



FOR FUTURE GENERATIONS

CORPORATE
GOVERNANCE
STATEMENT
2021



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See the documents that make up the rest of our reporting suite at <https://www.south32.net/investors-media/investor-centre/annual-reporting-suite>, including:

Sustainable Development Report

An overview of how our business-wide processes support our sustainability objectives and how we manage our key sustainability topics.

Sustainability Databook

Our supplementary reporting tool containing metrics and additional sustainability information.

Annual Report

Comprehensive information on our activities and financial performance throughout FY21.

Modern Slavery Statement

Outlines our approach and the steps taken to seek to minimise the risk of modern slavery in our business.

Tax Transparency and Payments to Governments Report

Transparency on our approach to payments of taxes and contributions to governments where we operate.

www.south32.net

ACKNOWLEDGEMENT

We acknowledge and pay our respects to the Indigenous 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 and Tribal Peoples have to the land, 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 GLOBAL MINING AND METALS COMPANY

We produce bauxite, alumina, aluminium, metallurgical coal, manganese, nickel, silver, lead and zinc at our operations in Australia, Southern Africa and South America. With a focus on growing our base metals exposure, we also have two development options in North America and several partnerships with junior explorers around the world.

Making a difference

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

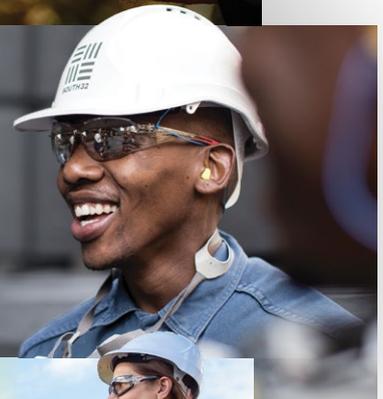
See some of the ways **we make a difference** in our [Sustainable Development Report](#)



Optimise, Unlock, Identify

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

Read more about **our strategy** in our [Annual Report](#)



Care, Trust, Togetherness and Excellence

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

Learn more about **our people** on page 20 of our [Sustainable Development Report](#)





Letter from the Chair

At South32, good governance is essential to the way we work – to our actions, decisions, communications and behaviours. We remain committed to the highest standards of integrity and accountability and this is reflected in our robust corporate governance practices. These practices are enshrined in our Code of Business Conduct which guides how we work as we fulfil our purpose and deliver against our strategy.

Our values and policies continue to set our expectations regarding how we work together and behave towards each other and I believe that our governance framework, together with our experienced Board, are critical to the long-term success of South32.

Our Board is aware of the unique relationship between resource companies and the communities in which they operate. We have an obligation to operate lawfully, ethically and responsibly and we seek to adopt leading governance standards and apply these in a manner consistent with our values. I am pleased to report that during FY21 we fully complied with the 4th Edition of the ASX Corporate Governance Council Principles and Recommendations further details of which are set out in this statement.

Corporate culture has a significant impact on a company's performance, governance and reputation and is an important part of driving long-term value creation for all stakeholders. Our preferred culture and our values are aligned with, and support, good governance practices. Our culture underpins all aspects of our strategy and is reflected in the way we work, the decisions we take, the courage we show in challenging situations and the legacy we leave.

Our Board works with the Lead Team to instil a culture of consistently demonstrating behaviour aligned with our values. They actively measure and discuss culture using a Culture Tensions framing model which allows us to assess positive or negative change, and test whether we are making progress towards our preferred culture. We also undertake periodic employee 'pulse' surveys that measure employee engagement and test whether our culture is enabling the delivery of our strategic objectives.

The ongoing COVID-19 pandemic has highlighted the importance of corporate governance practices while also presenting challenges. Understandably, the ability for the Board to meet physically and conduct site visits was again impacted during FY21. While the Board and committees have operated well in a virtual environment, we recognise the value of in-person meetings and site visits to gauge workforce culture and inform us of the challenges our people face. Despite these challenges, we remained connected as much as possible through virtual media and by way of operational overviews and briefing sessions. Notwithstanding this, we are eager to resume site visits as soon as possible in order to more meaningfully connect with our people and stakeholders.

We are cognisant of the ongoing uncertainty around travel and restrictions on large gatherings. Accordingly, we intend to hold a hybrid Annual General Meeting in 2021 which provides us with the flexibility to more easily shift to a fully virtual meeting if necessary. Further details will be available in our Notice of AGM which will be published later this month.

Just as we have adapted to an online environment with our colleagues, we have also used this medium to meet with shareholders and while it has worked well, I nevertheless look forward to resuming in-person engagements as soon as it is possible to do so.

Our commitment to the good governance of South32 remains undiminished.

A handwritten signature in black ink, appearing to read 'Karen Wood', written in a cursive style.

Karen Wood
Chair

About this statement

Our Board is aware of our responsibility to not only operate lawfully, but also ethically, responsibly and – most importantly – in a way we can be proud of. Our Board is responsible for developing and monitoring the corporate governance practices of South32, representing its shareholders and promoting and protecting its interests.

In developing our corporate governance framework, the Board considers the standards of corporate governance applicable in each of the countries in which we are listed. We commit to the better of the standards of corporate governance that apply to us across these jurisdictions, which leads to the best outcome, from a governance perspective, for our stakeholders. We recognise that good corporate governance promotes investor confidence.

This Corporate Governance Statement details the key governance policies and practices adopted by our Board. The governance documents and policies referred to in this Statement can be found in the Risk & Governance section of our website at www.south32.net.

You can find the 2021 Annual Report referred to in this Corporate Governance Statement at <https://www.south32.net/investors-media/investor-centre/annual-reporting-suite>.

Defined terms in this Corporate Governance Statement are consistent with those in our 2021 Annual Report.

ASX Recommendations

Under ASX Listing Rule 4.10.3, ASX-listed entities are required to benchmark their corporate governance practices against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations). You can find the ASX Recommendations at <https://www2.asx.com.au/>.

We are pleased to report that we comply with all relevant 4th Edition ASX Recommendations – further details are provided in the Appendix 4G available at <https://www.south32.net/investors-media/investor-centre/annual-reporting-suite>.

This Corporate Governance Statement is current as at 2 September 2021 and has been approved by the South32 Limited Board.

The South32 Limited Board Our Board

Our Board currently comprises the eight Directors listed below, all of whom (except our Chief Executive Officer (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
Mr Guy Lansdown	2 December 2019
Dr Xiaoling Liu	1 November 2017
Dr Ntombifuthi (Futhi) Mtoba	7 May 2015
Mr Wayne Osborn	7 May 2015
Mr Keith Rumble	27 February 2015

You can find our Directors' qualifications, skills and experience, significant offices and directorships held in other organisations on pages 58 to 61 of the 2021 Annual Report.

