SOUTH32

CELEBRATING 10 YEARS 2015 – 2025

CLIMATE CHANGE ACTION PLAN 2025

BRIGHTER FUTURES TOGETHER

About this plan

Our 2025 Annual Reporting Suite

This year we have integrated our Sustainable Development Report and Corporate Governance Statement into our Annual Report. Our Annual Reporting Suite includes the following publications:

Annual Report

Modern Slavery Statement

Tax Transparency and Payments to Governments Report

Our Annual Reporting Suite also includes the:

- Sustainability Databook
- Climate-related Risk and Reporting Methodology
- Sustainability Standards and Frameworks Index
- Tax Databook

You can view all the documents in our Annual Reporting Suite at www.south32.net

About this document

South32 Limited (ABN 84 093 732 597) is the ultimate holding company of the South32 group of companies. In this report, unless otherwise noted:

1. references to South32, the South32 Group, the Group, we, us, our and similar expressions refer to South32 Limited, its subsidiaries and operated joint ventures[1];
2. references to 'our operations', phrases such as commodities 'we refine', 'we produce' or in 'our portfolio' includes commodities such as bauxite, alumina, aluminium and copper that may form part of, or be produced by our non-operated joint ventures[2];
3. the term 'emissions' refers to greenhouse gas (GHG) emissions;
4. metrics describing emissions are dealt with in the following manner:
    1. metrics describing our operational emissions (i.e. Scope 1 and 2 emissions) apply to 'operated operations' that are wholly owned and operated by South32, or that are operated by South32 in a joint arrangement[3]; and
    2. metrics describing emissions in the value chain (i.e. Scope 3 emissions) apply to all of our operations including those that are wholly owned and operated by South32, and those that are operated and not operated by South32 in a joint arrangement.
5. financial information is presented based on the Group's equity share in its subsidiaries[4], operated joint ventures[5] and non-operated joint ventures[6];
6. monetary amounts are expressed in US dollars.

Further explanation of commonly used terms and references can be found in the Glossary on pages 31 to 34 of this report.

Cover: Environment superintendent and senior specialist at Groote Eylandt Mining Company in Australia

Right: Traditional Owners from the Anindilyakwa People of Groote Eylandt in Australia.

Forward-looking statements and scenario analysis

This Climate Change Action Plan (CCAP) contains forward-looking statements, including statements in relation to climate change and other environmental and energy transition scenarios. These forward-looking statements reflect South32's expectations at the date of this CCAP (including with respect to its strategies and plans regarding climate change), and they are not guarantees or predictions of future performance or outcomes, or statements of fact.

Forward-looking statements include all statements, other than statements of historical or present facts, including (but not limited to): statements regarding climate-related targets, goals and commitments; planned actions in relation to operational and/or value chain emissions reductions or emissions intensity reductions; projected emissions; trends in commodity prices, carbon prices and currency exchange rates; demand for commodities; global market conditions; global responses to climate change; expectations, plans, strategies and objectives of management; the resilience of our portfolio under climate scenarios; approval of projects; suspension, closure, divestment, acquisition or integration of certain assets, operations or facilitates (including associated costs or benefits); construction progress; capital costs, operating costs and scheduling; the availability, implementation and adoption of new technologies, including artificial intelligence; and tax, legal and other regulatory developments.

Forward-looking statements may be identified by the use of terminology such as 'aim', 'ambition', 'anticipate', 'aspiration', 'believe', 'commit', 'continue', 'could', 'ensure', 'estimate', 'expect', 'forecast', 'goal', 'guidance', 'intend', 'likely', 'may', 'milestone', 'must', 'need', 'objective', 'outlook', 'pathway', 'plan', 'project', 'schedule', 'seek', 'should', 'target', 'trend', 'will', 'would', or similar words. These statements discuss future expectations or performance or provide other forward-looking information.

A range of variables could cause actual results or trends to differ materially from the statements we have made in this CCAP. These variables include but are not limited to: financial and economic conditions in various countries; fluctuations in demand, price, or currency; operating results; development progress including approvals; risks, including physical, technology and carbon emissions reductions risks; industry competition; loss of market for South32's products; legislative, fiscal, and regulatory developments; the conduct of joint venture participants and contractual counterparties, and estimates relating to cost, engineering, reserves and resources.

Forward-looking statements are based on management's current expectations and reflect judgements, assumptions, estimates and other information available as at the date of this CCAP and/or the date of South32's planning processes or scenario analysis processes. South32 makes no representation, assurance or guarantee as to the accuracy, completeness or likelihood of fulfilment of any forward-looking statement, any outcomes expressed or implied in any forward-looking statement or any underlying assumptions on which it is based.

In addition to the factors described above, there are inherent limitations with respect to scenario analysis, including (but not limited to) any climate-related scenario analysis, and it is difficult to predict which, if any, of the scenarios included in this CCAP might eventuate. Scenario analysis is not an indication of probable outcomes and relies on assumptions that may or may not prove to be correct or eventuate, and scenarios may be impacted by additional factors to the assumptions disclosed.

Except as required by applicable laws or regulations, South32 does not undertake to publicly update or review any forward-looking statements. South32 cautions against reliance on any forward-looking statements or guidance, particularly in light of the long time horizon which this CCAP discusses and the inherent uncertainty in possible policy, market and technological developments in the future.

Information prepared by third parties

Certain information contained in this CCAP is based on information prepared by third parties. South32 has not sought to independently verify information obtained from public and third-party sources and makes no representations or warranties as to accuracy, completeness, reasonableness or reliability of such information.

1. Details of operations which are not wholly owned by South32 Limited or its subsidiaries and for which South32 manages the operation, are on page 273 of the Annual Report 2025.
2. Details of operations which are not wholly owned by South32 Limited or its subsidiaries and for which South32 does not manage the operation, are on page 273 of the Annual Report 2025.
3. In this CCAP, references to 'joint arrangements' mean operations that are not wholly owned by South32, such as joint ventures and joint operations.
4. Cerro Matoso SA financial information is presented on a 100% basis.
5. Minera Sud Argentina financial information is presented on a 100% basis.
6. Mineração Rio do Norte S.A (MRN) and Port Kembla Coal Terminal (PKCT) financial information is excluded.

Contents

Our Climate Change Action Plan 2025

Our Climate Change Action Plan (CCAP) sets out our approach to addressing risks and opportunities presented by climate change and is central to the development and execution of our strategy. Our inaugural CCAP was put to a non-binding advisory vote at our 2022 Annual General Meeting, receiving strong shareholder support, with 89.6% of votes cast in favour.

This CCAP 2025 is an update of our approach based on a refresh of our climate-related risks and opportunities and insights from implementing our inaugural CCAP. It outlines how we are continuing to position our portfolio for the energy transition and reaffirms our commitment to reducing our operational (Scope 1 and 2) emissions, supporting value chain (Scope 3) emissions reduction and enhancing our management of physical climate risks. Our CCAP 2025 was developed considering a number of global standards and frameworks, including the:

- Task Force on Climate-related Financial Disclosures (TCFD);
- Climate Action 100+ Net Zero Company Benchmark and Net Zero Standard for Diversified Mining; and
- The Transition Plan Taskforce Disclosure Framework and associated Mining and Metals Sector Guidance.

This CCAP 2025 will be the subject of a non-binding advisory shareholder vote at our 2025 Annual General Meeting. Our Board retains ultimate responsibility for our strategy. The vote provides shareholders with an opportunity to discuss and provide feedback on our approach to climate change, in addition to other engagement opportunities. We will engage with shareholders to understand the outcome of the vote, and our Board will take the outcome of the vote and shareholder feedback into consideration when determining our approach to climate change going forward.

We intend to prepare an updated CCAP at least every three years and will continue to report annually on our progress in line with reporting standards.

Acknowledgement

We acknowledge and pay our respects to the Indigenous, Traditional and Tribal Peoples of the lands, waters and territories on which South32 is located and where we conduct our business around the world.

We respect and acknowledge the unique cultural and spiritual relationships that Indigenous, Traditional and Tribal Peoples have to the lands, waters and territories, and their rich contribution to society.

In the spirit of respect and reconciliation, we will continue to support initiatives that strengthen culture and ways of life so that their legacy continues and extends to future generations.

From the Chair

GLOBAL BUSINESS FOR A LOW-CARBON FUTURE

I am pleased to present South32's second Climate Change Action Plan (CCAP), which builds on our inaugural 2022 CCAP.

At South32, addressing the risks and opportunities that climate change presents has been central to our strategy since the formation of the company over a decade ago.

In this CCAP, we reiterate our commitment to taking climate action and describe the steps we are taking to deliver on this through the execution of our strategy. We are focused on positioning our portfolio for the energy transition, reducing our operational emissions, supporting emissions reduction across our value chains, and strengthening our resilience to physical climate impacts.

Without doubt, the most significant shift we have undertaken in the last 10 years is the transformation of our portfolio to focus on producing minerals and metals critical to the world's energy transition.

By adding copper to our portfolio and growing our aluminium production capacity, we have increased our exposure to base metals.

More recently, we have commenced development of the Taylor deposit at Hermosa in Arizona, which is expected to deliver attractive returns for decades to come by producing zinc, a federally designated critical mineral.

We have future growth options at the Sierra Gorda copper mine in Chile and Hermosa's Clark battery-grade manganese deposit, and we are actively exploring for the next generation of base metal mines.

While we seek to grow our production of base metals, we continue our efforts to address our operational emissions. We have a target to halve our net operational emissions by FY35 from FY21 levels, and a long-term goal of achieving net zero emissions across all scopes by 2050.

Following our portfolio transformation, the volume and sources of our Scope 1 and 2 emissions have evolved. Today, more than 90% of these emissions are generated within our aluminium value chain, specifically Hillside Aluminium, Mozal Aluminium and Worsley Alumina, and our decarbonisation efforts are focused on these operations.

For Hillside Aluminium, we are seeking a comprehensive affordable solution that blends large-scale renewable energy with firmed capacity to meet the smelter's power demand, and we are engaging with Eskom and the South African government in this regard.

At Worsley Alumina, our focus is on alternatives to coal for steam supply as an interim step towards longer-term decarbonisation, while we are progressing our steam electrification study and exploring other options that could increase our ability to access and utilise affordable renewable electricity.

We have learned much about the commercial and technical challenges constraining further emissions reductions, and our learnings have informed the next steps set out in this CCAP. We also recognise that multi-stakeholder collaboration, led by governments around the world, is a critical enabler in addressing these challenges in a sustainable way that achieves a just transition for people and communities.

As our portfolio transformation has lowered operational emissions, it has also lowered our Scope 3 emissions by removing our exposure to energy and metallurgical coal. Beyond this, we have engaged customers and suppliers on opportunities to reduce emissions in the upstream and downstream value chain and have evolved our approach to Scope 3 emissions in this CCAP based on our learnings.

Changes in our climate will result in shifts in climate extremes, which will impact our business in different ways. To strengthen our resilience to climate impacts, we are managing present-day risks and embedding our climate adaptation and resilience plan into our systems and decision-making.

As we continue our climate change journey, there will be challenges to overcome in meeting our decarbonisation goals and ensuring the resilience of our business and our operations. The Board and its Committees will continue to oversee the implementation of the CCAP and receive regular reports on progress, with a portion of executive remuneration remaining linked to portfolio transformation and climate change.

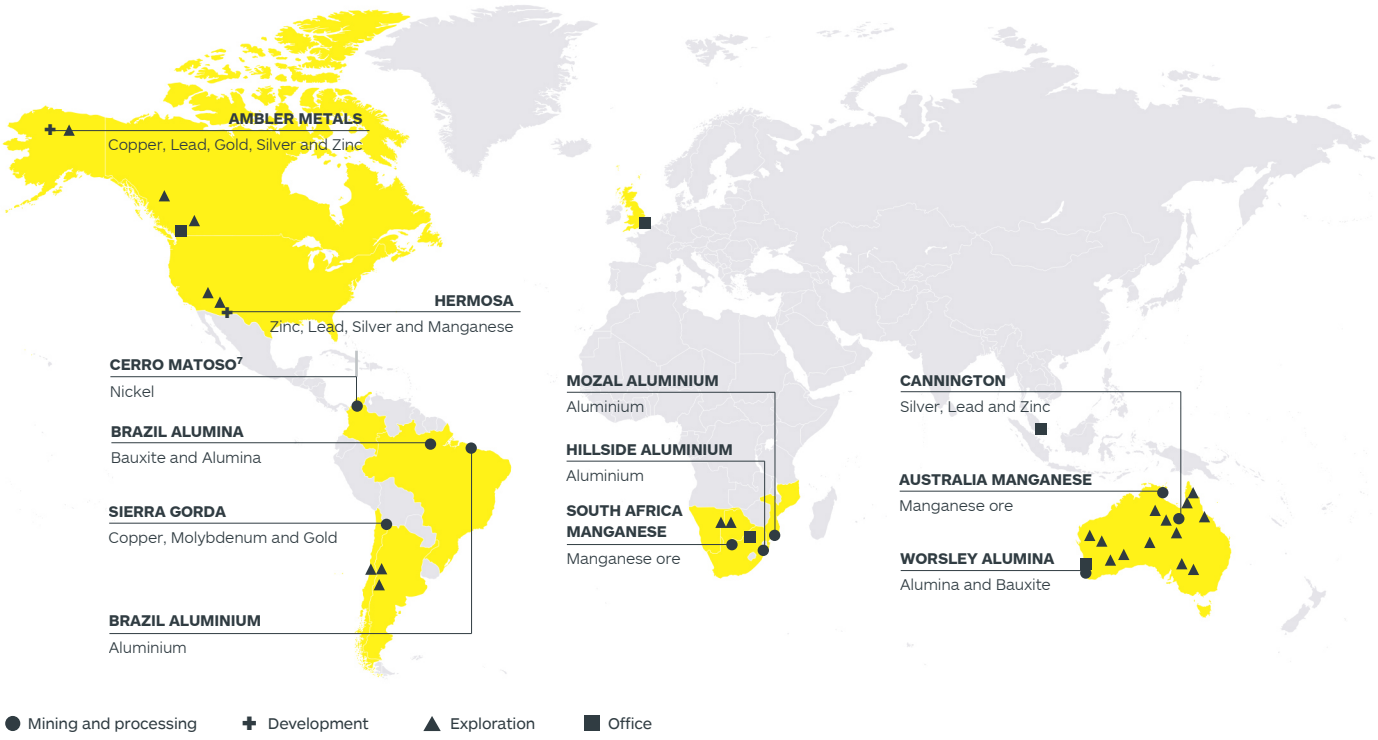
Our commitment to sustainability goes beyond climate action. We recognise the importance of responsibly managing the impacts of our activities on the atmosphere, biodiversity, land and water. You can read more about what we are doing in the Sustainability section of our Annual Report 2025, available at *www.south32.net*.

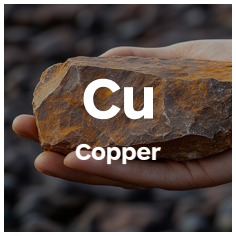
On behalf of the Board, I thank our shareholders and other stakeholders for their engagement as we have developed our latest CCAP. We are recommending shareholders vote in favour of this CCAP in the non-binding advisory resolution at our upcoming Annual General Meeting, and we look forward to continued engagement and feedback in the coming months.

Karen Wood AM
Chair

Where we operate and what we produce

We operate in Australia, Southern Africa and the Americas, producing minerals and metals critical to the world's energy transition and modern life. We are also progressing development of the Taylor zinc-lead-silver deposit at Hermosa and advancing a pipeline of high-quality base metals opportunities to support long-term growth.





7. In July 2025, we entered into an agreement to sell Cerro Matoso, which is expected to complete in late H1 FY26 subject to the satisfaction or waiver of certain conditions. Refer to market release "Agreement to Divest Cerro Matoso" dated 7 July 2025 for further details.

Our climate change journey

OUR JOURNEY ADDRESSING CLIMATE CHANGE

Since starting out, we've been taking action to address the risks and opportunities that climate change presents to our business.

Our climate change milestones

FY16
- Committed to supporting the goals of the Paris Agreement
- Set our goal[8] of achieving net zero operational emissions (Scopes 1 and 2) by 2050

FY17
- Committed not to develop new greenfield energy coal basins
- Published our first climate change disclosure aligned with TCFD recommendations

FY18-FY19
- Completed physical climate risk assessments for all our operations

FY20
- Released our climate-related policy positions and reviewed industry association alignment

FY21
- Set a target[9] to reduce net operational emissions by 50% by FY35 (vs FY21 levels)
- Completed our first portfolio resilience analysis under a 1.5°C scenario

FY22
- Linked executive remuneration to climate change performance

FY23
- Published our inaugural CCAP, receiving strong shareholder support
- Expanded our net zero by 2050 goal to include Scope 3 emissions
- Committed not to develop or invest in greenfield metallurgical coal projects

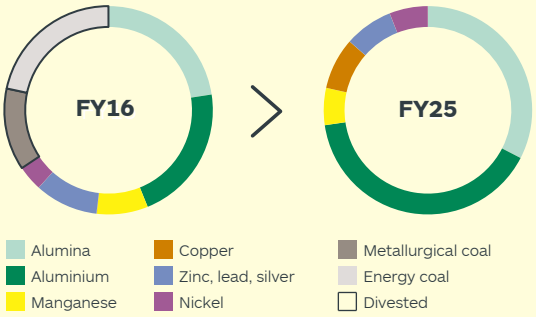
FY24
- Uplifted our climate change disclosures in line with new TCFD guidance

FY25
- Developed our second CCAP, which will be presented for a non-binding shareholder vote at our 2025 Annual General Meeting.

Our transformed portfolio

The South32 of today looks very different to the one we established in 2015. We now have a stronger, simpler portfolio focused on producing minerals and metals critical to the world's energy transition.

Production by commodity (CuEq, %)[10]



Al Aluminium

Increased our capacity to produce aluminium to meet evolving demand.

Cu Copper

Acquired a **45%** interest in Sierra Gorda, adding copper into our portfolio.

