



TAX TRANSPARENCY AND PAYMENTS TO GOVERNMENTS REPORT 2025

BRIGHTER
FUTURES
TOGETHER



About this report

Our 2025 Annual Reporting Suite

This year we have integrated our Sustainable Development Report and Corporate Governance Statement into our Annual Report. The following documents also form part of our 2025 Annual Reporting Suite and are published separately:



Annual Report



**Climate Change
Action Plan**



**Modern Slavery
Statement**

Our Annual Reporting Suite also includes the:

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



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

Tax Transparency and Payments to Governments Report 2025

This report is about both our approach to tax, how we conduct our tax arrangements globally and the size of the tax payments and contributions to governments we made for the year ended 30 June 2025.

Disclaimer

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 ventures¹;
2. references to 'our operations', phrases such as commodities 'we produce', 'we refine', 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 ventures²;
3. financial information is presented based on the Group's equity share in its subsidiaries,³ operated joint ventures⁴ and non-operated joint ventures⁵;
4. monetary amounts are expressed in US dollars.

Non-IFRS

This report includes non-IFRS financial measures, including underlying measures of earnings, effective tax rate, returns on invested capital, cash flow and net cash/(debt). Non-IFRS measures should not be considered as alternatives to an IFRS measure of profitability, financial performance or liquidity. For an explanation of how South32 uses non-IFRS measures, see page 75 of our Annual Report 2025.

Non-IFRS measures should be considered in addition to, and not as a substitute for, IFRS measures of profitability, financial performance or liquidity.

Forward-looking statements

Any forward-looking statements in this report are based on South32's current expectations, best estimates and assumptions as at the date of preparation, many of which are beyond South32's control. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks and uncertainties, which may cause actual results to differ materially from those expressed in the report.

Assurance

South32 engaged an independent external assurance organisation, KPMG, to provide the Directors of South32 Limited with assurance on select information, as explained in the FY25 Independent Assurance Report on pages 28 to 29.



Cover: Production supervisors at our Worsley operation in Australia

Right: The Governor of the Indigenous Community of Centro América, Puerto Libertador, Cordoba in Colombia.

¹ Details of operations which are not wholly owned by South32 Limited or its subsidiaries and for which South32 manages the operation, can be found in the Glossary.

² Details of operations which are not wholly owned by South32 Limited or its subsidiaries and for which South32 does not manage the operation, can be found in the Glossary.

³ Cerro Matoso SA financial information is presented on a 100% basis.

⁴ Minera Sud Argentina financial information is presented on a 100% basis.

⁵ Mineração Rio do Norte S.A (MRN) and Port Kembla Coal Terminal (PKCT) financial information is excluded.

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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.



About us

BRIGHTER FUTURES TOGETHER

Our purpose

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

We produce minerals and metals critical to the world's energy transition from operations across the Americas, Australia and Southern Africa and we are discovering and responsibly developing our next generation of mines.

We aspire to leave a positive legacy and build meaningful relationships with our partners and communities to create brighter futures together.

Our strategy

underpins our purpose and outlines what we do to achieve it.



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.

Our values

guide how we achieve our purpose. Every day, our values shape the way we behave and the standards we set for ourselves and others.



Care

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



Trust

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



Togetherness

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



Excellence

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

 Learn more about our values at www.south32.net.

Introduction

TRANSPARENCY IN ACTION

This is our 10th Tax Transparency and Payments to Governments Report, reflecting the ongoing commitment of South32 to provide relevant information to our stakeholders.

We publish an annual Tax Transparency and Payments to Governments Report to ensure all our stakeholders have a clear understanding of our approach to tax and the contributions we make. This transparency allows us to demonstrate accountability, and our commitment to ethical business practices and responsible governance.

We understand the importance of transparency and support initiatives that require companies to publicly share relevant data. We provide information on a country-by-country and project-by-project basis, meeting the requirements of the tax transparency measures set out in the Basis of Preparation (refer to page 26), which includes the comprehensive requirements of the Global Reporting Initiative Tax Standard (GRI 207).

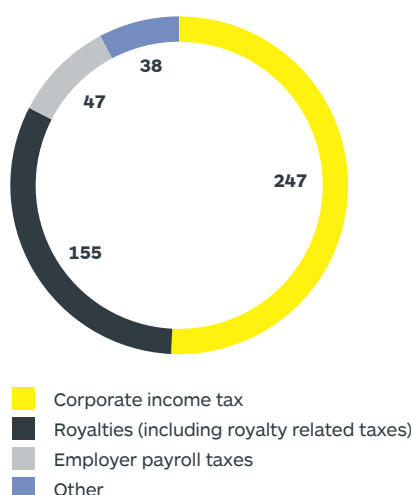
We also proudly support the Extractive Industry Transparency Initiative (EITI) and we disclose all relevant tax payments made to governments and all mineral development contracts. Details on how we comply with EITI expectations and GRI 207 are provided on page 10.

Our Board and Chief Executive Officer (CEO) continue to affirm their commitment to the following principles guiding our approach to tax across all jurisdictions:

- Complying with all applicable laws, regulations, disclosure requirements, the accurate payment of taxes and timely lodgement of returns;
- Building and maintaining constructive relationships with revenue authorities, government bodies and all other relevant parties;
- Making decisions at an appropriate level, supported by comprehensive documentation;
- Confirming that technical filing positions include robust risk assessment with appropriate risk mitigation activities (e.g., professional opinions, appropriate disclosure);
- Supporting tax positions taken with evidence, so they can be substantiated if reviewed by a revenue authority;
- Immediate voluntary reporting of any detected errors/omissions to all relevant revenue authorities; and
- Complying with all our Group and tax-specific controls and maintaining evidence of their operation.

In the year ended 30 June 2025, the Group paid US\$487.0 million in taxes and royalties, which is in line with the revenues, profits and tax rates of the jurisdictions in which we operate. The Group had an Underlying effective tax rate (ETR) of 35.0% and a Statutory ETR of 74.9%. Further details of our current year tax rates and payments are included on page 12-14.

Total taxes and royalties paid in the year ended 30 June 2025 (US\$ millions)



This Tax Transparency and Payments to Government Report is supplemented by the Tax Transparency Databook which provides full data on a country-by-country and government-by-government basis. We provide transparency beyond legislative requirements applicable to our business. The link to the 2025 Tax Transparency Databook 2025 is [here](#).

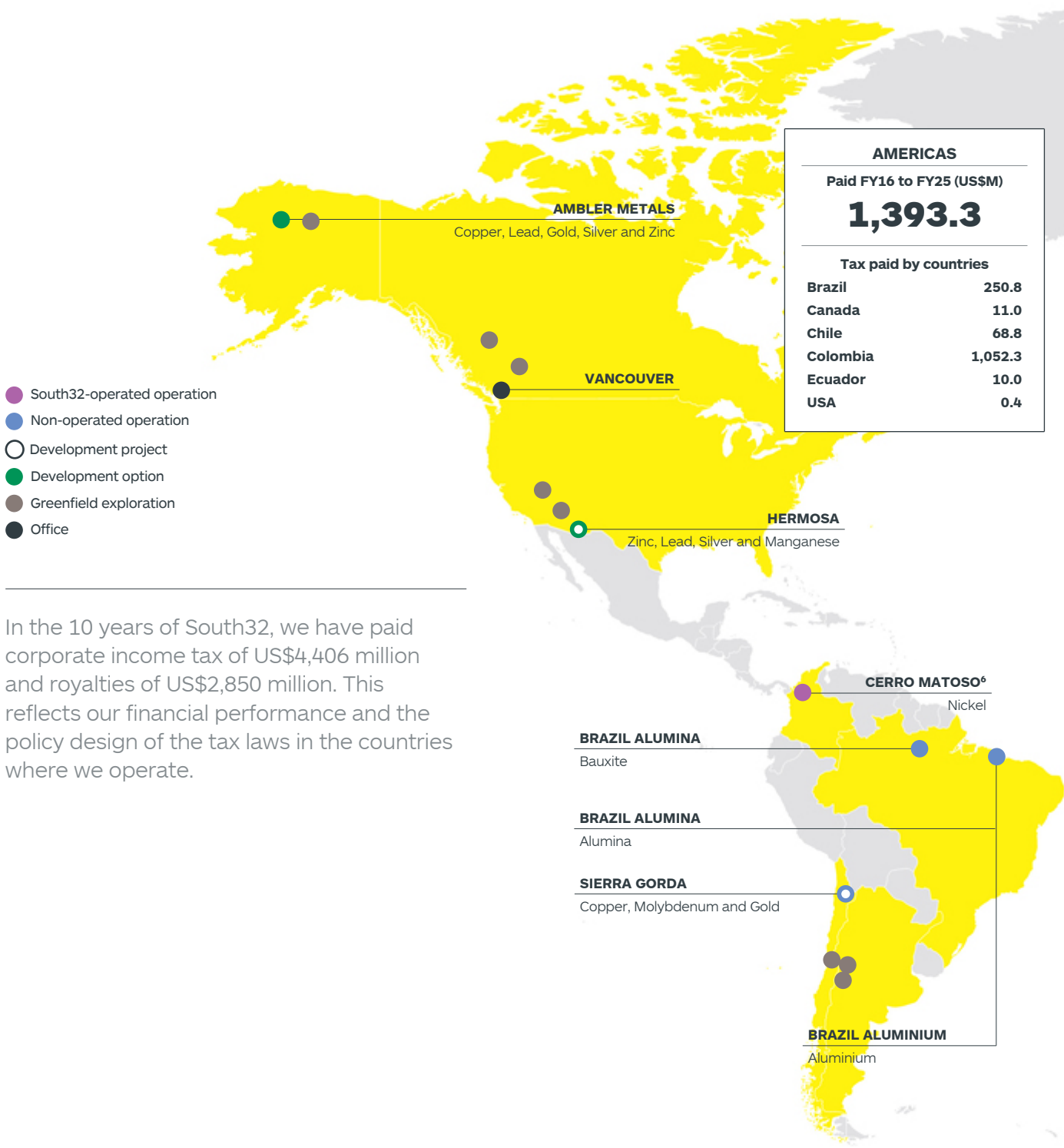
We have also included extensive footnotes in this report with explanations/reconciliations to help readers understand how the numbers quoted in this report reconcile to our Annual Report 2025.

