



**CORPORATE  
GOVERNANCE  
STATEMENT**  
2023



## ABOUT THIS STATEMENT

### Corporate Governance Statement 2023

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

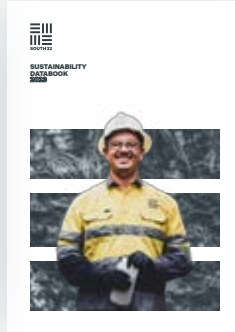
### Our 2023 Annual Reporting Suite



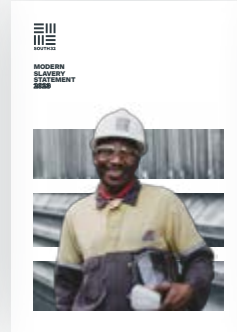
Annual Report



Sustainable  
Development Report



Sustainability Databook



Modern Slavery  
Statement



Tax Transparency  
and Payments  
to Governments Report

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

### 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).

Defined terms in this Statement are consistent with those in the 2023 Annual Report, unless otherwise specified.

This Statement also refers to commodities 'we produce' and commodities in 'our portfolio', which include commodities such as bauxite, alumina, aluminium and copper that may form part of, or be produced by, joint arrangements that are not operated by South32. References in this Statement to 'our operations', or commodities 'we produce' or in 'our portfolio', should be read in this context.

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**Cover:** A production technician at Hillside Aluminium in South Africa.

**Right:** Anindilyakwa People on Groote Eylandt in Australia's Northern Territory.

## CONTENTS

About us	2
Letter from the Chair	3
About this Statement	4
Our corporate governance framework	4
Our Board's focus areas and activities in FY23	6
Board Committees	8
Board structure, composition, appointments, and education	12
Evaluating Board performance	16
Risk management and internal controls	17
Our commitment to act ethically, responsibly, and lawfully	18
Sustainability	19
Inclusion and diversity	19
Communicating with our shareholders and other stakeholders	21
Engaging with our shareholders	21

### 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.

## Our purpose

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.

## Our strategy

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



OPTIMISE



UNLOCK



IDENTIFY

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

## Our values

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

CARE TRUST TOGETHERNESS EXCELLENCE

+ Learn more about our values at [www.south32.net](http://www.south32.net).



# LETTER FROM THE CHAIR



Our corporate governance framework, policies, and practices, as described in this Corporate Governance Statement, are designed to meet the high standards of governance expected by our stakeholders and to promote confidence and trust in our work.

Our Board has approved our purpose and strategy. It oversees the execution of the strategy with an appreciation of the unique relationship between our Company and the communities where we operate. In doing so we have regard to the evolving and expanding societal trends and expectations, and the requirements that we act lawfully, ethically and responsibly. We integrate environmental, social and governance considerations, including risks and opportunities, into our strategic discussions, business decisions, risk management, and governance framework. Some of the work of our Board and its Committees in FY23 is described in the following pages.

Our Board's ability to effectively lead and govern is based on the skills of our Directors, the combined capabilities of the Board, and the way our Directors work together to discharge the Board's role and responsibilities. Each year we review the effectiveness of the Board, its Committees and each of our Directors. Our Board's skills assessment is presented in our Board skills matrix, which demonstrates that the Board collectively has the skills, knowledge, and experience to discharge its responsibilities.

In May 2023, we welcomed two new independent Non-Executive Directors, Carlos

Mesquita and Jane Nelson. We also farewelled Non-Executive Director Guy Lansdown who resigned to focus on other opportunities. These appointments enhance the Board's collective skills, with Jane's strong focus on sustainable development including in human rights, cultural heritage and Indigenous issues and a significant understanding of climate change and biodiversity issues; and Carlos' experience in the global mining and metals industry, particularly base metals and aluminium operations and projects in the Americas and Africa.

Devastatingly, two of our colleagues, Mr Cristovão Alberto Tonela and Mr Alfredo Francisco Domingos João, were fatally injured at Mozal Aluminium while performing maintenance work in November 2022. This tragic incident affected everyone at South32 and has strengthened our resolve to eliminate fatalities and serious injuries from our business. Our Board oversees our safety performance, including work already underway on our multi-year Safety Improvement Program. The program is designed with the aim of enhancing our safety culture by changing mindsets and behaviours and achieving a step change in our safety performance. Nothing is more important than the health, safety, and wellbeing of our people.

Our culture is inextricably linked to safety, and is reflected in the way we work, the decisions we take, the courage we show and the legacy we leave. The Board, working with the Lead Team, sets the direction and tone for our workplace culture and our focus is on building a workplace culture that aligns with our purpose, reflects our values and

supports the delivery of our strategy. 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 takes advantage of regular visits to our operations around the world to enhance Directors' understanding of operational safety performance, short and long-term plans, the prevailing culture, community issues and material risks. Where possible, site visits include visits to our community initiatives to better understand local community needs and to assess our contribution. Our CEO and Lead Team regularly connect with our employees to share updates and take questions on business results, developments and key matters relating to our performance (including safety performance), portfolio, strategy, and culture.

Our Board remains focused on delivering our strategy to fulfill our purpose of making a difference by developing natural resources to improve people's lives now and for generations to come, and to be trusted by our owners and partners to realise the value of their resources.

I thank my colleagues and all those at South32 who contributed to the successful delivery of our Board's program of work for FY23 and look forward to working together in the year ahead.

**Karen Wood**  
Chair

**About this Statement**

This Corporate Governance Statement is current as at 7 September 2023 and has been approved by the Board of South32 Limited.

**ASX Principles and Recommendations**

As an Australian Securities Exchange (ASX) listed entity, we are required to benchmark our corporate governance practices against the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles and Recommendations), available at [www2.asx.com.au](http://www2.asx.com.au).

