



**COMMUNITIES
AND SOCIETY
AT SOUTH32**

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Metrics describing health, safety, environment and community (HSEC) performance apply to "operated assets" that have been wholly owned and operated by South32, or that have been operated by South32 in a joint venture operation, from 1 July 2016 to 30 June 2017 (FY17). South32 aligns to the International Council on Mining and Metals (ICMM) Sustainable Development Framework and we report our sustainability information in accordance with the Global Reporting Initiative (GRI) G4 'Core', including the GRI Mining and Metals Sector Disclosures. The GRI Navigator and Sustainability data tables are available on the South32 website at www.south32.net. KPMG has provided independent assurance on South32's sustainability information, as presented on South32's [website](#).

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COMMUNITIES AND SOCIETY

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

We support practices that enable people to make choices that give them control over the development of their lives, beliefs, institutions and wellbeing. Our approach to working with host communities is outlined in our Values, Sustainability Policy and Code of Business Conduct, which can be found at www.south32.net.

We want to generate shared value and develop trusting relationships with the communities in which we operate. We will achieve this by being transparent, investing in communities and respecting human rights.

“ We want to generate shared value and develop trusting relationships with the communities in which we operate.”



1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELLBEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Our work with Communities and Society contributes to the Sustainable Development Goals

South32 supports the United Nations (UN) Sustainable Development Goals (SDGs). The United Nations 2030 Agenda for Sustainable Development defined 17 SDGs in September 2015 that seek to address the world's greatest challenges. The SDGs build on the work undertaken through the Millennium Development Goals but have a greater focus on the involvement of the private sector. Our work and approach aligns with achieving the SDGs. In all areas where we operate, the key to a successful result is working together with other stakeholders to develop and implement actions that contribute to sustainable development.

Our community development programs contribute to the following goals:

SDG1: No poverty	SDG11: Sustainable Cities and Communities
SDG3: Good Health and Wellbeing	SDG15: Life on Land
SDG4: Quality Education	

UNDERSTANDING LOCAL COMMUNITIES

Our business can impact local communities both positively and negatively. Benefits can include local jobs, local supply contracts and increased regional infrastructure and services. Negative impacts can include dust and noise.

We seek feedback from local communities in a variety of ways, including conducting community perception surveys and discussion forums. We establish social baselines, measure impact and assess projects as part of our community development programs. We use the results from these assessments for continuous improvement in our approach and engagement.

“ We support local communities in areas of need and develop projects to deliver positive outcomes for future generations. ”

STAKEHOLDER ENGAGEMENT

We engage with a diverse range of stakeholders. We define stakeholders as people or groups who are potentially affected by our operations or who have an interest in, or influence on, what we do.

At a community level, we seek and encourage feedback about our activities. At a global level, we engage with our stakeholders throughout the year and at our Annual General Meeting.

We publish information about our operations and planned activities on our [website](#), as well as through our Annual Report, market announcements and conferences.