An independent audit report which provides assurance on total payments made by country and level of government and total payments to government by project has been provided by KPMG (refer to page 28).

A description of technical terms used in this report and information regarding the approach adopted in compiling the data presented can be found in the Basis of Preparation and the Glossary (refer to pages 26 and 27).

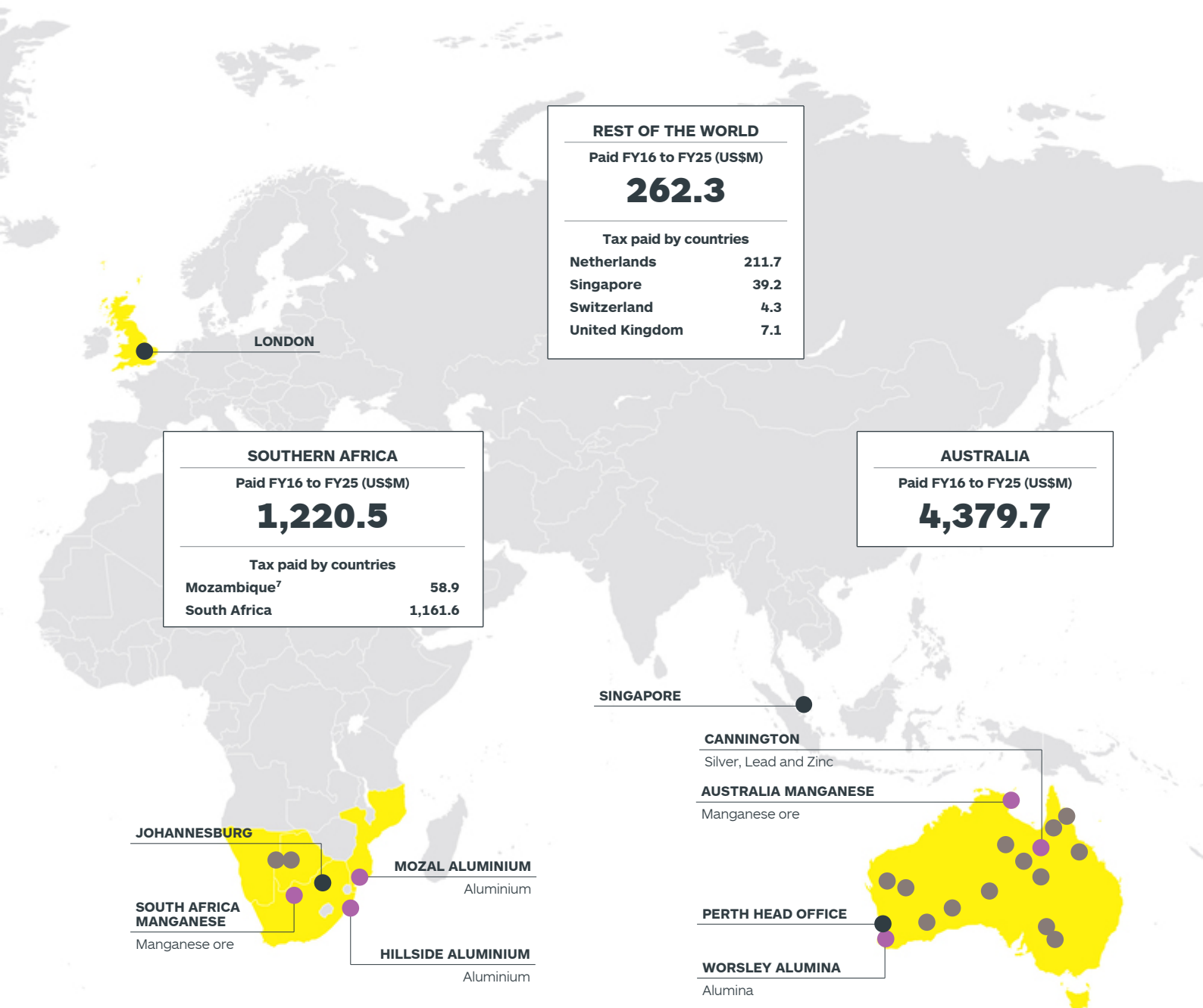
Where we operate and the income tax and royalties we pay

TEN YEARS OF INCOME TAX AND ROYALTY PAYMENTS



In the 10 years of South32, we have paid corporate income tax of US\$4,406 million and royalties of US\$2,850 million. This reflects our financial performance and the policy design of the tax laws in the countries where we operate.

6 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.



7. We have also paid dividends of US\$39 million to the Mozambique Government since FY17.

Payments to governments over the mining lifecycle

OUR CONTRIBUTIONS

Our portfolio and payments to governments over the mining lifecycle.

Our continued focus on transforming our portfolio is aligned with our commitment to a lower-carbon future and long-term value creation. In FY25, we completed the divestments of our interest in Illawarra Metallurgical Coal (IMC), Eagle Downs Metallurgical Coal (Eagle Downs) and the Metalloys manganese alloy smelter, marking a significant step in reshaping our business towards commodities critical for a renewable energy transition. In line with this strategy, we have also announced that we have entered into a binding agreement to sell Cerro Matoso.

We continue to invest in growth-focused opportunities such as the Hermosa project in the United States. During FY25, we progressed construction of the Taylor zinc-lead-silver deposit and advanced development of the exploration decline for the Clark battery-grade manganese deposit. In parallel, we increased investment in greenfield exploration, with multiple programs targeting base metals across Australia, the United States, Canada, Argentina and Namibia, demonstrating our ongoing commitment to building a pipeline of future-facing resources.

Our tax contributions vary depending on the stage of each of our projects within its lifecycle. Our projects are long-term investments and there are multiple taxes required over the varying stages of the project:



Explore

Exploration and evaluation in the search for new deposit sites can take time. Tax contributions during this phase are relatively low, reflecting the upfront risk and investment before profits can be returned. The payments we contribute to governments during this phase include employment taxes for project teams, payments for relevant permits, fees and licenses and withholding taxes. As there are costs incurred with no income received, these losses are either carried forward as tax losses or capitalised against the project.



Develop

In the development phase, further investment towards preparing a mine for operation includes cost of mine infrastructure, securing permits, and preparing for the mining and/or processing phase. The payments we contribute to governments during this phase expand to include further permits, fees and licenses, higher employment taxes, custom duties, withholding taxes and property taxes.



Mine, process, refine and smelt

This incorporates the production phase and marks the beginning of the mine or refining process. This phase can last multiple decades. The payments we contribute to governments during this phase are the most significant. This extends payments to include corporate income taxes and royalties (which are paid based on revenues). Payments may be lower in the early years of operation as tax losses generated from the explore and develop phases may be available to offset income. As the production matures, higher taxes are paid based on profitability.



Market and deliver

This phase involves transporting our minerals to where they are needed for our end customers. This phase can include income taxes and value-added taxes.



Rehabilitate and close

Planning for closure begins well before the end of operational life. Rehabilitation activities are often embedded into every phase of the lifecycle. As production activities wind down and profits reduce, tax payments to governments will be lower.

Our history of tax transparency

COMMITTED TO TRANSPARENCY

This 10th report demonstrates our decade-long commitment to transparency, by consistently disclosing our tax contributions by country and level of government.

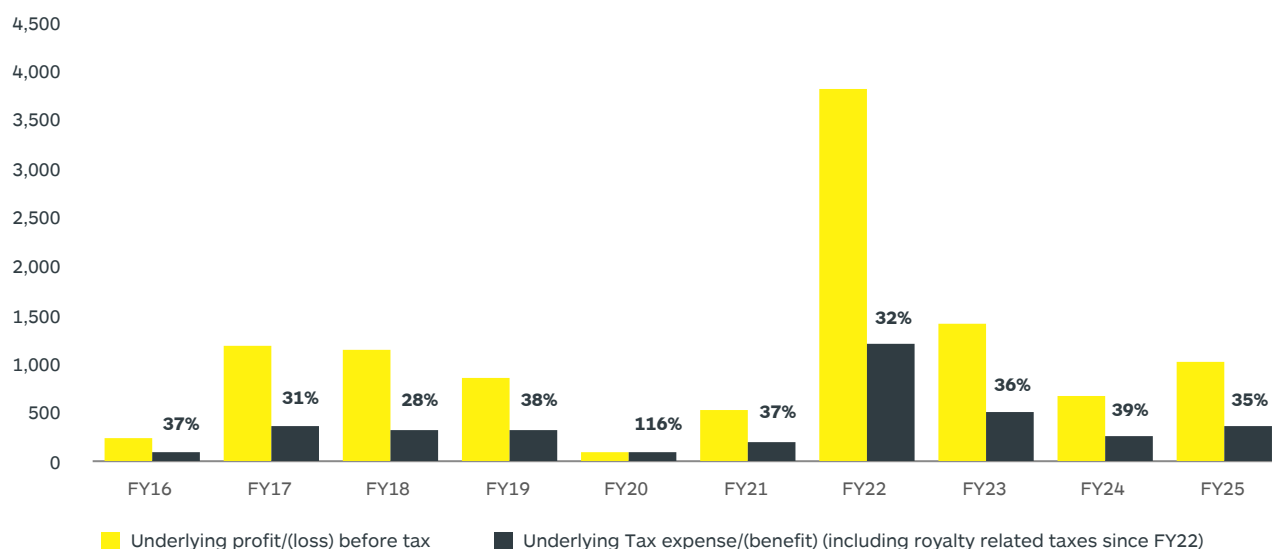
We use Underlying earnings as a key measure in assessing the performance of our business. Underlying earnings excludes revenue and expense items that do not reflect the performance or outcome of our operations. Underlying earnings is calculated as Underlying earnings before interest and tax (EBIT) less Underlying net financing (revenue)/costs less Underlying income tax expense.