The role of our Chair

The Board appoints one of the independent Non-Executive Directors as Chair.

The principal role of our Chair is to lead the Board, assisting it to work effectively and discharge its responsibilities, and to encourage 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. Our Chair also represents the Board to our shareholders.

The responsibilities of our Chair are set out in more detail in the Board Charter.

The role of our Board

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.

Our Board has adopted a Board Charter that details its role and responsibilities and describes the matters reserved for the Board and those delegated to management through the CEO. The Board Charter is available in the Risk & Governance section of our website at www.south32.net.

The role of our Board is to represent shareholders and to promote and protect the interests of South32. It does so by governing the Group, having regard to our shareholders as a whole and the interests of other relevant stakeholders. In performing its role, our Board is committed to a high standard of corporate governance. It also recognises the unique relationship between resource companies and the communities in which they operate, and the standards and expectations of our company to act lawfully, ethically and responsibly.

Our Board is ultimately responsible for:

- Demonstrating leadership;
- Approving the company's purpose, strategic direction, and objectives;
- Working with management to shape corporate strategy, including overseeing management's implementation of strategic objectives;
- Overseeing the risk management framework and satisfying itself that the company is operating with due regard to the risk appetite set by the Board;
- Overseeing the company's internal controls and systems for monitoring ethical and legal compliance; and
- Approving and monitoring budgets, major capital expenditure, acquisitions, divestments and capital management decisions.

Our Board, through our CEO and Lead Team, oversee our culture which contributes to our ability to achieve our purpose. Our Board influences the culture of the company through:

- Approving the company's values and the Code of Business Conduct (Code) to underpin the desired culture of the Group;
- Promoting ethical, responsible and lawful decision making;
- Developing and monitoring the implementation of the company's corporate governance principles and approving policies;
- Considering appointments to, and the performance and succession of, the Board, CEO and Lead Team;
- Approving the company's remuneration framework (including employee share ownership, superannuation and pension plans) and seeking to ensure that the framework is aligned with the company's purpose, values, strategic objectives and risk appetite;

- Promoting and monitoring the company's commitment to diversity and inclusion, including setting measurable ethnicity and gender diversity objectives in accordance with the Inclusion and Diversity Policy and annual reviews of these objectives and remuneration by gender and ethnicity;
- Considering our overall social performance as a company through acting lawfully, ethically and responsibly, taking into account shareholders, communities and other stakeholders' interests;
- Making visits to our operations, or receiving operational updates, giving Directors deeper insight into our risks and an opportunity to understand our workforce culture and the communities we operate in; and
- Evaluating the various indicators of workplace culture and employee engagement which included flexible work arrangements.

Our Board understands that we need to work hard in order to earn the trust of, and maintain strong relationships with, our stakeholders. To achieve this, we have robust processes in place to engage and talk openly with our stakeholders, and to monitor where there may be changing societal expectations. You can find more information on how we communicate and engage with stakeholders in the Communications with Shareholders and Other Stakeholders section of this Statement.

Working with senior management, our Board plays an important part in promoting an inclusive workplace. We hold ourselves and each other to account with the aim of working consistently with our values. Our Board is guided by, and oversees, our values of care, trust, togetherness and excellence – whether in making decisions, during discussions or debate, or engaging directly with our people.

Board operations and key focus areas

Following the restrictions on travel implemented in 2020 in response to the COVID-19 pandemic, our Board moved to holding its meetings via videoconference. This practice remained in place during FY21 and will continue until such time as travel and social distancing restrictions are eased. Our Board has also used a hybrid approach (i.e. physical and virtual format) to bring some Directors together for meetings in jurisdictions where it was possible to do so.

Our Board's practice of regularly visiting our operations and offices around the world was again disrupted by COVID-19 during FY21. These visits are an important part of the Board's work and provide the opportunity for the Board to better understand the challenges our people face, wherever they are located, and also help inform the Board of the workforce culture and the communities we operate in. Although the Board was unable to conduct any site visits during FY21, it continued to stay connected with our operations by way of operational overviews and briefing sessions conducted as part of our scheduled Board programs.

In addition to matters routinely considered, the focus areas of our Board throughout FY21 included:

- Guiding and supporting the Group's response to the COVID-19 pandemic, with a key focus on keeping our people safe and well, maintaining reliable operations and supporting our communities;
- Monitoring safety performance and overseeing management's progress with implementing initiatives and strategies to achieve our safety performance targets;
- Observing and monitoring the shaping and embedding of our culture, and overseeing progress in respect of creating an inclusive and diverse workplace;
- Enhancing understanding of Indigenous and Tribal Peoples Groups and cultural heritage matters relevant to the regions in which we operate, how to meet evolving societal expectations and engage effectively with stakeholders;
- Approving and overseeing completion of the divestment of the South Africa Energy Coal business to Seriti Resources and the sale of Tasmanian Electro Metallurgical Company (TEMCO) manganese alloy smelter to the GFG Alliance group;

- Overseeing management's progress with strategy implementation, including our Transformation Strategy in South Africa and advancing climate change initiatives, including medium-term emissions reduction targets;
- Guiding and supporting management's response to the New South Wales Independent Planning Commission's recommendation against approval of the Dendrobium Next Domain project;
- Monitoring and evaluating management's pursuit of options and opportunities to reshape our portfolio by increasing our exposure to base metals; and
- Overseeing and monitoring our capital management program including approving increases in the program by a total of US\$450 million to US\$1.88 billion and the payment of dividends.

Director independence

All Directors are expected to bring independent judgement to bear on Board decisions. Our Board recognises the importance of independent Non-Executive Directors to a high functioning Board.

Our Board, with the assistance of the Nomination and Governance Committee, assesses the independence of Directors using our Independence of Directors Policy. This occurs before appointments are made, annually and whenever any significant new interests arise. Our Policy, which mirrors the ASX Recommendations, can be found in the Risk & Governance section of our website at www.south32.net.

The test used by the Board to determine a Director's independence is whether the Director is "*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.*" When making this assessment, our Board takes in to account all relevant facts and circumstances.

Directors are required to notify changes to their interests or relationships that could affect their independence. Non-Executive Directors may be involved with other companies or professional firms which, from time to time, may have dealings with us. The materiality of these dealings is assessed at least once a year.

Our Board has reviewed the independence of its Non-Executive Directors and has determined that they are all independent.