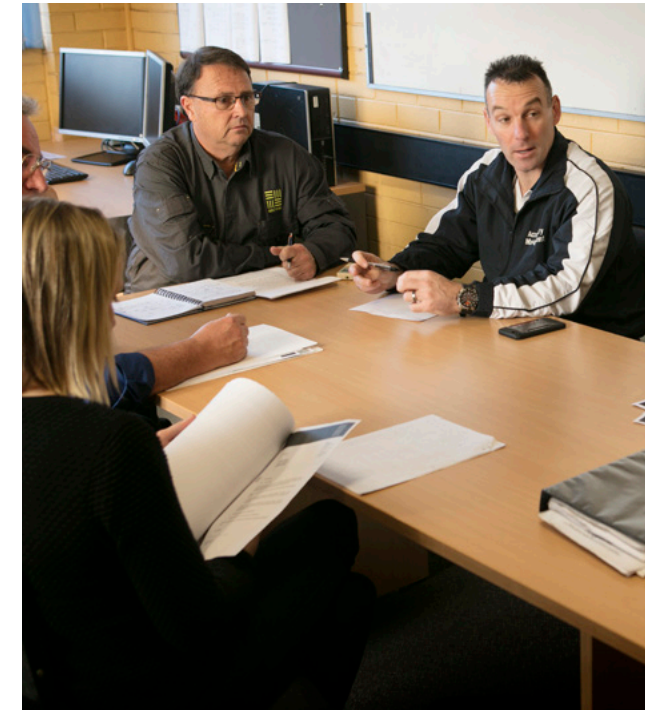


Table 1 Our stakeholder engagement plan

Stakeholder	Why we engage	How we engage
Business partners		
Joint venture partners.	We engage our joint venture partners to ensure risks are being adequately managed, appropriate governance mechanisms are in place and that value is delivered for shareholders.	Joint Venture Boards and Committee meetings, Joint Venture operational review calls and assurance audits.
Community - based organisations		
Not-for-profit organisations at the community level.	We maintain regular contact with local environmental groups and community-benefit organisations and charities to understand their interests or concerns about our current operations and planned activities, so we can work to solve these together.	Group meetings and briefings, one on one meetings, newsletters, phone calls and general correspondence.
Customers		
Companies that buy our products.	We are committed to reliable product supply including volume, quality, cost and delivery. Our commodity memberships allows us to be a part of lifecycle assessments.	We closely engage with our customers on all issues, including ensuring that our products are used in the most efficient way. We also participate in a number of product stewardship initiatives.
Employees and contractors		
People that work for us.	We recognise the value of our people and the importance of timely, topical and regular engagement. With a well-informed and engaged workforce, the business is best placed to achieve its strategy.	Our preference is for face-to-face engagement with our people. This is not always possible, so we use a number of communications channels. This includes meetings, videos, toolbox talks, newsletters, forums, presentations, and web-based forums including Sharepoint and Yammer.
Governments and regulators		
At local, national and international levels.	We rely on a high level of public policy certainty to make commercial and operational decisions, in order to develop mineral resources with a minimum of risk. We build and maintain positive relationships and to ensure governments and regulators understand policy and regulatory impacts on the business.	Engagement with government and regulators is wide-ranging, depending on the local context and issue. We engage through face-to-face dialogue, emails, submissions, telephone calls, and mail correspondence.
Industry peers and associations		
Associations of shared interest groups.	Membership of key industry associations supports South32 in continuous improvement. Shared knowledge with a diverse range of parties works to increase our performance.	Through participation in meetings, working groups, committees and policy feedback processes. We are also a member of the International Council on Mining and Metals to develop guidelines, standards and programs to share best practice within the mining sector.
Investment community		
Environment, Social and Governance (ESG) analysts, shareholders, debt and equity analysts.	Our Lead Team present our performance, strategy, operations and prospects to shareholders and potential investors, in accordance with securities law, to achieve fair valuation of South32 securities in the equity markets.	We deliver high-quality investor communications on ESG related matters, including performance metrics, in a timely manner. We answer shareholder and investor requests (phone, email and face-to-face discussions). We engage with ESG analysts annually through engagements such as roadshows or conference calls, including key management personnel or Board members, as required.