Our Underlying earnings and Underlying ETR include our manganese operations and the Sierra Gorda copper mine's results on a proportionally consolidated basis since FY22.

Our tax contributions follow the tax rules and tax rates of the countries where we operate. Our tax obligations are closely linked to our financial results, which are influenced by fluctuations in commodity prices and production performance. Income tax is levied on profits, such that higher commodity prices usually result in higher profits and higher income tax payments. Our payment of royalties reflects the design of laws in jurisdictions where we operate and includes royalties levied on material produced, based on the value of sales or linked to profits.

The chart below shows the trend in our Underlying financial performance, tax expense (including royalty related taxes) and ETR. As the countries we operate in have varying tax rates, our Underlying ETR is largely influenced by the geographic distribution of the Group's profit.

Trends in Underlying profit, tax expense and ETR⁸ (US millions)



⁸ Permanent differences have a disproportionate impact on ETR when profits are low. Underlying ETR was greater than Underlying profit in FY20 as the benefit of losses from our former South African Energy Coal operation was not recognised as the losses were not expected to be recouped under South32 ownership.

Our approach to managing tax

OUR **APPROACH** TO MANAGING TAX IS ALIGNED WITH OUR PURPOSE AND VALUES

Our values of Care, Trust, Togetherness and Excellence guide our approach to tax and the decisions we make on a consistent basis across all jurisdictions.

Tax governance

We only allow tax decisions to be made by the Board, CEO, Chief Financial Officer and Vice President Tax and Treasury. We have globally consistent authority levels required for tax decisions and approvals. These authorities are based on risk assessments which are consistent with broader business approvals and the risk tolerance levels applied to other decisions in our business.

Our internal tax management framework (which is applicable to all tax employees) and our internal tax standard (which is applicable to all employees), guide how tax matters are managed across the business.

The processes and controls designed to manage our tax risks follow best practice standards and are in line with the Australian Taxation Office (ATO) Tax Risk Management and Governance Review Guide, United Kingdom (UK) Senior Accounting Officer guidance and the UK Regulations regarding tax strategy reporting requirements. We maintain contemporaneous evidence of our governance processes, which are reviewed annually by our Tax Governance team and subject to independent review at least every three years. Our tax affairs are also subject to regular review by tax authorities and our external auditors as part of normal local compliance and reporting processes.

We employ a global team of qualified and experienced tax professionals, who are required to undertake continued professional development. We utilise external advisors to support our team on technical filing positions or in the interpretation of specific points of law.

All employees, including members of our global tax team, receive training on our Code of Business Conduct (Code) which is based on our values and sets the standard for our behaviour. We also make available EthicsPoint, a 24/7 independent external platform for employees, contractors and the community to anonymously report concerns regarding potential breaches of our Code, including tax-related matters. A copy of our Code can be found at www.south32.net.

Dealings with tax authorities, including disputes

We proactively engage with tax authorities in real time. We conduct our interactions openly and transparently, guided by our values and our Code.

We act responsibly in relation to all tax compliance matters and are committed to paying the right tax in the right jurisdiction. Given the global scope of our business and the complexities of tax laws, uncertainties can arise regarding their application, occasionally leading to disagreements with tax authorities over the amount of taxes paid.

When a dispute arises, we constructively engage with tax authorities regarding how the law is being applied and seek to resolve any disagreements on a timely basis. At times, it will be appropriate for those matters to be resolved or clarified through legal proceedings.

Tax incentives and grants

We consider tax incentives and grants available in jurisdictions where we operate and view such incentives as beneficial when they support targeted investments or address specific challenges, such as advancing transition to a low-carbon⁹ economy. When we utilise incentives, we ensure full compliance with legislative intent and regulatory requirements.

For example, Worsley has received A\$4.4 million in funding from the Australian Renewable Energy Agency (ARENA) under the industrial transformation stream to support a pre-feasibility study exploring steam electrification options.

Supporting effective tax systems

We actively engage with a range of stakeholders, including governments and industry associations, to contribute to the development of sustainable and effective tax systems.

Through our membership with the International Council on Mining and Metals (ICMM), we contributed to the development of the *Unlocking Prosperity: Tax Principles for Sustainable Mining* report. We support the tax policy principles outlined in this report which support responsible mine development and optimised benefits for host jurisdictions.

We remain committed to meaningful consultation and collaboration with stakeholders. This includes participation in consultation with civil society and the EITI.

⁹ 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.

Organisation for Economic Co-operation and Development's (OECD) BEPS project

We continue to monitor the OECD base erosion and profit shifting (BEPS) project in all countries in which we operate.

Pillar One measures currently apply only to multinational enterprises that have a global turnover exceeding €20 billion and profitability exceeding 10%, and therefore does not apply to the Group.

The Pillar Two rules have been enacted and are effective in Australia for the financial year beginning 1 July 2024. The Group has applied the mandatory exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes in accordance with AASB 112 Income Taxes. The impact on the Group's current tax expense is not material.

International related party dealings

As a globally diversified company, we have operations and support functions located in many countries. This operating model results in cross-border intra-group transactions and we prepare detailed documentation to support the understanding and pricing of these transactions. This documentation is provided to tax authorities and we also obtain independent expert advice confirming the transactions are completed on an arm's length basis.

Sales and purchases of commodities by our Singapore marketing subsidiary

We conduct our sales and purchasing activities, including marketing, logistics and customer credit risk management, from Singapore. As a commercial hub with proximity to the markets that we trade with, Singapore is well suited to be the location for these activities. Our Singapore marketing headquarters is supported by staff in our London office.

All sales and purchase transactions between our operations (including our manganese operations) and marketing office are priced in accordance with OECD guidelines and local laws. Refer Tables 20 and 23 in the Tax Transparency Databook for further details.

Intra-group cross border charges

We charge service fees for Group management activities and other intra-group services. These services are provided on an arm's length basis. Refer to Tables 21 and 24 in the Tax Transparency Databook for further details.

Additionally, our captive insurance company provides insurance options to assist the Group to manage business risks. The company is incorporated in Singapore, and is a tax resident in Australia. Tax is paid in Australia.

Intra-group cross-border financing

Our companies, located in various countries, place funds on deposit with one of our UK companies. There are also funding arrangements between one of our UK companies and some of our operating companies. These financing arrangements are provided at relevant market rates and the interest income is assessed and associated tax paid in the jurisdiction of the lending company. The associated interest withholding taxes are also paid in the jurisdiction of the borrowing company. Refer to Tables 22 and 25 of the Tax Transparency Databook for further details.



Our approach to disclosure and transparency

OUR APPROACH TO DISCLOSURE

South32 has a strong commitment to the highest standard of corporate disclosure and transparency.

Being open about our payments to governments helps build trust with our shareholders, customers, employees and the communities where we operate and hold investments.

The following outlines how we demonstrate our support of global transparency initiatives.

Global Reporting Initiative (GRI)

The GRI is an independent, international organisation that sets the standards that represent the global best practice for publicly reporting on a range of economic, environmental and social impacts. GRI 207 sets out disclosures related to tax and payments to governments aimed to help promote greater transparency on an organisation's approach to taxes.

The requirements of GRI 207 are set out below:

GRI 207 compliance

GRI 207: Tax	South32
207-1: Approach to tax ¹⁰	Refer to pages 3, 8 and 9
207-2: Tax governance, control and risk management	Refer to pages 3, 8 and 9
207-3: Stakeholder engagement and management concerns related to tax	Refer to page 8
207-4: Country-by-country reporting requires reporting of financial, economic and tax-related information for each jurisdiction in which the organisation operates	Refer to Table 8 on page 21

Extractive Industries Transparency Initiative (EITI)

South32 is a supporting company of the EITI association and its objectives to make the EITI Principles and the EITI Standard the internationally accepted standard for transparency in the oil, gas and mining sectors.

The table below demonstrates our compliance with the EITI expectations.

EITI expectations

Expectation	Description	South32
Expectation 1	Publish support for the EITI and its objectives of the EITI Association.	Refer to page 3
Expectation 2	Make comprehensive disclosures in accordance with the EITI Standard in all EITI implementing countries where the company or its controlled subsidiaries operate. Publicly disclose a list of controlled subsidiaries operating in the oil, gas or mining sectors in EITI implementing countries.	We disclose information in all jurisdictions where we operate. We publish our controlled subsidiaries list in our Annual Report 2025 on our website
Expectation 3	Publicly disclose taxes and payments to governments at a project level in line with the EITI Standard in all non-EITI implementing countries where the company operates, unless disclosure is not feasible.	Refer to Tables 1 and 2 on pages 15 to 16
Expectation 4	Disclose volumes received and payments made if buying oil, gas and minerals from governments.	No such purchases are made
Expectation 5	Publicly disclose audited financial statements, or the main items (i.e. balance sheet, profit/loss statement, cash flows) where financial statements are not available.	Audited financial statements are included in our Annual Report 2025

¹⁰ GRI 207-1(a) requires South32 to disclose whether it has a tax strategy and if so, a link to this strategy if publicly available. For 2025, our tax strategy has been disclosed through the tax policy principles outlined on Page 3 and the Our Approach to Managing Tax section of this report.

