



MODERN  
SLAVERY  
STATEMENT  
2022



About this Statement

Modern Slavery Statement 2022

This Statement outlines our approach and the steps taken to seek to minimise the risk of modern slavery in our business.

Our 2022 Reporting Suite

You can view all the documents in our Annual Reporting Suite at [www.south32.net](http://www.south32.net), including:



Annual Report



Sustainable Development Report



Sustainability Databook



Corporate Governance Statement



Tax Transparency and Payments to Governments Report

**Cover:** A logistics supervisor and mechanical engineer at our Illawarra Metallurgical Coal operation in Australia.  
**Below:** Community members in KwaZulu-Natal province in South Africa.



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ACKNOWLEDGEMENT

We acknowledge and pay our respects to the Indigenous, Traditional and Tribal Peoples of the lands, waters and territories on which South32 is located and where we conduct our business around the world.

We respect and acknowledge the unique cultural and spiritual relationships that Indigenous, Traditional and Tribal Peoples have to the lands, waters and territories, and their rich contribution to society.

In the spirit of respect and reconciliation, we will continue to support initiatives that strengthen culture and ways of life so that their legacy continues and extends to future generations.





# SOUTH32 IS A GLOBAL MINING AND METALS COMPANY

We produce commodities including bauxite, alumina, aluminium, copper, silver, lead, zinc, nickel, metallurgical coal and manganese from our operations in Australia, southern Africa and South America. With a focus on growing our base metals exposure, we also have two development options in North America and several partnerships with junior explorers around the world.

## Making a difference

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.

Learn more about **how we improve people's lives** in our Annual Report at [www.south32.net](http://www.south32.net)

## Optimise | Unlock | Identify

Our purpose is underpinned by a simple **strategy** which is focused on optimising the performance of our operations, unlocking their potential and identifying new opportunities to create value for all of our stakeholders.

Learn more about **our strategy** in our Annual Report at [www.south32.net](http://www.south32.net)

## Care | Trust | Togetherness | Excellence

While our strategy outlines what we do to achieve our purpose, our **values** of care, trust, togetherness and excellence guide how we do it. Every day, our values shape the way we behave and the standards we set for ourselves and others.

Learn more about **our people** in our Sustainable Development Report at [www.south32.net](http://www.south32.net)



## Modern Slavery Statement

### Disclaimer

This document is the joint Modern Slavery Statement (Australia) and Slavery and Human Trafficking Statement (UK) (together, the Statement) in relation to its actions during the reporting period from 1 July 2021 to 30 June 2022. This Statement is made in accordance with the requirements of the *Australian Modern Slavery Act 2018* (Cth) and the *UK Modern Slavery Act 2015*, and was prepared by South32 Limited, its subsidiaries and its controlled entities, and South32 operated joint arrangements<sup>(1)</sup>. South32 has prepared this Statement based on information available to it at the time of preparation.

This Statement contains forward-looking statements relating to South32's policies and practices with respect to modern slavery risk management, including statements of current intention and expectation and statements of opinion. Except as required by applicable laws or regulations, South32 does not undertake to publicly update or review any forward-looking statements. Monetary amounts in this Statement are expressed in US dollars, unless otherwise stated.

Unless otherwise stated, (a) metrics describing performance in this Statement apply to 'operated operations' that have been wholly owned and operated by South32, or that have been operated by South32 in a joint arrangement from 1 July 2021 to 30 June 2022, and (b) operations that we acquired or divested during the reporting period are shown for the period we had operational control of those operations.

In this Statement, unless otherwise stated, references to South32, the South32 Group, the Group, we, us, our and similar expressions refer to South32 Limited, its subsidiaries and its controlled entities and South32-operated joint arrangements. This Statement does not cover our non-controlled nor non-operated joint arrangements.



(1) In this Statement, 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.

## Reporting entities

The submitting entity is South32 Limited (ABN 84 093 732 597) as the parent company of the South32 Group and its registered office is Level 35, 108 St Georges Terrace, Perth, Western Australia 6000. South32 Limited is listed on the Australian Securities Exchange, London Stock Exchange and Johannesburg Stock Exchange. South32 Limited is considered a reporting entity for the purposes of the Australian *Modern Slavery Act 2018*.

The South32 Group operates and is managed with policies, systems and processes that are designed to be consistently applied at all our operations. In addition to South32 Limited, this Statement is made on behalf of the following entities, which are considered reporting entities for the purposes of the Australian *Modern Slavery Act 2018*:

Entity	Principal activity (Operation name)	Location	Effective interest %
Dendrobium Coal Pty Ltd ABN 85 098 744 088	Coal mining (Illawarra Metallurgical Coal)	New South Wales	100
Endeavour Coal Pty Ltd ABN 38 099 830 476	Coal mining (Illawarra Metallurgical Coal)	New South Wales	100
South32 Aluminium (RAA) Pty Ltd ABN 54 095 831 119	Interest in a joint arrangement (Worsley Alumina)	Western Australia	100
South32 Aluminium Worsley Pty Ltd ABN 33 088 336 921	Interest in a joint arrangement (Worsley Alumina)	Western Australia	100
South32 Cannington Pty Ltd ABN 48 125 530 967	Silver, lead and zinc mining (Cannington)	Queensland	100
South32 International Investment Pty Ltd ABN 46 601 452 064	Investment holding company	Western Australia	100
Illawarra Coal Holdings Pty Ltd ABN 69 093 857 286	Investment holding company (Illawarra Metallurgical Coal)	New South Wales	100
Illawarra Services Pty Ltd ABN 12 003 996 370	Coal preparation plant	New South Wales	100
Groote Eylandt Mining Company Pty Ltd ABN 26 004 618 491	Operated joint arrangement (Groote Eylandt)	Northern Territory	60 <sup>(2)</sup>
South32 International Investment (Holding) Pty Ltd ABN 28 601 444 704	Investment holding company	Western Australia	100%
South32 (BMSA) Pty Ltd ABN 44 125 530 949	Investment holding company	Western Australia	100%
South32 Australia Investment 3 Pty Ltd ABN 31 088 336 976	Investment holding company	Western Australia	100%
South32 Aluminium (Holdings) Pty Ltd ABN 58 169 411 974	Investment holding company	Western Australia	100%

The activities and risks discussed in the Statement cover these operations.



(2) Anglo American Plc holds the remaining 40 per cent.



## Introduction

This Statement is our third in response to the Australian *Modern Slavery Act 2018* and our seventh in response to the UK *Modern Slavery Act 2015*. The Statement outlines the steps we took to address modern slavery risks, including the governance processes and progress we made during FY22 in our own operations and supply chains.

The sections of the Statement outlining our response to the mandatory reporting criteria required by the Australian *Modern Slavery Act 2018* and recommended reporting criteria by the UK *Modern Slavery Act 2015* are set out in the table below.

Australian <i>Modern Slavery Act 2018</i> mandatory reporting criteria	UK <i>Modern Slavery Act 2015</i> recommended reporting criteria	Section
Identify the reporting entity and describe its structure, operations and supply chains	Organisation structure, its business and supply chains	Organisational structure, operations and supply chain, page 5
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	Policies in relation to slavery and human trafficking Risk assessment and management The parts of the business and supply chain where there is a risk of slavery and human trafficking in place	Risks of modern slavery in our operations and supply chains, page 10
Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls, to assess and address these risks, including due diligence and remediation processes	Risk assessment and management Due diligence processes Training on modern slavery and trafficking	Policies and governance, page 12 Due diligence and remediation, page 13 Training, page 16
Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	Key performance indicators to measure effectiveness of steps being taken	Assessing effectiveness, page 17
Describe the process of consultation with any entities the reporting entity owns or controls		Consultation, page 17
Any other relevant information		Collaboration, page 18 Looking Ahead, page 18

Our approval and Director signature for this Statement is on page 18.

## Our 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.

Operating in a manner that respects human rights and addresses the risks of modern slavery is fundamental to the way we do business, and we expect those we work with to do the same. We expect our suppliers to comply with lawful business practices and applicable South32 policies, standards, procedures and processes, as relevant to the work they are performing for us, including our approach to modern slavery<sup>(3)</sup>.

Our response to managing the risks of modern slavery in our operations and supply chains continues to be guided by the United Nations Guiding Principles on Business and Human Rights.

The ongoing impacts of the COVID-19 pandemic and the escalation of the conflict in Ukraine have exacerbated the risks of modern slavery to some of the world's most vulnerable people. The impacts of COVID-19 have also continued to impact our third-party audit schedule.

As part of our response to COVID-19, we identified opportunities to provide support for seafarers, including facilitating crew changes through our commitment to the Neptune Declaration. We also rolled out training on health and safety (including COVID-19 protocols) through our Enterprise Supplier Development program (ESD).