Our Board considers that our corporate governance practices are (and were for FY23) compliant with the ASX Principles and Recommendations – further details are provided in our Appendix 4G available at [www.south32.net](http://www.south32.net)

**Our corporate governance framework**



The South32 Limited Constitution provides that the business and affairs of the Company are to be managed by, or under the direction of, the Board. The Board appoints one of the independent Non-Executive Directors as Chair.

Our Board has adopted a Board Charter that sets out its role and responsibilities. The Board Charter describes the matters reserved for the Board and those delegated to the Chief Executive Officer (CEO), including authority for the day-to-day management of the South32 Group. The CEO in turn delegates certain authorities and responsibilities to management but remains accountable to the Board for the Group's performance and for all delegated authority.

The four standing Committees shown above have been established to assist our Board in discharging its responsibilities, and each operates in accordance with its terms of reference, as approved by our Board. Other committees may be established from time to time to consider matters of particular importance.



**Directors visit agri-businesses**

In 2022 South32 Hillside Aluminium and the Wildlife and Environment Society of South Africa launched a youth development project in response to high youth unemployment and food security challenges. Directors interacted with project ambassadors, hearing about how the project is giving 20 local youth the opportunity to learn a broad range of skills including farming and financial literacy, and is helping them provide for their families and the community.



**From left:** Mr Carlos Mesquita, Mr Graham Kerr (front), Ms Jane Nelson, Mr Wayne Osborn, Mr Frank Cooper, Ms Karen Wood, Mr Keith Rumble, Dr Xiaoling Liu, Dr Ntombifuthi (Futhi) Mtoba (front).

## Our Board

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

Director	Appointment Date
Ms Karen Wood (Chair)	1 November 2017 and Chair since 12 April 2019
Mr Graham Kerr (CEO)	21 January 2015
Mr Frank Cooper AO	7 May 2015
Dr Xiaoling Liu	1 November 2017
Mr Carlos Mesquita	1 May 2023
Dr Ntombifuthi (Futhi) Mtoba	7 May 2015
Ms Jane Nelson	1 May 2023
Mr Wayne Osborn	7 May 2015
Mr Keith Rumble	27 February 2015

Mr Carlos Mesquita and Ms Jane Nelson were appointed as independent Non-Executive Directors on 1 May 2023. Mr Guy Lansdown was an independent, Non-Executive Director during FY23 and resigned from our Board with effect from 31 May 2023.

You can find out more about our Directors, including their qualifications, skills and experience, and appointments at other organisations, on pages 66 to 70 of our Annual Report at [www.south32.net](http://www.south32.net).

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 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 overseeing our safety performance, management's development and implementation of strategy and the culture of the Group. As outlined in our Board Charter, ultimate responsibility for governance and strategy rests with the Board.

Our Board is led by our Chair, Ms 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 developed by management and approved 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 76 to 77 of our Annual Report.

The 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), 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 role and responsibilities and the terms and conditions of their employment.

Changes were made to our Lead Team during FY23 with Sandy Sibener promoted to Chief Financial Officer (CFO), and Katie Tovich moving from CFO to Chief Human Resources and Commercial Officer (CHRCO) following the departure of former CHRCO, Brendan Harris, from the Company in November 2022.

On recommendation of the Remuneration Committee, our Board annually evaluates the 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.

For FY23, the performance of the CEO was reviewed by the Remuneration Committee, and approved by the Board. The performance of other members of the Company's Lead Team during FY23 was reviewed by the CEO, and reported to the Remuneration Committee with supporting commentary.

### Our Company Secretary

Our Company Secretary, through the Chair, is accountable to the Board on all matters relating to the proper functioning of the Board and its Committees. You can find more details about our Company Secretary's experience and qualifications on page 74 of our Annual Report and further information about the Company Secretary's responsibilities in the Board Charter.

### Our Board's focus areas and activities in FY23

Our Board receives regular updates from management on our operational and financial performance and uses operational deep-dives and site visits to enhance its understanding of our safety performance, short and long-term plans, culture, community engagement and material risks, including our approach to sustainability-related risks and opportunities.

In addition to matters routinely considered, some of the focus areas of our Board throughout FY23 are set out below.

#### Safety and performance

Nothing is more important than the health, safety and wellbeing of our employees, contractors, visitors and communities. Throughout FY23, our Board actively engaged on matters of safety:

- Our Directors received regular updates and monitored progress on our multi-year Safety Improvement Program, designed with the aim of enhancing our safety culture by changing mindsets and behaviours and achieving a step change in our safety performance. The program consists of workstreams including empowering our people to participate in improvements, reducing risks with effective controls by undertaking risk training delivered by safety coaches and safety practice leads;
- Safety performance was reported to, and updates discussed at, each Sustainability Committee meeting in our Board Programs. All Directors attended all Sustainability Committee meetings. This included participating in a briefing with management and a leading external safety expert to more fully understand where the Company is currently positioned on its safety improvement journey and hear about the program from operational leaders within our Company;
- Our Directors received a briefing on our LEAD Safely Every Day training program which focuses on building a culture that shifts mindsets through leadership. The training program is being cascaded throughout our business and to contractors. You can read more about our Safety

Improvement Program and our LEAD Safely Every Day leadership program in our Sustainable Development Report at [www.south32.net](http://www.south32.net);

- In November 2022, our CEO visited our Mozal Aluminium smelter following the fatal injury of two of our colleagues, Mr Cristovão Alberto Tonela and Mr Alfredo Francisco Domingos João, while performing maintenance work. He provided regular updates to Directors during his visit including the detailed investigation set up in response to the incident and the support and counselling being provided to impacted families and colleagues. Throughout the course of the investigation, our Board received ongoing updates and considered the findings, including the immediate and root causes of the incident and other contributing factors. Two Non-Executive Directors visited Mozal Aluminium in December 2022;
- The Board maintained oversight of our approach to serious injury risk reduction through routine significant incident investigation reviews with management and material safety risk deep-dives during visits to our operations and projects;
- Management of workplace sexual harassment as a material health and safety risk and implementation of additional controls is of significant focus for our Board. The Board participated in our 'Living our Code' training, which is focused on our employees learning about inappropriate workplace conduct, including sexual harassment, and fostering inclusion, diversity and equality in the South32 workplace. The Board also sought, and received, additional reporting from management in relation to this risk, including to reflect on whether there were relevant industry learnings flowing from the West Australian Parliamentary inquiry into sexual harassment in the mining and resources industry; and
- Our Board received specific briefings from external presenters on work health and safety including workplace sexual harassment, evolving regulation and policy developments and proposed industrial relations reform in Australia.

