



# CORPORATE GOVERNANCE STATEMENT 2022



About this Statement

Corporate Governance Statement 2022

This Corporate Governance Statement (Statement) details our key corporate governance policies and practices.

Our 2022 Annual 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



Modern Slavery Statement



Tax Transparency and Payments to Governments Report

Contents

About us	1
Letter from the Chair	2
About this Statement	3
Our corporate governance framework	3
Our Board's focus areas and activities in FY22	5
Board Committees	6
Board structure, composition, appointments and education	9
Evaluating Board performance	13
Risk management and internal controls	14
Our commitment to act ethically, responsibly and lawfully	15
Sustainability	16
Inclusion and diversity	17
Communicating with our shareholders and other stakeholders	18
Engaging with our shareholders	18

Important notices

Unless otherwise stated, the policies, other governance documents and reports referred to in this Statement can be found at [www.south32.net](http://www.south32.net) in the Risk & Governance section.

Defined terms in this Statement are consistent with those in the 2022 Annual Report, unless otherwise specified.

**Cover:** An operator at our Hillside Aluminium operation in South Africa.

**Below:** Anindilyakwa people on Groote Eylandt in Australia's Northern Territory.



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 GLOBALLY DIVERSIFIED 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)





## LETTER FROM THE CHAIR



In May 2022, South32 celebrated its seventh birthday and while our business has undergone many changes over that time, we remain singularly focused on delivering our purpose to make a difference by developing natural resources to improve people's lives now and for generations to come. We cannot achieve our purpose without applying the highest standards of corporate governance; it is essential to the way we work – to our actions, decisions, communications and behaviours.

Our corporate governance framework, policies and practices, as described in this Statement, are designed to meet the high standards of corporate governance expected by our shareholders, communities and wider society, and promote stakeholder confidence and trust.

Our Board continues to acknowledge the unique relationship between resource companies and the communities where they operate, and the requirements and expectations that we act lawfully, ethically and responsibly. In an environment of rising expectations about the role of companies in society, we understand the need to consider our strategy through an informed view of evolving societal trends and values. The work of our Board and its Committees in FY22, as discussed in the following pages, reflects both our awareness of this and our continued oversight of the integration of environmental, social and governance considerations into our strategic discussions, business decisions, risk management and governance framework.

Our culture is reflected in the way we work, the decisions we take, the courage we show and the legacy we leave. Our Board continues to work with the Lead Team to set the direction and tone for a workplace culture that aligns with our purpose, supports the delivery of our strategy and reflects our values. It is a responsibility we all share.

Our people are integral to unlocking the full potential of our business and we know that an inclusive, diverse and engaged workforce allows for greater collaboration, innovation and performance. Our Board remains actively engaged in management's progress to build a diverse workforce and an inclusive work environment, where everyone feels comfortable bringing their whole selves to work and feels safe asking for help if they need it.

While we adapted well to the requirement to operate in a virtual environment over the previous two years, our Board has welcomed the increased opportunity in FY22 to travel and engage face-to-face with each other, our people and the communities where we operate. This engagement gives us direct insight into the culture across our organisation and deepens our understanding of the challenges facing our people and communities and how we can work together to deliver enduring social, economic and environmental value.

Stakeholder engagement is an integral part of our purpose. Through these engagements we benefit from the insights and feedback provided by key stakeholders, including on how we plan to transition to a low-carbon future. These insights have helped inform our inaugural Climate Change Action Plan which will be the subject of a non-binding advisory resolution at our 2022 Annual General Meeting scheduled for later this year.

Continuous improvement is front of mind for our Board, in particular with respect to how our Directors work together to discharge the Board's role and responsibilities. An external evaluation of the effectiveness of the Board, its Committees and individual Directors conducted earlier this year provided an independent view of performance and our Board governance. The evaluation, the process and findings of which are set out in more detail in this Statement, found our Board to be high performing and comprised of Directors who are appropriately skilled, experienced and committed to undertake our work.

I thank my colleagues and all those at South32 whose commitment and support enabled the successful delivery of our Board's program of work for FY22 and look forward to working together in the year ahead.

**Karen Wood**  
Chair





## Our Board

Our Board comprises the eight Directors listed below, all of whom (except our CEO, Graham Kerr) are independent, Non-Executive Directors.

Director	Appointment Date
Mr Graham Kerr (CEO)	21 January 2015
Ms Karen Wood (Chair)	1 November 2017 and Chair since 12 April 2019
Mr Frank Cooper AO	7 May 2015
Mr Guy Lansdown	2 December 2019
Dr Xiaoling Liu	1 November 2017
Dr Ntombifuthi (Futhi) Mtoba	7 May 2015
Mr Wayne Osborn	7 May 2015
Mr Keith Rumble	27 February 2015

You can find out more about our Directors, including their qualifications, skills and experience, and appointments at other organisations, on pages 64 to 67 of the 2022 Annual Report.

The role of our Board is to represent shareholders and to promote and protect the interests of the Group. It does so by governing the Group, having regard to our purpose, strategy, values and culture, our shareholders as a whole, and the interests of other relevant stakeholders. Delegating broad authority to the CEO for the day-to-day management of the Group enables our Board to focus on its primary responsibilities, including monitoring our performance and commitment that everyone goes home safe and well, working with management to shape our strategy and culture, and overseeing our corporate governance.

Our Board is led by our Chair, Karen Wood, who assists the Board to work effectively in the discharge of its responsibilities, while encouraging a culture of openness and debate to foster a high performing and collegiate team. Outside Board meetings, our Chair acts as the main interface between the Board and the CEO and represents the Board to our shareholders.

## Our Lead Team

Working under the guidance and supervision of our CEO, our Lead Team's role is to progress the Group's strategy in a way that aligns with our purpose, values, Code of Business Conduct (Code) and the risk appetite set by our Board. Although each Lead Team member leads a specific part of our business, they work as a collective towards our purpose and business goals. You can find details of our Lead Team members on pages 72 to 73 of the 2022 Annual Report.

Our CEO and Lead Team regularly report to our Board, in a spirit of openness and trust, on progress towards, and matters material to, our strategy, performance (including safety, operational, financial and sustainability performance), issues relating to our people and culture, risk management and assurance, and compliance with our Code. Meetings between members of our Board and Lead Team help the Board to carry out its responsibilities and strengthen its relationship with management.

Appointments to the Lead Team are approved by our Board and appropriate checks are undertaken prior to their appointment. Lead Team members are employed directly under a written executive services agreement, which sets out their roles and responsibilities and the terms and conditions of their employment.

Annually, our Board, on recommendation of the Remuneration Committee, evaluates our CEO's performance and approves the CEO's individual performance score, including outcomes and awards to be made under our short-term incentive (STI) and long-term incentive (LTI). The individual performance of Lead Team members is evaluated annually by our CEO as part of the Group's employee performance review process and the Remuneration Committee considers and approves the outcomes and awards to be made to them under the STI and LTI.

## Our Company Secretary

Our Company Secretary, through the Chair, is accountable to the Board on all matters to do with the proper functioning of the Board and its Committees. You can find more details about our Company Secretary's experience and qualifications on page 70 of the 2022 Annual Report and further information about the Company Secretary's responsibilities in the Board Charter.

## Our Board's focus areas and activities in FY22

In addition to matters routinely considered, the focus areas of our Board throughout FY22 included:

### Safety and performance

Nothing is more important than the health, safety and wellbeing of our employees, contractors and communities. Throughout FY22, our Board received regular updates on our safety performance, including progress with the program of work we are undertaking to deliver a step-change in our safety performance. Our Board also continued its oversight of our response to the COVID-19 pandemic and the measures put in place to keep our people safe and well, maintain safe and reliable operations and support our communities.

