



South32 Limited
(Incorporated in Australia under the Corporations Act 2001 (Cth))
(ACN 093 732 597)
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ISIN: AU000000S320
south32.net

SOUTH32 LIMITED
2023 ANNUAL GENERAL MEETING
26 OCTOBER 2023
CHAIR AND CEO ADDRESSES

South32 Limited (ASX / LSE / JSE: S32; ADR: SOUHY) (South32), in accordance with ASX Listing Rule 3.13.3, today releases the addresses to shareholders to be given by the Chair and the Chief Executive Officer at South32's hybrid Annual General Meeting.

A webcast of the event will be available to view live via the following link (<https://meetnow.global/S32AGM2023>). A recording of the session will be made available on the South32 website following its completion.

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.

Approved for release to the market by Graham Kerr, Chief Executive Officer
JSE Sponsor: The Standard Bank of South Africa Limited
26 October 2023

SOUTH32 LIMITED
2023 Annual General Meeting
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**Addresses by Karen Wood, Chair and
Graham Kerr, Chief Executive Officer**

The Chair acknowledged the Whadjuk people of the Noongar nation, introduced the Non-Executive Directors and noted the attendance of the auditor, and the returning officer for the meeting and scrutineer of the vote.

The Company Secretary discussed the meeting procedures including the management of questions and voting.

Karen Wood, Chair

It is a pleasure always to be here in Perth for the South32 Annual General Meeting. Whether you are joining us in person or online from another location we greatly appreciate your participation.

We have made substantial progress in the past financial year and we have many reasons to be optimistic about the future. However, I want to acknowledge that despite our continuing strong focus on safety improvement across the Group, our safety performance is still not where we need it to be.

During the last financial year, we were profoundly shocked and saddened by the loss of two colleagues. Mr Cristovao Alberto Tonela and Mr Alfredo Francisco Domingos Joao were fatally injured while undertaking maintenance work at Mozal Aluminium in November. On behalf of the Board, I express my sincere and deepest sympathies to their families, friends and their colleagues. This incident was devastating for everyone at South32 and has challenged each of us to ask ourselves every day whether our decisions and actions guarantee our own safety and that of our colleagues.

We have already commenced our journey to fundamentally shift our safety performance and deliver the cultural transformation required for sustained improvement, recognising that this will take time and needs to result in sustained improvement. The tragic loss of our colleagues at Mozal Aluminium has demonstrated why this work is of utmost importance and strengthened our resolve to eliminate fatalities and serious injuries from our business.

I want to assure you that I, as the South32 Chair, your Board, Graham and the Lead Team, and everyone at South32 is focused on improving our safety performance. We will never be truly successful until each and every person that comes to work at South32 goes home to their loved ones safe and well each day.

Graham will shortly provide a more detailed summary of our financial and operating results. However, I'm pleased to say that we delivered strong production growth in aluminium and base metals during the year. We set annual production records at three of our operations and delivered one of our largest underlying profit results to date, with Underlying earnings before interest, tax, depreciation, and amortisation of US\$2.5billion. This was achieved despite lower commodity prices, industry-wide inflationary pressures and a backdrop of volatile economic conditions and geopolitical tensions.

During FY23 we returned US\$1.2 billion to shareholders, including fully-franked ordinary and special dividends, and via our on-market share buy-back. Reflecting our disciplined approach to capital management, your Board has resolved to further expand our capital management program to US\$2.4 billion, leaving US\$133 million to be returned by 1 March 2024.

Our people are fundamental to our success. Your Board and the Lead Team are responsible for shaping our safe, values-based and high-performance organisational culture. One of respect for our people that supports a positive employee experience and productive workplace. Our workplace culture and approach to inclusion and diversity are critical differentiators that help improve our ability to attract and retain the diverse talent we need to take our business forward.

To underpin this work, each year we set measurable diversity and inclusion objectives. Our gender targets are based on the 40:40 Vision, led by HESTA, while representation of Black People is based on the South African Broad Based Black Economic Empowerment Codes. The 40:40 vision aims to achieve gender balance in executive leadership across all ASX300 companies by 2030.