#### 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 2023, our Board participated in a dedicated Strategy Day led by our CEO which provided an opportunity for the Board to collaborate with management on our strategy and vision for the future,



including our health and safety culture and performance, and how we are responding to the risks and opportunities of climate change and other environmental, social and governance (ESG) issues.

During FY23, our Board reviewed, provided guidance on, and approved (as required) a number of key matters related to our strategy.

This included:

- Our decision not to proceed with an investment in the Dendrobium Next Domain project at Illawarra Metallurgical Coal following consideration of study work and extensive analysis of alternatives. The decision increases capacity to direct capital towards other opportunities, including our development options in North America that have the potential to underpin a significant growth profile to produce commodities critical to a low-carbon future;
- Oversight of the progress of the Hermosa project, including its successful confirmation as the first mining project added to the FAST-41 process; anticipated to provide a more efficient and transparent process for federal permitting which would enable further optimisation of the project;
- Approval of the Eastern Lease South life extension project, which will extend the life of our low-cost GEMCO operation to at least FY28;
- Oversight of our pipeline of decarbonisation initiatives;
- Our greenfield exploration strategy and framework, including key exploration partnerships and projects targeting base metals around the world and the realisation of US\$200 million of value from a royalty portfolio transaction; and
- Continuing to oversee the alignment of our remuneration and benefits framework with our purpose, strategy, values, and culture. Since FY22, the LTI component of our reward framework has directly linked executive reward to our response to climate change and the transition of our portfolio towards the commodities required for a low-carbon world. 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 Remuneration report on pages 78 to 103 of our Annual Report. Shareholders will be invited to consider and adopt the Remuneration report at our 2023 Annual General Meeting (AGM).

Our strategy is underpinned by a disciplined approach to capital allocation and a strong balance sheet. Our capital allocation framework is used to consider all investments and strategic decisions.

Our Board receives regular updates on our capital management activities and approves our capital management program. In FY23, it approved increases in our capital management program of US\$206 million to US\$2.3 billion and the payment of US\$1,007 million in dividends.

You can learn more about our strategy in our Annual Report at [www.south32.net](http://www.south32.net).

#### Culture

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.

This included:

- Monitoring culture through visits to our operations and offices, operational deep-dives, and management presentations. Directors apply a 'Culture Health Check' tool to assist them in monitoring culture within the Company and when visiting our operations to better understand how aligned the culture is to our purpose, strategy and values;
- Receiving key observations from leaders on our annual 'Your Voice' employee survey and evaluating the actions taken by management to address improvement areas which included ways to attract and retain talent, underpinned by our purpose and values;
- Considering a new Inclusion and Diversity Policy to reflect the evolution of our inclusion and diversity approach, continuing to monitor and assess our progress against our inclusion and diversity measurable objectives, and overseeing management's Inclusion and Diversity Action Plan to build a more inclusive and diverse workforce. The new policy was approved in July 2023. You can find further detail about our inclusion and diversity performance on page 20 of this Statement.
- Where possible, Board visits to operations include visits to our community initiative investments to gain insight into our contribution to surrounding communities. In FY23 Directors visited the Kotulong Community Centre in South Africa, the Rearata Primary School near our Hotazel Manganese Mines, the Filipe Nyusi Secondary School near our Mozal Aluminium smelter and met with various community leaders and representatives from the communities

in Santa Cruz County in Arizona in the United States.

#### 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. The appointments of Mr Mesquita and Ms Nelson as Non-Executive Directors in FY23, further enhanced the Board's broad range of skills and experience, particularly in the areas of sustainability and major projects.

During FY23, 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. Our Board and Committees receive updates on governance developments, and in FY23 briefings from internal and external experts included climate and biodiversity, and work health and safety.

You can find out more about our Board's approach to climate change governance on page 11 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. This includes visits to our sites as part of Board programs, which are an important part of our Board's work and provide the opportunity for our Directors to better understand the challenges our people face and workplace culture. During FY23, Directors visited the Hermosa project in the United States, the Mozal Aluminium smelter in Mozambique and the Hotozel Manganese Mines and Hillside Aluminium smelter in South Africa.

Our Board formally engages with management via presentations to Board meetings, and lunch and learn sessions with different areas of the business to receive updates on a particular issue, risk or opportunity. Additionally, all Lead Team members attend Board meetings and the annual Strategy Day.

## CORPORATE GOVERNANCE STATEMENT CONTINUED

In FY23, our Board continued the '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 to share updates and take questions on business results, developments and key matters relating to our performance (including safety performance), portfolio, strategy and culture. Engagement includes regular Group-wide live calls and town halls, both held to accommodate the different time-zones in which we operate. Group-wide emails are sent regularly in English, Spanish and Portuguese to accommodate the diverse workforce, and employees are engaged in-person when our CEO and Lead Team visit our global operations and offices. Group updates including stories and videos are also regularly shared via internal communications channels including the intranet and Yammer.