Table 1 Our stakeholder engagement plan continued

Stakeholder	Why we engage	How we engage
Labour unions		
Employees and contractors are represented by unions at many of our operations.	We engage with labour unions to discuss various aspects of workers' rights and interests.	We connect with employee representatives and representative groups via telephone conversations, face-to-face meetings, negotiations, letters and emails.
Local and Indigenous communities		
Local communities, including indigenous groups, that have interests and concerns in relation to our operations.	<p>We recognise our operations can have both a positive and negative impact on our communities.</p> <p>We support employment and community practises that empower people to make choices and have control over their process of development as it affects their lives, beliefs, institutions, well-being and the lands they occupy or otherwise use.</p>	Our engagements vary depending on the location of the operation and the stakeholder, in accordance with the Stakeholder Engagement Plan. Engagements typically include face-to-face meetings, community consultative committees and forums, operational open days, newsletters, web-based information, telephone conversations, site visits. We also take part in community activities and engage through various community initiatives.
Media		
Print, online, broadcast and social media.	We acknowledge the role the media plays as a source of information about our operations and planned activities. We engage regularly with print, online, broadcast and social media to ensure our information is offered in balance to other information.	Engagement with media is carried out via telephone discussions, face to face meetings, news releases, briefings, presentations, site visits, web-based information and web-broadcasts.
Non-government organisations (NGOs)		
Organisations that hold specific interests in environmental, social and human rights issues.	NGOs are interested in specific issues relevant to their group, such as human rights (including health and safety), environmental issues or transparency.	We monitor NGO campaigns and seek to engage with groups at local, national and international levels where relevant.
Society partners		
Public or private organisations that we partner with on specific projects that have a societal benefit.	To ensure that we and the society partner both operate in a way consistent with values and performance.	We engage with potential partners through the project process, and through regular project updates.
Suppliers		
Large and small business that we procure items from.	We require surety in supply of the various products we purchase, as well as understanding the supply chain we are purchasing from.	The various responsible entities for procurement will engage suppliers regularly via our contractual agreements, including our Standards and ongoing updates and performance reviews.

INDIGENOUS PEOPLES

We recognise the traditional rights and values of Indigenous Peoples, respect their cultural heritage and aim to provide sustainable benefits and opportunities. Some of our operations and exploration activities are located on or near Indigenous lands and we provide cultural awareness and competency training for relevant employees. We have implemented engagement programs consistent with the International Council on Mining and Metals (ICMM) Position Statement on Indigenous Peoples and Mining, which commits us to respecting rights, having appropriate and meaningful engagement, and working to obtain their consent.

“ We recognise the traditional rights and values of Indigenous Peoples, respect their cultural heritage and aim to provide sustainable benefits and opportunities.”

OUR COMMUNITY CONTRIBUTION

Our operations produce the commodities required for global development. We provide local employment and local procurement opportunities. We are committed to contributing to positive transformation in South Africa. Our community investment programs are designed to meet the needs of our stakeholders at different stages of our operations' lifecycles by:

- Empowering employees to contribute to their community and society
- Supporting local communities in areas of need
- Developing long-term projects focused on delivering positive outcomes for future generations



LOCAL COMMUNITIES UPDATE

AUSTRALIA REGION

In the Australia region, we contributed US\$5.9 million across three focus areas aligned to UN Sustainable Development Goals: Quality Education; Life on Land; and Sustainable Communities.

- SDG4 Quality Education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- SDG11 Sustainable Cities and Communities: Make cities and human settlements inclusive, safe, resilient and sustainable
- SDG15 Life on Land: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss

The most significant investments were made in Colombia where US\$4.6 million was contributed to improving the sustainability of the communities near Cerro Matoso.



CASE STUDY

Partnering with Landcare Australia to promote biodiversity

We have partnered with Landcare Australia to work with local schools to identify and rehabilitate areas of native habitat and contribute to students' understanding of biodiversity.

Students are encouraged to spend time in their natural environment and identify areas within their school or broader community where they can focus on improving biodiversity through the restoration of habitat for native flora and fauna.

The program provides opportunities for schools to participate in outdoor, hands-on learning activities that promote the development of environmental, educational, health and social benefits.



