mineral Resources and Energy. Our purpose aligns with South Africa’s transformation imperative and our operations in South Africa have a transformation plan, focused on achieving year-on-year improvements in line with legislation. Helping to transform South Africa means transforming our business too and to do this we focus on finding local talent, using local suppliers, and providing local business opportunities. Metalloys has been in care and maintenance during the reporting period but continues to track procurement spend and will undergo the Black Economic Empowerment verification audit like our other South African entities. SAEC continued to implement their transformation plan up until divestment and transitioning to Black ownership, consistent with South Africa’s transformation objectives.

### Department of Trade and Industry B-BBEE Scorecard

Our South African operating entities are audited annually for transformation progress in terms of the Department of Trade and Industry (DTI) *B-BBEE Act 2003 as amended by Act 46 of 2013*. The DTI has released new Codes of Good Practice on preferential procurement, enterprise and supplier development, skills development, general principles, and updates on interpretations and definitions which became effective in December 2019.

#### DTI B-BBEE recognition points

Operation	FY18 points	FY19 points	FY20 points	FY20 Level
Hillside Aluminium	80.5	82.1	84.2	Level 5
Hotazel Manganese Mines	72.6	81.4	90.1	Level 4
Metalloys Alloy Smelter	63.0	76.6	40.7	Non compliant contributor - in Care and Maintenance

The Social and Labour Plans (SLP) in place for our mines align with local authorities’ Integrated Development Plans and are developed in consultation with local authorities, communities and other key stakeholders. Our current SLP at Hotazel Manganese Mines runs from FY19 - FY23. It includes commitments to preferential procurement, employment equity, human resource development, housing and living conditions, as well as 11 local community development projects focused on education, health and wellbeing and local economic development.

We set targets for year-on-year improvements in demographic representation at all levels of management in our operations. Our skills development plans align with the SLP and DTI codes. We support employment equity by ensuring we have access to skilled, competent, empowered employees. We also support career development opportunities in local communities.

In FY21 the representation of Black employees at Hillside Aluminium was 84 per cent of junior management, 73 per cent of middle management, 63 per cent of executive management, and 100 per cent of executive Directors. At Hotazel Manganese Mines, Black employees comprised 78 per cent of junior management, 68 per cent of middle management, 54 per cent of executive management, and 67 per cent of executive Directors.

## Sustainability frameworks and reporting standards

Sustainability frameworks and reporting standards	Spreadsheet tab
ICMM Mining Principles	<a href="#">ICMM Mining Principles</a>
UNGC	<a href="#">UNGC</a>
SDGs	<a href="#">SDGs</a>
GRI Index	<a href="#">GRI Index</a>
SASB Index	<a href="#">SASB Index</a>
TCFD	<a href="#">TCFD</a>
CA 100+ Net Zero Company Benchmark	<a href="#">CA 100+</a>
Modern Slavery Statement Metrics	Modern Slavery Metrics

## International Council on Mining and Metals (ICMM) Mining Principles

In line with our ICMM membership requirements and transparency commitments, each year we undertake independent assurance of our sustainability approach and data. Read our FY21 Independent Assurance Report in the 'Assurance' Tab of the 2021 Sustainability Databook.

During FY21, we commenced with self-assessments of our performance against the ICMM Mining Principles' Performance Expectations. The results of our self-assessments will be included in our 2022 Sustainable Development Report.

ICMM Principle	Principle	Reference location
Principle 1: Ethical Business	Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.	2021 Corporate Governance Statement 2021 Sustainable Development Report - Operating ethically and responsibly pillar (page 36)
Principle 2: Decision Making	Integrate sustainable development in corporate strategy and decision-making processes.	2021 Corporate Governance Statement 2021 Sustainable Development Report - Operating ethically and responsibly pillar (page 36)
Principle 3: Human Rights	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.	2021 Sustainable Development Report - Human Rights (page 40)
Principle 4: Risk Management	Implement effective risk-management strategies and systems based on sound science, and which account for stakeholder perceptions of risk.	2021 Sustainability Databook - Governance and risk management tab 2021 Sustainable Development Report - Managing our environmental impact pillar (page 66) 2021 Sustainable Development Report - Cultural heritage (page 34) 2021 Sustainable Development Report - Health and safety (page 16)
Principle 5: Health and Safety	Pursue continual improvement in the health and safety performance with the ultimate goal of zero harm.	2021 Sustainable Development Report - Health and safety (page 16)
Principle 6: Environmental Performance	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.	2021 Sustainable Development Report - Managing our environmental impact pillar (page 66)
Principle 7: Conservation of Biodiversity	Contribute to the conservation of biodiversity and integrated approaches to land-use planning.	2021 Sustainable Development Report - Biodiversity (page 68)
Principle 8: Responsible Production	Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.	2021 Sustainable Development Report - Responsible value chain (page 43) 2021 Sustainable Development Report - Addressing climate change pillar (page 46) 2021 Sustainable Development Report - Waste (page 74) 2021 Sustainable Development Report - Other emissions, effluents and pollution (page 77)
Principle 9: Social Performance	Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.	2021 Sustainable Development Report - Partnering with local communities pillar (page 26)
Principle 10: Stakeholder Engagement	Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner, effectively report and independently verify progress and performance.	2021 Sustainability Databook - Stakeholder engagement tab 2021 Sustainable Development Report - Responsible value chain (page 43) 2021 Sustainable Development Report - Partnering with local communities pillar (page 26)



## United Nations Global Compact (UNGC)

We uphold the Ten Principles of the UNGC relating to human rights, labour, environment and anti- corruption. South32 joined the UNGC in August 2019, and this Sustainable Development Report serves as our Communication on Progress (GC Active) as we describe our progress in embedding these principles into South32's strategies and operations. We will continue to work towards improving our alignment against the UNGC Ten Principles.

UNGC aspect	Principle	Reference location
Human rights	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	2021 Sustainable Development Report - Human Rights (page 40)
	Principle 2. Make sure that they are not complicit in human rights abuses.	2021 Sustainable Development Report - Human Rights (page 40)
Labour	Principle 3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	2021 Sustainable Development Report - People pillar (page 14) 2021 Sustainability Databook - Attracting, developing and retaining talent tab
	Principle 4. The elimination of all forms of forced and compulsory labour.	2021 Sustainable Development Report - Operating ethically and responsibly pillar (page 36)
	Principle 5. The effective abolition of child labour.	2021 Sustainable Development Report - Operating ethically and responsibly pillar (page 36)
	Principle 6. The elimination of discrimination in respect of employment and occupation.	2021 Sustainable Development Report - Operating ethically and responsibly pillar (page 36)
Environment	Principle 7. Business should support a precautionary approach to environmental challenges.	2021 Sustainable Development Report - Managing our environmental impact pillar (page 66) 2021 Sustainable Development Report - Addressing climate change pillar (page 46)
	Principle 8. Undertake initiatives to promote greater environmental responsibility.	2021 Sustainable Development Report - Managing our environmental impact pillar (page 66) 2021 Sustainable Development Report - Addressing climate change pillar (page 46)
	Principle 9. Encourage the development and diffusion of environmentally friendly technologies.	2021 Sustainable Development Report - Managing our environmental impact pillar (page 66) 2021 Sustainable Development Report - Addressing climate change pillar (page 46)
Anti-corruption	Principle 10. Business should work against corruption in all its forms, including extortion and bribery.	2021 Sustainable Development Report - Operating ethically and responsibly pillar (page 36)