The role of our Company Secretaries

Our Company Secretaries, through the Chair, are accountable to the Board on all matters to do with the proper functioning of the Board, including:

- Effective implementation of corporate governance processes;
- Adherence to Board policies and procedures;
- Coordination of all Board business including agendas, board papers, minutes, communications and filings; and
- Facilitating the induction and professional development of Directors.

All Directors have direct access to our Company Secretaries.

You can find more details about our Company Secretaries' experience and qualifications on page 64 of the 2021 Annual Report.

Performance and remuneration of the Directors and Key Management Personnel

Details of our remuneration policies, practices, performance reviews and outcomes, and the remuneration paid to the Directors (Executive and Non-Executive) and other Key Management Personnel (KMP), are set out in the Remuneration report section of the 2021 Annual Report pages 68 to 93.

Shareholders will be invited to consider and adopt the Remuneration report at the 2021 Annual General Meeting (AGM).

Our Lead Team

Our Board delegates day-to-day management of the Group's affairs to the CEO. Our CEO is supported in his management of the Group by our Lead Team. You can find details of our Lead Team members on pages 66 to 67 of the 2021 Annual Report.

The role of our CEO and Lead Team

Our CEO is accountable to the Board for the performance of the Group in accordance with the authority that has been delegated to management. All actions and decisions of the CEO are guided by the Group's purpose and strategic objectives.

Each member of our Lead Team is responsible for leading and overseeing the management of a specific part of the business. They also work as a collective to help achieve our purpose and strategy, in a way that is in line with our values, Code and the risk appetite set by our Board.

The main responsibilities of the Lead Team include:

- Executing strategic objectives;
- Demonstrating our desired culture underpinned by our values;
- Managing business performance;
- Reviewing and managing material risks; and
- Leading and developing our people.

The CEO and Lead Team are required to report to the Board in a transparent and open way. This includes providing the Board with information that is accurate and timely on matters that materially impact, or have the potential to materially impact, on the achievement of our strategic objectives. These include:

- Sustainability (including health and safety) performance;
- Culture;
- Financial performance;
- Implementation of our strategy;
- Risk issues (including strategic, financial, operational, conduct and reputational); and
- Compliance with our Code (including reports made via EthicsPoint).

Our Lead Team is also responsible for supporting one or more Board Committees – to improve our Board's access to, and relationship with, senior management, as well as drive accountability.

Meetings between members of our Board and the Lead Team are encouraged and help our Board to carry out its duties and to strengthen its working relationship with management.

Changes to the Lead Team

In FY21 we made some key leadership appointments and changes to our Lead Team.

Effective from 1 July 2020, Jason Economidis assumed the position of joint Chief Operating Officer (COO) and Vanessa Torres' role of Chief Technology Officer broadened to Chief Technical Officer (CTO).

In October 2020, we simplified our global functional model by aggregating some functions to consolidate technical and governance expertise, reduce touch points into the operations and reduce the size of our functional leadership teams. These changes included:

- Moving accountability for site-based health, safety, environment (HSE) and risk management to the operations reporting into each Vice President Operations and our global HSE team reporting to the CTO;
- A global HSE team joined Vanessa Torres' team to provide technical stewardship and governance, along with a system of risk management project team to complete the implementation of our System of Risk Management. Vanessa's role was expanded from Chief Technology Officer to CTO;
- Aggregating corporate affairs and sustainability strategy into one team with Kelly O'Rourke assuming the position of Chief External Affairs Officer. Kelly's role was subsequently expanded to Chief Legal and External Affairs Officer (CLEAO) with effect from 1 July 2021; and
- Brendan Harris's role of Chief Commercial Officer broadening to Chief Human Resources and Commercial Officer.

As a result of simplifying our global functional model, Rowena Smith (Chief Sustainability Officer) left the business in October 2020 and Nicole Duncan (Chief People and Legal Officer) subsequently left in July 2021.

The appointment process for members of the Lead Team includes appropriate background checks to verify their suitability. Each member is employed directly under an individual written Executive Services Agreement, which sets out the terms and conditions of their appointment, including their role and responsibilities and otherwise on broadly consistent terms.

Board Committees

Our Board has four standing Board Committees to assist with the carrying out of its duties:

- Nomination and Governance Committee;
- Remuneration Committee;
- Risk and Audit Committee; and
- Sustainability Committee.

Each Committee works within its Board approved Terms of Reference, which sets out the roles, responsibilities, membership requirements and meeting procedures. The Terms of Reference of each Committee were reviewed in FY20 in light of the introduction of the 4th Edition of the ASX Recommendations and other governance developments.

Each Committee Chair reports to the Board as to any material matters arising out of Committee meetings. Committee Chairs also consider if any matters arising out of the Committee meetings should be advised to any other Committee and ensure this occurs. To effectively carry out their responsibilities, our Committees also work together. Some of these interactions are set out in the following table summarising the work of the standing Board Committees.

The standing Board Committees meet no fewer than four times a year, with the exception of the Nomination and Governance Committee which meets no fewer than three times a year.

All Non-Executive Directors have a standing invitation to attend Committee meetings, with the consent of the relevant Committee Chair. In practice, all Directors generally attend all meetings. You can find the details of Board and Committee meeting attendances in the Directors' report of the 2021 Annual Report, on page 63.

From time to time, our Board will establish other Committees to address important matters and areas of focus for the business. For example, a Committee was established to oversee the divestment of the South Africa Energy Coal business.

You can find further details about the roles, responsibilities, membership requirements and meeting procedures in the Committee Terms of Reference in the Risk & Governance section of our website at www.south32.net.

Nomination and Governance Committee

Committee & Membership

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

All members are independent Directors.

The Committee's work is supported by the CLEAO and Company Secretariat.

Composition requirements

- Only Non-Executive Directors;
- A minimum of three members; and
- A majority of independent Directors, including an independent Director as Chair.

Responsibilities include

- Making recommendations to the Board on all 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;
- Succession planning processes for the Board and Board Chair, Committees, CEO, Lead Team and identified critical roles;
- Overseeing Board, Committee and Director performance evaluation;
- Assessing the independence and time commitment required of Non-Executive Directors;
- Training and development for Directors; and
- Monitoring compliance with the ASX Recommendations and other applicable governance requirements.

Remuneration Committee

Committee & Membership

- Mr W Osborn (Chair);
- Mr F Cooper AO;
- Mr K Rumble; and
- Ms K Wood.

All members are independent Directors.

The Committee's work is supported by the CEO and Chief Human Resources and Commercial Officer.