We made the values-based decision to not sell commodities to, or source products from, Russia or Russian entities. We continue to monitor the evolving situation in Ukraine and its human rights related impacts. Learn more about our approach to the conflict in Ukraine on page 42 of the 2022 Sustainable Development Report.

Appendix One summarises the key performance indicators from our three most recent Modern Slavery Statements to demonstrate progress made on identified risks and assessment processes, and in Appendix Two, we report on performance against our targets and commitments.

(3) Our Code of Business Conduct (available at [www.south32.net](http://www.south32.net)).

## Organisational structure, operations and supply chains

### Our Structure

South32 is a globally diversified mining and metals company with 9,096 employees as at 30 June 2022 and US\$9.3 billion in revenue during the reporting period. We operate as a group of companies and are headquartered in Perth, Australia.

We produce commodities including bauxite, alumina, aluminium, copper, silver, lead, zinc, nickel, metallurgical coal and manganese from our operations in Australia, southern Africa and South America. With a focus on growing our base metals exposure, we also have two development options in North America and several partnerships with junior explorers around the world. More information on our organisational structure and corporate governance can be found in our 2022 Annual Report and Corporate Governance Statement at [www.south32.net](http://www.south32.net)

### Our Operations

As a global mining and metals company, we create value by producing commodities that are used in all aspects of modern life. Our operations, development options and exploration programs are diversified by commodity and geography. We work to minimise the impact of our activities and aim to create enduring value for all of our stakeholders, at each stage of the mining lifecycle.

#### Mining, refining and smelting

We mine and refine bauxite into alumina at our Worsley Alumina operation in Australia, which is shipped to smelters around the world including our Hillside Aluminium and Mozal Aluminium smelters. Hillside Aluminium in South Africa is the largest aluminium smelter in the southern hemisphere and produces high-quality, primary aluminium. Mozal Aluminium is the only aluminium smelter in Mozambique and the second largest aluminium smelter in Africa. It produces standard aluminium ingots.

Our Cannington silver/lead/zinc mine in Australia is one of the world's largest producers of silver and lead. Our Cerro Matoso operation in Colombia is an integrated nickel laterite mine and smelter. Our Illawarra Metallurgical Coal operation in Australia operates two underground metallurgical coal mines producing high-quality, hard coking coal.

The Groote Eylandt Mining Company in Australia and Hotazel Manganese Mines in South Africa produce manganese ore, which combined make us the world's largest producer of manganese.

Further information on our operations, including equity shares, can be found in our 2022 Annual Report at [www.south32.net](http://www.south32.net)

#### Non-operated joint arrangements

We hold a 33 per cent interest in the Mineração Rio do Norte (MRN) bauxite mine, a 36 per cent interest in the Alumar alumina refinery and a 40 per cent interest in the Alumar aluminium smelter in Brazil. Our share of bauxite produced from the MRN mine is supplied to the Alumar alumina refinery. The alumina produced from the refinery is exported through the Alumar port and supplied to the co-located Alumar aluminium smelter, which was restarted during FY22 after being placed on care and maintenance in 2015.

In FY22 we completed the acquisition of a 45 per cent interest in the Sierra Gorda copper mine in Chile, which is held via the Sierra Gorda S.C.M. incorporated Joint Venture.

Further information on these non-operated joint arrangements can be found in our 2022 Annual Report at [www.south32.net](http://www.south32.net)

#### Development options and exploration

We have two development options in the USA and more than 25 active exploration programs across the globe, some of which are majority-owned and managed. The map on page 8 provides further details.

#### Marketing

Our global marketing team is headquartered in Singapore, with support offices in the United Kingdom, South Africa, Colombia and Australia. The marketing team works closely with our operations to move our products to market and is responsible for commodity sales, purchasing of internationally traded raw materials and managing the delivery of commodities to customers.

The map on page 8 provides detail on our global presence, including office locations.

Further information on each of our operations can be found in our 2022 Annual Report and at [www.south32.net](http://www.south32.net)

### Our Supply Chains

Our supply chains are complex and dynamic networks comprising 5,652 direct suppliers located across 50 countries. Our suppliers are critical partners for our business and our relationships with them vary from once-off engagements through to long-term contractual agreements, as guided by supplier management plans and contract management procedures.

We source a diverse range of goods and services through our global supply chains with a total spend of US\$5 billion. Our primary spend categories are:

- Mobile equipment and their parts;
- Raw materials;
- Engineering and construction;
- Fuel and explosives;
- Electronics and electrical equipment;
- General industrial equipment and consumables;
- Logistics (air, road and rail), shipping, and freight;
- Energy, gas and utilities;
- Support material and services; and
- Technology.

The map on page 8 provides detail on our direct supply chains.

# CREATING LONG-TERM VALUE

As a global mining and metals company, we create value by producing commodities that are used in all aspects of modern life. Our operations, development options and exploration programs are diversified by commodity and geography. We work to minimise the impact of our activities and aim to create enduring value for all of our stakeholders, at each stage of the mining lifecycle.

## The resources we rely upon

### People

Our global workforce is made up of both employees and contractors and is our most important resource, providing the skills, experience and technical expertise required to run our business.

### Physical

We have a suite of assets including open-cut and underground mines, refineries, smelters and associated infrastructure which we focus on running safely and reliably. We procure equipment from suppliers globally to support our operations, development options and exploration programs.

### Environmental

The resources and reserves we access are the primary inputs for our business. Other inputs such as water and energy are also important for the operation of our facilities.

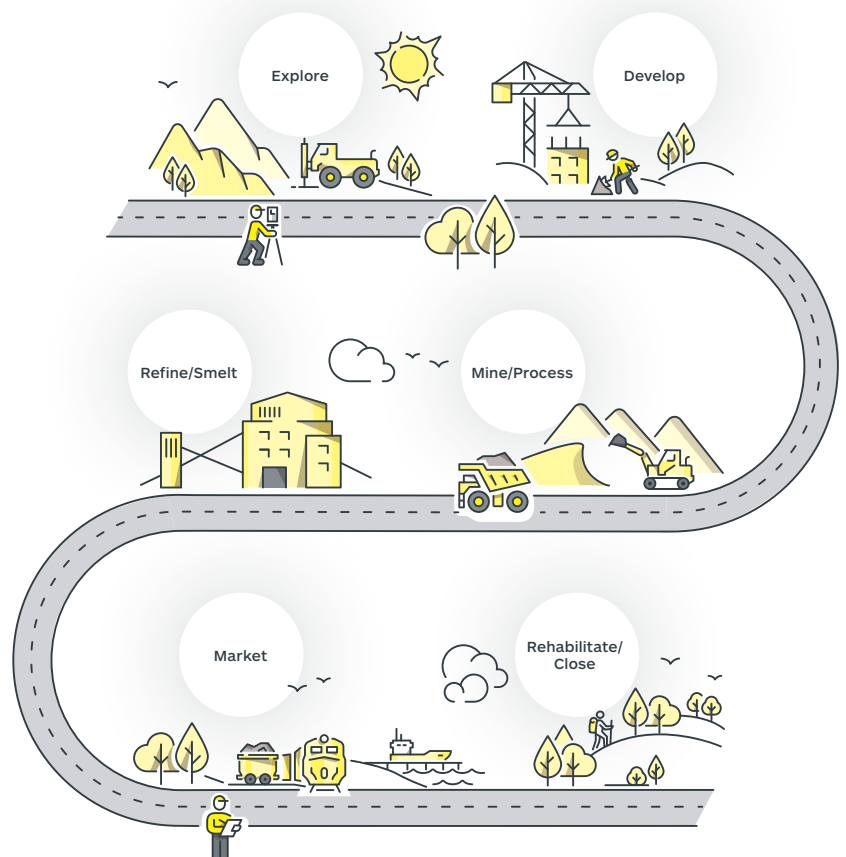
### Economic

Our shareholders and lenders provide access to financial capital which we put to work by operating our existing facilities and funding our pipeline of development options and exploration programs.

### Societal

We build strong relationships with our stakeholders based on trust and transparency and are entrusted to develop their resources.

## What we do



## What guides us



### Our purpose

Learn more about **our purpose** in our Annual Report at [www.south.net](http://www.south.net)





### Explore

We have more than 25 active exploration programs across the globe to discover our next generation of mines.

### Develop

Our development options have the potential to provide commodities which support the transition to a low-carbon world. We have a pipeline of brownfield and greenfield options in execution or study phases.

### Mine

We mine and process bauxite, copper, silver, lead, zinc, nickel, metallurgical coal and manganese.

### Refine/Smelt

We refine bauxite to produce alumina, we smelt alumina to produce aluminium, and we smelt nickel ore to produce ferronickel.

### Market

Our marketing team generates revenue from the sale of our commodities to a global customer base and purchases raw materials from global markets. They also build a view of commodities and their markets to inform our strategic business planning and investment decisions.