## Sustainable Development Goals (SDGs)

SDG	Reference location
SDG 1: No Poverty	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29)
SDG 2: Zero Hunger	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29)
SDG 3: Good Health and Wellbeing	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29) 2021 Sustainable Development Report - Health and safety (page 16)
SDG 4: Quality Education	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29) 2021 Sustainable Development Report - Attracting, developing and retaining talent (page 23)
SDG 5: Gender Equality	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29) 2021 Sustainable Development Report - Inclusion and diversity (page 21)
SDG 6: Clean Water and Sanitation	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29)
SDG 7: Affordable and Clean Energy	2021 Sustainable Development Report - Addressing climate change pillar (page 46)
SDG 8: Decent Work and Economic Growth	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29) 2021 Sustainable Development Report - Wider economic contribution (page 28) 2021 Sustainable Development Report - Operating ethically pillar (page 36) 2021 Sustainable Development Report - Attracting, developing and retaining talent (page 23)
SDG 9: Industry, Innovation and Infrastructure	2021 Sustainable Development Report - Addressing climate change pillar (page 46) 2021 Sustainable Development Report - Waste (page 74) 2021 Sustainable Development Report - Other emissions, effluents and pollution (page 77)
SDG 10: Reduced Inequalities	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29) 2021 Sustainable Development Report - Cultural heritage (page 34) 2021 Sustainable Development Report - Human rights (page 40) 2021 Sustainable Development Report - Inclusion and diversity (page 21)
SDG 11: Sustainable Cities and Communities	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29) 2021 Sustainable Development Report - Wider economic contribution (page 28) 2021 Sustainable Development Report - Cultural heritage (page 34)
SDG 12: Responsible Consumption and Production	2021 Sustainable Development Report - Waste (page 74) 2021 Sustainable Development Report - Responsible value chain (page 43) 2021 Sustainable Development Report - Other emissions, effluents and pollution (page 77) 2021 Sustainable Development Report - Human rights (page 40)
SDG 13: Climate Action	2021 Sustainable Development Report - Addressing climate change pillar (page 46)
SDG 14: Life Below Water	2021 Sustainable Development Report - Biodiversity (page 68) 2021 Sustainable Development Report - Water (page 71)
SDG 15: Life on Land	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29) 2021 Sustainable Development Report - Biodiversity (page 68)
SDG 16: Peace, Justice and Strong Institutions	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29) 2021 Sustainable Development Report - Cultural heritage (page 34) 2021 Sustainable Development Report - Operating ethically pillar (page 36)
SDG 17: Partnerships for the Goals	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29) 2021 Sustainable Development Report - Operating ethically pillar (page 36)

## Global Reporting Initiative (GRI) Index

This table demonstrates our reporting in accordance with the GRI Sustainability Reporting Standards (Core option).

### General disclosures

Disclosure	Disclosure title	Reference location or explanation
<b>Organisational profile</b>		
102-1	Name of the organisation	2021 Sustainable Development Report - Front page and Contents page
102-2	Activities, brands, products and services	2021 Sustainable Development Report - Our business model (page 6) 2021 Annual Report - South32 at a Glance (page 4)
102-3	Location of headquarters	2021 Sustainable Development Report - Our business model (page 6)
102-4	Location of operations	2021 Annual Report - South32 at a Glance (page 4)
102-5	Ownership and legal form	2021 Sustainable Development Report - Contents page 2021 Annual Report - Shareholder Information (page 161)
102-6	Markets served	2021 Sustainable Development Report - Our business model (page 6) 2021 Annual Report - South32 at a Glance (page 4)
102-7	Scale of the organisation	2021 Sustainable Development Report - Our business model (page 6) 2021 Annual Report - South32 at a Glance (page 4) 2021 Annual Report - Financial Report (page 94)
102-8	Information on employees and other workers	2021 Sustainability Databook - Attracting, developing and retaining tab
102-9	Supply chain	2021 Sustainable Development Report - Our business model (page 6) 2021 Sustainable Development Report - Responsible value chain (page 43)
102-10	Significant changes to the organisation and its supply chain	2021 Sustainable Development Report - About this report (Contents page) 2021 Sustainable Development Report - From the CEO (page 2)
102-11	Precautionary Principle or approach	2021 Annual Report - Risk Management (page 24)
102-12	External initiatives	2021 Sustainable Development Report - Our sustainability approach (page 8) 2021 Sustainable Development Report - Addressing climate change - Our approach (page 47)
102-13	Membership of associations	2021 Sustainable Development Report - Addressing Climate Change - Partnerships (page 58) Our Approach to Industry Associations available at <a href="http://www.south32.net">www.south32.net</a>
<b>Strategy</b>		
102-14	Statement from the most senior decision-maker	2021 Sustainable Development Report - From the CEO (page 2)
102-15	Key impacts, risks and opportunities	2021 Sustainable Development Report - Our sustainability approach (page 8) 2021 Annual Report - Risk Management (page 24) 2021 Annual Report - Progress against our strategy (page 14)
<b>Ethics and integrity</b>		
102-16	Values, principles, standards and norms of behavior	2021 Sustainable Development Report - About us (page 1) 2021 Corporate Governance Statement - Our Values and Code Of Business Conduct (page 14)
102-17	Mechanisms for advice and concerns about ethics	2021 Sustainable Development Report - Business ethics and integrity (page 38) 2021 Corporate Governance Statement - Our Values and Code Of Business Conduct (page 14) Code of Business Conduct (and Speak Up Policy) available at <a href="http://www.south32.net">www.south32.net</a>
<b>Governance</b>		
102-18	Governance structure	2021 Corporate Governance Statement - Board Committees (page 6)
102-19	Delegating authority	Board Charter available at <a href="http://www.south32.net">www.south32.net</a>
102-20	Executive-level responsibility for economic, environmental, and social topics	2021 Corporate Governance Statement - The South32 Limited Board (page 3) 2021 Corporate Governance Statement - Board Committees (page 6)
102-21	Consulting stakeholders on economic, environmental, and social topics	2021 Sustainability Databook - Stakeholder engagement tab 2021 Sustainability Databook - Materiality tab
102-22	Composition of highest governance body and its committees	2021 Corporate Governance Statement - Board Committees (page 6)
102-23	Chair of the highest governance body	2021 Corporate Governance Statement - The South32 Limited Board (page 3) 2021 Corporate Governance Statement - Board Committees (page 6)
102-24	Nominating and selecting the highest governance body	2021 Corporate Governance Statement - Board renewal and Director appointment process (page 13)
102-25	Conflicts of interest	2021 Corporate Governance Statement - Conflicts of interest (page 15)
102-26	Role of highest governance body in setting purpose, values, and strategy	2021 Corporate Governance Statement - The role of our CEO and Lead Team (page 6)
102-27	Collective knowledge of highest governance body	2021 Corporate Governance Statement - Director's skills, experience and attributes (page 9)
102-28	Evaluating the highest governance body's performance	2021 Corporate Governance Statement - Board, Committee and Director Evaluations (page 9)
102-29	Identifying and managing economic, environmental, and social impacts	2021 Sustainability Databook - Materiality tab 2021 Sustainable Development Report - Our sustainability approach (page 8)
102-30	Effectiveness of risk management processes	2021 Annual Report - Risk management (page 24) 2021 Corporate Governance Statement - Risk management and Internal Controls at South32 (page 13) 2021 Corporate Governance Statement - Board Committees (page 8)
102-31	Review of economic, environmental, and social topics	2021 Corporate Governance Statement - Board Committees (page 8)
102-32	Highest governance body's role in sustainability reporting	2021 Corporate Governance Statement - Board Committees (page 8)
102-33	Communicating critical concerns	2021 Corporate Governance Statement - The role of our CEO and Lead Team (page 6)
102-35	Remuneration policies	2021 Annual Report - Remuneration Report (page 68)
102-36	Process for determining remuneration	2021 Annual Report - Remuneration Report (page 68)
<b>Stakeholder engagement</b>		
102-40	List of stakeholder groups	2021 Sustainability Databook - Stakeholder engagement tab
102-41	Collective bargaining agreements	2021 Sustainability Databook - Stakeholder engagement tab
102-42	Identifying and selecting stakeholders	2021 Sustainability Databook - Stakeholder engagement tab
102-43	Approach to stakeholder engagement	2021 Sustainability Databook - Stakeholder engagement tab
102-44	Key topics and concerns raised	2021 Sustainability Databook - Stakeholder engagement tab
<b>Reporting practice</b>		
102-45	Entities included in the consolidated financial statements	2021 Annual Report - Financial Report - Note 4 Segment Information (page 102)
102-46	Defining report content and topic Boundaries	2021 Sustainability Databook - Materiality tab 2021 Sustainable Development Report - About this report (Contents page) 2021 Sustainable Development Report - Our sustainability approach (page 10)
102-47	List of material topics	2021 Sustainability Databook - Materiality tab 2021 Sustainable Development Report - Our sustainability approach (page 8)
102-48	Restatements of information	2021 Sustainable Development Report - About this report (Contents page) 2021 Sustainability Databook - Home tab - Disclaimer
102-49	Changes in reporting	2021 Sustainable Development Report - About this report (Contents page) 2021 Sustainable Development Report - Our sustainability approach (page 10)
102-50	Reporting period	2021 Sustainable Development Report - About this report (Contents page)
102-51	Date of most recent report	2021 Sustainable Development Report - About this report (Contents page)
102-52	Reporting cycle	An annual Sustainable Development Report is produced 2021 Sustainable Development Report - About this report (Contents page)
102-53	Contact point for questions regarding the report	<a href="mailto:South32ESG@South32.net">South32ESG@South32.net</a>
102-54	Claims of reporting in accordance with the GRI Standards	2021 Sustainable Development Report - About this report (Contents page) 2021 Sustainable Development Report - Our sustainability approach (page 10)
102-55	GRI content index	2021 Sustainability Databook - GRI Index tab
102-56	External assurance	2021 Sustainability Databook - Assurance 2021 Sustainable Development Report - Our sustainability approach (page 10)

