ANNUAL REPORT 2024

BRIGHTER FUTURES, TOGETHER

About this report

Annual Report 2024

This report is a summary of our operations, activities, performance and financial position as at 30 June 2024.

Our 2024 Annual Reporting Suite

Sustainable Development Report

Sustainability Databook

Standards and Frameworks Reporting Index

Corporate Governance Statement

Modern Slavery Statement

Tax Transparency and Payments to Governments Report

+ **You can view all the documents in our Annual Reporting Suite at *www.south32.net*.**

Annual Report FY24

This Annual Report is a summary of South32's operations, activities and performance for the year ended 30 June 2024 and its financial position as at 30 June 2024. South32 Limited (ABN 84 093 732 597) is the ultimate holding company of the South32 group of companies.

In this report, unless otherwise noted:

a) references to South32, the South32 Group, the Group, we, us, our and similar expressions refer to South32 Limited, its subsidiaries and operated joint ventures;

b) references to 'our operations', or commodities 'we produce' or in 'our portfolio' includes commodities such as bauxite, alumina, aluminium and copper that may form part of, or be produced by our non-operated joint ventures;

c) financial information outside of the Financial Report[1] is presented based on the Group's equity share in its subsidiaries[2], operated joint ventures[3] and non-operated joint ventures[4]; and

d) metrics describing health, safety, environment, people and community related performance in this report are presented for the Group's subsidiaries and operated joint ventures[5] on a 100 per cent basis, as outlined in the "Reporting Boundaries" section of our Sustainable Development Report 2024 available at *www.south32.net*.

Monetary amounts in this report are expressed in US dollars unless otherwise stated.

Non-IFRS

This report includes non-IFRS financial measures, including underlying measures of earnings, effective tax rate, returns on invested capital, cash flow and net cash/(debt).

Non-IFRS measures should not be considered as alternatives to an IFRS measure of profitability, financial performance or liquidity. For an explanation of how South32 uses non-IFRS measures, see page 39. The definitions of individual non-IFRS measures used in this report are set out in the glossary on page 191.

Forward-looking statements

While the forward-looking statements in this report reflect South32's expectations at the date of this report (including with respect to its strategies and plans regarding climate change), they may be affected by a range of variables which could cause actual outcomes and developments to differ materially from those expressed in such statements. These variables include but are not limited to: financial and economic conditions in various countries; fluctuations in demand, price, or currency; operating results; development progress including approvals; risks, including physical, technology and carbon emissions reductions risks; industry competition; loss of market for South32's products; legislative, fiscal, and regulatory developments; the conduct of joint venture participants and contractual counterparties, and estimates relating to cost, engineering, reserves and resources. For further information regarding South32's approach to risk, see page 28.

South32 makes no representation, assurance or guarantee as to the accuracy, completeness or likelihood of fulfilment of any forward-looking statement, any outcomes expressed or implied in any forward-looking statement or any assumptions on which a forward-looking statement is based. Except as required by applicable laws or regulations, South32 does not undertake to publicly update or review any forward-looking statements. Past performance cannot be relied on as a guide to future performance. South32 cautions against undue reliance on any forward- looking statements or guidance.

(1) For Financial Report basis of preparation, refer to Note 2 to the financial statements (Basis of preparation) on page 151 of this report.
(2) Cerro Matoso SA financial information is presented on a 100 per cent basis.
(3) Note that Chita Valley financial information is presented on a 100 per cent basis.
(4) Note that financial information for Mineração Rio do Norte S.A (MRN) and Port Kembla Coal Terminal (PKCT) is excluded.
(5) Metrics in relation to Chita Valley are not included.

Cover: A geochemist specialist at the Hermosa project in the United States.

Right: Anindilyakwa People on Groote Eylandt in Australia.

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Acknowledgement

We acknowledge and pay our respects to the Indigenous, Traditional and Tribal Peoples of the lands, waters and territories on which South32 is located and where we conduct our business around the world.

We respect and acknowledge the unique cultural and spiritual relationships that Indigenous, Traditional and Tribal Peoples have to the lands, waters and territories, and their rich contribution to society.

In the spirit of respect and reconciliation, we will continue to support initiatives that strengthen culture and ways of life so that their legacy continues and extends to future generations.

PIVOTING OUR PORTFOLIO

This year has been one of the most significant in South32's history as we accelerated the transformation of our portfolio to produce commodities critical for a low-carbon future.

As our portfolio evolves, the common commitment that unites us is that everyone at South32 goes home safe and well. As a result, we view our performance for the year through the lens of safety.

In every part of our business, our people have worked hard to deliver the Safety Improvement Program and I am pleased to report we are seeing positive trends in our leading indicators, which are designed to detect and provide advance warning of latent safety hazards.

We continue to place emphasis on developing safety leaders through our LEAD Safely Every Day program and we are extending the program to frontline employees to involve and empower them to drive safety improvements on the ground. Consistent with the program's aim to form a common understanding of what it means to be a safety leader at South32, the Board has also completed this training.

Our approach to safety is supported by a culture that promotes inclusion and allows for collaboration, innovation and performance. Delivering the cultural transformation required for sustained safety improvement demands focus at all levels, from the Board to frontline employees.

To see how our culture is experienced on the ground, the Board visits a number of our operations and offices each year. In FY24 we visited Worsley Alumina, Cannington, Australia Manganese, Mozal Aluminium, our Singapore Marketing office and our office in Johannesburg. These visits also provided an opportunity for Directors to hear from operational employees on how they experience our Safety Improvement Program in the field.

As part of the ongoing development of our workplace culture, the Board participated in Active Bystander training in FY24, a new program that builds upon our Living our Code training on acceptable and unacceptable workplace behaviours. It focuses on the important role of bystanders in helping to reduce unsafe and disrespectful behaviours, in an effort to create a workplace where everyone feels safe and can speak up.

> **“The portfolio changes we have announced align with our purpose and position South32 to continue supporting the global energy transition.”**

We have continued our work overseeing the development and implementation of our strategy, with a key aspect being the identification and pursuit of opportunities to sustainably reshape our business for the future.

Developing the Taylor zinc-lead-silver deposit in the United States and divesting Illawarra Metallurgical Coal are significant portfolio decisions that align with our purpose, positioning us to continue to supply the commodities needed for the global energy transition.

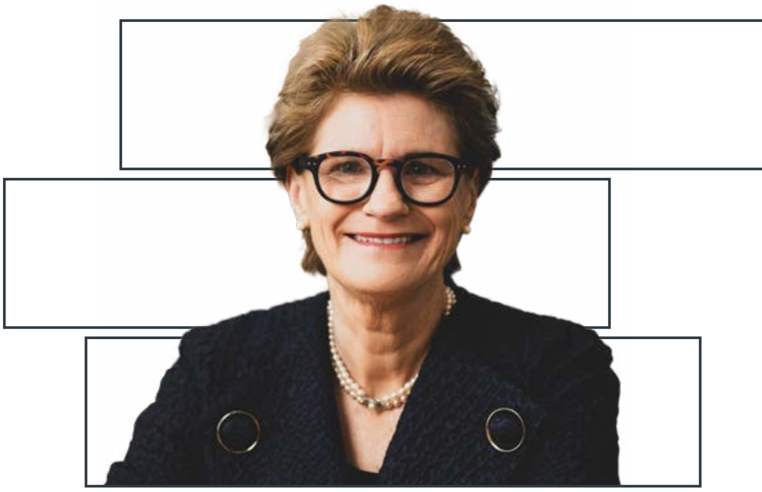
The development of the Taylor deposit will increase the supply of zinc, a federally designated critical mineral in the United States and, as the largest private investment in southern Arizona's history, it is poised to make a major contribution to the local economy and communities for generations to come.

Longer term, we are excited by the potential for Hermosa to produce commodities including battery-grade manganese and copper, in addition to zinc, across multiple deposits, underpinned by Taylor as the first development stage.

