



SAFETY AT SOUTH32



Active collaboration on work design to guarantee a safe outcome is central to safety improvement.

SAFETY AT SOUTH32

SOUTH32 CARE STRATEGY

We see safety as an outcome of the way we design and manage work.

When our people are empowered to remove themselves from harm's way and to re-design work, so that it is safer, then we will achieve a significant improvement in safety performance.

We understand our fatal risks and we are creating a culture to remove these risks through our Care Strategy.

We developed our Care Strategy to take us beyond our current safety performance so that we can be sure our employees go home safe and well at the end of every shift.

Our Care Strategy has three core elements:

1. An inclusive workplace – where everyone feels comfortable to bring their whole self to work; where we clearly understand our roles and accountabilities with jointly created and owned outcomes.
2. A culture of improvement – where we continuously improve our work environment to make it safer and more productive for our people.
3. Well-designed work – where we only execute well-designed work, and re-design work where necessary to ensure safe outcomes.

We will continue to coach and support our people to ensure they have the right skills and capabilities to re-design, perform and direct work safely. Our leadership team is committed to our Care Strategy and to investing the necessary time, energy and leadership to make a step-change in our safety performance.

By creating a workplace culture that embraces diversity of thought and supports employees to challenge workplace practices, we will succeed in achieving our goal of always ensuring our employees go home safely.

Our Care Strategy elements apply equally in regions and across our corporate centres. We are implementing our Care Strategy in a way that addresses each unique context within our business to ensure that it is successful.



OUR PERFORMANCE IN FY2016

Nothing is more important than everyone going home safe and well every day. This was not achieved in FY2016. Tragically, four of our colleagues lost their lives during the year and our Total Recordable Injury Frequency (TRIF)¹ increased from 5.8 to 7.7 per million hours worked.

- July 2015, a contractor was fatally injured during a rigging operation at our Hillside Aluminium smelter in Richards Bay, South Africa
- November 2015, an employee was fatally injured during rail operations at our Mamatwan Manganese Mine, in the Northern Cape, South Africa
- June 2016, an employee was fatally injured in a mobile equipment accident at our Wessels Manganese Mine also in the Northern Cape
- June 2016, an employee was fatally injured in a ground accident at Klipspruit Mine, Mpumalanga, South Africa.

INVESTIGATING ROOT CAUSES OF FATALITIES

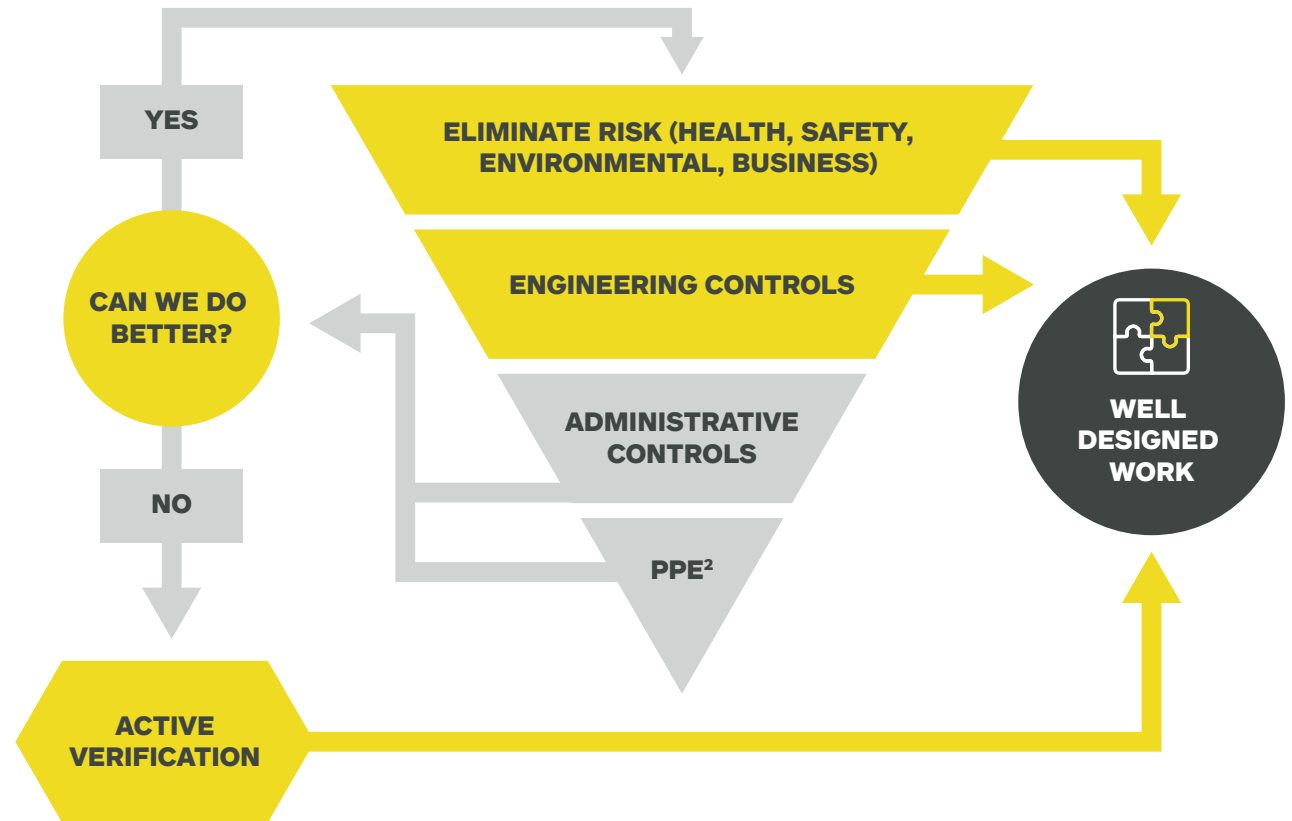
Led by a member of our Executive Committee, we conducted detailed investigations into each fatality. The Sustainability Committee of the Board, together with the Executive and key personnel, review the findings of all significant incidents to ensure we learn from these incidents and continue to improve.