### Material topic-specific disclosures

GRI Metric	Metric Description	Reference location or explanation
<b>Health and safety</b>		
103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Health and safety (page 16)
103-2	Management approach on health and safety	2021 Sustainability Databook - Health and safety approach tab
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Health and safety (page 16) 2021 Sustainability Databook - Health and safety data tab
403-1	Occupational health and safety management system	2021 Sustainability Databook - Health and safety data tab
403-2	Hazard identification, risk assessment, and incident investigation	2021 Sustainability Databook - Health and safety data tab
403-3	Occupational health services	2021 Sustainability Databook - Health and safety approach tab 2021 Sustainable Development Report - Health and safety (page 16)
403-4	Worker participation, consultation and communication on occupational health and safety	2021 Sustainability Databook - Health and safety approach tab
403-5	Worker training on occupational health and safety	2021 Sustainability Databook - Health and safety approach tab
403-6	Promotion of worker health	2021 Sustainable Development Report - Health and safety (page 16) 2021 Sustainability Databook - Health and safety approach tab
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2021 Sustainable Development Report - Responsible value chain (page 43) Sustainability and Business Conduct - Minimum Supplier Requirements at <a href="http://www.south32.net">www.south32.net</a>
403-8	Workers covered by an occupational health and safety management system	2021 Sustainable Development Report - Health and safety (page 16) 2021 Sustainability Databook - Health and safety approach tab
403-9	Work-related injuries	2021 Sustainability Databook - Health and safety data tab
403-10	Work-related ill health	2021 Sustainability Databook - Health and safety data tab
<b>Inclusion and diversity</b>		
103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Inclusion and diversity (page 21)
103-2	Management approach on inclusion and diversity	2021 Sustainable Development Report - Inclusion and diversity (page 21)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Inclusion and diversity (page 21) 2021 Sustainability Databook - Inclusion and diversity tab
405-1	Diversity of governance bodies and employees	2021 Sustainability Databook - Inclusion and diversity tab
405-2	Ratio of basic salary and remuneration of women to men	2021 Sustainability Databook - Inclusion and diversity tab

**Attracting, developing and retaining talent**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Attracting, developing and retaining talent (page 23)
103-2	Management approach on attracting, developing and retaining talent	2021 Sustainable Development Report - Attracting, developing and retaining talent (page 23)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Attracting, developing and retaining talent (page 23)
401-1	New employee hires and employee turnover	2021 Sustainability Databook - Attracting, developing and retaining talent tab
401-3	Parental leave	2021 Sustainability Databook - Attracting, developing and retaining talent tab
402-1	Minimum notice periods regarding operational changes	2021 Sustainability Databook - Attracting, developing and retaining talent tab
MM4	Strikes and lockouts exceeding one week's duration	2021 Sustainability Databook - Attracting, developing and retaining talent tab

**Wider economic contribution**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Wider economic contribution (page 28)
103-2	Management approach on wider economic contribution	2021 Sustainable Development Report - Wider economic contribution (page 28)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Wider economic contribution (page 28)
201-1	Direct economic value	2021 Sustainability Databook - Wider economic contribution tab
203-2	Significant indirect economic impacts	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29)

**Communities, social impact and wellbeing**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29)
103-2	Management approach on communities, social impact and wellbeing	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29)
413-1	Operations with local community engagement, impact assessments, and development programs	2021 Sustainability Databook - Communities, social impact and wellbeing tab
419-1	Non-compliance with laws and regulations in the social and economic area	2021 Sustainability Databook - Communities, social impact and wellbeing tab
MM6	Number and description of significant disputes related to land use, customary rights of local communities and indigenous peoples	2021 Sustainability Databook - Communities, social impact and wellbeing tab
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and the outcomes	No significant disputes
MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	2021 Sustainability Databook - Communities, social impact and wellbeing tab
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	2021 Sustainability Databook - Communities, social impact and wellbeing tab

S32 indicator	Community complaints	2021 Sustainability Databook - Communities, social impact and wellbeing tab
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**Cultural heritage**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Cultural Heritage (page 34)
103-2	Management approach on cultural heritage	2021 Sustainable Development Report - Cultural Heritage (page 34)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Cultural Heritage (page 34)
MM5	Total number of operations taking place in or adjacent to Indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with indigenous peoples' communities	2021 Sustainability Databook - Cultural Heritage tab

S32 indicator	Employees that have undertaken cultural awareness training	2021 Sustainability Databook - Cultural Heritage tab
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**Business ethics and integrity**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Business ethics and integrity (page 38)
103-2	Management approach on business ethics and integrity	2021 Sustainable Development Report - Business ethics and integrity (page 38)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Business ethics and integrity (page 38)
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2021 Sustainability Databook - Business ethics and integrity rights tab
415-1	Political contributions	2021 Annual Report - Director's Report - Political donations and community investment (page 64)