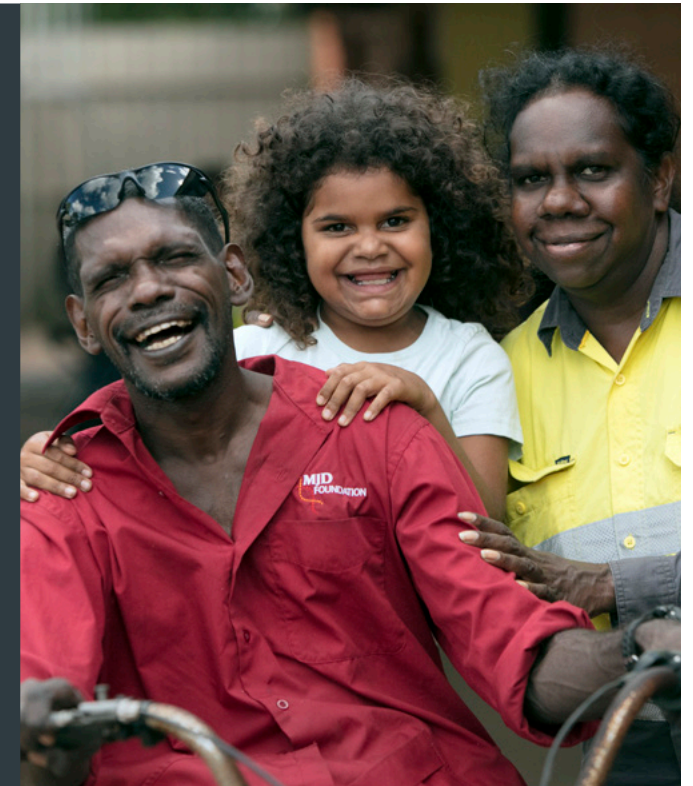
CASE STUDY

New partnership to help ease impact of Machado-Joseph Disease

The work of the Machado-Joseph Disease (MJD) Foundation across Arnhem Land in Australia's Northern Territory has been bolstered by a new three-year partnership between the charity and our Groote Eylandt Mining Company. Commencing in FY17, we contributed US\$131,285 to the partnership this year.

The foundation seeks to provide a better quality of life for Indigenous Australians and their families living with MJD, a hereditary neurodegenerative condition. There are currently more than 600 Indigenous Australians alive today who are at risk of having the genetic, neurodegenerative diseases.

We will provide both cash and in-kind support including the provision of MJD staff accommodation, improved disability infrastructure, targeted therapy treatments and improved transport, all of which will assist in overcoming substantial barriers to the delivery of culturally appropriate services in very remote communities.



CASE STUDY

Community perception survey completed in Australia

In FY17, our Australian operations conducted a community perception survey to understand issues unique to individual communities and compare performance across our operations. Respondents told us that they are concerned about the sustainability of our economic contribution to their community, that they care about the potential environmental impacts of our operations and that they would like more information on these issues. We take this feedback seriously and will work with the communities to address these findings.



CASE STUDY

Collaborating to bolster the economic future of Groote Eylandt

On Groote Eylandt, in the Northern Territory of Australia, we are working with Traditional Owners to build a sustainable future by promoting a successful local economy and preserving Indigenous culture and customs.

Groote Eylandt Mining Company (GEMCO) and the Anindilyakwa Land Council have joined forces to establish the Economic Development Committee – a collaborative project focused on the island's long-term economic development.

The Committee, in partnership with Social Ventures Australia, assessed existing employment opportunities and how local people are engaged with employment. In February 2017, a multi-day workshop was held to examine economic development opportunities. An outcome from the workshop is to develop a process to prioritise future investment opportunities and create a map of future employment opportunities.

Both the Northern Territory and Australian Governments are important stakeholders in the future of Groote Eylandt. With the Anindilyakwa Land Council, GEMCO will work with all stakeholders in discussions about the future of this unique and valuable community.



CASE STUDY

Employees contributing to their community

We match the donations Australian employees make to eligible charities through the online workplace giving platform Good2Give. In FY17 the number of charities eligible for matching increased and over US\$60,000 was contributed to support the charities which are important to our employees.



CASE STUDY

Building the skills of the future

At South32 we recognise that the skills required for a future workforce are rapidly changing, particularly when it comes to the fast-moving world of technology. The use of digital programming languages, or code, is underpinning many of the systems being developed to improve the way we work.