### Board Committees

Our Board has established four standing Committees: the Nomination and Governance Committee, Remuneration Committee, Risk and Audit Committee and Sustainability Committee. When considered appropriate, our Board also convenes ad hoc committees to preside over particular matters.

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.

All Directors are invited to attend, and are encouraged to participate in, Committee meetings, provided there are no potential or actual conflicts of interest. All Directors generally attend all Committee meetings. You can find the details of Board and Committee meeting attendance in the Directors' report on page 72 of our Annual Report.

### 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 (until 31 May 2023)
- Dr X Liu
- Mr C Mesquita (from 1 July 2023)
- Dr N Mtoba
- Ms J Nelson (from 1 July 2023)
- Mr W Osborn
- Mr K Rumble

#### The Committee's responsibilities include:

- Making recommendations to the Board on matters of corporate governance including any proposed changes to existing structures or practices;
- Reviewing the size and composition of the Board, including the mix of skills, experience, independence, knowledge, and diversity;
- Overseeing succession planning for the Board, Board Chair, Committees, CEO, Lead Team, and identified critical roles;
- Overseeing Board, Committee and Director performance evaluation; and
- Overseeing the training and development program for Directors.

#### FY23 key activities and focus areas:

- Considered Director succession planning, including within the context of the Board's diversity objective and the mix of skills and experience represented by Directors, culminating in the appointment of Mr Mesquita and Ms Nelson as Non-Executive Directors;
- Maintained oversight of the development of a pipeline of talent for key roles;
- Considered the results of the external 2022 Board, Committee and Director evaluation, including an externally facilitated workshop to more fully discuss the outcomes and opportunities from the evaluation and conducted an internal 2023 Board, Committee and Director evaluation building on the FY22 results;
- Made recommendations on the election and re-election of Directors, taking into consideration their performance, skills, experience, and time commitments;
- Received updates on corporate governance developments, including those related to sustainability;
- Provided oversight of the training and development program for Directors as set out on page 16 of this Statement; and
- Endorsed the 2022 Corporate Governance Statement and 2022 Notice of AGM.

## 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 (until 31 May 2023)
- Mr K Rumble
- Ms K Wood

### The Committee's responsibilities include:

- Overseeing the Company's reward framework and its application to the CEO, Lead Team, Non-Executive Directors and employees as a whole;
- Considering and recommending to the Board the Chair and Non-Executive Director remuneration arrangements;
- Overseeing and recommending to the Board the Remuneration report and advising on remuneration-related resolutions for shareholder approval;
- Making recommendations to the Board in relation to the annual Business Scorecard and outcomes including for the CEO and approving outcomes for the Lead Team (as well as application of any modifiers or adjustments); and
- Determining annually whether awards will be made under equity-based plans and recommending to the Board total proposed awards for the CEO, and approving for Lead Team and other employees under the plans.

### FY23 key activities and focus areas:

- Endorsed the FY22 business scorecard outcome and the FY23 business scorecard;
- Endorsed the CEO's FY22 performance and remuneration outcomes and FY23 remuneration arrangements;
- Endorsed the CEO's FY23 equity grant and approved the same for all other employees;
- Reviewed Non-Executive Director fees and Lead Team Total Reward against market data for select peers;
- Considered our gender and ethnicity remuneration review outcomes and actions to address identified issues; and
- Considered remuneration market updates, including emerging trends, focus areas and ESG issues in the context of remuneration.

## Risk and Audit Committee

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

### Composition requirements:

- Minimum three members
- Independent Non-Executive Directors only
- 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)
- Dr X Liu
- Dr N Mtoba
- Mr G Lansdown (until 31 May 2023)
- Mr W Osborn (from 1 July 2023)

### The Committee's responsibilities include:

- Overseeing corporate reporting processes designed to safeguard the integrity of corporate reporting and facilitate independent verification, including the Annual Report and financial statements;
- Reviewing and monitoring the reporting of related-party transactions;
- Monitoring and reviewing the independence and performance of the external auditor;
- Overseeing the effectiveness, independence, and objectivity of the internal audit function, including the implications of internal audit findings;
- Overseeing management's implementation of the risk management framework having regard to the risk appetite approved by the Board;
- Reviewing any material incident involving fraud or a breakdown of risk controls and the 'lessons learned';
- Reviewing the effectiveness of the Group's policies, processes and reporting systems for detecting, reporting and preventing unethical, unlawful and dishonest conduct, fraud, breaches of anti-corruption laws, and whistle-blowing;
- Reviewing the effectiveness of systems and processes for detecting, reporting and responding to cybersecurity and information loss risks;
- Recommending to the Remuneration Committee appropriate key performance indicators (KPIs) for any risk management component of the annual business scorecard for the CEO and the Lead Team and determining the outcome for recommendation to the Remuneration Committee; and
- Assisting the Board with matters pertaining to capital management, litigation, acquisitions and divestments, mineral resource and reserve estimates and tax affairs of the Group.

### FY23 key activities and focus areas:

- Assessed and endorsed our FY22 financial statements and Directors' report (including a review of key accounting matters), and our H1 FY23 financial results;
- Approved and monitored the FY23 internal audit plan;
- Reviewed and endorsed amendments to our risk management framework and internal Risk Appetite Statement;
- Provided oversight of the tax issues affecting the Group and its operations;
- Considered management updates on business integrity and workplace behaviour (including sexual harassment) and on our cybersecurity program and material cybersecurity risk;
- Made recommendations on capital management matters, including dividends; and
- Recommended the outcome for the risk component of the FY22 business scorecard and KPIs for the risk component of the FY23 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:

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

### Members:

- Mr K Rumble (Chair)
- Mr G Lansdown (until 31 May 2023)
- Dr X Liu
- Mr C Mesquita (from 1 July 2023)
- Ms J Nelson (from 1 July 2023)
- Mr W Osborn
- Ms K Wood (until 1 July 2023)