**Human rights**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Human rights (page 40)
103-2	Management approach on human rights	2021 Sustainable Development Report - Human rights (page 40)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Human rights (page 40)
408-1	Operations and suppliers at significant risk for incidents of child labor	2021 Modern Slavery Statement - Appendix 2 (page 20)
410-1	Security personnel trained in human rights policies or procedures	2021 Sustainability Databook - Human rights tab
412-1	Operations that have been subject to human rights reviews or impact assessments	2021 Sustainability Databook - Human rights tab
412-2	Employee training on human rights policies or procedures	2021 Sustainability Databook - Human rights tab

**Responsible value chain**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Responsible value chain (page 43)
103-2	Management approach on responsible value chain	2021 Sustainable Development Report - Responsible value chain (page 43)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Responsible value chain (page 43)
414-1	New suppliers that were screened using social criteria	2021 Modern Slavery Statement - Appendix 2 (page 20)

**Climate change and GHG emissions**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Addressing climate change (page 46)
103-2	Management approach on climate change and GHG emissions	2021 Sustainable Development Report - Addressing climate change (page 46)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Addressing climate change (page 46)
201-2	Financial implications and other risks and opportunities from climate change	2021 Sustainable Development Report - Addressing climate change (page 46)
302-1	Energy consumption within the organisation	2021 Sustainability Databook - Energy tab
302-4	Reduction of energy consumption	2021 Sustainability Databook - Energy tab
305-1	Direct (Scope 1) GHG emissions	2021 Sustainability Databook - GHG emissions tab
305-2	Energy indirect (Scope 2) GHG emissions	2021 Sustainability Databook - GHG emissions tab
305-3	Other indirect (Scope 3) GHG emissions	2021 Sustainability Databook - GHG emissions tab
305-5	Reduction of GHG emissions	2021 Sustainable Development Report - Addressing climate change (page 46)
		2022 Sustainability Databook - GHG emissions tab

**Biodiversity**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Biodiversity (page 68)
		2021 Sustainability Databook - Biodiversity approach tab
103-2	Management approach on biodiversity	2021 Sustainable Development Report - Biodiversity (page 68)
		2021 Sustainability Databook - Biodiversity approach tab
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Biodiversity (page 68)
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside of protected areas	2021 Sustainability Databook - Biodiversity data tab
304-3	Habitats protected or restored	2021 Sustainability Databook - Biodiversity data tab
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations, per country	2021 Sustainability Databook - Biodiversity data tab
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	2021 Sustainability Databook - Biodiversity data tab
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	2021 Sustainability Databook - Biodiversity data tab
MM10	Number and percentage of operations with closure plans	2021 Sustainability Databook - Biodiversity data tab

**Water**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Water (page 71)
103-2	Management approach on water	2021 Sustainable Development Report - Water (page 71)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Water (page 71)
303-1	Interactions with water as a shared resource	2021 Sustainable Development Report - Water (page 71)
		2021 Sustainability Databook - Water risks and targets tab
307-1	Non-compliance with environmental laws and regulations	2021 Sustainability Databook - Environmental approach tab
303-3	Water withdrawal	2021 Sustainability Databook - Water data tab
303-4	Water discharge	2021 Sustainability Databook - Water data tab
303-5	Water consumption	2021 Sustainability Databook - Water data tab

**Waste**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - Waste (page 74)
103-2	Management approach on waste	2021 Sustainable Development Report - Waste (page 74)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - Waste (page 74)
MM3	Total amounts of overburden, rock, tailings and sludges and their associated risks	2021 Sustainability Databook - Waste tab

**Other emissions, effluents and pollution**

103-1	Explanation of the material topic and boundary	2021 Sustainable Development Report - other emissions, effluents and pollution (page 77)
103-2	Management approach on other emissions, effluents and pollution	2021 Sustainable Development Report - other emissions, effluents and pollution (page 77)
103-3	Evaluation of the management approach	2021 Sustainable Development Report - other emissions, effluents and pollution (page 77)
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	2021 Sustainability Databook - other emissions, effluents and pollution tab



## SASB index

This table demonstrates how we are pursuing alignment with the Sustainability Accounting Standards Board (SASB) Metals and Mining Sustainability Accounting Standard, 2018.

Our material topic	SASB metric	Metric description	Reference location	Comment
Health and safety	EM-MM-320a.1.	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	2021 Sustainability Databook - Health and safety data tab	Partial disclosure - average number of training hours not disclosed. Frequency rates are stated in units of 'per million hours worked'
Attracting, developing and retaining talent	EM-MM-310a.1.	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	2021 Sustainability Databook - Attracting, developing and retaining talent tab	Partial disclosure - not broken down by U.S. and foreign employees.
	EM-MM-310a.2.	Number and duration of strikes and lockouts	2021 Sustainability Databook - Attracting, developing and retaining talent tab	
Communities, social impact and wellbeing	EM-MM-210b.1.	Discussion of process to manage risks and opportunities associated with community rights and interests	2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29)	
	EM-MM-210b.2.	Number and duration of non-technical delays	2021 Sustainability Databook - Communities, social impact and wellbeing tab	
Business ethics and integrity	EM-MM-510a.2.	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	2021 Sustainability Databook - Business ethics and integrity tab	
Human rights	EM-MM-210a.3.	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	2021 Sustainable Development Report - Human rights (page 40) 2021 Sustainable Development Report - Communities, social impact and wellbeing (page 29) 2021 Sustainable Development Report - Cultural heritage (page 34) 2021 Conflict Minerals Statement available at <a href="http://www.south32.net">www.south32.net</a>	
Responsible value chain	EM-MM-510a.1.	Description of the management system for prevention of corruption and bribery throughout the value chain	2021 Sustainable Development Report - Business ethics and integrity (page 38) 2021 Sustainable Development Report - Responsible value chain (page 43) 2021 Corporate Governance Statement - Our anti-bribery and corruption compliance program (page 15) Code of Business Conduct (and Speak Up Policy) available at <a href="http://www.south32.net">www.south32.net</a> Sustainability and Business Conduct - Minimum Supplier Requirements at <a href="http://www.south32.net">www.south32.net</a>	
Climate change and greenhouse gas emissions	EM-MM-110a.1.	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	2021 Sustainability Databook - GHG emissions tab 2021 Sustainability Databook - Emissions methodology tab	Partial disclosure - percentage covered under emissions-limiting regulations not disclosed. Operational control consolidation approach followed.
	EM-MM-110a.2.	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	2021 Sustainable Development Report - Addressing climate change (page 46)	
	EM-MM-130a.1.	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	2021 Sustainability Databook - Energy tab	
Biodiversity	EM-MM-160a.1.	Description of environmental management policies and practices for active sites	2021 Sustainability Databook - Our environmental management approach tab 2021 Sustainable Development Report - Managing our environmental impact pillar (page 66)	
Water	EM-MM-140a.1.	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	2021 Sustainability Databook - Water data tab 2021 Sustainable Development Report - Water (page 71)	
	EM-MM-140a.2.	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	2021 Sustainability Databook - Water data tab	
Waste	EM-MM-150a.1.	Total weight of tailings waste, percentage recycled	2021 Sustainability Databook - Waste data tab 2021 Sustainable Development Report - Waste (page 74)	
	EM-MM-150a.3.	Number of tailings impoundments, broken down by MSHA hazard potential	2021 Directory of Tailings Storage Facilities available at <a href="http://www.south32.net">www.south32.net</a>	Tailings Storage Facilities are defined a hazard categorisation based on the consequence of failure. The guideline followed for the classification system is specified per TSF in the 2021 Directory of Tailings Storage Facilities available at <a href="http://www.south32.net">www.south32.net</a>
Other emissions, effluents and pollution	EM-MM-120a.1.	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	2021 Sustainability Databook - Other emissions, effluents and pollution tab 2021 Sustainable Development Report - Other emissions, effluents and pollution (page 77)	Partial disclosure - air emissions of CO, PM10, lead and VOCs not disclosed

