

A close-up photograph of a hand wearing a black work glove, holding a large, dark brown, porous, and irregularly shaped piece of material, likely a mineral or coal sample. The background is blurred, showing a yellow safety vest and a blue shirt.

MODERN SLAVERY STATEMENT 2018

INTRODUCTION

We want all people involved in our operations and our supply chain to be able to exercise their freedom, to work and live with dignity and to be treated with respect.

This statement, pursuant to Section 54 of the United Kingdom Modern Slavery Act 2015 (the UK Act), describes the steps South32¹ has taken to prevent, detect and respond to modern slavery risks in our operations and supply chain in FY18.²

The statement builds on the depth and breadth of our previous modern slavery work, by describing how we continue to deepen our understanding of risk and ensure we have effective responses in place.



1. South32 Limited is the parent company of the South32 Group of companies. In this statement, references to South32 and the South32 Group, the Company, we, us and our, refer to South32 Limited and its controlled entities as a whole. This includes South32's joint venture operations which South32 managed during FY18, as well as the suppliers to those joint ventures. The Statement does not apply to any non-managed joint ventures. This Statement was approved by the Board of South32.

2. We choose to publish this statement voluntarily under the UK Act.

South32 considers modern slavery to be an issue of increasing global concern, affecting almost every sector, region and company.

With an estimated 40 million men, women and children living in modern slavery today, it is difficult to determine if any supply chain is slavery free.³

South32 acknowledges the risks of this occurring in our own global supply chain and we recognise the important role we can play in addressing modern slavery within our sphere of influence. Engagement with our customers, investors and other stakeholders shows that they share our concern as they seek to understand more about how we conduct due diligence and aim to protect human rights for our workers, suppliers and local communities.

Our commitment to all our stakeholders is clear: modern slavery is fundamentally unacceptable within our operations and supply chain, and combatting it is an important element of our overall approach to business and human rights.

We have reported under the UK Act since FY16 and have actively contributed to the development of Australia's inaugural modern slavery legislation. This is because we strongly believe that any violation of a person's basic human rights is unacceptable. In addition to the work we are doing to address modern slavery in our own supply chain and operations, we have been involved in many collaborative initiatives to share know-how and support. Given the scale of modern slavery, we realise that sector collaboration is necessary to drive meaningful change. Only by joining together, aligning approaches and sharing learnings, can we ultimately drive slavery out of our collective supply chains.

'Freedom from slavery' is one of the 30 basic rights and freedoms that the United Nations Declaration of Human Rights defines as applying to everyone. Modern slavery isn't the same as simply poor working conditions or low pay. Modern slavery refers to situations where one person has taken away another person's freedom so that they can be exploited. This includes their freedom to control their own body and to choose to refuse certain work or to stop working.

In this statement, we use the UK Act's definition of 'modern slavery' which is an umbrella term, encompassing the offences of slavery, servitude, forced or compulsory labour, and human trafficking. It is important to recognise that slavery is often accompanied by other human rights abuses and poor labour standards, hidden behind systemic corruption and bribery.



Graham Kerr

Director, South32 Limited



Daniel Chandler

Director, South32 SA Investments Limited

SOUTH32 KEY FOCUS AREAS FOR FY18:

- Conducting our first independent, in-person supplier audits, specifically targeting suppliers with a high risk of modern slavery
- Embedding a companywide Ethical Sourcing Plan, which includes an integrated set of activities that form our approach to preventing, detecting and responding to modern slavery risks in our operations and supply chain
- Contributing to collaborations which aim to combat and address modern slavery in the broader ecosystem



ABOUT SOUTH32

South32 is one of the largest globally diversified Mining and Metals companies in the world.

WE MINE AND PRODUCE 10 COMMODITIES WITH OPERATIONS AND EXPLORATION ACTIVITY SPANNING THE GLOBE



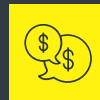
Generated US\$7,549 million revenue in FY18



Over 14,000 employees in our Company



11 operations across Australia, South Africa, Mozambique, Colombia and Brazil



In FY18, South32 made payments to more than 5,600 active, Tier 1 suppliers headquartered in over 40 countries



Major exploration projects in Australia, the Americas and Sweden



Marketing activities are managed from Singapore and London, where we have over 300 customers



Headquartered in Perth, operating under a single set of global functions and business services



Our customers are based in 25 countries, 6 of which are emerging markets*

**Based on MSCI Emerging Markets Index*

This illustrates the extent and complexity of our Company. Further details about our operational structure, group relationships, sector, operating model and other Company information can be found at south32.net

OUR BREAKTHROUGHS

This year we have introduced seven breakthroughs, which describe how we make a difference.