Progressed our Hermosa Project, the only advanced project in the US capable of supplying two federally designated critical minerals: zinc and manganese.

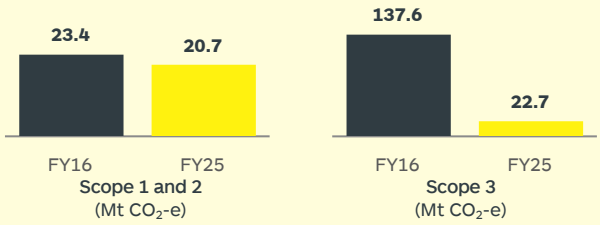
Continued expanding our extensive exploration portfolio as we pursue the discovery of our next generation of base metal mines.

8. An aspiration to deliver an outcome for which we have not identified a pathway for delivery, but for which efforts will be pursued towards achieving that outcome, subject to certain assumptions or conditions.
9. An intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions.
10. Copper equivalent production has been calculated based on FY25 average realised product prices for all years included in FY25 reporting, to allow for comparison between years.

Our carbon footprint

We have taken action to reduce our operational emissions and, through our portfolio transformation, have removed our exposure to hard-to-abate Scope 3 emissions from coal production and downstream use.

Emissions profile (F16 vs FY25, total operations)[11]



Advanced decarbonisation efforts, focusing on our highest-emitting operations in our aluminium value chain.

At Hillside Aluminium:

- Investigated offsite and on-site renewable solutions.
- Implemented AP3XLE energy efficiency technology, with over 50% of pots relined.
- Continued engaging government stakeholders on an affordable, low-carbon electricity solution.

At Worsley Alumina:

- Converted two boilers to natural gas, reducing the refinery's annual operational emissions by more than 10% (vs FY21).
- Conducted a concept study on technically viable long-term decarbonisation pathways.
- Progressed a range of energy and process efficiency initiatives.

Our resilience to climate impacts

We have strengthened our data, systems and governance to better inform how we prepare and respond to extreme weather and long-term climate shifts.

Enhanced our risk management system to better capture physical risks and upgraded climate datasets to enable more accurate operation-level modelling and informed decision-making.

Conducted physical climate risk assessments across our operations and assessed risks across key segments of our value chain.

Integrated physical climate risk into our climate-related governance approach.

Developed our first climate adaptation and resilience plan to help strengthen our adaptation and resilience capabilities.

11. We report two emissions data sets: total operations, which includes divested operations, and continuing operations, which reflects emissions from our current operations.

Our climate change approach

OUR RISK-BASED RESPONSE TO CLIMATE CHANGE

We acknowledge the Intergovernmental Panel on Climate Change's assessments that climate change is already adversely impacting nature and people. Limiting global warming and averting its most severe consequences requires collective, coordinated multi-stakeholder action.

Climate change is fundamentally reshaping the mining and metals sector — driving the transition away from fossil fuels, increasing demand for minerals and metals essential to low-carbon energy technologies and infrastructure, and intensifying climate variability and extreme weather.

We use a range of tools to assess how these dynamics could affect our operations and strategy. These include transition risk scenario analysis to evaluate portfolio resilience under different climate futures, including under a 1.5°C scenario, and physical climate risk scenario analysis to assess potential physical climate impacts on regions, operations and our wider value chain. These assessments inform our understanding of key climate-related risks and opportunities for our business.

Our approach to climate change

Our Climate Change Action Plan (CCAP) sets out our approach to addressing risks and opportunities presented by climate change. Our approach is guided by our Climate Change Positions (outlined on page 27), which cover a range of key climate-related issues such as carbon pricing, just transition and public policy responses.

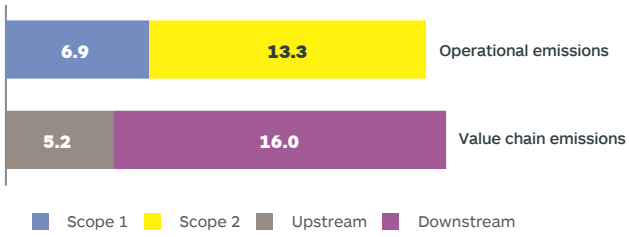
Our CCAP focuses on further strengthening our ability to anticipate, manage and adapt to climate-related risks and opportunities and is central to the development and execution of our strategy, recognising that:

- As a global mining and metals company, we have a crucial role in responding to climate change: to produce minerals and metals critical to the world's energy transition, and to do so in a way that responsibly manages our environmental impact and contributes value to society;
- Reducing our carbon footprint is essential to protecting long-term value and meeting both regulatory and societal expectations; and
- Alongside mitigation, adaptation planning is necessary to build resilience to potential physical climate impacts.

We have structured our CCAP across two parts:

- **Taking climate action:** Our priority actions to support the global transition to a low-carbon, climate-resilient economy; and
- **Key enablers:** To support effective implementation.

FY25 emissions profile (Mt CO_2-e, continuing operations)[12]



Key climate-related risks and opportunities[13]

	Risk / opportunity	Time horizon
Transition risks and opportunities		
Rising demand for transition materials presents opportunities for increased growth and favourable pricing conditions.	Opportunity	Short-term, Medium-term, Long-term
Emissions reduction and improved energy efficiency can lower energy and compliance costs, while meeting evolving demand for low-carbon products.	Opportunity	Medium-term, Long-term
Constrained access to affordable, reliable energy may raise direct and indirect input costs and disrupt operations.	Risk	Short-term, Medium-term, Long-term
Carbon leakage policies (e.g. CBAM) are emerging but market impacts remain uncertain.	Risk	Long-term
Evolving societal expectations may increase scrutiny and affect stakeholder support or project approvals.	Risk	Short-term, Medium-term, Long-term
Physical risk hazards		
Acute weather hazards can disrupt our operations and value chain, damage infrastructure and present safety risks.	Risk	Short-term, Medium-term, Long-term
Chronic climate hazards may affect water availability, infrastructure and operational efficiency over time.	Risk	Long-term

Risk · Opportunity · Short-term 0-2 years · Medium-term 2-5 years · Long-term 5+ years

Learn more about the climate-related risks and opportunities that are summarised in the table above on pages 11 and 23 of this CCAP and on pages 56 and 57 of our Annual Report 2025.

12. To support transparency and year-on-year comparability, we report two emissions data sets: total operations, which includes divested operations, and continuing operations, which reflects emissions from our current operations. This enables tracking against our adjusted target baseline.
13. The risks and opportunities in this table are an illustrative view of key climate-related risks and opportunities as outlined in this CCAP. They reflect inherent exposures and assume no management response is taken. Actual impacts may vary depending on future decisions, interventions and changes in external conditions.

OUR CLIMATE CHANGE ACTION PLAN AT A GLANCE

Addressing risks and opportunities that climate change presents is central to our strategy.

Taking climate action

Contribute to the transition to a low-carbon, climate-resilient economy:

Position our portfolio for the energy transition

- Produce minerals and metals critical to the world's energy transition
- Advance our pipeline of base metals development options
- Explore for our next generation of base metal mines
- Continue to assess our portfolio resilience, using two future climate scenarios

Reduce our operational emissions to mitigate transition risk and protect value

- Halve our net operational emissions by FY35 from FY21 levels and pursue net zero operational emissions by 2050
- Focus on our highest-emitting operations:
  - Hillside Aluminium and Mozal Aluminium: Pursue multi-stakeholder collaboration to establish or maintain an affordable, low-carbon electricity solution
  - Worsley Alumina: Progress fuel switching as an interim step, while advancing our steam electrification study with support from the Australian Renewable Energy Agency (ARENA)
- Invest in low-carbon technology innovation and collaborate with others to study, develop and scale solutions

Support emissions reduction across our value chain

- Contribute to the reduction of Scope 3 emissions to reach our net zero goal
- Engage 80% of our key suppliers and customers to align ambitions, support data improvements and knowledge sharing, and identify strategic collaborations
- Support the International Maritime Organization's goal of net-zero greenhouse gas emissions from international shipping by or around 2050

Strengthen our resilience to climate impacts

- Present-day resilience:
  - Enhance extreme weather decision-support tools
  - Strengthen our climate-informed insurance approach
- Future resilience:
  - Embed adaptation into key business processes
  - Support climate-resilience in communities

Supporting a just transition

Address social- and nature-related risks and opportunities arising from our response to climate change and continue embedding our just transition guiding principles

Our strategy

We **optimise** our business by working safely, minimising our impact, consistently delivering stable and predictable performance, and continually improving our competitiveness.

We **unlock** the full value of our business through our people, innovation, projects and technology.

We **identify** and pursue opportunities to sustainably reshape our business for the future, and create enduring social, environmental and economic value.

Key enablers

Government engagement

Help shape effective climate policies and enabling conditions for delivery of our CCAP

Governance and reporting

Maintain robust climate governance and transparent reporting to ensure accountability and drive continuous improvement

Climate risk management

Continue to embed climate-related risks and opportunities into our Group risk management framework

Taking climate action

POSITIONING OUR PORTFOLIO FOR THE ENERGY TRANSITION

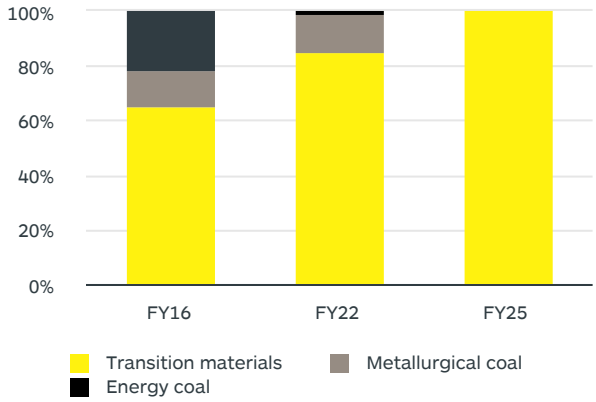
Since our inception, we have transformed our portfolio towards minerals and metals critical to the energy transition. We have exited lower-returning businesses and increased our exposure to future-facing base metals like copper and zinc, while also increasing our aluminium production capacity to meet growing demand.

Since publishing our inaugural CCAP in August 2022 we have:

- Grown copper and aluminium production, realising the benefits of our FY22 investments in acquiring a 45% interest in the Sierra Gorda copper mine, increasing our interest in Mozal Aluminium and participating in the restart of the Alumar aluminium smelter;
- Approved and advanced the development of Hermosa's Taylor zinc-lead-silver deposit and started constructing an exploration decline for the Clark battery-grade manganese deposit;
- Sold Illawarra Metallurgical Coal (IMC), unlocking significant capital to grow our base metals volumes and reducing exposure to hard-to-abate Scope 3 emissions in the steelmaking value chain;
- Commenced work on the Worsley Mine Development Project following receipt of primary State and Federal environmental approvals, providing improved access to bauxite to sustain alumina production; and
- Entered into a binding agreement to sell Cerro Matoso following a strategic review undertaken in response to structural changes in the nickel market.

Our transformed portfolio

Illustrative CuEq FY16 to FY25[15,16]



In line with the Climate Action 100+ Net Zero Standard for Diversified Mining, we have classified our commodities as Key Transition Materials (KTM) and Other Transition Materials (OTM)[14]. In FY16, these Transition Materials represented over 60% of our portfolio on a copper equivalent basis[15] and today they are 100%[16].

FY25 copper equivalent production, revenue, capital expenditure and emissions intensity by commodity and operation (ex IMC)[15,16]

			Copper equivalent production[15]		Underlying revenue	Capital expenditure		Emissions intensity[17]	
			Kilotonnes	%	US$ million	US$ million	%	Mt CO_2-e	t CO_2-e/t Cu Eq product
Alumina	OTM	**Worsley Alumina** (86% share, South32 operated)	209	23 %	1,917	106	15%	3.2	13.3
		Brazil Alumina (36% share, non-operated)	81	9 %	749	41	6%	2.0	9.1
		Alumina total	290	31 %	2,666	147	21%	5.3	11.3
Aluminium	OTM	**Brazil Aluminium** (40% share, non-operated)	39	4 %	355	9	1%	1.2	11.9
		Hillside Aluminium (100% share, South32 operated)	212	23 %	1,989	67	10%	12.0	56.5
		Mozal Aluminium (63.67% share, South32 operated)	107	12 %	979	21	3%	3.6	21.3
		Aluminium total	358	39 %	3,323	97	14%	16.7	35.0
Copper	KTM	**Sierra Gorda** (45% share, non-operated)	71	8 %	832	216	31%	0.5	2.3
Zinc - Lead - Silver	OTM	**Cannington** (100% share, South32 operated)	67	7 %	659	49	7%	0.1	1.8
Nickel	KTM	**Cerro Matoso** (99.9% share, South32 operated)	53	6 %	485	30	4%	0.9	16.0
Manganese	OTM	**Australia Manganese** (60% share, South32 operated)	18	2 %	42	115	16%	0.1	4.6
		South Africa Manganese (54.6% ore share, South32 operated)	33	4 %	353	44	6%	0.2	3.6
		Manganese total	51	6 %	395	159	23%	0.4	3.9

Learn more about the emissions intensity of our commodities and operations in our Sustainability Databook 2025.

14. KTMs include lithium, copper, nickel, cobalt for example, while OTMs include aluminium, alumina and bauxite, silver, zinc, manganese and lead for example (both lists not exhaustive).
15. Copper equivalent production has been calculated based on FY25 averaged realised product prices for all years included in FY25 reporting, to allow for comparison between years.
16. The sum of the commodities may vary to the total figures due to rounding. FY25 data excludes Illawarra Metallurgical Coal which was divested in August 2024. Molybdenum and silver produced at Sierra Gorda (both OTMs), as well as gold which is produced as a by-product of copper concentrate production, are also excluded. The contribution of gold to Group revenue averaged 0.8% over FY23 to FY25.
17. Scope 1 and 2 emissions from non-operated joint ventures fall outside the scope of our reasonable assurance opinion over operational emissions. This should be noted when considering different emissions inventories reported under different boundaries.

Growing future base metals production

As we continue to position our portfolio for the future, we remain focused on advancing our pipeline of base metals development options and exploration projects.

Developing our Hermosa project

Hermosa, in Arizona, comprises the Taylor zinc-lead-silver deposit, Clark battery-grade manganese deposit and a broader land package with extensive exploration potential. It is currently the only advanced project in the United States which could supply two federally designated critical minerals, zinc and manganese.

Hermosa offers the potential to realise significant value through three core development pathways:

- Taylor is being developed as a multi-decade operation, with the potential to achieve annual average production at levels which would position it among the world's top-20 zinc producers[18]. Construction continues to advance, with the scalable infrastructure being established for Taylor laying the foundation for potential future manganese and copper production.
- Clark is uniquely positioned to produce battery-grade manganese for the North American electric vehicle (EV) market. We are adopting a phased approach to development, in line with market growth, with an exploration decline being constructed to support further product development.
- Exploration at the Peake and Flux prospects, with more information provided in our *'Strategy and Business Update' dated 13 May 2025* and *'Strategy and Business Update' dated 14 May 2024*.

Our Hermosa project has enjoyed bipartisan support, with the US government recognising the importance of zinc, manganese and copper to the energy transition and to energy security:

- Hermosa was the first mining project added to (and covered under) FAST-41, a US government program that provides enhanced coordination and oversight for permitting; and
- Hermosa has been awarded two US government grants:
  - US$20 million from the US Department of Defense to fund activities supporting access to its manganese deposit and advance domestic production of battery-grade manganese; and
  - Up to US$166 million from the US Department of Energy towards the development costs for a commercial-scale manganese production facility.

Featuring a small surface footprint, efficient water use, and dry-stack tailings, Hermosa's design reflects our commitment to sustainable development. We are working to lower Taylor's carbon footprint through three pathways:

- **Next-generation mine design:** We have applied next-generation mine principles in Taylor's design, using automation and technology to enhance operational efficiency and lower operational emissions;
- **Fleet electrification:** We have committed to the phased deployment of 34 battery-electric vehicles, forming part of Taylor's 77-unit underground fleet. Deliveries will commence in 2026, through to 2030; and
- **Low-carbon energy:** We are actively engaging with local utilities and independent power producers to evaluate renewable energy and firming solutions capable of providing Hermosa with a stable, low-carbon electricity supply.

Together, these initiatives have the potential to position Taylor among the world's lowest emissions-intensity primary zinc producers[19].

Learn more about how Hermosa is contributing value to society on page 35 of our Annual Report 2025, and how we are managing Hermosa's environmental impacts at www.south32.net.

Unlocking value at Sierra Gorda copper mine

Sierra Gorda is a large-scale copper mine in Chile's Antofagasta region, powered by renewable electricity[20]. We are actively working with our joint venture partner to unlock further value at Sierra Gorda through three key pathways:

- Expanding plant capacity through a potential fourth grinding line which could increase processing capacity by up to 20%;
- Exploration of the surrounding land package, with more information provided in our *'Sierra Gorda Site Visit Presentation' dated 21 November 2024*; and
- Recovering additional value from unprocessed oxide ore currently stored on site, with a study underway to assess economic recovery options[21].

Exploring for our next generation of base metal mines

We have an extensive portfolio of exploration tenure, equity interests and partnerships from which to discover our next generation of base metal mines. In Alaska, this includes our:

- 50% interest in Ambler Metals LLC, focused on advancing the sizeable Arctic copper-zinc and Bornite copper deposits within the Ambler Mining District. Work is ongoing to assess development opportunities and engage with key stakeholders on potential development pathways; and
- 100%-owned Roosevelt project located close to Ambler, with early-stage copper exploration underway.

In Argentina, we continue to advance our exploration partnerships in the copper-rich San Juan province, which include our:

- 50.1% interest in Minsud Resources' Chita Valley copper project which holds significant polymetallic minerals with infill drilling and resource estimation underway; and
- 14.8% interest in Aldebaran Resources which holds a controlling interest in the Altar copper development project.

