



24 October 2024

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
2024 ANNUAL GENERAL MEETING
24 OCTOBER 2024
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/S32AGM2024>). 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, zinc, lead, silver, nickel and manganese from our operations in Australia, Southern Africa and South America. We also have a portfolio of high-quality development projects and options, and exploration prospects, consistent with our strategy to reshape our portfolio toward commodities that are critical for a low-carbon future.

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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
24 October 2024

SOUTH32 LIMITED
2024 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

Once again, it is a pleasure to be with you today for our Annual General Meeting, and we greatly appreciate your participation as we look back on one of the most significant years in our history.

But before we do so, it is with great sadness that I must reflect on a recent, tragic event. We were devastated by the news last month that Mr José Luis Pérez, a contractor at our Cerro Matoso operation in Colombia, suffered fatal injuries after a fall from height.

José Luis, who was 29 years old, was working as part of a scaffolding team, undertaking quarterly maintenance work during a stoppage of Cerro Matoso's production line, when this incident occurred. He is survived by his partner and two young children. On behalf of the Board, I express my deepest and heartfelt sympathies to his family, friends and colleagues.

Graham has been to Colombia to better understand the circumstances of this tragedy and an investigation into the incident is underway. As your Chair, I can assure you that improving our safety performance has been, and will continue to be, a critical focus for everyone at South32. What is clear to us is that shifting our safety performance requires cultural change.

That change is at the heart of our global, multi-year Safety Improvement Program which includes the delivery of our LEAD Safely Every Day program focusing on safety leadership capability and building a culture where each one of us takes responsibility for our own safety and those with whom we work.

During the year each member of the Board participated in this training. We also continued our regular site visits which gave each one of us the opportunity to hear from team members about how they see the impact of the Program in their operation.

While we are seeing positive trends in our leading safety indicators - designed to detect and provide advance warning of latent safety hazards - we can never be truly successful until each member of our workforce goes home to their loved ones safe and well at the end of every shift. This means we must support physical - and indeed psychological - safety for all. Every member of your Board, Graham and each other member of the Senior Leadership Team remains steadfastly committed to this.

During the year, the Board has continued its work in overseeing the development and implementation of South32's strategy, a strategy that has led our work since formation. A key element of that strategy has been the identification and pursuit of opportunities to sustainably reshape our business for the future.

I'm pleased to say that we completed two significant milestones during year, the final investment decision for the zinc-lead-silver Taylor deposit at Hermosa and the sale of Illawarra Metallurgical Coal. Through these changes, we have further streamlined our portfolio towards base metals.

Following the sale of Illawarra Metallurgical Coal, approximately 90 per cent of our portfolio's underlying revenue is now expected to come from base metals including our aluminium value chain, with the remainder from manganese. This compares to approximately 50 per cent of the portfolio's underlying revenue that came from these base metals at demerger in 2015.

Graham will shortly provide a detailed summary of our financial and operating results, but I do want to acknowledge some significant events and challenges that we faced during the year. In particular, the impact on GEMCO from

Tropical Cyclone Megan in March and the impairments recorded for Worsley Alumina and our nickel refinery at Cerro Matoso.

At GEMCO we have commenced a phased return to mining activities and continue to work towards resuming ore export shipments.

The impairment expense recorded at Worsley followed the increased uncertainty created by recommended conditions for the Mine Development Project approval and associated challenging operating conditions. We continue to engage with the West Australian Government and seek approval of the Project on conditions that we believe are reasonable, having regard to the necessary environmental protections and the facilitation of this important industry in south west WA, an area we have been working in responsibly for decades.

At Cerro Matoso, we recorded an impairment expense of US\$264 million, reflecting structural changes in the nickel market which are expected to continue to place pressure on nickel prices. We continue to progress our strategic review of this operation in response to these issues and expect to provide information on the outcomes of this review in the second half of FY25.

I want to acknowledge the work of our teams who continue to work tirelessly to deliver the best possible outcomes for our business. Despite these challenging events, we finished the year strongly, achieving two annual production records.