Our breakthroughs enable us to focus on what is important, balance our priorities and ensure we are all aligned to deliver on our purpose. Our breakthroughs form the foundation of how we plan our business. While no breakthrough has more importance than another, safety sits at the top of the list of seven as it is at the forefront of everything we do. Our breakthroughs bring us together as one South32 to create long-term value for all.

Breakthrough



We all guarantee everyone goes home safe and well



We are meaningfully connected and believe in our purpose



Our operations run to their full potential and maximise return on investment



Our functions are lean and enable our operations to deliver their full potential

Breakthrough



Technology and innovation is radically shifting our performance



We create value through our environmental and social leadership



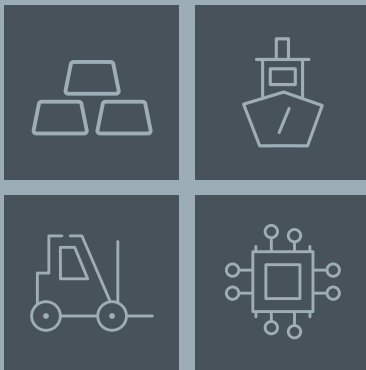
We have optimised our portfolio and have multiple growth options with a bias to base metals



OUR SUPPLY CHAIN

In our supply chain, we have various groups which can be separated into:

Our downstream customers



The multicommodity nature of our Company and our diversified customer portfolio makes us truly global. Our metals are used to produce a range of items that people interact with daily, from customers who purchase our aluminium for use in their technology products, to those who use our zinc for alloys and our manganese in their stainless steel. The shipping and logistics division which forms part of our Marketing team, takes care of getting our commodities to our customers.

The steps South32 is taking to address modern slavery helps our customers have confidence that we respect human rights as we produce and deliver our commodities.

Our upstream suppliers

We source a wide variety of goods and services including mining and industrial services, travel and camp services, light vehicles, plant and equipment, logistics services and bulk materials, technology, information technology, fuels and electricity, and human resources services in our upstream supply chain. Exposure to modern slavery risk is much higher in our complex, global upstream supply chain than anywhere else in our Company. This includes the suppliers we interact with on a day-to-day basis in our own operations, from our onsite labour contractors, to security guards, hospitality workers and the suppliers in our local content sourcing enterprise and supply development programs.

To further mitigate and address this risk category, we are focusing increased efforts on improving onsite labour contractor onboarding procedures and due diligence measures.





Supply Chain Support

Our customers and suppliers are supported by the following South32 teams that link our global operations, customers, logistics and local and global suppliers:

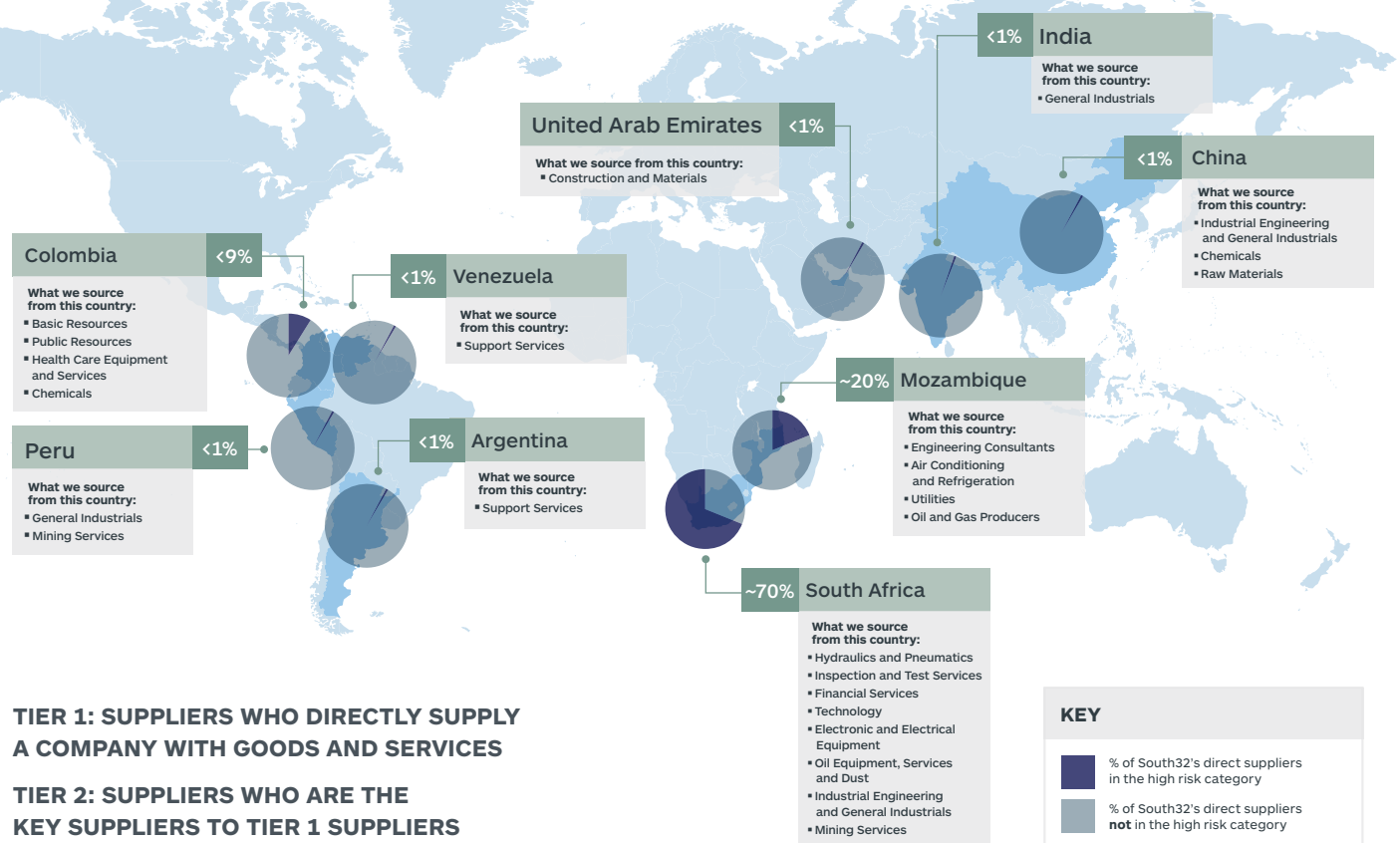
1. **Marketing** secures sales and delivers South32 resources to market
2. **Human Resources** ensures that all our recruitment processes adhere to relevant employment laws and regulations, and our internal standards require that all businesses we interact with are aware of our labour related expectations, and that all labour related complaints and grievances are dealt with appropriately
3. **Supply** purchases the goods and services that are used by our operations and manages supply chain risk globally

Suppliers

99% of our Tier 1 suppliers are concentrated in our main countries of operation: Australia, Colombia, Mozambique and South Africa. According to 2018 Global Slavery Index (GSI) data,⁵ three of these main countries of operation (Colombia, South Africa and Mozambique) are high risk for modern slavery, and **52% of our Tier 1 suppliers** are in these countries. The remaining 1% of our Tier 1 suppliers also include suppliers from the following high risk countries: India, Peru, Venezuela, Argentina, United Arab Emirates, Mexico and China.

We recognise that the illicit nature of modern slavery makes it difficult to accurately measure. As such, we take a holistic approach to understanding risk in our supply chain, as opposed to relying on any single risk index or methodology. See our [Due Diligence](#) section for more detail. The GSI data set is just one of the indexes we use to provide us with data and insight into where modern slavery risk may lie in our operations and supply chain across jurisdictions.

The map below sets out the proportion of high risk Tier 1 suppliers from each high risk country for modern slavery.