In FY25, we:

- Acquired a 19.9% interest in American Gold Group, which has an option to acquire the Nakinilerak project, a copper-gold exploration opportunity in British Columbia's Babine district, where an extensive drill program is underway;
- Entered into an earn-in agreement with Noronex Ltd for the Humpback-Damara Project, targeting copper, and established a strategic alliance to advance exploration in Namibia's Kalahari Copper Belt and parts of Botswana; and
- Entered into an exploration earn-in agreement with Ridgeline Minerals to explore the Selena copper-zinc-lead and silver project in Nevada, US.

18. Based on Wood Mackenzie Base Metals Markets Tool (Q2 2025 dataset).
19. Based on our assessment of potential future operational emissions intensity using the Skarn Zinc Mine GHG and Energy Intensity Curve Generator (v1.0 May 2025).
20. Sierra Gorda sources electricity via a long-term power purchase agreement with AES Andes. The supply consists of renewable energy sources, including hydroelectric, wind and solar power. The electricity supply is certified through IREC (International Renewable Energy Certificates) and verified by RENOVA (National Electricity Coordinator Platform).
21. The stockpiled oxide material referred to is not included as Mineral Resource and South32 cannot confirm whether the estimate has been compiled using an appropriate foreign reporting code.

Taking climate action continued

Evaluating portfolio risks and opportunities

Our climate-related risk management process assesses transition-related policy, legal, market, reputation and technology risks and opportunities across our business model and value chain. Transition-related market risks are particularly relevant as they influence demand, pricing and competitiveness. Understanding and responding to these dynamics is essential, not only to manage risks and protect value but also to unlock opportunities and enhance the long-term resilience of our portfolio.

We use transition risk scenario analysis to stress test how different market and policy environments may affect our portfolio across a range of plausible climate futures. A scenario consists of a set of assumptions narrating a pathway towards a particular outcome. It is not intended as a forecast, but rather a tool to enhance critical thinking by highlighting elements of potential pathways and outcomes. This approach enables us to identify risks and opportunities, assess strategy and business model resilience, and inform mitigation actions, strategic planning and investment decisions.

Accelerated Transition

In FY21, we developed our first 1.5°C scenario to assess our portfolio's resilience in a rapid global energy transition. In FY23, we updated this scenario using the International Energy Agency's Net Zero Emissions by 2050 framework, which outlines one credible pathway to achieving a 1.5°C outcome.

In FY25, we partnered with external experts to develop a sector-specific 1.5°C scenario, reflecting a future where the rapid deployment of clean energy technologies and infrastructure occurs alongside coordinated policy and regulatory shifts. The updated scenario incorporates key commodity demand drivers and analysis of scrap availability, supply conditions and price impacts, alongside broader macroeconomic and policy trends relevant to our portfolio.

We benchmarked our assumptions against publicly disclosed scenarios from others, third-party models and insights from leading industry experts, confirming they are within a credible range and supporting the robustness of our approach.

While current global policies and emissions trajectories suggest that limiting warming to 1.5°C is increasingly challenging, this scenario remains an important reference point. It assumes rapid decarbonisation, technological breakthroughs and global cooperation — challenging yet possible conditions. Assessing this scenario helps us prepare for high transition risk environments, including steep increases in carbon prices, fossil fuel phase-outs, and growing demand for low-carbon products.

Fragmented Transition

This scenario reflects a future characterised by delayed and uncoordinated efforts to reduce emissions.

While global gross domestic product grows at a similar rate to the Accelerated Transition from 2023 to 2050, energy-efficiency gains are modest and low emissions technology adoption is slower. Global CO_2 emissions decline over time but do not reach net zero by 2050.

Relative to the Accelerated Transition, this scenario assumes more fragmented international cooperation, with climate policies gradually becoming more ambitious but influenced by geopolitical tensions, protectionist dynamics and constrained policy ambition.

The scenario is developed using internal analyses, external studies and observed market signposts.

Updated periodically, it reflects current global trends — including emissions, policy and low-carbon energy investment — that collectively point to a probable warming trajectory of at least 2°C above pre-industrial levels.

This scenario is broadly consistent with our internal base case, which represents a view of how market conditions may evolve. The base case informs our commodity and carbon price forecasts, which are updated annually and support operational planning, valuations and investment decisions.

Key scenario assumptions and inputs:

	Accelerated Transition	Fragmented Transition
Temperature rise (2100)	1.5°C	2.8°C
Global CO_2 emissions	Global CO_2 emissions (including non-energy sources) fall below zero by 2050 (i.e. net-negative).	Global CO_2 emissions decline but do not achieve net zero by 2050.
Global explicit carbon price (real Jan 2025)	US$200/t CO_2 by 2040 increasing to US$253/t CO_2 by 2050, based on a combined influence of abatement cost and policy.	US$68/t CO_2 from FY40 onwards.
Policy	Immediate policy action and international cooperation to scale decarbonisation technologies with large-scale investments (including in emerging economies).	Ad hoc and uncoordinated international cooperation, with climate policies becoming more ambitious and effective over time. Geopolitical tensions and protectionist policies prevail.
Energy	Final energy consumption declines modestly over time, supported by uptake of low emissions technologies across key sectors and improved energy efficiency.	Final energy consumption continues to rise, with energy efficiency improvements and uptake of low-emissions technologies occurring at a slower rate.
Electricity	Share of electricity in final energy consumption doubles by 2050, exceeding 50%.	Electricity share rises, but more gradually, with a slower transition away from fossil fuels.
Power generation	Near complete decarbonisation by 2050 and almost tripling of power generation growth. Solar and wind account for nearly 39% of total power generation in 2030, and 80% by 2050.	Solar and wind generation increases, but at a moderated pace aligned with existing energy and climate policy action.
Electric Vehicles (EVs)	Rapid EV adoption, 100% (79 million units) by mid-2030s. Shared mobility substitutes some private car ownership.	Slower EV penetration due to weaker policy, infrastructure limitations and regional disparities in affordability and access.

Portfolio risks and opportunities under an Accelerated and Fragmented Transition

Below we have outlined key portfolio risks and opportunities under our Accelerated Transition and Fragmented Transition scenarios, which are based on the key assumptions and inputs outlined on the previous page and reflect differing global decarbonisation pathways.

Future modelled commodity demand, by scenario

	Accelerated Transition		Fragmented Transition	
	Total demand	Primary demand	Total demand	Primary demand
Copper	▲▲▲	▲	▲▲	▲
Aluminium value chain	▲▲	▲	▲▲	▲▲
Zinc	▲▲	▲▲	▲▲	▲▲
Manganese	▲	▲	—	—
Lead	▼▼▼▼▼	▼	▲	▼

▲ Positive
▼ Negative
— Neutral
Risk
Opportunity

Triangles illustrate Compound Annual Growth Rate (CAGR) estimates for modelled commodity demand (2025 to 2040) under each scenario, assuming no action is taken to mitigate potential risks. Estimates of demand change are based on scenario-specific assumptions (see page 10) and are subject to uncertainty. The transition scenarios may evolve differently than shown, leading to materially different demand impacts.

Transition risks and opportunities by commodity[22]

Copper

- Copper's efficiency at conducting electricity makes it a critical component for electricity-related technologies. Combined with rising EV adoption, this supports strong total demand, with annual growth averaging 2-3% (CAGR) between 2025 and 2040 in both scenarios. Faster demand growth occurs in an Accelerated Transition.
- In both scenarios, recycling improvements lead to scrap playing a larger role in meeting growing demand, with policy and decarbonisation efforts driving higher scrap use in an Accelerated Transition.
- A shortage of approved greenfield projects results in tight supply under both scenarios, supporting higher prices.

Aluminium value chain

- Aluminium's ability to conduct electricity and durability makes it highly useful for renewable energy infrastructure. It is also increasingly being used in EVs to enhance energy efficiency and reduce weight. Total demand increases at an average annual rate of approximately 2% (CAGR) from 2025 to 2040 in both scenarios.
- Recycling improvements increase the role of scrap in meeting growing demand, particularly in an Accelerated Transition.
- With high recyclability, aluminium is emerging as a possible substitute for plastics in packaging and other applications.
- Carbon leakage policies are emerging but market impacts remain uncertain.
- Alumina refining and aluminium smelting are energy-intensive. In an Accelerated Transition, significantly higher carbon costs increase the marginal cost of production, potentially creating a competitive advantage for lower-emissions producers.

Lead

- Lead-acid batteries are widely used in automotive starting, lighting and ignition systems, and in various aspects of critical infrastructure, including telecommunications.
- In both scenarios, primary demand declines as conventional vehicles are phased out and replaced with EVs.
- Increasing scrap supply, supported by government recycling policies, lowers primary demand in both scenarios.

Zinc

- Zinc is used to galvanise steel, making it useful for renewable energy infrastructure and climate-resilient construction. In both scenarios, total demand grows at an average annual rate of approximately 2% (CAGR) between 2025 and 2040, driven mainly by steel consumption and higher galvanisation ratios.
- Potential for increased adoption of zinc-based battery technologies, such as zinc-air and zinc-flow batteries, is expected to drive higher demand in both scenarios as energy storage solutions become more widespread.
- Zinc recycling sees limited growth in an Accelerated Transition scenario as electric arc furnace dust recycling is more carbon-intensive than primary production.
- Zinc processing is energy-intensive, though roughly three to four times less so than aluminium smelting, presenting exposure to moderately higher carbon prices in both scenarios.
- In both scenarios, depletion of large projects coupled with limited expected supply growth support higher prices, helping to induce greenfield projects to meet growing demand.

Manganese

- Manganese is used to improve the quality and strength of steel, which is widely used in renewable infrastructure and EVs, and broader applications such as urbanisation. In an Accelerated Transition, total demand grows at around 1% per year (CAGR) from 2025 to 2040, with steady demand expected in a Fragmented Transition.
- Decarbonisation pressures may increase demand for sustainable alternatives to steel in key sectors, potentially lowering manganese demand.
- Manganese can enhance battery performance and is a key component in certain batteries used in EVs and energy storage solutions, leading to moderate battery-led demand growth in both scenarios.
- Limited recycling occurs in a Fragmented Transition because of economic and technical constraints, with modestly higher recycling expected in an Accelerated Transition scenario due to battery recycling growth.

Learn more about our commodities and FY25 production on page 11 of our Annual Report 2025.

22. Silver demand and supply have not been explicitly modelled due to its dual role as an industrial metal and a store of value during periods of geopolitical uncertainty, which contributes to heightened price volatility and speculative demand. Nickel is not modelled given the sale of Cerro Matoso, which is expected to complete in late H1 FY26 subject to certain conditions; refer to market announcement titled 'Agreement to divest Cerro Matoso' dated 7 July 2025.

Taking climate action continued

Portfolio resilience through the energy transition

Our Accelerated Transition and Fragmented Transition scenarios provide insights into potential risks and opportunities for our portfolio under both an ambitious, rapid shift to a low-carbon economy and a slower, more fragmented approach.

Analysis of our portfolio's resilience under both scenarios indicates that:

- GDP growth and the energy transition are likely to drive demand growth for all our commodities under both scenarios, except for lead which is a co-product of our zinc and silver production;
- Increased recycling rates may impact primary demand for some commodities but also create scrap supply opportunities;
- Overall, higher demand and rising carbon costs drive higher prices in the Accelerated Transition compared to the Fragmented Transition, presenting further opportunities to grow margins and market share; and
- Realising opportunities that the energy transition presents will depend on our ability to sustain and grow production, mitigate carbon costs and lower the emissions intensity of our products, especially within the aluminium value chain.

Overall, our portfolio is resilient under both scenarios. However, without access to affordable low-carbon energy, Hillside Aluminium and Mozal Aluminium would no longer be competitive in the Accelerated Transition scenario by the mid-2030s.

There are no required adjustments to our strategy, portfolio or medium- to long-term planning under either scenario. We believe that the mitigation and adaptation initiatives outlined in this CCAP, including our ongoing efforts to secure affordable, low-carbon energy for our aluminium smelters, will enhance our climate resilience and help capture future opportunities with outcomes dependent on market, policy, commercial and technical factors.

Allocating capital towards critical minerals and metals

By continuing to invest in the exploration, mining and processing of minerals and metals critical to the energy transition — and by developing new mines guided by low-carbon design principles — we aim to meaningfully contribute to the transition towards a low-carbon future. We use our capital management framework to consider investments and strategic decisions, including those intended to support delivery of our CCAP.

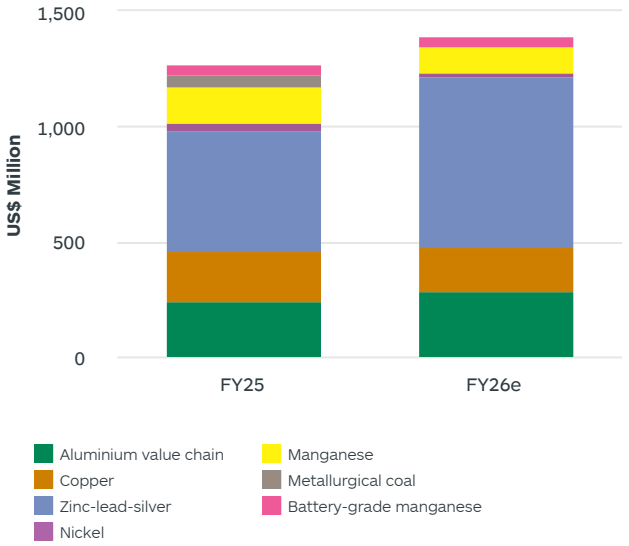
Learn more about our capital management framework and FY26 capital expenditure guidance in our Annual Report 2025

We continue to allocate capital towards unlocking value and extending the life of our aluminium value chain, while investing to grow future base metals production. Our capital expenditure in FY25 included:

- US$517 million in growth expenditure for Hermosa's Taylor and Clark deposits;
- US$216 million towards productivity, improvement and deferred stripping at Sierra Gorda; and
- US$19 million towards improvement and life-extension projects at Worsley Alumina.

We also continue to invest in our exploration portfolio, committing US$35 million to greenfield opportunities in FY25. We expect to invest US$30 million in FY26 to advance programs targeting base metals in the Americas, Australia, Africa and Europe.

Group capital expenditure by commodity[23]



Decarbonisation expenditure

We invest capital expenditure in decarbonisation initiatives to improve energy efficiency and reduce emissions intensity at our operations. Decarbonisation capital expenditure is included as a specific investment category in our internal investment standard and is monitored by management through regular reports on actual and forecast expenditure.

Our capital expenditure on decarbonisation projects and studies over the period of our CCAP 2022 (FY23 to FY25) totalled US$71 million, with US$11 million spent in FY25. This included expenditure to convert two of Worsley Alumina's boilers from coal to gas and progress decarbonisation projects and studies at the refinery, and to implement AP3XLE technology at Hillside Aluminium. We will continue to invest in energy efficiency, process efficiency and coal to gas energy conversion projects in accordance with our capital management framework and report decarbonisation capital expenditure annually.

We also incur operational expenditure through dedicated technical, technology and climate change teams who are focused on maturing and expanding our pipeline of decarbonisation initiatives, and external affairs resources in respect of multi-stakeholder engagement.

Developing on-balance-sheet renewables, firming capacity and associated infrastructure to meet the needs of our aluminium smelters and Worsley Alumina falls outside our strategy and core capabilities. Our focus therefore remains on securing stable and affordable low-carbon electricity for these operations through partnerships with government-owned utilities and independent power producers.

23. Data represented in this graph reflects Cerro Matoso up to December 2025, Mozal Aluminium up to March 2026, and excludes capital expenditure for exploration, intangibles, Group and unallocated capital.

REDUCING OUR OPERATIONAL EMISSIONS

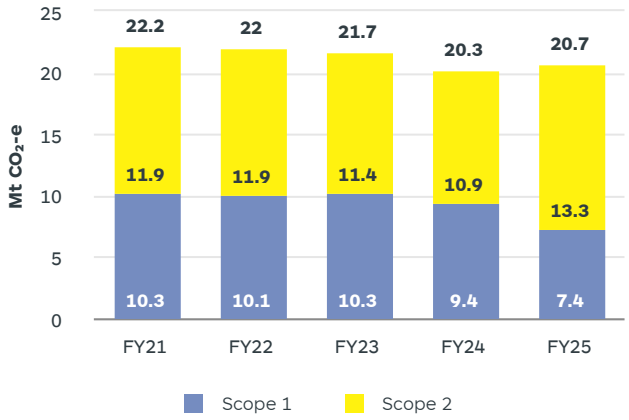
We have set a target to halve our net operational emissions by FY35 from FY21 levels and have a long-term goal to achieve net zero emissions across all scopes (i.e. Scopes 1, 2 and 3) by 2050. Beyond delivering on these commitments, we are focused on reducing our emissions to mitigate transition risk, protect value and support continued portfolio resilience.

FY25 operational emissions

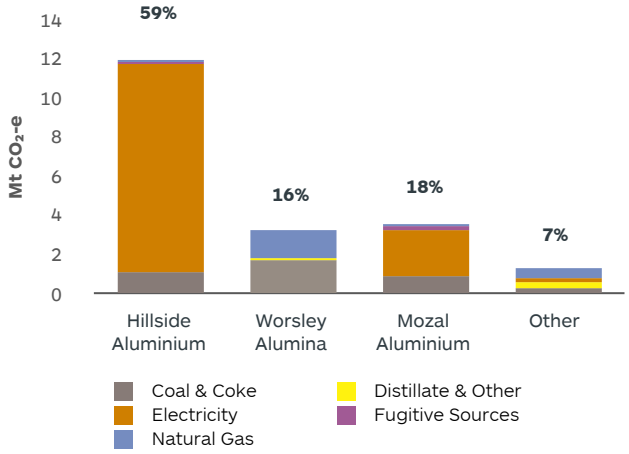
In FY25, our conversion of two boilers from coal to gas at Worsley Alumina (completed in FY24) contributed to a 12% reduction in Worsley Alumina's Scope 1 emissions and a 4.2% reduction in total Scope 1 emissions[24], both relative to FY21 levels.