## Task Force on Climate-Related Financial Disclosures (TCFD)

Core element of recommended Climate-Related Financial Disclosures <sup>(1)</sup>		Supporting recommended disclosures	Reference location
Governance	The organisation's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.	2021 Corporate Governance Statement - Board operations and key focus areas (page 5) 2021 Corporate Governance Statement - Board Committees (page 8) 2021 Sustainable Development Report - Addressing climate change pillar - Climate change governance (page 61)
		Describe management's role in assessing and managing climate-related risks and opportunities.	2021 Sustainable Development Report - Addressing climate change pillar - Climate change governance (page 61)
Strategy	The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	2021 Sustainable Development Report - Addressing climate change pillar (page 46) 2021 Sustainability Databook - Climate risk assessment tab 2021 Annual Report - Risk Management (page 24)
		Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	2021 Sustainable Development Report - Addressing climate change pillar - Our approach (page 47) 2021 Sustainable Development Report - Addressing climate change pillar - Partnerships (page 58) 2021 Sustainable Development Report - Addressing climate change pillar - Portfolio (page 62) 2021 Annual Report - Risk Management (page 24)
		Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2021 Sustainable Development Report - Addressing climate change pillar - Our approach (page 47) 2021 Sustainable Development Report - Addressing climate change pillar - Portfolio (page 62)
Risk Management	The processes used by the organisation to identify, assess, and manage climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks.	2021 Annual Report - Risk Management (page 24) 2021 Sustainable Development Report - Addressing climate change pillar - Climate change risk management (page 61)
		Describe the organisation's processes for managing climate-related risks.	2021 Annual Report - Risk Management (page 24) 2021 Sustainable Development Report - Addressing climate change pillar - Climate change risk management (page 61)
		Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	2021 Annual Report - Risk Management (page 24) 2021 Sustainable Development Report - Addressing climate change pillar - Climate change risk management (page 61)
		Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	2021 Annual Report - Risk Management (page 24) 2021 Sustainable Development Report - Addressing climate change pillar - Executive remuneration (page 61) 2021 Sustainable Development Report - Addressing climate change pillar - Portfolio (page 62)
Metrics and Targets	The metrics and targets used to assess and manage relevant climate-related risks and opportunities.	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2021 Sustainable Development Report - Addressing climate change pillar - Decarbonisation (page 50) 2021 Sustainability Databook - GHG emissions tab
		Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	2021 Sustainable Development Report - Addressing climate change pillar - Our approach (page 47) 2021 Sustainable Development Report - Addressing climate change pillar - Decarbonisation (page 50)

(1) Independent assurance provided over core elements of recommended Climate-Related Financial Disclosures. Refer to the 'Independent Assurance Report to the Directors of South32 Limited' in the Assurance tab of the 2021 Sustainability Databook.

