

SUSTAINABILITY REPORTING NAVIGATOR FY17

We have prepared our financial year 2017 sustainability reporting in accordance with the Global Reporting Initiative (GRI) G4 Core Sustainability Reporting Guidelines, including the Mining and Metals Sector Supplement.

This Navigator provides the specific locations, within the Annual Report or on our [website](#), where we meet the various GRI requirements. This Index also identifies how we address the 10 principles of the International Council on Mining and Metals.

KPMG has provided:

- Sustainability information within the annual reporting suite - limited assurance
- Greenhouse gas emissions - reasonable assurance

A copy of KPMG's independent assurance opinion is located on page 13 of this Navigator.

International Council on Mining and Metals

Principle 1	Implement and maintain ethical business practices and sound systems of corporate governance
Principle 2	Integrate sustainable development considerations within the corporate decision-making process
Principle 3	Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities
Principle 4	Implement risk management strategies based on valid data and sound science
Principle 5	Seek continual improvement in health and safety performance
Principle 6	Seek continual improvement of our environmental performance
Principle 7	Contribute to conservation of biodiversity and integrated approaches to land use planning
Principle 8	Facilitate and encourage responsible product design, re-use, recycling and disposal of our products
Principle 9	Contribute to the social, economic and institutional development of the communities in which we operate
Principle 10	Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders

Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference
Strategy and Analysis				
G4-1	Statement from the most senior decision-maker of the organisation	Chairman's Message	AR: p4	2
Organisational Profile				
G4-3	Name of the organisation	South32	AR: Front cover	
G4-4	Primary brands, products and/or services	Our Operations	AR: p2-3	
G4-5	Location of organisation's headquarters	Our Operations	AR: p3	
G4-6	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Our Operations	AR: p2-3	
G4-7	Nature of ownership and legal form	Inside Cover	AR: p(ii)	
G4-8	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)		AR: p2,3, 38-47	
G4-9	Scale of the reporting organisation			
	- Total number of employees	People	W: https://www.south32.net/investors-media/annual-report-suite	
	- Total number of operation	Our Operation	AR: p2-3	
	- Total capitalisation broken down in terms of debt and equity	Operating and Financial Review	AR: p36	
	- Quantity of products or services provided	Operating and Financial Review	AR: p38-47	
G4-10	Total workforce by employment type, gender, employment contract and region	Sustainability Data Tables	W: https://www.south32.net/investors-media/annual-report-suite	
G4-11	Percentage of employees covered by collective bargaining agreements	People	W: https://www.south32.net/investors-media/annual-report-suite	3
G4-12	Describe the organisation's supply chain	Our Operations	AR: p38 -47	
G4-13	Significant changes during the reporting period regarding size, structure and ownership	Directors' Report	AR: p97	
G4-14	Explanation of whether and how the precautionary approach or principle is addressed	Risk management	AR: p20	2,4

Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses	ICMM Memberships and commitments	W: https://www.south32.net/sustainability/our-focus	10
G4-16	Memberships in associations	Memberships	W: https://www.south32.net/sustainability/our-focus	
Identified Material Aspects and Boundaries				
G4-17	List all entities included in the organisation's consolidated financial statement; Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report	Operating and Financial Review	AR: p31-32	
G4-18	Process for defining the report content and the Aspect Boundaries and explanation how the Reporting Principles for Defining Report Content has been implemented	Materiality	W: https://www.south32.net/sustainability/sustainability-reports	
G4-19	List all the material Aspects identified in the process for defining report content	GRI Navigator FY17	W: https://www.south32.net/investors-media/annual-report-suite	
G4-20	For each material Aspect, report the Aspect Boundary within the organisation	GRI Navigator FY17	W: https://www.south32.net/investors-media/annual-report-suite	
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation	GRI Navigator FY17	W: https://www.south32.net/investors-media/annual-report-suite	
G4-22	Explain the effect of any re-statements	Sustainability Data Tables	W: https://www.south32.net/investors-media/annual-report-suite	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries		No changes in Scope or Aspect Boundaries	
Stakeholder Engagement				
G4-24	List of stakeholder groups engaged by the organisation	Communities and Society	W: https://www.south32.net/investors-media/annual-report-suite	10
G4-25	Basis for identification and selection of stakeholders with whom to engage	Communities and Society	W: https://www.south32.net/investors-media/annual-report-suite	10
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Communities and Society	W: https://www.south32.net/investors-media/annual-report-suite	10
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting Report the stakeholder groups that raised each of the key topics and concerns	Materiality Communities and Society	W: https://www.south32.net/sustainability/sustainability-reports W: https://www.south32.net/investors-media/annual-report-suite	10

Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference
Report Profile				
G4-28	Reporting period for information provided	FY17	GRI Navigator FY17	10
G4-29	Date of most recent previous report	FY16	GRI Navigator FY17	
G4-30	Reporting cycle	Annual	GRI Navigator FY17	10
G4-31	Contact point for questions regarding the report or its contents	Corporate Directory	AR: p185	10
G4-32	Table identifying the location of the Standard Disclosures in the report	GRI Navigator FY17	W: https://www.south32.net/investors-media/annual-report-suite	
G4-33	Policy and current practice with regard to seeking external assurance for the report	Directors' Report GRI Navigator	AR: p98 W: https://www.south32.net/investors-media/annual-report-suite	10
Governance				
G4-34	Governance structure of the organisation, including committees responsible for decision-making on economic, environmental and social impacts	Corporate Governance Statement	W: https://www.south32.net/investors-media/annual-report-suite	1, 2
G4-40	Process for determining the qualifications and expertise of the members of the highest governance body	Corporate Governance	W: https://www.south32.net/investors-media/annual-report-suite	1, 2
G4-41	Processes in place for the highest governance body to ensure conflicts of interest are avoided and managed	Corporate Governance Statement	W: https://www.south32.net/investors-media/annual-report-suite	1, 2
G4-45	Procedures of the highest governance body for overseeing the organisation's identification and management of performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct or principles Stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks and opportunities	Corporate Governance Statement Materiality	W: https://www.south32.net/investors-media/annual-report-suite W: https://www.south32.net/sustainability/sustainability-reports	1, 2
G4-46	The highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics	Corporate Governance Statement	W: https://www.south32.net/investors-media/annual-report-suite	1, 2, 4
G4-49	The process for communicating critical concerns to the highest governance body	Corporate Governance Statement	W: https://www.south32.net/investors-media/annual-report-suite	1, 2, 10
G4-51	Remuneration policies for the highest governance body and senior executives for the following types of remuneration: Linkage to performance criteria to economic, environmental and social objectives	Remuneration Report	AR: p67 and p71	1,2,5,6
G4-52	The process for determining remuneration; whether remuneration consultants are involved	Remuneration Report	AR: p72 – 73 and p86	1, 2

Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals	Remuneration Report	AR: p86	10
Ethics and Integrity				
G4-56	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation	Code of Conduct	W: https://www.south32.net/who-we-are/corporate-governance	1, 2
G4-58	The internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms of hotlines	Corporate Governance	W: https://www.south32.net/who-we-are/corporate-governance	1, 2

Specific Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference	Impact boundary ⁽¹⁾
ECONOMIC					
Economic Performance					
DMA	Disclosure on Management Approach	Communities and Society	W: https://www.south32.net/investors-media/annual-report-suite	9	1, 2, 3, 5, 7, 8, 9, 10
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Economic value generated	AR: p102	9	
		Economic value distributed			
		- operating costs	AR: p28		
		- employee wages and benefits	AR: p118		
		- interest payments	AR: p105		
		- community contributions	Sustainability Data Tables https://www.south32.net/investors-media/annual-report-suite		
- payments to government	AR: p118				
G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Our approach to climate change	W: https://www.south32.net/investors-media/annual-report-suite	2,6,9	

Specific Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference	Impact boundary ⁽¹⁾
ENVIRONMENTAL					
Energy					
DMA	Disclosure on Management Approach	Environment - Energy	W: https://www.south32.net/investors-media/annual-report-suite	2,6	
G4-EN3	Energy consumption within the organisation	Sustainability Data Tables	W: https://www.south32.net/investors-media/annual-report-suite	6	
G4-EN6	Reduction of energy consumption	Sustainability Data Tables	W: https://www.south32.net/investors-media/annual-report-suite	6	
Water					
DMA	Disclosure on Management Approach	Environment - Water	W: https://www.south32.net/investors-media/annual-report-suite	2,6	
G4-EN8	Total water withdrawal by source	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	6	
G4-EN10	Percentage and total volume of water recycled and reused	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	6	
Biodiversity					
DMA	Disclosure on Management Approach	Environment - Biodiversity	W: https://www.south32.net/investors-media/annual-report-suite	2,6,7	
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	6,7	
MM1	Amount of land (owned or leased and managed for production activities or extractive use) disturbed or rehabilitated	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	2, 6, 7	
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	2, 6, 7	
Emissions					
DMA	Disclosure on Management Approach	Environment - Emissions	W: https://www.south32.net/investors-media/annual-report-suite	2,6	
G4-EN15	Direct GHG emissions (Scope 1)	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	6	