Expectation	EITI expectations	South32
Expectation 6	Publicly declare and publish support for beneficial ownership transparency and publicly disclose beneficial owners in line with the EITI Standard, recognising that listed companies will disclose the name of the stock exchange(s), include a link(s) to stock exchange filings where they are listed.	Refer to the shareholder information section in our Annual Report 2025 and all our stock exchange releases are available in the investor centre at www.south32.net
Expectation 7	Engage in rigorous due diligence processes and publish an anti-corruption policy setting out how the company manages corruption risk.	Our Anti-Bribery and Corruption Policy and Program details are available in our Sustainable Development Report 2025. We obtain the beneficial ownership data when we engage with third parties.
Expectation 8	Publicly declare and publish support for governments' efforts to publicly disclose contracts and licenses that govern the exploration and exploitation of oil, gas and minerals in line with the EITI Standard, and contribute to public disclosure of contracts and licenses in EITI implementing countries consistent with government procedures.	Refer below
Expectation 9	Publish a commitment and/or policy on gender diversity in the oil, gas or mining sectors and support reporting by EITI implementing countries under the EITI Standard by disclosing employment in the sectors disaggregated by gender.	Our inclusion and diversity details are available in our Sustainable Development Report 2025 and Sustainability Databook 2025

Government mineral development contracts - EITI Expectation 8

We disclose all contracts with governments and support the public disclosure of contracts and licences for the exploration and development of minerals and other nature resources as outlined in the EITI standard. We also encourage other companies to provide this level of transparency.

All our exploration, and most of our mineral developments, are in jurisdictions that issue licences pursuant to public legislation, including Sierra Gorda and Mineração Rio do Norte S.A. (MRN) and we would pay income tax and royalties under the general revenue laws of these countries. We have two mineral development contracts with governments. These are publicly available, and details of the contracts are below, including links to the documents.

List of mineral development contracts with governments

South32 project	Contract name	South32 entities	South32 ownership interest in project	Host Government	Contract term	Link to publicly available document
Cerro Matoso – Nickel Project	Contract 051-96	Cerro Matoso S.A.	99.9%	Colombia	To 2044 ¹¹	Yes - Contract 051
Worsley Alumina Refinery (including Boddington Bauxite Mine)	Alumina Refinery (Worsley) Agreement Act 1973	South32 Aluminium (Worsley) Pty Ltd South32 Aluminium (RAA) Pty Ltd	86%	State of Western Australia	To 2046	Yes - Worsley contract

Our non-extractive aluminium operation in Mozambique (Mozal Aluminium) operates under an investment project agreement (IPA) with the Government of the Republic of Mozambique. The contract is not for mineral development and is not publicly available. The Decree that approves the project and IPA is publicly available and can be found [here](#).

All other mining and exploration activity is conducted under licenses issued under public legislation and subject to published and consistently applied law and, as such, is not required to be separately disclosed.

Further information on beneficial ownership can be found in our Sustainability Databook 2025 and in the shareholder information section of our Annual Report 2025 at www.south32.net.

¹¹ South32 has entered into a binding agreement to sell Cerro Matoso to a subsidiary of CoreX Holding B.V. Refer market release dated 7 July 2025 at www.south32.net.

Current year overview

OUR FY25 PAYMENTS AT A GLANCE

Our tax contributions are closely linked to our financial results and follow the tax rules and rates where we operate. We summarise below the FY25 results for the jurisdictions where we have producing operations.

THE GROUP

FY25 Underlying Profit/(Loss) before Tax (US\$M) and ETR

1,030 **35.0%**

FY24 **668** **38.8%**

FY25 Statutory Profit/(Loss) before tax (US\$M) and ETR

542 **74.9%**

FY24 **(118)** **(150.0)%**

FY25 Income tax and royalties paid (US\$M)

401.4

FY24 **540.7**

For the year ended 30 June 2025, the Group paid US\$401 million in income taxes and royalties (2024: US\$541 million).

Our profits are directly tied to the price at which our commodities can be sold and our tax contributions will be directly impacted by periods of challenging economic conditions.

The decrease in tax payments is attributable to the decrease in profitability and revenue of our operations. Our financial performance is reflective of broadly weaker commodity prices compared to the prior year and lower production volumes, predominantly at Australia Manganese as a result of Tropical Cyclone Megan.

Due to timing differences between the recognition of profits and the payment of tax (often occurring in the following year), the decrease in profits experienced this year will continue to have an impact on next year's contribution.

Our Underlying earnings of US\$663 million and Underlying ETR of 35.0% is largely influenced by the geographic distribution of the Group's profit and tax rates of the countries where we operate.

Our Statutory profit of US\$210 million and Statutory ETR of 75% include earnings adjustments and significant one-off items. The key adjustments for FY25 relate to an impairment in Cerro Matoso and Mozal, and financial losses from suspended operations at Australia Manganese, explained further on a country-by-country basis in the following highlights.

AUSTRALIA

FY25 Underlying Profit/(Loss) before Tax (US\$M) and ETR

486 **39%**

FY24 **492** **45%**

FY25 Statutory Profit/(Loss) before tax (US\$M) and ETR

511 **41%**

FY24 **37** **89%**

FY25 Income tax and royalties paid (US\$M)

231.5

FY24 **326.3**

Our Australian operations include Worsley Alumina in Western Australia, producing alumina from bauxite, and Cannington in Queensland, producing silver, lead and zinc. We also operate Australia Manganese in the Northern Territory, a manganese mining and processing site.

All of our Australian operations are in a mature production phase, contributing to Australian Underlying profit of US\$486 million in FY25 and resulting in corporate income tax and royalty payments of US\$232 million.

In the Northern Territory, royalties payable by our Australia Manganese operation is based on a net profit regime and is therefore considered an income tax for accounting purposes.

Following Tropical Cyclone Megan, operations at Australia Manganese were suspended until May 2025, resulting in no income tax payable. The tax impact of financial losses relating to suspended operations has been excluded from Underlying earnings.

In August 2024, we completed the divestment of IMC and our 50% interest in Eagle Downs¹². There is no tax payable in relation to the divestment of IMC. The divestment of our interest in Eagle Downs has reduced tax payable in FY25.

¹² Refer to media and market releases dated 13 August 2024 and 22 August 2024 at www.south32.net.

BRAZIL

FY25 Underlying Profit/(Loss) before Tax (US\$M) and ETR	
105	42%
FY24 (135)	33%
FY25 Statutory Profit/(Loss) before Tax (US\$M) and ETR	
93	41%
FY24 (191)	18%
FY25 Income tax and royalties paid (US\$M)	
28.3	
FY24 6	

We hold a 33% interest in the MRN Bauxite mine in North Brazil, 36% share of the Alumar Alumina refinery and a 40% share in the non-operated Alumar Aluminium smelter, both located in north-east Brazil.

In FY25 we paid US\$28 million in corporate income tax and royalties. This includes US\$4.2 million of withholding tax on intra-group interest payments. This increase in tax payments in FY25 is attributable to increased profitability and revenue.

CHILE

FY25 Underlying Profit/(Loss) before Tax (US\$M) and ETR	
149	28%
FY24 (30)	0%
FY25 Statutory Profit/(Loss) before Tax (US\$M) and ETR	
124	0%
FY24 (4)	0%
FY25 Income tax and royalties paid (US\$M)	
16.9	
FY24 8	

We hold a 45% interest in the Sierra Gorda copper mine. This investment is equity accounted and our FY25 Group Underlying and Statutory profit reflects Sierra Gorda on a proportionally consolidated basis.

The increase in tax payments in FY25 is attributable to increased profitability and revenue at Sierra Gorda, noting Sierra Gorda has carried forward tax losses.

COLOMBIA

FY25 Underlying Profit/(Loss) before Tax (US\$M) and ETR	
26	42%
FY24 7	(271)%
FY25 Statutory Profit/(Loss) before Tax (US\$M) and ETR	
(93)	(10)%
FY24 (257)	15%
FY25 Income tax and royalties paid (US\$M)	
35.2	
FY24 105	

Cerro Matoso is an open-cut mine in northern Colombia and a significant producer of ferronickel. We have contributed US\$35 million in corporate income tax and royalties this year. The reduction in tax payments reflects reduced profitability.

We have recently announced that we have entered into a binding agreement to sell Cerro Matoso¹³. This follows a strategic review in response to structural changes in the nickel market and is consistent with our strategy.

As a result of the transaction, the Group's FY25 financial statements include an impairment expense of US\$118 million (same amount post-tax). This expense is excluded from Underlying earnings.

MOZAMBIQUE

FY25 Underlying Profit/(loss) before Tax (US\$M) and ETR	
34	0%
FY24 (60)	0%
FY25 Statutory Profit/(Loss) before Tax (US\$M) and ETR	
331	0%
FY24 (63)	0%
FY25 Income tax and royalties paid (US\$M)	
8.3	
FY24 7	

We continue to hold a 63.7% interest in Mozal Aluminium.

The Group's FY25 financial statements include an impairment expense of US\$372 million (same amount post-tax). This expense is excluded from Underlying earnings¹⁴.

¹³ Refer to market release dated 7 July 2025 at www.south32.net.

¹⁴ Refer market release dated 14 August 2025 at www.south32.net.

Current year overview continued

SOUTH AFRICA

FY25 Underlying Profit/(Loss) before Tax and ETR	
53	49%
FY24 133	32%
FY25 Statutory Profit/(Loss) before Tax (US\$M) and ETR	
90	26%
FY24 132	29%
FY25 Income tax and royalties paid (US\$M)	
38.7	
FY24 44	

We have two operations in South Africa, South Africa Manganese and Hillside Aluminium.

Our manganese operation includes two mines located in the Kalahari Basin and the Metalloys manganese alloy smelter, which was placed on care and maintenance in FY20. The manganese mines are a part of the Hotazel Manganese Mines (HMM) consortium of which we hold a 44.4% interest.

In FY25, our South African operations contributed US\$39 million in corporate income tax and royalties. The reduction in tax contributions reflects reduced profitability.

On 3 June 2025 we completed the divestment of the Metalloys manganese alloy smelter. The gain on sale (US\$46 million post-tax) is excluded from Underlying earnings.