And I'm pleased to say that during the year we achieved that target, with representation of women on our Lead Team increasing to 50 per cent from 37.5 per cent a year prior.

Just as we recognise that diversity and inclusion strengthens our workforce, we also believe that diversity is one of your Board's strengths. Our Directors represent a broad cultural, ethnic background and geographic mix. In May we were delighted to welcome

Mr Carlos Mesquita and Ms Jane Nelson as independent Non-Executive Directors, both based in the Americas. Carlos and Jane have already visited a number of our operations around the world and met with our people and with some of the communities where we do our work. Their appointments further enhance the Board's broad range of skills and experience, particularly in major projects, operations and sustainability and we are honoured to have them join us.

We farewelled Mr Guy Lansdown who resigned from the Board in May to concentrate on his philanthropic activities in Mexico. I would like to thank Guy for his valuable contribution during his tenure as we expanded our presence in the Americas.

I said earlier that we have many reasons to be optimistic for the future. In the eight years since our formation, South32's portfolio has undergone a major transformation to become a truly global, diversified producer of commodities critical to a low-carbon world. We have identified and executed opportunities to sustainably reshape our business and this transformation process remains a fundamental part of our strategy. The changes we have made to date – and the investments we are continuing to make in our portfolio – are expected to support significant production growth.

We continue to be excited by our Hermosa project in Arizona, which presents a significant opportunity to sustainably produce commodities critical for a low-carbon future and for decades to come. During the year, the United States Government enacted the Inflation Reduction Act, which aims to increase investment in clean energy, offering tax incentives for domestic electric battery vehicle production and supply chains.

The Hermosa project supports the anticipated growth in clean energy, and is currently the only advanced project in the United States that could supply two federally designated critical minerals - zinc and manganese. Our ambition is for Hermosa to be our first next generation mine with the potential to deliver improved safety and productivity while minimising our environmental impact and making a significant contribution to the local community.

During the year, we recorded a non-cash impairment expense in relation to Hermosa's Taylor Deposit, as a result of delays relating to COVID-19 and inflationary market conditions. Despite the impairment, we continue to see substantial opportunity at Hermosa. We are progressing Hermosa's Taylor and Clark Deposits towards development, with a final investment decision on Taylor expected in the March 2024 quarter.

Improving our portfolio, producing commodities that support the transition to a low carbon future, is one way in which we are responding to the opportunities and risks presented by climate change. We support the goals of the Paris Agreement and have a long-term goal to achieve net zero greenhouse gas emissions by 2050, inclusive of Scope 1, 2 and 3 emissions. We also have a medium-term target to halve our operational greenhouse gas emissions (that is Scope 1 and 2) by 2035 from our FY21 baseline.

In September 2022, we published our first Climate Change Action Plan which included a new Scope 3 goal. This was the subject of a non-binding advisory resolution at our Annual General Meeting last year and we received strong shareholder support for our plan - with 89.6 per cent of votes cast in favour of the resolution.

We are grateful for this strong vote of confidence in our approach, and I thank all those shareholders and others who invested time in meeting with us in the lead up to the finalisation of the Plan and then in taking time to review it. Our team has engaged with some of the shareholders who voted against the plan to understand areas they would like to see improved, and this feedback is taken into consideration by your Board in determining our approach to climate change going forward.

During the year we made progress against key elements of the Plan, including updating our 1.5°C scenario to stress-test the potential impacts of climate change on our business. We also progressed our decarbonisation initiatives with a focus on operations which account for the majority of our greenhouse gas emissions –Hillside Aluminium, Illawarra Metallurgical Coal, Worsley Alumina and Mozal Aluminium. Graham will talk to some of these initiatives in a little more detail.

Your Board oversees climate change as a strategic risk and a material governance issue, and we will continue to provide annual updates on our progress against our Climate Change Action Plan in our Sustainable Development Report.

Much has been said in recent weeks about the support offered by some Australian companies to the referendum campaign to enshrine a First Nations Voice to Parliament in the Australian Constitution. Today's meeting gives me an opportunity to talk about why South32 supported a Voice to Parliament.