To encourage these skills in young people, we have partnered with CoderDojo to initiate a number of local coding clubs in the South West region of Western Australia. Run by volunteer mentors, coding clubs provide the opportunity for young people to meet others with similar interests and develop skills to build creative projects of their own choice using digital technology.

With our help, CoderDojo aims to establish a network of community coders in the South West region through enabling people to activate and support their own clubs.





CASE STUDY

Gift of a former office building sparks opportunity for education

In 2016, our Cerro Matoso (CMSA) operation in Colombia provided the local community with a former office building. In FY17, this building was converted into a training facility, providing 340 young people living around CMSA, a region with approximately 140,000 people, access to higher education.

The National Learning Service or SENA took up tenancy of the donated CMSA building in January 2017. SENA is a public entity, which offers free training to Colombians to advance the economic, technological and social development of the country.

Access to higher education can contribute to overcoming poverty and creating greater stability in the wider society. Only one per cent of university enrolments came from rural areas of Colombia in 2016, indicating that in most remote regions there are conditions that limit employment opportunities or entrepreneurship. The donation of our building enabled the development of SENA in the Cordoba region.



CASE STUDY

Social Alliance of Alto San Jorge

Cerro Matoso operates in the Cordoba region of Northern Colombia, which has a poverty rate of 62 per cent. We are committed to contributing to the improvement of living conditions in the local community and are working with the government and the communities to achieve this.

We are part of the Social Alliance of Alto San Jorge (Alliance), which includes government entities and key stakeholders in the region. This group seeks to generate positive change in the region's poverty rates and assists the most vulnerable communities around our operations.

To improve quality of life, the Alliance has achieved:

- Greater regional integration and connectivity
- Access to technical and technological education for young people
- Promotion of higher education through improved access to spaces such as libraries and computers
- A focus on sustainable projects



AFRICA REGION

Our community development plans are based on results from socio-economic information and government development strategies. This is to ensure effective identification, planning and implementation of projects with economic impact and legacy. In FY17, we contributed US\$8.4 million towards the community investment program, which is focused on education, health and wellness and poverty alleviation.

Our development efforts are aligned and contribute to meeting SDGs including:

- SDG1 No Poverty: End poverty in all its forms everywhere
- SDG3 Good Health and Wellbeing: Ensure healthy lives and promote wellbeing for people of all ages
- SDG4 Quality Education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

In South Africa, we are required to have Social Labour Plans (SLPs) and these form an important component of our community investment plans. They require us to develop and implement comprehensive human resource development programs, community development plans, housing and living condition plans and employment equity plans. The aim of the SLP is to ensure the uplift of the social and economic circumstances of our local communities. SLPs are a prerequisite to securing and maintaining a mining right and we are required to report progress each year.

We will continue working with local communities to play our part in helping to ensure that they are sustainable. At times, we do experience community unrest. In FY17, we experienced five instances of community unrest compared with eight instances in FY16.

There are some key social challenges driving the unrest in South Africa, including a youth unemployment rate of 36 per cent, nearly half of the population not having access to clean water and only 14 per cent of the population having access to higher education.

“ In FY17, we made financial contributions to programs supporting education, health and poverty alleviation.”



CASE STUDY

First specialised facility to support children with disabilities

We provided funding for the construction and fit out of the Bophelong Stimulation Centre in Balfour, Mpumalanga Province, South Africa. The Centre is the first specialised facility in the area and will provide care, protection and stimulation for disadvantaged children with disabilities.

The facility, officially opened in May 2017, provides improved access and quality of care and teaches life skills to disabled children. The facility provides more space for physical activities and respite care for parents and grandparents.





CASE STUDY

Waste converted into school desks

The Wildlands Green Desk innovation combines a recycling initiative and sustainable development. Dirty and un-useable plastics, which are currently disposed of in community dumps, drainage lines and rivers, or are sent to landfill or incinerated, are being collected and used to produce school desks.

The initiative allows this waste material to be used and turned into a product that can make a significant difference to children across Africa. According to the Tutu Desk Campaign there is currently a shortage of more than three million school desks in South Africa and more than 90 million across Africa.