The sale of Illawarra Metallurgical Coal will see the operation continue its contribution to the local steel industry and the Illawarra and Macarthur regions. For South32, it will streamline our portfolio and unlock capital to invest in our high-quality development projects in base metals. Following completion of the transaction, which is expected on 29 August 2024, our exposure to the aluminium value chain and base metals will be approximately 90 per cent of Underlying revenue, up from 50 per cent when South32 was formed in 2015.

Despite weather and other operational impacts on our business, we achieved two annual production records in FY24 and delivered Underlying earnings of US$380 million.

We reported a statutory loss after tax of US$205 million, with impairment expenses for Worsley Alumina and Cerro Matoso partially offset by an impairment reversal for Illawarra Metallurgical Coal.



We returned US$198 million to shareholders during FY24, with US$163 million in fully-franked ordinary dividends and US$35 million via our on-market share buy-back. In February 2024, we took the decision to cancel our on-market share buy-back to manage our financial position and retain the right balance of flexibility, efficiency and prudence. Reflecting the Group's strengthened financial position and our disciplined approach to capital management, the Board has resolved to allocate US$200 million to our ongoing capital management program, to be returned to shareholders via an on-market share buy-back, commencing from completion of the sale of Illawarra Metallurgical Coal.

Our Board represents a broad cultural, ethnic, background and geographic mix, and in FY24 we achieved gender balance among our Directors. In November 2023 we welcomed Sharon Warburton as an independent Non-Executive Director, further enhancing the Board's broad range of skills and experience.

In October we will farewell Keith Rumble who is stepping down from the Board at our 2024 Annual General Meeting. Keith has been a Non-Executive Director since 2015 and was the inaugural Chair of our Sustainability Committee, a role he held until recently. During his tenure Keith has made a very valuable contribution to our Board and to the company, bringing his deep operational skills and ensuring sustainability considerations were incorporated into our strategy during a period of heightened stakeholder focus on environmental and social performance. I would like to take this opportunity to thank Keith for his contribution to South32.

Our approach to sustainability has continued to focus on five areas that are material to our stakeholders, our business and to our long-term future, and are closely aligned to our purpose and integrated with our strategy. The most material of these is responding to the imperative to address climate change. We support the goals of the Paris Agreement and have set a target to halve our operational greenhouse gas (GHG) emissions (Scope 1 and 2) by 2035 from our FY21 baseline. We also have a long-term goal to achieve net zero GHG emissions, inclusive of Scope 1, 2 and 3 emissions, by 2050.

We continue to make progress against our first Climate Change Action Plan which was published in 2022. The Plan focuses on reshaping our portfolio, decarbonising our operations, working with others on shared challenges, and responding to the potential physical impacts of climate change, the latter being brought into sharper focus in FY24 as severe weather events impacted two of our operations.

As we consider our approach to climate change going forward, we engage extensively with shareholders and other stakeholders and take their feedback into account. We intend to publish our second Climate Change Action Plan in 2025.

Together with climate change, environment is a material strategic and governance issue for South32. As stewards of the lands and waters where we operate, it is our responsibility to minimise our impacts on the natural environment. Our Board oversees our environmental approach and performance, supported by the Sustainability Committee. We are developing our approach to addressing nature-related risks and opportunities, which we plan to publish in 2025.

Global markets will continue to be impacted by geopolitical issues that have resulted in disruptions and volatility in trade flows and commodity supply chains. Heightened tensions between world superpowers have further exacerbated policy uncertainties, with trade barriers and strategic realignments shaping the global economic landscape. Elections in many countries have also added unpredictability to the market environment.

As a result, we are likely to see continued volatility in the prices of our commodities. 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.

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.

Karen Wood
Chair

MAKING A DIFFERENCE...

Our purpose

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.

Our strategy

Our purpose is underpinned by a simple **strategy** which is focused on optimising the performance of our operations, unlocking their potential and identifying new opportunities to create value for our stakeholders.

OPTIMISE

+ **Learn more in Our strategy in action on pages 20 to 21.**

UNLOCK

+ **Learn more in Our strategy in action on pages 22 to 23.**

IDENTIFY

+ **Learn more in Our strategy in action on pages 24 to 25.**

Sustainability is at the heart of our purpose and underpins the delivery of our strategy.

+ **Learn more about our approach to sustainability in our Sustainable Development Report 2024 at *www.south32.net*.**

Our values

While our strategy outlines what we do to achieve our purpose, our **values** guide how we do it. Every day, our values shape the way we behave and the standards we set for ourselves and others.

Care
We care about people, the communities we're a part of and the world we depend on.

Trust
We deliver on our commitments and rely on each other to do the right thing.

Togetherness
We value difference and we openly listen and share, knowing that together we are better.

Excellence
We are courageous and challenge ourselves to be the best in what matters.

+ **Learn more about our values at *www.south32.net*.**

Our performance

Our **key performance indicators** provide a balanced approach to measuring our performance against the delivery of our strategy, in support of our purpose and aligned with our values.

+ **Learn more about our key performance indicators on pages 26 to 27.**

...AND IMPROVING PEOPLE'S LIVES

Our stakeholders

We are committed to creating value for our **stakeholders**. We believe that, when done sustainably, the development of natural resources can change people's lives for the better. In delivering our strategy, we seek to create enduring social, environmental and economic value, in a way that aligns with our purpose and values.

+ **Learn more about how we are creating brighter futures, together on pages 12 to 13.**

+ **Learn more about our stakeholders in our Sustainable Development Report 2024 at *www.south32.net*.**

Our people

Nothing is more important than the health, safety and wellbeing of our **people**. We are committed to working together safely, creating a values-based culture and an inclusive and diverse workforce.

+ **Learn more about how we are protecting and respecting our people in our Sustainable Development Report 2024 at *www.south32.net*.**

Our people are fundamental to our success. We seek to attract, develop and retain talented people who have a shared belief in our purpose and values. Our **reward framework** aims to reward business and individual performance, as well as drive ownership behaviours

+ **Learn more about executive reward in our Remuneration report on pages 82 to 108.**

SOUTH32 IS A GLOBALLY DIVERSIFIED MINING AND METALS COMPANY

We produce commodities including bauxite, alumina, aluminium, copper, zinc, lead, silver, nickel, manganese and metallurgical coal 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 towards commodities critical for a low-carbon future[(1)].

Purpose-driven, dynamic and agile, we empower our people to work safely and collaboratively to make a positive impact every day. By working with our partners and communities, we build meaningful relationships to create brighter futures, together. From exploration to development, operation to closure, we work to minimise our impact on the environment and aspire to leave a positive legacy.

Together we're making a difference. Now, and for future generations.

(1) In this report we use particular terminology in relation to climate change. Definitions of the terms 'goal', 'target' and 'low-carbon' when used in the context of climate change are set out in the Glossary of terms and abbreviations on pages 191 to 198 of this report.

OUR PERFORMANCE AT A GLANCE

1,118
Copper equivalent production (kilotonnes)[1]
(FY23 1,206)

1.9
Lost time injury frequency (per million hours worked)[3]
(FY23 *1.6*)

1,802
Underlying EBITDA (US$ million)
(FY23 2,534)