### Rehabilitate/Close

From exploration through to closure and beyond, we seek to minimise our adverse impacts on the surrounding environments. We undertake progressive rehabilitation where possible and aim to leave a lasting and positive legacy in our host communities.

## The outcomes we create

### People

We provide meaningful employment and career development opportunities for the people who work for us, who in turn support their families and the communities they live in.

### Physical

We produce commodities that are used in all aspects of modern life and play a critical role in the transition to a low-carbon world.

### Environmental

We seek to avoid, minimise, rehabilitate and offset to deliver enduring outcomes for the ecosystems and catchments in which we operate.

### Economic

Our disciplined approach to capital management supports investment in our business and rewards shareholders as performance improves.

### Societal

The contribution we make to society is multi-faceted and helps improve people's lives by providing the commodities the world needs. In doing so, we create employment, pay taxes and royalties which help fund essential infrastructure and services, invest in communities, develop supply chains, provide returns to shareholders and work hard to be responsible stewards of the environment.

Learn more about **our impact** in our Annual Report at [www.south.net](http://www.south.net)



### Our strategy

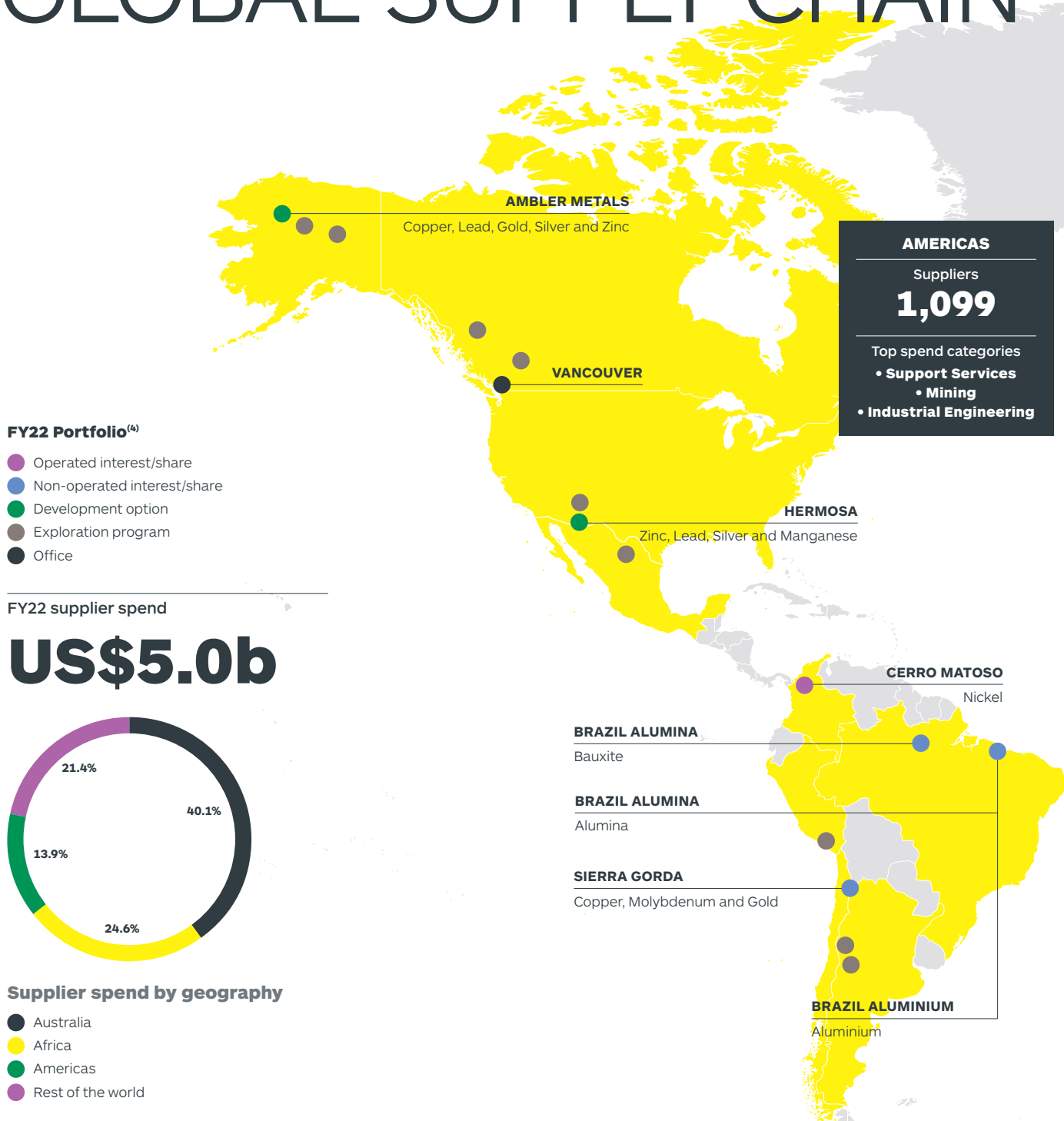
Learn more about **our strategy** in our Annual Report at [www.south.net](http://www.south.net)



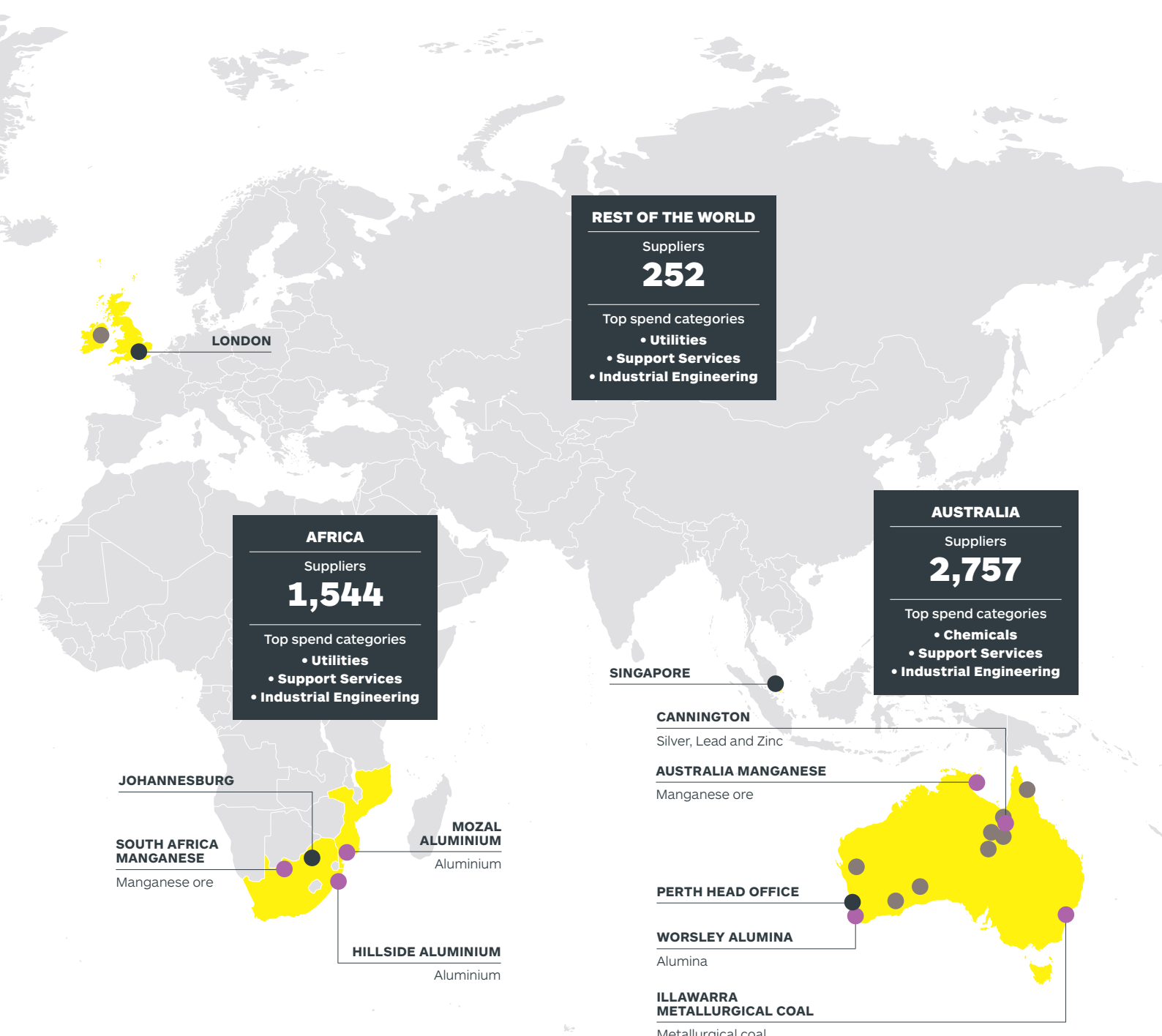
### Our values

Learn more about **our values** in our Annual Report at [www.south.net](http://www.south.net)

# OUR DIVERSIFIED PORTFOLIO AND GLOBAL SUPPLY CHAIN



(4) This map includes our controlled entities and South32 operated joint arrangements which are covered by this Statement (operated interest/share, development options, and certain exploration programs in Australia, the US and Canada and offices). This map also includes our non-controlled or non-operated joint arrangements (non-operated interest/share and certain exploration programs in Australia, Peru, Ireland, Alaska, the US, Mexico and Argentina) which are not covered by this Statement. For further information see pages 2 and 3.