In 2020, we announced our support for the Uluru Statement from the Heart as the pathway towards reconciliation put forward by Australia's First Nations Peoples. This pathway included a Voice to Parliament as the form of recognition that was sought following the Uluru Statement.

As shareholders know, we mine on indigenous lands and formed our view to support the proposed change to the Constitution after consulting with Traditional Owners of those lands. It is in our company's best interests that the communities that support our operations are thriving; that community members have improved health and education outcomes, for example, and are safe for all.

It is our view, that hearing from First Nations Peoples on decisions that impact them – including how monies are spent – will lead to better outcomes. Our support therefore is entirely consistent with our duty to act in the best interests of our company. We will continue the work we do each day, including through our Reconciliation Action Plan to support initiatives that address the disadvantage faced by First Nations People both in Australia and around the world.

In relation to biodiversity, we recognise the importance of minimising our impact on ecosystems and aim to achieve no net loss for all new projects and major expansions. It is our responsibility to minimise the impacts to the environment and to rehabilitate land disturbed by our activities.

At South32, we participate in working groups and other forums, including the Taskforce on Nature-related Financial Disclosures, to help develop and implement global standards and initiatives to meet emerging expectations in relation to biodiversity disclosure.

During financial year 2023, we participated in a pilot study and provided feedback on the learnings and existing barriers to implementing the TNFD Framework in the Australian context. We also updated our biodiversity risk and opportunity screening assessment at GEMCO, Illawarra Metallurgical Coal, Worsley Alumina and the Hermosa project considering both direct operational aspects as well as pressures on the surrounding bioregions.

Our remaining operations are scheduled to complete a biodiversity risk and opportunity screening assessment in FY24. We plan to use the outcomes of that process to update our operational and project risk profiles and identify opportunities to collaborate and promote improved land and biodiversity outcomes within the bioregions.

During the year, we also updated our approach to tailings management, in alignment with the Global Industry Standard on Tailings Management requirements. Meeting the requirements of the Standard on Tailings Management is a key focus for South32 and we actively support improvements in tailings management through the International Council on Mining and Metals, industry conferences and research projects.

Your Board is pleased with the progress that has been made in FY23 while acknowledging that we must continue our critical work to improve our safety performance. In the year ahead we will continue to work hard to transform our portfolio to meet the global demand for the commodities critical to a low-carbon future. On behalf of the Board, I would like to thank our shareholders for their ongoing support and reiterate our thanks to our people for their hard work and commitment throughout the year.

I will now hand over to Graham.

Graham Kerr, Chief Executive Officer

Thank you Karen.

I also acknowledge the Traditional Owners of the land in which we meet, the Whadjuk people of the Noongar Nation and pay my respects to their elders – past and present.

As a significant employer and investor in Australia, we recognise the positive impact we can have on reconciliation. As Karen said, we have supported the Uluru Statement from the Heart, a key component of which is the development of an Aboriginal and Torres Strait Islander Voice to Parliament, since 2020. We saw The Voice as a way to move reconciliation forward and improve outcomes for Indigenous Australians and viewed it as a request from Indigenous Australians to non-Indigenous Australians to advise on matters impacting them. Following the referendum, we are providing support and information to our people and our communities. We remain committed to reconciliation and will continue to work with all our Indigenous stakeholders in the areas where we operate and seek their input on matters relating to them.

Thank you all for joining us here today.

As we look back on a year in which our teams across the world performed strongly in a challenging economic climate and we continued to make inroads in our pivot towards commodities critical to a low-carbon future. I certainly share Karen's optimism about the future of our business.

I'd like to begin by talking about safety. As Karen said, we were devastated by the loss of two of our colleagues, Tonela and Alfredo, who were fatally injured in an incident while undertaking maintenance work on a raising girder at Mozal Aluminium in November last year.

The incident had a profound impact on me personally and impacted everyone across our business. Put simply, we must do better when it comes to safety and we owe it to everyone who has been affected by the deaths of Tonela and Alfredo to learn from this tragic event.