Our Board receives regular updates on our operational and financial performance and uses operational deep-dives and site visits to enhance its understanding of our operational safety performance, short and long-term plans, culture, community engagement and material risks, including their approach to sustainability-related risks and opportunities. In 2022, our Board restarted its program of site visits following a two-year pause due to COVID-19 impacts, with visits to our Worsley Alumina operation in April and the Sierra Gorda copper mine in June.

### Strategy

Our Board oversees strategy development and implementation, including alignment with our purpose and values, and recognises the importance of considering strategy through an informed view of societal trends and values. In April 2022, our Board participated in a Strategy Day led by our CEO which provided an opportunity for the Board to engage with management on our strategy and vision for the future, including how we are responding to climate change and other critical Environmental, Social and Governance (ESG) issues.

During FY22, our Board reviewed, provided guidance on, and approved (as required) a number of key matters related to our strategy, including:

- Our acquisition of a 45 per cent interest in the Sierra Gorda copper mine in Chile, progressing our strategy to reshape our portfolio for a low-carbon future, and our inaugural US dollar bond issue to enable our repayment of the US\$800 million short-term acquisition bridge facility established to support the Sierra Gorda acquisition;

- The refinancing of our US\$1.4 billion revolving syndicated credit facility and its establishment as a sustainability-linked loan;
- Our greenfield exploration strategy and framework, including key exploration partnerships and projects targeting base metals around the world;
- Our progress to develop the Taylor Deposit at the Hermosa project, which has the potential to significantly grow our production of metals that the world needs to transition to a low-carbon future; and
- Our entry into long-term power purchase agreements associated with the Alumar aluminium smelter restart and our acquisition of an additional 16.6 per cent shareholding and related rights in Mozal Aluminium – with both transactions increasing our exposure to low-carbon aluminium.

Our strategy is underpinned by a disciplined approach to capital management. Our Board receives regular updates on our capital management activities and approves our capital management program. In FY22, it approved increases in our capital management program of US\$230 million to US\$2.1 billion and the payment of US\$661 million in dividends.

### Culture

During FY22, our Board continued to work with our Lead Team to set the direction and tone for a workplace culture that aligns with our purpose, reflects our values and supports the delivery of our strategy. Focus areas included:

- **Monitoring culture:** Visits to our operations and offices, operational deep-dives and management presentations (including on key observations from our annual 'Your Voice' employee survey) are some of the mechanisms our Board utilised to monitor our culture and evaluate the action taken by management to address improvement areas.
- **Sexual harassment:** Our management of workplace sexual harassment as a material safety risk is of significant interest to our Board. In FY22, it received an external briefing on the topic and a management presentation on the initiatives implemented to reduce the risk of sexual harassment and those underway. Reporting to the Risk and Audit Committee was also enhanced to provide additional detail on this issue.

- **Inclusion and diversity:** Our Board has continued to monitor and assess our progress against our inclusion and diversity measurable objectives and considered management's plan of action to build a more inclusive and diverse workforce. You can find further detail about our inclusion and diversity performance on page 17 of this Statement.
- **Remuneration:** Our Board continued to oversee the alignment of our remuneration and benefits framework with our purpose, strategy, values and culture. In addition to approving the usual remuneration matters within its purview, it approved changes to the LTI component of our reward framework to directly link executive reward to our approach to climate change and the transition of our portfolio towards base metals required for a low-carbon future.

You can read more about our remuneration policies and practices, performance reviews and outcomes, including the remuneration paid to our Directors and other key management personnel, in our FY22 Remuneration report on pages 74 to 102 of the 2022 Annual Report. Shareholders will be invited to consider and adopt the Remuneration report at our 2022 Annual General Meeting (AGM).

You can find more information about our culture in our 2022 Sustainable Development Report.

### Governance

Our Board approves our corporate governance policies and oversees our corporate governance practices, and in doing so, seeks to adopt high standards of corporate governance that meet shareholder and community expectations.

During FY22, our Board continued to oversee the integration of ESG considerations, including the risks and opportunities that climate change presents, into our strategy and capital allocation, budget, risk oversight and governance. Climate change consideration at Board and Committee meetings included approving an update to our Sustainability Policy, with amendments made to reflect, amongst other things, evolving societal and shareholder expectations on ESG issues, and updating the Sustainability Committee's Terms of Reference to include specificity on delivery against climate change related targets and objectives. Directors also received an external legal briefing on climate change risk and disclosure.

You can find out more about our Board's approach to climate change governance on page 8 of this Statement.



### Engaging with our workforce

Our Board understands the importance of connecting with our people to establish trust and build confidence in its stewardship. The relaxation of international COVID-19 travel restrictions earlier this calendar year allowed our Board to recommence all 'in-person' Board meetings and its practice of visiting our operations and offices around the world.

In March 2022, our Chair, CEO and Non-Executive Director, Guy Lansdown, attended a two-day site visit at our Hermosa project in Arizona, USA. April 2022 saw our Board convene at our Perth head office, followed by a visit to our Worsley Alumina operation, and in June it met in our new office in Santiago, Chile and visited the Sierra Gorda copper mine. These visits are an important part of our Board's work and provide the opportunity for the Board to better understand the challenges our people face and inform the Board of the workplace culture and the communities we operate in.

In FY22, our Board launched a 'Conversations with the Board' series to provide the opportunity for our employees to learn more about our Directors. The series involves video-recorded interviews with individual Directors about their background, career history, reasons for joining our Board and vision for our Company. The interviews are made available company-wide via our intranet portal.

Our CEO and Lead Team regularly connect with our employees through company-wide calls to update our workforce on recent business developments and key matters relating to our performance (including safety performance), strategy and culture. Two live sessions are held to accommodate the different time-zones in which we operate, and a question-and-answer session is usually included.

### Board Committees

Our Board has established four standing Committees: the Nomination and Governance Committee, Remuneration Committee, Risk and Audit Committee and Sustainability Committee. Our Board also convenes ad hoc committees to preside over particular matters, for example in FY22 a committee was established to oversee the Sierra Gorda acquisition.

Each standing Committee works within its terms of reference and operates in accordance with Board-approved committee processes and procedures, available at [www.south32.net](http://www.south32.net)

Each Committee Chair reports to the Board on Committee activities and material matters arising out of Committee meetings and considers if any matters arising out of meetings should be advised to any other Committee.

Non-Executive Directors are invited to attend and are encouraged to participate in Committee meetings, provided there are no potential or actual conflicts of interest. All Non-Executive Directors generally attend all Committee meetings. You can find the details of Board and Committee meeting attendances in the Directors' report of the 2022 Annual Report, on page 69.

### Nomination and Governance Committee

**Assists the Board with reviewing its composition and evaluating its performance, succession planning and oversight of the Group's corporate governance practices.**

#### Composition requirements:

- ✔ Minimum three members
- ✔ Non-Executive Directors only
- ✔ Majority independent Directors
- ✔ Independent Director as Chair

#### Members:

- Ms K Wood (Chair)
- Mr F Cooper AO
- Mr G Lansdown
- Dr X Liu
- Dr N Mtoba
- Mr W Osborn
- Mr K Rumble

#### FY22 activities and key focus areas:

- Endorsed the 2021 Corporate Governance Statement.
- Endorsed the 2021 AGM Notice of Meeting.
- Made recommendations on the re-election of Directors, taking into consideration their performance, skills, experience and time commitments.
- Provided oversight of the external performance evaluation of the Board, Committee and Directors.
- Considered Director succession planning, including within the context of the Board's diversity objective and the mix of skills and experience represented by Directors.
- Received updates on corporate governance developments.
- Reviewed the continuing education program for Directors.
- Assessed and confirmed the independence of Non-Executive Directors.