23.6
Social Investment (US$ million)
(FY23 27.7)

198
Shareholder returns (US$ million)[2]
(FY23 1,225)

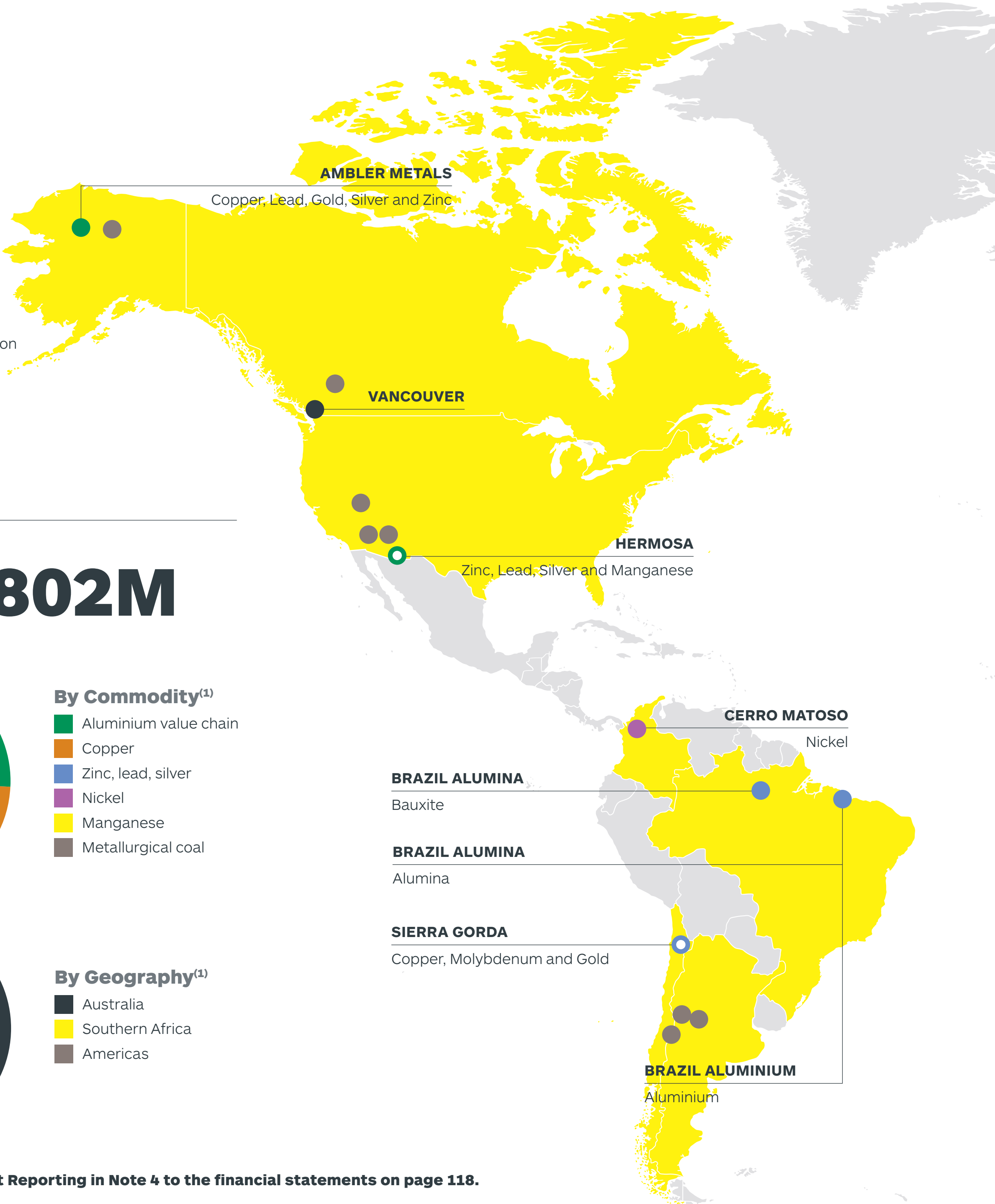
20.3
Operational greenhouse gas emissions (Million tonnes CO_2-e)[4]
(FY23 *21.7*)

- No fatalities at our operations and improved our total recordable injury frequency.
- Improved operating performance, disciplined cost management and higher prices for our key commodities lifted our financial results to finish the year.
- Set consecutive annual production records at Hillside Aluminium and South Africa Manganese, and lifted production at Cannington by 10 per cent year-on-year despite adverse weather impacts.
- Announced final investment approval to develop the Taylor zinc-lead-silver deposit at our Hermosa project[5].
- Announced the sale of Illawarra Metallurgical Coal, which is expected to complete on 29 August 2024[6].
- Operational greenhouse gas (GHG) emissions (Scope 1 and 2) decreased by six per cent and value chain GHG emissions (Scope 3) decreased by 17 per cent year-on-year.

+ **Learn more about our key performance indicators, including historical data, on pages 26 to 27.**

(1) Copper equivalent production was calculated using FY23 realised prices.
(2) Fully-franked ordinary dividends paid in respect of H2 FY23 (US$145M), fully-franked ordinary dividends paid in respect of H1 FY24 (US$18M) and on-market share buy-back (US$35M).
(3) Frequency rates are per million hours worked. Incidents are included where South32 controls the work location or controls the work activity.
(4) Includes Scope 1 and Scope 2 greenhouse gas emissions.
(5) For further information see page 23 of this report.
(6) For further information see page 25 of this report.

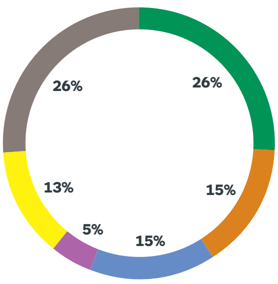
A DIVERSIFIED PORTFOLIO WITH A BIAS TO BASE METALS



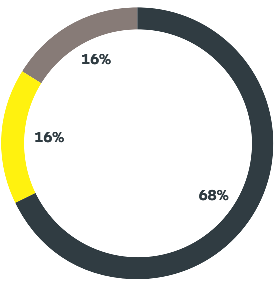
- South32-operated operation
- Non-operated operation
- Development project
- Development option
- Greenfield exploration
- Office

FY24 Underlying EBITDA

US$1,802M



By Commodity(1)
- Aluminium value chain
- Copper
- Zinc, lead, silver
- Nickel
- Manganese
- Metallurgical coal



By Geography(1)
- Australia
- Southern Africa
- Americas

+ **Read more on Segment Reporting in Note 4 to the financial statements on page 118.**

(1) Excludes manganese alloys, the Hermosa project, and Group and unallocated items/eliminations. Metallurgical coal comprises IMC, including energy coal by-product volumes and excluding third party product.

Our commodities

Aluminium value chain

Our aluminium value chain consists of integrated bauxite mines and alumina refineries in Australia and Brazil, which supply our own aluminium smelters in Southern Africa and export markets.

Copper

We have an interest in a conventional open-cut copper mine in the prolific Antofagasta region in Chile, producing a commodity critical to a low-carbon future.

Zinc, lead, silver

The Hermosa Taylor development project has the potential to be one of the world's largest zinc producers. Cannington also produces zinc and is one of the world's largest producers of lead and silver.

Nickel

We are one of the world's largest ferronickel producers with the potential to produce intermediary nickel products for electric vehicle markets.