Composition requirements

- Only Non-Executive Directors;
- A minimum of three members; and
- A majority of independent Directors, including an independent Director as Chair.

Responsibilities include

- Reviewing the company's reward framework (including incentive plans) and its application to the CEO, Lead Team, Senior Leadership Team and employees as a whole;
- Recommending Chair and Non-Executive Director remuneration arrangements;
- Determining minimum shareholding requirements for Non-Executive Directors, CEO and Lead Team members;
- Recommendations to the Board for the outcomes for the CEO and Lead Team with reference to the business scorecard;
- Annually reviewing the remuneration outcomes for all South32 employees as a whole; and
- Overseeing the preparation of the Remuneration report for inclusion in the Annual Report.

Risk and Audit Committee

Committee & Membership

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

All members are independent Directors.

The Committee's work is supported by the CEO, Chief Financial Officer (CFO), CTO, Group Manager System of Risk Management and Vice President Group Assurance.

Composition requirements

- Chair who is an independent Non-Executive Director and not the Chair of the Board;
- Only independent Non-Executive Directors;
- A minimum of three members; and
- In line with the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules at least one member of the Committee must have competence in accounting or auditing and the Committee members must between them have competence and a sufficient understanding of the industry in which the Group operates to discharge the Committee's mandate effectively.

Responsibilities include

- Overseeing corporate reporting processes designed to safeguard the integrity of reporting and facilitate independent verification;
- Reviewing and monitoring 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 in light of the risk appetite set by the Board;
- Reviewing any material incident involving fraud or a breakdown of the Company's risk controls and the "lessons learned";
- Reviewing the effectiveness of the Company's policies, processes and reporting systems for detecting, reporting and preventing inappropriate business conduct, fraud, breaches of anticorruption laws and whistleblowing. This includes monitoring cyber security risk, and the implementation and effectiveness of applicable controls;
- Recommending to the Remuneration Committee key performance indicators (KPIs) for the risk management component of the annual incentive plan for the CEO and Lead Team and determining the outcome for referral to the Remuneration Committee; and
- Assisting the Board in considering, approving and overseeing matters pertaining to capital structure and allocation, tax, and resource and reserve estimates.

Sustainability Committee

Committee & Membership

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

All members are independent Directors.

The Committee's work is supported by the CEO, CFO, CTO, CLEAO and COOs.

Composition requirements

- Only Non-Executive Directors;
- A minimum of three members;
- A majority of independent Directors, including an independent Director as Chair; and
- Each member must be appropriately skilled in sustainability matters, as determined by the Board.

Responsibilities include

- Reviewing and monitoring the appropriateness of sustainability management systems and frameworks;
- Reporting to the Risk and Audit Committee on identified material sustainability risks;
- Reviewing and monitoring systems for compliance with applicable sustainability related legal and regulatory requirements and associated performance of the Group;
- Reviewing the Health, Safety, Environment and Community (HSEC) section of the annual internal audit plan, and endorsing this to the Risk and Audit Committee;
- Recommending to the Remuneration Committee KPIs for the sustainability component of the annual incentive plan for the CEO and the Lead Team and determining the outcome for referral to the Remuneration Committee;
- Reviewing and endorsing the Group's public sustainability targets; and
- Reviewing and approving sustainability reporting and other significant positions and public statements (for example, the Task Force on Climate-related Financial Disclosures, UN Global Compact Communication on Progress and the Global Reporting Initiative (GRI)).

Board, Committee and Director evaluations

Our Nomination and Governance Committee is responsible for developing and overseeing the performance evaluation process for the Board, its Committees and individual Directors.

Our Board has adopted a Board Evaluation Guideline that sets out the review approach, including a three-year full review cycle that may include a review of our Board, Committees or individual Directors. For good governance, a review is conducted annually.

The annual review can be facilitated internally or externally and may include:

- One-on-one interviews with Directors on their performance and the effectiveness of our Board and (as appropriate) each of its Committees;
- Peer reviews on each Director's value-added contributions to the Board or Committee; and
- Feedback from senior management (directly or via the CEO) on issues relevant to the performance evaluation.

If the review is done externally, our Board receives feedback on its overall effectiveness, as well as areas for continued improvement. Each Director also receives individual feedback on their strengths, opportunities to make enhanced contributions and further professional development opportunities. The Chair is also provided with a report on each Board member's evaluation to facilitate conversations with each Director in relation to their feedback.

In FY20, an externally facilitated evaluation was conducted by The Miles Group. The evaluation found that our Board was operating with a healthy culture, where trust and cohesion were high. Areas identified for ongoing focus included the recommendation that Directors not only challenge management on strategy but also continue to look for opportunities to provide substantive guidance to management on topics that will drive critical decisions and significantly impact the long-term future direction of the company. It was also recommended that Directors continue to leverage opportunities to gain valuable insights into organisational culture and alignment with the company's core values.

In FY21 an evaluation was conducted internally. Focus areas included:

- Director self-assessment;
- Board and Committees' effectiveness in FY21, including with respect to the Board and Committee Chairs; and
- A check in following the FY20 external evaluation process, including: progress to normalise the way the Board operates post the initial COVID-19 disruption; Board and organisational culture progress; and Board inclusion in strategy, risk management and business planning.

The evaluation results were discussed by the Board as a collective, and by the Chair individually with each Director. The evaluation found that the Board remains cohesive and high performing, with an appropriate spread of skills, experience and knowledge. Despite the inability to meet physically during FY21, Board members remained well informed by an increased number of meetings held during FY21. The diverse location of our Directors and the virtual nature of meetings required them to be flexible and adaptive to challenging time zones.

The Board review also recognised that the ability to meet physically and to conduct site visits continued to be impacted due to COVID-19. While this limited the nature of interactions between Board and management and the Board's ability to gauge and to influence organisational culture and alignment with the company's values, steps were taken to mitigate this impact through the use of virtual media.

Our Nomination and Governance Committee reviews the performance and time commitments of Directors who are standing for election at the next AGM. All material information relevant to a Director's election or re-election, including the Board's basis for endorsement, is provided to shareholders in the Notice of Meeting.

Directors' skills, experience and attributes

Board structure and composition

Our Board seeks to be an appropriate size so that business requirements can be met. It also seeks to have Directors from a diverse range of backgrounds with an appropriate range of skills and experience necessary to carry out its role and responsibilities.

The Nomination and Governance Committee periodically reviews the size and composition of our Board.

Our Board comprises seven Non-Executive Directors and the Board considers it has an appropriate number of members, given the size of the company and the nature of our portfolio.