## Remuneration Committee

**Assists the Board to oversee the Group's remuneration policy and the remuneration and benefits framework for all South32 employees.**

### Composition requirements:

- ✓ Minimum three members
- ✓ Non-Executive Directors only
- ✓ Majority independent Directors
- ✓ Independent Director as Chair

### Members:

- Mr W Osborn (Chair)
- Mr F Cooper AO
- Mr G Lansdown (from August 2021)
- Mr K Rumble
- Ms K Wood

### FY22 activities and key focus areas:

- Endorsed the FY21 Remuneration report and the remuneration-related resolutions in the 2021 AGM Notice of Meeting.
- Endorsed the FY21 business scorecard outcome and the FY22 business scorecard.
- Considered remuneration market updates, including emerging trends and focus areas and ESG in the context of remuneration.
- Endorsed the CEO's FY21 performance and remuneration outcomes and approved the same for the Lead Team.
- Endorsed the FY22 remuneration arrangements for the CEO (including the introduction of two strategic measures related to climate change and portfolio management) and approved the same for the Lead Team, following assessment against market data for select peers.
- Endorsed the CEO's FY22 equity grant and approved the same for all other employees.
- Approved reward arrangements in relation to Lead Team changes.
- Reviewed Non-Executive Director fees and benefits against market data for select peers.
- Considered our biennial gender and ethnicity remuneration review outcomes and actions to address identified issues.
- Endorsed the design of the FY23 reward framework for the CEO and approved the same for all other employees.

## Risk and Audit Committee

**Assists the Board to oversee the corporate reporting, risk management and assurance practices of the Group.**

### Composition requirements:

- ✓ A minimum three members
- ✓ Only independent Non-Executive Directors
- ✓ Independent Director, that is not the Board Chair, as Chair
- ✓ At least one member with appropriate financial and accounting expertise and the members of the Committee as a whole must have sufficient understanding of the industry in which the Group operates.

### Members:

- Mr F Cooper AO (Chair)
- Mr G Lansdown
- Dr X Liu
- Dr N Mtoba

### FY22 activities and key focus areas:

- Provided oversight of corporate reporting processes within its area of responsibility, including the role of the external auditor.
- Assessed and endorsed our FY21 Financial Statements and Directors' report (including a review of key accounting matters), and our H1 FY22 financial results.
- Approved and monitored the FY22 internal audit plan and reviewed the leadership and performance of the internal audit function.
- Reviewed the effectiveness of the Group's systems of internal control and risk management.
- Reviewed changes to material and strategic risks and assessed and endorsed our Risk Appetite Statement.
- Considered management updates on business integrity and workplace behaviour (including enhanced reporting on sexual harassment) and on our cybersecurity program and material cybersecurity risk.
- Made recommendations on capital management matters, including dividends.
- Recommended the outcome for the risk component of the FY21 annual business scorecard and Key Performance Indicators (KPIs) for the risk component of the FY22 business scorecard, for the CEO and Lead Team.

## Sustainability Committee

**Assists the Board to oversee the sustainability management, performance, assurance and reporting practices of the Group.**

### Composition requirements:

- ✓ A minimum three members
- ✓ Only Non-Executive Directors
- ✓ Majority independent Directors
- ✓ Independent Director as Chair

### Members:

- Mr K Rumble (Chair)
- Mr G Lansdown
- Dr X Liu
- Mr W Osborn
- Ms K Wood

### FY22 activities and key focus areas:

- Assessed our improvement response to a safety deep-dive across our operations and provided oversight of implementation of our safety and contractor management systems of work.
- Considered the findings of significant health and safety event investigations, including in relation to the fatality at South Africa Manganese in November 2021.
- Monitored our sustainability-related performance, and reviewed material health, safety and environmental risks and sustainability-related strategic risks.
- Endorsed our updated Sustainability Policy and considered our approach to material sustainability-related issues, including climate change, our environmental impacts (including water and tailings stewardship) and Indigenous, Traditional and Tribal People's cultural heritage.
- Provided oversight of the implementation of our health, environment, asset and dam management systems of work, and our Sustainability Governance and Decarbonisation Frameworks.
- Endorsed the FY21 Sustainable Development Report, Sustainability Databook and Modern Slavery Statement, and the sustainability external assurance approach and scope for FY22.
- Recommended the outcome for the sustainability component of the FY21 annual business scorecard and KPIs for the sustainability component of the FY22 business scorecard, for the CEO and Lead Team.
- Provided oversight of the development of our inaugural Climate Change Action Plan (CCAP) and reviewed the climate change positions, emissions targets and goals to be contained within it.

## Climate change governance

Climate change is a material strategic and governance issue that is overseen by our Board. The Board considers that the integration of climate change mitigation and adaptation into our strategy is integral and oversees this integration together with the appropriate management of relevant risks and opportunities. Our Board is responsible for our strategy and approves the Group's overall climate change approach, policy positions and our CCAP.

Climate change is recognised and managed as a strategic risk. Our Board is assisted in the discharge of its responsibilities in relation to climate change by its standing Committees, as follows:

- The **Sustainability Committee** oversees our approach to managing material sustainability-related risks and opportunities, including climate change. The Committee receives regular reports from management on climate change progress, as well as updates from internal and external experts about developments in climate science, policy, regulation and technology. Our Board, together with the Sustainability Committee, will oversee management's implementation and further development of our CCAP, the development of subsequent plans, and our progress in meeting our commitments;
- The **Risk and Audit Committee** oversees our corporate reporting, risk management and assurance practices. Our climate change and environment strategic risk, and its associated key risk indicators and management responses, are monitored and evaluated twice a year. The Committee also discusses the approach to inclusion and integration of climate-related disclosures in financial reporting, with input from the external auditor;
- The **Remuneration Committee** oversees that our remuneration and benefits framework aligns to the long-term interests of our shareholders, operates within our risk appetite and supports our purpose, strategy and values. The remuneration of our Lead Team is directly linked to our performance on climate change and the transition of our portfolio towards metals critical for a low-carbon future. Performance against these measures accounts for 20 per cent of the LTI, with outcomes intended to reflect the achievement of significant milestones and long-term value protection and creation; and
- The **Nomination and Governance Committee** receives updates on developments and trends in corporate governance, including in the area of climate change. It also regularly reviews the mix of skills and experience represented by Directors to ascertain whether they remain appropriate for our purpose, strategy and material and strategic risks.

Our Board receives reports from each of the Committees above, which it uses as input into the discharge of its reserved functions in relation to our strategy (including approval of our CCAP), allocation of capital, budget, corporate development decisions, risk oversight and statutory disclosures.

Our Board understands the importance of maintaining its collective climate competency. Directors receive regular updates from management on developments in climate-related physical, economic transition and liability issues and an annual briefing facilitated by independent experts addressing emerging climate change issues and related societal expectations and trends.

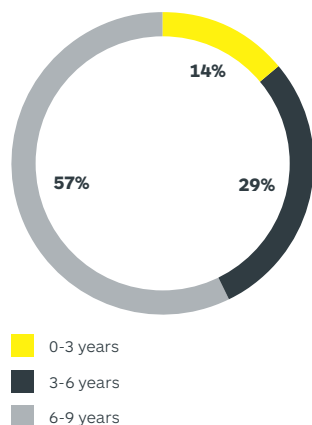
As foreshadowed in the 2021 AGM Notice of Meeting, our 2022 AGM will include a non-binding advisory resolution in relation to our inaugural CCAP. While voting on the resolution is advisory only, our Board will take the outcome of the vote and shareholder feedback into account when determining our approach to climate change going forward.