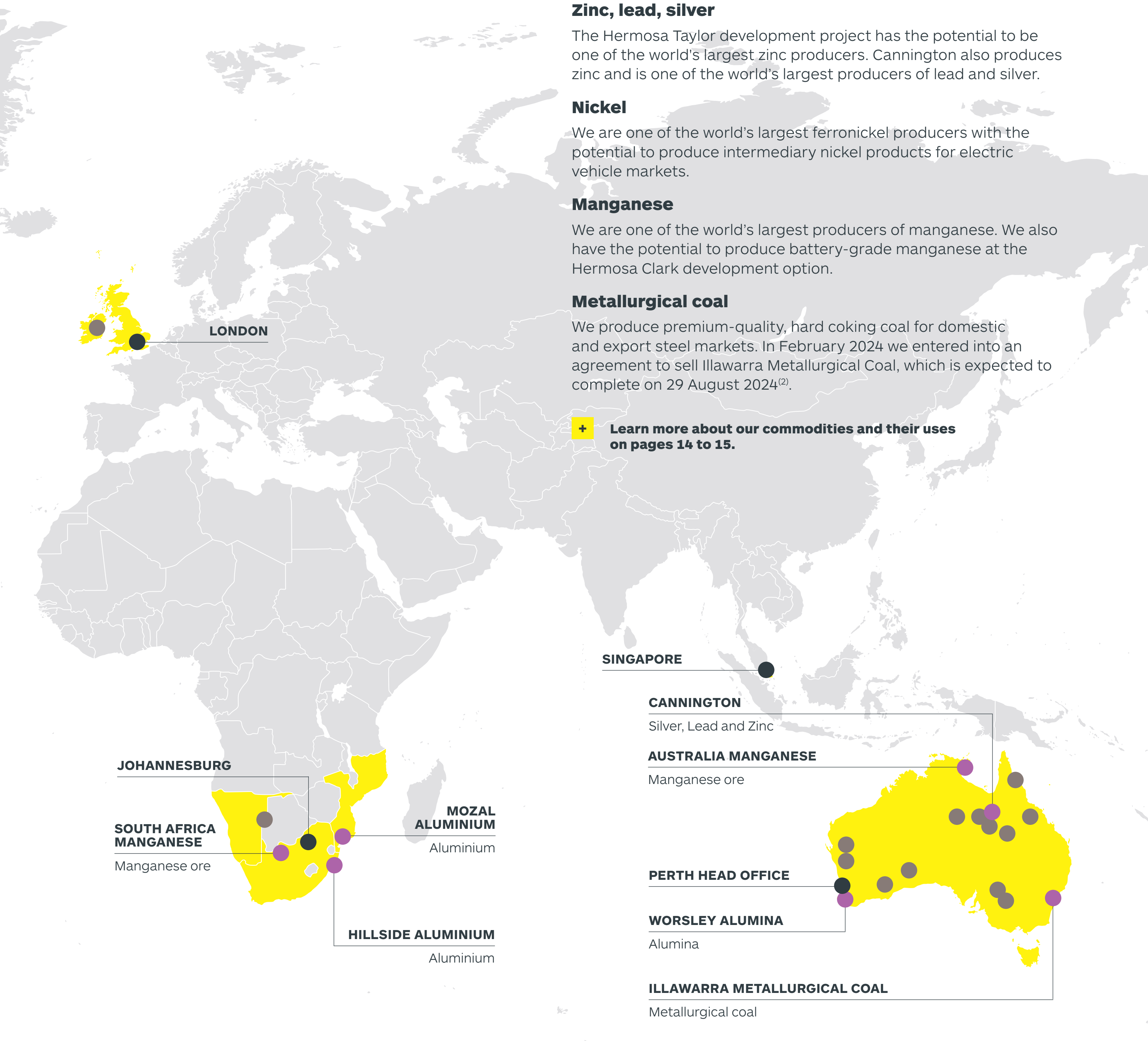
Manganese

We are one of the world's largest producers of manganese. We also have the potential to produce battery-grade manganese at the Hermosa Clark development option.

Metallurgical coal

We produce premium-quality, hard coking coal for domestic and export steel markets. In February 2024 we entered into an agreement to sell Illawarra Metallurgical Coal, which is expected to complete on 29 August 2024[2].

+ **Learn more about our commodities and their uses on pages 14 to 15.**



(2) For further information see page 25 of this report.

CREATING LONG-TERM VALUE

As a global mining and metals company, we create value by producing commodities that are used in many aspects of modern life and will play a critical role in a low-carbon future. Our operations, development projects and options, and exploration prospects are diversified by commodity and geography. We work to minimise the impact of our activities and aim to create enduring value for our stakeholders, at each stage of the mining lifecycle.

The resources we rely on

People and expertise
Our global workforce is made up of both employees and contractors and is our most important resource, providing the skills, experience and technical expertise required to run our business.

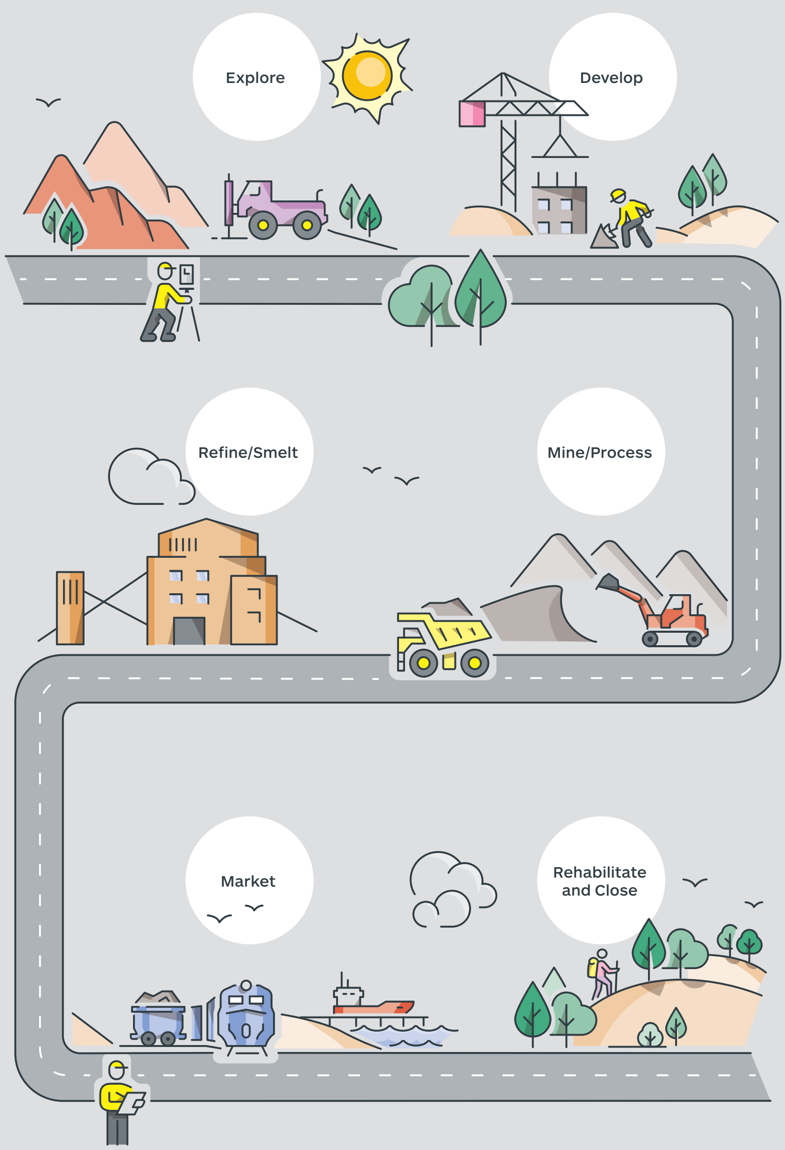
Natural resources
The resources and reserves we access are the primary inputs for our business. Other natural resources such as water and energy are also important for the operation of our facilities, and we require access to land to conduct our business activities.

Physical assets
We have a suite of operations including open-cut and underground mines, refineries, smelters and associated infrastructure. We procure equipment and services from suppliers globally to support our operations, development projects and options, and exploration programs.

Finance
Our shareholders and lenders provide access to financial capital, which we put to work by operating our existing facilities and funding our pipeline of development projects and options, and exploration programs.

Relationships
Trust and transparency are essential to the way we operate. We seek to build trust in the communities where we have a presence to help realise the potential of their resources, and we work with our suppliers and customers to apply responsible business practices throughout our value chain.

What we do



Explore

We have a portfolio of more than 25 greenfield exploration partnerships and prospects across the world to discover deposits to underpin our next generation of mines, with a focus on commodities critical to a low-carbon future. We work to minimise the footprint of our exploration activities through the use of technology and well-designed programs.

Develop

Our development projects in base metals and pipeline of growth options in various study phases have the potential to produce commodities to support the transition to a low-carbon world. As we advance our projects and options we are looking to reshape the way we mine to support better safety, productivity and emissions outcomes, including as we develop the Taylor zinc-lead-silver deposit at our Hermosa project.

Mine/Process

We mine and process bauxite, copper, zinc, lead, silver, nickel, manganese and metallurgical coal. Our most important commitment at all of our sites is the health, safety and wellbeing of our employees, contractors, visitors and communities. We listen to our stakeholders and work together with the aim of creating enduring value.

Refine/Smelt

We refine bauxite to produce alumina, we smelt alumina to produce aluminium, and we smelt nickel ore to produce ferronickel. We are also executing operational decarbonisation initiatives, focusing on our highest emitting facilities.

Market

We generate revenue from the sale of our commodities to a global customer base and purchase raw materials from global markets. We also analyse commodities and their markets to inform our strategic business planning and investment decisions. We are working to build meaningful partnerships with key customers and suppliers to support and co-design greenhouse gas emissions reduction programs in the value chain.