Our current Board represents a broad cultural, geographic, tenure and gender mix. Female directors represent 37.5 per cent of our Board. Our longest serving Non-Executive Directors have a tenure of just over six years and our newest appointed Director, a tenure of a year and a half. The tenure profile of our Board balances the benefits of retaining corporate knowledge and bringing fresh perspectives to the Board.

Skills and experience

The composition of our Board is designed to include Directors who bring a diverse range of skills and experiences, at a level that helps deliver value to our shareholders and supports our social licence to operate.

Our Board, through the Nomination and Governance Committee, assesses its skill mix annually, with a focus on the expertise and competencies required for our company to continue to achieve its purpose and deliver its strategy. This also allows us to cover existing and emerging business and governance issues relevant to us.

The Board reviewed its skillset in FY21 and remains satisfied that there is no immediate skills gap that requires addressing. Moreover, our Board considers that our Directors have the combined depth and breadth of skills and experience to carry out their responsibilities in a publicly-listed, globally diversified mining and metals company and to oversee the implementation of our strategy.

Corporate Governance Statement continued

The following skills matrix presents the results of the Directors' assessment of the skill and experience represented on the Board as at June 2021. The level of skill is described as highly skilled, skilled or knowledgeable.

Board skills matrix

Skill / Competency	Description	Relevance to South32
Leadership and Culture		
Leadership 	Senior executive role or substantial Board experience in a publicly-listed company in Australia or overseas, with a proven track record of leadership and overseeing culture and a demonstrable commitment to high standards of corporate governance.	Providing leadership is a key responsibility of the Board. The Board, including the CEO, sets the "tone from the top" by consistently demonstrating behaviour that is aligned with our values. South32 seeks to appoint Directors who demonstrate commitment to high standards of corporate governance.
Industry		
Mining 	Senior executive role or substantial Board experience in a mining company, from exploration through to the development and operations stages of mining projects. Demonstrable fluency in geological, engineering or geoscience matters.	South32 seeks to appoint Directors with in-depth technical expertise and skill in geology, mining (open pit and/or underground) and production of South32's key commodities to be able to manage the risks and opportunities as they relate to the mining industry and markets in which we operate.
Smelting and processing 	Senior executive role or substantial Board experience in a smelting, refining and/or processing organisation.	South32 seeks to appoint Directors with in-depth technical expertise and skill in smelting and extractive metallurgy to be able to manage the risks and opportunities as they relate to the mining industry and markets in which we operate.
Commodity value chain expertise 	End-to-end value or commodity chain experience – understanding of marketing, consumers, market demand drivers (including specific geographic markets) and other aspects of commodity value chain development.	South32 seeks to appoint Directors with technical commodity value chain expertise, including knowledge of current and potential market demand and competitors to be able to efficiently respond to changing market conditions while continuing to deliver stable and predictable performance.
Technology, digital and innovation 	Awareness of technology (including digital technology) and innovation that influences the South32 business and the ability to assess and leverage related developments and respond to digital disruption.	Our Directors need to be aware of technological developments as they relate to our business, and also across other industries, to be able to understand and manage risks and seize opportunities as they arise.

- 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.

Skill / Competency

Description

Relevance to South32

Commercial Capability

Business strategy



Experience in enterprise-wide strategy development and implementation, managing business operations, and designing an effective capital management framework.

The Board needs to be able to question and challenge management on the delivery of agreed strategic objectives, including the human capital requirements to meet these objectives.

As we continue to develop our portfolio, South32 will draw from Directors' previous experience at other companies with similar paths, taking into account long industry cycles against often volatile commodity price cycles.

Financial acumen



Proficiency in financial accounting and reporting, and the capability to evaluate financial statements, understand key financial drivers of the business and evaluate the adequacy of financial risk and controls.

Our Directors must understand financial drivers of the business, and be able to analyse and question the appropriateness, adequacy and timing of South32 financial reporting.

Capital projects



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

Capital allocation ultimately decides the strategic direction of any company. Our Board needs to consider all project risks and returns in the context of our capital management framework.

Corporate development



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

A pre-requisite to any successful company is the knowledge of the external threats and opportunities, including potential mergers and acquisitions, to support growth and drive competitive advantage.

External Market

Global business experience



Experience working as an executive in multiple geographies, including a strong understanding of global markets, and the macro-political and economic environment.

To enable South32's operations to reach their full potential, be high performing and to maximise return on investment in a stable and predictable manner, our Board must be equipped with a strong knowledge of the markets we operate in now and those we may enter in the future, having regard to our growth opportunities.

People

People and remuneration



Experience leading large, diverse, geographically distributed teams of people, including managing the impacts of organisational design and setting remuneration frameworks that attract and retain a high calibre of employees and promote inclusion and diversity.

Our people are the foundation of our success, and South32 needs to attract, retain and motivate a high-quality talented workforce. The Board oversees this framework.

The Board needs to be aware that remuneration influences employees' behaviours, and that the remuneration framework drives desired culture and business outcomes.

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.

Skill / Competency	Description	Relevance to South32
Governance and Compliance		
Risk management 	Experience overseeing or implementing robust risk management frameworks in a large or medium-sized organisation, preferably with global operations, and the ability to identify, understand and oversee the management of material financial and non-financial risks.	We expect our Board to have demonstrable fluency in management of both quantitative and qualitative risks, including the effect of material, business-specific risks and management's approach to adapting the long-term strategy and mitigating the risk. The Board needs to be aware of systemic, existing and emerging risks and oversee how management are identifying, monitoring and responding to these risks.
Public policy 	Experience focused on public policy and interacting with regulators.	Our Board needs to know what South32 can do, and should do, to shape public policy, as well as how our actions impact our social licence to operate and the viability of our operations.
Regulatory and legal compliance 	Experience with regulatory and legal compliance and litigation/disputes.	Our Board must be literate in legal and regulatory risks that may have a significant impact on our operations and the ability of South32 to deliver the expected performance. The Board oversees management's implementation of legal and regulatory frameworks and processes designed to ensure that all regulatory obligations are met.
Sustainability		
Health and safety 	Demonstrable understanding of health and safety management, performance and governance.	The most important thing we can all do is make sure that everyone goes home safe and well at the end of every shift. The Board understands the inherent health and safety risks in mining operations and recognises that, apart from physical harm to our people and contractors, failure to maintain a high standard of safety may impact negatively on employee morale, the achievement of production targets and our licence to operate.
Environment and climate change 	Demonstrable understanding of key environmental impacts for a global mining company, including fluency in how climate change risks and opportunities affect the business and experience in management, performance and governance of these impacts.	We create value through environmental leadership. Our Board must be able to consider the risks and opportunities as they relate to the physical environment in which South32 operates, and integrate the management of environmental issues into our strategy to ensure our business is resilient. Our Board acknowledges the risks and opportunities of climate change, and aims to meet sustainability disclosure requirements and expectations.
Social performance, community engagement and human rights 	Experience in monitoring and managing the social impacts of business operations and activities on communities, community engagement, investment measurement and related governance. Demonstrable understanding of issues related to human rights in respect of a global mining company.	South32 seeks to build mutually beneficial relationships with stakeholders. Our Board must consider the potential impact on host communities, employees and contractors and other stakeholders directly impacted by our operations. The Board must also consider the importance of operating within accepted community standards.