## CA100+ Net Zero Company Benchmark

Indicator 1: Net zero GHG emissions by 2050 (or sooner) ambition	Response
1.1 The company has set an ambition to achieve net-zero GHG emissions by 2050 or sooner	We support the objectives of the Paris Agreement and have a long-term target to achieve net zero operational emissions (Scope 1 and 2) by 2050.
1.1a The company has made a qualitative net-zero GHG emissions ambition statement that explicitly includes at least 95% of scope 1 and 2 emissions	
1.1b The company's net-zero GHG emissions ambition covers the most relevant scope 3 GHG emissions categories for the company's sector, where applicable	
	We have not yet set a target for Scope 3 emissions. We understand the need to significantly reduce emissions across our value chain and will continue to assess options to set a target for Scope 3 emissions in future reporting periods, recognising the uncertainties associated with projecting future emissions outside our operational control and the level of influence we have in downstream industries. This ongoing assessment will benefit from progress made through our industry initiatives, greater clarity for Illawarra Metallurgical Coal including the potential Dendrobium Next Domain life extension project, and the reduced carbon intensity of our portfolio as we increase our exposure to base metals. Further information on our Scope 3 emissions is available on pages 59 - 60 of our 2021 Sustainable Development Report available at <a href="http://www.south32.net">www.south32.net</a> .
Indicator 2: Long-term (2036-2050) GHG reduction target(s)	Response
2.1 The company has set a target for reducing its GHG emissions by between 2036 and 2050 on a clearly defined scope of emissions	As noted above, our long-term target is to reach net zero operational emissions (Scope 1 and 2) by 2050.
2.2a The company has specified that this target covers at least 95% of total scope 1 and 2 emissions	
2.2b If the company has set a scope 3 GHG emissions target, it covers the most relevant scope 3 emissions categories for the company's sector (for applicable sectors), and the company has published the methodology used to establish any scope 3 target	As noted above, we will continue to assess options to set a target for Scope 3 emissions.
2.3 The target is aligned with the goal of limiting global warming to 1.5°C	We consider that our long-term target to reach net zero operational emissions by 2050 is aligned with the pathway in the IPCC Special Report on 1.5°C. We note that certain investor and climate action groups consider that an emissions reduction target must include all material sources of emissions, including Scope 3, to be considered a 1.5°C aligned target.
Indicator 3: Medium-term (2026-2035) GHG reduction target(s)	Response
3.1 The company has set a target for reducing its GHG emissions by between 2026 and 2035 on a clearly defined scope of emissions	In May 2021, we announced our medium-term target to achieve a 50% reduction in operational emissions (Scope 1 and 2) by FY35 compared to our FY21 baseline.
3.2a The company has specified that this target covers at least 95% of total scope 1 and 2 emissions	
3.2b If the company has set a scope 3 GHG emissions target, it covers the most relevant scope 3 emissions categories for the company's sector (for applicable sectors), and the company has published the methodology used to establish any scope 3 target	As noted above, we will continue to assess options to set a target for Scope 3 emissions.
3.3 The target is aligned with the goal of limiting global warming to 1.5°C	In developing our medium-term target, we considered credible, science-based emissions reduction pathways required to meet the goals of the Paris Agreement. The IPCC Special Report indicates that relative to 2010 levels, global emissions will need to decline by about 45 per cent by 2030 to meet the stretch goal of 1°5C. This represents an annual average reduction of approximately 2.25 per cent. Our medium-term target implies an annual average reduction of approximately 3.6 per cent, which we consider to be within the range of emissions reductions needed to align with limiting global warming to 1°5C, over a slightly extended time period compared to the IPCC Special Report. As noted above, we recognise that because our target does not include Scope 3 emissions, it will not be considered by some investor and climate action groups to be a 1.5°C aligned target.
Indicator 4: Short-term (up to 2025) GHG reduction target(s)	Response
4.1 The company has set a target for reducing its GHG emissions up to 2025 on a clearly defined scope of emissions	In FY21 we achieved our first short-term target of keeping our Scope 1 emissions below our FY15 baseline, and as noted above, we announced our medium-term target to achieve a 50% reduction in operational emissions (Scope 1 and 2) by FY35. Our approach is designed to deliver substantial emissions reductions, predominantly over the medium-term as our decarbonisation projects are implemented and low-carbon energy alternatives become available.
4.2a The company has specified that this target covers at least 95% of total scope 1 and 2 emissions	
4.2b If the company has set a scope 3 GHG emissions target, it covers the most relevant scope 3 emissions categories for the company's sector (for applicable sectors), and the company has published the methodology used to establish any scope 3 target	To support the achievement of our medium-term target and create optionality for our decarbonisation pathway, we are completing a range of short-term work programs. Our short-term decarbonisation milestones are described on page 52 of our 2021 Sustainable Development Report.
4.3 The target is aligned with the goal of limiting global warming to 1.5°C	
Indicator 5: Decarbonisation strategy	Response
5.1 The company has a decarbonisation strategy to meet its long and medium-term GHG reduction targets	We have developed decarbonisation plans to achieve our medium-term target and net zero by 2050.  Our approach to climate change is aligned with our business strategy which is focused on optimising the performance of our operations, unlocking their potential and identifying new opportunities to create value. As part of this, our decarbonisation strategy includes investing in efficiency projects, switching to low-carbon energy and deploying new technologies. Decarbonisation plans for our largest operations are described on pages 50 - 56 of our 2021 Sustainable Development Report.  The main sources of our operational emissions (Scope 1 and 2) are described on pages 49 - 50 of our 2021 Sustainable Development Report. More than 90% of our operational emissions are from four operations - Worsley Alumina, Illawarra Metallurgical Coal, Hillside Aluminium and Mozal Aluminium - which are the focus of our decarbonisation plans. With the majority of our emissions coming from energy consumption, the shift to low-carbon alternatives is expected to realise the largest share of our emissions reduction targets.  The main sources of our Scope 3 emissions are described on pages 59 - 60 of our 2021 Sustainable Development Report. Our Scope 3 emissions reduce by approximately 40% following the divestments of South Africa Energy Coal and the TEMCO alloy smelter, which were completed in FY21. Our largest contributor to Scope 3 emissions is Illawarra Metallurgical Coal from the use of our metallurgical coal in steel making. Accordingly, our options to develop a Scope 3 target will benefit from greater clarity for Illawarra Metallurgical Coal including the potential Dendrobium Next Domain life extension project.
5.1a The company identifies the set of actions it intends to take to achieve its GHG reduction targets over the targeted time frame. These measures clearly refer to the main sources of its GHG emissions, including scope 3 emissions where applicable	
5.1b The company quantifies key elements of this strategy with respect to the major sources of its emissions, including scope 3 emissions where applicable	
5.2 The company's decarbonisation strategy includes a commitment to 'green revenues' from low carbon products and services	
5.2a The company already generates 'green revenues' and discloses their share in overall sales	Currently sub-indicator 5.2 and related metrics only apply to companies headquartered in the European Union (E.U.). Our strategy includes a commitment to commodities needed for a low-carbon global economy and increasing our exposure to base metals.  We have established a pipeline of growth options including projects at our Cannington, Cerro Matoso and Mozal operations; development options at Taylor, Clark and Arctic; regional exploration properties at Hermosa and Ambler Metals; and more than 20 greenfield exploration projects. These options offer exposure to favourable commodity demand fundamentals and are expected to reduce the overall carbon intensity of our portfolio, given their low intensity and opportunities to design new projects with a low-carbon footprint.  As part of reshaping our portfolio, we have exited a number of low returning and carbon intensive businesses, which has simplified our business and reduced our exposure to climate change risks.
5.2b The company has set a target to increase the share of 'green revenues' in its overall sales OR discloses the 'green revenue' share that is above sector average.	
Indicator 6: Capital allocation alignment	Response
6.1 The company is working to decarbonise its future capital expenditures.	Our climate change commitments are integrated into our capital allocation framework, which considers all investments and strategic decisions. Our allocation of capital to our base metals development and exploration options is aligned with our strategy of increasing our exposure to the commodities needed for a low carbon future, our climate change commitments and emissions reduction targets. We apply a cost of carbon in our investment decisions, as described on page 50 of our 2021 Sustainable Development Report.  Capital expenditure of US\$40 million to US\$50 million for decarbonisation is targeted over FY22 and FY23. This expenditure is expected to increase during this decade as additional projects move to execution to support our medium-term target and net zero operational emissions by 2050. Accordingly, future capital allocation decisions will support the achievement of our emissions reduction targets.
6.1a The company explicitly commits to align future capital expenditures with its long-term GHG reduction target(s)	
6.1b The company explicitly commits to align future capital expenditures with the Paris Agreement's objective of limiting global warming to 1.5° Celsius	
6.2 The company discloses the methodology used to determine the Paris alignment of its future capital expenditures	Total decarbonisation capital is expected to be modest relative to Group expenditure. The evaluation of energy transition options for Worsley Alumina and Hillside Aluminium is more likely to be based on operating cost differentials and commercial considerations, rather than capital expenditure by the Group. In this regard, due to their large and consistent energy consumption, Worsley Alumina and Hillside Aluminium present as potentially attractive offtake partners to support third party investment in renewable energy infrastructure.  As our decarbonisation and energy transition projects move through final study phases we will disclose these capital expenditure estimates, key assumptions and timing.
6.2a The company discloses the methodology it uses to align its future capital expenditures with its decarbonisation goals, including key assumptions and key performance indicators (KPIs)	
6.2b The methodology quantifies key outcomes, including the share of its future capital expenditures that are aligned with a 1.5° Celsius scenario, and the year in which capital expenditures in carbon intensive assets will peak	
Indicator 7: Climate policy engagement	Response
7.1 The company has a Paris-Agreement-aligned climate lobbying position and all of its direct lobbying activities are aligned with this	Our participation in industry associations provides an avenue to engage in and influence matters affecting our industry, including on climate change. Our 'Approach to Industry Associations' available at <a href="http://www.south32.net">www.south32.net</a> outlines our material industry association memberships.

7.1a The company has a specific commitment/position statement to conduct all of its lobbying in line with the goals of the Paris Agreement	Consistent with 'Our Approach to Industry Associations', we regularly engage with our industry associations to promote greater transparency about our respective climate change positions so that we can improve collective alignment, knowledge sharing, advocacy, and action. Throughout FY21, our membership of industry associations continued to provide insights and information that inform our business strategy and provide additional opportunities to improve our decarbonisation outcomes. One example is the New South Wales Government's Net Zero Industry and Innovation Program which has benefitted from effective public and private engagement between industry associations, researchers, miners and government, to encourage the development and implementation of new emission reduction technologies.
7.1b The company lists its climate-related lobbying activities, e.g., meetings, policy submissions, etc.	
7.2 The company has Paris-Agreement-aligned lobbying expectations for its trade associations, and it discloses its trade association memberships	
7.2a The company has a specific commitment to ensure that the trade associations the company is a member of lobby in line with the goals of the Paris Agreement	
7.2b The company discloses its trade associations memberships	In FY19, FY20 and FY21, we completed a review of the climate change positions of a subset of our industry associations to determine alignment with our climate change policy positions – including support for the Paris Agreement. The process and outcomes of these reviews, and the actions taken, were included in our 2019 'Our Approach to Climate Change', our 2020 Sustainable Development Report and in the 'Industry Associations' Tab of our 2021 Sustainability Databook.
7.3 The company has a process to ensure its trade associations lobby in accordance with the Paris Agreement	
7.3a The company conducts and publishes a review of its trade associations' climate positions/alignment with the Paris Agreement	
7.3b The company explains what actions it took as a result of this review	We remain prepared to terminate our memberships where material misalignment prevails and ultimately outweighs the benefits of membership.

