

# SUSTAINABILITY COMMITTEE TERMS OF REFERENCE



## 1 Role

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- 1.1 The role of the Sustainability Committee (**Committee**) is to assist the Board of South32 Limited (**Board**) in exercising its authority in relation to the matters set out in these terms of reference. The Committee is accountable to the Board for its performance.
- 1.2 In discharging its responsibilities under these terms of reference, the Committee will have regard to the following:
  - (a) the appropriateness of the Group's health, safety, environment and social performance (together, **Sustainability**) frameworks and management systems;
  - (b) the Group's systems for compliance with applicable Sustainability related legal and regulatory requirements;
  - (c) the Group's *Sustainability Policy* and the public positions on key Sustainability issues; and
  - (d) the Group's performance in relation to Sustainability matters.
- 1.3 In making decisions and recommendations, the Committee may take into account:
  - (a) these terms of reference;
  - (b) legal requirements, including the provisions and recommendations in applicable listing rules and standards of corporate governance applicable in each of the jurisdictions in which the Company is listed;
  - (c) key market trends and the broader external environment, in particular the existing and developing corporate governance and regulatory environment; and
  - (d) any other factors it deems relevant.

## 2 Responsibilities

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### Sustainability management, compliance and assurance

- 2.1 The Committee will review and monitor the appropriateness of the Sustainability management systems and frameworks.
- 2.2 The Committee will report to the Risk and Audit Committee on material Sustainability risks identified and managed through the system of risk management, and the outcomes of the evaluation of those risks.
- 2.3 The Committee will review and monitor the systems for compliance with applicable Sustainability related legal and regulatory requirements and monitor the performance of the Group in regard to those requirements.
- 2.4 The Committee will review and endorse to the Risk and Audit Committee the Sustainability section of the annual internal audit plan.

- 2.5 The Committee will review the performance of the Chief Executive Officer (**CEO**), Chief Operating Officer(s) (**COO/s**), the Chief Financial Officer (**CFO**) and the Chief Sustainability Officer (**CSO**) in relation to the relevant Sustainability functions.
- 2.6 The CSO, CFO and COO/s will have direct access to the Committee Chair and the Group Chair and may request any Committee member to call a meeting of the Committee.

### Group Sustainability performance

- 2.7 The Committee will monitor the performance of the Group having regard to the Sustainability consequences of decisions and actions, including impacts on employees, third parties, communities and the Group's reputation.
- 2.8 The Committee will, through consideration of the reports provided by management regarding the Sustainability management system, event investigation findings, the outcomes of the independent assurance and audit process and industry best practice:
  - (a) monitor, review and evaluate the Sustainability performance of the Group;
  - (b) recommend to the Remuneration Committee, at the beginning of each financial year, appropriate key performance indicators for the Sustainability component of the annual business scorecard for the CEO and the South32 Lead Team; and
  - (c) determine and refer to the Remuneration Committee, at the end of each financial year, the outcome of its evaluation of the Sustainability component of the annual business scorecard for the CEO and the South32 Lead Team.
- 2.9 The Committee will review and endorse the Group's public Sustainability targets.

### Sustainability Reporting

- 2.10 Where the Company prepares external corporate reports in accordance with the Global Reporting Initiative (GRI) or other relevant framework(s), the Committee will:
  - (a) review that report and recommend it to the Board for approval; and
  - (b) make recommendations on specific actions or decisions the Board should consider in relation to that report.
- 2.11 The Committee will review and approve public positions on key Sustainability issues in light of the risk appetite set by the Board.

## 3 Composition

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- 3.1 The Committee will consist of:
  - only Non-executive Directors;
  - a minimum of three members;
  - a majority of independent directors; and

- an independent director as Chair.

3.2 Each Committee member will be appropriately skilled in Sustainability matters as determined by the Board.

## 4 Procedures

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4.1 The policies governing meeting procedures are set out in paragraph 3.19 of the *Board Charter*.

4.2 A standing invitation to attend meetings of the Committee will be issued to all Non-executive Directors in accordance with the *Board Charter* and to the:

- (a) CEO;
- (b) CSO;
- (c) CFO; and
- (d) COO/s.

4.3 The Committee Chair will provide a brief oral report to the Board as to any material matters arising out of Committee meetings.

4.4 A copy of the minutes of the Committee will also be provided to all Directors.

4.5 The Committee will also consider if any material matters arising out of the Committee meeting should be advised to any other Committee and, if so, ensure that this occurs.

## 5 Resourcing

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5.1 The Committee's work is supported by the CEO, CSO and the COO/s.

## 6 Review of Terms of Reference

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6.1 The Board will review the Terms of Reference of the Committee periodically and the Committee may make recommendations to the Board in relation to any changes to the Committee's responsibilities.