TIER 1: SUPPLIERS WHO DIRECTLY SUPPLY A COMPANY WITH GOODS AND SERVICES

TIER 2: SUPPLIERS WHO ARE THE KEY SUPPLIERS TO TIER 1 SUPPLIERS

High risk country	Prevalence of population in modern slavery (victims per 1,000 population) ⁷	GSI Government response rating ⁶	GSI Global ranking ⁷	# of people in modern slavery ⁷
India	6.1	B	53	7,989,000
Venezuela	5.6	CC	61	174,000
Mozambique	5.4	B	67	152,000
South Africa	2.8	B	110	155,000
China	2.8	CC	111	3,864,000
Colombia	2.7	B	113	131,000
Mexico	2.7	BB	114	341,000
Peru	2.6	BB	118	80,000
United Arab Emirates	1.7	B	148	15,000
Argentina	1.3	BBB	157	55,000

5. 2018 Global Slavery Index (GSI) data covers 167 countries, available at www.globalslaveryindex.org/findings

6. The GSI ranks countries on government response to modern slavery based on eight indicators of good practice, including laws in place, support to victims, and the application of labour standards to vulnerable populations. The countries are graded from AAA to D based on 98 indicators of good practice.

7. Based on 2018 Global Slavery Index (GSI) covering 167 countries, available [here](#).

OUR APPROACH

Embedding our policies
in the way we do business

We believe that strong internal policies, processes and systems are an essential first step in informing the way we manage the risk of human rights abuses, such as modern slavery, within our own operations and in those of our suppliers and business partners.



General South32 Policies and Processes

Respecting human rights is essential to achieving South32's purpose of "*making a difference by developing natural resources, improving people's lives now and for generations to come*". Our purpose is underpinned by our values of Care, Trust, Togetherness and Excellence. We deliver on our purpose through our seven breakthroughs which form the foundation of how we plan and run our Company, ensuring that everyone focuses on the things that will make the greatest difference for South32 and all our stakeholders. Breakthrough six, "*we create value through our environmental and social leadership*", guides our aspiration to be a leader in addressing modern slavery.

CODE OF BUSINESS CONDUCT

Our [Code of Business Conduct](#) (Code) demonstrates how we practically apply our values. The Code explains the principles and intent behind many of our standards and procedures that are applicable company-wide. All employees, directors, officers, contractors and suppliers (where under relevant contractual obligation) and controlled entities must adhere to the Code, regardless of location or role. We also state our expectation that non-controlled joint ventures and minority interests adopt similar principles and standards. Our Code includes behavioural guidance and expectations for all our stakeholders to respect human rights.

SUSTAINABILITY POLICY

South32's [Sustainability Policy](#) defines the social, environmental and economic principles behind our decision making, and affirms our commitment to Sustainable Development, defined as supporting the needs of the present without compromising the ability of future generations to meet their own needs. Our Sustainability Policy contains statements on our commitment to respect internationally recognised human rights. This policy has been developed to align to international law on human rights, including the International Council on Mining and Metals' Sustainable Development Framework, the United Nations (UN) Global Compact Principles, the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the UN Voluntary Principles on Security and Human Rights.

The South32 Sustainability Committee represents and assists the Board in exercising its authority in relation to the Sustainability Policy. We expect all our suppliers to operate in line with the principles contained in our Sustainability Policy.

BROADER HUMAN RIGHTS

Other internal policies and standards relating to human resources, health, safety, security, community, environment, diversity and inclusion, and ethics and compliance inform the way we work, and ensure that we aim to respect human rights in the way we do business.

MATERIALITY

We conduct an annual materiality assessment (in accordance with Global Reporting Initiative principles) that examines the sustainability risks and opportunities across our Company. We identify these by analysing inputs, including our risk registers, and by calling on the expertise of a range of internal and external stakeholders, including employees and civil society members, to ensure we have broad input into our materiality analysis. In FY18, 'human rights' was highlighted as one of the top 22 material sustainability topics in our Company.



Supply Policies and Processes

CONTRACTS

Our supply contracts and onboarding documentation require counterparties to adhere to our Code, our Sustainability Policy and our Sustainability and Business Conduct Requirements.

SUPPLY STANDARD

Our internal supply standard provides internal governance related to the contracting of goods and/or services from external parties. The standard outlines how we approach our sourcing strategy, tender management and preparation, as well as supplier engagement and evaluation, contract authorisation, execution and implementation, and contract monitoring.