OTHER JURISDICTIONS (NON-PRODUCING)

Our global tax payments are aligned to the countries where we operate. We pay taxes in the Netherlands on interest income that is received by our Dutch subsidiaries relating to the long-term funding of our Sierra Gorda operation. During FY25, we paid US\$32 million in Dutch corporate income tax. Additional tax is payable on the interest in Australia under the controlled foreign company attribution rules.

We pay taxes in Singapore in relation to our marketing operations. This is currently subject to a 5% tax rate under an incentive program provided by the Singapore Government. This program is part of a suite of legislated incentives accessible to all eligible taxpayers in Singapore who demonstrate substantial economic contributions and meet ongoing qualitative and quantitative criteria. Additionally, trading profits from our Singapore-based marketing activities involving Australian-sourced commodities are fully reported in our Australian income tax return and taxed in Australia.

The Singaporean tax incentive is set to expire on 30 June 2026. The standard corporate income tax rate of Singapore will be applicable from 1 July 2026.

Our Taylor project in the United States is currently in the development phase. During FY25, our payments to governments predominantly relate to employer related taxes.



Total payments to governments by country

Table 1 Total payments made by country and level of government for the year ended 30 June 2025 (by country of tax residence)

(Refer to Tax Transparency Databook for level of government detail)

US\$M ¹⁵	Corporate income tax	Royalty related taxes	Royalties	License fees	Payments to governments for UK Regulation purposes	Employer payroll taxes	Other taxes and payments	Total government payments borne	Employee payroll taxes (not borne) ¹⁶	Net transaction taxes paid/ (refunded) ¹⁷
Argentina	0.1	–	–	–	0.1	0.3	–	0.4	0.2	1.0
Australia	169.9	(11.8) ¹⁸	73.4	0.5	232.0	29.4	7.9	269.3	128.0	(127.2)
Brazil	24.4 ¹⁹	–	3.9	–	28.3	14.3	21.3 ²⁰	63.9	6.6	(5.0)
Canada	0.3	–	–	–	0.3	0.5	–	0.8	2.1	(0.1)
Chile	5.8 ²¹	11.1	–	–	16.9	–	5.8	22.7	7.0	(80.4)
Colombia	(27.1) ²²	–	62.3	–	35.2	–	1.6	36.8	4.2	(1.3) ²³
Ecuador ²⁴	2.6	–	–	–	2.6	–	–	2.6	–	–
Ireland	–	–	–	–	–	–	–	–	–	–
Mozambique	–	–	8.3	–	8.3	–	–	8.3	5.8	–
Netherlands	31.5	–	–	–	31.5	–	–	31.5	–	(0.1)
Singapore	8.0	–	–	–	8.0	–	–	8.0	0.1	–
South Africa	31.2	–	7.5	–	38.7	–	1.0	39.7	35.1	(259.8)
Sweden	–	–	–	–	–	–	–	–	–	–
Switzerland	–	–	–	–	–	–	–	–	–	–
United Kingdom	–	–	–	–	–	0.4	–	0.4	1.2	(0.1)
United States of America	–	–	–	–	–	2.1	0.5	2.6	7.2	–
Total taxes paid²⁵	246.7	(0.7)	155.4	0.5	401.9	47.0	38.1	487.0	197.5	(473.0)

¹⁵ Payments reported are based on the portion of the total payment that relates to South32's ownership.

¹⁶ These taxes are deducted by the Company from employees' remuneration and remitted to revenue authorities on the employees' behalf.

¹⁷ Net transaction taxes refunded include Goods and Services Tax (GST), Value Added Tax (VAT) and fuel tax credits. Refer to the Glossary of terms on page 27.

¹⁸ Refund of Royalty related taxes paid in previous years.

¹⁹ Includes US\$4.2 million withholding tax for intra-group interest.

²⁰ Includes Federal Excise taxes, import tax, state tax on vehicles and other tax payments as well as our share of MRN other levies/fees/charges to both state and federal governments.

²¹ Includes interest withholding taxes and taxes on interest and charges paid to related foreign entities.

²² Includes corporate income tax refund of US\$32 million related to the CY23 income tax return and US\$5 million related to withholding tax for intra-group service charges and intra-group interest.

²³ Includes Net GST refund position of \$5,398,538 and Withholding taxes collected from suppliers of \$4,193,086.

²⁴ Withholding tax deducted for royalty payments received from unrelated parties.

²⁵ Refer to page 20 for a reconciliation of corporate income tax paid to the income tax (paid)/received as shown in the Consolidated Cash Flow Statement of our 2025 Annual Report.

Total payments to governments by project

Table 2 Total payments to government by project for the year ended 30 June 2025

US\$M ²⁶	Corporate income tax	Royalty related taxes	Royalties	License fees	Payments to governments for UK Regulation purposes	Employer payroll taxes	Other taxes and payments	Total government payments borne	Employee payroll taxes (not borne) ²⁷	Net transaction taxes paid/ (refunded) ²⁸
Cannington - Australia	57.6	–	34.3	–	91.9	4.8	0.4	97.1	21.2	(6.5)
Illawarra Metallurgical Coal - Australia	4.1	–	13.9	–	18.0	2.1	0.7	20.8	8.6	(12.8)
Worsley Alumina - Australia	151.9	–	22.7	0.1	174.7	10.7	3.3	188.7	41.5	(75.7)
Eagle Downs Metallurgical Coal - Australia	(19.2)	–	–	0.2	(19.0)	–	0.1	(18.9)	–	1.7
Cerro Matoso - Colombia	(27.1)	–	62.3	–	35.2	–	1.6	36.8	4.2	(1.2)
Hermosa - USA	–	–	–	–	–	2.1	0.3	2.4	7.2	–
Total extractive project related payments - Subsidiaries	167.3	–	133.2	0.3	300.8	19.7	6.4	326.9	82.7	(94.5)
Equity accounted investments										
Australia Manganese - Australia	–	(11.8) ²⁹	2.5	–	(9.3)	4.6	2.8	(1.9)	20.3	(26.7)
South Africa Manganese - South Africa	1.5	–	7.5	–	9.0	–	0.1	9.1	10.7	(42.1)
MRN - Brazil	0.1	–	3.9	–	4.0	4.9	10.4	19.3	3.9	2.4
Sierra Gorda - Chile	5.8 ³⁰	11.1	–	–	16.9	–	5.8	22.7	6.6	(81.5)
Total extractive project related payments including equity accounted investments	174.7	(0.7)	147.1	0.3	321.4	29.2	25.5	376.1	124.2	(242.4)
Non-extractive project related payments	72.0	–	8.3	0.2	80.5	17.8	12.6	110.9	73.3	(230.6)
Total taxes paid³¹	246.7	(0.7)	155.4	0.5	401.9	47.0	38.1	487.0	197.5	(473.0)

²⁶ Payments reported are based on the portion of the total payment that relates to South32's ownership.

²⁷ These taxes are deducted by the Company from employees' remuneration and remitted to revenue authorities and on the employees' behalf.

²⁸ Net transaction taxes refunded include GST, VAT and fuel tax credits. Refer to the Glossary of terms on page 27.

²⁹ Refund of Royalty related taxes paid in previous years.

³⁰ Includes interest withholding taxes and taxes on interest and charges paid to related foreign entities.

³¹ Refer to page 20 for a reconciliation of corporate income tax paid to the income tax (paid)/received as shown in the Consolidated Cash Flow Statement of our 2025 Annual Report.

Our Underlying income tax expense and Underlying effective tax rate

We use Underlying earnings as a key measure in assessing the performance of our business. Underlying earnings excludes revenue and expense items that do not reflect the performance or outcome of our operations. Underlying earnings is calculated as Underlying earnings before interest and tax (EBIT) add Underlying net financing (revenue)/costs less Underlying income tax expense. In the Group's broader Annual Reporting Suite, the Group's Underlying financial results includes our material equity accounted investments on a proportionally consolidated basis. The table below has also been prepared on this basis. As the countries we operate in have varying tax rates our Underlying ETR is largely influenced by the geographic distribution of the Group's profit.

Table 3 Underlying tax expense and Underlying ETR for the year ended 30 June 2025

(Refer to the Tax Transparency Databook for full country-by-country information)

	South32	Australia	Brazil	Chile	Colombia	Mozambique	Netherlands	Singapore	South Africa	United Kingdom	United States	Others ³²
	US\$M	30%	34%	27%	35%	0%	26%	5%	27%	25%	21%	Mixed ³³
Underlying EBIT (profit)/loss	(1,211)	(581)	(136)	(330)	(49)	(42)	–	(89)	(77)	–	57	36
Add: Underlying net financing (revenue)/costs	188	95	38	181	23	8	(174)	(23)	24	17	(1)	–
Less: Equity accounted investments loss ³⁴	7	–	7	–	–	–	–	–	–	–	–	–
Underlying (profit)/loss before tax	(1,030)	(486)	(105)	(149)	(26)	(34)	(174)	(112)	(53)	17	56	36
Income tax at 30 per cent	311	148	31	43	8	10	52	35	17	(5)	(17)	(11)
Tax rate differential on non-Australian income	(33)	–	4	(4)	2	(10)	(7)	(26)	(2)	1	5	4
Tax on sales attributable to Australia	14	14	–	–	–	–	–	–	–	–	–	–
Tax on other income attributable to Australia	4	4	–	–	–	–	–	–	–	–	–	–
Withholding tax	–	–	–	–	–	–	–	–	–	–	–	–
Non-recognition of future tax benefits ³⁵	28	8	–	–	–	–	–	–	8	–	12	–
Prior year under/over	(20)	(8)	–	(13)	–	–	(1)	–	2	–	–	–
Non-deductible exploration expenditure	4	–	–	–	–	–	–	–	–	–	–	4
Other non-deductible expenses	27	21	–	–	–	–	–	–	–	6	–	–
Permanent differences	11	1	9	1	1	–	–	–	1	–	–	(2)
Underlying income tax expense/ (benefit)	346	188	44	27	11	–	44	9	26	2	–	(5)
Royalty-related taxation (net of income tax benefit)	14	(1)	–	15	–	–	–	–	–	–	–	–
Total Underlying taxation expense	360	187	44	42	11	–	44	9	26	2	–	(5)
Underlying effective tax rate including Royalty-related taxation	35.0%	39%	42%	28%	42%	0%	25%	8%	49%	(12%)	0%	14%
Underlying effective tax rate excluding Royalty-related taxation	33.6%	39%	42%	18%	42%	0%	25%	8%	49%	(12%)	0%	14%
Underlying profit before tax	(1,030)											
Underlying income tax expense	346											
Royalty-related taxation (net of income tax benefit)	14											
Underlying profit after tax	(670)											
Add: Equity accounted investments profit	7											
Underlying Earnings	(663)											

For the year ended 30 June 2025, Mozal Aluminium paid US\$13 million of royalties to the Mozambique Government³⁶.

