

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 Group¹. The Committee is accountable to the Board for its performance.
- 1.2 Sustainability touches all aspects of our business. For clarity of accountability, the Committee shall provide specific oversight of the following sustainability-related matters:
- (a) Health and safety;
 - (b) Tailings management;
 - (c) Nature and the environment;
 - (d) Climate change;
 - (e) Human rights; and
 - (f) Social impacts and community relationships, including with Indigenous, Traditional and Tribal Peoples.
- 1.3 In discharging its responsibilities under these terms of reference, the Committee will have regard to the following:
- (a) the Group's Purpose and strategy;
 - (b) the adequacy of the Group's approach to identifying and managing material sustainability-related risks and opportunities;
 - (c) current and emerging sustainability-related risks and opportunities for the Group;
 - (d) the Group's systems for compliance with applicable sustainability-related legal and regulatory requirements and adherence to applicable voluntary standards;
 - (e) the Group's *Sustainability Policy* and related reporting and disclosures on material sustainability issues; and
 - (f) the Group's performance in relation to sustainability-related matters.

¹ 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.

- 1.4 The Committee is accountable to the Board for its performance. After each Committee meeting the Committee Chair (or their delegate) will:
- (a) report to the Board any material matters arising out of Committee meetings and in the review of external sustainability reporting; and
 - (b) consider if the information should be communicated to any other Board committee and, if so, ensure that this occurs.

2 RESPONSIBILITIES

Sustainability management and governance

- 2.1 The Committee will review and monitor the adequacy and effectiveness of the management systems and frameworks associated with material sustainability-related matters.
- 2.2 The Committee will oversee (in conjunction with the Risk and Audit Committee as appropriate):
- (a) the processes for identifying, assessing, prioritising and managing the Group's sustainability-related risks and opportunities; and
 - (b) the system for compliance with applicable sustainability-related laws, regulations and other requirements, including voluntary standards.
- 2.3 The Committee will endorse to the Board:
- (a) the Group's material public sustainability commitments and will monitor the Group's performance against those commitments; and
 - (b) any material amendments to the Group's *Sustainability Policy*.
- 2.4 The Committee will:
- (a) provide advice to the Remuneration Committee, as required, on the incorporation of sustainability-related considerations into executive remuneration;
 - (b) recommended to the Remuneration Committee sustainability-related performance measures and outcomes for the annual Business Scorecard, the CEO and the Lead Team, including any material amendments made to the performance measures during the year;
 - (c) recommend to the Remuneration Committee the performance measures and outcomes for any sustainability-related conditions attached to equity-based awards; and
 - (d) provide advice to the Nomination and Governance Committee, as required, regarding the skills and competencies necessary for effective oversight of sustainability-related risks and opportunities.

Sustainability performance and risk management

- 2.5 The Committee will review the Group's performance in relation to sustainability-related matters, including any significant contraventions or regulatory actions that may have material implications for the Group.

- 2.6 The Committee will review the Group's material exposures to sustainability-related risks and opportunities and advise the Board or the Risk and Audit Committee, as appropriate, including on associated disclosures under applicable accounting standards.

Climate change

- 2.7 The Committee will oversee the resilience of the Group, including its capacity to adapt to material exposures to climate-related risks and opportunities.
- 2.8 The Committee will review the Group's progress in delivering its material public climate-related commitments, having regard to greenhouse gas emissions performance and other key performance measures.
- 2.9 The Committee will endorse to the Board for approval any material changes to the Group's climate-related action plan, and will monitor progress against that plan.

Sustainability reporting and assurance

- 2.10 The Committee will review and endorse to the Board the sustainability-related disclosures within the Group's Annual Report, and in doing so, will:
- (a) engage with the Risk and Audit Committee where disclosures contain financial information or have implications for the Group's financial reporting, as appropriate;
 - (b) review representation letters signed by management and consider whether the information provided in the letter is complete and appropriate; and
 - (c) review and provide recommendations to the Board and/or other Committees, as appropriate, in relation to any Director declarations.
- 2.11 The Committee will review and endorse to the Board the Group's Modern Slavery Statement.
- 2.12 The Committee will review and endorse to the Risk and Audit Committee:
- (a) the scope of the external sustainability assurance plan in accordance with the Group's Provision of Non-Audit Services Policy and provide advice on the terms of engagement of the external auditor as appropriate; and
 - (b) the sustainability section of the annual internal audit plan.

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, competencies, experience or qualifications relevant to sustainability frameworks and management systems as determined by the Board.

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- 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 Commercial & Technical Officer;
 - (c) Chief Legal, External Affairs & Sustainability Officer;
 - (d) Chief Operating Officer(s);
 - (e) VP Health, Safety & Asset Management;
 - (f) VP Sustainability; and
 - (g) Group Manager 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.