Our standard stipulates our commitment to do business with suppliers who are working to ensure respect for human rights.

SUSTAINABILITY AND BUSINESS CONDUCT REQUIREMENTS

Our expectations of suppliers are outlined in our Sustainability and Business Conduct Requirements, which can be found on our [website](#). These requirements include working towards no child labour or forced labour and support freedom of association, a living wage and non-discrimination.

SUPPLIER MANAGEMENT

If a supplier or other entity is found to be in material breach of the terms stipulated in their contract with us, including those specific to our human rights requirements or Code, we can suspend or terminate the contract with that supplier. In line with our partnership based approach and international guidance on best practice, and depending on the circumstances, we would try to work with the supplier to resolve any issues in a reasonable timeframe.



South32 Ethical Sourcing Plan

We know that our policies and processes can only be valuable, and lead to meaningful change, when they are understood and adhered to by our employees and our suppliers.

As part of our broader human rights approach, South32 has developed a companywide Ethical Sourcing Plan, which includes **an integrated set of activities that form our approach to identifying and managing modern slavery risks in our supply chain**. This is supported by an internal cross-functional group.

The Plan will initially focus on the execution of our modern slavery priorities, including enhancement of our supplier onboarding, training for our employees and suppliers on modern slavery, and management of local procurement initiatives. The Plan will standardise our approach to due diligence throughout a South32 supplier's lifecycle and will capture impact measurement, including baseline data and year-on-year improvements. This enables us to demonstrate that we are making a meaningful difference to people's lives who are most affected by modern slavery by taking a targeted approach informed by an assessment of modern slavery risk in our supply chain.

GOVERNANCE

Our Sustainability Committee (Committee) represents and assists the Board in exercising its authority in relation to the appropriateness of the Health, Safety, Environment and Community (HSEC) framework, systems for compliance, the Sustainability Policy, and the Group's performance in relation to HSEC matters, including external reporting. This includes managing modern slavery-related opportunities and risks. The Committee's work is supported by the Lead Team. The Committee's responsibilities include reviewing and approving the South32 Sustainability Policy, which includes our position on modern slavery in our supply chain and operations. The Chief Sustainability Officer and Vice President Supply are responsible for modern slavery strategy implementation and provide progress reports on the control of modern slavery risks and implementation of opportunities to the Committee annually.



South32 Code Of Business Conduct and Sustainability Policy

Underpinned by our values, purpose, breakthroughs and international law on human rights



Supply Standard and Sustainability and Business Conduct Requirements



South32 Ethical Sourcing Plan

1 Supplier onboarding

- › Pre-qualification of suppliers
- › Contracts
- › Internal policies and business conduct requirements
- › New supplier guidance

2 Supplier high risk mapping and due diligence

- › Identification of high risk categories
- › Supplier high risk mapping
- › Active due diligence, including audits
- › Workshops with subject matter experts

3 Training and capacity building

- › Building relationships and supply chain transparency with suppliers
- › Training and capacity building

4 Reporting concerns

- › Complaints and grievances mechanisms at every operation
- › Anonymous hotline in every location we operate (EthicsPoint)



1

Supplier Onboarding

The South32 website states what our supplier expectations are, including our Sustainability and Business Conduct Requirements. Our vendor pre-qualification forms and contracts include language stipulating that counterparties agree to adhere to our policies and standards. This provides a safeguard that we onboard and work with vendors who agree to operate to the same standard we expect from ourselves. The improvements we are making to our supplier onboarding processes are described further in the **Next Steps** section.

2

Supplier High Risk Mapping and Due Diligence

We view modern slavery due diligence as a specific component of our ongoing human rights risk management across our Company.

South32 does not conduct direct audits on every supplier in our supply chain. Rather, in accordance with accepted international guidance,⁹ we adopt an approach proportionate to the modern slavery risk by identifying and conducting due diligence on suppliers who we assess as 'high risk' for modern slavery.

HOW DO WE DETERMINE WHO OUR HIGH RISK SUPPLIERS ARE?