To date, the South32 Wildlands Enterprise Development partnership has produced 500 Green Desks, with an additional 1,000 planned for production in FY18.



CASE STUDY

Hillside aluminium smelter, South Africa

Self-help groups in Amangwe Village

Financial independence, personal empowerment and a better quality of life are among the goals Amangwe Village aims to achieve with its Self-Help Groups (SHGs), which focus on the poorest and most vulnerable women within the community.

Amangwe Village SHGs, with assistance from South32, encourage women to achieve financial independence with the aid of a savings and credit scheme, whereby members in each SHG save money from their own resources and administer their own collected funds.

The women involved in this project have limited income at their disposal and lack the opportunities for self-employment, with formal employment opportunities often very scarce. In the poorest households, a lack of funds can mean children are not able to attend school due to fees and transport costs.

Each group member contributes ZAR2.00 on a weekly basis. The members can then loan money from the group's income and pay it back with 10 per cent interest. The rationale is that women will use the loans to start their own businesses in order to maintain and care for their families. More than 43,000 micro-loans were extended between 2009 and 2016, benefiting nearly 20,000 children aged under 18.

SHGs activities include building and renovating houses for community members, sewing school uniforms, paying for medical expenses and purchasing household goods and furniture. A number of businesses have also been created including tuck shops, poultry and crop farming, sewing and traditional beading enterprises.



COMMUNITY COMPLAINTS AND GRIEVANCES

To address individual concerns, we have a complaints and grievance procedure at every operation. This allows community members and other interested stakeholders to raise issues directly with our operations. We respond to all complaints and grievances and aim to resolve any issue as soon as possible. We report our recorded complaints and grievances, which are included in the Australia and Africa region sections of this report.

AUSTRALIA REGION

There were 110 complaints received in the Australia region during FY17. Noise complaints from Worsley Alumina and Illawarra Metallurgical Coal were the most common.

Worsley Alumina, which operates close to the community of Boddington, received 39 noise complaints. To limit potential noise impacts Worsley Alumina actively models, monitors and implements controls to manage the noise from its mining operations. We encourage our neighbours to report noise impacts and use this information for future planning. In response to the complaints received, we modified our operational activities to reduce noise.

Overall there were 22 complaints related to noise received by Illawarra Metallurgical Coal, which is a significant reduction compared to FY16 when 49 complaints were received. Whilst this reduction is positive, efforts to reduce the noise impacts, particularly by train movements, will continue.

AFRICA REGION

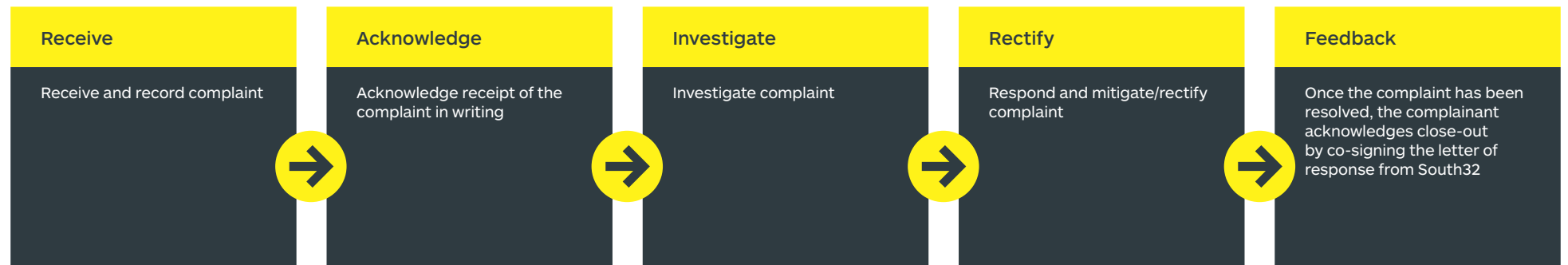
There were a total of seven complaints received in the Africa region during FY17. Three of these were in relation to dust, other complaints included infrastructure damage from blasting. These were investigated and closed out with the complainants.