Rehabilitate and Close

From exploration through to closure and beyond, we seek to minimise our adverse impacts on the surrounding communities and environments. We undertake progressive rehabilitation where possible and our closure plans are informed by the aspirations and expectations of our host communities and countries.

The outcomes we create

We are committed to creating value for our stakeholders, including our people, communities, suppliers, customers, governments and investors.

+ **Learn more about our stakeholders and impact on pages 12 to 13.**

CREATING BRIGHTER FUTURES, TOGETHER

We believe that, when done sustainably, the development of natural resources can change people's lives for the better. Here are some of the ways we are doing this.

People

9,906
employees globally(1)

US$913M in employee wages and benefits

446 graduates, apprentices, trainees and learners in our talent pipeline

We invest in our people through training and development to help them realise their career aspirations

Inclusion and diversity is a core element of our culture and we are committed to building and maintaining an inclusive and diverse workforce that reflects the communities in which we operate

Our annual Your Voice employee survey allows us to understand and continuously improve the employee experience

+ **Learn more about our people and culture in our Sustainable Development Report 2024 at *www.south32.net*.**

Communities

US$23.6M
in social investment

Our direct social investment spend was across our four key focus areas - education and leadership (22 per cent), good health and social wellbeing (20 per cent), economic participation (45 per cent), and natural resource resilience (13 per cent)

Over 30,000 students across more than 500 schools and learning institutions participated in education and leadership programs funded by South32

We work collaboratively with Indigenous, Traditional and Tribal Peoples to preserve cultural heritage and advance opportunities for economic participation and social inclusion

+ **Learn more about how we deliver value to society in our Sustainable Development Report 2024 at *www.south32.net*.**

(1) Includes direct employees at our non-operated joint ventures.

Suppliers and Customers

US$1,160M
spent on local procurement

A$34M procured from Aboriginal and Torres Strait Islander businesses in Australia

US$10M spent on Enterprise and Supplier Development in South Africa[2]

We aim to source responsibly and enhance product stewardship across our value chain, working with 5,857 direct suppliers in 51 countries and 197 customers in 31 countries

+ **Learn more about our approach to responsible value chains in our Sustainable Development Report 2024 at *www.south32.net*.**

Governments

US$621M
in total taxes and royalties paid

Underlying effective tax rate of 39 per cent

Wherever we operate, we seek to work collaboratively with governments to help them realise value from natural resources and transition towards low-carbon economies

We work with a range of stakeholders and seek to influence public policy to create an environment that supports the sustainable development of natural resources

+ **Learn more about our approach to tax in our Tax Transparency and Payments to Government Report 2024, and our approach to industry associations at *www.south32.net*.**

Investors

Our capital management framework prioritises maintaining safe and reliable operations and an investment grade credit rating through the cycle. We intend to distribute a minimum of 40 per cent of Underlying earnings as ordinary dividends

US$163M in dividends returned to shareholders during FY24

US$35M allocated to our on-market share buy-back during FY24

+ **Learn more about our capital management framework in Our strategy on page 19.**

Environment and Climate Change

We have set a target[3] to halve our operational greenhouse gas (GHG) emissions (Scope 1 and 2) by 2035 from our FY21 baseline[4]

We have set a long-term goal[3] to achieve net zero GHG emissions across all scopes (Scope 1, 2 and 3) by 2050

Operational water efficiency, which is the percentage of water used for operational activities which is reused/recycled water, was 68.4 per cent in FY24

416 hectares of land under active rehabilitation in FY24, a 25 per cent increase from FY23

+ **Learn more about our approach to climate change and our approach to managing our environmental impact in our Sustainable Development Report 2024 at *www.south32.net*.**

(2) The Enterprise Development component (US$3.7M in FY24) is also captured in our social investment total.
(3) In this report we use particular terminology in relation to climate change. Definitions of the terms 'goal', 'target' and 'low-carbon' when used in the context of climate change are set out in the Glossary of terms and abbreviations on pages 191 to 198 of this report.
(4) FY21 baseline adjusted to exclude GHG emissions from South Africa Energy Coal and Tasmanian Electro Metallurgical Company, which were divested in FY21.

HELPING CREATE A LOW-CARBON FUTURE

Our commodities are used in many aspects of modern life and we are actively reshaping our portfolio to increase our exposure to commodities critical to a low-carbon future. Key market sectors where our commodities have an important role to play include energy and renewables, the automotive industry including electric vehicles, construction, and consumer goods.

Aluminium value chain

Aluminium is often referred to as the metal of the future. It is lightweight, durable, strong, resistant to corrosion, recyclable and can conduct electricity. It has a wide range of applications including construction, electrical wiring, transportation including electric vehicles and their batteries, packaging, consumer goods, and has the potential to substitute copper for certain applications in aerospace and rail. We produce both alumina and aluminium, and have doubled our low-carbon aluminium[(1)] capacity since inception.

Copper

Copper is an excellent conductor of electricity. It is a key metal used in electric vehicles and charging infrastructure, and as the world moves towards electrification it will be used in power-related infrastructure including renewable energy generation. Copper is also widely used in construction and consumer durables including household appliances. We hold an interest in the Sierra Gorda copper mine in Chile which has embedded options for further growth, and we are progressing a pipeline of options to grow our copper volumes as we seek to capitalise on the long-term demand outlook for the commodity.

Zinc, Lead, Silver

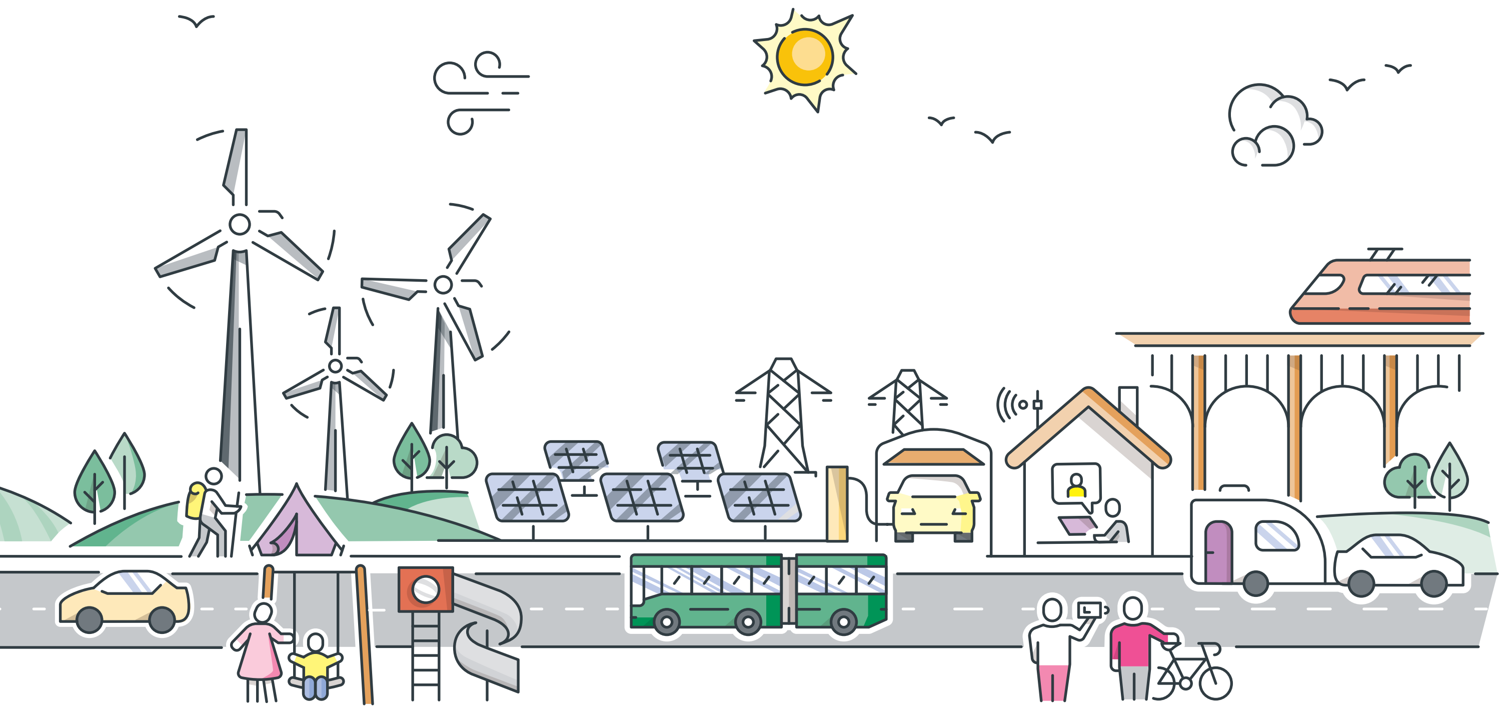
Zinc protects steel structures, wind turbines and solar panels against corrosion, and zinc oxide coatings help achieve higher energy conversion in solar panels. Lead batteries have potential to be used in energy storage systems to support uptake of renewable energy. Silver is used in solar panels, the electrical systems of vehicles, medical appliances and consumer electronics. We have been producing zinc, lead and silver at Cannington for more than 25 years, and are investing US$2.16 billion to develop the Taylor zinc-lead-silver deposit at our Hermosa project, with first production expected in the second half of FY27.