We categorise our suppliers as high risk for modern slavery based on a range of factors. These include geography, whether the products or services have been assessed as high risk in international guidance and government registers, and the existing human rights protections and due diligence processes the supplier has in place for their workforce.¹⁰

We use this methodology to analyse our supply spend data and conduct targeted workshops to identify high risk suppliers. In FY18, we analysed our FY18 supply spend data and conducted workshops facilitated by our internal human rights specialist, with industry experts from our supply and marketing teams. These workshops identified our highest risk suppliers in six product and services categories across our operations, with the intent of conducting advanced due diligence on the identified suppliers within FY18. This included suppliers in electronics, coking coal, safety equipment, construction, shipping and on-site labour contractors.

	electronics
	coking coal
	safety equipment
	construction
	shipping
	on-site labour contractors

ADVANCED DUE DILIGENCE

Suppliers who are identified in our workshops as 'high risk' may be asked to participate in advanced due diligence, including providing further information on specific issues, participating in desktop audits, or partnering with us to conduct onsite supplier audits.

In FY18, we conducted our first independent, in-person audits, specifically targeting potential modern slavery. The audits were conducted on some of our highest risk raw materials suppliers.

DUE DILIGENCE FINDINGS AND REMEDIATION

At the completion of our advanced due diligence, we work in partnership with our suppliers to implement improvement actions and remediate any labour-related violations, where applicable, by:

- Reviewing audit reports and compiling corrective action recommendations for our suppliers, which prioritise the independent auditor's findings and related recommendations
- Engaging with our suppliers and requesting them to provide us with their corrective action plan, aimed at improving conditions for their employees
- Agreeing on an engagement and monitoring program for the supplier which tracks progress on actions

We identified indicators relating to modern slavery risk with the suppliers audited in FY18. This has deepened our understanding of localised human rights risks. We have now committed to working in partnership with these suppliers to support them to improve their practices.

We have made an ongoing commitment to conduct advanced due diligence on a minimum of four suppliers who are deemed high risk for modern slavery per financial year.

In FY19 we will also focus on including modern slavery considerations in our onboarding due diligence processes for all suppliers, to improve our understanding of the supplier landscape and inform our annual risk assessment.

9. Principle 17, UN Guiding Principles on Business and Human Rights

10. See Our Suppliers section above for more detail on how we analyse supplier risk based on geography and product/service category

How do we prioritise our audit findings for remediation?

HIGH PRIORITY:

Findings that reveal that suppliers are not operating in line with local or national legislative requirements

MEDIUM TO LOW PRIORITY:

Findings that reveal that suppliers are not operating at South32 standards or widely recognised 'best practice' standards

Partnership-based approach

We believe that continual improvement in supplier sustainability requires an approach and a commitment that extends beyond audit compliance. Whilst we incorporate desktop and in-person audits in our due diligence approach, due to the illicit nature of modern slavery, we understand that these actions will not always detect instances of slavery.

For this reason, we focus on collaboration with our suppliers and across our sector to drive increased transparency and clear commitment to reaching our goals. By conducting our due diligence activities in partnership with our suppliers, we aim to develop a collaborative approach that allows us to focus on relationship building and motivating suppliers to remedy any issues uncovered.

We recognise we are on a journey, and we will continue to test the effectiveness of our approach and enhance our actions and responses to ensure we drive meaningful change for the individuals most affected by modern slavery.

SOUTH32'S MODERN SLAVERY RISK MONITORING PROCESS





3

Training and Capacity Building

INTERNAL CAPACITY BUILDING

South32 employees and contractors receive training on our business conduct framework, including our human rights requirements. In FY17 we provided specific modern slavery training for all supply team employees and South32 contract owners who were identified as more likely to encounter modern slavery risks. We are currently updating our training for a broader sub-set of our employees for FY19 to educate our workforce on South32's new Ethical Sourcing Plan.

EXTERNAL CAPACITY BUILDING

As we move to fully implementing South32's new Ethical Sourcing Plan, in line with our partnership based approach, we plan to expand our training and capacity building to our suppliers.

The case study on our Hillside aluminium smelter (Hillside) details how we are currently enhancing our suppliers' ability to understand South32's human rights expectations and proactively respond to risks and opportunities.

