



23 July 2021

South32 Limited
(Incorporated in Australia under the *Corporations Act 2001* (Cth))
(ACN 093 732 597)
ASX / LSE / JSE Share Code: S32 ADR: SOUHY
ISIN: AU000000S320
south32.net

SOUTH32 FINALISES ENERGY SUPPLY AGREEMENT FOR HILLSIDE ALUMINIUM

South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) is pleased to advise that the National Energy Regulator of South Africa has approved a long-term energy supply agreement between Eskom Holdings SOC Limited (Eskom) and our Hillside Aluminium smelter (Hillside). The agreement secures the smelter's energy supply until 2031, under a tariff that is South African rand based with a rate of escalation linked to the South Africa Producer Price Index.

South32 Chief Executive Officer, Graham Kerr said "We welcome the new agreement which further extends the long-term working relationship between South32 and Eskom. Hillside has been a major Eskom customer for 25 years and this agreement provides power cost certainty for a further ten years, with Eskom receiving a price aligned to long term tariff policy. Eskom also retains the current flexibility to interrupt supply to the smelter to support management of the national electricity grid and minimise load-shedding.

"The smelter remains an important contributor to South Africa's economy, both directly through local employment and through its integration with significant downstream industries that rely on Hillside's output. As the world transitions to a low carbon future, we will work with Government, Eskom and other potential partners to explore options to secure a green energy solution for Hillside."

The new agreement replaces contracts which in some cases were US dollar based and linked to the aluminium price on the London Metals Exchange. With the new tariff agreed, Hillside remains competitively positioned on the global smelter cost curve, with Operating unit costs for FY21 reflecting the higher power charges from the new agreement incurred since 1 August 2020.

About us

South32 is a globally diversified mining and metals company. 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. We produce bauxite, alumina, aluminium, metallurgical coal, manganese, nickel, silver, lead and zinc at 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.

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Further information on South32 can be found at www.south32.net.

Approved for release by Graham Kerr, Chief Executive Officer
JSE Sponsor: UBS South Africa (Pty) Ltd
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