

South32 Limited
(Incorporated in Australia under the *Corporations Act 2001* (Cth))
(ACN 093 732 597)
ASX / LSE / JSE Share Code: S32 ADR: SOUHY
ISIN: AU000000S320
south32.net

29 October 2020

2020 ANNUAL GENERAL MEETING SPEECHES

In accordance with ASX Listing Rule 3.13, South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) today releases the addresses to shareholders to be given by the Chair and Chief Executive Officer at South32 Limited's virtual Annual General Meeting.

An audio webcast will be available via a link on our website at:
<https://www.south32.net/investors-media/annual-general-meetings>

About South32

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 bauxite, alumina, aluminium, energy and metallurgical coal, manganese, nickel, silver, lead and zinc at 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.

Further Information

Investor Relations

Alex Volante

T +61 8 9324 9029
M +61 403 328 408
E Alex.Volante@south32.net

Tom Gallop

T +61 8 9324 9030
M +61 439 353 948
E Tom.Gallop@south32.net

Media Relations

Rebecca Keenan

T +61 8 9324 9697
M +61 402 087 055
E Rebecca.Keenan@south32.net

Jenny White

T +44 20 7798 1773
M +44 7900 046 758
E Jenny.White@south32.net

Approved for release by Nicole Duncan, Company Secretary, South32

JSE Sponsor: UBS South Africa (Pty) Ltd
29 October 2020

SOUTH32 LIMITED
2020 Annual General Meeting
29 October 2020

Speeches by Karen Wood, Chair and
Graham Kerr, Chief Executive Officer

Karen Wood, Chair

I don't need to tell any of you that 2020 has been a year like no other.

The COVID-19 pandemic has required all of us to adapt the way we work. While it has presented many challenges, it has also given us opportunities to connect with people around the world, as today's meeting has shown.

In response to the pandemic, Graham and his management team moved quickly to deploy South32's crisis and emergency protocols. The team was guided by three imperatives: keeping our people safe and well, maintaining safe and reliable operations and supporting the communities we work with.

Graham will speak more about our response to COVID-19 in his address but I do want to recognise the extraordinary efforts from the entire South32 workforce. I want to pay particular tribute to the operational teams around the world who have gone above and beyond, in accordance with our Purpose and our Values, to keep our people safe and help support the communities where we operate.

The Board is deeply grateful to each and every member of the team.

Our people going home safe and well at the end of each day is at the core of everything we do. Sadly, we did not meet that commitment when in May, Duncan Mankhedi Ngoato lost his life. Duncan was a diesel mechanic who worked for Modi Mining, a contractor to South32 performing work at the Ifaletu operation which is part of the South Africa Energy Coal business.

The Board has reviewed the findings of the investigation into Mr Ngoato's death. Those findings highlighted the causes and identified additional measures, which we are implementing, to do everything we can to ensure a similar incident does not happen again. Again, Graham will talk about this in more detail.

This year we have changed our approach to disclosure of fatalities. Historically, it has been our practice to report fatalities that occur where we have control over the work or the location where the work is being performed.

From this year we will also disclose any fatalities for contractor activities associated with our operations that take place in locations where we do not have control.

No loss of life is acceptable and is felt – deeply - across South32.

In May we celebrated our fifth anniversary as a company. Over this time, we've taken a number of steps to optimise our portfolio, unlock the full value of our business and identify and pursue new opportunities.

In the last year, we have progressed the divestment of South Africa Energy Coal, completed the review of our manganese alloy smelters, announced an agreement for the sale of TEMCO in Australia and placed Metalloys in South Africa into care and maintenance.

We advanced our development projects including the Hermosa project in Arizona and exercised an option with Trilogy Metals to form the Upper Kobuk Mineral Projects joint venture in the Ambler Mining District of Alaska.

These are just some of the milestones that mark our journey so far. Shortly, Graham will talk more about our evolving portfolio.

Despite volatile prices and government actions to slow the spread of COVID-19 impacting some of our operations, we delivered a strong operating performance.

We reported Underlying earnings before interest, tax, depreciation and amortisation of 1.2 billion US dollars and free cash flow of 583 million US dollars.

At the end of the 2020 financial year, we had a net cash balance of 298 million US dollars.