You can read more about our governance of climate change and broader sustainability issues (including senior management accountabilities) in our 2022 Sustainable Development Report and Sustainability Databook.

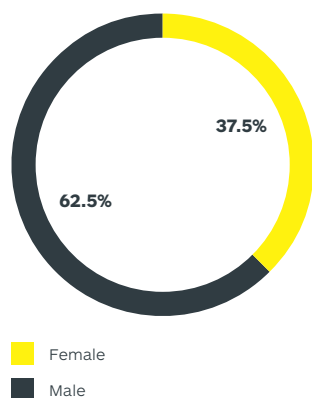
## Board structure, composition, appointments and education

### Director tenure, gender, location

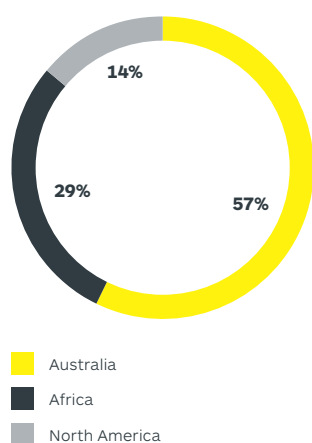
#### Length of tenure (Non-Executive Directors)



#### Board gender diversity



#### Location (Non-Executive Directors)



Our Board's structure and composition is informed by principles set out in the ASX Principles and Recommendations and Board Charter, including that the Board:

- Should be an appropriate size so that business requirements can be met;
- Will comprise a substantial majority of independent Non-Executive Directors; and
- Will seek to have Directors from a diverse range of backgrounds with an appropriate range of skills, expertise and experience necessary to carry out its role and responsibilities.

The Nomination and Governance Committee periodically reviews the Board's size and composition. It also assists our Board with its annual review of the mix of skills, experience, knowledge, independence and diversity represented by Directors to determine whether they remain appropriate for our purpose and strategy and whether they cover the competencies needed to address emerging business and governance issues relevant to the Group. In addition, the Committee regularly reviews the time required from Non-Executive Directors, and whether Directors have the capacity to meet that requirement taking account of all aspects of their role.

Our Board has considered its structure and composition and remains satisfied that:

- They are appropriate for the size of the Group, the nature of our portfolio and our strategy;
- Our Board represents a broad cultural, background and geographic mix, and achieves its gender diversity objective to maintain the representation of women at greater than 33 per cent; and
- Its tenure profile balances the benefits of retaining corporate knowledge and bringing fresh perspectives to the Board.

### Director independence

Directors are expected to apply independent judgement to all matters discussed at Board meetings and to all Board decisions. Our Board recognises the importance of independent Non-Executive Directors to a high functioning Board and its Committees.

The Nomination and Governance Committee assists the Board to assess the independence of Directors. This is done before Board appointments are made, annually and whenever any significant new interests arise.

In accordance with our Independence of Directors Policy, to qualify as independent, a Director must be independent of management and free of any interest, position or other relationship that could materially influence (or be reasonably perceived to materially influence) the exercise of objective, unfettered or independent judgement by the Director or the Director's ability to act in the best interests of the Group or its shareholders generally. All relevant facts and circumstances are taken into account when making this assessment.

We maintain a register of Directors' interests which is periodically reviewed by our Directors. Directors are also required to update the Board with any new information in relation to interests or relationships relevant to their independence. Non-Executive Directors may be involved with other companies, associations or professional firms which may have dealings with us. The materiality of these dealings is assessed as part of the annual Director independence assessment.

Director tenure is also a factor considered when assessing Director independence. Our longest serving Non-Executive Director has a tenure of seven and a half years and the overall tenure profile of our Board is as shown.

Our Board has determined for FY22 that all the Non-Executive Directors identified on page 4 of this Statement are independent and that the Board is comprised of a substantial majority of independent Non-Executive Directors.



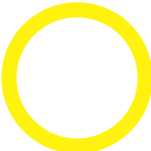


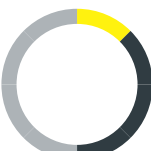
## Skills, knowledge and experience




The skills of our Directors and the combined capabilities of the Board as a whole are annually evaluated. The results of that evaluation are documented in a Board skills matrix, which is considered by the Nomination and Governance Committee, incorporated into the Board's composition review and succession planning and informs the focus areas for our Boards' continuing education program.

The 2022 skills evaluation process involved individual Director self-assessments, along with an external assessment of each Director's competencies as part of the Board's formal performance evaluation process. Those assessments were overlaid with a review of the Board's capabilities as a whole, as depicted in the Board skills matrix. We also refreshed the descriptions of the skills (and their relevance to South32) in the matrix to align with our governance documents and societal and stakeholder expectations of our Board.

Having reviewed the 2022 Board skills matrix set out below, our Board remains satisfied that it, as a collective, has the skills, knowledge and experience needed to discharge its role and responsibilities and that there are no immediate gaps that require addressing. Moreover, it considers that it has the collective capabilities necessary to effectively lead and govern the Group, engage in strategy and deal with new and emerging business and governance issues.

### 2022 Board skills matrix

Skill / Competency	Description	Relevance to South32
<b>Leadership and culture</b>		
<b>Leadership and governance</b> 	Senior executive role or substantial Board experience in a listed company, with a proven track record of leadership and overseeing culture and a demonstrable understanding of and commitment to high standards of corporate governance.	Demonstrating leadership and overseeing our corporate governance practices are key responsibilities of our Board. Our Board also oversees that our culture aligns with our purpose, values and strategy.
<b>Industry</b>		
<b>Mining and metals</b> 	Senior executive role or substantial Board experience in a mining and metals company, from exploration through to the development and operations stages of mining and metals projects. Expertise in geological, engineering or geoscience matters.	Directors with expertise in geology, mining (open pit and/or underground) and the production of our key commodities contribute to our Board's evaluation of risks and opportunities as they relate to our operations, the mining industry and the markets in which we operate.
<b>Smelting and processing</b> 	Senior executive role or substantial Board experience in a company involved in the smelting, refining and/or processing of natural resources.	Directors with expertise in smelting and extractive metallurgy contribute to our Board's evaluation of risks and opportunities as they relate to our operations, the mining industry and the markets in which we operate.
<b>Commodity value chain</b> 	End-to-end commodity value chain knowledge and experience, including understanding of marketing, consumers, market demand drivers (including specific geographic markets) and key aspects of responsible commodity value chain management.	Directors with commodity value chain knowledge and experience, including knowledge of related social and environmental impacts, contribute to our Board's assessment of our response to evolving market conditions.
<b>Technology, digital and innovation</b> 	Understanding of technology (including digital technology) and innovation, including how related developments may be leveraged to drive transformation and respond to digital disruption.	Directors with knowledge of technology and innovation, as they relate to our business and across other industries, support our Board in assessing how we can leverage related developments to implement change, manage risk and realise opportunities.

-  **Highly skilled** – having or demonstrating a high degree of knowledge or skill; high level of expertise/mastery and experience in work that requires that skill.
-  **Skilled** – having or showing the knowledge, ability, or training to perform a certain activity or task well; trained or experienced in work that requires that skill.
-  **Knowledgeable** – well-informed, well conversant in the area in which he or she has gained knowledge and understanding.