(1) A definition of the term 'low-carbon aluminium' when used in the context of climate change is set out in the Glossary of terms and abbreviations on pages 191 to 198 of this report.

FY24 production at a glance

Alumina (kt) **5,063**	Aluminium (kt) **1,138**	Copper (kt) **60.8**
Zinc (kt) **60.7**	Lead (kt) **112.4**	Silver (koz) **13,273**
Nickel (kt) **40.6**	Manganese ore (kwmt) **4,499**	Metallurgical coal (kt) **4,305**

+ **Learn more about our portfolio in a low-carbon world in our Sustainable Development Report 2024 at *www.south32.net*.**



Nickel

Nickel is used in stainless steel, which is used in transportation, manufacturing, household items and surgical instruments. Nickel has an important role to play as the world transitions to a more sustainable future as it is used as an alloy in wind and solar power infrastructure. Nickel-rich batteries are also critical for the rapid adoption of electric vehicles. We are one of the world's largest ferronickel producers with the potential to produce intermediary products for electric vehicles.

Manganese

Manganese is used to improve the quality and strength of steel in major infrastructure such as hospitals, office towers and bridges. Manganese also has the potential to displace cobalt in lithium-ion batteries, with demand for manganese-rich cathode chemistries expected to grow. We are well positioned to meet future demand as we are one of the world's largest producers of manganese from our operations in Australia and South Africa, and the Hermosa Clark development option has the potential to produce battery-grade manganese.

Metallurgical coal

Currently there is no commercial scale alternative to metallurgical coal in the steelmaking process. The use of high-quality metallurgical coal that we produce helps reduce greenhouse gas emissions in the steel industry through improved blast furnace efficiency, when compared with lower-quality metallurgical coal. In February 2024 we entered into an agreement to sell Illawarra Metallurgical Coal, which is expected to complete on 29 August 2024[2]. While we have taken the decision to exit metallurgical coal, we continue to believe it has an important role in the steelmaking process for years to come.

(2) For further information see page 25 of this report.

BUILDING A STRONGER, SIMPLER BUSINESS

The diligent execution of our strategy is transforming our company. We continue to optimise our base business, we are unlocking value from our high-quality development projects in zinc and copper, and we are identifying a pipeline of prospects for future growth in base metals.

At South32, we are united by our belief that everyone can go home safe and well, every day, and we remain committed to pursuing continual improvements in safety.

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.

FY24 was the third year of our Safety Improvement Program, which aims to achieve a step change in our safety performance. The program includes significant investment in safety leadership through our LEAD Safely Every Day program and in FY24 we extended this to frontline employees, a focus that will continue in FY25.

We are also continuing to embed our 'safety guarantee' across our business, which is used to instil a belief that everyone can go home safe and well, create a sense of chronic unease, reduce complacency, and assist to reduce risk tolerance. 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 would need to be done differently to provide that guarantee.

Of course, safety means more than just physical safety. This year we have progressed the development of our new psychosocial risk framework which aims to standardise the way we identify, assess and mitigate psychosocial risks. We continue to manage sexual harassment as a material health and safety risk and our approach to preventing and addressing this risk is multi-faceted, involving both cultural and educational aspects as well as enhanced controls.

One of the ways to eliminate sexual harassment in our workplaces is through inclusion and increased female representation. More broadly, we know that an inclusive culture and diverse workforce leads to better business outcomes and we remain focused on shaping a safety focused, high performance and values-based culture where everyone feels safe, included and respected at work.

“We achieved two key strategic milestones this year which have accelerated our transformation towards commodities critical for a low-carbon future.”

We made some changes to our Lead Team in FY24, with Vanessa Torres moving from Chief Technical Officer to become our Chief Operating Officer Australia, and Erwin Schaufler promoted to Chief Technical Officer. We maintained 50 per cent female representation on our Lead Team and while we have a series of targets and actions aimed at improving inclusion and diversity across our organisation, our aim remains for our workforce to reflect the communities in which we operate.

In Australia, we have reaffirmed our commitment to reconciliation in our second Innovate Reconciliation Action Plan. Launched in July 2024, it outlines how we are creating opportunities for Aboriginal and Torres Strait Islander Peoples and contains more ambitious goals and targets.

At a global level, the past 12 months have been marked by a mix of recovery and volatility. Despite heightened geopolitical tensions, the macroeconomic outlook has gradually improved, driven by major economies including China, the United States and India. Interest rates remained high and although global inflation rates have eased from the peaks experienced in 2022, inflationary pressures have persisted in some regions.

Severe weather also affected our business this year, with Cannington impacted by Tropical Cyclone Kirrily in January and Australia Manganese significantly impacted by Tropical Cyclone Megan in March, resulting in the temporary suspension of operations on Groote Eylandt.

I visited Groote Eylandt in the aftermath of the cyclone and the impact was immense, with widespread flooding and significant damage to critical infrastructure. Most importantly, there were no recordable injuries. The operational recovery at Australia Manganese is underway and we commenced a phased mining restart in the fourth quarter.

Against this challenging backdrop, we set consecutive annual production records at Hillside Aluminium and South Africa Manganese, and lifted production at Cannington by 10 per cent. Improved

operating performance, disciplined cost management and higher prices for our key commodities lifted our financial results to finish the year.

As a result, Underlying earnings and cash flow increased in the second half of the year, and we recorded FY24 Underlying earnings before interest, tax, depreciation and amortisation of US$1.8 billion.

Central to our strategy is our commitment to a strong balance sheet and an investment grade credit rating through the cycle. We finished the year with net debt of US$762 million as we balanced returning cash to shareholders with investing in our business.

This year, we have achieved two key strategic milestones in the evolution of our business.

Firstly, we announced final investment approval for the Taylor zinc-lead-silver deposit at our Hermosa project. Taylor offers the potential for a long-life, low-cost, low-carbon operation that is expected to deliver attractive returns over multiple decades.

The investment also creates a platform for further development, with Taylor designed to be the first phase of a regional scale opportunity at Hermosa. Our US$2.16 billion investment in Taylor will establish infrastructure including dewatering, power, roads and site facilities, which will unlock value for future growth options. These options include the Clark battery-grade manganese deposit and potential discoveries in our highly prospective regional land package that includes the Peake deposit and Flux prospect, with recent drilling at Peake returning further high-grade copper results.

Hermosa is currently the only advanced project in the United States that could supply two federally designated critical minerals, zinc and manganese, and in 2023 it was confirmed as the first mining project to be added to the FAST-41 process, enabling a more efficient and transparent federal permitting process.

Supporting our investment in Taylor is our view on the markets it will serve. Taylor is a potential top 10 global zinc producer and with zinc demand growth expected to outpace production to 2031 as it plays a role in global decarbonisation efforts, we expect higher incentive zinc prices as Taylor ramps up to nameplate capacity.

Shortly after the Taylor final investment decision, we announced the sale of Illawarra Metallurgical Coal for up to US$1.65 billion. The agreement became unconditional on 29 July 2024 and is expected to complete on 29 August 2024.