However, in FY25 drought conditions in the Zambezi basin resulted in an undersupply of hydroelectric power to Mozal Aluminium, requiring an increase in supply of predominantly coal-fired electricity from Eskom. This, together with an increase in the Eskom supplier-specific emission factor, led to an approximate 22% year-on-year increase in total Scope 2 emissions and a 2% year-on-year increase in total operational emissions (total operations basis)[25].

Operational emissions (total operations)[25]



FY25 operational emissions by operation and source (continuing operations)[25]



Our emissions inventory and information about the emissions intensity of our commodities and operations are available in our Sustainability Databook 2025. More information about our emissions calculation methodology and our FY35 target is available in our Climate-related Risk and Reporting Methodology 2025.

Factors outside our control that may impact our total operational emissions:

1. Mozal Aluminium has a supply arrangement to procure electricity generated by the Cahora-Bassa hydroelectric facility (HCB) until March 2026. Under the arrangement, electricity from Eskom (mostly generated by coal-fired power stations) is supplied to Mozal Aluminium when HCB is unable to meet all of the smelter's electricity needs. Electricity supplied by Eskom will significantly increase Mozal Aluminium's emissions, and subsequently, our total emissions. Many factors influence HCB's hydroelectricity supply, including water availability, generator capacity and load prioritisation.
2. Emissions arising from our operations' consumption of electricity generated in South Africa, which includes Hillside Aluminium, South Africa Manganese and periodically Mozal Aluminium, varies when Eskom's emissions factor changes. With our large-scale demand for electricity supplied by Eskom, small changes in Eskom's emission factor can have a significant impact on our total operational emissions.

Our FY35 emissions reduction target

Our FY35 target covers 100% of our operational emissions. It is a net reduction target as, while the use of carbon credits to offset emissions was not anticipated when the target was established, we have identified potential scenarios which may necessitate offsetting. The target baseline is adjusted for portfolio divestments and acquisitions. The current adjusted baseline for the target is 18.2Mt CO_2-e. Following completion of the sale of Cerro Matoso, the adjusted baseline will be 17.5Mt CO_2-e.

Our portfolio transformation has changed both the volume and sources of our Scope 1 and 2 emissions. Today, more than 90% of these operational emissions are generated within our aluminium value chain, mostly from coal-fired electricity use at our aluminium smelters, and coal- and gas-generated steam and electricity use at Worsley Alumina.

Achieving our FY35 target relies on advancing decarbonisation of our integrated aluminium business. Our initial focus is on energy efficiency and fuel-switching opportunities, as transitioning from our reliance on coal-fired power and addressing process-heat emissions in alumina refining presents complex commercial and technical challenges that will take time to resolve.

Using carbon credits

Our approach to decarbonisation applies the principles of the mitigation hierarchy, prioritising emissions avoidance and abatement over the use of carbon credits to offset emissions. We may purchase or generate carbon credits for a range of potential purposes, including: surrendering credits to meet regulatory obligations (such as those under Australia's Safeguard Mechanism); retiring credits voluntarily to offset emissions; selling credits to generate revenue in voluntary or compliance markets; and holding credits to preserve optionality for future use, including compliance, offsetting, or market opportunities.

24. Analysis is on a total operations basis. In FY25, total Scope 1 emissions were 28.7% (2.9Mt CO_2-e) lower than in FY21, primarily due to divestments.
25. To support transparency and year-on-year comparability, we report two emissions data sets: total operations, which includes divested operations, and continuing operations, which reflects emissions from our current operations. This enables tracking against our adjusted target baseline.

Taking climate action continued

Pathways to achieving our FY35 target

All pathways to reducing our net emissions by 50% relative to FY21 levels are contingent on strategic decisions and actions in relation to Hillside Aluminium.

Our preferred pathway is to transition the smelter's electricity to renewable sources; however, its large, continuous electricity baseload demand presents significant challenges. These include the need for multiple gigawatts of renewable energy generation capacity, the cost associated with firming, and substantial upgrades required to South Africa's electricity network. Overcoming these challenges will require multi-stakeholder collaboration to establish an affordable, comprehensive low-carbon electricity solution for which the support of key stakeholders, including the Government of South Africa and Eskom, will be critical.

Our preferred pathway also includes further coal-to-gas boiler conversions at Worsley Alumina as an interim solution to reduce emissions and mitigate energy security risk. We continue to explore energy and process efficiency initiatives for potential inclusion. We are also investigating ways to overcome key challenges, such as the significant capital investment required for equipment upgrades, and the complex interdependencies between energy use, caustic consumption and production when modifying the Bayer process to improve efficiency.

Notwithstanding our efforts, decarbonising Worsley Alumina depends on several enabling factors, including:

- Development of renewable electricity generation, firming and grid infrastructure to meet large-scale energy demand;
- Commercialisation of low-carbon process-heat technologies;
- Upgrades to process infrastructure to enable alternative energy consumption methods; and
- A policy and market environment that supports the economic viability of significant capital investments, including green premiums and government incentives, with viability influenced by factors such as the timing of coal mine closures in the region, domestic gas prices, carbon pricing and capital project costs.

Offsetting

Our preferred pathway does not include the voluntary retirement of carbon credits to offset emissions. Subject to economic feasibility, we may consider using carbon credits if there is a shortfall in emissions reduction; for example, where we have a low-carbon electricity solution for Hillside Aluminium that does not fully meet our emissions reduction requirement.

Looking ahead

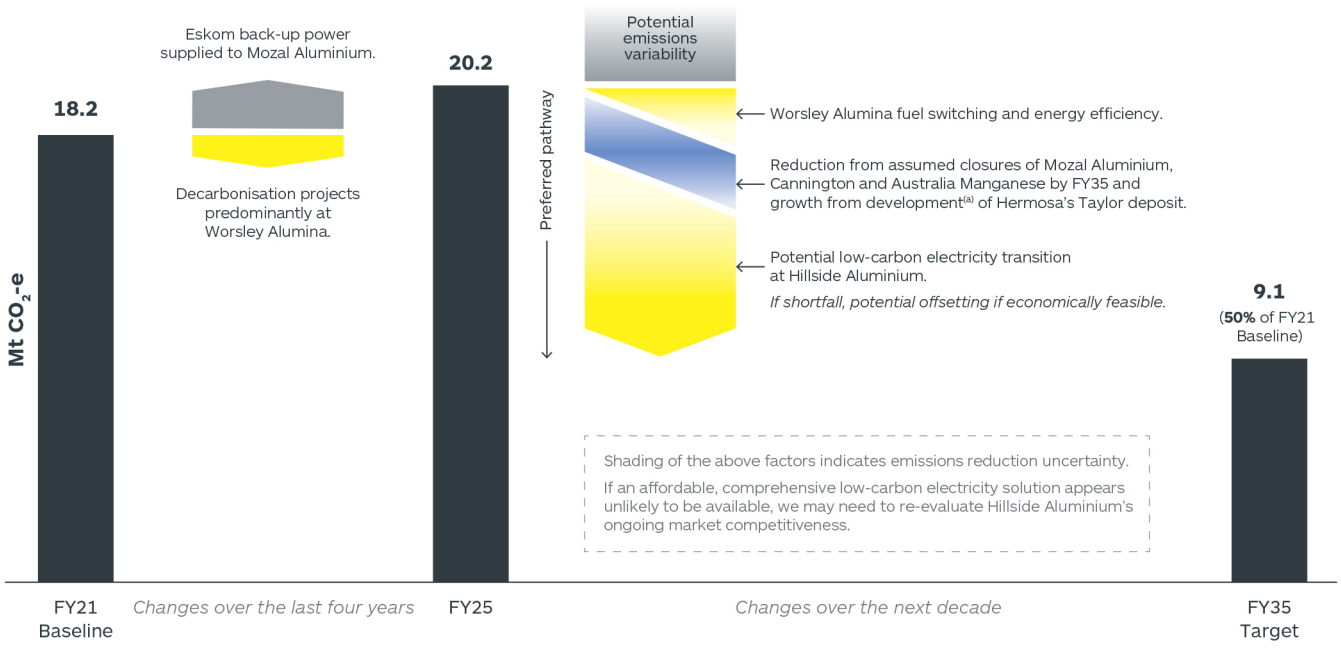
The expiry of Hillside Aluminium's existing power agreement in 2031 represents an important juncture in our preferred pathway. If an affordable, comprehensive low-carbon electricity solution appears unlikely to be available, we may need to re-evaluate Hillside Aluminium's ongoing market competitiveness and strategic alignment in our portfolio, which could lead to divestment or closure.

We do not expect our emissions to reduce in a gradual or linear trajectory. In some years, they may increase due to a range of factors, including changes in production and energy demand, the timing of abatement project completion, and variations in energy mix or emission factors, as was the case for Mozal Aluminium in FY25.

Preferred pathway to achieve our FY35 operational emissions reduction target (continuing operations)

A key challenge to overcome in the next decade is securing large-scale, reliable and affordable low-carbon electricity for Hillside Aluminium.

Learn more about how multi-stakeholder collaboration, including with the Government of South Africa and Eskom, is required to find a solution on page 15.



a. Our preferred pathway excludes emissions associated with exploration and development of projects that have not yet reached final investment decision.

Progress, learnings and next steps

Hillside Aluminium (Hillside)

Hillside accounts for just under 60% of our operational emissions, with almost 90% of those emissions being Scope 2 emissions from the use of coal-fired electricity supplied by Eskom. Scope 1 emission sources include coke consumed in carbon anode production and consumption (around 80%) and natural gas (around 6%).

Europe is currently a key market for Hillside Aluminium's product. The European Union's Carbon Border Adjustment Mechanisms (EU CBAM) puts a carbon price on certain imports into the EU from FY26, including aluminium. It currently focuses on direct (Scope 1) emissions for aluminium imports, but there are potential plans to include indirect (Scope 2) emissions in the future.

Hillside is a significant economic contributor and employer in KwaZulu-Natal, where the unemployment rate is around 30%. The smelter provides direct employment for more than 2,500 people and supports an estimated 29,000 indirect jobs[26]. As a key supplier to local manufacturers, Hillside plays an important role in the local aluminium industry.

Learn more about Hillside's societal contributions on page 43 of our Annual Report 2025.

Progress and learnings since our 2022 CCAP

- **Investigated off-site renewable options:** Our initial studies found that the extensive land requirements render on-site renewables impractical. Additionally, developing the generation, storage and transmission infrastructure at the necessary scale is beyond our core capabilities and strategic focus.

  A Request for Information process conducted with Independent Power Producers in FY24 identified the potential for affordable renewable energy supply but also revealed key challenges. The variable and intermittent nature of large-scale renewables would require substantial, high-cost firming capacity to ensure a consistent and reliable energy supply. Additionally, many proposed projects were in grid-constrained areas, raising concerns over their viability without significant public and private investment in grid infrastructure.
- **Explored nuclear energy attributes to reduce potential carbon tariff exposure:** We signed a Memorandum of Understanding with Eskom in FY24 to explore the potential use of nuclear attributes to lower the emissions intensity of Hillside's product. The EU CBAM currently calculates indirect emissions using specific methodologies which do not recognise the procurement of energy attributes, meaning that purchasing renewable energy certificates (or nuclear attributes) would not reduce customer tariff exposure. Due to continued uncertainty surrounding the EU CBAM, it was agreed to terminate the agreement to enable Eskom to pursue alternative solutions.
- **Assessed and implemented energy efficiency technologies:**
  - AP3XLE energy efficiency technology has been installed in 57% of Hillside's pots, resulting in an improvement of 1.7% to 13.45 MWh/t Al, with full deployment expected by FY28.
  - Our trials of EnPot technology, which enables smelters to modulate energy consumption, concluded that the technology is not a viable solution for Hillside due to design limitations which restrict its effectiveness.
- **Dependencies and enablers:** Our work to date indicates that Hillside's long-term decarbonisation will require:
  - A multi-stakeholder approach to addressing the challenges of South Africa's energy transition, to mitigate associated risks, enable large-scale decarbonisation and support a just transition; and
  - Further development of affordable, large-scale renewable energy and access to low-cost, large-scale firming and storage solutions to support reliable power supply alongside various renewables.

Next steps

A comprehensive solution is required to enable a blended tariff that combines large-scale renewable energy with firming capacity. As this relies on collaboration with the Government of South Africa, we will continue to engage with both Eskom and other government stakeholders with the aim to establish an affordable, low-carbon electricity solution. This includes Eskom Green, a new renewable energy business unit established by Eskom in 2025 to manage the development of renewable energy projects.

In addition, we intend to:

- Continue exploring nuclear attributes as a potential option to lower the emissions intensity of Hillside's aluminium product, including potential participation in future Eskom auctions; and
- Continue engaging with stakeholders on issues related to a just energy transition in South Africa, through our participation in platforms such as the Energy Intensive Users Group of South Africa and community forums.

26. Economic and indirect employment data referenced, including unemployment rate, is drawn from a third-party assessment of the economic and socioeconomic contribution of Hillside Aluminium to South Africa, undertaken in FY25.

Taking climate action continued

Worsley Alumina (Worsley)

Worsley accounts for around 16% of our operational emissions. Most of these emissions result from coal and gas combustion to generate high-pressure steam required for the Bayer process. Around 20% of Worsley's operational emissions are attributable to high-temperature heat (exceeding 1,000°C) needed for calcination.

Combustion of coal and natural gas to generate steam historically involved three coal-fired boilers and a multi-fuel co-generation (MFC) facility with two boilers that consume mostly coal, as well as biomass and diesel.

Under the Australian Safeguard Mechanism, covered facilities such as Worsley must reduce their Scope 1 emissions intensity by 4.9% annually, unless eligible for flexibility or concessional measures, with convergence to industry average emissions by 2030.

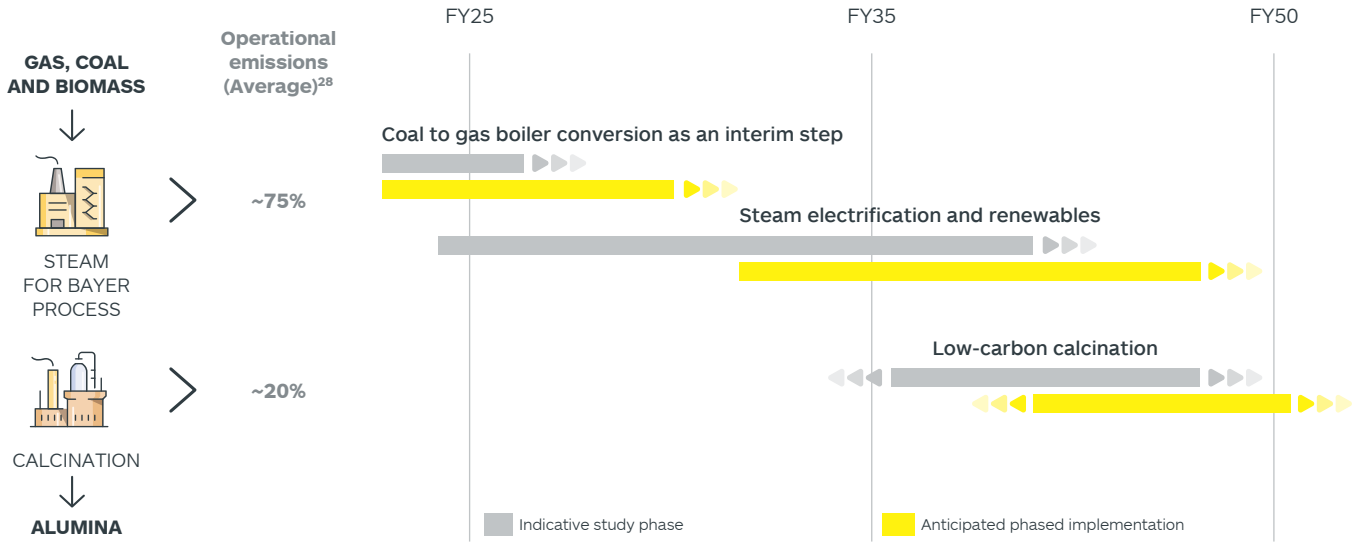
Progress and learnings since our 2022 CCAP

- **Fuel switching as an interim step:** In FY24 we converted two of five boilers to natural gas, reducing the refinery's annual operational emissions by more than 10% (vs FY21).
  - We are studying the potential gas conversion of the MFC boilers, known as the coal alternative steam supply project, which offers comparable emissions reduction potential but presents significantly greater technical challenges.
  - The timing of further boiler conversions depends on technical, commercial, and coal and gas supply-risk factors, as well as just transition planning for the town of Collie.
  - Improved resource availability has enabled us to increase biomass consumption as a substitute for coal.
- **Electrification:** A concept study (completed in FY23) exploring technically viable decarbonisation pathways identified full electrification as the refinery's long-term path.
  - In FY25, we secured A$4.4 million from the Australian Renewable Energy Agency, to be matched by Worsley, to support a pre-feasibility study into technologies for partial steam electrification. The study will evaluate options such as electric boilers and mechanical vapour recompression which have the potential to improve energy efficiency and reduce emissions through renewable energy use.
  - We continue to monitor the feasibility of behind-the-meter renewables but grid-sourced renewables remain the most cost-effective option.
  - Electrification is seen as the likely solution for low-carbon calcination; however, significant technology development is still required and green hydrogen may have a role to play.
  - Full electrification will require significant upgrades to the South-West Interconnected System, which currently lacks sufficient capacity. Transitioning to renewable energy will also require investment in the refinery's infrastructure and, potentially, shared energy infrastructure in the region.
- **Energy and process efficiency initiatives:** Several projects and studies, for example the mud washing and calciner flue gas heat recovery projects, have encountered challenges such as technical constraints, commercial viability concerns or limited benefits relative to cost, hindering their progress. Learn more on page 64 of our Sustainable Development Report 2024.