We delivered Underlying earnings of US\$380 million in respect of Financial Year 2024 and returned US\$198 million to shareholders, including US\$163 million in fully franked ordinary dividends and US\$35 million via on-market share buy-backs.

Reflecting the Group's strengthened financial position and our disciplined approach to capital management, in August, the Board resolved to allocate US\$200 million to our ongoing capital management program, to be returned to shareholders via our on-market share buy-back which we started following completion of the sale of Illawarra Metallurgical Coal.

Against the backdrop of prevailing geopolitical tensions and uncertainty, we expect some of the global volatility that has impacted the prices of some of our key commodities will continue. We are focused on what we can control, which is to remain disciplined in how we allocate capital to protect our balance sheet while maintaining safe and reliable operations and continuing to transform our portfolio for long-term value creation.

Just as we are working to build and maintain a diverse workforce to foster greater collaboration, innovation, and performance, your Board, too, represents a broad cultural and ethnic background and geographic mix. During the year we welcomed Sharon Warburton as an independent Non-Executive Director, further enhancing the Board's range of skills and experience. Sharon is the third new Director to join the Board in the past two years, in line with our succession planning process which ensures we appropriately plan for the future.

And today, we farewell Keith Rumble who is stepping down as a Non-Executive Director, a role he has held since the formation of South32 in 2015. Keith has been a highly valued member of our board. His deep operational skills have contributed to our deliberations and, as chair of the Sustainability Committee, Keith has overseen how we incorporate important sustainability considerations into our strategy. I would like to take this opportunity to formally thank Keith for his contribution to South32.

We have three remaining founding directors with succession plans in place for all three positions. As you might expect we will stagger retirements to ensure the valuable institutional knowledge each bring is not lost at the same time.

Arguably the Board's most important task is to oversee succession planning for senior management, including the CEO, to ensure we have the right leadership for your company. This process does not stop and involves identifying talent, both internally and externally, and overseeing development plans. We are fortunate to have a quality leadership team led by Graham who together have transformed our business, including through the significant portfolio decisions made during the year. Your Board continues to plan for the future and you can be assured we have the processes in place to secure the leadership skills needed to continue to deliver our strategy to best position South32 for the future.

During the year we continued to focus on the areas of sustainability that are material to our stakeholders, our business and our long-term future, the most material of which is responding to the imperative to address climate change. As shareholders know we support the Paris Agreement objectives to limit global temperature rise to well below 2°C this century, and to pursue efforts to limit the increase to 1.5°C. In early 2025, Government Parties to the Paris Agreement will set their 2035 Nationally Determined Contributions for emissions reduction.

In setting these contributions we encourage an ambitious approach to align with limiting temperature increases to 1.5°C, but in so doing we also encourage appropriate policy settings and commitments that recognise specific sector, commodity, and geographic decarbonisation challenges to support a just transition. This is a challenge that needs to be considered on a global basis and in a way that does not drive businesses to jurisdictions without the checks and balances needed for a genuine reduction in global emissions.

In 2022 we published our goals and targets in our first Climate Change Action Plan. At that time, we committed to update the plan and put it to shareholders again for consideration in 2025. Work is well underway on the 2025 Plan, including engaging with shareholders and other stakeholders for input. Graham will talk to the work taking place to decarbonise operations within our aluminium value chain, where the majority of our operational greenhouse gas emissions are generated.

Our approach to environmental stewardship, alongside climate change, is a material strategic and governance issue for South32 that is overseen by your Board. As stewards of the lands and waters upon which South32 operates, it is our responsibility to minimise our impacts to the natural environment. During the year, we worked to deepen our understanding of nature-related impacts, dependencies, risks and opportunities, with this program of work shaping our approach to addressing nature-related risks and opportunities, which we plan to publish in 2025.

As we look ahead to our 10th year and beyond, we have much to be proud of and much to look forward to as a global, diversified producer of commodities critical for a low-carbon future. On behalf of the Board, I would like to thank our people for their hard work and dedication throughout the year, as well as the communities where we work, our shareholders and all our other stakeholders for their ongoing support.

I will now hand over to Graham.

Graham Kerr, Chief Executive Officer

Thank you for joining us today.