Specific Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference	Impact boundary ⁽¹⁾
G4-EN16	Energy indirect GHG emissions (Scope 2)	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	6	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	6	
G4-EN19	Reduction of GHG emissions	Environment - Emissions	W: https://www.south32.net/investors-media/annual-report-suite	6	
G4-EN21	NO _x , SO _x , and other significant air emissions by type and weight	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	6	
Effluents and waste					2, 3, 8, 10
DMA	Disclosure on Management Approach	Environment - Waste	W: https://www.south32.net/investors-media/annual-report-suite	2,6	
G4-EN22	Total water discharge by quality and destination	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	6	
MM3	Total amounts of overburden, rock, tailings and sludges and their associated risks	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite Note: We do not collect/report the amounts of overburden	6,7	
G4-EN24	Total number and volume of significant spills	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	6	
Environmental compliance					2, 8
DMA	Disclosure on Management Approach	Directors Report	AR: p99	6	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Directors' Report	AR: p99	6	
Environmental grievance mechanisms					2, 3, 6, 8
DMA	Disclosure on Management Approach	Communities and Society - Grievances and complaints	W: https://www.south32.net/investors-media/annual-report-suite	6,9,10	
G4-EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	6,9,10	
SOCIAL: LABOUR PRACTICES AND DECENT WORK					
Employment					
DMA	Disclosure on Management Approach	People	W: https://www.south32.net/investors-media/annual-report-suite	1, 3	
G4-LA1	Total number and rate of new employee hires and employee turnover by age group, gender, and region	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	1,3	

Specific Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference	Impact boundary ⁽¹⁾
Labour/management relations					1, 3, 5
DMA	Disclosure on Management Approach	People	W: https://www.south32.net/investors-media/annual-report-suite	1,3	
G4-LA4	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	People	W: https://www.south32.net/investors-media/annual-report-suite	1,3	
MM4	Number of strikes and lock-outs exceeding one week's duration, by country	People	W: https://www.south32.net/investors-media/annual-report-suite	1,3	
Occupational health and safety					
DMA	Disclosure on Management Approach	Safety Health	W: https://www.south32.net/investors-media/annual-report-suite W: https://www.south32.net/investors-media/annual-report-suite	5	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	5	
G4-LA7	Workers with incidence or high risk of diseases related to their occupation	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	5	
Training and education					
DMA	Disclosure on Management Approach	People	W: https://www.south32.net/investors-media/annual-report-suite	3	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	People	All employees have regular discussions regarding their performance and career development as part of our Success@South32 program.	3	
Diversity and Equal Opportunity					
DMA	Disclosure on Management Approach	People	W: https://www.south32.net/investors-media/annual-report-suite	1	
G4-LA12	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	Corporate Governance Statement	W: https://www.south32.net/investors-media/annual-report-suite	1	

Specific Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference	Impact boundary ⁽¹⁾
Equal remuneration for Women and Men					
DMA	Disclosure on Management Approach	People	W: https://www.south32.net/investors-media/annual-report-suite	1,3	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	People	W: https://www.south32.net/investors-media/annual-report-suite We have commenced closing the gender pay gap, allocating approximately US\$1.8 million in FY17. Work has commenced to ensure we can accurately report on ratios in FY18.	1,3	
SOCIAL: HUMAN RIGHTS					
Freedom of association and collective bargaining					
					1, 2, 3, 5, 8
DMA	Disclosure on Management Approach	People	W: https://www.south32.net/investors-media/annual-report-suite	1,3	
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	People	W: https://www.south32.net/investors-media/annual-report-suite	1,3	
Child labour					
DMA	Disclosure on Management Approach	Human rights – Communities and Society Modern Slavery Act Statement	W: https://www.south32.net/investors-media/annual-report-suite W: https://www.south32.net/sustainability/sustainability-reports	1,3	
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	Human rights – Communities and Society Modern Slavery Act Statement	W: https://www.south32.net/investors-media/annual-report-suite W: https://www.south32.net/sustainability/sustainability-reports	1,3	
Security practices					
DMA	Disclosure on Management Approach	Human Rights – Communities and Society	W: https://www.south32.net/investors-media/annual-report-suite	1,3,5	
G4-HR7	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	1,3,5	