¹ TRIF is stated in units of per million hours worked and is calculated by taking the sum of (fatalities + lost-time cases + restricted work cases + medical treatment cases) x 1,000,000 ÷ actual hours worked.



Cerro Matoso Nickel, Colombia.

HOW OUR CARE STRATEGY WORKS



² Personal Protective Equipment - PPE

Figure 1

Our Care Strategy aims to create a culture where all our employees can ask, “How can this work be done better?” When we answer this question together, we will be able to re-design our work so it is safer.

Where work cannot be re-designed so that the health, safety, environment and business risks are removed completely, we will put in place engineering controls to make the work safe by design.

If we are not able to make the work safe by design, our Care Strategy culture empowers all employees to speak up and work together to verify that the task being completed is safe.

Active verification means we are taking care to protect each other by aiming that any work with safety risk is completed according to the correct administrative control in place.

Only when the work has been re-designed to be as safe as possible, and we have active verification where we cannot re-design work, will we deliver continuous positive safety performance.



Active collaboration to create an inclusive work environment at Hotazel manganese mine, South Africa.

Africa Region Care Strategy

In our Africa Region³ we have started to implement our Care Strategy with a Rapid Capability Uplift program. A gap analysis of skills and training is underway and our employees are being trained and coached by senior safety leaders in the business to support learning and culture change.

The end objective of the Rapid Capability Uplift is a highly skilled, aligned and competent workforce with deep functional expertise, so they are equipped to re-design work safely and actively verify that work is being completed safely.

We are focussed on ensuring employees feel empowered to speak up when they see something unsafe or that could be designed to be safer. We have started the co-creation and re-design of work, to shift the safety culture in our teams from one of compliance to one of care for each other and the work they do. Where we remain dependent on administrative controls, the controls and procedures are being re-designed to ensure employees work together to verify that the task is being completed safely as it happens.

To generate more ideas and re-design tasks so they are safe, we have created a task force of safety leaders who are dedicated to establishing this cultural change. These leaders are supporting people to speak up and embedding the culture of care to ensure our employees go home safely at the end of every shift.

³ The Africa Region includes Mozambique and South Africa.

Australia Region Care Strategy

In the Australian Region⁴ we started the culture change by engaging our employees in identifying all fatal risk tasks and designing out these tasks as far as practical in the FY2017 business planning cycle.

Where an administrative control is still required to manage a risk then we are implementing an active verification process between employees to make sure we carry out the administrative control correctly every time. We will also use technology to make this possible.

To support our Care Strategy program we have introduced an online learning platform to upskill the workforce and create further expertise in process improvement, with a focus on well-designed work. Online training is being rolled out to the entire workforce so there will be an overall understanding of improvement principles and basic problem solving skills.

To support the inclusive and improvement culture, we have also rolled out an interactive business improvement tool in the Australia Region. It has an easy-to-use mobile phone app that allows people from all levels of the organisation to input ideas. We actively encourage improvement suggestions on how we can re-design work related to fatal risks and the app is making it easier for everyone to speak up.

⁴ The Australia Region includes Australia, Colombia and our corporate and marketing offices.

WHO WE ARE



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 strategy is to invest in high-quality metals and mining operations where our distinctive capabilities and regional model enable us to stretch performance in a sustainable way. By maintaining financial discipline and continually optimising our portfolio we will deliver sector leading total shareholder returns.



OUR VALUES

CARE

We care about people, the communities we are 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, listen and share, knowing that together we are better.

EXCELLENCE

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

IMPORTANT NOTICES AND DISCLAIMER

This document has been prepared by South32 Limited (ABN 84 093 732 597) (South32) for inclusion on South32's website and is for informational purposes only. South32 has prepared this document based on information available to it at the time of preparation. The information contained in this document is general in nature, and does not purport to be complete. This document should be read in conjunction with South32's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.south32.net. Metrics describing health, safety, environment and community (HSEC) performance in this document apply to "operated assets" that have been wholly operated by South32, or that have been operated by South32 in a joint venture operation, from 1 July 2015 to 30 June 2016 (FY2016). 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. This document may contain forward-looking statements, including statements about plans, strategies and objectives of management; and anticipated productive lives of projects, mines and facilities. These forward-looking statements reflect expectations at the date of this document, however they are not guarantees or predictions of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond South32's control, and which may cause actual results to differ materially from those expressed in the statements contained in this document. Readers are cautioned not to put undue reliance on forward-looking statements. Except as required by applicable laws or regulations, the South32 Group does not undertake to publicly update or review any forward looking statements, whether as a result of new information or future events.