³² Others includes Argentina, Canada, Ireland and Group Profit in Stock Elimination.

³³ Tax rates for other countries are as follows: Argentina (30%), Canada (27%) and Ireland (12.5%).

³⁴ Refer to pages 22 to 25 for information regarding our extractive equity accounted investments.

³⁵ Largely relates to de-recognition of future rehabilitation deferred tax assets and exploration expenditure.

³⁶ There were no dividends paid in FY25 to the Mozambique Government.

Our statutory income tax expense and effective tax rate

The table below presents a reconciliation of our statutory profit and income tax expense for the year ended 30 June 2025. The country ETRs are different from the country statutory tax rates due to non-deductible expenses and the impact of foreign exchange movements on tax balances.

Table 4 Reconciliation of statutory profit to income tax expense and current tax payable for the year ended 30 June 2025
(Refer to the Tax Transparency Databook for full country-by-country information)

	South32	Australia	Brazil
	US\$M	30%	34%
(Profit)/loss before tax	(542)	(511)	(93)
Less: (Profit)/loss on equity accounted investments	(99)	59	6
(Profit)/loss subject to tax	(443)	(570)	(99)
Income tax on (profit)/loss at 30 per cent	245	173	30
Tax rate differential on non-Australian income	(36)	–	4
Tax on sales income attributable to Australia	14	14	–
Tax on other income attributable to Australia	10	10	–
Withholding tax	–	–	0
Non-recognition of future tax benefits	28	8	–
Non-deductible impairment charge	–	–	–
Future tax benefits not recognised on impairments	42	–	–
Prior year under/over	(7)	(8)	0
Exchange variations and other translation adjustments	(14)	(3)	(2)
Other non-deductible expenses	34	21	–
Permanent differences	16	18	9
Income tax expense/(benefit)	332	233	41
<i>Temporary differences</i>			
Depreciation	(6)	(30)	12
Closure and rehabilitation	32	23	2
Non-tax-depreciable FV adjustments, revaluations & mineral rights	(12)	(9)	–
Finance leases	(1)	(1)	–
Income tax losses	(12)	–	(16)
Brazil tax deferral Incentives	(27)	0	(27)
Provisions	3	5	3
Other	10	(7)	5
Temporary differences movement	(13)	(19)	(21)
Current income tax payable	319	214	20
Effective tax rate	75%	41%	41%
Cash effective tax rate	72%	38%³⁷	20%³⁸

³⁷ Australia ETR and cash ETR is higher than the country statutory rate due to non-deductible expenses and temporary differences movement.

³⁸ Brazil ETR and cash ETR is higher than the country statutory rate primarily due to non-deductible accounting write off expenses.

	Chile	Colombia	Mozambique	Netherlands	Singapore	South Africa	United Kingdom	United States	Others
	27%	35%	0%	25.8%	5%	27%	25%	21%	Mixed
	(124)	93	331	(146)	(112)	(90)	17	57	36
	(118)	–	–	–	+1	(47)	–	–	–
	(6)	93	331	(146)	(113)	(43)	17	57	36
	–	(28)	12	44	34	13	(5)	(17)	(11)
	–	(5)	(12)	(6)	(26)	(1)	1	5	4
	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
	–	(1)	–	–	–	5	–	12	4
	–	–	–	–	–	–	–	–	–
	–	42	–	–	–	–	–	–	–
	–	–	–	(1)	–	2	–	–	–
	–	(1)	–	–	–	(8)	–	–	–
	–	–	–	7	–	–	6	–	–
	–	2	–	(11)	–	–	–	–	(2)
	–	9	–	33	8	11	2	–	(5)
	–	(2)	–	–	–	14	–	–	–
	–	7	–	–	–	–	–	–	–
	–	(3)	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	4	–	–
	–	–	–	–	–	–	–	–	–
	–	(7)	–	–	–	2	–	–	–
	–	4	–	–	–	3	–	–	5
	–	(1)	–	–	–	19	4	–	5
	–	8	–	33	8	30	6	–	–
	0%	(10%)	0%	23%	7%	26%	(12%)	0%	14%
	0%	(9%) ³⁹	0%	23%	7%	70% ⁴⁰	(35%) ⁴¹	0%	0%

³⁹ Colombia ETR and cash ETR is lower than the country statutory rate primarily due to non-deductible impairment expense.

⁴⁰ South Africa cash ETR is higher than the country statutory rate due to temporary differences movements.

⁴¹ United Kingdom ETR and cash ETR is lower than the country statutory rate due to non-deductible expenses.

Our income tax payable and deferred tax movements

The current tax balances in the Consolidated Financial Statements of our Annual Report 2025 are presented in the table below.

Table 5 Reconciliation of current tax balances for the year ended 30 June 2025

(Refer to the Tax Transparency Databook for full country-by-country information)

	South32	Australia	Brazil	Chile	Colombia	Mozambique	Netherlands	Singapore	South Africa	United Kingdom	United States	Others
	US\$M	30%	34%	27%	35%	0%	26.0%	5%	27%	25%	21%	Mixed
Net opening current tax payable/(receivable)	(54)	(9)	–	–	(42)	–	(3)	8	(8)	–	–	–
Current income tax payable/(receivable)	319	215	20	–	8	–	33	8	29	6	–	–
Payments relating to current income year	(299)	(178)	(20)	–	(19)	–	(42)	–	(34)	(6)	–	–
Payments relating to prior income year	63	2	–	–	52	–	11	(7)	5	–	–	–
Other movements ⁴²	(2)	–	–	–	(2)	–	–	–	–	–	–	–
Net closing current income tax payable/(receivable)	27	30	–	–	(3)	–	(1)	9	(8)	–	–	–

Table 6 Reconciliation of income tax paid for the year ended 30 June 2025

	US\$M ⁴³
Income tax paid per 2025 Annual Report and Table 5 of this report⁴⁴	(236)
Include: Our share of payments related to Manganese equity accounted investments	(5)
Include: Our share of payments related to Sierra Gorda equity accounted investments	(6)
Include: Our share of payments related to MRN equity accounted investments	–
Corporate Income Taxes paid per Table 1 and Table 2 of this report⁴⁵	(247)

Table 7 Deferred tax movements for the year ended 30 June 2025

(Refer to the Tax Transparency Databook for full country-by-country information)

	South32	Australia	Brazil	Chile	Colombia	Mozambique	Netherlands	Singapore	South Africa	United Kingdom	United States	Others
	US\$M	30%	34%	27%	35%	0%	26.0%	5%	27%	25%	21%	Mixed
Opening deferred tax asset/(liability)	304	434	(35)	–	–	–	–	–	(98)	–	–	3
Movements through income statement	(13)	(19)	(21)	–	(1)	–	–	–	19	4	–	5
Other movements ⁴⁶	20	20	–	–	–	–	–	–	–	–	–	–
Closing deferred tax asset/(liability)	311	435	(56)	–	(1)	–	–	–	(79)	4	–	8

⁴² Other Movements in Colombia relate to income tax offset from indirect tax account.

⁴³ Numbers are rounded to whole millions consistent with the presentation of numbers in the 2025 Annual Report.

⁴⁴ Refer to the Consolidated Cash Flow Statement in the 2025 Annual Report. Total income tax payments for the year of US\$236 million (rounded) are calculated as payments relating to current income year (US\$299 million) plus payments relating to prior income years (US\$49 million), and refunds relating to prior income years (US\$112 million).

⁴⁵ Refer to pages 15 to 16.

⁴⁶ Other movements relate to financial assets fair value adjustments and employee entitlement movements through equity accounts.

2025 Country-by-country information

The table below includes additional country-by-country information, based on the tax residency requirements of GRI 207.

Table 8 Country by country report for the year ended 30 June 2025

	South32	Argentina	Australia	Brazil	Canada	Chile	Colombia	Ecuador	Ireland	Mozambique	Netherlands	Singapore	South Africa	United Kingdom	United States
Unrelated party revenues ⁴⁷	6,826	–	489	310	1	–	5	–	–	104	117	5,358	441	10	(9)
Related party revenues	7,686	–	2,412	653	9	–	472	–	–	844	56	1,712	1,530	(3)	1
(Profit)/loss before tax	(572)	6	(511)	(93)	(1)	(124)	93	–	1	331	(146)	(112)	(90)	17	57
(Profit)/loss subject to tax	(473)	6	(570)	(99)	(1)	(6)	93	–	1	331	(146)	(113)	(43)	17	57
Income tax paid during the period	236	–	169	24	–	–	(27)	3 ⁴⁸	–	–	32	7	28	–	–
Income tax accrued in the period	319	–	214	20	–	–	8	–	–	–	33	8	30	6	–
Tangible assets ⁴⁹	7,942	–	3,169	775	19	1	175	–	–	581	–	75	847	1	2,299
Number of employees (unrounded) ⁵⁰	8,892	–	3,855	22	27	16	932	–	–	1,083	–	76	2,620	15	246

Our subsidiaries

A full list of our subsidiaries, their country of incorporation, tax residency, principal activity and our ownership interest can be found in our Annual Report 2025 and in the Tax Transparency Databook. The table below summarises the country of incorporation and tax residence for all Group companies at 30 June 2025. The total number of subsidiaries has decreased from 65 last year to 60 in the current year. This is due to one new subsidiary in Argentina, UK and South Africa, one deregistered subsidiary in Sweden, South Africa and the British Virgin Islands, and five Australian entities divested.