### Risks of modern slavery in our operations and supply chains

We understand that modern slavery risks exist throughout the mining and metals sector, and throughout global supply chains. Aligned with our purpose and values, we take a collaborative approach with stakeholders to understand and manage these risks.

Modern slavery is a material risk to our business and is managed by functional teams across South32. This section outlines the modern slavery risks that may be present in our operations and supply chains due to location or category.

UN Guiding Principles on Business and Human Rights – cause, contribute and direct linkage<sup>(5)</sup>

**Cause** – the risks that an entity's operations may directly result in modern slavery practices.

**Contribute** – the risks that an entity's operations and/or actions in its supply chains may contribute to modern slavery. This includes acts or omissions that may facilitate or incentivise modern slavery.

**Directly linked** – the risks that an entity's operations, products or services (including financial products and services) may be connected to modern slavery through the activities of another entity you have a business relationship with.

### Risks in our operations

Our operations and offices are located across seven countries, two<sup>(6)</sup> of which have higher incidence of modern slavery, according to the Global Slavery Index (2018).

We recognise that our business activities can have adverse human rights impacts on stakeholders both within and outside South32. In the mining and metals sector, the primary modern slavery risks a company could cause relate to child labour, forced labour, human trafficking and inadequate employment conditions.<sup>(7)</sup> This could include, for example, exposing young workers (through apprenticeship programs) to hazardous work. There is a risk that companies in the sector could potentially contribute to modern slavery through contractors who engage exploited people in local communities (high risk industries include domestic work<sup>(8)</sup>, accommodation and food services<sup>(9)</sup>).

Our policies, governance processes and due diligence activities conducted across our operations include an assessment of these risks and the development of controls to mitigate these risks (see page 12).

Training initiatives across the workforce on human rights and modern slavery is one control we have in place to enhance awareness of the risks and indicators of modern slavery in all our locations (see page 16).

### Other investments

We recognise that we could be directly linked to modern slavery risks through our non-operated joint arrangements and our community investment programs. As with our operated business activities, the primary risks relate to child and forced labour and human trafficking. Where non-operated joint arrangement partners' approaches differ, we aim to influence our partners to adopt standards of conduct which are consistent with ours.

There is also a risk that our community investment partners may engage in behaviour, either individually or with third parties, where people are put at risk of being exploited. Community investment partners are subject to anti-bribery and corruption (ABC), anti-money laundering and sanctions due diligence prior to entering into community investment agreements.

### Risks in our supply chains

We continue to evolve our approach to assessing supplier risk. In FY22, the risk of modern slavery in our supply chains was reviewed and formally assessed according to the requirements of our internal risk management framework.

We use multiple criteria to identify and assess modern slavery risks in relation to our suppliers, including country risk, workforce risk, industry risk, management capability and contract value. We prioritise due diligence on suppliers who are assessed as having high or very high-risk ratings based on their combined scores.

Learn more about our risk review, approach to supplier due diligence, our performance in FY22 and updates to our program on page 14.

### Supplier risk mapping

We use a suite of tools to map supplier risk, including internal tools such as supplier data analytics, and external tools such as EcoVadis, to give us an informed view of our supplier risk, which we then use to design our supplier due diligence program.

This mapping provides us with a snapshot of potential modern slavery-related risks across our supply chains. In FY22, these risks included child labour, fair remuneration, psychological safety and workplace conditions.

Table 1 outlines our key supplier risks during FY22.

(5) Source: Guidance for Reporting Entities, Australian Border Force.

(6) Mozambique and Singapore. We recognise that modern slavery risks exist in every country and that modern slavery prevalence rankings by country in the Global Slavery Index (2018) provide one globally recognised indicator of modern slavery risk, which is due to be updated in 2022.

(7) EcoVadis.

(8) <https://www.ilo.org/global/topics/forced-labour/lang-en/index.htm>.

(9) [https://media.business-humanrights.org/media/documents/files/2632\\_MSA-statements.V8\\_FNL.pdf](https://media.business-humanrights.org/media/documents/files/2632_MSA-statements.V8_FNL.pdf).

**Table 1 – Supplier risks**

<b>Country risk</b>	<p>We recognise that modern slavery risks exist in every country. In FY22, some of our direct suppliers operated in countries with a higher prevalence of modern slavery according to the Global Slavery Index (2018). Out of the countries where our direct suppliers are located, the four countries with the highest prevalence of modern slavery based on the Global Slavery Index (2018) are India, Mozambique, the Dominican Republic and Singapore.</p> <p>Across these countries the total number of suppliers was 286, which comprised 12.5 per cent of our total supplier spend.</p>
<b>Category risk</b>	<p>After reviewing modern slavery indicators such as: workforce labour profile; seasonal or temporary based work; and the nature of the work being performed, we concluded that our higher risk goods and services categories are:</p> <p><b>Goods</b></p> <ul style="list-style-type: none"> <li>– Chemicals</li> <li>– Electronics (Hardware) and Electronics (Components)</li> <li>– Explosives</li> <li>– Parts and consumables at site (including Personal Protective Equipment)</li> <li>– Raw Materials and bulk consumables (including refractory materials)</li> </ul> <p><b>Services</b></p> <ul style="list-style-type: none"> <li>– Construction services</li> <li>– Facilities management services (including cleaning)</li> <li>– Maintenance services</li> <li>– Logistics</li> <li>– Shipping and freight services</li> </ul> <p>21.2% of our direct suppliers provide these categories of goods and services, and account for 44.9 per cent of our total supplier spend.</p>

Learn more about the FY22 results of our supplier assessment program on page 14.

### Local suppliers

We recognise that modern slavery risks exist in local supply chains across all our operations, including in Australia. These risks generally relate to a lack of awareness and acceptance of modern slavery risks, particularly in small to medium-sized enterprises that are still developing their management capability and understanding of labour standards.

### Indirect supply chains

Many modern slavery risks lie deep within supply chains. While we recognise there are limitations in our ability to influence our broader supply chain, we continue to engage with our direct suppliers to raise their awareness of modern slavery risks within their own organisations and supply chains. As a minimum requirement to partner with South32, direct suppliers are expected to affirm they will work towards implementing a robust risk assessment process for their own supply chains to identify and mitigate against risks of modern slavery<sup>(10)</sup>.

### Maritime

The maritime transport of goods to support our operations (inbound) and deliver our commodities (outbound) represents a risk of modern slavery to seafarers. The global shipping industry has been identified as being particularly susceptible to modern slavery risks given seafarers are often from nations with human rights, labour rights and corruption challenges. The problem is exacerbated by the fragmentation of regulatory oversight among flag states and practical limitations for the effective enforcement of basic conditions onboard vessels.

We have controls in place to manage modern slavery risks across our inbound and outbound supply chains. While we do not own ships or directly employ seafarers, we collaborate with ship owners and operators to conduct due diligence, address relevant issues, and support seafarer welfare.

Learn more about the FY22 updates made to our maritime due diligence and assessment program on page 15.

### Customers

Our products are sold and transported to customers globally, and we recognise we may also be directly linked to modern slavery risks through customer relationships, if for example, a customer's use of our product involves modern slavery. We seek to mitigate this risk through our risk-based enquiries of customers.

(10) Our Sustainability and Business Conduct – Minimum Supplier Requirements (available at [www.south32.net](http://www.south32.net)).

### Policies and governance

We implement modern slavery risk management processes across South32. This includes undertaking due diligence to identify and address modern slavery risks across our operations and supply chains, training and reporting.

We have strong policy and governance frameworks in place which underpin this work. Our approach to modern slavery is embedded within our broader approach to human rights and responsible sourcing.