This transaction will realise significant value for our shareholders. It will simplify our business, strengthen our balance sheet and reduce our capital intensity, unlocking capital to invest in our high-quality development projects in copper and zinc.

As a result of these strategic decisions, we now have a stronger, simpler portfolio that is leveraged to commodities critical for a low-carbon future. 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 (GHG) emissions (Scope 1 and 2) are generated in our aluminium value chain which is where we are focusing our decarbonisation efforts.

We converted two coal-fired boilers to natural gas at Worsley Alumina, reducing the refinery's operational GHG emissions by over 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.

The actions we take to address climate change are also relevant to the growing imperative to protect nature and we plan to publish our approach to addressing nature-related risks and opportunities in FY25.

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

I would like to thank all our teams around the world for the role they are playing as we further establish our company as a global, diversified producer of commodities critical for a low-carbon future.

Graham Kerr
Chief Executive Officer

A STRATEGY TO ACHIEVE OUR PURPOSE

Our purpose is at the heart of who we are. Every day, in support of our purpose and underpinned by our approach to sustainability, our people work to deliver our strategy for the benefit of our stakeholders.

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.

Our purpose is underpinned by a simple **strategy**.

We **optimise** our business by working safely, minimising our impact, consistently delivering stable and predictable performance, and continually improving our competitiveness.

We **unlock** the full value of our business through our people, innovation, projects and technology.

We **identify** and pursue opportunities to sustainably reshape our business for the future, and create enduring social, environmental and economic value.

Sustainability is at the heart of our purpose and underpins the delivery of our strategy.

Our approach to sustainability aims to balance environmental, social and economic considerations, and to support delivery of our purpose and strategy in a way that creates enduring value for our stakeholders. It comprises five interconnected pillars which focus on areas that are material to our stakeholders and our business.

We are committed to continuously improving our sustainability performance, optimising our positive contributions, and minimising our adverse impacts by:

- Protecting and respecting our people
- Delivering value to society
- Operating ethically and responsibly
- Managing our environmental impact
- Addressing climate change

+ **Learn more about our approach to sustainability in our Sustainable Development Report 2024 at *www.south32.net*.**

Delivering our strategy

We deliver our strategy by aligning our workforce behind seven 'breakthroughs' – commitments which shape our annual business planning process, enabling us to focus on what's important.

Our first breakthrough is 'we all guarantee everyone goes home safe and well', which asks each person in our workforce to take responsibility for their own safety and wellbeing, and that of their colleagues. Our 'safety guarantee' is an internal approach that is used to instil a belief that everyone can go home safe and well, create a sense of chronic unease, reduce complacency, and assist to reduce risk tolerance in relation to safety and health.

Risk management and corporate governance

We are governed by robust risk management and corporate governance frameworks. Learn more in our Risk management section on pages 28 to 38, and in our Corporate Governance Statement 2024 at *www.south32.net*.

Climate-related financial disclosures

Our climate-related financial disclosures, which we consider to be consistent with the four recommendations and the 11 recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD) are set out in the Addressing Climate Change section and the Risk management sub-section of the Our sustainability approach section of the Sustainable Development Report 2024, as well as the Emissions Methodology tab in our Sustainability Databook 2024, both of which are available at *www.south32.net.*

We have included our TCFD-aligned disclosures in the separate Sustainable Development Report 2024 and Sustainability Databook 2024 to enable us to provide this information alongside detailed updates on our sustainability activities more widely and our progress against our Climate Change Action Plan.

Our Standards and Frameworks Reporting Index 2024, also available at *www.south32.net*, sets out each of the TCFD's 11 recommended disclosures, and where information relating to each recommended disclosure can be found in our Sustainable Development Report 2024 and our Sustainability Databook 2024. As some of our climate-related financial disclosures are outlined in our Sustainable Development Report 2024 and Sustainability Databook 2024, this Annual Report should be read in conjunction with these documents and our Standards and Frameworks Reporting Index 2024.

Capital management framework

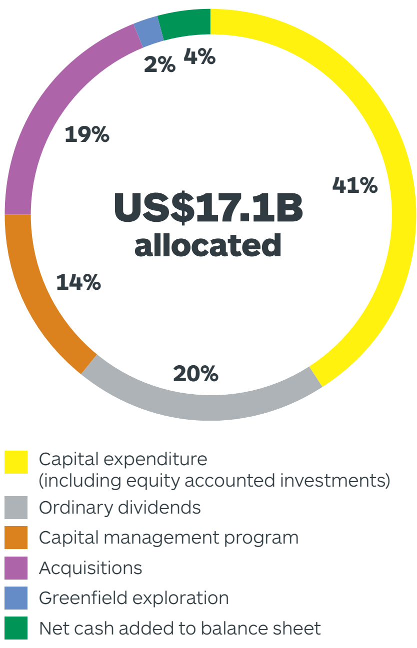
Our strategy is underpinned by a disciplined approach to capital management.

Our capital management framework remains unchanged, supporting investment in our business and rewarding shareholders as our financial performance improves.

Our capital allocation priorities are to maintain safe and reliable operations and an investment grade credit rating throughout the cycle. We intend to distribute a minimum of 40 per cent of Underlying earnings as ordinary dividends to our shareholders following each six-month reporting period. We encourage internal competition for excess capital, which can include further investment in new projects, acquisitions, greenfield exploration, share buy-backs or special dividends.

We returned US$198 million to shareholders during FY24 via ordinary dividends and our on-market share buy-back. In February 2024, we took the decision to cancel our on-market share buy-back to manage our financial position and retain the right balance of flexibility, efficiency and prudence. Reflecting the Group's strengthened financial position and our disciplined approach to capital management, the Board has resolved to allocate US$200 million to our ongoing capital management program, to be returned to shareholders via an on-market share buy-back, commencing from completion of the sale of Illawarra Metallurgical Coal[(1)] and to be returned by 12 September 2025.

Capital allocation since FY16[(2)]



(1) For further information see page 25 of this report.
(2) Total capital allocation since FY16 includes proceeds from the sale of Illawarra Metallurgical Coal.

OPTIMISE OUR BUSINESS

Working safely

Our FY24 commitments:

- At least 90 per cent of LEAD Safely Every Day learning activities completed by leaders;
- A significant hazard to significant event near miss ratio of more than 15;
- A 60 per cent reduction in the number of injuries and acute illnesses associated with a potential fatality compared to the FY23 baseline;
- A year-on-year reduction in lost time injury frequency (LTIF)[1]; and
- A reduction in total recordable injury frequency (TRIF)[1] from the FY22 baseline.

Progress during FY24:

No fatalities occurred at our operations during FY24 – an outcome we aim to sustain through our commitment to delivering our safety transformation.

Nothing is more important than the health, safety and wellbeing of our people and we are continuing to implement our Safety Improvement Program, a multi-year program of work launched in FY22 with the aim of achieving a step change in our safety performance.

One of the key focus areas of the Safety Improvement Program is shifting mindsets through leadership. We are investing in safety leadership through our LEAD Safely Every Day program, with safety leadership capability workshops and coaching delivered to over 1,500 leaders to date. In FY24, 96 per cent of LEAD Safely Every Day learning activities were completed by leaders.

Proactive hazard reporting is an important part of our approach to safety and this year we have disclosed the significant hazard to significant event near miss ratio for the first time. This leading indicator represents how well we are identifying hazards in comparison to the number of near miss events that are occurring. The higher the ratio, the more effective we are at identifying hazards to minimise near misses and injuries. This year's ratio of 21 indicates improved hazard awareness and a positive reporting culture.

High potential injuries and illnesses are those which have the potential for significant harm or could result in a fatality. This lagging indicator increased by 12 per cent year-on-year, missing our target and demonstrating that we still have work to do to eliminate potential fatalities from our business.

Our LTIF increased by 19 per cent compared to FY23, mostly driven by an increase in lost time injuries at our Australian operations, and did not meet our target. Our TRIF decreased by 14 per cent compared to FY23 and five per cent compared to FY22, meeting our target. The year-on-year decrease reflects significant improvement in the TRIF for Illawarra Metallurgical Coal, as well as an improvement in contractor TRIF.