Table 9 Country of incorporation and tax residence of our subsidiaries

Country	Number of Subsidiaries	Tax Resident of Subsidiaries
Argentina	2	2
Australia ^{51,52,53}	20	25
Brazil	1	1
British Virgin Islands ⁵¹	3	0
Canada	2	2
Chile	3	3
Colombia	4	4
Ireland	1	1
Jersey ⁵²	1	0
Mozambique	1	1
Netherlands	3	3
Singapore ⁵³	2	1
South Africa	12	12
Sweden	0	0
United Kingdom	2	2
United States	3	3
Total	60	60

⁴⁷ Comprising Group production revenue of US\$5,985 million (US\$5,384 million of continuing operations and US\$601 million of discontinued operation), Third party product and services revenue of US\$424 million (US\$396 million of continuing operations and US\$28 million of discontinued operation), Other income of US\$205 million (US\$202 million of continuing operations and US\$3 million of discontinued operation) and Finance income of US\$261 million (US\$259 million of continuing operations and US\$2 million of discontinued operation), excluding the Sierra Gorda shareholder loan interest income (US\$49 million). Refer to our Consolidated Income Statement and HFS and discontinued operation section in our 2025 Annual Report for further details regarding the nature of each type of income.

⁴⁸ Royalty withholding tax that is paid to the Ecuadorian Government.

⁴⁹ Comprising Inventories - Current assets of continuing operations (US\$935 million), Inventories - Non Current assets of continuing operations (US\$36 million), assets of discontinued operation (US\$112 million) and Property, plant & equipment of US\$6,492 million (US\$6,429 million of continuing operations and US\$63 million of discontinued operation). Refer to the Consolidated balance sheet section and HSF and discontinued operation section in our 2025 Annual Report for more detail.

⁵⁰ More detail about employees can be found in the Our People section of our 2025 Sustainability Databook at www.south32.net. These values do not include our Equity Accounted Investments.

⁵¹ Three subsidiaries incorporated in the British Virgin Islands are residents of Australia for tax purposes. The remaining subsidiary is a resident of the UK for tax purposes

⁵² The subsidiary incorporated in Jersey is a resident of Australia for tax purposes.

⁵³ One subsidiary incorporated in Singapore is a resident of Australia for tax purposes.

Tax outcomes of our equity accounted investments

Our 2025 Group Underlying earnings includes our manganese operations and Sierra Gorda on a proportionally consolidated basis. Our 2025 Group statutory results reflect our manganese operations, Sierra Gorda and MRN as equity accounted investments. This means the post-tax (profit)/loss from each operation is recorded in the Group's overall (profit)/loss before tax. The value of the equity accounted investments in each operation is held as an asset on the balance sheet, at its cost, plus post-acquisition accumulated (profit)/loss after tax.

Table 10 Equity accounted investment companies

	Country of incorporation	Country of tax residency	Principal Activity	Ownership interest %
Groote Eylandt Mining Company Pty Ltd	Australia	Australia	Manganese mine	60.0
Hotazel Manganese Mines Proprietary Limited	South Africa	South Africa	Manganese mine	54.6
Samancor Holdings Proprietary Limited	South Africa	South Africa	Holding company	60.0
Samancor Manganese Proprietary Limited	South Africa	South Africa	Holding company	60.0
Samancor Marketing Pte. Ltd.	Singapore	Singapore	Sales, Marketing and Distribution of manganese	60.0
Terra Nominees Proprietary Limited	South Africa	South Africa	Holding company	60.0
Sierra Gorda Sociedad Contractual Minera (SCM)	Chile	Chile	Copper mine	45.0
Mineração Rio do Norte S.A.	Brazil	Brazil	Bauxite mine	33.0

Manganese

We have a 60% ownership interest in all our equity accounted manganese operations, except South Africa Manganese Ore in which we hold a 54.6% effective interest. The manganese tax balances included in the tables below are presented on a 100% ownership basis.

Income tax expense

Table 11 Reconciliation of manganese statutory profit to income tax expense and current income tax payable for the year ended 30 June 2025

	Australia	Singapore	South Africa
	30%	17%	27%
(Profit)/loss subject to tax	116	(5)	(92)
Income tax on profit at 30 per cent	(35)	2	27
Tax rate differential on non-Australian income	–	(1)	(2)
Exchange variations and other translation adjustments	8	–	(9)
Non-recognition of future tax benefits	12	–	(25)
Prior year under/over	–	–	1
Permanent differences	1	(1)	13
Income tax expense/(benefit)	(14)	–	5
Royalty related tax	(5)	–	–
Total tax expense	(19)	–	5
<i>Temporary differences</i>			
Depreciation	(20)	–	(10)
Closure and rehabilitation	3	–	3
Royalty tax	9	–	–
Other	29	–	2
Income tax and royalty tax payable	2	–	–
Effective tax rate excluding royalties⁵⁴	12%	0%	5%
Cash effective tax rate excluding royalties⁵⁵	2%	0%	0%

⁵⁴ Total tax expenses less royalty related tax divided by (profit)/loss subject to tax.

⁵⁵ Current income tax payable less royalty related taxes divided by (profit)/loss subject to tax.

Tax outcomes of our equity accounted investments continued**Income tax payable and deferred tax movements**

Table 12 Reconciliation of manganese current tax balances for the year ended 30 June 2025

	Australia	Singapore	South Africa
	30%	17%	27%
Income Tax			
Opening current tax payable/(receivable)	–	2	1
Current income tax payable/(receivable)	–	–	–
Payments relating to current income years	–	–	(5)
Payments relating to prior income years	–	(2)	–
Closing income tax payable/(receivable)	–	–	(4)
Royalty Related Income Tax			
Opening royalty tax payable/(receivable)	(19)	–	–
Current royalty tax payable	2	–	–
Payments relating to current and prior income years	19	–	–
Closing royalty tax payable/(receivable)	2	–	–

Table 13 Deferred tax movements for the year ended 30 June 2025

	Australia	Singapore	South Africa
	30%	17%	27%
Opening deferred tax liability	(3)	–	(14)
Movements through the income statement	21	–	(5)
Other movements	(19)	–	–
Closing deferred tax liability	(1)	–	(19)

Tax outcomes of our equity accounted investments continued**Sierra Gorda**

We have a 45% interest in Sierra Gorda. The Sierra Gorda tax balances included in the tables below are presented on a 100% ownership basis.

Income tax expenses

Table 14 Reconciliation of Sierra Gorda statutory profit to income tax expense and current income tax payable for the year ended 30 June 2025

	Chile
	US\$M ⁵⁶
(Profit)/loss subject to tax	(349)
Income tax on profit at 30 per cent	105
Tax rate differential on non-Australian income	(10)
Permanent differences	(31)
Income tax expense	64
Royalty related tax and other taxes	33
Total tax expense	97
<i>Temporary Differences</i>	
Income tax losses recouped	(64)
Current income tax/royalty related tax payable	33
Effective tax rate excluding royalties⁵⁷	18.4%
Cash effective tax rate excluding royalties⁵⁸	0%⁵⁹

Income tax payable and deferred tax movements

Table 15 Reconciliation of Sierra Gorda current tax balances for the year ended 30 June 2025

	Chile
	US\$M
Income Tax	
Opening current tax payable	–
Current income tax payable	–
Payments relating to current and prior income years	–
Closing income tax payable	–
Royalty Related and Other Income Tax	
Opening royalty and other tax payable	4
Current royalty and other tax payable	33
Payments relating to current and prior income years	(25)
Other movements	(3)
Closing royalty tax payable	9

Table 16 Deferred tax movements for the year ended 30 June 2025

	Chile
	US\$M
Opening deferred tax asset	936
Movements through income statement	(64)
Other movement	–
Closing deferred tax asset	872

Sierra Gorda did not make sales to or purchases from South32's subsidiaries, other than a US\$2 million payment made to South32 Limited in relation to a parent company guarantee. There are no service fee charges for Group management activities or other intra-group services charged to Sierra Gorda in the year ended 30 June 2025.

Sierra Gorda receives funding from our Dutch subsidiaries as outlined on page 9.

⁵⁶ The numbers in this table are the balances in Sierra Gorda S.C.M.'s statutory accounts.

⁵⁷ Total tax expense less royalty related tax divided by (profit)/loss subject to tax.

⁵⁸ Current tax payable less royalty related taxes dividend by (profit)/loss subject to tax.

⁵⁹ Sierra Gorda cash ETR is lower than the country statutory tax rate due to the reversal of a prior period accrual.

Tax outcomes of our equity accounted investments continued**Mineração Rio do Norte S.A.**

We have a 33% interest in Mineração Rio do Norte S.A. (MRN). The MRN tax balances included in the table below are presented on a 100% ownership basis.