### The Committee's responsibilities include:

- Overseeing the Group's approach to identifying and managing material sustainability-related risks and opportunities including safety, health (including occupational health, hygiene, mental health and well-being), environment, community and social performance, business ethics and climate change;
- Reviewing and monitoring the adequacy and effectiveness of the management systems and frameworks associated with material sustainability matters;
- Advising the Risk and Audit Committee on material sustainability-related risks;
- Overseeing management's processes for compliance with applicable sustainability-related laws, regulations, and other requirements;
- Monitoring and reviewing the Group's performance having regard to the sustainability consequences of decisions and actions, including impacts on employees, communities, Indigenous, Traditional and Tribal peoples, the natural environment, third parties and the Group's reputation;
- Reviewing and endorsing external corporate sustainability reports for Board approval;
- Reviewing and endorsing the scope of the external assurance for sustainability reporting to the Risk and Audit Committee; and
- Reviewing and approving new and material changes to public positions on key sustainability issues.

### FY23 key activities and focus areas:

- Monitored the progress of our Safety Improvement Program and updates on our Safety System of Work;
- Considered the findings of significant health and safety event investigations, including in relation to the fatalities at Mozal Aluminium in November 2022;
- Endorsed our inaugural Climate Change Action Plan (CCAP), including reviewing our climate change positions, greenhouse gas emissions target and goals and progress updates;
- Endorsed amendments to the sustainability components of our internal Risk Appetite Statement;
- Received and considered reports from management on sustainability matters such as sustainability performance, environmental management, health and safety and Our Approach to Indigenous, Traditional and Tribal Peoples Engagement and Our Approach to Cultural Heritage; and
- Recommended the outcome for the sustainability component of the FY22 business scorecard and KPIs for the sustainability component of the FY23 business scorecard, for the CEO and Lead Team.

### 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 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. At each meeting, the Committee receives reports from management on climate change progress. They also receive updates from internal and external experts about developments in climate science, policy, regulation and technology. Our Board, together with the Sustainability Committee, oversees management's implementation and further development of our CCAP, including the development of subsequent plans, and monitoring 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 LTI portion of the remuneration of our CEO and Lead Team is directly linked to our performance on climate change and the transition of our portfolio towards commodities required for a low-carbon world. Performance against these measures accounts for 20 per cent of the LTI, with outcomes intended to reflect the achievement of key measures 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, on climate-related issues relevant to each Committee's respective remit, which it uses as input when discharging its reserved functions in relation to our strategy, 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 external briefing addressing emerging climate change issues and related societal expectations and trends.

You can read more about our governance of climate change and broader sustainability issues (including senior management accountabilities) in our Sustainable Development Report, with supporting data available in our Sustainability Databook, at [www.south32.net](http://www.south32.net)



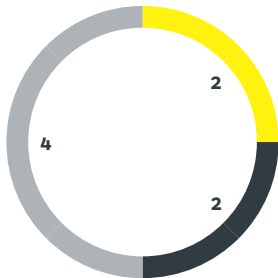
### Improving educational facilities

As part of a visit to Mozal Aluminium in Mozambique, Directors Ntombifuthi (Futhi) Mtoba and Keith Rumble visited a newly built secondary school in Chinonanquila, which received funding support from Mozal Aluminium. In addition to a tour of the facilities, they also helped plant a tree as a symbol of our desire to help grow educational outcomes in the country.

**Board structure, composition, appointments, and education**

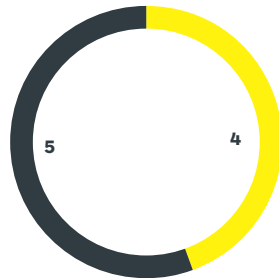
**Board composition as at 30 June 2023**

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



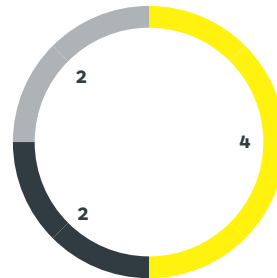
- 0-3 years
- 3-6 years
- 6-9 years

**Gender diversity**



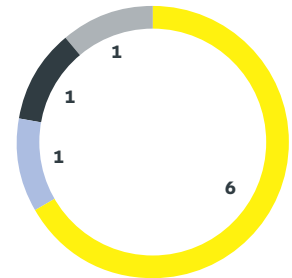
- Female
- Male

**Location**  
(Non-Executive Directors)



- Australia
- Southern Africa
- Americas

**Board ethnicity**



- White British or other White (including minority-white groups)
- Asian/Asian British
- Black/African/Caribbean/Black British
- Not specified/prefer not to say

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:

- It is appropriate for the size of the Group, the nature of our portfolio and our strategy;
- Our Board represents a broad cultural, ethnic, background and geographic mix, and achieves its gender diversity objective of at least 40 per cent women; 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 considered 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 eight and a half years. The overall tenure profile of our Board is shown above.

Our Board has determined for FY23 that all of 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 individual Directors and the combined capabilities of the Board are evaluated annually.




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 Board's continuing education program.

In 2023, the skills evaluation process involved individual Director self-assessments for Ms Nelson and Mr Mesquita which were incorporated into a review of the Board's capabilities as a whole.

Having reviewed the 2023 Board skills matrix set out on the following pages our Board remains satisfied that, as a collective, it 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.

## 2023 Board skills matrix

Skill / Competency	Description	Relevance to South32
<b>Leadership and culture</b>		
<b>Leadership and corporate 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.