We continue to engage with our communities about ongoing issues they have raised with us. This includes employment of local people and provision of services.

We recognise that there are regional differences in our complaints management process, which includes the way in which information is reported. In FY18, we will be reviewing our systems to ensure they are appropriate for the various local contexts we operate in.



Diagram 1 Our complaints process



HUMAN RIGHTS

We understand that respecting human rights is not only the right thing to do, but it aligns with our values and expectations. We have a core value of Care, which means we care about people, the communities we are part of and the world we depend on. This extended view of our responsibility means we take notice of, and take care not to damage, those who are vulnerable and marginalised, and we make business decisions that work to avoid the creation of circumstances where human rights could be impacted.

We have company-wide policies in place to manage the risk of human rights issues within our business and those of our suppliers and business partners. These include our Code of Business Conduct, Sustainability Policy and internal standards.

Our Sustainability Policy details our commitment to respecting internationally recognised human rights. This policy is aligned to the ICM's Sustainable Development Framework, the UN Global Compact Principles and the UN Universal Declaration of Human Rights. Our security procedures are consistent with our commitment to the Voluntary Principles on Security and Human Rights.

At a practical level, we set appropriate labour conditions in our workplace in line with national laws and the appropriate International Labour Organisation (ILO) conventions. We manage the activities of our security teams, support local community programs and work with our suppliers to identify and manage human rights related risks and opportunities.

Our focus on human rights is aligned with our Care Strategy, which focuses on workplace inclusivity, well-designed work and continuous improvement. We work with our employees, suppliers and business partners to stop and ask if, in carrying out our work, we are respecting human rights. By actively working with our stakeholders to answer this question together, we can continue to identify issues and address human rights concerns in an open and transparent way.



CASE STUDY

How we are addressing modern slavery

In FY17, we voluntarily published our first Modern Slavery Statement under section 54 of the UK Modern Slavery Act 2015, which outlines how we address modern slavery risks within our business and relationships. As part of the commitments under this Statement, we have provided modern slavery training to relevant employees, are identifying our high-risk suppliers and are proactively engaged in active due diligence of our higher risk suppliers. Our Modern Slavery Statement can be found at www.south32.net.

“ We understand that respecting human rights is not only the right thing to do, but it aligns with our values and expectations.”

IMPACT ASSESSMENT

In line with the UN Guiding Principles on Business and Human Rights, we have set performance requirements to ensure we appropriately identify, prevent and mitigate potential adverse human rights impacts as a result of doing business. This includes adverse human rights impacts that may be indirectly linked to our operations, products or services through our business relationships.

We use a human rights risk tool to define the risk for each operation, based on country location. Where our human rights risk is medium or higher, which includes our South Africa, Mozambique and Colombia operations, we complete a human rights impact assessment which is reviewed annually and validated every three years by an external specialist.

At our Australian operations, where our human rights risk is lower, we complete a self-assessment of our human rights risk which is reviewed and updated annually.

Our self-assessments include internal and external stakeholder assessments of our human rights practices and the extent to which our company policies, procedures and practices respond to international human rights governance standards. If impacts are identified, we develop and implement a management plan with appropriate actions and controls to mitigate or eliminate identified impacts.

In addition to the grievance and complaints mechanisms we have in place at our operations, we have an independent, external system (EthicsPoint) for anyone to anonymously report concerns about the behaviour of our employees or those representing us.

SECURITY PRACTICES

The nature of our operations means that we have a lot of equipment and supplies which can be a target for criminal activity. In some places where we operate, crime has had an impact, including the tragic death of a security contractor guarding an area of the Klipspruit Extension Project near our Klipspruit colliery in South Africa. Other incidents include the theft of copper cables at our South Africa Energy Coal and Illawarra Metallurgical Coal operations and the theft of Wesselite from our Wessels underground manganese mine.