**Commercial Capability****Strategy**

Experience in long-term strategy development, implementation or oversight, including establishing effective capital management frameworks and identifying and responding to strategic risks and opportunities.

Our Board oversees the development and delivery of strategy and that our allocation of capital supports our strategic goals. As we continue to develop our portfolio, we will draw from Directors' previous experience at other companies that face long industry cycles and commodity price volatility.

**Financial acumen**

Proficiency in financial accounting and reporting, understanding of key drivers of financial performance and the capability to evaluate the adequacy of financial and risk controls.

Our Directors must be able to understand the financial drivers of our business and evaluate our financial statements and other periodic corporate reports.

**Capital projects**

Experience with projects involving large-scale capital outlays and long-term investment horizons in the planning and execution phases.

Our Board needs to consider all project risks and returns in the context of our strategy and capital management framework.

**Corporate development**

Experience in business development, equity and debt funding strategies, capital and debt raising and other complex corporate transactions including mergers, acquisitions and divestments.

Directors with experience assessing complex business transactions contribute to our Board's evaluation of corporate development opportunities to support value creation and drive competitive advantage.

**Governance and compliance****Risk management**

Experience implementing or overseeing robust risk management frameworks in large or medium-sized organisations with global operations, and the ability to identify, understand and oversee the management of existing, new and emerging material and strategic risks.

Our Board needs to be able to assess the adequacy of our risk management framework and evaluate management's response to material and strategic risks.

**Public policy**

Experience focused on public policy and interacting with regulators.

Our Board needs to know what we can or should do to shape public policy, as well as how public policy changes may impact our strategy.

**Regulatory and legal compliance**

Familiarity with legal and regulatory compliance and experience monitoring and responding to changing legal and regulatory landscapes.

Our Board oversees our internal controls and systems for monitoring ethical and legal compliance. Our Board needs to be aware of, and anticipate, legal and regulatory risks that may impact our operations, performance or social licence to operate.

## Corporate Governance Statement continued

Skill / Competency	Description	Relevance to South32
<b>External Market</b>		
<b>Global business experience</b> 	Experience working in multiple geographies, understanding of global markets and exposure to diverse political, economic, cultural and regulatory business environments.	Strong knowledge of the markets we operate in now and those we may enter in the future contributes to our Board's oversight of strategy.
<b>People</b>		
<b>People and remuneration</b> 	Experience leading large, diverse, geographically distributed workforces, including talent planning, setting remuneration frameworks that attract and retain talent, and promoting diversity, equality and inclusion.	Our people are the foundation of our success, and we need to attract, retain, develop and motivate talent. Our Board oversees that our remuneration and benefits framework aligns with our purpose, strategy and values to drive desired culture and business outcomes.
<b>Sustainability</b>		
<b>Health and safety</b> 	Knowledge and experience in physical and psychological health and safety management, performance and governance and building a strong safety culture.	Nothing is more important than the health, safety and wellbeing of our employees, contractors and communities. Our Board oversees that our approach to health and safety, culture and governance supports our commitment to provide and maintain a safe workplace.
<b>Environment and climate change</b> 	Demonstrable understanding of the key environmental impacts, risks and opportunities for a global mining company, including fluency in the implications of climate change.	We recognise the importance of climate change mitigation and adaptation, and the availability and protection of natural resources such as water, air, biodiversity and ecosystems, including to our business and its resilience. Our Board oversees that these factors are integrated into our strategy and the management of relevant risks and opportunities.
<b>Social performance</b> 	Experience managing or overseeing the social impacts of business operations and partnering with communities and other stakeholders to minimise adverse impacts and create lasting social and economic value.	Working with our communities and other stakeholders to create shared value and achieve our shared goals is integral to our purpose. Our Board oversees that our approach to social performance and related governance is in line with our purpose and supports our objectives to create lasting social and economic value where we operate, preserve cultural heritage and respect human rights.

### Supplementing the Board's skills and experience

Our Board understands that it has to continue to educate itself on the key issues, risks and opportunities facing our business (and those on the horizon), and the evolving community, society and shareholder expectations around them. Our Board supplements its skills and experience with the expertise of management and external subject matter experts and advisers. For example, in FY22, external expertise was engaged to enhance the Board's collective capability in the areas of climate change risk and disclosure, workplace sexual harassment, and cybersecurity and risk.



## Director appointment process and Board renewal

The Nomination and Governance Committee oversees succession planning for the Board, its Committees and the Board Chair. The Committee recommends to the Board candidates it considers appropriate for appointment, election or re-election. The Committee also oversees the evaluation of prospective candidates, including that appropriate checks are undertaken - such as character, experience, education, criminal record and bankruptcy checks, using an external firm as required.

Once selected, the successful candidate is offered a letter of appointment setting out the terms and conditions of their appointment, including fees payable and that the Director will supply services personally (and not through an entity associated with the Director).

Directors appointed by the Board (excluding the CEO) must stand for election at the next AGM, then generally at every third AGM following their election or most recent re-election. The Nomination and Governance Committee assesses the performance and time commitments of each Director due to stand for election or re-election and endorses to the Board whether it should recommend to shareholders that they vote in favour of the election or re-election of each relevant Director. Material information relevant to whether to elect or re-elect a Director is included in the 2022 AGM Notice of Meeting.

Our Board has recommended that shareholders re-elect Mr Frank Cooper and Dr Futhi Mtoba at our 2022 AGM. Information relevant to the re-election of these Directors, including the basis for the Board's recommendation, can be found in our 2022 AGM Notice of Meeting, which will be made available at [www.south32.net](http://www.south32.net)

## Director induction and continuing education

Directors participate in a comprehensive induction program when they join our Board, which is tailored for their background, experience and the Committee position(s) they will hold. Our standard induction program typically includes:

- Briefings from management on the organisation or specific functions, significant business imperatives and projects, material litigation and disputes, prevailing market and economic conditions and outlook, and the legal and regulatory environment in which we operate;
- Meetings with other Directors, members of the Lead Team and key personnel;

- Opportunities to attend external training on matters relevant to our legal, regulatory and governance landscape, or specific financial matters;
- Meeting with the external auditor without members of management present;
- Meeting with the Group Assurance team; and
- Site visits to our operations and local communities.

Our program of continuing education for Directors, as overseen by the Nomination and Governance Committee, is designed to enhance the capabilities of our Board across a number of areas. The program includes:

- Briefings from management on the organisation or specific functions;
- Management presentations on our culture;
- Operational updates and site visits to our operations and local communities;
- Updates on corporate governance trends, developments and issues;
- Sessions on cultural heritage and awareness and engagement with Indigenous, Traditional and Tribal Peoples;
- Opportunities to engage with other Directors, Lead Team members and key personnel;
- External briefings on select matters or topics;
- Internal compliance training on our Code, anti-bribery and corruption, continuous disclosure, competition law and human rights;
- Opportunities to participate in external courses and conferences, including those offered by the Australian Institute of Company Directors; and
- Other reports and updates as required.

## Evaluating Board performance

The Nomination and Governance Committee oversees the performance evaluation process for the Board, Committees and individual Directors. An evaluation of at least one of those three elements is undertaken annually and may be internally or externally facilitated.

The evaluation process generally includes a combination of:

- Interviews with, or self-assessments by, Directors on their individual performance and the effectiveness of the Board and Committees;
- Peer reviews on each Director's contributions to the Board and relevant Committees; and
- Feedback from management on issues relevant to the performance evaluation.

Performance evaluation results are considered by the Nomination and Governance Committee. Where individual Director performance is assessed, each Director is provided feedback on their strengths, opportunities to make enhanced contributions and potential areas for further professional development.

