



OUR APPROACH TO VALUE CHAIN MANAGEMENT

As awareness of socially and environmentally responsible business practices continues to grow, there is increasing interest in how materials are sourced and produced across the value chain.

As a diversified mining and metals company, we produce a range of commodities used in many aspects of modern life. To support the responsible and sustainable production and use of these products, we work with a wide range of participants across our value chain.

Key participants include:

- **Suppliers:** We rely on a large and diverse network of suppliers to provide the goods, services and materials required to support our activities. We aim to work with suppliers who have strong standards of conduct and who share our commitment to lawful business practices;
- **Contractors:** Contractors make up a significant proportion of our workforce and play a critical role in helping us run our business. We engage specialist service providers to perform select activities, including maintenance, logistics, construction, exploration and technical services;
- **Customers:** Our customer base spans a diverse range of value chain participants, from direct industrial users of our products to intermediaries involved in processing, refining, fabrication, distribution and trading; and
- **End users:** Our products are essential inputs into industries such as construction, transport, renewable energy, automotive manufacturing, packaging, consumer goods, agriculture and electronics.

Our approach to value chain management draws on the expertise of multiple teams across our business:

- Our Supply team leads the full lifecycle of procurement and management of non-traded suppliers;

- Our Marketing team oversees raw material procurement with traded suppliers, commodity sales and freight management, and manages product stewardship and quality risks;
- Operational teams support the implementation of safety, environmental and social performance standards and systems, and participate in product lifecycle assessments; and
- Functional teams support the integration of sustainability-related performance requirements and expectations into business processes and decision-making, and provide guidance on contractual, regulatory and ethical requirements.

Suppliers

Our internal supply standard and supply chain standard define performance requirements for managing non-traded goods and services, and for managing risk and value optimisation across certain traded commodity supply chains.

Suppliers are subject to varying due diligence processes, with decisions to engage and continue working with a supplier influenced by a range of factors, including the assessed level of risk and the value to our business.

Key elements of our approach to supply chain management include:

- Traded suppliers, which exclusively provide our strategic raw materials, are subject to anti-bribery and corruption, anti-money laundering and economic sanctions due diligence conducted by our Business Integrity team. They are also typically required to agree to our General Terms and Conditions (or similar), which include clauses requiring compliance with all applicable laws and regulations, including those relating to human rights and labour rights;

- Non-traded suppliers, which supply a broad range of goods and services and must adhere to our Supplier Minimum Requirements, available at www.south32.net. These requirements supplement the requirements outlined in other policies, including our Code of Business Conduct and Anti-Bribery and Corruption Policy, and are shared with prospective suppliers during onboarding. Onboarded suppliers are required to confirm their commitment to meet and uphold them; and
- Our internal Third-Party Risk Management Framework sets out how we identify, assess and manage third-party risks across the non-traded supplier lifecycle. The Framework includes:
 - Risk identification and risk-based due diligence;
 - Mitigation strategies and corrective actions where risks exceed tolerance;
 - Ongoing monitoring where appropriate, using third-party assessment tools; and
 - Relationship management processes that seek to promote ethical conduct and manage conflicts of interest, including escalation where required.

Maritime suppliers

While we do not own vessels or employ seafarers, we charter vessels to transport materials and equipment to our operations and to deliver our products to customers. We work with vessel owners and operators to conduct due diligence, remediate identified issues and support seafarer welfare.

Our marine vetting program, embedded within our maritime procurement process, supports the identification of risks in our maritime supply chain, including modern slavery risks and potential breaches of the Maritime Labour Convention (MLC). Key elements of the program include RightShip vetting assessments and sanctions screening of all vessels. This is complemented by risk-based due diligence which may include periodic quality and independent modern slavery audits, and physical inspections of select vessels.

Vessels identified as high risk against our marine vetting baseline screening criteria may be subject to enhanced due diligence, which can include reviews of incidents, port state control inspection breaches, technical manager performance, regulatory compliance and adverse media or reputational concerns, as well as physical inspections focusing on vessel safety, crew wellbeing and MLC compliance.

Our contracts with vessel owners and operators typically include clauses designed to protect seafarers' rights and require compliance with applicable labour standards, conventions, laws and regulations. We also collaborate with seafarer welfare organisations and other stakeholders, and participate in industry forums and initiatives, to identify opportunities to improve support for seafarers within our supply chains and across the broader shipping industry.