Specific Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference	Impact boundary ⁽¹⁾
Indigenous rights					
DMA	Disclosure on Management Approach	Indigenous Peoples - Community and Society	W: https://www.south32.net/investors-media/annual-report-suite	1,3,9	
G4-HR8	Total number of incidents of violations involving rights of Indigenous Peoples and actions taken	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	1,3	
Human rights assessment					
DMA	Disclosure on Management Approach	Human Rights – Communities and Society	W: https://www.south32.net/investors-media/annual-report-suite	1,3,10	
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	1,3,10	
Supplier Human Rights Assessment					
DMA	Disclosure on Management Approach	Human rights – Communities and Society Modern Slavery Act Statement	W: https://www.south32.net/investors-media/annual-report-suite W: https://www.south32.net/sustainability/sustainability-reports	1,3,9	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Human rights – Communities and Society Modern Slavery Act Statement	W: https://www.south32.net/investors-media/annual-report-suite W: https://www.south32.net/sustainability/sustainability-reports	1,3,9	
Human rights grievance mechanism					1, 2, 3, 4, 7, 8, 9, 10
DMA	Disclosure on Management Approach	Communities and Society - Grievances and complaints	W: https://www.south32.net/investors-media/annual-report-suite	1,3,9	
G4-HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	1,3,9	

Specific Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference	Impact boundary ⁽¹⁾
SOCIAL: SOCIETY					
Local Community					
					1, 2, 3, 6, 8, 10
DMA	Disclosure on Management Approach	Communities and Society	W: https://www.south32.net/investors-media/annual-report-suite	3,9,10	
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programmes	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	3,9,10	
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	3,9,10	
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	3,9,10	
Closure planning					
					1, 2, 3, 6, 8, 9, 10
DMA	Disclosure on Management Approach	Environment - Closure Financial provisions	W: https://www.south32.net/investors-media/annual-report-suite AR: p132	1,2,6	
MM10	Number and percentage of operations with closure plans	Environment - Closure	W: https://www.south32.net/investors-media/annual-report-suite	1,2,6	
Anti-corruption					
					1, 2, 3, 6, 8, 9, 10
DMA	Disclosure on Management Approach	Corporate governance statement	W: https://www.south32.net/investors-media/annual-report-suite	1	
G4-SO4	Communication and training on anti-corruption policies and procedures	Corporate governance statement	W: https://www.south32.net/investors-media/annual-report-suite	1	
Public Policy					
					1, 2, 3, 4, 6, 8, 9, 10
DMA	Disclosure on Management Approach	Memberships	W: https://www.south32.net/sustainability/our-focus	1	
G4-SO6	Total value of political contributions by country and recipient beneficiary	Directors' Report	AR: p98	1	

Specific Standard Disclosures	Disclosure	South32 Response	Location AR: Annual Report W: Website	ICMM Principles Reference	Impact boundary ⁽¹⁾
Anti-competitive Behaviour					2, 4, 6, 7, 8
DMA	Disclosure on Management Approach	Corporate governance statement	W: https://www.south32.net/investors-media/annual-report-suite	1	
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	Corporate governance statement	W: https://www.south32.net/investors-media/annual-report-suite	1	
Compliance					
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulation	Sustainability Data tables	W: https://www.south32.net/investors-media/annual-report-suite	1	
SOCIAL: PRODUCT RESPONSIBILITY					
Materials Stewardship					
DMA	Disclosure on Management Approach	Environment - Product stewardship	W: https://www.south32.net/investors-media/annual-report-suite	8	

Impact Boundary key:

(1) Employees and contractors; 2 Business partners (JVs); 3 Local communities; 4 Customers; 5 Labour unions; 6 Shareholders and investor groups; 7 Industry peers and associations; 8 Government and regulators; 9 Suppliers; 10 Community organisations and NGOs.