Following the incident, we implemented additional controls, including exclusion zones and controlled access to all other raising girders at Mozal Aluminium and Hillside Aluminium. Learnings were shared across our business, and immediate actions were taken where required. We also commenced work with the original equipment manufacturer of the raising girder to identify further safety improvements which could be made, including replacing critical components in all girders.

During the year, we continued our work to fundamentally shift our safety performance, including the implementation of our multi-year Safety Improvement Program. The program aims to shift mindsets through leadership, empower our people, reduce risks with effective controls, and improve systems and metrics.

Our approach to safety includes our 'Lead Safely Every Day' program which supports our leaders to engage their teams on our 'safety guarantee'. Our 'safety guarantee' is our internal approach where each of us stop and ask ourselves whether we can guarantee our own safety and that of our colleagues before undertaking each task. It is designed to create a sense of 'chronic unease' around safety, so we can enhance our safety culture. We will continue with our work to deliver a step-change in our safety performance in the year ahead. Everyone has the right to go home safe and well at the end of every shift.

In addition to the work we are doing to improve physical safety, we recognise the vital importance of creating, and maintaining, workplaces that are psychologically safe. We're working to build an inclusive and diverse workforce that is representative of the countries and communities where we operate. A culture where everyone's unique differences are valued and celebrated and where our people are empowered and supported to speak up if they feel unsafe in any way.

For the first time in our history, in 2023 we exceeded 20 per cent representation of women across our total workforce. In South Africa, we are working to improve in our representation of Black People, and in FY23 we achieved 86.9 per cent across our South Africa workforce, exceeding our target of 85 per cent. We also achieved 55.3 per cent of Black People in management roles in South Africa and will continue to work to improve on this measurable objective, noting we did not reach our target this year. We know there is more work to do to create a workforce that is more inclusive, diverse and representative of the communities where we operate. But I'm confident we have built the right foundations to continue to shift the dial in the future. As our CEO, I'm committed to championing an inclusive culture across the organisation and delivering on the measurable objectives that we have set.

With the ongoing uncertainty around China stimulus and the impact of anti-inflationary policies on the developed world, the macroeconomic environment remained volatile throughout the year. Despite these challenges, our teams have delivered strong production growth during the year and we continued to position ourselves well to respond to the demands of the global energy transition.

We achieved annual production records at three of our operations – Hillside Aluminium, Australia Manganese and South Africa Manganese. Aluminium production increased by 14 per cent, base metals by 17 per cent and manganese by 4 per cent. These strong results were underpinned by our recent portfolio improvements in copper and low-carbon aluminium. This growth, coupled with our focus on cost efficiencies, has resulted in one of our largest underlying financial results to date, with underlying EBITDA of \$2.53 billion..

Our balance sheet remains strong, and we finished the year with net debt of US\$483 million, as we made record returns to shareholders and invested to increase our future production of commodities critical to a low-carbon world.

Looking ahead, our portfolio improvements are expected to deliver further growth in commodities critical for a low-carbon future. We expect to increase our low-carbon aluminium production by 12 per cent in FY24 as Brazil Aluminium continues to ramp up, and we increase volumes at Mozal Aluminium. Sierra Gorda is expected to increase its future copper production, as a result of the plant de-bottlenecking project and it has advanced studies for the fourth grinding line expansion, which could lift copper throughput by 15-20 per cent.

During the year, we made significant progress on our Hermosa project in Arizona. As Karen mentioned, Hermosa is the only advanced project in the United States that could supply two federally designated critical minerals, zinc and manganese – essential minerals for a clean energy future and in May, it was confirmed as the first mining project in the US to be added to the FAST-41 permitting process, underlining its potential to provide localised supply of critical minerals.

Hermosa's zinc-lead-silver Taylor deposit has demonstrated significant potential as an attractive, long-life base metals development option. We expect to complete the Taylor feasibility study in the December 2023 quarter, and announce a final investment decision in the March 2024 quarter.