We returned 424 million US dollars to shareholders during the reporting period. This included 323 million US dollars returned to shareholders as part of our ongoing capital management program.

Of the capital returned, dividends in respect of the financial year totalled 3.2 US cents per share (or 4.7 cents in Australian dollar terms), including a fully franked final dividend of one US cent per share.

Having expanded our capital management program to 1.43 billion US dollars in February 2020, the Board responded quickly to preserve the strength of our balance sheet by suspending our on-market share buy-back in March.

Following another quarter of strong operating performance and the further strengthening of our financial position, we have recently lifted our on-market share buy-back suspension. Our capital management program is 93 per cent complete with 106 million US dollars remaining to be returned to shareholders, ahead of the program's extension or expiry on 3 September 2021.

These decisions were taken consistent with our capital management framework, which prioritises maintaining safe and reliable operations and an investment grade credit rating.

Our intent is to distribute a minimum of 40% of Underlying earnings as ordinary dividends.

We encourage competition for excess capital – such as investment in the business, acquisitions, greenfield exploration, share buy-backs, and special dividends.

Over the past five years, we have paid 1.9 billion US dollars in dividends.

The Board's well-established practice of regularly visiting our operations and offices around the world was disrupted by COVID-19 during the year. These visits are a very important part of our work and give us the opportunity to better understand the challenges our people face wherever they are located. They also help inform us of the cultural aspects of our company's work that underpin the way we do business.

We did manage to complete visits to Hillside Aluminium in Richards Bay, South Africa, our office in Johannesburg, and Illawarra Metallurgical Coal in New South Wales before COVID-19 intervened.

As you would expect, the Board moved to meet virtually from March with increased frequency. We continued to hear from local leadership teams and held virtual sessions with the teams at GEMCO, on Groote Eylandt in the Northern Territory, and at Hillside Aluminium and focused on their responses to COVID-19.

We are anxious to resume our direct engagement with our operational teams as soon as it is possible to do so.

Since the formation of South32, we have been committed to mitigating our impact on the environment.

In the 2020 financial year, our Scope 1 and 2 emissions were 23.3 million tonnes CO2 equivalent. We are on track to meet our FY21 target and keep those emissions at or below FY15 levels.

We recognise that if we are to meet our commitment for net zero emissions by 2050, then we need a plan to take us there.

Work is now underway on our next set of emissions targets and that plan will be released as part of our FY21 reporting.

We are also targeting substantial reductions in our Scope 1 emissions at Worsley Alumina and Illawarra Metallurgical Coal in Australia – the two assets that account for the bulk of our Scope 1 emissions - and are progressing our decarbonisation studies for those operations.

We appreciate that our stakeholders want to better understand our rationale for joining industry associations.

There is also an interest in how we might address potential divergent positions on material topics like climate change.

In response - and for the first time - we have published Our Approach to Industry Associations, which outlines our view on the important role of these groups.

We believe that the right industry associations can help us understand, learn and contribute to industry best practice while also providing an avenue to engage in, and influence, matters affecting our industry.

When the company was formed in 2015, we defined our Purpose as making a difference by developing natural resources to improve people's lives now and for generations to come and being trusted by our owners and partners to

realise the potential of their resources. That Purpose is unchanged. To do this successfully we must have deep and respectful relationships with local communities.

Across the world, we have supported our communities with investments of 24 and a half million US dollars focused on four key areas aligned to community need.

These are: education and leadership, health and social wellbeing, economic participation and natural resource resilience.

We recognise the traditional rights and values of Indigenous Peoples and respect their cultural heritage.

As a company, we understand the importance of engaging and working with our Traditional Owners and Indigenous groups in relation to our activities. We work to obtain free prior and informed consent before we operate.

In Australia, we recently launched our Innovate Reconciliation Action Plan, which raises the bar on our previous commitments.

Under the Plan, we will further embed reconciliation activities in our core business practices and decision-making. It also documents our support for the establishment of a First Nations Voice to be enshrined in the Australian Constitution as outlined in the Uluru Statement from the Heart.

In June, we began an internal review of our approach to cultural heritage management to determine where we may need to strengthen or enhance our systems. We are involved in discussions to help review current systems across Australia and ensure all voices are heard and considered.