Income tax expenses

Table 17 Reconciliation of MRN statutory profit to income tax expense and current income tax payable for the year ended 30 June 2025

	Brazil
	US\$M
(Profit)/loss subject to tax	14
Income tax on profit at 30 per cent	(4)
Tax rate differential on non-Australian income	(1)
Permanent differences	1
Income tax expense	(4)
Temporary differences movement	4
Current income tax receivable	–
Effective tax rate	29%⁶⁰
Cash effective tax rate	–%

Income tax payable and deferred tax movements

Table 18 Reconciliation of MRN current tax balances for the year ended 30 June 2025

	Brazil
	US\$M
Income Tax	
Opening current tax payable	–
Current income tax payable	–
Payments relating to current and prior income years	–
Other movements	–
Closing income tax payable	–

Table 19 Deferred tax movements for the year ended 30 June 2025

	Brazil
	US\$M
Opening deferred tax asset	116
Movements through income statement	4
Other movements	(2)
Closing deferred tax asset	118

The bauxite we acquire from MRN is used in our Brazil Alumina refinery. The alumina produced from the refinery is exported through the Alumar port and supplied to the co-located Brazil Aluminium smelter.

There are no service fee charges for Group management activities or other intra-group services charged to MRN in the year ended 30 June 2025.

⁶⁰ MRN ETR is lower than the country statutory tax rate due to the SUDAM tax deferral incentive.

Basis of preparation for the year ended 30 June 2025

Our report and accompanying Tax Transparency Databook discloses information that satisfies the requirements of the following transparency initiatives:

- United Kingdom's (UK) Report on Payments to Governments Regulations 2014 (UK Regulations);
- Chapter 10 of the European Union (EU) Accounting Directive;
- Disclosure of tax information in line with the Australian Board of Taxation's Voluntary Tax Transparency Code for increased public disclosure of tax information;
- Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, including GRI 207;
- Extractive Industries Transparency Initiative reporting; and
- ICMM Social and Economic Reporting Framework and Guidance Indicator 1.

Our report and accompanying Tax Transparency Databook includes payments to governments made by South32 Limited and its subsidiaries for the period they form part of the South32 Limited accounting consolidated group. Our report includes Table 1 - Payments Made by Country (by country of tax residence) made by South32 Limited and its subsidiaries. The accompanying Tax Transparency Databook provides further details and includes the level of government for these payments. Please refer to Table 1 - Payments Made by Country and Level of Government (by country of tax residence) in the Tax Transparency Databook. We have also included payments to governments made by our extractive equity accounted investments and joint ventures. We include payments to governments made by extractive equity accounted investments and joint venture operations using South32's ownership proportions.

Payments have been disclosed in US dollars in line with the South32 functional currency for consolidated accounting purposes and where relevant, payments have been translated from the applicable local currency to US dollars at the exchange rate on the date of the payment. Payments are not reported where the aggregate taxes paid to a level of government or government body do not exceed US\$0.1 million.

In accordance with requirements of UK Reports on Payments to Governments Regulations 2014 and the EU Accounting Directive, Table 2: Total payments to government by project provides an analysis of our taxes paid split by project relating to extractive operations. We have also included all payments relating to non-extractive projects to reconcile the table to other disclosures in this report. Our non-extractive projects include Hillside Aluminium (South Africa), Brazil Aluminium, Mozal Aluminium (Mozambique), our equity accounted South Africa manganese alloy smelter and companies which provide services (management, marketing or financing) or are limited to holding investments.

Glossary of terms

Cash effective tax rate (ETR)

Current tax payable/refundable divided by profit/loss subject to tax.

Corporate income taxes

Payments to governments (net of refunds) based on taxable profits, including withholding taxes paid on dividends, interest, royalties or other distributions of profits. Generally, these taxes are reflected in the corporate income tax returns made to government and included as income taxes in the Consolidated Income Statement.

Effective tax rate (ETR)

Income tax expense/benefit divided by profit/loss subject to tax.

Employer payroll taxes

Payments to governments in relation to South32's capacity as an employer. These taxes are calculated as a percentage of salary, wages and on-costs and are generally paid monthly.

Extractive

Any activity involving the exploration, prospection, discovery, development and extraction of minerals, oil, natural gas or other materials. South32's extractive operations include Cannington (Australia), Worsley Alumina (Australia), Cerro Matoso (Colombia), Hermosa (United States), equity accounted Australia Manganese Ore, equity accounted South Africa Manganese Ore, equity accounted Sierra Gorda (Chile) and equity accounted MRN (Brazil).

Fees

Payments to governments where no specific service is attached but rather levied on the initial or ongoing right to use an area for extractive activities.

Government

Any national, regional or local authority of a country and includes any department, agency or undertaking controlled by such an authority.

IFRS (International Financial Reporting Standards)

Accounting standards as issued by the International Accounting Standards Board (IASB).

Net transaction taxes paid/(refunded)

South32 claims refunds of transactional taxes, for example, Goods and Services Tax (GST), Value Added Tax (VAT) and Fuel Tax paid to suppliers for in-country purchases of goods, services and fuel. South32 also collects GST/VAT in respect of certain sales.

Non-extractive

Any activity which does not involve the exploration, prospection, discovery, development, and extraction of minerals, oil, natural gas or other materials. South32's non-extractive operations include Hillside Aluminium (South Africa), Brazil Aluminium, Mozal Aluminium (Mozambique), equity accounted South Africa Manganese Alloy (in care and maintenance) and any companies that provide services (management, marketing or financing) or are limited to holding investments.

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 in our Annual Report 2025 at www.south32.net.

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 in our Annual Report 2025.

Other taxes and payments

Payments to governments under other legislated rules where no specific service is attached, including fringe benefits tax, property tax, stamp duty, environmental tax, wealth tax and other levies/charges.

Payment

An amount paid whether in money or in kind.

Permanent differences

Differences between taxable income/loss and pre-tax statutory profit/loss. These differences arise because of certain expense or revenue items which under income tax legislation will never be included in the determination of taxable income/loss although they are recognised in the Consolidated Income Statement.

Project

Operational activities that are governed by a single contract, licence, lease, concession or similar legal agreement and form the basis for payment of liabilities to a government. Where multiple such agreements are substantially interconnected, this is considered a single project.

Royalties

Payments to governments in respect of revenue or production related to extraction of minerals or metals.

Royalty related taxes

Payments to governments in respect of profits from the extraction of natural resources. Royalty related taxes are presented as income tax in the Consolidated Income Statement. Both our Australia Manganese and Sierra Gorda operations have royalty related taxes.

Statutory profit/(Loss)

The profit/loss calculated in accordance with IFRS and presented in the Consolidated Income Statement in the South32 2025 Annual Report.

Subsidiaries

Subsidiaries are entities controlled by the parent entity.

South32, South32 Group or Group

Refers to South32 Limited and its controlled entities and operated joint arrangements, unless otherwise stated.

Temporary differences

Differences between taxable income/loss and the pre-tax statutory profit/loss. These differences arise because certain revenue or expense items are included in determination the taxable income/loss, which does not coincide with the period in which they are recognised in the Consolidated Income Statement.

Underlying earnings

Underlying earnings is profit after tax and earnings adjustment items. Earnings adjustments represent items that don't reflect our underlying operations, including:

- Exchange rate gains/losses on restatement of monetary items;
- Impairment losses/reversals;
- Net Gains/losses on disposal and consolidation of interests in businesses;
- Gains/losses on non-trading derivative instruments, contingent consideration and other investments measured at fair value through profit or loss;
- Major corporate restructures;
- Joint venture adjustments;
- Exchange rate variations on net debt;
- Tax effect of earnings adjustments; and
- Exchange rate variations on tax balances.

A reconciliation of our Underlying earnings to our Statutory earnings can be found in our Segment information section within our Annual Report 2025.

Underlying EBIT

Underlying EBIT is profit before net finance costs, tax and after any earnings adjustment items, impacting profit. The underlying information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis.

Underlying effective tax rate (ETR)

Underlying income tax expense/benefit divided by Underlying profit/loss subject to tax.

Underlying income tax expense

Corporate income tax incurred during the period on items included in Underlying earnings before tax. A reconciliation of our Underlying income tax expense to our statutory tax expense can be found in our 2025 Annual Report.



Independent auditor's report

To the Directors of South32 Limited

Opinion

We have audited the **Financial Information** of the South32 Limited **Group**.

In our opinion, the accompanying Financial Information is prepared, in all material respects, in accordance with the basis of preparation described on page 26 of the South32 Tax Transparency and Payments to Governments Report 2025 (the "Report").

The **Financial information** comprises of Table 1 – Total payments made by country (by country of tax residence), Table 2 - Total payments to government by project on pages 15 to 16 of this report and Table 1 - Total payments made by country and level of government (by country of tax residence) in the accompanying Tax Transparency Databook (the Databook), collectively the "Tables".

The **Group** consists of South32 Limited and the entities it controlled at the year ended 30 June 2025.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Information* section of our report.

We are independent of the Group in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (including Independence Standards) (the "Code") that are relevant to our audit of the Financial Information in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – basis of report preparation and restriction on use

We draw attention to page 26 of the Report, which describes the basis of preparation.

The Financial Information has been prepared to assist the Directors of South32 Limited for the purpose of South32's Tax Transparency and Payments to Governments Report 2025.

As a result, the Financial Information and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Directors of South32 Limited. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Information to which it relates, to any person other than Directors of South32 Limited or for any other purpose than that for which it was prepared.

Other information

Other Information is financial and non-financial information in the Report and accompanying Tax Transparency Databook which is provided in addition to the Financial Information and the Auditor's Report. Management are responsible for the Other Information.

Our opinion on the Financial Information does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Information, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Information or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Management for the Financial Information

Management are responsible for:

- The preparation of the Financial Information and have determined that the basis of preparation described on page 26 of the Report is appropriate to meet the needs of the Directors for the purpose of South32's Tax Transparency and Payments to Governments Report 2025; and
- Implementing necessary internal control to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Financial Information

Our objective is:

- To obtain reasonable assurance about whether the Financial Information as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Information.

As part of an audit in accordance with the *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of the basis of preparation described on page 26 of the Report and related disclosures made by management;
- Evaluate the overall presentation, structure and content of the Financial Information, including the disclosures; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the group Financial Information. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

KPMG

KPMG

Perth

28 August 2025