Financial year 2024 was a pivotal period for South32. Building on our previous milestones, the portfolio improvements we executed during the year strengthened and streamlined our business.

I will go into further details about our work during financial year 2024 but before I do so, I want to talk about the steps we are taking to improve our safety performance which, I regret to say, is still not where we need it to be.

As Karen outlined, everyone at South32 was devastated by the death of José Luis Pérez, a contractor who suffered fatal injuries on September 17 while working at Cerro Matoso. The loss of this young man's life is heartbreaking, and our thoughts continue to be with José Luis' family, friends and colleagues.

An investigation into the incident is underway, so we can understand what happened and how similar incidents can be prevented in the future. We will share learnings across the business and take time to reflect on what we can all do differently - no family should experience the kind of loss that José Luis' family has suffered.

These incidents can, and must, be prevented.

During financial year 2024, we continued to implement our Safety Improvement Program, now in its fourth year, and we continue to embed our safety guarantee. The safety guarantee is designed to create a sense of chronic unease, reduce complacency and assist in the reduction of risk tolerance in relation to safety and health.

We do this by asking our people to reflect on whether they can guarantee both their safety and that of their colleagues when executing their role. If the answer is 'no', the expectation is that they stop and ask what needs to be done differently to provide that guarantee.

We assess our safety performance through a range of both leading and lagging indicators. Our significant hazard frequency, a leading indicator, increased by 34 per cent compared to FY23, indicating a positive reporting culture and increased hazard awareness.

Conversely, our lost time injury frequency, a lagging indicator, increased by 19 per cent compared to FY23, underscoring that while we had no fatalities at our operations in FY24, we are still seeing too many serious injuries and we must be relentless in our pursuit of a safer workplace.

At all levels of our business, we are united in our belief that everyone can go home safe and well at the end of their shift. We have more work to do and remain committed to pursuing continuous improvements in our safety performance.

We made two changes to our Lead Team in financial year 2024. Vanessa Torres was appointed Chief Operating Officer Australia, with accountability for Cannington, GEMCO and Worsley Alumina. Vanessa was previously Chief Technical Officer and, in that role, led our multi-year Safety Improvement Program since its inception. At the same time, Erwin Schaufler was promoted to Chief Technical Officer, having previously served as Vice President Operations at Worsley Alumina. Vanessa and Erwin will play key roles in driving improved operational performance and better safety outcomes, as well as leading in their other areas of accountability.

Turning now to our portfolio. During the year, we achieved two major milestones that have transformed our business.

First, we announced final investment approval for the Taylor zinc-lead-silver deposit at Hermosa. Taylor offers the potential for a long-life, low-cost, low-carbon operation that is expected to deliver value for our shareholders over multiple decades. It has the potential to be a top 10 global zinc producer and with primary zinc demand growth expected to outpace production to 2032, we expect higher incentive zinc prices as Taylor ramps up to nameplate capacity.

Our investment at Taylor unlocks value for future growth options at Hermosa by establishing significant shared infrastructure. These options include the Clark manganese deposit, which is currently the only advanced project in the United States with a clear pathway to produce battery-grade manganese from locally sourced ore for the North American electric vehicle battery market.

Recognising Clark's potential, Hermosa was recently selected for a US\$166 million award negotiation from the US Department of Energy which will support the potential development of a commercial-scale manganese production facility. While subject to further study, construction of the facility and the development of Clark represents a significant opportunity to establish a North American supply chain of battery-grade manganese in a phased approach in line with market development.

In addition to Taylor and Clark, we are continuing further exploration programs at the Peake prospect to test the potential for a continuous copper system connecting Peake and Taylor.

Shortly after the Taylor final investment decision, we announced the sale of Illawarra Metallurgical Coal for up to US\$1.65 billion. This transaction completed in August and unlocked significant value for our shareholders. It has simplified our business, strengthened our balance sheet and reduced capital intensity, unlocking capital to invest in our high-quality growth options in base metals.