Key policies and governance procedures include:<sup>(11)</sup>

<b>Code of Business Conduct</b>	Sets the standards for our people to act ethically, responsibly and lawfully. It outlines our expectations on human rights, including freedom from slavery for all stakeholders.
<b>Our Approach to Human Rights</b>	Sets out our commitment to and principles for respecting human rights, including the requirement to conduct due diligence and the provision of accessible remedies, and is guided by the UNGPs and other key international standards (learn more in the Due diligence and remediation section on page 13).
<b>Risk Management Framework</b>	Risks are regularly assessed and managed at both a company-wide strategic level and material level for operations, functions and projects (learn more below and in the Due diligence and remediation section on page 13).
<b>Anti-bribery and Corruption (ABC)</b>	Checks are conducted on higher risk suppliers and customers. ABC clauses are included in our standard contracts with third parties, including community partners (learn more in the Risks of modern slavery section on page 10).
<b>Human resources and labour relations</b>	We align with relevant labour relations laws and regulations, including those relating to working hours, working conditions, entitlements to minimum wages and the right to choose unions or association representatives. We work with reputable recruitment agencies and pay for the cost of recruitment activities.
<b>Speak Up mechanisms</b>	We encourage people to report human rights and modern slavery concerns. Our publicly available global whistleblower policy, known as our Speak Up Policy, is contained within our Code of Business Conduct and outlines the process for reporting and next steps. Concerns can be raised through EthicsPoint, a 24/7 confidential reporting hotline that is serviced by an independent provider, or via other options including with our line leaders (learn more in the Due diligence and remediation section on page 13).
<b>Our Sustainability and Business Conduct – Minimum Supplier Requirements (Supplier Requirements)</b>	Sets out our minimum responsible sourcing expectations for suppliers. Due diligence activities against the Supplier Requirements are detailed in the Due Diligence – Suppliers section on page 14.

### Board oversight

We provide regular reports to our Risk and Audit Committee and Board on material business conduct concerns and material breaches of our Code, including data on EthicsPoint reports. These reports may cover a range of topics covered by our Code, including human rights and modern slavery matters.

The Sustainability Committee helps our Board assess the appropriateness and effectiveness of our sustainability frameworks and systems, the Sustainability Policy, and the South32 Group's sustainability performance including in relation to human rights. Our Board is required to have a demonstrable understanding of issues related to human rights and to consider the potential human rights impacts of our operations on a range of stakeholders. We provide regular updates on human rights, including modern slavery, to the Sustainability Committee.

In April 2022, the Sustainability Committee was provided with an update on external human rights trends and emerging issues, and legal and regulatory updates. These included the growing trend towards human rights related due diligence legislation and the increasing regulatory focus on supply chains, particularly on banning the importation of goods produced wholly or partly using forced labour.

(11) For more information see FY21 Modern Slavery Statement, <https://www.south32.net> and Annual Report for more information.



## Risk management

We assess the risk of modern slavery in our operations and supply chains in accordance with our risk management framework. Our internal material risk management standard defines minimum requirements for the management of risks that have the potential to materially impact our ability to deliver on our strategy and business plans, and fulfil our purpose. 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.

### Modern Slavery Working Group

In FY22, we established a Modern Slavery Working Group (Working Group) to support the implementation of our commitments to manage modern slavery risks across our operations and supply chains. The Working Group includes representatives from Legal and External Affairs (Sustainability Strategy and Community, Communications), Commercial (Supply, Marketing), Human Resources, Investor Relations, and our operations (on a rotating basis). The standing agenda includes a performance update and a broader review of recent due diligence activities, the effectiveness of our programs and support being provided to better facilitate the integration of modern slavery (and broader responsible sourcing) controls in our business planning processes across the group. The Working Group met twice in FY22 with key agenda items including:

- functional updates on due diligence programs and outcomes;
- external trends and benchmarking results; and
- a review of modern slavery commitments and performance.

Learn more about our approach to governance on [www.south32.net](http://www.south32.net)

## Due diligence and remediation

The root causes and pre-indicators<sup>(12)</sup> of modern slavery are often interconnected with a range of human rights abuses, governance failures, bribery and corruption, inequalities, discrimination and the failure to enforce laws. We take an integrated approach across South32 to identify and understand modern slavery risks, conduct due diligence and provide access to remediation.

### Due diligence – operations

To assess and evaluate human rights risks across our operations, we use a number of tools and research methods, including social impact and opportunity assessments, stakeholder engagement, complaint and grievance mechanisms and human rights impact assessments.

In FY22, our internal community standard was reviewed and enhanced to become our internal social performance standard, and includes minimum performance expectations for human rights. The inclusion of human rights requirements in the standard improves the integration of human rights considerations into our activities and will be supported by additional guidance, to be finalised in FY23. Under this standard, labour rights and modern slavery are required to be assessed in due diligence activities across our operations.

The primary due diligence activities conducted across our operations are Human Rights Risk Self Assessments (HRRSA) and Human Rights Impact Assessments (HRIA). HRRSAs are required to be conducted every three years across activities in lower risk countries and reviewed annually to assess their continuing validity and confirm whether actions and recommendations have been implemented. If a material change in an operation or community has occurred, the HRRSA must be revised sooner. Modern slavery risks are considered in the HRRSAs and no additional risks were identified at any of the operations that conducted HRRSAs this year.

HRIsAs are comprehensive assessments of an activity's human rights risks and actual impacts. In higher risk countries, these are required to be conducted every three years by an independent consultant. HRIsAs must be completed sooner if a material change has occurred in the operation or community. In FY22, Human Rights Impact Assessments (HRIA) commenced for Hotazel Manganese Mines, Mozal Aluminium, Hillside Aluminium and Cerro Matoso. These studies included an assessment of the right to work in decent and equal conditions across the operations and engagement with workers and contractors. In FY23 we plan to complete the HRIsAs, implement the analysis of the findings and prioritise recommendations and action plans.

We regularly engage with communities and other potentially impacted rights-holders to provide insights into modern slavery risks.<sup>(13)</sup> Relevant to understanding labour rights and modern slavery risks, we engage regularly with labour unions, suppliers, customers, employees and contractors to understand their interests or concerns, and opportunities for collaboration. Learn more about our approach to engagement with suppliers, customers and investors on page 16.

### Due diligence – supply chains

Our due diligence program currently covers all non-traded suppliers.<sup>(14)</sup> Due diligence accountabilities are included in the position descriptions for defined roles across our supply chains and a dedicated team oversees our due diligence activities and strategy.

In FY22 the risk of modern slavery within our supply chain was reviewed and it remained a material risk to our company. In response to findings from the risk review, the scope of the risk was amended to increase the focus on non-traded suppliers to enable us to mitigate risk in this perceived higher risk area.

(12) Pre-indicators may include underpayment of wages, restricted access to unions, fraudulent recruitment, discrimination and restricted access to grievance mechanisms.

(13) Our Stakeholder Engagement Plan (available on [www.south32.net](http://www.south32.net)) provides detail on the stakeholders we engage throughout the year.

(14) Sourcing and purchasing activities not covered by current due diligence include (a) traded goods and services; (b) purchasing/ credit cards which can only be used for low value transactions (under US\$2,000 per month), time sensitive land tenement payment 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 arrangement partners), donations, employee benefits, non-employee reimbursements, legal settlements, or payments to doctors, hospitals or for medical treatments.

### Supplier due diligence program - FY22 performance

The supplier due diligence program is our primary control to manage the risk of modern slavery within our supply chains.

In FY22, we developed internal guidance to support implementation of the due diligence program across the lifecycle of the supplier (from initial onboarding and while they remain active suppliers). This included the use of various third-party tools including, but not limited to EcoVadis, Comprara and Dow Jones to assess and monitor risks within our supply chains. We plan to further enhance the use of these tools in the supplier assessment process in FY23.

In FY22, to strengthen our approach to managing modern slavery risks within the supply chain, we developed the Modern Slavery Stewardship program, which included a third-party audit program, regular checks of the risk scope and testing of control effectiveness and design. The third party audit program included suppliers in higher risk categories of goods and services (see Table 2 on page 15).

We are committed to evolving our program as we learn more about modern slavery risks and recognise that working alongside suppliers to enhance their own due diligence programs is a critical component to understanding and addressing the risks that lie deep within supply chains. The three primary steps of the program and our FY22 performance are outlined below.

#### *Stage 1 - Supplier onboarding and assessment – supplier self-assessment*

Our supplier onboarding process requires all current and potential suppliers to confirm their commitment to our supplier requirements and complete a mandatory self-assessment questionnaire (SAQ). All SAQs are reviewed by our Supply team.

In FY22, 437 suppliers completed the SAQ, with 24 identified as being of higher risk and selected for additional due diligence.

We directly engaged with 10 suppliers to follow up on potential red flags that were identified in the SAQ. In FY22 we observed higher quality supplier responses to the SAQ indicating increased engagement by suppliers with the onboarding process.

#### *Stage 2 – Desktop assessments*

We continue to embed due diligence utilising EcoVadis desktop assessments throughout our various supply processes.

Suppliers are invited to complete an EcoVadis scorecard assessment based on responses to South32's SAQ, supplier risk profile and importance in our supply chain. At the end of FY22, 133 suppliers had completed their scorecards.