■ **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.

Director induction and continuing education

The Board, through the Nomination and Governance Committee, oversees our ongoing training and development program for Directors (including induction processes and ongoing education) and reviews the effectiveness of these processes.

Our Directors go through a comprehensive induction program when they start, which is tailored to reflect their background, experience and the position they will hold on any Committee. Our standard induction program typically includes:

- Briefings from key members of management on the organisation or specific functions, including strategy, risk, finance and reward; significant business imperatives and projects; the market and regulatory environment in which we work; and our risks and opportunities;
- Opportunities to engage with our other Directors, Lead Team and key personnel;
- Opportunities to attend external training on matters relevant to our legal, regulatory and governance environment, or specific financial matters;
- Meeting with the external auditor without members of management present;
- Meeting with the Group Assurance team; and
- Site visits to operations and the surrounding local communities.

We expect all our Directors to participate in ongoing education programs to maintain their skills and knowledge to perform their role. Components of our standard induction program, such as access to internal and external briefings, training and courses, are made available to Directors on an ongoing basis after their appointment. For FY21 this included:

- External briefings on various matters including finance and liability risk in relation to climate change, global cultural heritage and cultural awareness, remuneration matters and investors' perspective on specific environmental, social and governance (ESG) issues;
- Online internal compliance training on our Code, anti-bribery and corruption, continuous disclosure, competition law, human rights and economic sanctions and anti-money laundering compliance;
- The ongoing opportunity to participate in external courses and conferences, including those offered by the Australian Institute of Company Directors; and
- Participation in Board sessions on culture and development of tools to help Directors observe and monitor culture within the company including a Culture Health Check Tool for use during visits to our operations.

Board renewal and Director appointment process

The Nomination and Governance Committee is responsible for succession planning processes for the Board, the Committees and their respective Chairs. The Committee considers and recommends candidates for appointment, election or re-election to the Board. It also oversees the evaluation of prospective candidates for appointment which includes appropriate checks such as character, experience, education, criminal record and bankruptcy checks (using an external firm as required), and facilitating meetings between our Chair, Directors and the candidates.

Once selected, the successful candidate will be offered a Letter of Appointment setting out terms including that the Director will supply services personally (and not with an entity associated with the Director); and fees payable to the Non-Executive Director based on their Board and Committee membership.

All 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. All material information relevant to a Director's election or re-election is provided to shareholders in the Notice of Meeting.

Risk management and internal controls at South32

The Board is responsible for overseeing the risk management framework, internal controls and systems for monitoring legal and ethical compliance. The Board sets the risk appetite and considers our risk profile on an annual basis to ensure it supports the achievement of our strategy and business goals, including the nature and extent of risks we are prepared to take to achieve our purpose.

The risk management section of the 2021 Annual Report (pages 24 to 33) lists the current strategic risks, including our exposure to social and environmental risks, and outlines our strategies to respond to the identified exposures.

Our approach to managing the sustainability aspects of our business-wide strategic risks and our operational-level material sustainability risks is set out in further detail in our Sustainable Development Report available at: <https://www.south32.net/investors-media/investor-centre/annual-reporting-suite>.

The monitoring of strategic risks and the oversight of the effectiveness of our system of risk management is conducted by the Group Assurance function, which reports to our CFO.

Risk and Audit Committee

Our Risk and Audit Committee reviews the effectiveness of our risk management framework and internal control systems annually to satisfy itself that it continues to be sound. This includes making sure our strategic and material risks are identified, understood and appropriately managed, considering both threats and opportunities on a regular basis. The Committee reports the results of these reviews and any recommended actions to our Board.

The FY21 review assessed the framework as effective.

Group assurance

The Group assurance function performs our internal audits for reporting to our Risk and Audit Committee. When conducting internal audit reviews, our Vice President Group Assurance is supported by a combination of internal and external resources. Our VP Group Assurance reports functionally to our CFO.

Group Assurance evaluates whether:

- Material risks are appropriately identified and managed;
- Key internal controls are both designed and operating effectively;
- Resources are adequately protected;
- Controls are effective to recognise and address significant legislative or regulatory issues impacting us;
- The requirements set out in policies, standards and authorities are met; and
- Whether there is any evidence of systemic weakness in the Group's framework of risk management and internal control.

Financial reporting

A key focus of our Board, Risk and Audit Committee and Lead Team is the management of financial reporting risks. To do this, our Board establishes and oversees the risk management framework, while management implements and maintains internal controls.

Changes in conditions may impact the effectiveness of controls in the future and the degree of compliance with the Group's risk management policies or procedures may deteriorate.

We consider it critical to continually review the effectiveness of our internal controls for managing financial reporting risk. Information in relation to our financial risk management objectives and policies is set out in Note 19(a) Financial risk management objectives and policies and 19(b) Accounting classification and fair value to the financial statements on pages 127 to 133 in the 2021 Annual Report and forms part of this Corporate Governance Statement.

Before approving the financial statements for each half year and full year, our 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 system of risk management and internal control which is operating effectively.

Sustainability

Our sustainability approach is based on the International Council on Mining and Metals (ICMM) Mining Principles, United Nations Global Compact (UNGC) Ten Principles, the United Nations Sustainable Development Goals (UN SDGs) and our legal requirements. Our approach also considers how we interact with our people, the environment, local communities and society. Our Sustainability Policy affirms our commitment to sustainable development and outlines our commitment to governance and transparency on sustainability matters.

Our Sustainable Development Report explains how our business-wide processes support our sustainability objectives, how we manage our most important sustainability issues, and the progress we made during FY21. KPMG has provided independent assurance of our sustainability approach and data.

To read about how we approach sustainability, our 2021 Sustainable Development Report is available on our website.