Next steps

- Progress our coal alternative steam supply study, as an interim step towards longer-term decarbonisation.
- Progress our steam electrification study and continue investigating novel technology pathways to support the electrification of steam generation and calcination.
- Explore options to increase biomass consumption.
- Maintain our annual process to identify high-potential energy and process efficiency initiatives for further evaluation.
- Explore technologies and co-investment opportunities to support electrification and scaling up of affordable renewable energy for Worsley and other users.
- Engage proactively with Western Power, industry and other interested stakeholders on options for increasing renewable transmission capacity to the refinery.

Illustration of key actions in Worsley Alumina's potential pathway to decarbonisation[27]



27. This pathway is indicative only and subject to change. Progress will depend on commercial viability of emerging technologies, availability of low-carbon energy, supportive policy frameworks and collaboration across industry, government and communities, and be subject to feasibility and relevant approvals, including internal approvals for capital.
28. Remaining 5% of operational emissions includes emissions from diesel consumption, Scope 2 emissions and other immaterial emissions sources.

Mozal Aluminium (Mozal)

In FY24, we completed deployment of AP3XLE energy efficiency technology at the smelter, delivering a 4% improvement in energy efficiency.

We have continued to engage with the Government of the Republic of Mozambique, HCB and Eskom on securing sufficient and affordable electricity supply to enable Mozal to operate beyond March 2026, when the current agreement expires. As of August 2025, these engagements have not provided confidence that the smelter will secure sufficient and affordable electricity beyond March 2026. Without access to sufficient and affordable electricity, we expect that Mozal will be placed on care and maintenance at the end of the current agreement.

Refer to market release "Mozal Aluminium Update" dated 14 August 2025 for further details.

Decarbonisation pathways beyond FY35

We have a long-term goal to achieve net zero operational emissions by 2050. Beyond emissions from operations nearing closure and electricity still to be transitioned to low-carbon sources, we expect our post-FY35 emissions to be predominantly hard-to-abate, dependent on advances in decarbonisation technologies. Many of these emerging technologies have niche applications, high upfront costs and long lead times before becoming viable at scale.

Key technological challenges include steam electrification and next-generation calcination at Worsley Alumina, zero-carbon anode technology and fugitive emissions abatement at our aluminium smelters, and electrification of mobile mining equipment.

For residual hard-to-abate emissions where viable low-carbon technologies are unavailable or not economically feasible, we anticipate offsetting may play a role in achieving our 2050 net zero goal. Given uncertainties around emerging technologies, policy developments and global decarbonisation progress, it is too early to predict whether, or to what extent, offsetting may be required.

Technology and innovation

We are taking a dual approach to tackling the complexity and scale of decarbonisation technology development, investing in our own technology innovation initiatives while collaborating with others to study, develop and scale solutions.

As our Group-wide approach to innovation, Innovate32 focuses on enabling the identification, investment and deployment of technologies across our business, including in support of our CCAP. Innovate32 has three workstreams:

- **Low footprint:** Focused on decarbonisation, biodiversity and closure innovation;
- **Next generation mine:** Aims to drive improvements in safety and productivity through increased automation, electrification, sensing technologies and other innovations; and
- **Securing future resources:** Focused on improving discovery rates and unlocking the potential of undeveloped deposits.

Decarbonisation initiatives have been focused primarily on reducing emissions at Worsley Alumina, with recent efforts including supporting studies on long-duration energy storage and calciner electrification. In addition, circularity technologies are being explored to reduce raw material consumption and associated Scope 3 emissions.

We collaborate with other companies, industry and research organisations to complement our own innovation and technology programs, including through the following collaborative initiatives.

HILT CRC

HILT CRC

Heavy Industry Low-Carbon Transition Cooperative Research Centre (HILT CRC) is a collaborative venture between industry, government and research organisations to develop, de-risk and accelerate technologies for heavy industry to transition to net zero. Our participation focuses on studying the potential application of thermal energy storage technologies and informing the design of next-generation alumina calciners at Worsley Alumina.

Notable completed projects include:

- Techno-economic assessments of high-temperature thermal energy use;
- Evaluation of heat pump technologies and biomass-based syngas production for calcination; and
- Analysis of thermal pre-treatment benefits for bauxite.

Looking ahead, we plan to collaborate on a number of ongoing and upcoming projects, including:

- AlumiNEXT, a flagship project focused on retrofit technologies to reduce emissions at existing alumina refineries and developing novel technologies aimed at increasing efficiency and lowering costs in the next generation of refineries. In addition to providing expertise, we are contributing data for model building, technical input and potentially raw material for test work at later stages; and
- Identifying funding mechanisms for energy infrastructure to support decarbonisation in Western Australia and benchmarking international policies to create a roadmap for supporting heavy industry's energy transition.

For more information, visit *www.hiltcrc.com.au*.

BLUVEIN

BluVein

BluVein is a dynamic energy transfer technology that aims to address some of the limitations of traditional heavy fleet batteries. The BluVein1 system enables in-motion charging of electric vehicles, particularly suited to underground mine truck configurations. Following further testing and real-world environmental trials in FY25, a next step is for the system to be installed on an Epiroc heavy-duty underground haul truck for testing at full power. In August 2025, the Australian Renewable Energy Agency announced a A$9 million grant to BluVein to support trialling of its "hammer and rail" dynamic charging solution.

For more information, visit *www.bluvein.com* and *www.arena.gov.au*.

Caterpillar Pathways to Sustainability

In FY25, we joined Caterpillar's Pathways to Sustainability, a four-year program designed to help mining companies explore sustainable pathways to transition to lower-emissions truck fleets.

Our involvement will provide valuable data and insights on fleet conversion pathways, including battery technology, energy transfer, electrical infrastructure, charging optimisation and fleet transition strategies. These are particularly relevant for Worsley Alumina's long-term electrification pathway.

For more information, visit *www.caterpillar.com*.

Taking climate action continued

SUPPORTING EMISSIONS REDUCTION ACROSS OUR VALUE CHAIN

We continue to enhance our understanding of climate-related risks and opportunities across our value chain and remain committed to engaging with suppliers, customers and other stakeholders to identify and pursue collaborative solutions.

Scope 3 emissions

The Scope 3 component of our goal to achieve net zero emissions by 2050 recognises our responsibility to contribute to the reduction of value chain emissions. Our portfolio transformation has lowered our Scope 3 emissions substantially, reducing our exposure to emissions from the combustion of energy coal and hard-to-abate emissions from the use of metallurgical coal in the steelmaking process.

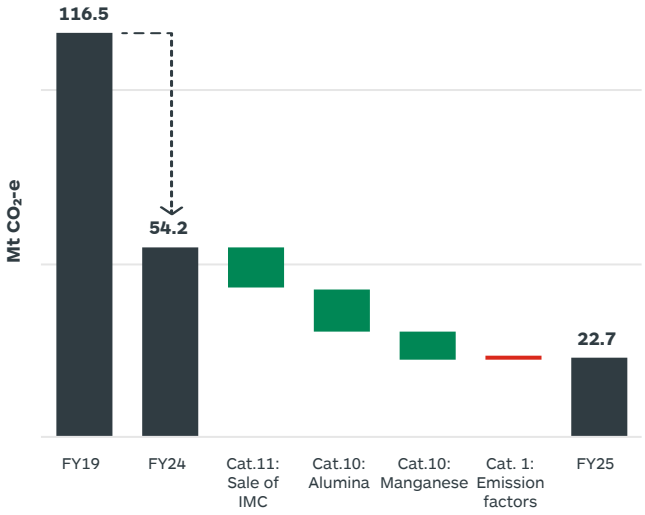
In FY25, Scope 3 emissions totalled 22.7Mt CO_2-e, 58% lower than FY24 levels. This decrease was primarily due to portfolio changes and improvements in calculation methodology, including:

- The sale of Illawarra Metallurgical Coal (IMC) in August 2024, which resulted in a 11.7Mt CO_2-e reduction for Use of sold products (Category 11);
- Improved tracking of alumina sales and updated emission factors from the global average factor to country- or asset-specific emission factors (Category 10); and
- Lower sales volumes at Australia Manganese, alongside the adoption of the latest global average emission intensity for processing of manganese ore (Category 10).

In addition, we have upgraded spend-based emission factors with supplier-specific and global-average product emission factors for several emissions-intensive purchased goods (Category 1).

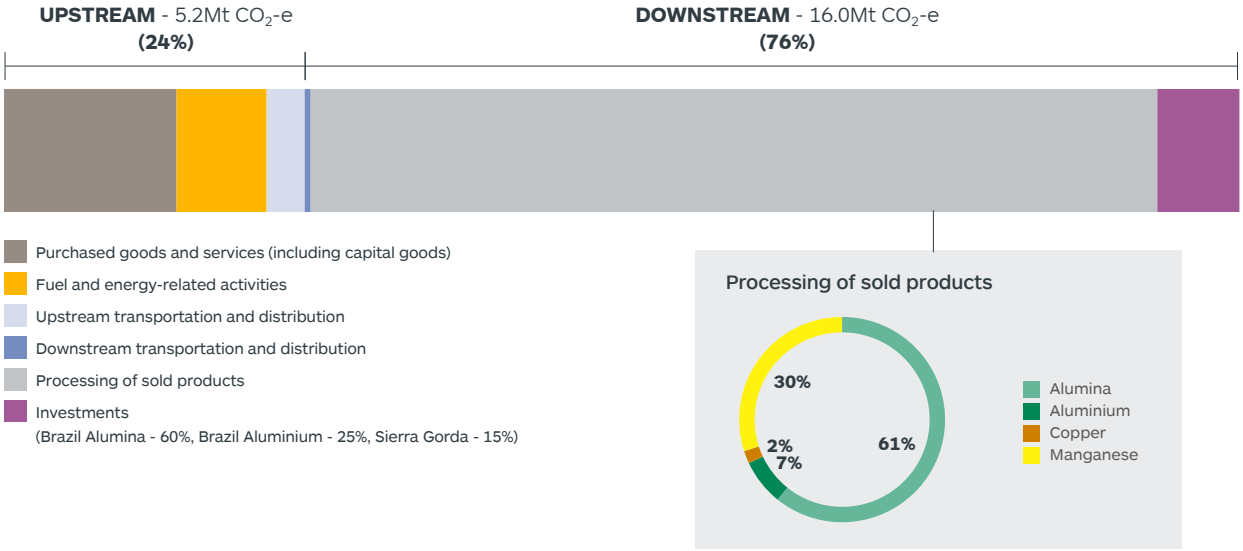
Our Scope 3 emissions inventory is available in our Sustainability Databook 2025 and the calculation methodology is outlined in our Climate-related Risk and Reporting Methodology 2025.

Scope 3 emissions FY19 to FY25 (total operations)[29]



The FY19 to FY24 emissions reductions shown above reflect the placing of Metalloys into care and maintenance in FY20[30], sale of South Africa Energy Coal and Tasmanian Electro Metallurgical Company in FY21, and calculation methodology enhancements.

FY25 Scope 3 emissions by position in our value chain (continuing operations)[29]



Post the divestment of IMC, upstream activities account for around a quarter of our Scope 3 emissions, with most of these emissions relating to purchased goods and services (including raw materials) and fuel and energy-related activities. Downstream activities account for 76% of Scope 3 emissions, with a significant portion of these emissions arising from product processing; in particular, the smelting of alumina into aluminium ingots.

29. We report two emissions data sets: total operations, which includes divested operations, and continuing operations, which reflects emissions from our current operations.
30. The Metalloys manganese alloy smelter was divested in June 2025. Refer to media release "Completion of Metalloys manganese alloy smelter divestment" dated 3 June 2025.

Progress and learnings since our 2022 CCAP

Scope 3 emissions arising from upstream and downstream activities are outside our direct operational control, presenting unique and complex challenges. As the pathway to net zero across our value chain is highly uncertain, we have not established quantitative reduction targets for Scope 3 emissions. However, our 2022 CCAP included two goals to help focus our efforts:

- Work with at least four tier one suppliers to identify options to reduce emissions in our value chain, commencing in FY23, including progressing existing programs to support vessel owners and fuel suppliers; and
- Enter four partnerships with key customers to collaborate on emissions reduction initiatives in the downstream value chain by FY25.

Upstream value chain

In FY23 we developed a supplier selection framework to assess suitability for potential emissions reduction partnerships. Using this framework, we engaged with several shortlisted suppliers to explore opportunities to reduce emissions in the value chain. A key outcome was a Memorandum of Understanding with Aurizon, Australia's largest rail freight operator, to trial a battery electric locomotive at Worsley Alumina.

We also commenced discussions for a potential partnership with a supplier to IMC, which was discontinued following divestment. Early-stage engagements with other suppliers did not progress to partnerships due to a lack of viable emissions reduction options, but have deepened our understanding of challenges and opportunities in decarbonising our upstream value chain and have highlighted ways to improve our approach moving forward.

Key learnings include:

- Many of our operational inputs have complex safety and technical specifications, with limited supplier options. This constrains our ability to factor emissions intensity into procurement decisions without affecting operational priorities; and
- Adopting a more systematic approach to collecting supplier-specific emissions data and decarbonisation goals is essential to enhancing our understanding of upstream transition risks and enabling more targeted and effective engagement.

To support this, we are in the process of introducing contractual requirements for certain suppliers to report annually their carbon footprint or the emissions intensity of the goods they supply. This will enhance our visibility of the emissions profile of our upstream value chain and support our broader engagement efforts.

In parallel, we advanced collaboration with freight providers and improved the accuracy of our shipping emissions data:

- We established two emissions-linked freight contracts to link freight costs to carbon dioxide emissions of the vessels used;
- We engaged CargoValue to improve the accuracy of our shipping emissions tracking and reporting, and partnered with Zerolab to identify opportunities for emissions reduction. These initiatives have helped identify potential abatement pathways for future consideration; and
- We joined the Sea Cargo Charter in FY25 — a global initiative promoting transparency in fuel use, emissions and climate alignment. We also continued our membership of the Sustainable Shipping Initiative, which aims to advance alignment of emissions reductions with global climate ambitions.

Downstream value chain

In FY23 we developed a framework to identify key customers for exploratory discussions on potential partnerships, considering emissions materiality by customer and commodity, alongside broader strategic factors. Using this framework, we initiated early-stage engagements to understand each customer's primary emissions sources, decarbonisation maturity and interest in collaborating on emissions reduction initiatives.

One key outcome was a Memorandum of Understanding with Taiyuan Guohong Ferroalloy Co. Ltd, a manganese smelting group, to develop a pellet form of manganese as a feedstock to the smelting process. The initiative aims to improve efficiency in electric furnaces, reducing environmental impacts by lowering energy consumption and dust generation. We continue to explore additional collaboration opportunities with other manganese customers through ongoing engagement.

We sought to engage with key alumina customers to explore potential decarbonisation partnerships; however, many have expressed a preference to engage through relevant industry forums and associations. In response, we focused on collaboration through the Heavy Industry Low-Carbon Transition Cooperative Research Centre (HILT CRC), which continues to be a valuable platform for knowledge sharing and technical collaboration.

Key learnings include:

- Engagement is more effective when tailored to each customer's stage of decarbonisation planning;
- Collaborating on emissions reduction presents practical challenges; for example, electricity is a significant driver of emissions in the smelting processes used by our alumina and manganese customers, yet we have limited ability to influence the sources of electricity they use; and
- For several customers, mutual sharing of emissions data emerged as an important initial priority.

Collaborating with freight providers to address shipping emissions

Since FY22, we have partnered with Klaveness Combination Carriers (KCC) to implement a contractual mechanism known as a Carbon Adjustment Factor (CAF), which adjusts freight rates based on shipping emissions relative to an agreed baseline. Rates increase if shipping emissions are below the baseline and decrease if they are above, with CAF payments reinvested in improving fleet energy efficiency.

Since implementation, KCC has progressed several efficiency upgrades across vessels servicing South32, including the adoption of wind-assisted propulsion technology on its next-generation vessels, expected from 2026.

In FY25, we finalised a similar emissions-linked freight contract with MACS, a privately owned shipowner which transports aluminium ingots from Hillside Aluminium. This contract operates on the same principle as the KCC CAF, effectively embedding a carbon price into the agreement.

Taking climate action continued

Evolving our Scope 3 approach

Drawing on learnings from our challenges and successes over the past three years, we have evolved our approach to focus on practical and impactful engagement activities along our value chain, as set out below.

Our approach:

- Is built around four engagement focus areas intended to support emissions reduction across our value chain;
- Prioritises activities that are within our sphere of influence and control;
- Includes two new upstream and downstream engagement measurable objectives for achievement by FY28[(a)]; and
- Includes a commitment to support global efforts to reduce emissions from international shipping.

UPSTREAM	Key suppliers	Industry bodies, cooperative research groups, select suppliers
Ways we engage[(b)]	Voluntary questionnaires and/or contractual arrangements to collect information about our suppliers' emissions reduction targets and goals, and data improvement plans.	Sharing technical knowledge on mutual decarbonisation challenges, and collaborating on data accuracy, technical research and technology development opportunities.
Measurable objective[(c)(d)]:	Engage with 80% of our key suppliers by the end of FY28, either through direct engagement or market engagement processes, with a focus on aligning decarbonisation goals, improving climate-related data and knowledge sharing, and identifying potential opportunities for strategic decarbonisation alignment and collaboration.	

DOWNSTREAM	Key customers	Industry bodies, cooperative research groups, select customers
Ways we engage[(b)]	Direct engagement regarding transition risks, opportunities and decarbonisation goals, exchanging product-specific emissions data, sharing knowledge on mutual decarbonisation challenges, and cooperating to implement value chain accreditations.	Collaborating on technical research, contributing to net zero pathway development, and supporting technology development.
Measurable objective[(c)(d)]:	Engage with 80% of our key customers by the end of FY28, with a focus on aligning decarbonisation goals, improving climate-related data and knowledge sharing, and identifying potential opportunities for strategic decarbonisation alignment and collaboration.	