Commencing in FY23, if a supplier declines to complete the scorecard assessment in EcoVadis, and South32 does not have a recent SAQ from this supplier, they will be asked to complete a new SAQ.

We are seeing increased usage of the EcoVadis tool both internally and by suppliers, and we continue to collaborate with our suppliers and EcoVadis so that the system remains efficient and effective.

#### *Stage 3 – Third-party audits*

If our assessments identify higher risks that warrant further investigation, we arrange independent audits of selected suppliers. This audit process varies in nature, depending on the goods and/or services being delivered. Typically, it involves management and worker interviews, site inspections and a review of books and records. In FY22, we used responses to our SAQ and desktop assessment to inform the scope of audits, allowing us to target known gaps against our supplier requirements.

The independent auditor issues a report and recommendations, which are shared with relevant internal teams and suppliers. Our approach is to work collaboratively with our suppliers to address any gaps noted in the audit through Vendor

Development Plans (VDPs), which are tracked to completion through our internal risk management system. We may request a re-audit to assess remediation of the findings. No findings in FY22 have warranted the termination of a relationship with a supplier.

As part of our South African Enterprise Supplier Development (ESD) program, independent assessments are conducted for small to medium-sized enterprises that are either current or potential suppliers to South32. The specific assessments under the ESD are to identify areas of concern with a view to assisting in the development of the supplier. If we proceed to a longer-term relationship with the enterprise, we will follow our normal due diligence requirements.

We plan our audit program annually based on a risk assessment, and take into account the geographical, industry and category coverage of suppliers. The schedule is reviewed regularly and tracked throughout the year to incorporate any changes required based on the business or external environment.

In FY22, our audit schedule was impacted by several factors including the ongoing impacts of COVID-19, the Australian floods in early 2022 and geo-political tension in Ukraine. In FY22, 11 audits were conducted across four countries. The suppliers selected for audits were from the following categories: industrial engineering, mining drilling support services, supply of rubber products, PPE manufacturing, camp services, site cleaning services, labour hire and repair and installation of machinery and equipment. Six suppliers were placed on VDPs to close identified gaps. In FY22, seven suppliers completed actions required under their VDPs.

### **An enhanced approach to third-party audits**

In FY22, we focused on internal process improvements to strengthen our responsible sourcing and auditing approach. This included the creation of a panel of auditors that can be used to assist in the Modern Slavery Stewardship program. The panel focused on ensuring that local auditors could be used to enhance geographical and political understanding for the supplier host country.

Audits provide valuable insights into the risks within our supplier base and categories, and we use the findings to not only close identified gaps against our supplier requirements, but to identify opportunities for strengthening our relationships with suppliers and to enhance our approach to due diligence. We reviewed and updated our internal responsible audit procedure in FY22 to clearly articulate the audit process, and the roles and accountabilities of our employees, the auditor and supplier.

Our approach to audits helps us engage with suppliers throughout the audit program, and if suppliers are placed on VDPs, we regularly review progress with the supplier.

In FY22 our independent supplier audits found no incidence of modern slavery. However, across all audited suppliers, we identified opportunities for improvement in:

- Labour management systems policies, procedures and performance;
- Employee policies and worker awareness of these policies;
- Grievance mechanisms; and
- Overtime and pay practices.

**Table 2: Summary of FY22 third party audit program**

Type of Audit	Relationship	Good or Service supplied	Country where audit conducted
Independent	Supplier	Industrial Engineering	China
Independent	Supplier	Mining drilling support services	South Africa
Independent	Supplier	Personal Protective Equipment Manufacturing	South Africa
Independent	Supplier	Supply of rubber products	South Africa
Independent	Supplier	Camp Services - Food and beverage	Australia
Independent	Supplier	Site cleaning services	Australia
Independent	Supplier	Labour hire	Australia
Independent	Supplier	Repair and installation of machinery and equipment	Colombia
Independent	Supplier	Manufacture of cement, lime and plaster	Australia
Independent	Supplier	Repair and installation of machinery and equipment	South Africa
Independent	Supplier	Manufacture of belting textiles	South Africa

In FY22, through our membership in the Human Rights Resource and Energy Collective (HRREC), we participated in the Supplier Audit workstream alongside other member companies. This workstream is developing a supplier audit protocol and approach that will seek to improve efficiencies and supplier engagement when conducting audits across the industry.

#### Enterprise Supplier Development program

For small, micro and medium sized enterprises (SMME) in South Africa, the business environment can be challenging and highly competitive. We have developed our ESD Program<sup>(15)</sup> to help local SMMEs address the challenges they face, whether they are suppliers or potential suppliers to South32. We provide development programs, assisting small businesses to become procurement ready, increase sales, build competitiveness, and enter the value chain of large companies, including South32. This has expanded to include the areas of health and safety, COVID-19 protocols, anti-corruption, corporate governance, human resources, labour law, financial-record keeping, modern slavery and self-development.

Due to the COVID-19 pandemic and travel restrictions in South Africa, supplier visits and onsite assessments were limited. Modern slavery due diligence is included as part of the assessment process to participate in the ESD Program. In FY23 we plan to enhance our integration of modern slavery assessment tools in the ESD program.

#### Due diligence – Maritime

We have controls in place to manage modern slavery risks across our inbound and outbound supply chains. While we do not own ships or directly employ seafarers, we collaborated with ship owners and operators to conduct due diligence, address relevant issues, and support seafarer welfare. In FY22 we continued to embed our enhanced due diligence (EDD) program. The EDD program involves additional vetting, human rights due diligence assessments at the ports we operate from and independent modern slavery audits.

Additional vetting is applied to any vessels that meet high risk criteria<sup>(16)</sup> as a result of RightShip<sup>(17)</sup> vetting and includes desktop reviews of previous port state breaches, the performance of technical managers, financial stability, regulatory compliance, adverse media screening for reputation indicators, and periodic physical inspections that focus on crew wellbeing and compliance with the Maritime Labour Convention.

#### Enhanced due diligence program FY22 performance

In FY22, 369 vessels were chartered, with 548 voyages completed. Vetting was conducted on 274 vessels through RightShip, with 15 subject to inspections. In FY22, our EDD identified and substituted 12 vessels for potential contraventions of the Maritime Labour Convention primarily due to breaches of seafarer employment contracts and unsafe working conditions.

We conducted one independent modern slavery audit on a chartered vessel and finalised all outstanding items from the audit.

(15) ESD Program falls under the South African Transformation Broad-Based Black Economic Empowerment legal framework.

(16) Rightship Safety Score of below 3; Document of Compliance (DOC) Safety Score of below 4; Age of 13 years or above at time of nomination.

(17) RightShip is a leading maritime risk management and environmental assessment organisation that aims to improve the safety and environmental sustainability of the maritime industry. More information is available at rightship.com.



### Seafarer welfare support

We continue to work with seafarer welfare organisations and stakeholders to understand how we can best support seafarers within our supply chain and the shipping industry. In FY22:

- we donated A\$28,000 to the Mission for Seafarers in Singapore in support of their data connectivity project. The funds will be used to purchase data roaming cards and routers for crew and vessels when in Singapore;
- we participated in the 'We Care' Initiative, arranging for care packages to be delivered to South32 chartered vessels at Australian ports during December 2021 and January 2022;
- we actively engaged with our terminals and ports to identify opportunities to reduce quarantine periods for crew;
- through our commitment to the Neptune Declaration, we worked with vessel owners to facilitate crew changes and did not impose any contractual constraints when changes were required; and
- through our participation in the Human Side of Shipping Working Group run by the Sustainable Shipping Initiative, and in cooperation with the Institute for Human Rights and Business, we launched a human rights Code of Conduct for Charterers in November 2021. The Code is based on international labour and human rights standards and principles, and brings participants across the shipping value chain together for collective action, to increase transparency and drive positive change.

### Additional engagement

We continue to strengthen our approach to customer engagement to enhance our understanding of their approach to modern slavery risks and our role in their value chains. Human rights issues, and in particular responsible sourcing, modern slavery and transparent supply chains, were relevant topics raised by customers during engagement in FY22.

We engage regularly with investors throughout the year and are pleased to share our approach to identifying and managing modern slavery risks across our operations and supply chains. In the FY22 engagements, investor interest has varied from understanding how we assess effectiveness in relation to our direct suppliers, to seeking detail on our due diligence and remediation processes. In addition, feedback from our engagement with investors in relation to modern slavery was reported to the Working Group for consideration.

### Training

#### Internal training

Introductory human rights training is mandatory for all employees at South32 and modern slavery training is mandatory for employees in roles that have regular touchpoints with potential human rights risks throughout our supply chains. In FY22, 761 employees received modern slavery training. In FY23, we plan to revise our human rights training suite to improve awareness of our human rights approach and commitment to operate in a manner consistent with the UNGPs.