CORPORATE GOVERNANCE STATEMENT CONTINUED

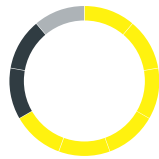
Skill / Competency	Description	Relevance to South32
<b>Commercial Capability</b>		
<b>Strategy</b> 	Experience in long-term strategy development, implementation or oversight, including establishing effective capital management frameworks and identifying and responding to strategic risks and opportunities.	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.
<b>Financial acumen</b> 	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.
<b>Capital projects</b> 	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.
<b>Corporate development</b> 	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.
<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.

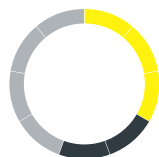
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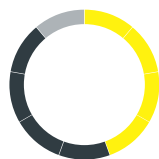


Skill / Competency	Description	Relevance to South32
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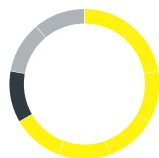
**Governance and Compliance**

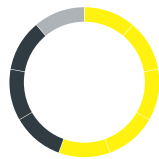
<p><b>Risk management</b></p> 	<p>Experience implementing or overseeing robust risk management frameworks in large or medium-sized organisations with global operations, and the ability to identify, understand and oversee the management of existing, new and emerging material and strategic risks.</p>	<p>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.</p>
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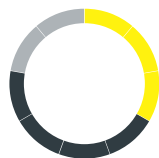
<p><b>Public policy</b></p> 	<p>Experience focused on public policy and interacting with regulators.</p>	<p>Our Board needs to know what we can or should do to shape public policy, as well as how public policy changes may impact our strategy.</p>
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<p><b>Regulatory and legal compliance</b></p> 	<p>Familiarity with legal and regulatory compliance and experience monitoring and responding to changing legal and regulatory landscapes.</p>	<p>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.</p>
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**Sustainability**

<p><b>Health and safety</b></p> 	<p>Knowledge and experience in physical and psychological health and safety management, performance and governance and building a strong safety culture.</p>	<p>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.</p>
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<p><b>Environment and climate change</b></p> 	<p>Demonstrable understanding of the key environmental impacts, risks and opportunities for a global mining company, including fluency in the implications of climate change.</p>	<p>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.</p>
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<p><b>Social performance</b></p> 	<p>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.</p>	<p>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.</p>
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-  **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.

### Supplementing the Board's skills and experience

Our Board understands that it must continue to educate itself on the key issues, risks and opportunities facing our business (and those on the horizon), and evolving community, societal, and shareholder expectations. Our Board supplements its skills and experience with the expertise of management and external subject matter experts and advisers. For example, during FY23 our Board received external briefings on various matters including safety, cybersecurity risk, climate and biodiversity risk governance and disclosure matters, work health and safety including workplace sexual harassment, Australian industrial relations reform, the political landscape and developments in North and South America and evolving regulation and policy developments and shifting societal expectations in relation to these areas.

### Director appointment process and Board renewal

The Nomination and Governance Committee oversees succession planning for the Board, its Committees, the CEO and the Board Chair. The Committee recommends to the Board candidates it considers appropriate for appointment and 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).

Ms Nelson and Mr Mesquita were appointed to our Board on 1 May 2023 following an extensive global search. The Board considers that Ms Nelson brings a strong focus on sustainable development including in human rights, cultural heritage and Indigenous issues and a significant understanding of climate change and biodiversity issues; and Mr Mesquita brings experience in the global mining and metals industry with a particular focus on base metals and aluminium in the Americas and Africa.

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.

The Company provides shareholders with all material information known to the Board and relevant to a decision on whether or not to elect or re-elect that Director in the notice of AGM.

Our Board has recommended that shareholders elect Mr Mesquita and Ms Nelson, and re-elect Dr Liu and Ms Wood at our 2023 AGM. Information relevant to the election and re-election of these Directors, including the basis for the Board's recommendation, can be found in our 2023 Notice of AGM, 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 and specific areas of the business, 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;
- External legal briefing to provide additional insight on director duties in Australia and emerging issues;
- Meetings with other Directors, members of the Lead Team and key personnel;
- A strategy briefing including overview of projects and operations;
- Opportunities to attend external training on matters relevant to our legal, regulatory and governance landscape, or specific financial matters;
- Completion of online learning modules that we require all our people to complete;
- 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.

Some elements of the induction program provide opportunities for existing Directors to also be included in these activities.

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. Topics are identified by the Company Secretary,

management and Directors. The program includes:

- Briefings from management on the organisation or specific areas of the business;
- Management presentations on safety and our culture;
- Operational updates and site visits to our operations and local communities;
- Updates on corporate governance trends, developments and issues;
- Briefings on sustainable development topics;
- 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 the Board, Committees or individual Directors 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 of 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.

## 2023 Board, Committee and Director evaluation

Directors recognise the continued effort required to maintain the Board's high performance, the ongoing work to enhance the Board's composition and preparation for the future. To date our Board has alternated year-on-year between an externally conducted formal evaluation, and an informal evaluation, coordinated internally. These activities are also supplemented by the annual review of independence of Directors, and consideration of the Board skills as a collective, and individually.

Following the external Board and Committee review in FY22, each Director was provided detailed feedback on their identified strengths and potential areas for enhanced contribution and the overall evaluation findings were shared with Directors and discussed with the external evaluator at a meeting of the Nomination and Governance Committee in July 2022. Following this, in October 2022 Directors participated in a Board workshop, with the external evaluator, to unpack key insights and opportunities.

For 2023, an informal evaluation of the Board was undertaken, including Committee effectiveness and Director time commitments, which drew on the 2022 external evaluation recommendations and actions. The process included an online survey completed by Directors (other than newly appointed Directors Mr Mesquita and Ms Nelson, but including retired Director Mr Lansdown), Lead Team members and selected management.