Our multi-year partnership with the Australian Indigenous Education Foundation to support Indigenous students to access schooling and complete Year 12 is just one of the ways we're supporting the development of emerging and future community leaders.

On the other side of the world, at our Cerro Matoso operation in Colombia, we reached agreement with 15 groups, including seven Indigenous communities covering engagement, investment and environmental management.

These agreements provide a strong foundation to work in partnership to create healthier and stronger communities.

The work we're doing is helping to empower Indigenous peoples and communities to make choices and have a say in the decisions that affect them and this will have a lasting impact that spans future generations.

We know we can only be successful when our communities share in the benefits of what we do.

We also seek to enable economic participation through our commitments to build a diverse workforce that is representative of the countries and communities where we operate.

I believe that businesses need to find the same passion and commitment for diversity as we do for safety. Outcomes will be better if we truly reflect the society in which we operate.

We have set targets to increase the number of women who work for us, and in South Africa, to grow the representation of Black People in our workforce.

Overall representation of women increased by one percent across our business to 19 percent – not yet enough, but progress.

On our Board, women account for 37.5 percent and on our Lead Team 44 percent – both of which meet our targets.

In South Africa, representation of Black People in our workforce and management is 83 percent, up one percent from a year earlier and heading towards our target of 85 percent.

Looking ahead, uncertainty is likely to persist in global markets for some time and we expect to face our share of challenges as the world continues to respond to COVID-19.

We will remain resolute in our focus on preserving our strong balance sheet and on creating long-term value.

Graham and his team are positioning us for further growth and success.

Most importantly, we will all work to ensure everyone goes home safe and well at the end of every shift.

On behalf of the Board and all shareholders, I want to thank Graham, his lead team and everyone who is part of South32 for their important and valued contributions.

I'd also like to thank shareholders for your continued support and for joining us today.

I'll now hand you to Graham.

Graham Kerr, Chief Executive Officer

Thank you, Karen. Good afternoon everyone and thank you for joining us today.

While the COVID-19 pandemic only emerged in the second half of the 2020 financial year, its impact on our business was significant and it has heightened our focus on the things that matter most.

I'd like to start by talking to our safety performance, which is fundamental to our success as a business.

The death of Duncan Mankhedi Ngoato, who was fatally injured at our South Africa Energy Coal operation, is unacceptable. I offer my sincere condolences to Duncan's family, friends and colleagues for their tremendous loss and we have provided support to those affected by his death.

A global stop for safety has given our teams the chance to talk about what happened and what we need to do to make our sites safer.

We conducted a full investigation into the incident in conjunction with Duncan's employer, Modi Mining. The learnings from the investigation have been shared at all our sites, and with his employer to prevent a similar tragedy occurring again.

While we saw a nine per cent year-on-year decrease in our Total Recordable Injury Frequency and increased reporting of potential incidents and near misses this year, there is still more work to be done in this space.

We're increasing capability to manage health and safety risk across the organisation, sharing learnings and continuously improving the way we work.

Nothing is more important than our people going home safe and well.

I'd also like to take a moment to acknowledge Dr Xolani Mkhwanazi.

I first worked with Dr X, as he was fondly known to many of us, when we both sat on the Board of Richards Bay Minerals. His passion for people, communities and South Africa impressed me greatly.

Over the years' Dr X provided priceless advice and guidance.

Whenever he visited our operations and offices it was clear to see what an inspiration he was to our people.

Dr X leaves a considerable legacy and he is missed by everyone who knew him.

The COVID-19 pandemic took all of us by surprise this year.

As Karen said, our response has been focused around three areas - keeping our people safe and well; maintaining safe and reliable operations; and supporting our communities.

Critical controls were introduced, such as screening and testing, additional cleaning and hygiene measures, and physical distancing to help keep our people safe.

Importantly, we rolled out a range of wellbeing initiatives and support tools to help our people and their families, including online resources and access to health and wellbeing experts.

To give our people space to focus on the work that matters most, we reviewed our priorities and stopped work that was not business-critical.

Our communities have also been top of mind. We pledged 7 million US dollars to support our communities to respond and recover from the health and economic impacts of COVID-19.

I'm proud of how our teams mobilised quickly to respond to this unprecedented event, while rising to the challenges of working and living in new ways.