#### External modern slavery training

In FY22, we also developed a suite of deep-dive modern slavery training modules for external stakeholders, including suppliers. The training program's primary objectives are to:

- raise awareness of our standards and set clear expectations around our supplier requirements;
- facilitate dialogue with suppliers on human rights and other sustainability topics to improve relationships;
- support capacity building and promote improved social outcomes as outlined in our internal social performance standard;
- enhance our ability to identify modern slavery (and broader human rights risks) within our supplier base through dialogue; and
- inform our selection of suppliers for further risk assessment.

In FY23 we will begin assigning training modules to our suppliers, based on the outcome of due diligence assessments, and completion will be tracked through our online learning management system.

### Remediation

#### Operations

Our Code also contains our global whistleblower policy, known as our Speak Up Policy. It outlines how to report a business conduct concern, what happens when a report is made and how we protect the reporter. We do not tolerate any form of retaliation against anyone for reporting a business conduct concern.

Our people are supported and encouraged to speak up when our values and Code are not being followed. Anyone can report a business conduct concern, anonymously if preferred, using our 24/7, confidential and independently administered EthicsPoint reporting hotline.

We respond to identified or reported breaches of our Code in line with our Speak Up Policy and related business conduct response processes and procedures. All reports received are initially provided to our Business Integrity team for confidential review and case allocation based on their nature, urgency and severity. In some cases, support or guidance is all that is required to resolve a concern. In other cases, where necessary, we will formally investigate the concern, either internally or with the support of independent expertise.

Our Business Conduct Committee, made up of senior leaders, provides guidance and oversight on material business conduct concerns. Such cases are reviewed by our Business Conduct Committee on a quarterly basis, with a focus on the consistent application of our Code and disciplinary outcomes.

We continue to enhance our Speak Up and related business conduct response processes, including EthicsPoint, as part of our commitment to encourage our people to speak up. We also run an EthicsPoint user training program for our relevant trusted employees who have a case management role. Our Speak Up Policy and contact details for EthicsPoint are publicly accessible through our website and are also posted in open spaces across our business, for example on notice boards.

We listen to and report complaints and grievances we receive, anonymously or otherwise, through our complaints mechanisms and we address them as a priority. Our community complaints and grievances process is aligned with the UN Guiding Principles on Business and Human Rights and requires a locally appropriate community complaints process at each of our operations to:

- acknowledge, investigate and document all complaints;
- allow for anonymous reporting of complaints;
- complete appropriate remedial action;
- communicate transparently with complainants; and
- be readily available to all members of host communities.

No complaints relating to modern slavery have been received through our Speak Up Policy mechanisms or community complaints and grievance process mechanisms in FY22.

### Suppliers

We adopt a partnership approach with suppliers to resolve any issues. If a supplier refuses to work with us to improve their performance, we may choose to suspend or terminate our relationship with them. No suppliers were suspended or terminated in FY22 for this reason or for breaching their commitments to our supplier requirements relating to modern slavery.

In FY22, the Walk Free Foundation and HRREc worked on developing a response and remedy framework. The framework provides guidance and practical steps for companies to assist with their response to any instances of modern slavery or related exploitation. In FY23, we plan to finalise internal guidance to support the implementation of the framework.

Our supplier requirements provide details of our Code and Speak Up Policy, and a direct link to EthicsPoint. We understand that some suppliers may find challenges in implementing their own complaints mechanisms and we are committed to working with these suppliers. In FY23 we will be providing access to training to support them in the development of a functional and trusted mechanism (learn more about our new modern slavery training modules on page 16).

## Assessing effectiveness

We assess our effectiveness in identifying and managing modern slavery and human rights risks by tracking our actions and outcomes, engaging with suppliers, utilising regular internal governance and external assurance processes, and reviewing external assessments of our modern slavery disclosures.

We also recognise the challenge in assessing the effectiveness of our programs due to the complexity of modern slavery and that many of the risks exist deep in supply chains – where our visibility and ability to influence suppliers is limited. We are committed to strengthening relationships with suppliers to improve our understanding of risks within their operations and supply chains.

Our Working Group (see page 13) provides us with the opportunity to take a company-wide approach to monitoring the effectiveness of our programs. We plan to further enhance our approach to monitoring effectiveness through the Working Group in FY23.

In FY22 several external benchmarks were released that provided a review on Modern Slavery Statements prepared under the Australian legislation. We engaged with the organisations to seek feedback on the quality of our Statement, including the level of transparency of the risks and our overall program, and have sought to improve the level of detail disclosed in this Statement. We also collaborate regularly through our various memberships and partnerships to incorporate feedback from these stakeholders into our program – for example, our approach to supporting seafarer welfare.

As outlined in the Due diligence section, we also track the effectiveness of our program through supplier engagement and responses to our due diligence activities. Metrics we use include the quality of supplier responses and the number of suppliers placed on VDPs and those that have completed actions and moved off their plans.

In FY22 we continued to work towards meeting our effectiveness targets (set in FY20) and progress is provided in Appendix Two.

## Consultation

Our corporate governance and risk management framework (which includes the internal policies, standards, procedures and tools through which modern slavery risks are assessed and managed) is overseen by our Board and applied across South32.

Consultation for the development and approval of this Statement is outlined below and included engagement with the reporting entities covered by this joint Statement and the entities they own or control.

This Statement has been prepared with input from, and in consultation with, our Lead Team and management representatives responsible for delivering our human rights and modern slavery risk management processes for our own operations and supply chains (including our reporting entities and their controlled entities). These teams include Sustainability Strategy and Community; Commercial, including Supply, Marketing; Legal; Risk; Business Integrity; and Human Resources.

Prior to being endorsed by the Sustainability Committee and approved by the Board, the Statement was reviewed by our Chief Executive Officer, Chief Human Resources and Commercial Officer, Vice President Sustainability Strategy and Community, Vice President Supply and Vice President and Head of Marketing. These people as well as the teams referred to above who were involved in developing the statement, have responsibilities across our owned and controlled entities. We also provided a draft statement and additional commentary to the directors of our reporting entities.

For further information on our corporate governance practices, Board, Committees, and risk management and internal controls, please refer to our 2022 Corporate Governance Statement.

### Collaboration

We recognise the importance of collective and considered action to address shared modern slavery risks. We regularly facilitate and participate in industry initiatives that encourage and enable organisations to share information, lessons learned and best practice. This helps our industry to overcome challenges, identify blind spots, and assess whether our initiatives are in line with our own expectations and those of wider society.

#### Human Rights Resources and Energy Collective (HRREc)

HRREc (formally WA Modern Slavery Collaborative Group) members continued to share best practice and create collaborative opportunities to tackle modern slavery risks in mining, energy and resources supply chains. We hosted several working groups, provided administrative resources and participated in workstreams focused on remedy, supplier audits and shipping.

#### United Nations Global Compact (UNGC)

We continue to participate in the UNGC Network Australia's Modern Slavery Community of Practice.

#### Maritime collaborations

We continue to participate in several maritime-focused groups, including the Sustainable Shipping Initiative and Mission to Seafarers. We are also a member of the Global Maritime Forum's Neptune Declaration.

Learn more about our FY22 activities on page 21.

### Looking ahead

In FY23, we plan to:

- continue identifying opportunities to strengthen relationships and collaborative efforts to improve the sustainability of the shipping industry;
- continue embedding due diligence, process improvements, our risk management system and mature our understanding of the risk of modern slavery in our supply chain;
- strengthen our collaboration with suppliers;
- execute our modern slavery audit program;
- continue looking for ways to enhance the entire supplier due diligence process which will continue to use a range of tools that is best suited to each vendor, category and geographic location;
- roll-out our external modern slavery modules;
- review HRIA results and implement recommendations; and
- revise our human rights training suite.

### Our approvals

This Statement was endorsed by our Sustainability Committee and approved by the Board of South32 Limited on 8 September 2022.