The evaluation was conducted by our Company Secretariat team and the Chair. The evaluation results were reviewed by our Chair, discussed by the Nomination and Governance Committee as a collective and by the Chair individually with each Director. The evaluation results found that our Board remains high performing and operating with a healthy culture; where trust and cohesion is high both within the Board and in interactions with management. While the Board considers that it has an appropriate spread of skills, diversity, experience and knowledge, Directors acknowledged that Board composition remains a focus area to ensure it remains appropriate for the Company's size, operations and strategy. The results highlighted the value of in-person Board Programs to facilitate discussions and site visits to support interactions and better understanding of workplace culture. Directors also expressed an appetite for increased visibility of management talent below the Lead Team.

## 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 and reviews our risk profile to gain assurance that it supports the achievement of our strategy, including determining the nature and extent of risks we are prepared to take in the pursuit of our objectives.

The Risk management section of our Annual Report pages 28 to 37 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 Sustainable Development Report.

The monitoring of strategic risks is performed by our Group Risk function, while the oversight of the effectiveness of our risk management framework is conducted by our Group Assurance function. Both functions are overseen 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 Group Manager Assurance and Vice President Group Risk and Assurance have a shared reporting line to the Risk and Audit Committee.

## 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 identifying risks and for designing, implementing, and executing processes and controls to manage those risks;
- **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 risk management framework 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 annually review the adequacy of the Group's risk management framework to satisfy itself that it continues to be sound and that South32 is operating with due regard to the risk appetite set by the Board. 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, are reported to the Board.

The FY23 review assessed our risk management framework as effective.

## Internal audit

The Group Assurance function conducts internal audit reviews to evaluate and where appropriate, 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 Group Manager 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 our corporate reporting, and the processes designed 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 the 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 risk management framework 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) Accounting classification and fair value and 19(b) Financial risk management objectives and policies to the financial statements on pages 143 to 149 in our 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 outlines the requirement for 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 audit engagement partner has a standing invitation to attend Risk and Audit Committee meetings, including to discuss audit results and the implications of audit findings. The Committee can, and does, 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

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' using the 'Culture Health Tool'; a tool developed to assist Directors observe and monitor culture within the Company and when visiting our operations 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 global 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 (including our Board and Lead Team), 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 of 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. Our Risk and Audit Committee also review the effectiveness of our systems for detecting, reporting, and preventing unethical, unlawful and dishonest conduct, fraud, breaches of anti-corruption laws, and whistleblowing.

### 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, external, 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 Human Resources and Business Integrity teams 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 concerns raised under the Speak Up Policy, as well as 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 outlines the requirement 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 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 dealing in our securities, inside information, and prohibition on insider trading. The Policy applies to our Directors, officers, employees, contractors, and secondees. It 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<sup>(1)</sup>

Sustainability is at the heart of our purpose and underpins the delivery of our strategy. In delivering our strategy, we seek to create enduring social, environmental and economic value, in a way that aligns with our purpose and values.

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. Our Sustainability Policy outlines our commitment to continuously improving our sustainability performance. We do this by optimising our positive contributions and seeking to minimise adverse impacts by protecting and respecting our people, partnering with local communities, operating ethically and responsibly, addressing climate change, and managing our environmental impact.

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 our Modern Slavery Statement.

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

## Inclusion and diversity

We know an inclusive and diverse workforce allows for greater collaboration, innovation and performance. We are committed to building and maintaining an inclusive and diverse workforce that reflects the communities in which we operate. We consider inclusion and diversity in tandem, grounded in mutual respect, where each person's unique differences are recognised, valued and celebrated.

Our approach to inclusion and diversity is overseen by our Board. In July 2023 our Board approved an updated Inclusion and Diversity Policy which applies to our Board (including its Committees), employees and third parties who act on behalf of South32, and those operations that are operated by South32. The Policy outlines our commitment to inclusion and diversity, and is implemented through:

- Board-approved measurable objectives for inclusion and diversity;
- An annual Inclusion and Diversity Action Plan, which is approved by our CEO and defines our Group level inclusion and diversity goals for the financial year, aligned to our measurable objectives; and
- Our internal inclusion and diversity standard, which outlines the minimum requirements and expected practices across our people management systems, including recruitment, talent management and training, to create an inclusive culture and promote performance.

Additionally, the Remuneration Committee biennially reviews employee remuneration by gender and ethnicity and actions taken by management to address identified issues. 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 Sustainable Development Report at [www.south32.net](http://www.south32.net).

(1) Our approach to sustainability aims to balance environmental, social and economic considerations in a way that creates enduring value for our stakeholders. We recognise that in many cases these considerations will be interdependent, or may compete or conflict with each other. In delivering our strategy we aim to understand and balance the environmental, social and economic impacts of our business in a way that seeks to create value overall. References to sustainability (including sustainable and sustainably) in this document or other disclosures do not mean that there will be no adverse impact, or an absolute outcome, in any one area.

### Performance against our measurable objectives

In FY23, 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 Sustainability Databook.

We report Gender Equality Indicators in accordance with the Workplace Gender Equality Act 2012 (Cth), and our FY23 submission can be viewed at [www.south32.net](http://www.south32.net).