As Karen mentioned, financial year 2024 was not without challenges. From a global perspective, the period was marked by a mix of recovery and volatility. Interest rates remained high and inflationary pressures persisted in some regions. Severe weather also affected our business, with Cannington impacted by Tropical Cyclone Kirrily in January and Australia Manganese being significantly impacted by Tropical Cyclone Megan in March, resulting in the temporary suspension of operations on Groote Eylandt.

Cyclone Megan was a severe weather system, which resulted in widespread flooding and significant damage to critical infrastructure, including wharf and port infrastructure, and a critical bridge connecting northern pits of the Western Leases mining area and the processing plant.

Implementation of our operational recovery plan at GEMCO is ongoing. We continued to progress a substantial dewatering program and a phased mining restart, and remain on track to resume production from the primary concentrator this quarter. We also continued our investment in mine repairs and infrastructure, including a critical bridge and the wharf. Subject to maintaining construction productivity during the upcoming wet season, sales volumes are expected to progressively increase over the fourth quarter of FY25.

Since 2019, the Worsley Mine Development Project has been subject to a comprehensive State and Commonwealth environmental approval and public review process. Throughout this process Worsley Alumina has consulted extensively with Government, the community and other stakeholders outlining in detail how we will minimise our impacts to the environment, and rehabilitate areas that we do disturb. We have listened, responded to concerns and altered the project in response to feedback. We know we have an important role to play in environmental stewardship, responsibly managing land and supporting biodiversity, balanced with the need to develop the resources that will support the transition to a low-carbon future.

In July, the WA Environmental Protection Authority published its recommendation that the Project be approved, subject to conditions. If imposed in the form recommended, several conditions would create significant operating challenges. We have lodged an appeal in relation to the WA EPA assessment report.

On October 15, the Western Australian State Government announced that it would defer regulation of greenhouse gas emissions to the Federal Government's Safeguard Mechanism. The change will remove policy inconsistencies that currently exist between the State and Federal Government with regard to greenhouse gas emissions, and is expected to be addressed as part of the appeals process for the Project.

We continue to work collaboratively with the Western Australian Government to enable Worsley Alumina to continue to meet the State's robust environmental standards. The Western Australian Environment Minister is expected to consider approval of the Project in December 2024, with required Federal approvals expected shortly thereafter.

Despite these challenges, I am pleased to report a strong finish to the year, with improved operating performance, a strengthened financial position and the commencement of the on-market share buyback. We set consecutive annual production records at Hillside Aluminium and South Africa Manganese, and lifted production at Cannington by 10 per cent. We recorded Underlying EBITDA of US\$1.8 billion in respect of FY24, with Underlying earnings and free cash flow increasing in the second half of the year.

Looking ahead, we expect volume growth in copper and low-carbon aluminium in 2025 and 2026. Construction of Taylor is progressing to plan, and we are also progressing a pipeline of prospects in targeted regions through the drill bit, with exploration activity this year including consolidating our position in the highly prospective San Juan region of Argentina.

Reshaping our portfolio is a key element of our approach to climate change, as is decarbonising our operations. The majority of our operational greenhouse gas emissions are generated in our aluminium value chain which is where we are focusing our decarbonisation efforts.

During the year, we converted two coal-fired boilers to natural gas at Worsley Alumina, expected to reduce Worsley Alumina's operational greenhouse gas emissions by around 10 per cent against FY21 levels. At our aluminium smelters in South Africa and Mozambique, we continue to work with stakeholders and governments on identifying and securing long-term, low-carbon energy solutions and I'm pleased that we reported a six per cent decrease in operational greenhouse gas emissions in FY24, compared to FY23 levels.

As we enter our 10th year, the South32 of today looks very different to the one we established in 2015 and is focused on copper, zinc and our aluminium value chain representing an attractive commodity mix from which we believe we can grow.

Our outlook is positive as we continue to optimise our business and seek to capitalise on our transformed portfolio which, more than ever, is focused on commodities critical for a low-carbon future.

In closing, I would like to thank our teams around the world for their hard work during the year – one of the most significant in our history – and reiterate our unwavering commitment to improving our safety performance.

Thank you.

I'll now hand back to our Chair.

The Chair then conducted the formal items of business.

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