INDEPENDENT ASSURANCE REPORT TO SOUTH32 LIMITED

Our conclusions

1) ASSURED SUSTAINABILITY INFORMATION – LIMITED ASSURANCE

Based on the procedures performed, and evidence obtained, we are not aware of any material misstatements in the Assured Sustainability Information, as described below, which is prepared in accordance with the GRI G4 Sustainability Reporting Guidelines, the ICMM Sustainable Development Framework and the basis of preparation as disclosed in the South32 Limited 2017 Annual Report for the year ended 30 June 2017 ('2017 Annual Report') and on South32 Limited's [website](#).

2) GHG EMISSIONS – REASONABLE ASSURANCE

In our opinion, in all material respects, South32 Limited's reported greenhouse gas (GHG) emissions of 22.6 Mt CO₂-e (Scope 1 and 2) for the year ended 30 June 2017, are prepared in accordance with the World Resources Institute/World Business Council for Sustainability Development (WRI/WBCSD) GHG Protocol (market-based method) and the basis of preparation as disclosed in the 2017 Annual Report and on South32 Limited's [website](#).

Assured Sustainability Information

The Assured Sustainability Information comprised the following data and statements:

- Our Approach: Sustainability, Safety and Health, Environment, Community and Society sections presented in the 2017 Annual Report,
- Safety at South32, Health at South32, Environment at South32, Community and Society at South32, Sustainability Data Tables (except for People) available on South32 Limited's (South32's) website at <https://www.south32.net/investors-media/annual-report-suite>, and
- Materiality available on South32's website at <https://www.south32.net/sustainability/sustainability-reports>.

Criteria used as the basis of reporting

The criteria used as the basis of reporting includes the GRI G4 Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI), the ICMM Sustainable Development Framework published by the International Council on Mining and Metals (ICMM), the GHG Protocol published by the WRI/WBCSD, and the basis of preparation disclosed in the 2017 Annual Report prepared by the Directors and Management of South32.



Basis of conclusions

We conducted our work in accordance with International Standard on Assurance Engagements ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ISAE 3410 *Assurance on Greenhouse Gas Statements* (Standards). In gathering evidence for our conclusions our assurance procedures comprised:

- interviews with senior management and relevant staff at corporate and 7 operating sites;
- assessment of the suitability and application of the criteria in respect of the Assured Sustainability Information and GHG emissions;
- evaluation of the design and implementation of the key systems, processes and controls for collecting, managing and reporting the Assured Sustainability Information, and testing of certain controls for collecting, managing and reporting the GHG emissions;
- risk analysis, including print and social media searches, to validate the completeness of South32's own materiality assessment and to determine the scope of assurance testing at corporate and operating sites;
- assessment of the reasonableness of the assumptions underlying the forward-looking statements set out in the Assured Sustainability Information;
- agreeing the Assured Sustainability Information to relevant underlying sources on a sample basis;
- agreeing the GHG emissions data to relevant underlying sources in accordance with the International Standard on Auditing ISA 530 Audit Sampling and Other Means of Testing;
- an assessment that the indicators reported were in accordance with the GRI G4 Core level of disclosures.

GHG emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

In accordance with the Standards we have:

- used our professional judgement to plan and perform the engagement to obtain assurance that the Assured Sustainability Information and GHG emissions are free from material misstatement, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness;
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.

How we define limited and reasonable assurance

Limited assurance consists primarily of enquiries and analytical procedures as described above. The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Reasonable assurance is a high level of assurance but, due to the use of sampling techniques, it is not a guarantee that it will always detect a material misstatement when it exists.



Use of this Assurance Report

This report has been prepared for South32. We disclaim any assumption of responsibility for any reliance on this report, to any person other than South32, or for any other purpose than that for which it was prepared.

South32's responsibility

South32 is responsible for:

- determining that the criteria is appropriate to meet their needs;
- preparing and presenting the Assured Sustainability Information and GHG emissions in accordance with the criteria;
- determination of South32's GRI level of disclosures in accordance with the GRI guidelines;
- establishing internal controls that enable the preparation and presentation of the Assured Sustainability Information and GHG emissions that are free from material misstatement, whether due to fraud or error;
- maintaining integrity of the [website](#).

Our responsibility

Our responsibility is to perform limited assurance in respect of the Assured Sustainability Information, including Subject Matters 1 to 4 of the ICMM Sustainable Development Framework and reasonable assurance in respect of GHG emissions, and to issue an assurance report that includes our conclusions.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* of the International Federation of Accountants, and the applicable requirements of the International Standard on Quality Control 1 to maintain a comprehensive system of quality control.

KPMG

Perth
13 September 2017