SHIPPING	Stakeholders across maritime transport industry	Freight providers, select customers and suppliers
Ways we engage[(b)]:	– Participating in coalitions working to drive sustainability in the shipping sector (e.g. Sustainable Shipping Initiative) – Voluntarily reporting information on emissions performance under relevant global frameworks (e.g. Sea Cargo Charter) – Continuing partnership with CargoValue to identify viable opportunities to reduce emissions from our shipping activities.	Implementing contract mechanisms to incentivise efficient performance, and supporting technical innovation and/or trials to enable further decarbonisation.

We support the International Maritime Organization's goal to achieve net zero emissions from international shipping by or around 2050[(e)].

Notes

(a) Alignment and collaboration opportunities are intended to drive meaningful progress towards our long-term goal of net zero Scope 3 emissions by 2050. These opportunities may take a variety of forms, depending on factors such as the nature of our relationships and value chain partners, contractual arrangements, geographic locations, and the specific commodities or goods involved.

(b) Refers to the tools, processes, structures and activities we may use to engage with and influence stakeholders in support of achieving our objectives and commitments.

(c) Engagement percentage will be tracked based on number of key suppliers (upstream) and quantity of product sold (downstream). 'Key' suppliers are generally the suppliers we have ongoing relationships with which contribute to our upstream transition risk exposure. 'Key' customers are generally the customers we have ongoing and high-value relationships with. Our downstream customer book and nature of sales arrangements are commercially sensitive, so we are not able to define 'key customers' publicly. Learn more in our Climate-related Risk and Reporting Methodology 2025.

(d) Progress towards this measurable objective depends on the outcomes of engagements with, and actions taken by, third parties and may include new as well as existing activities where there is ongoing, substantive progress. Achieving this objective requires collaboration beyond South32, and in some cases may depend on broader efforts across industry, government or regional partnerships.

(e) As outlined in Strategic Direction 3 of the International Maritime Organization's Strategic Plan for the Organization for the Six-Year Period (2024–2029), which focuses on responding to climate change and reducing greenhouse gas emissions from international shipping. Learn more at www.imo.org.

STRENGTHENING OUR RESILIENCE TO CLIMATE IMPACTS

We are taking action to strengthen our capabilities to adapt and respond to the physical impacts of climate change on our operations, people, communities and value chain, to enhance our climate resilience.

Physical climate risks are driven or intensified by weather, climate variability and/or climate change. They include acute events such as cyclones, floods and wildfires, and chronic changes such as rising air temperatures, shifting rainfall patterns and sea level rise. Our geographically diverse operations and supply chains are already affected by extreme weather. As the climate continues to change, the frequency, severity and location of climate extremes will shift, impacting our business in new and evolving ways.

Strengthening our physical climate resilience involves managing present-day risks while anticipating future changes and integrating physical climate considerations across our business where possible. This presents a number of challenges related to our infrastructure and operational dependencies, including:

- Many of our assets were designed based on historical climate data that may no longer be reliable under future conditions;
- Key infrastructure such as tailings storage facilities, and fixed plant, energy and water systems, face unique climate exposures necessitating tailored and multidisciplinary approaches;
- Our operations rely on third-party infrastructure such as ports and power supply, which we do not control but which are increasingly vulnerable to climate risks; and
- While climate models provide valuable insights, uncertainties remain, especially when applying long-term projections.

Our progress

Since conducting our first assessments across our operations in FY18/19, we have continued to enhance our approach to identifying and managing our exposure to potential physical impacts of climate change. These include:

- **Integrating climate risk into Group-wide risk processes:** We incorporated outcomes from operational physical climate risk assessments into Material Risk Reviews (MRRs), enhanced our Global360 risk management system and updated relevant governance documents.
- **Strengthening cross-functional alignment and physical climate risk assessment guidance:** We conducted a series of workshops in FY25 to improve visibility of physical climate risk themes and consolidated related controls and management responses.
- **Improved internal access to climate data:** We upgraded climate projections data to the Coupled Model Intercomparison Project Phase 6 (CMIP6) from the Intergovernmental Panel on Climate Change (IPCC).
- **Embedded physical risk into business planning and closure:** We have incorporated physical climate risks into our life-of-operation plans, including closure estimates. While essential for understanding long-term risk and cost exposure, estimating future climate-adjusted closure costs remains complex and requires ongoing refinement.
- **Assessed value chain risks:** We assessed physical climate risks across our value chain, including high-use materials critical for production, and used artificial intelligence to evaluate physical climate risk exposure across select elements of our downstream distribution network. Building redundancy, contingency planning and proactive engagement is essential to improving resilience and supporting continuity of supply.
- **Launched community climate risk pilot:** We initiated a pilot to assess physical climate risks affecting communities near our Hermosa project.

Leveraging the latest generation climate data

As the latest global climate modelling system used by the IPCC, CMIP6 provides improved projections of future climate conditions under different emissions scenarios. Downscaled climate projections (localised outputs from global climate models, tailored to reflect site-level climate risks over time) are available for all our operations at five-year intervals through to 2100. We typically use two scenarios:

- **SSP2-4.5:** Reflects moderate climate action and development trends, resulting in approximately +2.7°C warming by 2100.
- **SSP5-8.5:** Reflects limited climate policy action and continued reliance on fossil fuels, leading to potential warming of up to +4.4°C by 2100.

These climate projections inform a wide range of activities across our business — including physical risk assessments, design basis reviews and closure planning — enhancing our physical climate risk management. While climate projections offer valuable insights into potential climate hazard shifts, we acknowledge the inherent uncertainty of future climate outcomes. To address this, we apply an adaptive management approach, regularly updating our risk assessments to incorporate the latest data and insights.

Enhancing cyclone preparedness through data-driven insights

Located on Groote Eylandt in the Gulf of Carpentaria, Australia Manganese is in an active tropical cyclone basin. Tropical cyclones in the region are challenging to predict because they can form rapidly, intensify quickly and shift direction unexpectedly.

In March 2024, extreme weather associated with Tropical Cyclone Megan produced record rainfall of 681mm over a 48-hour period, along with some of the strongest wind gusts recorded in 20 years. Mining pits were flooded and significant damage caused to infrastructure, resulting in a temporary suspension of operations.

Building on our well-established weather monitoring and response systems, our Australia Manganese team have introduced several targeted enhancements to further strengthen preparedness:

- **Site-specific weather portal and dashboard:** Delivers real-time data on conditions such as rainfall, wind, fire danger and flood risk;
- **Upgraded weather buoy near the port:** Provides higher-quality, real-time meteorological and oceanographic data, including wind speed and direction, wave height and ocean currents;
- **Satellite-derived rainfall predictions:** Improves rainfall forecasting accuracy and enhances our short-term forecasting capabilities; and
- **Catchment-based flood alert system:** Uses radar and satellite data to forecast rainfall accumulation up to seven days in advance.

As the climate continues to change, these measures help strengthen our emergency procedures and decision-making processes, enabling more timely and informed responses.

Learn about Australia Manganese's recovery from damage caused by Tropical Cyclone Megan on page 19 of our Annual Report 2025.

Taking climate action continued

Evaluating physical climate risks

Our physical risk identification process considers how changes in weather and climate-related events impact risks to our business. These insights help inform both short-term risk mitigation activities and medium- to long-term adaptation strategies. Our business is exposed to a range of physical climate risks, influenced by local climate conditions, operational characteristics, vulnerabilities and other factors. To better understand and manage these risks, we adopt a dual approach, evaluating risks at both the operation and Group level.

Physical risks at the operation level

At the operation level, assessments focus on risks where weather and physical climate hazards present a credible causal pathway. Risk assessments are informed by location-specific climate projections, enabling us to understand how hazards may evolve under different climate scenarios, and support the integration of physical risks into local risk registers and inform group-level adaptation and resilience planning.

The table below provides a sample of current physical climate risks relevant to our operations and the Hermosa Project, which may be affected by projected changes in future physical climate hazards. The present-day risks meet our internal definition of material risks. Magnitude and likelihood have been assessed in line with our internal risk management standard, using criteria that considers financial, reputation and environmental impacts, as well as potential consequences for our business, people and communities. Risks are actively managed through existing controls. A future projected increase in climate hazard for an operation does not necessarily equate to a material climate risk exposure by 2050, however this is an important input for climate-resilient life of operations planning and closure planning. For reporting purposes, the data has been simplified and aggregated.

Operation-level view of current physical risks and changing climate hazards [31,32]

Operation	Physical risks Present-day operational risks where climate hazards present a credible causal pathway[33]	Changing climate hazards Future projected increase in climate hazards (by 2050)
Cannington	– Tailings storage facility (TSF) containment breach or failure – Flood inundation to underground mine – Ground movement/subsidence or instability	
Australia Manganese	– Damage to process infrastructure – Structural damage/failure of fixed infrastructure – TSF containment breach or failure	
Worsley Alumina	– Structural damage/failure of fixed infrastructure – TSF containment breach or failure – Inability to shipload Alumina	
Hermosa Project	– Electricity network supply disruption – Damage to critical infrastructure – Restricted site access	
Mozal Aluminium	– Power disruption from reduced hydropower supply – Interruption of water supply – Raw material supply chain disruption	
South Africa Manganese	– Structural damage/failure of fixed infrastructure – Interruption in potable/process water supply – Ground movement or instability	
Hillside Aluminium	– Raw material supply chain disruption – Power supply disruption – Asset structure or equipment failure	

Projected changes in climate-related hazard by 2050 (relative to 2020), based on SSP5-8.5 and specific to each operation[34].

Physical climate hazards

Heat: Annual number of days exceeding 35°C

Precipitation: Maximum 24-hour rainfall during a one-in-100-year event

Drought: Level of total water stress

Storms: Number of days per year with conditions conducive to severe thunderstorms

Wind: Peak 1-minute sustained wind speed during a one-in-100-year event

Fire: Annual probability of wildfire occurrence

Minor increase, 0-5%

Moderate increase, 5-10%

Significant increase, 10-15%

Extreme increase, more than 15%

31. Climate data used in this assessment is sourced from Jupiter Intelligence and is based on CMIP6 (Coupled Model Intercomparison Project Phase 6) global climate model ensembles. Downscaled projections were developed using proprietary methods to provide asset-level insights across selected physical climate hazards. Data is presented for the SSP5-8.5 emissions pathway and reflects conditions projected by 2050 (relative to 2020). SSP5-8.5 represents a high-emissions scenario commonly used for stress-testing physical climate risk. While the dataset reflects the latest climate science, limitations include uncertainties inherent in global climate models, scenario assumptions, and natural climate variability. Results should be interpreted as indicative of potential future conditions, not forecasts.
32. Excludes Cerro Matoso given the sale which is expected to complete in late H1 FY26, refer market announcement titled 'Agreement to divest Cerro Matoso' dated 7 July 2025.
33. Illustrative, non-exhaustive list.
34. Represents the magnitude of projected change relative to 2020, without accounting for initial baseline conditions. A given increase may have greater or lesser impact depending on whether baseline exposure is already high or low.

Group level physical risks and examples of how we are responding

At the Group level, findings from our operation-level risk assessments and broader hazard analysis are consolidated to identify seven physical climate change risk themes across our business. Below, we describe each risk theme and the potential impact on our business, and provide illustrative examples of the management responses in place to manage each risk (noting this list is not exhaustive).

Temperature · Rainfall · Drought · Storms · Flood risk · Fire weather · Sea level rise

Short-term: 0-2 years **Medium-term:** 2-5 years **Long-term:** 5+ years

Risk theme	Climate hazards/triggers	Time horizons
Containment breach or failure of a tailings storage facility (TSF)		

Potential impact: Loss of life and/or serious injury, environmental damage, reputational harm, regulatory and legal consequences, financial impacts.

Examples of how we are responding:
- Designing and managing tailings storage facilities in accordance with international guidelines and industry standards, e.g. GISTM
- Embedding climate change considerations into TSF and site closure planning, including measures to address extreme weather events
- Maintaining sufficient water storage capacity, installing spillways where required, and implementing wet season readiness plans

Water security

Potential impact: Increased competition for water resources, reduced water availability for production and increased operational costs.

Examples of how we are responding:
- Baseline water stress assessments, regular risk and opportunity screening
- Water balance accounting and planning, setting contextual water objectives
- Operation-level climate change risk assessments

Damage to coastal infrastructure

Potential impact: Disruption to export and import activities, delays in fulfilling contractual obligations, higher repair and maintenance costs.

Examples of how we are responding:
- Structural integrity management
- Daily weather monitoring and extreme weather port preparation procedures
- Detailed emergency response procedures and incident management teams

Damage to critical mining and production infrastructure

Potential impact: Operational inefficiencies and extended downtime, increased repair and replacement costs and higher insurance premiums.

Examples of how we are responding:
- Structural integrity management and wet season preparedness strategies
- Engineering change management processes to ensure modifications to assets are properly assessed for safety and compliance
- Asset management framework that prescribes controls and procedures specific to each critical asset

Workforce health, safety, and productivity

Potential impact: Increased risk of heat-related illnesses and safety incidents, and higher health-related absenteeism.

Examples of how we are responding:
- Adequate personal protection equipment, shelter, access to water, first-aid and acclimatisation processes
- Controls for communicable diseases
- Lightning detection and notification systems, and response plans

Disruption to transport routes and supply chains

Potential impact: Supply chain disruptions, raw material shortages and delays in critical spare parts and product delivery.

Examples of how we are responding:
- Regular climate risk assessments across key supply chain elements and considering weather and extreme events in sales planning
- Planning for disruptions to key transport and supply routes, including business continuity measures and inventory controls
- Collaborating with vessel owners on adverse weather responses and vessel safety vetting

Safe and climate-resilient closure

Potential impact: Increased rework, additional closure costs, longer relinquishment timelines, increased stakeholder focus and reputational risk.

Examples of how we are responding:
- Closure plans are updated triennially, incorporating the latest climate change projections
- Closure cost estimates are refreshed biannually

Taking climate action continued

Strengthening adaptation and resilience capabilities

We have developed our first climate adaptation and resilience plan to strengthen our capabilities in proactively reducing the impacts of a changing climate (adaptation) and anticipating, absorbing, responding and recovering from physical climate change impacts (resilience).

Our identification of Group-level physical risk themes supports a more coordinated and integrated approach to strengthening our adaptation and resilience capabilities, improving both efficiency and impact. This enables us to better connect related processes and target shared risks and hazards through initiatives that can be scaled across similar operations.

Our plan focuses on strengthening capabilities in those operations and processes with the greatest opportunity to reduce our risk exposure, with further work expected in subsequent years. The plan is designed to achieve three core outcomes:

1. **Strengthen present-day resilience** by enhancing readiness and reducing exposure to current weather and climate hazards through improved planning, infrastructure and operational responses;
2. **Strengthen capabilities for future resilience** by developing systems, partnerships and knowledge that support ongoing adaptation and resilience, while delivering benefits for our business, communities and the environment; and
3. **Continuously improve physical risk management** by building capability and identifying and embedding continuous improvements, and aligning with evolving climate science and stakeholder expectations.

The plan is anchored in four interconnected focus areas:

- **Operational resilience,** including our physical assets and critical resources such as energy and water;
- **Value chain,** spanning our upstream and downstream supply chain, transportation and logistics;
- **Workforce and communities,** addressing the health, safety and wellbeing of our people and the resilience of communities where we operate; and
- **Nature,** supporting our ecological restoration, rehabilitation and conservation activities.

The plan is informed by site-specific climate projections based on global climate scenarios (e.g. SSP2-4.5 and SSP5-8.5). We leverage our system of risk management to identify, assess and integrate climate-related risks into operational and strategic decision-making at both operational and Group level.

In addition to the five key initiatives, the plan will implement the foundations for sustained capability development, by focusing on:

- Developing and reporting against progress measures and key performance indicators;
- Tailoring planned initiatives to fit each operation's risk profile, priorities and timing considerations; and
- Strengthening our people's knowledge, skills and abilities in climate adaptation and resilience.

Our climate adaptation and resilience plan

Key initiatives	Focus Areas				
	Operational resilience	Value chain	Workforce and communities	Nature	
Strengthen present-day resilience					*Supports value protection and creation by*
1 Embed enhanced weather forecast data and climate outlooks to strengthen operational extreme weather decision-making.	■	■	■	■	Reducing weather-related operational downtime and supporting safer operations.
2 Integrate physical risk management insights into our insurance program.	■	■			More effectively managing our financial exposure.
Strengthen capabilities for future resilience					
3 Develop updated guidance and tools for assessing and managing physical climate risks, to enable the embedding of adaptation into key business processes.		■	■	■	Reducing unplanned costs, and improving capital efficiency and long-term asset performance.
4 Share information about local climate vulnerabilities with communities, supporting them to build adaptive capacity and climate resilience.	■		■		Strengthening community relationships and climate resilience.
Continuously improve physical climate risk management					
5 Incorporate climate expertise into material risk reviews, apply leading practices and support skill building to enhance ongoing management of physical climate risks.	■	■	■	■	Strengthening workforce engagement and safety, and control effectiveness.

FOUNDATIONS:
Measure and track performance | Tailor approach to fit each operation or process | Embed knowledge, skills and abilities

Key: Operational resilience | Value chain | Workforce and communities | Nature

SUPPORTING A JUST TRANSITION

We recognise that effective responses to climate change must address social and nature-related risks and opportunities to enable a just transition to a low-carbon, climate-resilient economy.

Addressing sustainability-related risks and opportunities

Our response to climate-related risks and opportunities is taking place within a broader context of significant global change for people and nature, shaped by the global energy transition, a physically changing environment, and growing momentum towards nature-positive outcomes. As such, our approach to addressing climate change must take into account both social- and nature-related impacts, dependencies and risks, while also identifying opportunities to contribute value.

Our Sustainability Policy sets out our commitment to sustainable development across the five pillars of our sustainability approach. The policy is implemented through internal standards that define performance requirements for managing key sustainability topics. Our sustainability approach is further articulated through a series of 'Our Approach' documents, which detail our public commitments and approach to managing material sustainability topics.

Since our inception in 2015, we have been a member of the International Council on Mining and Metals (ICMM). The ICMM sets good-practice environmental, social and governance performance requirements for member companies, which are embedded within our sustainability-related governance and Our Approach documents.