Our commitment to act ethically, responsibly and lawfully

At South32, our values and Code guide how we act, work, communicate and evaluate our conduct.

You can find a copy of our Code, which includes our global Speak Up Policy, in multiple languages in the Risk & Governance section of our website at www.south32.net.

Our Values and Code Of Business Conduct

We're united by our purpose and values. Guiding all of us as we do business every day is our Code. We require our people, including our Board to complete our Code training.

Our Code sets the standards of conduct we expect of our people (Directors, employees and contractors of the Group), our suppliers and our joint venture partners acting on our behalf in a controlled or operated joint venture.

It also represents our commitment to act ethically, responsibly and lawfully. We view a breach of our Code as a serious matter that must be addressed. Our Risk and Audit Committee and Board receives reports on material breaches of the Code.

Speak Up Policy

Speaking up protects everyone. We encourage all our people to speak up when our values and conduct standards aren't being followed.

Our global Speak Up Policy contained in our Code outlines the options for reporting a business conduct concern, what happens when such a report is made and how we will protect the reporter.

Our global Speak Up Policy, together with our Addendum to our global Speak Up Policy (Australia) is available in the Speak Up section of our website at www.south32.net.

Anyone can report a business conduct concern, including anonymously via our confidential EthicsPoint reporting hotline. All reports received via the EthicsPoint reporting hotline are initially provided to our Business Integrity team for confidential review and appropriate case allocation in accordance with our Speak Up processes.

Our global whistleblower policy encourages our people to speak up when our values and standards of conduct are not being followed (a business conduct concern). We don't tolerate any form of retaliation against anyone for reporting a business conduct concern. We inform our Risk and Audit Committee and Board of material business conduct concerns and material breaches of our Code.

Our anti-bribery and corruption compliance program

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, which is publicly available in multiple languages in the Risk & Governance section of our website at www.south32.net. Our Risk and Audit Committee and Board receives reports on material breaches of the ABC Policy.

As part of our commitment to act ethically, responsibly and lawfully, we operate a risk-based ABC compliance program which our CEO, Lead Team and Board support. You can find more details about our ABC compliance program in the Anti-bribery and Corruption section of our website at www.south32.net.

Our competition law compliance program

Competition laws prohibit anti-competitive conduct by companies and individuals. We adopt governance measures aimed at us competing fairly, ethically and in compliance with applicable competition laws across the world. We also actively engage and cooperate with competition authorities, including with respect to their inquiries and investigations from time to time.

As part of our commitment to act ethically, responsibly and lawfully, we operate a risk-based competition law compliance program. Details can be found in the Competing Fairly section of our website at www.south32.net.

Our human rights due diligence

At South32, we recognise our important responsibility to respect human rights. Not only is it the right thing to do, but it is key to the success and integrity of our business.

Through our due diligence processes, we work to identify, mitigate, account and remedy any potential or actual adverse human rights impacts from our operations and in our value chains. Our approach to respecting human rights is guided by recognised international human rights, such as the United Nations Guiding Principles on Business and Human Rights; ICMM 10 Principles, Voluntary Principles on Security and Human Rights and Ten Principles of the UNGC.

Our UNGC Communication of Progress is included in our Sustainability Databook and each year we publish a Modern Slavery Statement. You can read more about our approach to Human Rights in the Community and Society section of our website at www.south32.net and locate a copy of each of these documents at <https://www.south32.net/investors-media/investor-centre/annual-reporting-suite>.

Conflicts of interest

Our Code, supplemented by internal procedures, sets out our expectations and requirements about avoiding, declaring and managing conflicts of interest.

As part of our process to manage conflicts of interest, all actual, potential or perceived conflicts of interest need to be entered in our Conflict of Interest Register.

Directors who have a material personal interest in a matter that is being considered at a Directors' meeting are prevented from accessing relevant Board papers or taking part in relevant discussions at meetings. The other Directors may allow such Director to participate and vote in relation to the issue only if they are satisfied that the interest should not disqualify the Director from voting or being present.

Dealings in our securities

A copy of our Securities Dealing Policy can be found in the Risk & Governance section of our website at www.south32.net. It applies to all Directors, employees, and contractors of the Group.

In addition to guidance on Inside Information and dealing in our securities, the Policy prohibits our Directors and Lead Team members from entering into margin lending or other secured financing arrangements, or trading in derivative products issued in respect of South32 securities, short-term trading in, or "short selling", our securities, or entering into any hedging arrangement that limits the risk of holding unvested or restricted South32 equity awards.

Inclusion and diversity

As a global organisation, we're working hard to build an inclusive and diverse workforce that is representative of the countries and communities we operate in.

We believe an inclusive workplace is one where each person's unique differences are recognised, valued and celebrated. We work hard to provide a workplace free from discrimination, and where all people can realise their potential and contribute to our success. This is fundamental to how we do business and a key part of the way we work.

Our Inclusion and Diversity Policy, as approved by our Board, outlines our vision and commitment to this at all levels of our organisation, including at the Board and senior management levels. Our Inclusion and Diversity Policy is available in the Risk & Governance section of our website at www.south32.net.

Each year, our Board approves our measurable objectives for inclusion and diversity and monitors our progress towards achieving them. We have inclusion and diversity measurable objectives that focus on building inclusivity and improving diversity representation, particularly gender and ethnicity. We work hard to ensure other factors like disability, age, thought, education, experience, family responsibilities, sexuality or any other status do not preclude full participation.

Each year, we report Gender Equality Indicators in accordance with the *Workplace Gender Equality Act 2012* (Cth).

Our FY21 submission can be viewed at www.south32.net.

In South Africa, we meet our diversity obligations under the *Mineral and Petroleum Resources Development Act (Mining Charter)* and the *Employment Equity Act*, as well as our Broad-Based Black Economic Empowerment (B-BBEE) obligations.

Our progress in FY21

In FY21 we employed 9,074⁽¹⁾ people across nine countries. Women represented 18 per cent of our employees globally, while Black People⁽²⁾ represented 86 per cent of our employees in our workforce in South Africa.

(1) Total number of employees as at 30 June 2021.

(2) Black People means Africans, Coloureds and Indians who are citizens of the Republic of South Africa by birth or descent; or who become citizens of the Republic of South Africa by naturalisation before 27 April 1994 or on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date.