## 2022 Board, Committee and Director evaluation

To date our Board has alternated year-on-year between an externally conducted formal evaluation, and an informal evaluation, coordinated internally.

For 2022, an external Board, Committee and individual Director evaluation was undertaken, which involved interviews with each Director, Lead Team members and other senior leaders to discuss the effectiveness of the Board and Committees and individual Director contributions. The evaluation also focused on the Board's composition, including its diversity in terms of demographic (gender, age and culture) and cognitive, personality and experiential aspects.

Each Director has been provided detailed feedback on their identified strengths and potential areas for enhanced contribution. The evaluation findings with respect to the Board as a whole, and its Committees, were shared with Directors and discussed with the external evaluator at a meeting of the Nomination and Governance Committee meeting held in July. Highlights from that discussion include that our Board:

- Is top-performing and displays healthy boardroom dynamics where debate is respectful and diverse opinions and perspectives are welcome;
- Is well led by our effective and inclusive Chair;
- Comprises Directors who are appropriately skilled and experienced for, and unified in their commitment to, our purpose and strategy; and
- Has established constructive relationships with management, underpinned by high levels of transparency, mutual respect and trust.

In terms of focus areas as our Board prepares for the future, the evaluation findings provided some insights relating to the Board's composition and the execution of our strategy, which will be explored further at a workshop with the external evaluator scheduled for October this year.

## Risk management and internal controls

Our Board oversees our risk management framework and internal controls and systems for monitoring legal and ethical compliance. It approves the risk appetite developed by management to gain assurance that it supports the achievement of our strategy and business goals, including the nature and extent of risks we are prepared to take to achieve our purpose.

The risk management section of the 2022 Annual Report (pages 26 to 35) sets out our current strategic risks, including our exposure to social and environmental risks, and outlines our strategies to respond to the identified exposures. You can also find out more about our approach to managing the sustainability aspects of our strategic risks and our operational-level material sustainability risks in our 2022 Sustainable Development Report.

The monitoring of strategic risks is performed by Group Risk, while the oversight of the effectiveness of our system of risk management is conducted by our Group Assurance function. Both functions are led by our Vice President Group Risk and Assurance who reports functionally to our CFO.

Although jointly managed, the Group Risk and Group Assurance functions each have their own mandate and organisational structure and are each led by a dedicated manager. The Manager Group Assurance and Vice President Group Risk and Assurance have a shared reporting line to the Risk and Audit Committee Chair.

### Three lines of accountability for risk management

We strive to create enduring value through strong governance and management of our performance. To achieve this, we apply the Three Lines operating model in relation to the management of risk:

- **First Line** is responsible for designing, implementing and executing processes and controls in order to manage risk;
- **Second Line** assists the first line in managing risk by monitoring and reporting on the conformance with Group requirements, and advising and guiding the development and improvement of fundamentals; and
- **Third Line**, our Group Assurance function, provides independent and objective assurance over the Group's system of risk management and control, by way of performing internal audit reviews and reporting results to the Risk and Audit Committee.

## Reviewing our risk management framework

The Risk and Audit Committee assists our Board to review the adequacy of the Group's risk management framework to gain assurance that it continues to be sound. The Committee reviews (over the course of the year) the effectiveness of our systems of risk management and internal control to gain assurance that they identify and manage risks that are material to the achievement of our corporate objectives. This includes reviewing any changes to strategic and material risks identified by management (including new and emerging risks) and considering whether they remain within risk appetite. The results of these reviews, which are conducted at least annually, and any recommended actions are reported to the Board.

The FY22 review assessed our risk management framework as effective.

### Internal audit

The Group Assurance function conducts internal audit reviews to evaluate and identify areas where management should improve the effectiveness of the Group's risk management, control, compliance and governance processes. When conducting these reviews, the function is supported by a combination of internal and external resources.

The Risk and Audit Committee oversees the effectiveness, independence and objectivity of the Group Assurance function. The Committee meets with the Vice President Group Risk and Assurance or the Manager Group Assurance, without management present, at least once a year, and may meet with them, with or without management present, as and when the Committee considers it necessary or on their request.

### Corporate reporting

The Risk and Audit Committee, with the support of other Committees of the Board as appropriate, supports the Board to oversee the integrity of our corporate reporting systems. In particular, the Committee oversees the processes established to safeguard the integrity of the corporate reports within its area of responsibility and facilitate their independent verification.

The Committee also oversees the preparation of our Annual Report and financial statements and recommends to the Board whether they should be approved based on the Committee's assessment of them. Before approving the financial statements for each half year and full year, the Board receives a declaration from our CEO and CFO stating that:

- In their opinion, the Group's financial records have been properly maintained and that they comply with the relevant accounting standards and give a true and fair view of the Group's financial position and performance; and
- The opinion has been formed based on a sound system of risk management and internal control which is operating effectively.

Financial reporting risk is a focus area for our Board, the Risk and Audit Committee and our Lead Team. The Board oversees our risk management framework, while management designs, implements and maintains financial and risk controls and the Risk and Audit Committee oversees their adequacy.

The effectiveness of our internal controls for managing financial reporting risk is regularly reviewed. Changes in conditions may impact the effectiveness of controls and the degree of compliance with the Group's risk management policies or procedures may deteriorate. Even effective controls can only provide reasonable assurance of attaining their design objectives.

Information about our financial risk management objectives and policies is set out in Note 19(a) Financial risk management objectives and policies and 19(b) Accounting classification and fair value to the financial statements on pages 140 to 150 in the 2022 Annual Report and forms part of this Statement.

### External audit

The Risk and Audit Committee oversees the external auditor's role in the corporate reporting process. The Committee recommends to the Board the external auditor's appointment, approves the terms of engagement and fees for the external audit and annually assesses the external auditor's effectiveness and performance.

The Committee also monitors the external auditor's independence. Our internal Provision of Non-Audit Services Policy requires pre-approval for any services proposed to be provided by the external auditor (outside of the external audit) and sets out prohibited services.

The external auditor regularly attends Risk and Audit Committee meetings, including to discuss audit results and the implications of audit findings. The Committee is able to meet with the external auditor, with or without management present, as often as it considers necessary.

## **Our commitment to act ethically, responsibly and lawfully**

### **Our Values and Code of Business Conduct**

With the support of our CEO and Lead Team, our Board:

- Oversees that our culture aligns with our purpose, values and strategy;
- Promotes ethical, responsible and lawful decision making; and
- Promotes an inclusive workplace where we hold ourselves and each other to account.

Our Board also undertakes 'Culture Health Checks' when visiting our operations aimed at connecting with our employees to better understand how aligned the culture is to our purpose, values and strategy.

Enabling the above and guiding all of us as we do business every day, is our Code. You can find a copy of our Code, which includes our whistleblower policy (known as our Speak Up Policy), in multiple languages at [www.south32.net](http://www.south32.net)

Our Code, as approved by our Board, reflects our commitment to act ethically, responsibly and lawfully. It sets out the standards of conduct we expect of our people, our suppliers and our joint venture partners acting on our behalf in a controlled or operated joint venture. Together with our values, our Code guides how we act, work, communicate and evaluate our conduct.

We require all our employees to complete our Code training.

We view a breach of our Code as a serious matter. Our Board and the Risk and Audit Committee receive reports on material breaches of the Code.

### **Speak Up Policy**

Our Speak Up Policy encourages people to speak up by reporting a business conduct concern when our values and conduct standards aren't being followed. It outlines options for reporting a business conduct concern, what happens when such a report is made and how we will protect the reporter.