Our sustainability pillars


Protecting and respecting our people


Delivering value to society


Operating ethically and responsibly


Managing our environmental impact


Addressing climate change


Find Our Approach documents at www.south32.net and learn more about our ongoing actions to manage our environmental impact in our Annual Report 2025.

Climate-nature nexus

Climate change and nature loss are deeply interconnected challenges that must be addressed together to enable sustainable development and long-term operational resilience.

Our operations depend directly and indirectly on nature — from access to water and land, to the ecosystem services that sustain communities and supply chains. At the same time our activities can also contribute to nature- and climate-related risks. We recognise the need for a comprehensive approach that addresses the complex and overlapping challenges related to both nature and climate.

Alongside our CCAP, we have been working to enhance our understanding of nature-related impacts and dependencies relevant to our business. Guided by Our Approach documents on Biodiversity, Water, Tailings Management and Closure, we continue to take action to manage our environmental impact.

Our just transition guiding principles

The concept of a just transition reflects the imperative to manage social impacts, risks and opportunities as we move towards a low-carbon economy. It is an approach to decarbonisation that seeks to centre the interests of those most affected — including workers and communities — to enable a fair, equitable and inclusive transition.

In our inaugural CCAP, we published our just transition guiding principles which were developed to guide our decarbonisation planning. Our contribution to a just transition and application of these principles remains most relevant at Hillside Aluminium and Worsley Alumina as we progress efforts to transition these operations to low-carbon energy sources and decarbonise.

As we advance the delivery of this CCAP over the next three years, we will continue to look for opportunities to further embed these principles into our decarbonisation activities and broader climate change response.

Taking climate action continued

Progress embedding our just transition guiding principles into our climate change approach

Net zero pathways

Alignment of the net zero pathway with just transition principles is critical to support access to clean energy and a safer, more sustainable world for generations to come.

Governance and transparency

Strong governance and accountability underpin just transition plans. Core outcomes are identified, monitored and reported.

- Our Board approves our Sustainability Policy and CCAP, and with support from the Sustainability Committee oversees our sustainability (including climate-related) performance.
- Our inaugural CCAP was presented for a non-binding advisory shareholder vote in 2022 and this CCAP will be subject to a vote in 2025.
- The Climate Change Steering Committee oversees our management of climate-related risks and opportunities, including our approach to supporting a just transition and the development and implementation of our CCAP.

Community resilience

Plans should consider the impacts on communities of the transition through protecting the natural environment, providing support for local development, supply chains and infrastructure.

- Stable and affordable low-carbon energy is essential to sustaining our operations and contributions to communities and local economies where they are located.
- Our operations maintain economic development plans focused on local economic growth, employment and procurement. Social investment plans allocate funding across key focus areas, including natural resource resilience.
  - Over the duration of our 2022 CCAP, we invested approximately US$8 million in initiatives supporting natural resource resilience within communities, largely focused on land and biodiversity conservation, improving understanding of environmental values, and advancing water stewardship.
  - Learn more about how Hillside Aluminium is contributing societal value on page 43 of our Annual Report 2025.
- Our climate adaptation and resilience plan includes collaborating with communities to enhance awareness of climate vulnerabilities and capacity to respond.

Multi-stakeholder collaboration

Plans must be developed in collaboration with all material stakeholders, to co-create solutions that generate maximum value across our value chain.

- We work to build trusting, meaningful relationships with communities, which includes engaging with Indigenous, Traditional and Tribal Peoples to preserve cultural heritage and advance economic participation and social inclusion.
- We are engaging with governments to establish enabling conditions for delivery of our CCAP, with a focus on access to stable, affordable low-carbon energy.
- We continue to engage with stakeholders on issues related to a just energy transition in South Africa, participating in platforms such as the Energy Intensive Users Group of South Africa and community forums.
- Worsley Alumina continues to participate in the Collie Just Transition Working Group led by the Western Australian Government Department of the Premier and Cabinet. Focus remains on opportunities from future major projects in the region, just transition planning and training opportunities for impacted workers.
- Engaging with upstream and downstream value chain participants is central to our approach to supporting the reduction of Scope 3 emissions.

Workforce evolution

Plans should consider how to equip workers with skills for employment opportunities arising from the transition to a low-carbon economy, promote equitable and decent jobs and shield workers from adverse impacts as far as practicable.

- At Worsley Alumina, we assessed potential workforce impacts of our decarbonisation plans and identified a long-term risk of electrical trade skill shortages due to rising regional demand for electrification expertise. This highlighted the need for workforce training pathways to align with the refinery's long-term decarbonisation plans as they develop.
- Our closure planning includes conducting baseline social impact and opportunity assessments to inform engagement strategies with our workforce and communities.
- Our Approach to People and Culture outlines how we communicate significant operational changes to our workforce and potential mechanisms available to help navigate these changes.
- Social investment plans at our operations allocate funding to education and leadership community initiatives, with a focus on science, technology, engineering and mathematics — critical technical skills needed for future-facing careers.

FY26 to FY28 focus areas

- Further embedding these principles into our sustainability-related governance documents, including our internal social performance, environment and climate change, and closure standards.
- Continuing to deliver our economic development and social investments plans.
- Implementing the community-related components of our climate adaptation and resilience plan.
- Engaging with government to secure a comprehensive low-carbon energy solution for Hillside Aluminium.
- Seeking further opportunities to contribute to a just transition for the people of South Africa and Collie.

Enablers

KEY ENABLERS FOR A LOW-CARBON, CLIMATE-RESILIENT FUTURE

The effective implementation of our CCAP is supported by several key enablers, including proactive government engagement, robust climate-related governance and effective climate risk management.

Government engagement

Government action is a key enabler of our CCAP, helping to establish effective climate policy, ensure regulations are practical, and create the conditions needed for decarbonisation at scale. To address this dependency, we actively and constructively engage with governments to help shape policies and frameworks that support the global energy transition.

Role of government

We believe that effective government action is critical to advancing climate change mitigation and adaptation. This includes:

- Setting ambitious Nationally Determined Contributions (NDCs) aligned with the goals of the Paris Agreement;
- Establishing clear, consistent and stable policy frameworks to enable climate action and support capital investment;
- Reforming energy systems to ensure reliable, cost-effective access to low-carbon energy sources while maintaining energy security;
- Establishing effective carbon markets that enable transparent credit trading and uphold human and environmental rights;
- Defining national adaptation priorities and investing in resilience measures to protect people, infrastructure and ecosystems;
- Enabling a just transition through multi-stakeholder collaboration, supporting decent work opportunities and inclusive socioeconomic development;
- Reforming financial systems to enhance access to capital, expertise and technology — particularly for emerging and developing economies; and
- Streamlining permitting processes to facilitate responsible minerals and metals production while maintaining robust environmental, social and governance standards.

Our engagement with government

We engage directly with government on climate change-related issues through direct dialogue and participation in consultation on government policies. We also engage indirectly through industry associations, which provide a platform to advocate on shared policy issues, including climate change.

Our engagement approach is guided by our seven Climate Change Positions and we are committed to conducting our advocacy, both direct and within the industry associations we belong to, in alignment with them.

Our Climate Change Positions

1. **Paris Agreement:** We support the goals of the Paris Agreement which underpin government efforts to limit global temperature rise to well below 2°C this century and to pursue efforts to limit the increase to 1.5°C, and guide our approach to addressing climate change.
2. **Decarbonisation:** Avoidance and mitigation through direct abatement should be prioritised over the use of carbon credits to offset emissions.
3. **Just transition:** Action to address climate change should consider socioeconomic impacts, risks and opportunities to help mitigate potential adverse effects on people and communities.
4. **Carbon pricing:** Carbon pricing is an effective policy instrument for countries to drive emission reduction and incentivise decarbonisation innovation and investment. Where implemented, globally recognised methodologies for emissions accounting, such as the GHG protocol, should be applied.

   Carbon tariffs can help countries to address carbon leakage and protect the competitiveness of domestic industries. Where implemented, they should incorporate fairness and equity principles to avoid unintended adverse consequences for nations with emerging and developing economies.
5. **Public policy:** Policy responses should:
   - Balance emissions reduction with affordable access to reliable energy and stable energy supply;
   - Incentivise investment in, and the production and consumption of, low-carbon products; and
   - Facilitate production of minerals and metals essential for the energy transition while maintaining robust environmental, social and governance standards.
6. **Energy coal and natural gas:** Decarbonising energy-intensive industries will require access to large-scale, reliable and affordable low-carbon energy. We recognise that natural gas is likely to remain part of the energy mix for some time — particularly in jurisdictions where scalable, reliable and affordable low-carbon energy alternatives are not yet readily available and for industrial processes where proven or scalable alternatives have yet to emerge.

   We do not support advocacy for new natural gas or energy coal projects where scalable, reliable and affordable low-carbon energy alternatives are readily available and, in the case of new natural gas projects, where the role of natural gas as a transitional fuel on the pathway to net zero by 2050 is not recognised.
7. **Disclosure and transparency:** We support efforts to harmonise sustainability standards and frameworks, and enhance sustainability-related financial disclosures.

   We commit to transparently report our sustainability performance through clear, meaningful disclosures that build stakeholder trust and drive continuous improvement.

Enablers continued

Direct government engagement

Growing societal focus on climate change is driving legislative and regulatory reform. We monitor key developments relevant to our commodities, locations and strategy, and have actively contributed to policy consultations both directly and through industry associations. This includes advocating for the inclusion of key commodities in Australia's Critical Minerals Strategy, highlighting energy security risks in Western Australia's domestic gas policy inquiry, and supporting fair international carbon regulation through EU and United Kingdom CBAM consultations. We also engaged in Australia's nature positive reform process, promoting a balanced national environmental framework that supports both sustainable development and industry competitiveness.

We work collaboratively with governments to help establish enabling conditions that support delivery of our CCAP, with a focus on securing large-scale, reliable and affordable low-carbon energy for our operations.

Hillside Aluminium plays a key role in our decarbonisation pathway, and we continue to engage regularly with all levels of government on South Africa's Just Energy Transition. This includes collaboration with Eskom, as well as relevant departments and ministers, on a comprehensive affordable low-carbon energy solution for the smelter — one that maintains grid stability while supporting the local economy and downstream aluminium industry.

In Mozambique, we have continued to engage with the Government, Hidroeléctrica de Cahora Bassa and Eskom on securing sufficient and affordable electricity supply to enable Mozal to operate beyond March 2026, when the current agreement expires. Without access to sufficient and affordable electricity, we expect that Mozal will be placed on care and maintenance at the end of the current agreement. Refer to market release "Mozal Aluminium Update" dated 14 August 2025 for further details.

In the United States, the government is actively working to strengthen its position in the global critical minerals economy and enhance national security. As we advance Hermosa as our first 'next generation' mine, we engage regularly with multiple levels of government — including the US Forest Service, cooperating agencies, the Departments of Defense and Energy, and local stakeholders. Strong government partnerships are essential to achieving our aspiration to contribute meaningfully to the local economy and deliver lasting societal value in Santa Cruz County and the surrounding region.

Engaging through industry associations

We acknowledge that industry associations by their nature are representative of similar member interests, but often from varied backgrounds and perspectives, so consensus is not always possible. Some of the industry associations we are a member of contain broad commodity representation, including energy coal producers, which can create differing views.

Since 2019, we have annually reviewed alignment of our Climate Change Positions with policy and advocacy undertaken by select industry associations we are a member of. Any potential misalignment is managed in line with *Our Approach to Industry Associations*, including consideration of membership withdrawal where appropriate.

To ensure continued depth and impartiality, we engaged an external consultant to support our FY25 review. Building on previous assessments, the FY25 review:

- Evaluated our memberships in the context of our approach to addressing climate change and our Climate Change Positions, (outlined on page 27) using set criteria to define potential areas of misalignment;
- Focused on a subset of associations actively engaged in climate change policy;
- Excluded associations exited following the divestment of Illawarra Metallurgical Coal, including the NSW Minerals Council and Low Emissions Technology Australia (formerly Coal21);
- Considered a range of public materials, including traditional and social media, speeches, submissions, website content and public statements, with a focus on activity undertaken during FY25;
- Drew on additional sources such as external assessments by InfluenceMap, an independent organisation that analyses corporate climate lobbying and advocacy activity; and
- Was supplemented by ongoing engagement and participation in industry associations throughout the year via committees, working groups and other forums.

For the first time, our FY25 review considered the alignment of our own advocacy activities with our Climate Change Positions and found them to be consistent.

Other key findings of the review included:

- The climate change policies and advocacy of the majority of industry associations reviewed were found to align with our Climate Change Positions;
- Two associations, Asociación Colombiana de Minería (Colombian Mining Association) and National Mining Association (USA), were found to exhibit inconsistencies, primarily relating to energy coal advocacy and positions on the goals of the Paris Agreement;
- Some associations were found to advocate for the role of natural gas; however, this advocacy was framed within the context of its use as a transitional fuel; and
- No findings necessitated an assessment of our ongoing membership.

Findings and insights from the review will form part of our ongoing engagement with industry associations to maintain alignment, raise any concerns as appropriate, and evaluate our ongoing participation, as outlined in Our Approach to Industry Associations.

Learn more about our FY25 review and the industry associations that we belong to at www.south32.net/industryassociations.

Governance and reporting

Climate-related governance

Climate change is a material strategic and governance issue for South32 that is overseen by our Board with the support of its standing Committees. Our Board oversees management's development and implementation of strategy, and delegates to the Chief Executive Officer (CEO) the authority to manage the day-to-day affairs of the Group.

Our Board

Approves our overall climate change approach, including our CCAP and the public commitments and policy positions therein. Together with the Sustainability Committee, the Board oversees management's implementation and development of our CCAP. It also oversees the governance, strategy, risk management and performance of the Group with respect to material climate-related risks and opportunities.

The Board's standing Committees report to the Board after their scheduled meetings on any material matters within their terms of reference arising out of the meetings (including climate-related issues, risks and opportunities as applicable) as well as performance against the Group's targets and goals. The Board uses this information as an input when discharging its reserved functions in relation to our strategy, allocation of capital, budget, corporate development decisions, risk oversight and statutory disclosures.

Our Board receives a regular external briefing addressing emerging climate change issues and related societal expectations and trends.

Sustainability Committee

Oversees our approach to managing climate-related risks and opportunities and monitors and reviews the Group's performance and resilience in this area. This includes endorsing public climate change targets and commitments proposed by management and monitoring delivery (including decarbonisation initiatives) against them.

The Committee receives reports from management at each scheduled meeting on climate-related risks, opportunities and issues, including progress and performance against emissions forecasts, public commitments, decarbonisation initiatives and emerging policy and regulation.

The Committee and management receive updates from internal and external experts about developments in climate science, policy, regulation and technology.

Risk and Audit Committee

Oversees our corporate reporting, risk management and assurance practices. This includes monitoring and reviewing our climate change and environment strategic risk, and associated key risk indicators and management responses, considering any recommendations from the Sustainability Committee.

Remuneration Committee

Oversees our remuneration and benefits framework to gain assurance that remuneration arrangements are equitable and aligned to the long-term interests of shareholders, and support our purpose, strategy and values. This includes recommending to the Board executive remuneration outcomes tied to climate change-related performance conditions, considering any recommendations from the Sustainability Committee.

Nomination and Governance Committee

Receives updates on developments and trends in corporate governance, including in the area of climate change. It also regularly reviews the mix of skills competencies and experience represented by Directors to ascertain whether they remain appropriate for our purpose, strategy and relevant emerging business and governance issues.

Learn more about how Board and Committee oversight was exercised in FY25 and the skills and capabilities of our Directors to support this work on pages 102 to 134 of our Annual Report 2025, available at www.south32.net.

Management

CEO and Lead Team

Our CEO, together with the Lead Team, is accountable for developing and implementing our CCAP. Our CEO and Lead Team assess and report to the Board and its Committees on the impact of material climate-related risks and opportunities, including the climate resilience of our strategy and business model and implications for our financial position and performance.

Climate Change Steering Committee (CCSC)

Established in August 2024, the CCSC is composed of Lead Team members and is responsible for overseeing management of climate-related risks and opportunities, and the development and implementation of our CCAP. The Committee also provides support for the continued integration of our climate change response into our strategy, governance and risk management processes.

The CCSC is supported in its monitoring of climate-related risks, opportunities and issues through quarterly progress and performance reporting of GHG emissions, decarbonisation initiatives and risk management activities. The Lead Team and CCSC also receive half-yearly risk-sensing reports, which include climate-related risks and opportunities.

Executive remuneration

20% of the long-term incentive component of the remuneration of our CEO and Lead Team is linked to our response to climate change and the transition of our portfolio towards minerals and metals critical to the world's energy transition. Performance against these measures is assessed by the Board at the end of each four-year performance period, with annual progress updates provided in our Remuneration report, which forms part of our Annual Report.

Learn more on pages 136 to 165 of our Annual Report 2025, available at www.south32.net.

Enablers continued

Climate-related reporting

We are committed to providing clear and meaningful disclosures and transparently reporting our sustainability performance, including in relation to how we are addressing climate change.

Since FY17, we have been reporting on our climate change approach and performance having regard to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In accordance with the UK Listing Rules set by the UK Financial Conduct Authority, we believe that the disclosures in this CCAP are consistent with the TCFD's four recommendations and 11 recommended disclosures. An index setting out where information relating to each recommended disclosure is provided in our Sustainability Standards and Frameworks Index 2025 and on page 53 of our Annual Report 2025. The Sustainability Standards and Frameworks Index also details our alignment with the Sustainability Accounting Standards Board (SASB) Standards and the Climate Action 100+ (CA100+) Net Zero Company Benchmark.

We continue to prepare for implementation of the Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures, which will be mandatory for South32 from FY26. As part of this process, we have incorporated select AASB S2 requirements into this CCAP and our Climate-related Risk and Reporting Methodology, partially aligning our governance, strategy, risk management, and metrics and target disclosures with the standard. This work included enhancing our climate-scenario analysis and refining our emissions data collection processes.