To protect our people and assets, we engage dedicated and professionally trained security teams. All of our private security providers must meet the requirements of the International Code of Conduct for Private Security Providers and operate consistently with the Voluntary Principles on Security and Human Rights, to which we adhere. This includes specific training in the Principles where required.

In our Africa region, increasing security threat has been identified at multiple operations. In response to this, a dedicated Asset Protection team has been formed and an Asset Protection Strategy is being implemented to protect our employees as well as operations. We continue to investigate events that impact on security and work with local law enforcement personnel to protect our people and our operations.

TRANSPARENCY

We support the transparent disclosure of taxes, royalties and fees so people can understand how companies contribute to their economy. We comply with all transparency requirements relating to our operations, which currently includes Chapter 10 of the European Union Accounting Directive, the Australian Voluntary Tax Transparency Code and the Global Reporting Initiative (GRI) requirements. We also support the Extractive Industries Transparency Initiative (EITI) and provide financial contribution to the EITI through our membership of the ICMM. We include all payments to governments in our Tax Transparency report, which is published on our [website](#). A full list of South32 subsidiaries, including their country of tax residency can be found in note 28 to the financial statements on page 160 of the 2017 Annual Report.



TRANSFORMATION IN SOUTH AFRICA

Transformation is central to our efforts to make a meaningful contribution to the social and economic development of South Africa. We are committed to the National Transformation Agenda as enacted in the Department of Trade and Industry Broad-Based Black Economic Empowerment (BBBEE) Act and the Minerals and Petroleum Resources Development Act Mining Charter and have accelerated the implementation of key transformation initiatives. The publication of Mining Charter III, in June 2017, has created some uncertainty, however, its implementation has been suspended pending a judicial review process initiated by the South African Chamber of Mines.

Mining companies operating in South Africa are required to submit Social and Labour Plans (SLPs) to the Department of Minerals and Resources prior to the granting of a mining right.

Through our plans we aim to ensure that empowerment and sustainable growth in South Africa is enhanced by:

- Facilitating economic empowerment with broad-based equity ownership structures
- Working towards equitable representation and the upskilling of our historically disadvantaged workforce at all levels
- Developing small and medium black enterprises and creating growth opportunities for existing black enterprises
- Increasing our local engagement through focused and sustainable community development
- Improving the housing and living conditions of our employees
- Recruiting from within our local communities

Our transformation agenda is underpinned by our purpose to make a difference by developing natural resources, improving people's lives now and for generations to come. We will continue to find ways that contribute to us delivering our objectives, ensuring that our employees and communities are part of the process. In FY17, we held workshops at every South African operation across all business areas to discuss ways to support our transformation strategy.



CASE STUDY

Mining contract awarded to BBBEE company

In January 2017, we awarded a core mining contract to Broad-Based Black Economic Empowerment company, Modi Mining. The three-year, R158 million contract will see Modi Mining engaged at South32's Wolvekrans Middleburg Complex. Modi Mining is 100 per cent black owned as well as 55 per cent black female owned. The award of this contract is particularly significant as it is our first core mining contract awarded to a 100 per cent black owned company and marks a major step forward in our plans to deliver a more inclusive supplier landscape. Modi Mining is committed to creating downstream opportunities for local labour and sub-contracting, aiming to source 80 to 90 per cent of their labour from nearby communities.





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 business strategy is to invest in high-quality metals and mining operations that allow our distinctive capabilities and regional model to stretch performance in a sustainable way. By maintaining financial discipline, we will deliver sector leading total shareholder returns.

We will continue to:

- Optimise the performance of our existing operations
- Unlock their potential by converting high value resource into reserve
- Identify new opportunities to compete for capital



Our values

Care

We care about people, the communities we're a part of and the world we depend on.

Trust

We deliver on our commitments and rely on each other to do the right thing.

Togetherness

We value difference and we openly listen and share, knowing that together we are better.

Excellence

We are courageous and challenge ourselves to be the best in what matters.