Anyone can report a business conduct concern. One way to do this is through our confidential, externally and independently operated, EthicsPoint reporting hotline – concerns can be raised online in EthicsPoint or via telephone, with relevant details available at [www.south32.net](http://www.south32.net) Business conduct concerns can be reported anonymously. We do not tolerate any form of retaliation against anyone for reporting a business conduct concern.

All business conduct concerns reported via EthicsPoint are initially provided to our Business Integrity team for confidential review and appropriate case allocation in accordance with our Speak Up processes. Our Board and the Risk and Audit Committee are informed of material business conduct concerns.

### **Anti-bribery and corruption**

Our Code prohibits fraud, bribery and corruption in any form, and requires compliance with applicable anti-bribery and corruption laws wherever we conduct business. Our Code is supported by our Anti-Bribery and Corruption (ABC) Policy.

We operate a risk-based ABC compliance program which our CEO, Lead Team and Board support. Our Business Integrity team is responsible for the program's design, implementation, continuous improvement and related reporting.

Our Board and the Risk and Audit Committee are informed of material ABC concerns, including material breaches of our ABC Policy and related procedures.

You can find out more about our ABC compliance program and access a copy of our ABC Policy (which is available in multiple languages) at [www.south32.net](http://www.south32.net)

### **Competing fairly**

Our Code requires that we compete fairly, ethically and in compliance with applicable competition laws across the world. It also expects that we actively engage and cooperate with competition authorities.

Our Code is supported by our risk-based competition law compliance program, which includes training for people in higher risk roles. Our Legal team is primarily responsible for the program's design, implementation and continuous improvement.

### **Conflicts of interest**

Our Code expects us to act in the best interests of the Group and not to be in conflict with those interests. It also sets out our responsibilities for identifying, avoiding, declaring and resolving actual, potential or perceived conflicts of interest.

Our Code is supplemented by internal procedures, including that all actual, potential or perceived conflicts of interest be entered in our Conflict of Interest Register.

Under Australian law, directors have a duty to avoid conflicts of interest. In accordance with the Board Charter, our Directors must ensure that they do not make any decision or take any action that has the effect of prioritising their interests over the interests of the Company.

A Director who has a material personal interest in a matter that is being considered at a Directors' meeting is prevented from being present while the matter is being considered at the meeting or voting on the matter and may be denied access to relevant Board papers. The other Directors may, however, allow such a Director to participate and vote in relation to the matter by resolving that the interest should not disqualify the Director from doing so.

### **Dealings in our securities**

Our Securities Dealing Policy provides guidance on inside information, insider trading and dealing in our securities. It applies to our Directors, employees and contractors and specifically prohibits Directors and Lead Team members from:

- Trading in derivative products issued over or in respect of the Company's securities;
- Dealing in the Company's securities on a short-term trading basis;
- Engaging in the practice of "short selling" the Company's securities;
- Entering into margin lending or other secured financing arrangements with respect to the Company's securities; or
- Entering into any hedging arrangement that limits their exposure to the Company's securities.



## Sustainability

Sustainability is at the heart of our purpose and underpins the delivery of our strategy. In delivering our purpose, we seek to create enduring social, environmental and economic value.

Our approach to sustainable development is guided by international standards and initiatives. We monitor international sustainability standards and frameworks and their applicability to our business.

Our Board has an important role in overseeing our sustainability performance, and earlier this calendar year approved our updated Sustainability Policy, which affirms our sustainable development commitment, outlines the principles on which it is based and sets out how we intend to meet our commitment.

Our commitment to respecting human rights is at the core of our approach to sustainability and is documented in our Sustainability Policy, our Code and Modern Slavery Statement.

You can read more about our sustainability approach and progress towards our sustainability commitment, including with respect to human rights, at [www.south32.net](http://www.south32.net) and in our 2022 Sustainable Development Report, with supporting data available in our 2022 Sustainability Databook.

**Our Chair, Karen Wood, and Director, Futhi Mtoba, participating in a field visit at the Boddington bauxite mine, part of Worsley Alumina, in April 2022.**

We mine bauxite near the town of Boddington in the south-west of Western Australia and transport it by overland conveyor to the alumina refinery near Collie. The refined alumina is transported by rail to the Bunbury port and shipped to aluminium smelters around the world.



## Inclusion and diversity

We are focused on building an inclusive work environment, where everyone feels comfortable bringing their whole selves to work, and are working to strengthen our balance of gender and ethnically diverse representation across our business.

As a core element of our culture, our approach to inclusion and diversity is overseen by our Board. Our Board approves our Inclusion and Diversity Policy, which outlines our commitment to inclusion and diversity, including at Board level, and is implemented through:

- Board-approved measurable objectives for inclusion and diversity, which are designed to drive behaviours and outcomes that support our desired culture; and
- Our internal inclusion and diversity standard, which is designed to establish inclusion and diversity requirements for all elements of people management, setting the foundation for embedding inclusion and diversity into everything we do.

Additionally, the Remuneration Committee biennially reviews employee remuneration by gender and ethnicity and action taken by management to address identified issues and the Nomination and Governance Committee assists the Board to review its composition, including the diversity represented by Directors.

You can read more about how we embed inclusion and diversity into our culture and ways of working in our 2022 Sustainable Development Report.

### Performance against our measurable diversity objectives

In FY22, we set eight inclusion and diversity measurable objectives and our performance against them is set out in the table below. You can also review our performance against a range of other key metrics in our 2022 Sustainability Databook.

We report Gender Equality Indicators in accordance with the *Workplace Gender Equality Act 2012* (Cth), and our FY22 submission can be viewed at [www.south32.net](http://www.south32.net)

Measurable Objective		Target		Performance	
		Target %	Target Date	FY22	FY21
Improve representation of women in total workforce	Total employees	Year-on-Year Improvement		<b>19.2%</b>	18.4%
Improve representation of women in leadership teams	Board	Maintain >33%		<b>37.5%</b>	37.5%
	South32 Lead Team	Maintain >40%		<b>37.5%</b>	44.4%
	Senior Leadership Team	40%	30 June 2022	<b>32.1%</b>	29.6%
Improve representation of Black People in South Africa	Operational Leadership Teams	20%	30 June 2022	<b>20.4%</b>	18.3%
	Management Roles	Year-on-Year Improvement		<b>61.9%</b>	52.4%
	Total employees	Year-on-Year Improvement		<b>86.1%</b>	85.7%
Achieve pay equity	Funds allocated to address pay equity			<b>US\$316k</b>	US\$0 <sup>(1)</sup>

(1) As South32 did not undertake a broad salary review in FY21, no pay equity review was undertaken.

As at 30 June 2022, our workforce comprised 9,096 people across ten countries, women represented 19 per cent of our employees globally and Black People represented 86 per cent of our employees in South Africa

In South Africa, we comply with our diversity-related obligations under the Broad-Based Black Economic Empowerment Act, Mining Charter III and Mineral and Petroleum Resources Development Act 2000.

## Promoting inclusion and diversity

We advocate for the benefits of inclusion and diversity within and beyond South32. For example:

- We are a signatory to HESTA 40:40 Vision, an investor-led initiative to achieve gender balance in executive leadership across all ASX300 companies by 2030;
- Our CEO is a founding member of the Champions of Change National 2021 Group, which aims to achieve gender balance across workforces and create a workplace culture that is “diverse and inclusive, at all levels and in all locations, beyond head office” and is a member of CEOs for Gender Equity;
- Our Chair is a member of 30% Club Australia, which aims to achieve a “minimum of 30% gender balance at all senior decision-making tables across Australia, including Boards and C-Suite”; and
- Our Chair and Non-Executive Director, Dr Xiaoling Liu, are members of Chief Executive Women (Australia) (CEW) which works to engage and influence all levels of Australian business and government to achieve gender balance, and several of our employees complete the CEW Leaders Program each year.

