

9 September 2022

SOUTH32 RELEASES CLIMATE CHANGE ACTION PLAN

South32 has today released its Climate Change Action Plan (the Plan) outlining the actions we are taking to address the risks and opportunities that climate change presents.

The Plan, part of South32's Sustainable Development Report 2022, sets out our approach, actions and progress to date and the ways in which we are playing our part to address climate change.

It will be the subject of a non-binding advisory resolution at our 2022 Annual General Meeting, providing shareholders with an opportunity to discuss and provide feedback on our approach.

South32's approach to climate change is aligned to our purpose, integrated with our strategy, and is focused on:

- reshaping our portfolio to the base metals that are critical in the transition to a low-carbon world;
- decarbonising our operations, with a focus on the four operations within our portfolio which account for the majority of our emissions profile;
- understanding and responding to the potential physical impacts of climate change on our business to build operational resilience; and
- working with others to innovate and address shared challenges across industry, and to decarbonise the value chain.

Recognising that we have a critical role to play in contributing to the decarbonisation of the value chain – in partnership with our customers and suppliers – the Plan includes a new goal¹ of net zero Scope 3 greenhouse gas (GHG) emissions by 2050.

Within 12 months of South32 being established, we committed to supporting the objectives of the Paris Agreement and set a long-term goal to achieve net zero operational GHG emissions by 2050. In FY21 we set a medium-term target² to halve our operational GHG emissions by 2035, from our FY21 baseline.

Over the past seven years, South32's portfolio has undergone a major transformation to focus on the metals critical to the transition to a low-carbon world, and part of our strategy is to identify opportunities to sustainably reshape our business for the future.

In FY22 we added copper – a key metal for electric vehicles, charging infrastructure and renewable energy – to our portfolio with the acquisition of a 45 per cent interest in the Sierra Gorda copper mine in Chile. We also invested to double our share of low-carbon aluminium³ production, by participating in the restart of the Brazil

¹ In the Plan 'goal' is defined as an aspiration to deliver an outcome for which we have not identified a pathway for delivery, but for which efforts will be pursued towards achieving that outcome, subject to certain assumptions or conditions.

² In the Plan 'target' is defined as an intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions.

³ In the Plan we define 'low-carbon aluminium' as aluminium produced in a process that results in less than 4t CO₂-e Scope 1 and Scope 2 emissions per tonne of aluminium produced.

Aluminium smelter and increasing our shareholding in Mozal Aluminium in Mozambique. We continue to explore options to produce high quality, battery-grade raw materials, supporting energy storage.

While we believe metallurgical coal will be required in the steelmaking process for at least the next two decades, until low-carbon steelmaking becomes economically viable on a commercial scale, included in the Plan is a new commitment that we will not develop or invest in greenfield metallurgical coal projects.

Decarbonising our operations is fundamental to the delivery of our strategy. Our operational decarbonisation pathway to support delivery of our medium-term target and long-term goal consists of three steps: efficiency initiatives in the near term, transition to lower-carbon energy in the medium-term, and technology solutions in the longer-term.

Four of our operations (Hillside Aluminium, Worsley Alumina, Illawarra Metallurgical Coal, and Mozal Aluminium), account for 93 per cent of our Scope 1 and 2 GHG emissions. As Hillside Aluminium and Worsley Alumina utilise energy sources that are dependent on fossil fuels, including energy coal, their decarbonisation is largely tied to a transition to lower-carbon energy.

We continue to work closely with governments and other stakeholders to transition to lower-carbon energy alternatives at these operations and have established a framework to integrate just transition planning into our decarbonisation planning and decision making to support a fair and equitable transition for our people, communities and other stakeholders.

South32 Chief Executive Officer **Graham Kerr** said “Our Climate Change Action Plan outlines the actions we are taking to address specific risks and opportunities that climate change presents for our business.

“Delivering on our climate change commitments is fundamental to our purpose and our Plan describes how we are working in collaboration with our stakeholders to prepare our business for the global energy transition, meet our climate change commitments and achieve a just transition for our people, our business and our communities.

“We understand the need for action on climate change and we are responding by addressing our biggest challenges. We will continue to regularly review our approach to climate change and we are committed to transparently reporting on our progress.”

Our full Climate Change Action Plan can be found on our website, in our [Sustainable Development Report 2022](#).

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About us

South32 is a globally diversified mining and metals company. 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 commodities including bauxite, alumina, aluminium, copper, silver, lead, zinc, nickel, metallurgical coal and manganese from our operations in Australia, Southern Africa and South America. With a focus on growing our base metals exposure, we also have two development options in North America and several partnerships with junior explorers around the world.

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Further information on South32 can be found at www.south32.net.

This media release contains forward looking statements including statements in relation to climate change and other environmental and energy transition scenarios. These forward-looking statements reflect South32's expectations at the date of the media release (including with respect to its strategies and plans regarding climate change) and they are not guarantees or predictions of future performance or outcomes or statements of fact. They involve known and unknown risks and uncertainties, which may cause actual outcomes and developments to differ materially from those expressed in such statements. South32 makes no representation, assurance or guarantees as to the accuracy, completeness or likelihood of fulfilment of any forward-looking statement, any outcomes expressed or implied in any forward-looking statement or any assumptions on which a forward looking statement is based.