**Graham Kerr**

Chief Executive Officer, South32 Limited





## Appendix One – South32 key data updates and performance indicators from FY20 to FY22

	FY20	FY21	FY22
<b># of Employees</b>	14,554	9,074	9,096
<b># of Suppliers</b>	6,775	5,668	5,652
<b>Payments to Suppliers</b>	US\$5.3 billion	US\$5.1 billion	US\$5.0 billion
<b># of countries where suppliers are located</b>	55	46	50
<b>Higher risk goods and services categories</b>	<b>Goods</b>	<b>Goods</b>	<b>Goods</b>
	Parts and consumables at site	Parts and consumables at site	Parts and consumables at site including Personal Protective Equipment
	Personal Protective Equipment and other Safety Supplies	Personal Protective Equipment and other Safety Supplies	
	Explosives	Explosives	Explosives
	Raw Materials	Raw Materials	Raw Materials and bulk consumables (including refractory materials)
	Coke and Coal	Coke and Coal	
	Refractory materials	Refractory materials	Electronics (Hardware) and Electronics (Components)
	Electronics (Hardware) and Electronics (Components)	Electronics (Hardware) and Electronics (Components)	
	Chemicals	Chemicals	Chemicals
	<b>Services</b>	<b>Services</b>	<b>Services</b>
	Construction	Construction	Construction
	Shipping and Freight	Shipping and Freight	Shipping and freight
	Maintenance	Maintenance	Maintenance
	Facilities Management	Facilities Management	Facilities management Logistics
<b># of suppliers assessed (desktop - risk profiles such as country &amp; industry)</b>	401	5,354	5,714
<b># supplier assessments requested</b>	Not reported	Not reported	430
<b># of suppliers assessed (desktop review, based on documented evidence provided by supplier)</b>	n/a (new FY21 process)	58 EcoVadis Scorecard	133 EcoVadis Scorecard
<b># of Independent Audits completed</b>	6	8 Independent Audits and 6 Enterprise Supplier Development modern slavery audits for South Africa Energy Coal	11 Independent Audits
<b># levels of supply chain audited</b>	Direct suppliers and sub-suppliers	Direct suppliers	Direct suppliers
<b>Key Human Rights and Labour risks identified during site audits</b>	<ul style="list-style-type: none"> <li>– poor pay practices</li> <li>– excessive overtime</li> <li>– inadequate rest days</li> <li>– workers not understanding employee contract or employee payment terms, freedom of association,</li> <li>– failure of suppliers to align their management system with South32 Code of Business Conduct</li> <li>– unlawful discipline procedures</li> <li>– inadequate grievance and redress mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>– labour management systems policies, procedures and performance;</li> <li>– poor employee policies and lack of worker awareness of these policies;</li> <li>– inadequate grievance and redress mechanisms;</li> <li>– excessive overtime; and</li> <li>– poor pay practices.</li> </ul>	<ul style="list-style-type: none"> <li>– labour management systems policies, procedures and performance;</li> <li>– poor employee policies and lack of worker awareness of these policies;</li> <li>– inadequate grievance and redress mechanisms;</li> <li>– excessive overtime; and</li> <li>– poor pay practices.</li> </ul>
<b># of Supplier Development Plans</b>	6	8	6
<b># of suppliers completed remedies required under their VDPs</b>	Not reported	Not reported	7
<b># of SAQ's completed</b>	350	595	437
<b># of employees receiving modern slavery training</b>	1,242	1,050	761 <sup>(18)</sup>
<b># of suppliers receiving training</b>	34 + 22 South Africa Energy Coal suppliers	125 entities	9 entities <sup>(19)</sup>

(18) Variance between FY22 and FY21 modern slavery training completions due to divestment of SAEC and TEMCO operations in FY21. When comparing FY21 completions without SAEC and TEMCO, the comparative variance between years is 7%.

(19) The reduction in the number of suppliers receiving training in FY22 is due to the continued impact of travel and lockdown restrictions. Our training approach and strategy needed to be adjusted from previous years to be less dependant on face-to-face delivery through supplier training days. Our FY22 focus was developing online training material for suppliers.

## Appendix Two - South32 performance as against effectiveness targets, commitments and forward-looking intentions for FY22

Effectiveness targets	FY20 Performance	FY21 Performance
Demonstrate improvement in the breadth and depth of suppliers assessed for modern slavery risks.		5,354 suppliers mapped and assessed for country and industry modern slavery risks, together with receiving 58 EcoVadis scorecard assessments. This was a substantial improvement from FY20 where we assessed 401 suppliers.
Verify that all independently audited suppliers implement supplier development plans (where required), with priority actions closed out within agreed time periods.	n/a as effectiveness targets were introduced in FY20	All independently audited suppliers in FY20 have closed out priority actions. Suppliers independently audited in FY21 have or are finalising development plans, as required.
All employees who have been identified as having regular touchpoints with human rights risks complete modern slavery training.		100per cent of required employees completed the updated e-learning module training in FY21. In addition, the e-learning training was assigned to a broader range of operational and functional based roles. In total there were 1,105 completions by employees and contractors during FY21.
Commitments tracker	FY21 Performance	
	<i>Green indicates commitment was achieved during FY21, yellow and red means commitment is continuing</i>	
<b>Due diligence (previously Risk Assessments)</b>	Improved our holistic understanding and identification of modern slavery risks within our supply chain by implementing technological systems to provide consistency, accessibility and quality to our processes, while increasing the breadth and depth of suppliers we assess.	Page 11 FY21 MSS
	Completed the pilot to improve the industry-wide supplier self-assessment questionnaire.	Page 10 FY21 MSS
	Continuing to mature our risk assessment processes to identify and respond to any identified heightened modern slavery risks within our operations and supply chains due to COVID-19.	Page 12 FY21 MSS
<b>Training</b>	Completed an independent audit within our shipping supply chain, focusing on COVID-19 impacts on seafarers.	Page 13 FY21 MSS
	Launched updated modern slavery and human rights training series for employees who are identified as having regular touchpoints with human rights risks.	Page 17 FY21 MSS
	Identifying ways to make our modern slavery training available for suppliers.	Page 15 FY21 MSS
<b>Remediation and grievance mechanisms</b>	Strengthening the awareness of and access to our complaints and grievance mechanisms (including EthicsPoint helpline) for employees, workers within our supply chain or individuals within our communities to report concerns.	Page 16 FY21 MSS
	Developing a remediation response protocol for responding to modern slavery allegations.	Page 16 FY21 MSS
<b>Collaboration</b>	Continuing to strengthen our relationships in our initiatives described on page 14 of FY20 MSS.	Page 18 FY21 MSS
<b>Governance and effectiveness</b>	Reviewing and improving the integration of our governance documents such as relevant policies, standards, contractual terms and conditions, and make any required updates.	Page 17 FY21 MSS

#### FY22 Performance

5,714 suppliers mapped and assessed for country and industry modern slavery risks, together with receiving 133 EcoVadis scorecard assessments. This was an improvement from FY21 where we assessed 5,354 suppliers.

Of the 8 independently audited suppliers that required vendor development plans in FY21, 7 have closed out their development plans and one is not yet due. Suppliers independently audited in FY22 have or are finalising development plans, as required.

93 per cent of required employees completed the modern slavery e-learning training module in FY22.

#### FY22 Performance

#### Aims for FY23

*Green indicates commitment was achieved during FY22, yellow and red means commitment is continuing*

Embed a third party modern slavery risk assessment platform in supplier onboarding process, tenders or prequalification (as appropriate) and enhance engagement with suppliers to adopt the third party platform.	Page 14	Continue looking for ways to enhance the entire supplier due diligence process which will continue to use a range of tools that is best suited to the vendor, category and geographic location.
Review integration of the Supplier Modern Slavery SAQ to complement the Scorecard assessments.	Page 14	Continue embedding due diligence, continue process improvements, adhere to our risk management system and mature our understanding of the risk of modern slavery in our supply chain.
Continue to demonstrate year on year improvement in depth and breadth of onsite assessments and audits, which may include identifying opportunities where modern slavery assessments can be integrated into existing health and safety assessments at operations.	Page 14	Execute our FY23 modern slavery audit program, where appropriate integrate modern slavery into existing health and safety assessments at operations.
Further enhance our shipping due diligence and vetting processes.	Page 15	Continue identifying opportunities to strengthen relationships and collaborative efforts to improve the sustainability of the shipping industry.
Continue to deploy modern slavery awareness training to broader range of operational and functional based roles.	Page 16	Revise our human rights training suite.
Deliver the supplier training strategy, to enhance awareness and understanding of modern slavery focusing on suppliers operating in higher risk regions and/or known higher risk categories.	Page 16	Continue to roll-out our external modern slavery modules to stakeholders.
Work with stakeholders to identify ways for seafarers to have improved access to grievance mechanisms, focusing on the ports we operate from.	Progress delayed due to focus on COVID-19 related crew wellness priorities.	Work with stakeholders to identify ways for seafarers to have improved access to grievance mechanisms, focusing on the ports we operate from.
Implement the Industry Modern Slavery Remediation Action Plan into internal procedures and communicate to key stakeholders.	Page 17	Finalise internal guidance to support the implementation of the industry modern slavery response and remedy framework.
Continued to support the WAMSc, Global Compact Network of Australia, Sustainable Shipping Initiative and Neptune Declaration.	Page 18	Continue to support the HRREc, UN Global Compact Network of Australia, Sustainable Shipping Initiative and Neptune Declaration.
Established Cross Functional Modern Slavery Working Group.	Page 13	Focus on enhancing our approach to monitoring effectiveness through the Working Group.