Measurable objective	Performance
Demonstrate year-on-year improvement in representation of women in the overall workforce as we track towards our goal of achieving 40 per cent representation by the end of FY29.	Improved representation of women in our total workforce to 20.2 per cent from 19.2 per cent in FY22 but did not achieve our FY23 target of 22.2 per cent.
Improve the representation of women on our Lead Team <sup>(1)</sup> , contributing to meeting our target of at least 40 per cent representation of women by the end of FY27.	The representation of women on our Lead Team increased to 50 per cent from 37.5 per cent in FY22 and exceeded our FY23 target of 38 per cent.
Improve the representation of women on our Senior Leadership Team, contributing to meeting our target of at least 40 per cent representation of women by the end of FY27.	The representation of women on our Senior Leadership Team decreased to 30.3 per cent from 32.1 per cent in FY22. We did not achieve our FY23 target of 33.7 per cent.
Improve the representation of women on our Operational Leadership Team, contributing to meeting our target of at least 40 per cent representation of women by the end of FY27.	Improved the representation of women on our Operational Leadership Team to 28.7 per cent, from 20.4 per cent in FY22 achieving our FY23 target of 28.4 per cent.
Maintain representation of women on our Board of at least 40 per cent.	The representation of women on our Board increased to 44.4 per cent from 37.5 per cent in FY22.
Maintain the representation of Black People in South Africa.	Maintained the representation of Black People in South Africa ≥85 per cent, achieving 86.9 per cent.
Maintain representation of Black People in management roles in South Africa.	Achieved 55.3 per cent of Black People in management roles in South Africa, but did not achieve our FY23 target of ≥60 per cent.
Continue to target pay equity for our employees, with respect to gender and ethnicity.	We completed our equity pay review, investing US\$338,000 to improve pay equity.

(1) Our Lead Team represent our senior executive positions.

As at 30 June 2023, our workforce comprised 9,616 people across ten countries, women represented 20 per cent of our employees globally and Black People represented 87 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, 2003*, *Mining Charter III* and *Minerals and Petroleum Resources Development Act 2002*.

### 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 serves as an ambassador for the Australian Indigenous Education Foundation which provides scholarship funding for Indigenous students and career support to help them make a successful transition to employment;
- 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;
- Our Non-Executive Director Ms Jane Nelson is a Member of the Business Commission to Tackle Inequality which is a coalition of organisations and their leaders who aim to address inequality and generate shared prosperity in the private sector;
- In FY23 we held sessions within the Company to recognise the advancements in LGBTQA+ equality and how we can work together to build a more inclusive workplace, where everyone feels they belong; and
- During FY23 various inclusion and diversity committees were developed across the Group.

## Communicating with our shareholders and other stakeholders

We provide information about our Company and communicate with our shareholders and other stakeholders through our website and social media platforms including Facebook, Twitter, LinkedIn, YouTube, and Instagram.

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. Shareholders and other stakeholders can contact us through our website or through our Investor Relations or Media Relations teams, with contact details available at [www.south32.net](http://www.south32.net).

Our shareholders have the option to receive our communications electronically and can contact us electronically. Shareholders may also communicate electronically with our share registries.

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

You can find out more about our approach to industry association participation in our Sustainability Databook at [www.south32.net](http://www.south32.net).

## Market disclosure

Our Market Disclosure and Communications Policy governs our commitment to continuous disclosure to keep the market fully informed and provide all investors with equal and timely access to material information. The Policy, as approved by our Board, sets out the roles and responsibilities to achieve compliance with our disclosure obligations.

Announcements are subject to approval protocols set out in the Policy. Under the Policy, our Board is responsible for compliance with our disclosure obligations and approves market announcements about certain matters. The Board receives copies of other material announcements promptly after their release.

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. The Policy applies to all our people and

those who may encounter 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, including those that are not audited or reviewed by the auditors.

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;
- Presentations at investment and industry conferences and participation in corporate governance forums. 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);
- 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.

In FY23, we hosted our first analyst and investor site tour of the Hermosa project in the United States. A copy of the presentation was also made available on our website and released to the exchanges on which we are listed.

Investor expectations on ESG-related issues continue to increase, with an ongoing emphasis on demonstrated action and performance. ESG-focused engagement activities are included in our annual engagement program. For example, our FY23 engagement program included:

- An ESG and remuneration focused engagement ahead of our 2022 AGM, with our Chair and Chair of the Remuneration Committee;
- Engagement with material shareholders that did not support our inaugural CCAP at our 2022 AGM to better understand their concerns;
- 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; and
- A round of management-led sustainability-focused engagements with key shareholders, proxy advisers and investor representative groups.

## External ESG ratings

Many of our proxy advisers and investors use independent third-party, company specific ESG data to assess company performance. We regularly monitor and review the ratings published by ESG data providers and research houses (and participate in select third-party questionnaires and data verification exercises) to ensure, to the extent possible, that these assessments accurately reflect our performance and disclosures. This work also informs our disclosure decisions.

## Resolution on our CCAP at our 2022 AGM

Our inaugural CCAP was put to a non-binding advisory vote at our 2022 AGM receiving strong shareholder support with 89.6 per cent of the votes cast in favour of the resolution.

While voting on the resolution was advisory only, following the 2022 AGM we engaged with material shareholders who voted against our CCAP to discuss their feedback which mainly related to the absence of a short-term GHG emissions reduction target, a medium-term Scope 3 target and external validation of our target and goals.

Our Board will take the outcome of the resolution and feedback from shareholders and other stakeholders into account when determining the Company's approach to climate change going forward.

The full CCAP is set out on pages 68 to 105 of our Sustainable Development Report 2022 at [www.south32.net](http://www.south32.net).

## CORPORATE GOVERNANCE STATEMENT CONTINUED

It is proposed that we will prepare an updated CCAP at least every three years, or sooner if significant changes are made to the plan, which will be submitted to shareholders for a non-binding advisory vote. Our annual update on progress can be found in the Addressing Climate Change section of our Sustainable Development Report.

### **Annual General Meetings**

Our AGM provides our shareholders with the opportunity to receive a performance update directly from our Board, and the Company facilitates and encourages shareholders to participate in AGMs by attending, voting and asking questions. All Directors and Lead Team members are expected to attend the AGM. The external auditor also attends and is available to answer questions relating to the Auditor's Report or conduct of the audit. All substantive resolutions at our AGMs are determined by a poll.

Our 2023 AGM will be held as a hybrid meeting, providing shareholders with the opportunity to attend physically or virtually.

You can find more information about the upcoming AGM in our 2023 Notice of AGM, 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).