CASE STUDY

Supplier capacity building at our Hillside aluminium smelter

At Hillside, our relationship with suppliers goes beyond the provision of goods and services. We take a holistic approach to working in partnership with our suppliers to achieve shared value through the following approach:

VENDOR MENTORSHIPS

Every on-site contractor has a dedicated mentor who they meet with monthly to discuss any issues relating to safety, human resources practices (including human rights matters), technical capabilities, quality of work, purchasing and financial matters.

ANNUAL TRAINING ON BUSINESS CONDUCT

We utilise a train-the-trainer model to ensure our onsite-contractors are educated on South32 business conduct requirements. The contractor leadership is trained in a classroom environment and they in turn train their staff at their own premises.

MONTHLY VENDOR ENGAGEMENTS

All on-site contractors are invited to a monthly meeting with Hillside management to engage on matters relating to their on-site services and resolve any queries.

VENDOR ASSESSMENTS

We send a team of South32 subject matter experts to our supplier's premises (at least once a year per supplier), to conduct a comprehensive assessment on their business with specific emphasis on fair conditions and treatment of employees, financial well-being and health and safety standards.

CULTURE

All suppliers are trained on South32's values and the way we work.

TRAINING

Specific training is provided for on-site contractors on a needs basis. This includes the permit to work process, working at heights, handling hazardous substances, hazard identification and risk assessments, working in confined spaces and wealth and money management.

WELLNESS

Contractors are invited to participate in wellness programs that are offered to South32 employees, including fitness, HIV screening and other health campaigns.

I am a newly established vendor at Hillside and appreciate all the support I have received from South32 to set up my business and help me prosper. My staff and I were trained on Hillside's safety procedures and the assessment done on my company helped me understand all the requirements to run a successful business. My pay structure, human resources and human rights policies were fully in line with South32 standards and I was coached on handling employee disputes. I was also assigned a mentor who meets with me monthly to ensure that my business remains sustainable.

HEADMAN KUNENE

Owner of Mona Lisa Cleaning Services, South32 Supplier

One of the most important attributes of a security guard is to respect others in the workplace and the training that we give our service provider has made a positive difference in the way that our guards treat all members of staff with dignity and respect. Bag searches, drug and alcohol testing as well as reception and access control are well managed and discreet.

JACO KLEINHANS

Supervisor Security and Emergency Services, South32 Hillside employee

Our contracting workforce has come a long way since the introduction of human rights and business conduct training and awareness. What is most noticeable is the behaviour and conduct of contractors on Hillside's premises versus the behaviour of contractors that work at other businesses around Hillside. Our rigorous vendor assessment ensures that contractor companies comply with all the legal business requirements and their employees are not exploited or disadvantaged in any way.

PREGGY CHETTY

Superintendent Contractor Management, Hillside



4

Reporting Concerns and Remediation

To address individual concerns, we have a complaints and grievance procedure at every operation. This allows community members and other interested stakeholders, such as our suppliers, to raise issues directly with our operations anonymously. We respond to all complaints and grievances and aim to resolve any issue as soon as possible. We report our recorded complaints and grievances in our Communities and Society document which forms part of our Annual Reporting Suite, and can be found on our website, www.south32.net.

In addition to complaints and grievances mechanisms at every operation, we make available EthicsPoint, an independent external platform for employees and contractors to anonymously report concerns regarding potential breaches of our Code of Business Conduct, including concerns related to modern slavery.

COLLABORATION

We recognise the crucial role of collaboration in addressing modern slavery, to allow everyone to share information, learnings and best practice to overcome challenges.



In FY18, we were involved in the following initiatives:

Collaboration	How it Helps Our Progress
Australian legislative reform	South32's involvement in consultations on the Australian modern slavery legislation enabled us to support the parliamentary inquiry process by contributing to the development of policy and legislation from an industry perspective.
Innovation partnership	We are collaborating with SparkBeyond (an AI Powered Research Engine) and Sedex (a collaborative platform for sharing responsible sourcing data on supply chains) on a pilot project to explore how we can harness the power of artificial intelligence in relation to modern slavery risk identification.
Walk Free Foundation	<p>Our partnership with Walk Free Foundation, a global organisation with a mission to end modern slavery, enables us to:</p> <ul style="list-style-type: none"> ▪ Leverage the high-quality research they generate ▪ Collaborate with other businesses in their network towards our collective goals ▪ Contribute to inter-governmental processes which they support, such as the Bali Process Government and Business Forum, whose advocacy is bringing together business and government leaders from the Indo-Pacific region to combat the challenges of modern slavery, where many of our suppliers are based
International Council on Minerals and Metals (ICMM)	<p>Our membership of ICMM enables us to work collaboratively with extractive companies, key stakeholders and civil society on human rights issues, including modern slavery, that cannot be solved by individual companies working alone by:</p> <ul style="list-style-type: none"> ▪ Forming alliances for joint action ▪ Raising awareness and advocacy with Governments and international stakeholders to influence policy, legislation and soft law ▪ Accessing practical information and tools
Informal industry working groups	<p>Our involvement in informal industry working groups enables us to work with other corporates to explore opportunities for collaborative supplier assessments for companies who operate under the same external human rights framework. This includes possibilities to:</p> <ul style="list-style-type: none"> ▪ Develop a consistent evaluation and audit approach ▪ Avoid due diligence and audit fatigue amongst suppliers by sharing non-competitive findings from human rights audits
Refugee Talent Program	In FY18, South32 introduced a pilot program in partnership with Refugee Talent, a refugee recruitment agency, to employ skilled refugees in areas where we have a short-term skills shortage. The program focuses on recruiting talented people with diverse skills and experience, on their own merit, to fill business needs. Simultaneously, it is tackling root cause issues related to modern slavery by assisting refugees to gain valuable local work experience and develop local relationships and networks, which are considered key barriers to employment. The program aims to re-frame the conversation around refugees from one of burden to opportunity, reducing inequalities.

NEXT STEPS



This table describes our next steps to ensure we continue to progress on our improvement journey:

FY19 and beyond

Policies and Processes	<ul style="list-style-type: none"> ▪ Update internal South32 supply governance and contractual documents to contain clear guidance and actions on South32's ethical sourcing approach ▪ Develop new Supplier Guidance to assist our suppliers to understand our Supplier and Business Conduct Requirements – the minimum standards of behaviour we expect from our suppliers
Supplier onboarding and risk mapping	<p>Further enhance our onboarding process by introducing an evaluation mechanism when assessing suppliers against our ethical sourcing requirements, including:</p> <ul style="list-style-type: none"> ▪ A supplier risk scoring system that informs sourcing decisions by allowing us to evaluate suppliers in terms of our ethical sourcing requirements ▪ Ethical sourcing KPIs and targets developed for appropriate roles in our Company ▪ Enhanced prequalifying questionnaires containing tailored questions and data inputs to inform our supplier risk scoring system
Supplier auditing and verification	<ul style="list-style-type: none"> ▪ Strategically identify and assess potential material modern slavery risks across our Company ▪ Conduct advanced due diligence on a minimum of four modern slavery high risk suppliers and provide support for any corrective action plans and remediation
Internal training and capacity building	<ul style="list-style-type: none"> ▪ Enhance modern slavery awareness training for a broad range of South32 employees
External training and capacity building	<ul style="list-style-type: none"> ▪ Engage with targeted suppliers to ensure they understand our requirements and assist them to build their capability and enhance their own procedures and policies ▪ Develop modern slavery and human rights training for our suppliers
Reporting Concerns and Remediation	<ul style="list-style-type: none"> ▪ Continue to improve our complaints and grievances processes and promote these more widely to our suppliers ▪ Ensure clear lines of accountability for investigation of issues raised and subsequent remediation
Collaboration	<ul style="list-style-type: none"> ▪ Continue to take an active role in industry collaboration, advocacy, capacity building and supporting government efforts to tackle root causes of modern slavery ▪ Continue exploring innovation to effectively utilise technology to assess modern slavery risk
Strategic alignment	<ul style="list-style-type: none"> ▪ Ensure our modern slavery work is aligned with the rapidly evolving regulatory environment in our jurisdictions of operation, such as the new Australian Commonwealth and NSW modern slavery legislation. This will not determine our strategy however it may influence our future targets and disclosure
Supplier development	<ul style="list-style-type: none"> ▪ Enhance our approach to supplier development, especially in relation to local procurement, by addressing specific risks and opportunities for each jurisdiction in which we operate
Human Rights	<ul style="list-style-type: none"> ▪ Enhance our understanding of salient human rights issues across South32