## Communicating with our shareholders and other stakeholders

We provide information about our Company and communicate with our shareholders and other stakeholders through a range of electronic communication channels, including our website and social media platforms such as Twitter, Instagram, LinkedIn and Facebook.

We encourage our shareholders and other stakeholders to access information about us at [www.south32.net](http://www.south32.net), including our latest announcements and news, financial and operational results, annual reports, presentations and speeches.

Our shareholders have the option to receive communications from, and send communications to, us electronically. Shareholders and other stakeholders can contact us through our website or through our Investor Relations or Media Relations teams (as appropriate), with contact details available at [www.south32.net](http://www.south32.net). Shareholders may also communicate electronically with our share registries.

Our Investor Relations, External Affairs and Company Secretariat teams provide regular updates to the Board on feedback received from, and key matters raised by, our shareholders and key stakeholders, including our response, where appropriate. This provides our Board insight into shareholder and stakeholder views and their key areas of focus.

## Market disclosure

We are committed to keeping our shareholders and the market informed in a timely manner and complying with our continuous disclosure obligations. We place considerable importance on our procedures and processes for effective communication with our shareholders and other market participants and our handling of information that we are required to disclose to the stock exchanges on which our shares are listed.

Our Market Disclosure and Communications Policy, as approved by our Board, applies to all of our people and sets out roles and responsibilities for, and procedures and processes to, achieve compliance with our disclosure obligations. Under the Policy, our Board is responsible for approving certain announcements to the market. Other announcements are subject to protocols set out in the Policy. The Board receives copies of all material announcements promptly after their release.

Our people who are expected to come into contact with sensitive information are provided advanced face-to-face training, which they are required to complete at least every two years.

## Verification of periodic corporate reports

We are committed to communicating with our shareholders and other market participants in a way that is factual, complete, balanced and clear. We complete a documented internal verification of our periodic corporate reports that are released to the stock exchanges on which our shares are listed.

The content of these corporate reports is verified with reference to, as appropriate, reliable, written source materials and data or sign-off from the identified content owner and progresses through a hierarchy of reviews and approvals before release to the relevant exchange.

## Engaging with our shareholders

Effective two-way communication is important for our shareholders to exercise their rights as our owners. We maintain a program of engagement involving our Directors, Lead Team, shareholders and the broader investment community, which generally includes:

- Briefings and presentations to analysts and institutional investors, including live webcasts and question-and-answer sessions. All new and substantive presentations (including analyst presentations) are released to the market ahead of the presentation and made available at [www.south32.net](http://www.south32.net);
- Presentations at investment and industry conferences and participation in corporate governance forums;
- Site tours for analysts and institutional investors;
- Meetings with investors and proxy advisers (attended by our Chair, Chair of the Remuneration Committee, CEO and/or other Lead Team members), covering financial, operational, remuneration and ESG updates;
- Management meetings with investor representative organisations and civil society groups, such as Market Forces and the Australasian Centre for Corporate Responsibility; and
- Retail investor events and forums, and engagement with the Australian Shareholders Association.

Earlier this year we were able to recommence in-person engagements after a two-year pause due to COVID-19 travel and meeting restrictions.

Given investor interest in ESG issues, ESG-focused engagement activities are integrated into our engagement program. For example, our FY22 engagement program included:

- Our inaugural Sustainability Briefing held in October 2021;
- An ESG and remuneration focused roadshow ahead of our 2021 AGM, with our Chair and Chair of the Remuneration Committee;
- Chair, CEO and management-led engagements with our Climate Action 100+ (CA100+) lead investor, HESTA;
- Participation in the CA100+ Net Zero Standard roundtable discussion for diversified miners;



- A CEO-led strategy briefing for investors, incorporating updates on safety, inclusion and diversity, and our approach to climate change; and
- Board-led engagement with investors and proxy advisers to better understand how they assess company climate change plans as we consider our inaugural CCAP.

### External ESG ratings

Many of our proxy advisers and investors use independent third-party, company specific ESG data to assess company performance. We actively participate in select third-party questionnaires and regularly monitor and review these ratings and other data sources to oversee that the assessments accurately reflect our performance.

### Annual General Meetings

Our AGM gives our shareholders the opportunity to receive a performance update directly from our Board and ask questions. All Directors and Lead Team members attend the AGM. The external auditor also attends and is available to answer any questions relating to the audit. All substantive resolutions at our AGMs are determined by a poll.

Due to COVID-19 restrictions in place at the time, our 2021 AGM was a virtual meeting with no physical venue provided for shareholders to attend. Shareholders and proxy holders were able to submit questions prior to the meeting and those who attended online were able to follow proceedings, vote and ask questions in real time. Shareholders who were unable to attend the meeting were able to vote by proxy according to the usual procedure. A recording of the meeting was published to our website, enabling people who could not attend to view the event.

Our 2022 AGM will be held as a hybrid meeting, providing shareholders with the opportunity to attend physically or participate virtually. We will continue to monitor the COVID-19 situation in Perth and if it becomes necessary or appropriate to make alternative or supplementary arrangements, we will provide an update. Shareholders are encouraged to monitor securities exchange releases and check [www.south32.net](http://www.south32.net) for information and updates.

### Response to resolutions 6(a) and 6(b) at our 2021 AGM

At our 2021 AGM, shareholders strongly supported our Board's recommendation to vote against Resolution 6(a) - a shareholder-requisitioned special resolution to amend our Company's Constitution.

Notwithstanding its dependency on the passing of Resolution 6(a), our Board supported Resolution 6(b) - a shareholder-requisitioned resolution that called for a strengthening of our review of industry associations to ensure that it identifies where an association's advocacy is inconsistent with the goals of the Paris Agreement, and that where such inconsistencies are identified, we suspend our membership for a period deemed suitable by the Board. Our Board acknowledges the significant interest from investors and other stakeholders in our industry association memberships and the advocacy they undertake. Considering that our existing practice was substantively consistent with Resolution 6(b), our Board decided to recommend that shareholders vote in favour of this resolution.

The full Climate Change Action Plan is set out on pages 68 to 105 of the Company's 2022 Sustainable Development Report (in the 'Addressing Climate Change' section). The Sustainable Development Report is available on our website at [www.south32.net](http://www.south32.net)

You can find out more about our approach to industry association participation in our 2022 Sustainability Databook.

### Resolution on our Climate Change Action Plan at our 2022 AGM

Our approach to the physical and economic transition risks (and opportunities) associated with climate change is of significant interest to our shareholders. Our 2022 AGM will include a non-binding advisory resolution in relation to our inaugural Climate Change Action Plan. While voting on the resolution is advisory only, we will engage with shareholders to understand the outcome of the vote and our Board will take the outcome of the resolution and shareholder feedback into account when determining the Company's approach to climate change going forward.

It is proposed that we will prepare an updated Climate Change Action Plan at least every three years, which will be submitted to shareholders for a non-binding advisory vote. We will consider seeking an advisory vote prior to then if significant changes are made to the plan. Annual updates will be provided in our Sustainable Development Report.

You can find more information about this proposed resolution in our 2022 AGM Notice of Meeting, which will be made available at [www.south32.net](http://www.south32.net)

### Further information

For further information on any of the topics covered in this Statement, shareholders and other stakeholders are encouraged to visit [www.south32.net](http://www.south32.net)