The pandemic has created substantial market uncertainty.

To keep our business resilient, we reduced our planned sustaining capital expenditure, pursued cost efficiencies across the Group and suspended our on-market share buy-back, with the suspension lifted earlier this month.

Despite the challenges of COVID-19, we delivered a strong operating result for the year.

Production records were set at Australian Manganese ore, Hillside Aluminium and Brazil Alumina.

Worsley Alumina delivered a further two per cent increase as the refinery progressed towards sustainable production at nameplate capacity.

Nine of our 10 operations achieved lower operating costs.

Turning now to our portfolio.

During the year we advanced our strategy to exit lower returning businesses, which is expected to improve margins and lift return on invested capital.

A key enabler to take our portfolio forward is the sale of South Africa Energy Coal to Seriti Resources, which is subject to the satisfaction of material conditions. It is on-track for completion in the December 2020 half year.

Following an extensive review, we achieved outcomes for both of our manganese alloy smelters.

In August we entered into a binding conditional agreement with GFG Alliance for the sale of TEMCO. It will continue to operate into the future, which is a great outcome for our people and the local community.

Unfavourable conditions meant divestment was not an immediate option for Metalloys, which was placed on care and maintenance. This preserves the option to pursue divestment in the future.

Our strategy of building a pipeline of development options by partnering in early stage greenfield exploration projects saw us acquire a 50 per cent interest in the Ambler Metals joint venture after we exercised our option with Trilogy Metals.

Investing in exploration is integral to our strategy and this was an important milestone as we reshape and improve our portfolio by adding high-quality copper and base metal development options.

At our Hermosa project in Arizona, we advanced the pre-feasibility study for the Taylor Deposit, which is expected to be completed in the June 2021 half year. We also published our initial Mineral Resource estimate for the Clark Deposit.

A feasibility study for the Eagle Downs project is progressing, with a final investment decision expected by the end of the calendar year.

It is my firm belief that when mining is done well and sustainably, it makes a positive difference in the world. We know we can impact people's lives for the better through our environmental and social performance and we take that responsibility seriously.

To demonstrate our commitment to corporate sustainability we signed the United Nations Global Compact. We're implementing the Compact's Ten Principles, which span human rights, labour, environment and anti-corruption.

Further progress was made on our decarbonisation studies at Illawarra Metallurgical Coal and Worsley Alumina, the sites where we want to achieve substantial reductions in Scope 1 emissions.

At our Hermosa project we completed the remediation of two million tonnes of tailings from a legacy mine to reduce the risk of run-off contaminating local waterways.

Working together with our communities to create shared value is one of the most important ways we can help improve the way people live and work.

We invested 24.5 million US dollars in community initiatives and activities including the 7 million US dollars we contributed as part of our COVID-19 response. We also donated one million Australian dollars to bushfire relief efforts in Australia.

In Colombia, we transferred more than 390 hectares of land to seven Indigenous Councils of the Zenú community and the Black Community Council of Bocas de Uré for sustainable agriculture.

To make an impact in the areas that matter most, we developed a framework to measure our investments across education, economic participation, health and social wellbeing, and natural resource resilience.

Wherever we operate, we engage the local Indigenous communities to make sure our site work programs are sensitive to areas of cultural significance and the views of our traditional and local communities.

As Karen mentioned, we commenced a review of our approach to cultural heritage management towards the end of the 2020 financial year which is ongoing.

This year we marked our fifth anniversary as South32. We've become a successful, stand-alone company that delivers on its purpose and strategy.

We couldn't have done this without the collective efforts of our people and I extend my thanks to all of our teams around the world.

Despite the challenges presented by COVID-19, we ended the year with a strong balance sheet, improved performance at several operations, and made solid progress on reshaping our business for the future.

Looking forward, we expect market uncertainty to continue for some time.

We'll continue to progress our strategy, ensuring we preserve our balance sheet and deliver value for shareholders.

We also expect to deliver a further reduction in operating costs across the majority of our operations.

Most importantly, we'll continue our unwavering focus on creating a safe workplace for all of our people.

Thank you for your ongoing support for South32. I'll now hand back to our Chair.

The Chair then conducted the formal items of business.

JSE Sponsor: UBS South Africa (Pty) Ltd
29 October 2020