Contractors

Our internal contractor management standard outlines performance requirements for managing contractors across the contractor management lifecycle. Where appropriate, our approach includes:

- Establishing performance requirements in contracts;
- Conducting pre-engagement risk assessments to identify material risks associated with the scope of work, including health and safety risks, with outcomes informing the management approach applied; and
- Additional controls for high-risk work, such as verification of the qualifications and licences of individuals undertaking the work, and checks of the tools and equipment to be used.

Customers

Customers are subject to due diligence checks, including assessments of bribery, corruption and money-laundering risks, economic sanctions, and broader financial and commercial considerations.

We engage with our customers to provide information to support their sustainability and compliance requirements by providing product, sustainability and responsible sourcing information on request, completing customer self-assessment questionnaires where applicable, and aligning relevant supply-chain practices to applicable regulatory obligations.

Raising business conduct concerns

We have implemented mechanisms for reporting potential conflicts of interest, breaches of law or other ethical concerns.

Our global whistleblower policy, known as our Speak Up Policy, is available to all stakeholders, including suppliers, contractors and customers, at www.south32.net. This policy outlines how concerns can be raised, the protections available for reporters, and the process for handling reports.

Responsible sourcing

We recognise the importance of responsible sourcing, particularly where operations or supply chains intersect with conflict-affected and high-risk areas (CAHRA).

South32 does not mine for gold¹, tin, tungsten or tantalum (the minerals most commonly associated with conflict minerals due diligence) and none of our mines, refineries or smelters are located in the Democratic Republic of the Congo or its adjoining countries.

Our approach, which applies to our operations, mineral suppliers and the transport routes used to supply those minerals, includes:

- CAHRA country risk assessments using recognised global indices;
- Enhanced due diligence where elevated risks are identified; and
- Implementation of risk mitigation measures where required.

We continue to strengthen and align our due diligence practices with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

We review our due diligence practices on an ongoing basis and prioritise improvements to maintain alignment with evolving risks and external expectations.

Alignment with industry standards

We are guided by standards and performance expectations established by relevant industry bodies and initiatives. As a member of the International Council on Mining and Metals (ICMM), we apply ICMM's Mining Principles, Performance Expectations and Position Statements, which set good-practice environmental, social and governance performance requirements for members.

Through our participation in industry associations, we contribute to, and learn from, the development of good-practice standards and apply them across our business, as appropriate.

Further information on the industry associations we participate in is available at www.south32.net.

Independent certifications

We recognise that accreditations from independent associations can help validate environmental and social practices and build stakeholder confidence. We continue to see customer interest in these credentials and participate in the Aluminium Stewardship Initiative and the London Metals Exchange Responsible Sourcing programme. Select operations also align their management systems with internationally recognised ISO standards.

Find more information on these certifications in our annual Sustainability Standards and Frameworks Index, available at www.south32.net.

⁽¹⁾ Gold is produced only as a by-product of copper concentrate at Sierra Gorda copper mine.

Product stewardship

Our approach to product stewardship focuses on quality assurance and good-practice approaches for product testing and classification, handling, transportation and use of our products. A key part of this approach is meeting product regulatory requirements in jurisdictions where our products are sold.

Product regulatory compliance activities generally fall into two areas:

1. Cargo hazard classification and control, to support the safe shipment of bulk and containerised products; and
2. Product classification, documentation and labelling, to support safe handling and use.

Controls are periodically reviewed and updated to manage risks related to product regulatory compliance, including hazard classification and labelling in line with the Globally Harmonised System of Hazard Classification and Labelling, safe transport and handling practices, and monitoring of evolving substance regulations across jurisdictions.

We undertake select internal and external audits to assess the effectiveness of our product stewardship controls and engage industry experts to help align our approach with good practice. We also collaborate with industry associations to inform commodity-specific lifecycle assessments.

Governance

Our Board has ultimate responsibility for our Company's governance and strategic direction. The Sustainability Committee assists the Board in its oversight of our sustainability-related management, performance, assurance and reporting practices.

Management accountability for the value chain management activities outlined in this document is assigned to our Chief Commercial and Technical Officer and Chief Legal, External Affairs and Sustainability Officer.

Application

This document summarises our approach to value chain management across operations under South32's operational control. This approach does not extend to operations in which South32 has an ownership interest but does not have operational control.

This approach was approved for publication by our Chief Legal, External Affairs and Sustainability Officer in January 2026. It will be reviewed as necessary, so it remains relevant and appropriate to South32's value chain management activities.

To learn more

Further information on value chain management, including performance and progress, can be found on the Sustainability section of our website and in our Annual Reporting Suite at www.south32.net.