#### Indicator 8: Climate Governance

8.1 The company's board has clear oversight of climate change.	<b>Response</b> Our Board is responsible for approving South32's climate change strategy and has oversight of the management of climate-related risks and opportunities. The Board is assisted by the Sustainability Committee and the Risk and Audit Committee in managing these responsibilities.
8.1a The company discloses evidence of board or board committee oversight of the management of climate change risks.	The Sustainability Committee receives regular progress reports on climate change from management as well as updates from internal and external experts about developments in climate science, policy, regulation, technology, and stakeholder feedback. The Board is also briefed annually on climate change developments by an external expert.
8.1b The company has named a position at the board level with responsibility for climate change.	
8.2 The company's executive remuneration scheme incorporates climate change performance elements.	Our executive remuneration arrangements incorporate our performance on climate change.
8.2a The company's CEO and/or at least one other senior executive's remuneration arrangements specifically incorporate climate change performance as a KPI determining performance-linked compensation.	Following a review of our executive remuneration framework in FY21, we have enhanced our long-term incentive (LTI) plan to include performance on climate change, with 10 per cent of the LTI awards to be determined by the Board based on our action and progress.
8.2b The company's CEO and/or at least one other senior executive's remuneration arrangements incorporate progress towards achieving the company's GHG reduction targets as a KPI determining performance linked compensation	Linking our performance on climate change to long-term executive remuneration is aligned with the timeframe and delivery of the decarbonisation and energy transition programs that will support the achievement of our medium-term emissions reduction target. In this way, our executive remuneration outcomes will reflect the achievement of significant milestones and long-term value protection and creation, rather than short-term variability in emissions performance.
8.3 The Board has sufficient capabilities/competencies to assess and manage climate related risks and opportunities.	We review our Board's skills annually, with a focus on the skills and experience required for South32 to continue to achieve its purpose and deliver its strategy going forward and to make sure we cover existing and emerging business and governance issues relevant to us. The Board skills matrix on pages 9 - 12 of the 2021 Corporate Governance Statement shows that 50% of our Board members are highly skilled, 25% skilled and the remaining 25% knowledgeable in environment and climate change, with a demonstrable understanding of key environmental impacts for a global mining company, including fluency in how climate change risks and opportunities affect the business, and experience in management, performance and governance of these impacts. Read more in our 2021 Corporate Governance Statement.
8.3a The company has assessed its board competencies with respect to managing climate risks and discloses the results of the assessment.	
8.3b The company provides details on the criteria it uses to assess the board competencies with respect to managing climate risks and/or the measures it is taking to enhance these competencies.	

#### Indicator 9: Just Transition

9.1 The company considers the impacts from transitioning to a lower-carbon business model on its workers and communities.	<b>Response</b> We will embed the principles of Just Transition into our decarbonisation plans, focusing on those operations with the greatest transition impacts.  Our decarbonisation plans for Worsley Alumina and Hillside Aluminium involve reducing or replacing our use of energy coal. These operations and connected businesses sustain significant energy coal supply chains that are large regional employers.  In FY22, we will complete Just Transition risk assessments at Worsley Alumina and Hillside Aluminium. We will integrate the outcomes of these assessments into our decarbonisation plans, while continuing to engage with government and other stakeholders on the development of appropriate Just Transition plans.
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#### Indicator 10: TCFD Disclosure

10.1 The company has committed to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).	We report in accordance with the Task Force on Climate-related Financial Disclosures (TCFD). An index of where we have disclosed information to meet the requirements of TCFD is available in the 'TCFD' tab of our 2021 Sustainability Databook.
10.1a The company explicitly commits to align its disclosures with the TCFD recommendations OR it is listed as a supporter on the TCFD website.	
10.1b The company explicitly sign-posts TCFD aligned disclosures in its annual reporting or publishes them in a TCFD report.	
10.2 The company employs climate scenario planning to test its strategic and operational resilience	We use scenario analysis to stress-test the potential impacts of climate change on our business and to inform stakeholders about potential risks and opportunities. We have used scenario analysis as a risk management tool since the TCFD first published its recommendations in 2017.
10.2a The company has conducted a climate-related scenario analysis including quantitative elements and disclosed its results.	We assess our resilience to both transition risk (changes to climate and energy policy and technology to achieve the objectives of the Paris Agreement) and physical risk (potential impacts of climate change and global warming). Our assessment of these risks is disclosed in our annual Sustainable Development Reports at <a href="http://www.south32.net">www.south32.net</a> .  In FY21 we developed a 1.5°C scenario and analysed the potential impacts on commodity demand and our portfolio. This scenario, key assumptions and risk and opportunities for our business are described on pages 62 - 65 of our 2021 Sustainable Development Report.
10.2b The quantitative scenario analysis explicitly includes a 1.5° Celsius scenario, covers the entire company, discloses key assumptions and variables used, and reports on the key risks and opportunities identified.	



## Modern Slavery Statement Metrics

As a company with a large and complex global supply chain and operations and projects across Australia, Southern Africa and the Americas, we recognise that modern slavery is a real risk. We are committed to respecting human rights and taking meaningful action against modern slavery. Not only is this the right thing to do and central to our purpose and values, but it is critical to the integrity and success of our business. Eliminating modern slavery risks from our operations and supply chain requires collaboration and we work closely with our stakeholders to continually evolve our approach. Modern slavery is not acceptable in our operations or supply chains. Our annual Modern Slavery Statement, available at [www.south32.net](http://www.south32.net), outlines our approach to continue to reduce the risk of modern slavery in our operations and our supply chains.

Metric	FY21	FY20	FY19
No. of suppliers <sup>(1)</sup>	5,668 <sup>(2)</sup>	6,775	6,000
Payments to suppliers	US\$5.05 billion	US\$5.3 billion	US\$4.7 billion
No. of countries where suppliers are located	46	55	54
Higher risk goods and services categories	Parts and consumables at site Explosives Raw Materials Coke and Coal Electronics (hardware) and Electronics (Components) Personal Protective Equipment and other Safety Supplies Chemicals Refractory materials Construction services Shipping and freight services Maintenance services Facilities management services	Parts and consumables at site Explosives Raw Materials Coke and Coal Electronics (hardware) and Electronics (Components) Personal Protective Equipment and other Safety Supplies Chemicals Refractory materials Construction services Shipping and freight services Maintenance services Facilities management services	Parts and consumables at site Explosives Raw Bulk Materials Coke and Coal Electronics (hardware) and Electronics (Components) Personal Protective Equipment and other Safety Supplies Construction services Shipping and freight services
No. of suppliers assessed (desktop risk profiles such as country and industry)	5,354	401	10
No. of suppliers assessed (desktop review, based on documented evidence provided by the supplier - EcoVadis ScoreCard)	58	n/a (new FY21 process)	n/a (new FY21 process)
No. of independent audits completed	14 <sup>(3)</sup>	6	5
Levels of supply chain audited	Direct suppliers	Direct suppliers and sub-suppliers	Direct suppliers
Key human rights and labour risks identified during independent audits	- poor pay practices - excessive overtime - poor employee policies and lack of worker awareness of these policies - labour management systems policies, procedures and performance; and - inadequate grievance and redress mechanisms.	- poor pay practices - excessive overtime - inadequate rest days - workers not understanding employee contract or employee payment terms, freedom of association, - failure for suppliers to align their management system with South32 Code of Business Conduct - unlawful discipline procedures - inadequate grievance and redress mechanisms.	- potential for excessive overtime - inadequate rest days - workers not understanding employee contract and employee payment terms - risk of inadequate access to sufficient drinking water - inadequate supplier social and labour policies and procedures, including inadequate grievance mechanisms - risks of discriminatory practices - inequalities faced by workers and harassment.
No. of supplier development plans	8	6	6
No. of Supplier Self Assessment Questionnaires issued	595	350	n/a (new FY20 process)
No. of employees and contractors completed modern slavery training	1,105	1,242	1,000
No. of supplier entities completed modern slavery training	125	56	0

(1) Excluded sourcing and purchasing activity includes (a) traded goods and services; (b) purchasing cards (otherwise known as credit cards) which can only be used for low value transactions (under US\$2,000 per month), time sensitive land tenement payments or regulatory permit or license applications and renewals; and (c) non-order invoice payments which are typically limited to regulatory payments, internal payments (including to internal companies and joint venture partners), donations, employee benefits, non-employee reimbursements, legal settlements, or payments to doctors, hospitals or for medical treatments.

