

# SUSTAINABILITY COMMITTEE TERMS OF REFERENCE



## 1 ROLE

---

- 1.1 The role of the Sustainability Committee (Committee) is to assist the Board of South32 Limited (Board) to carry out its role in overseeing the sustainability management, performance, assurance and reporting practices of the Group<sup>1</sup>. 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 adequacy of the Group's approach to identifying and managing material sustainability-related risks and opportunities including:
    - (i) safety (including process safety, dam management (tailings and water storage), asset management, security and emergency management);
    - (ii) health (including occupational health, hygiene, mental health and well-being);
    - (iii) environment (including water stewardship, air emissions, land stewardship, biodiversity, rehabilitation and legacy management, waste stewardship);
    - (iv) community and social performance (including community relations, Indigenous and Tribal peoples relations, cultural heritage and land access, local supply chain development, Just Transition);
    - (v) business ethics (including transparency, modern slavery and human rights issues, responsible sourcing and selling), and
    - (vi) climate change (including delivery against targets and objectives);
  - (b) existing sustainability-related issues, as well as emerging sustainability risks, opportunities and issues for the Group;
  - (c) the Group's systems for compliance with applicable sustainability-related legal and regulatory requirements and adherence to applicable voluntary standards;
  - (d) the Group's *Sustainability Policy* and related reporting and disclosures on material sustainability issues; and
  - (e) the Group's performance in relation to sustainability-related matters.
- 1.3 The Committee is accountable to the Board for its performance. The Committee Chair (or their delegate) will report to the Board as to any material matters arising out of Committee meetings

---

<sup>1</sup> South32 Limited is the parent company of the South32 Group of companies. In this document, unless otherwise stated, references to South32 Group, Group and South32 refer to South32 Limited and its controlled entities and South32-operated joint arrangements, as a whole.

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

## 2 RESPONSIBILITIES

---

### Sustainability management and assurance

- 2.1 The Committee will review and monitor the adequacy and effectiveness of the management systems and frameworks associated with material sustainability matters.
- 2.2 The Committee will advise the Risk and Audit Committee on material sustainability-related risks identified and managed in accordance with the system of risk management, and the outcomes of the evaluation of those risks.
- 2.3 The Committee will oversee management's processes for compliance with applicable sustainability-related laws, regulations and other requirements relating to the performance of the Group.
- 2.4 The Committee will review and endorse the sustainability section of the annual internal audit plan to the Risk and Audit Committee.

### Sustainability performance

- 2.5 The Committee will monitor and review the performance of the Group having regard to the sustainability consequences of decisions and actions, including impacts on employees, communities, Indigenous and Tribal peoples, the natural environment<sup>2</sup>, third parties and the Group's reputation.
- 2.6 The Committee will, through consideration of the reports provided by management regarding sustainability-related matters, the outcomes of the independent assurance and audit process, and industry best practice:
  - (a) gain assurance that the metrics are accurate and consistently prepared;
  - (b) recommend to the Remuneration Committee appropriate key performance indicators (metrics/measures) for the sustainability-related component of the annual Business Scorecard for the CEO and the South32 Lead Team including any amendments made to the key performance indicators during the year; and
  - (c) determine and refer to the Remuneration Committee the outcome of its evaluation of the sustainability-related component of the annual Business Scorecard for the CEO and the South32 Lead Team.
- 2.7 The Committee will review and endorse the Group's sustainability framework and public targets proposed by the CEO or the CEO's nominees, to the Board.

### Sustainability reporting

- 2.8 Where the Company prepares external corporate reports (including the Sustainable Development Report and Modern Slavery Statement) in accordance with the Taskforce on

---

<sup>2</sup> encompasses biodiversity, water and emissions (including air and greenhouse gases)

Climate-Related Financial Disclosures (TCFD), Global Reporting Initiative (GRI) or other relevant framework(s), the Committee will:

- (a) review that report and recommend it to the Board for approval;
- (b) make recommendations on specific actions or decisions the Board should consider in relation to that report; and
- (c) review and endorse the scope of the external assurance for sustainability reporting to the Risk and Audit Committee in accordance with the Group's *Provision of Non-Audit Services Policy*.

2.9 The Committee will review and approve new and material changes to public positions on key sustainability issues.

### 3 COMPOSITION

---

3.1 The Committee will consist of:

- (a) only Non-executive Directors;
- (b) a minimum of three members;
- (c) a majority of independent Directors; and
- (d) an independent Director as Chair.

3.2 The Committee members between them must have skills, experience or qualifications relevant to sustainability frameworks and management systems as determined by the Board.

3.3 A standing invitation to attend meetings of the Committee will be issued to all Directors (provided there is no potential or actual conflict of interest) and to the:

- (a) Chief Executive Officer;
- (b) Chief Technical Officer;
- (c) Chief Legal and External Affairs Officer;
- (d) Chief Operating Officer(s);
- (e) VP HSE & Technical Stewardship;
- (f) VP Sustainability Strategy & Community; and
- (g) VP Group Assurance.

### 4 PROCEDURES

---

4.1 The processes and procedures that govern the operation of the Committee are set out in the document 'Board Committee Processes and Procedures'.

---

## 5 RESOURCING

---

5.1 The Committee's work is supported by the members of management set out in paragraph 3.3.

South32 Limited | Registered Office Level 35 108 St Georges Terrace Perth WA 6000 Australia | ABN 84 093 732 597