We use a range of emissions metrics and other performance measures to assess our climate-related performance and track progress towards our FY35 emissions reduction target. This information is reported to the Sustainability Committee at least quarterly. Detailed emissions and other climate-related data is disclosed in our Sustainability Databook 2025. The methodologies that underpin these disclosures are outlined in our Climate-related Risk and Reporting Methodology 2025.

KPMG has provided limited assurance over this Climate Change Action Plan, as well as reasonable assurance of our Scope 1 and 2 emissions, and limited assurance of Scope 3 emissions.

Stakeholder engagement on climate change

Our Board and management regularly engage with investors, with climate change a key topic of discussion. In addition to ad hoc engagements, extensive Board-led engagement takes place each year in the lead up to our Annual General Meeting which includes meetings with shareholders and proxy advisers led by our Chair.

Management engagement includes sustainability-focused meetings held throughout the year with investors, proxy advisers, investor representative organisations, government representatives and civil society groups.

Since our inclusion in the CA100+ list of focus companies, we have had regular and productive engagement with our lead investor at CA100+, HESTA. We actively participate in the annual CA100+ Net Zero Company Benchmark assessment process and contributed to the development of the CA100+ Net Zero Standard for Diversified Mining, which was published in September 2023.

Climate-related risk management

Our approach to risk management is governed by our risk management framework, which is defined in our Risk Management Policy, available at *www.south32.net*. This framework applies to all risks, such that our consideration of climate-related risks is consistent with, and integrated into, our overall risk management approach. Our internal risk management standard outlines requirements for managing risks that can materially impact our ability to achieve our purpose, strategy and business plans. The framework and standard are implemented through our system of risk management and align with the principles of International Standard for Risk Management AS/NZS ISO 31000:2018.

Our annual materiality assessment identifies sustainability topics that are material to our stakeholders and business. Insights also inform the structure of our risk taxonomy, the classification system that we use to identify, categorise and understand risks across our business. Our FY25 assessment applied a double materiality approach for the first time, considering both our impact on the environment and society, and how these factors impact our business. This enhanced process identified 'climate resilience and adaptation' and 'emissions, decarbonisation and transition risk' as highly material topics.

Identifying and evaluating risks

Climate-related risks and opportunities are identified and evaluated at a Group-wide strategic level and at a tactical level for operations, projects and functions. Group-level transition and physical risks are summarised on pages 56 to 58 of our Annual Report 2025.

Our Group-level climate-related risks and opportunities are identified and assessed over three defined time horizons: short-term (zero to two years), medium-term (two to five years) and long-term (beyond five years).

Our risk assessments consider relevant current and emerging regulatory requirements and draw on climate intelligence across both physical and transition risks. By assessing climate-related risks alongside other business risks, we can assess their relative significance and develop responses in the context of the Group as a whole. This approach helps embed the management of these risks and opportunities into our broader risk management system.

Climate scenario analysis

Climate scenario analysis explores how the future could evolve under a range of plausible, but hypothetical, conditions. As transition and physical risks are driven by fundamentally different forces — socioeconomic and policy change versus physical climate hazards — different modelling approaches are needed. Therefore, we apply two distinct climate scenario frameworks — one for transition risks and one for physical risks — each with two scenarios. This enables us to assess our strategic and operational resilience across a range of climate futures.

Managing and monitoring risks

We organise our risks within a structured risk taxonomy. Material risks are grouped into risk families based on shared characteristics or scope. Where appropriate, these families are further divided into risk categories. Each risk family is aligned to one or more of our strategic risks, reflecting their collective potential to impact the achievement of our strategic objectives.

Learn more about our climate risk management process, including our scenario analysis frameworks, in our Climate-related Risk and Reporting Methodology 2025 and in the Risk Management Section of our Annual Report 2025.

Glossary of terms and abbreviations

AASB
Australian Accounting Standards Board.

Absolute emissions
The total amount of GHGs emitted into the atmosphere over a specific period regardless of factors like economic output or intensity.

Alumina
Aluminium oxide (Al_2O_3). Alumina is produced from bauxite in the Bayer refining process. It is then converted (reduced) in an electrolysis cell to produce aluminium metal.

Artificial intelligence
Artificial intelligence (AI) is the ability for machines to complete tasks commonly associated with human intelligence.

Base metal
A common metal that is not considered precious, such as aluminium, copper, zinc and lead.

Bauxite
The principal commercial ore of aluminium.

Behind-the-meter
Electricity that is generated on the customer side of utility metering.

Board
The Board of Directors of South32 Limited.

CAGR
Compound Annual Growth Rate.

Carbon Border Adjustment Mechanism (CBAM)
A CBAM is a mechanism implemented by governments to account for the carbon cost of producing imported goods, with the ultimate aim of reducing greenhouse gas emissions and supporting global progress towards net zero. The European Union CBAM entered into force on 1 October 2023.

Carbon credit
An emissions unit that is issued by a carbon crediting program and represents an emission reduction or removal of greenhouse gases. Carbon credits are uniquely serialised, issued, tracked and cancelled by means of an electronic registry.

Carbon leakage
A situation that may occur when producers regulated by domestic carbon pricing schemes cannot compete with cheaper, more carbon-intensive products manufactured in other jurisdictions. This creates a risk that these producers may relocate production to jurisdictions where carbon pricing measures are less stringent, or that customers may substitute domestic products with cheaper (and more carbon intensive) imports.

CCAP
This Climate Change Action Plan, which sets out our approach to addressing risks and opportunities presented by climate change. Our CCAP is updated at least every three years with progress reported annually and is available at *www.south32.net*.

Climate-related risks and opportunities
Climate-related risks refers to the potential negative effects of climate change on an entity. These risks are categorised as climate-related physical risks and climate-related transition risks.

Climate-related opportunities refers to the potential positive effects arising from climate change for an entity. Efforts to mitigate and adapt to climate change can produce climate-related opportunities for an entity.

CO_2-e
Carbon dioxide equivalent. The universal unit of measurement to indicate the global warming potential of each greenhouse gas, expressed in terms of the global warming potential of one unit of carbon dioxide. This unit is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.

Climate adaptation
The process of adjusting to actual or expected climate change and its effects, to reduce harm or take advantage of potential opportunities.

Climate resilience
The capacity of an entity to adjust to climate-related changes, developments or uncertainties. Climate resilience involves the capacity to manage climate-related risks and benefit from climate-related opportunities, including the ability to respond and adapt to climate-related transition risks and climate-related physical risks. An entity's climate resilience includes both its strategic resilience and its operational resilience to climate-related changes, developments and uncertainties.

Continuing operations basis (in context of GHG emissions)
Continuing operations basis, which is exclusive of operations that have been divested and reflects greenhouse gas (GHG) emissions from operations which remain in our portfolio as at the end of FY25.

Copper equivalent production (CuEq)
Represents the payable copper equivalent production in kilotonnes and is calculated by accumulating revenue using average realised prices for all operations and dividing by the average realised price of copper. In this Report, CuEq has been calculated based on FY25 averaged realised product prices for all years included in FY25 reporting, to allow for comparison between years.

Coupled Model Intercomparison Project 6 (CMIP6)
The sixth phase of the Coupled Model Intercomparison Project, CMIP6, is a global, coordinated climate-modelling initiative led by the World Climate Research Programme. It supports standardised comparisons of past, present and future climate simulations to improve model fidelity and analyse climate change under multiple scenarios. CMIP6 builds on CMIP5 with improved models and new scenario frameworks (SSPs) used in the IPCC's Sixth Assessment Report (AR6).

Decarbonisation
Avoiding or reducing the greenhouse gas emissions associated with an activity.

Emissions intensity
Refers to the amount of greenhouse gas emissions produced per unit of economic activity or production.

Energy attributes
Energy attributes represent information about the energy generated, such as its GHG emissions factor, but not the energy itself. Attributes may be conveyed in the form of certificates, tags, credits, generator declarations or other contractual instruments.

Energy coal
Used as a fuel source in electrical power generation, cement manufacture and various industrial applications. Energy coal may also be referred to as steaming or thermal coal.

Energy consumption
Energy consumed where we have operational control includes fuel consumed for non-combustion and combustion activities, regardless of the use, i.e. stationary or mobile purposes. Where energy is consumed to generate a secondary energy stream (e.g. electricity generation or transfer of unprocessed natural gas to natural gas ready for distribution), only the primary energy consumption is reported.

Glossary of terms and abbreviations continued

European Union Carbon Border Adjustment Mechanism (EU CBAM)
Carbon tariff on carbon-intensive products, such as aluminium, steel, cement and some electricity imported to the European Union.

Firming
Firming refers to maintaining the output from an intermittent power source for a required length of time to ensure enough energy is available to meet demand.

Fugitive emissions
Fugitive emissions are losses, leaks and other releases of gases such as methane, perfluorocarbons and carbon dioxide (CO_2) to the atmosphere.

FYXX
Refers to the financial year ending 30 June 20XX, where XX is the two-digit number for the year.

GEMCO
Groote Eylandt Mining Company.

GHG
Greenhouse gas.

GHG emissions intensity
Greenhouse gas emissions (Scopes 1 and 2) divided by tonne of saleable product (t CO_2-e/ t).

GHG Protocol
World Resources Institute and World Business Council for Sustainable Development Greenhouse Gas Protocol. A globally recognised framework for measuring and managing greenhouse gas emissions.

GISTM
Global Industry Standard on Tailings Management.

Global warming potential
A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given greenhouse gas relative to one unit of CO_2.

Goal
An aspiration to deliver an outcome for which we have not identified a pathway for delivery, but for which efforts will be pursued towards achieving that outcome, subject to certain assumptions or conditions.

Greenfield
An exploration or development project that refers to a new venture or operation, without any association or proximity to a current operation.

Greenhouse gas (GHG) emissions
For our reporting purposes, GHG emissions are the combined anthropogenic emissions of carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6). They are measured in carbon dioxide equivalent (CO_2-e). Hydrofluorocarbons (HFCs) GHG emissions are currently not relevant for our reporting purposes.

- Scope 1 emissions: GHG emissions from our own operations, including the electricity we generate at our sites.
- Scope 2 emissions: Indirect GHG emissions from the generation of purchased electricity.
- Scope 3 emissions: GHG emissions in the value chain.

Gross domestic product (GDP)
Total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.

Hazard
Something that has the potential to cause harm, ill health or injury, or damage to property, plant, or the environment.

ICMM
ICMM, previously referred to as the International Council on Mining and Metals, is an international organisation that leads through collaboration to enhance the contribution of mining and metals to sustainable development. As a corporate member, South32 commits to implementing and reporting on the ICMM Mining Principles, Performance Expectations and mandatory requirements set out in the Position Statements, which define environmental, social and governance requirements.

IMC
Illawarra Metallurgical Coal.

Indigenous, Traditional and Tribal Peoples
We use the defined term 'Indigenous, Traditional and Tribal Peoples' as per the definition and guidance set out in the Indigenous and Tribal Peoples Convention, 1989 (No. 169). We use this term inclusively to encompass the diversity of worldwide Indigenous, Traditional and Tribal Peoples, including but not limited to First Nations, Native Americans, Traditional Owners, Aboriginal and Torres Strait Islander Peoples and other land-connected communities. We recognise that no single definition can fully capture the diversity of Indigenous, Traditional and Tribal Peoples.

Intergovernmental Panel on Climate Change (IPCC)
The IPCC is the United Nations body for assessing the science related to climate change. Established in 1988 by the World Meteorological Organization (WMO) and United Nations Environment Program (UNEP), the IPCC provides policymakers with regular assessments of the scientific basis of climate change, its impacts, future risks, and options for adaptation and mitigation.

Just transition
The concept of a just transition reflects the imperative to manage social impacts, risks and opportunities as we move towards a low-carbon economy. It is an approach to decarbonisation that seeks to centre the interests of those most affected — including workers and communities — to enable a fair, equitable and inclusive transition.

Low-carbon
Refers to substantially lower levels of GHG emissions when compared to the current state. Where used in relation to South32's products or portfolio, it refers to enhancement of existing methods, practices and technologies to substantially lower the level of embodied GHG emissions as compared to the current state.

Metallurgical coal
A broader term than coking coal that includes all coals used in steelmaking, such as coal used for the pulverised coal injection process.

Mineralisation
Any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest (JORC Code).

Nationally Determined Contributions (NDCs)
Countries' self-defined national climate pledges under the Paris Agreement, detailing what they will do to help hold global warming to well below 2°C above pre-industrial levels and pursue efforts to limit the increase to 1.5°C.

Nature positive
A high-level goal and concept describing a future state of nature (e.g. biodiversity, ecosystem services and natural capital) that is greater than the current state.

Nature-related impacts and dependencies

Nature-related impacts and dependencies describe the two-way relationship between an organisation and nature.

Impacts refer to the changes, positive or negative, that an organisation causes to the state of nature through its actions, whether directly, indirectly, or cumulatively. Examples include land use, emissions, or resource extraction.

Dependencies are aspects of environmental assets and ecosystem services that an organisation relies on to function, such as water supply, pollination, and climate regulation.

Nature-related risks and opportunities

Nature-related risks and opportunities come from an organisation's impacts and dependencies on nature and via changes to the state of nature.

Nature-related risks are potential threats posed to an organisation that arise from its, and wider society's, dependencies and impacts on nature. Risks can be physical risks, transition risks or systemic risks.

Nature-related opportunities are activities that create positive outcomes for organisations and nature through positive impacts or mitigation of negative impacts on nature.

Net zero

Net zero GHG emissions are reached when anthropogenic emissions of GHGs to the atmosphere are balanced by anthropogenic removals over a specified period.

Non-operated joint ventures

Operations, development projects and options, and exploration prospects which are not wholly owned by South32 Limited or its subsidiaries and for which South32 does not manage the operation, being Ambler Metals, Brazil Alumina, Brazil Aluminium, Sierra Gorda S.C.M, Mineração Rio do Norte S.A (MRN) and Port Kembla Coal Terminal. Details of South32's ownership interest can be found on the 'Reporting boundaries' tab of our Sustainability Databook 2025 at *www.south32.net*.

Offset/offsetting (in context of GHG emissions)

An action that avoids, reduces or removes GHG emissions to compensate for emissions that occur elsewhere.

Operated joint ventures

Operations, development projects and options, and exploration prospects which are not wholly owned by South32 Limited or its subsidiaries and for which South32 manages the operation, being, Australia Manganese, Eagle Downs, South Africa Manganese, Minera Sud Argentina, Mozal Aluminium and Worsley Alumina. Details of South32's ownership interest can be found on the 'Reporting boundaries' tab of our Sustainability Databook 2025 at *www.south32.net*.

Operational (GHG) emissions

Scope 1 and 2 greenhouse gas emissions from our operated assets.

Our people

As defined in our Code of Business Conduct, our people includes South32 Directors, executive management, employees and contractor staff.

Paris Agreement

A legally binding international treaty adopted in 2015 by Parties to the United Nations Framework Convention on Climate Change (UNFCCC), committing governments to progressively strengthen national climate targets to limit warming to well below 2°C (pursuing 1.5°C), while enhancing adaptation and support for developing countries.

Physical risk

Physical climate risks are driven or intensified by weather, climate variability or climate change. They include acute risks, resulting from increased frequency or severity of extreme weather events (e.g. drought or flood events) that can disrupt operations, damage infrastructure and/or interrupt supply chains; and chronic risks, resulting from longer-term changes in climate patterns (e.g. sustained higher temperatures, changing rainfall patterns, sea level rise) that can progressively affect operational performance, natural resources availability (e.g. water) and energy needs.

Primary demand

Demand met through new production, including mining, smelting, or refining — excluding recycled or recovered material.

Scope 1 emissions

GHG emissions from our own operations, including the electricity we generate at our sites.

Scope 2 emissions

Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Purchased and acquired electricity is electricity that is purchased or otherwise brought into an entity's boundary. Scope 2 GHGs physically occur at the facility where electricity is generated.

Scope 3 emissions

Indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions. Scope 3 greenhouse gas emissions include the Scope 3 categories in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

South-West Interconnected System

The electricity grid in the south-west region of Western Australia comprising transmission, owned by the Western Australian Government, and electricity generators. It is not connected to other large Australian grids.

South32, South32 Group or Group

Refers to South32 Limited and its subsidiaries and operated joint ventures, unless otherwise stated.

Supply chain

The global network of suppliers that support South32's operations, development options and exploration programs through the flow of goods, services and information.

Sustainability, sustainable development, sustainably, sustainable

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

Tailings

The left-over materials that remain after the target mineral is extracted from ore.

Target

An intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions.

Glossary of terms and abbreviations continued

Task Force on Climate-Related Financial Disclosures (TCFD)
The TCFD developed a framework for climate-related financial disclosures, including a set of recommended disclosures structured around the four recommendation pillars of governance, strategy, risk management, and metrics and targets. The TCFD was disbanded in October 2023 and the International Sustainability Standards Board will monitor progress on the state of climate-related financial disclosures by companies.

Total demand
Combined demand for both primary materials and recycled (secondary) content.

Total operations basis (in context of GHG emissions)
Total operations basis, which is inclusive of operations that are no longer in our portfolio.

Transition materials
CA100+ Net Zero Standard for Diversified Mining defines transition materials into two categories which include Key Transition Materials (KTM) and Other Transition Materials (OTM). KTM include lithium, copper, nickel, cobalt for example, while OTM include aluminium, alumina and bauxite, silver, zinc, manganese and lead for example (both lists are not exhaustive).

Transition risk
Risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy and legal, technology, market and reputational risks. These risks could carry financial implications for an entity, such as increased operating costs or asset impairment due to new or amended climate-related regulations. The entity's financial performance could also be affected by shifting consumer demands and the development and deployment of new technology.

TSF
Tailings Storage Facility

Value chain
The interrelated activities and systems encompassing the full lifecycle and value creation of our products and processes, beginning with South32's exploration and development of commodities, followed by processing, refining and smelting, and culminating in the sale and distribution to customers and the closure of mines.

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