Progress against our measurable diversity objectives

Measurable Objective		Target		Progress	
		Target %	Target Date	FY20	FY21
Improve representation of women in total workforce	Total employees	Year-on-Year (YoY) Improvement		19%	18%
	Board	Maintain >33%		38%	38%
Improve representation of women in leadership teams	South32 Lead Team	Maintain >40%		44%	44%
	Senior Leadership Team ⁽¹⁾	40%	30 June 2021	36%	30%
	Operational Leadership Teams ⁽²⁾	20%	30 June 2021	18%	18%
Improve representation of Black People ⁽³⁾ in South Africa	Management Roles			55%	52%
	Total employees	YoY Improvement		83%	86%
Achieve pay equity	Funds allocated to address pay equity			US\$83.3K	US\$0⁽⁴⁾

- (1) Senior Leadership Team means Presidents and Vice Presidents who report to members of the South32 Lead Team.
- (2) Operational Leadership Teams means all General Managers and Managers reporting to Vice President Operations, and All Managers reporting to General Managers at an Operation. Excludes: Functional Managers (such as Human Resources, Finance and Supply).
- (3) Black People means Africans, Coloureds and Indians who are citizens of the Republic of South Africa by birth or descent; or who become citizens of the Republic of South Africa by naturalisation before 27 April 1994 or on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date.
- (4) As South32 did not undertake a broad salary review in FY21, no pay equity review was undertaken.

You can read more about our inclusion and diversity focus and initiatives in our 2021 Sustainable Development Report and Sustainability Databook at <https://www.south32.net/investors-media/investor-centre/annual-reporting-suite>.

Communications with shareholders and other stakeholders

Market disclosure and communications

We have legal and regulatory disclosure obligations within Australia, the United Kingdom and South Africa.

We are committed to keeping the market informed in a timely manner and complying with our continuous disclosure obligations. We place considerable importance on our procedures and processes for handling Inside Information, and effective communication with shareholders and market participants.

Our Market Disclosure and Communications Policy (available in the Risk & Governance section of our website at www.south32.net) is approved by our Board. This Policy applies to all Directors, employees, and contractors of the Group.

Its purpose is to ensure:

- We fulfil our legal obligations to identify and keep the market fully informed of Inside Information, being information not otherwise available to the market and if made public would likely have a significant effect on our share price;
- That access to this Inside Information is protected and controlled until such Inside Information is announced to the stock exchanges;
- We meet our disclosure obligations to the stock exchanges;
- That investors are provided with equal and timely access to material information; and
- We effectively communicate with our shareholders and market participants.

We train our people who are expected to come into contact with sensitive information. We renew this training at least every two years.

Under the Policy, our Board is responsible for approving certain announcements to the market. Other announcements are subject to separate procedures set out in the Policy. The Board receives copies of all material announcements promptly after their release.

Verification of corporate reports

We complete a documented internal verification of our corporate reports in accordance with our internal procedures for verification of corporate reports. Corporate Reports include the annual Directors' report, annual and half yearly financial statements, quarterly reports, Sustainable Development Report or similar periodic reports prepared for the benefit of investors.

The content of these Corporate Reports is verified with reference to, as appropriate, reliable, written source materials and data or sign-off from the content owner, and it progresses through a hierarchy of reviews and approvals before release to the market.

Shareholder communication

Effective communication is important for our shareholders to exercise their rights as owners of our company.

We are committed to providing shareholders and other financial market participants with consistent and transparent corporate reporting, as well as timely and accurate disclosures.

Two-way investor communications

Investor Relations and Company Secretariat provide regular updates to the Board on feedback from our shareholders and other financial market participants, to ensure the Board has a good understanding of current shareholder views and other feedback.

Any feedback from our shareholders and other financial market participants is evaluated and given to our Board to help Directors understand different perspectives and respond where appropriate.

Investor engagement program

Each year, we conduct an annual program of engagement involving our Directors, Lead Team, shareholders and other market participants, which includes:

- Briefings to analysts and institutional investors;
- Presentations at investment conferences and participation in corporate governance forums;
- Site tours for analysts and institutional investors;
- Roadshows with our Chair, Chair of the Remuneration Committee and Lead Team members, covering financial, operational and ESG updates;
- Engagement with proxy advisers, investor representative organisations and civil society groups; and
- Retail investor events and forums, and engagement with the Australian Shareholders Association.

During FY21, we engaged with investors and other market participants on ESG issues, to ensure their views and concerns are considered. This included:

- Our CEO presenting the South32 Strategy and Business Update at the virtual Bank of America Securities 2021 Global Metals, Mining and Steel Conference in early May 2021 which included the release of a new medium-term target to halve our operational carbon emissions by 2035;
- An updated, streamlined approach to our sustainability reporting reflecting feedback from investors and other stakeholders;
- Increased disclosures in FY21 covering a range of ESG issues including more detail on our carbon emissions profile and approach to cultural heritage;
- Continued participation in key ESG surveys and questionnaires;
- Increased engagement with proxy advisers and investor representative groups;
- Active and deeper engagement with representatives from Climate Action 100+ (CA100+) and associated groups, including discussion on the CA100+ Net Zero Company Benchmark released in March;
- Becoming a signatory to 40:40 Vision, an investor-led initiative that aims to achieve gender balance in executive leadership across all ASX200 companies by 2030; and
- Engagement with civil society groups.

Because of COVID-19 travel and meeting restrictions, Directors and management continued to engage with investors, investor representative organisations, proxy advisers and civil society groups via videoconference and telephone.

All new and substantive presentations (including analyst presentations) are released to the market ahead of the presentation and made available at www.south32.net.

Multiple communication channels

We provide information about our company and communicate with shareholders and other stakeholders through a range of channels, such as Twitter, Instagram, LinkedIn, Facebook and our website.

Our shareholders have the option to send and receive electronic communications and other shareholding information to and from us and our share registry.

Annual General Meeting

Our AGM gives our shareholders the opportunity to receive a performance update directly from our Board and ask questions. All our Directors and Lead Team members attend the AGM. Our external auditor also attends and is available to answer any questions relating to the audit.

Our 2021 AGM will be held as a hybrid meeting, providing shareholders with the opportunity to participate via online facilities. We will continue to monitor the evolving COVID-19 situation and provide an update if this changes. Shareholders are encouraged to monitor securities exchange releases and the company's website www.south32.net for information and updates.

At our AGMs, the Chair of the AGM determines that each resolution will be decided on a poll. Our shareholders can vote and participate. We put a live and recorded webcast of the AGM on our website.

Website

We encourage shareholders to access information about us at www.south32.net, including announcements, annual, half-year results and quarterly operations reports and other presentations.

Our website also contains a link to live and recorded audio webcasts of investor and analyst presentations, as well as significant CEO and/or CFO presentations.