(2) South Africa Energy Coal (SAEC) suppliers are not included in this figure. Approximately 1,096 suppliers were accounted for during FY21 for SAEC, which was divested from the South32 Group in June 2021. These may include some duplicates or overlap with the broader South32 Group.

(3) Includes six enterprise supplier development modern slavery audits at SAEC.



## Independent Assurance Report to the Directors of South32 Limited

## Conclusion

**a) Assured Sustainability Information – Limited assurance**

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Assured Sustainability Information, as described below, which has been prepared by South32 Limited in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards), the Task Force on Climate-related Financial Disclosures (TCFD) Core Elements of Recommended Climate-Related Financial Disclosures (TCFD Recommendations), the International Council of Mining and Metals (ICMM) Sustainable Development Framework, and the basis of preparation as disclosed in the South32 Limited Annual Report (AR), Sustainable Development Report (SDR) and Sustainability Databook (Databook) for the period ended 30 June 2021.

**b) GHG Emissions – Reasonable assurance**

In our opinion, in all material respects, South32 Limited's reported Greenhouse Gas (GHG) Emissions of 21.6 Mt CO<sub>2</sub>-e (Scope 1 and 2) have been prepared in accordance with the World Resources Institute and World Business Council for Sustainable Development (WRI and WBCSD) GHG Protocol (market-based method) and the basis of preparation as disclosed in the AR, SDR and Databook for the period ended 30 June 2021.

**c) Water Inputs and Outputs – Reasonable assurance**

In our opinion, in all material respects, South32 Limited's reported total Water Inputs of 83,632 megalitres and reported total Water Outputs of 77,233 megalitres have been prepared in accordance with the Minerals Council of Australia's Water Accounting Framework and the basis of preparation as disclosed in the AR, SDR and Databook for the period ended 30 June 2021.

**Assured Sustainability Information**

The Assured Sustainability Information comprised the following data and statements:

- Sustainable Development Report (except for Our People and Case Studies) available on South32 Limited's (South32's) website at <https://www.south32.net/investors-media/investor-centre/annual-reporting-suite>;
- The Sustainability Databook (except for tabs "Inclusion and diversity", "Attract, develop, retain talent" and "Modern Slavery Metrics") available on South32's website at <https://www.south32.net/investors-media/investor-centre/annual-reporting-suite>;
- The following sections in the Annual Report available on South32's website at <https://www.south32.net/investors-media/investor-centre/annual-reporting-suite>:
  - *Total Recordable Injury Frequency, FY21 Scope 1 greenhouse gas emissions below FY15 baseline, Community Investment and Payment of taxes and royalties* in "Year in Review";
- The following sections under "Progress against our strategy":
  - "Working safely";
  - *Scope 1 and 2 emissions and community initiatives and activities* in "Stable and predictable performance while minimising impact";
  - "Technology and innovation unlock value";
  - "Create enduring social, environmental and economic value"; and
- "Our contribution".

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**Criteria Used as the Basis of Reporting**

The criteria used as the basis of reporting includes the GRI Standards (Core level of disclosures), the TCFD Recommendations published by the Financial Stability Board, the ICMM Sustainable Development Framework published by the ICMM, the GHG Protocol published by the WRI and WBCSD, the Minerals Council of Australia's Water Accounting Framework, and the basis of preparation disclosed in the AR, SDR and Databook, prepared by the Directors and Management of South32 (criteria).

**Basis for Conclusion**

We conducted our work in accordance with International Standard on Assurance Engagements *ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information* and *ISAE 3410 Assurance on Greenhouse Gas Statements* (Standards). In gathering evidence for our conclusions our assurance procedures comprised:

- interviews with senior management and relevant staff at corporate and 7 operating sites;
- assessment of the suitability and application of the criteria in respect of the Assured Sustainability Information, GHG emissions and total Water Inputs and Outputs;
- evaluation of the design and implementation of the key systems, processes and controls for collecting, managing and reporting the Assured Sustainability Information, and testing of certain controls for collecting, managing and reporting the GHG emissions and total Water Inputs and Outputs;
- risk analysis, including print and social media searches, to validate the completeness of South32's own materiality assessment and to determine the scope of assurance testing at corporate and operating sites;
- assessment of the reasonableness of the assumptions underlying the forward-looking statements set out in the Assured Sustainability Information;
- assessment of the alignment of the Assured Sustainability Information to the TCFD Recommendations;
- agreeing the Assured Sustainability Information to relevant underlying sources on a sample basis;
- agreeing the GHG emissions and total Water Inputs and Outputs data to relevant underlying sources in accordance with the International Standard on Auditing ISA 530 Audit Sampling and Other Means of Testing;
- an assessment that the indicators reported were in accordance with the GRI Standards Core level of disclosures and Subject Matters 1 to 4 of the ICMM Sustainable Development Framework.

In accordance with the Standards we have:

- used our professional judgement to plan and perform the engagement to obtain reasonable assurance that the GHG emissions and total Water Inputs and Outputs are free from material misstatement, whether due to fraud or error;
- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Assured Sustainability Information, whether due to fraud or error;
- considered relevant South32 internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness;
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies

**How the Standards Define Reasonable Assurance, Limited Assurance and Material Misstatement**

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement when it exists.



Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of South32.

**Use of this Assurance Report**

This report has been prepared for the Directors of South32 for the purpose of providing an assurance conclusion on the Assured Sustainability Information, GHG Emissions and total Water Inputs and Outputs and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of South32, or for any other purpose than that for which it was prepared.

**South32's Responsibility**

South32 is responsible for:

- determining that the criteria is appropriate to meet their needs;
- preparing and presenting the Assured Sustainability Information, GHG emissions and total Water Inputs and Outputs in accordance with the criteria;
- determination of South32's GRI Standards Core level of disclosures in accordance with the GRI Standards and guidelines;
- establishing internal controls that enable the preparation and presentation of the Assured Sustainability Information, GHG emissions and total Water Inputs and Outputs that are free from material misstatement, whether due to fraud or error;
- Ensuring the basis of preparation in accordance with which the Assured Sustainability Information has been determined and compiled is clearly and unambiguously set out in the AR, SDR and Databook;
- telling us of any known and/or contentious issues relating to the information subject to assurance; and
- maintaining integrity of the website at <https://www.south32.net/investors-media/investor-centre/annual-reporting-suite>.



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**Our Responsibility**

Our responsibility is to perform limited assurance in respect of the Assured Sustainability Information, including Subject Matters 1 to 4 of the ICMM Sustainable Development Framework and reasonable assurance in respect of GHG emissions and total Water Inputs and Outputs, and to issue an assurance report that includes our conclusions.

**Our Independence and Quality Control**

We have complied with the independence and other relevant ethical requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants, and the applicable requirements of the International Standard on Quality Control 1 to maintain a comprehensive system of quality control.



Adrian King

Partner

Perth

2 September 2021