Separately, Hermosa's Clark deposit is ideally positioned to supply battery-grade manganese to the North American electric vehicle supply chain and we have signed multiple non-binding, non-exclusive MOUs with potential customers for future potential supply into North American markets. We are also seeing some exciting exploration across Hermosa's regional land package, with recent drilling at the Peake prospect delivering our best copper exploration results to date.

In July this year, we recorded a non-cash impairment in relation to Hermosa's Taylor Deposit. This was driven by delays related to COVID-19, dewatering requirements to allow access to the ore body, and inflationary pressures for key inputs such as steel, cement, and electrical components.

We continue to see substantial opportunity to unlock additional value across Taylor, Clark and our highly prospective regional exploration package at Hermosa - and that optionality is not included in the impairment assessment.

We are continuing to invest to discover our next generation of base metals mines and we have more than 25 exploration programs underway in targeted regions including Alaska, Argentina and Australia.

During the year, we consolidated our position in Argentina's highly prospective San Juan region, exercising our earn-in right to acquire a 50.1 per cent interest in the Chita Valley copper prospect and we acquired a strategic interest in Aldebaran Resources, owner of the Altar copper project, also in the San Juan region.

Turning now to climate change. As Karen mentioned, we published our first Climate Change Action Plan in September last year, and were pleased to see our shareholders strongly supported the Plan at last year's AGM. Our work to deliver on our climate change commitments continued during the year.

At Worsley Alumina, we commenced the conversion of the first onsite boiler from coal to natural gas, and that work is now complete. Work on conversion of the second boiler is expected to commence in FY24. The use of natural gas at Worsley Alumina remains an interim step, as we pursue longer-term energy transition solutions focused on electrification and renewable energy.

We commenced detailed design and execution planning for a commercial scale trial of ventilation air methane mitigator, or VAMMIT, technology at Illawarra Metallurgical Coal. This technology has potential to deliver significant advancements in emissions reduction technology at underground coal mines.

At Sierra Gorda, we transitioned to an agreement for cost efficient 100 per cent renewable electricity supply and at Hillside Aluminium, we deployed the AP3XLE energy efficiency technology which we expect will deliver a reduction in greenhouse gas emissions in the near term.

Hillside Aluminium's longer-term decarbonisation is tied to the transition to a lower-carbon energy source and there's no doubt this represents a challenge, particularly when it comes to developing large-scale renewable and low-carbon energy sources in South Africa. We will continue to investigate a range of potential solutions, including acquiring energy attributes, to reduce Hillside's emissions intensity in the near term and we have signed a non-binding Memorandum of Understanding with Eskom to explore the potential to enter into a pilot agreement to purchase energy attributes associated with the electricity generated at Eskom's Koeberg Nuclear Power Station. Hillside Aluminium plays an important role in South Africa, directly and indirectly supporting more than 31,000 jobs and directly contributing ZAR9.9 billion to South Africa's GDP.

As part of our transition away from carbon intensive energy, we remain mindful of the need to help support a fair and just transition for the smelter's workforce, local communities and the broader South African economy. I'm sure you've heard me say it before - I fundamentally believe that when mining is done right, it can make a big difference in people's lives.

With more than 9,000 employees and a presence in six continents, we are proud to create opportunities for our people and the communities where we operate so they can benefit from the development of natural resources. Our social investment program focuses on education and leadership, economic participation, good health and social wellbeing, and natural resource resilience, and we were proud to invest US\$27.7 million into our local communities during the year.

In FY23 we also spent more than US\$1 billion on local suppliers across our operations – an increase of US\$111 million compared to the previous year, and we paid more than US\$920 million in corporate income tax and US\$312 million in royalties, which help fund essential infrastructure and services within the communities in which we operate.

As we progress into FY24, the outlook for our business is positive. I'd like to thank our teams around the world for their hard work and contribution during the year. We are well positioned to capitalise on the transition to a low-carbon world, with our portfolio geared towards meeting demand for commodities that will play a key role in the global energy transition and strong potential for further growth and value from our pipeline of high-quality development options and exploration partnerships.

Thank you for joining us today and for your ongoing support.

I'll now hand back to our Chair.

The Chair then conducted the formal items of business.