We disclose fatalities for contractor activities that are associated with our operations but take place in locations where we do not have control. In FY24, an employee from a company contracted by South Africa Manganese lost their life in a tragic off-site road trucking accident. We continue to engage with our trucking contractors in South Africa on ways to improve road safety.

+ **Learn more about our approach to health and safety in our Sustainable Development Report 2024 at *www.south32.net*.**

(1) Frequency rates as per million hours worked. Incidents are included where South32 controls the work location or controls the work activity.

Stable and predictable performance while minimising impact

Our FY24 commitments:

- Achieve 97 to 102 per cent of target revenue equivalent production;
- Controllable costs within 2.5 per cent of target (adjusted for foreign exchange, price-linked costs, and other adjustments);
- Capital expenditure (excluding growth) within five per cent of target (adjusted for foreign exchange);
- Growth capital expenditure within 10 per cent of target; and
- Achieve target adjusted return on invested capital (ROIC), consistent with our cost, production and capital expenditure targets.

Progress during FY24:

We achieved 96.5 per cent of target revenue equivalent production. We set consecutive annual production records at Hillside Aluminium and South Africa Manganese, and lifted production at Cannington by 10 per cent despite adverse weather impacts. This was offset by challenges at other locations including Australia Manganese which temporarily suspended operations in March 2024 due to Tropical Cyclone Megan, and Sierra Gorda where higher plant throughput was offset by lower than planned copper grades. For more information on our operating performance, see pages 55 to 66.

Controllable costs were within 1.7 per cent of target, as we continued our focus on disciplined cost management.

Capital expenditure excluding growth projects was 94 per cent of target, with investments including additional ventilation capacity at Illawarra Metallurgical Coal, energy transition projects at Worsley Alumina and the De-bottlenecking Phase Two project at Brazil Alumina.

Capital expenditure on growth projects, which was focused on the Hermosa project, was 93 per cent of target as we installed critical path infrastructure and progressed studies and permitting for the Taylor and Clark deposits.

The adjusted ROIC was 69 per cent of target.

+ **Learn more about how we seek to minimise our impact in Create social, environmental and economic value on page 24.**

Frontline Focus

The LEAD Safely Every Day program, which forms part of our global Safety Improvement Program, was launched in FY23 and in FY24 we extended it to frontline employees and a sub-set of contractors at our operations that perform high-risk work, and functional roles that support them.

While the program's rollout is tailored, the overall objectives remain to form a common understanding of what it means to be a safety leader at South32, embed a consistent approach to safety risk management, and empower our people to speak up so that together we can prevent serious injuries and fatalities.

By the end of FY24, approximately 1,000 frontline employees in Australia, South Africa and Mozambique had participated in the program and it's roll-out will continue in FY25, where it will be extended to all operations.

UNLOCK THE FULL VALUE OF OUR BUSINESS

Our people are connected and engaged

Our FY24 commitments:

- Achieve our annual inclusion and diversity targets and deliver all activities on the annual inclusion and diversity action plan; and
- Maintain or improve our inclusion index score compared to FY23.

Progress during FY24:

An inclusive culture and diverse workforce allows for greater collaboration, innovation, and performance. We set and track performance against a series of measurable objectives which are targets and actions aimed at improving inclusion and diversity in our workplace. In FY24, we met the target for four of our eight measurable objectives.

There are five measurable objectives for the representation of women in our workforce and senior roles. The representation of women in our overall workforce improved, increasing to 20.6 per cent from 20.2 per cent in FY23, however this fell short of our aspirational goal of 23.5 per cent. The representation of women on our Board increased to 50 per cent from 44 per cent in FY23, meeting our target of at least 40 per cent. The representation of women on our Lead Team remained at 50 per cent and met our target of at least 40 per cent, the representation of women in our Senior Leadership Team remained at 30.3 per cent and fell short of our target of 32.7 per cent, and the representation of women in our Operational Leadership Team decreased to 25.7 per cent from 28.7 per cent in FY23 and fell short of our target of 31.5 per cent.

There are two measurable objectives for the representation of Black People in our South African workforce. The representation of Black People in our overall workforce in South Africa improved, increasing to 88.4 per cent from 86.9 per cent in FY23 and meeting our target of at least 85 per cent, however the representation of Black People in management roles in South Africa decreased to 51.8 per cent from 55.3 per cent in FY23, below our target of at least 60 per cent.

The final measurable objective is continuing to target pay equity for our employees with respect to gender and ethnicity. We completed our annual pay equity review, investing US$292,000 to improve pay equity and meeting our target of reducing spend year-on-year to close the pay gap.

Our FY24 inclusion and diversity action plan focused on five activities, including embedding the performance requirements of our internal inclusion and diversity standard, conducting comprehensive sexual harassment risk assessments and rolling out a discussion series on the important role bystanders can play, with all five activities completed.

Our annual Your Voice employee survey assesses five dimensions – safety, leadership, employee engagement, employee experience and workplace conduct. In FY24, respondents reported an equal or improved experience in all five dimensions and our inclusion index score, which measures perceptions of inclusion in our workplace, increased to 82.3 per cent from 81.5 per cent in FY23[1].

+ **Learn more about our approach to people and culture in our Sustainable Development Report 2024 at *www.south32.net*.**

Technology and innovation unlock value

Our FY24 commitments:

- Deliver critical technology and innovation programs.

Progress during FY24:

Technology and innovation are key enablers of our transition towards a low-carbon future and to realising our objective of safer, cleaner and more productive operations. To focus our innovation investment in the areas that matter most, in FY20 we established Innovate32, our strategy-aligned, value-creating, portfolio approach to enable innovation at South32.

Innovate32 encompasses three innovation workstreams – the Low Footprint Mission, the Next Generation Mine Mission, and the Securing Future Resources Mission.

The Low Footprint Mission oversees decarbonisation innovation initiatives, as well as waste, water and biodiversity initiatives focused on minimising our environmental impact. A key milestone in FY24 was the completion of a techno-economic assessment of catalytic ventilation air methane (VAM) abatement technology at Illawarra Metallurgical Coal to further investigate its potential. We also worked with technology vendors, industry partners and intellectual property owners to develop a plan to commercialise catalytic VAM abatement solutions.

The Next Generation Mine Mission aims to reshape the way we mine to support better safety, productivity and emissions outcomes. In FY24 we continued various processing and technology trials at Cannington, including battery electric mobile equipment with the aim of reducing the use of diesel vehicles and equipment and their associated emissions. Learnings from the trials will be used to inform our next generation of mines, including at Hermosa where the underground mine design for the Taylor development project includes primary and secondary battery electric charge bay infrastructure for battery electric production loaders.

Another key focus area for the Next Generation Mine Mission is utilising artificial intelligence (AI) to unlock value. We recognise the potential that AI offers and have established a targeted approach that allows us to scale and unlock value in four areas that support our strategy and create shareholder value – safety, cash generation, exploration, and productivity enablers. We have already unlocked value through AI initiatives at Australia Manganese, Worsley Alumina and Cerro Matoso, with plans to scale to other operations. Our work in AI follows responsible AI frameworks and is underpinned by risk management, governance, cyber and privacy controls.

The Securing Future Resources Mission focuses on reducing the level of uncertainty in early mineral exploration phase investment through innovation in area selection, target identification and resource evaluation. In FY24, we continued developing orebody knowledge and processing technologies that will help us unlock value from complex copper ore bodies.

Learn more about how we are leveraging technology and innovation, and collaborating with others, in the Addressing climate change section of our Sustainable Development Report 2024 at *www.south32.net*.

(1) Given the agreement to sell Illawarra Metallurgical Coal and focus on recovery efforts following Tropical Cyclone Megan at Australia Manganese, employees at these operations did not participate in this year's Your Voice employee survey. Survey results presented in this report are calculated on re-baselined data to support year-on-year comparison against the same operations in scope.

Project execution

Our FY24 commitments:

- Complete Taylor deposit shaft pre-sink to plan, present project for final investment decision (FID) and commence and progress shaft development to plan; and
- Progress Clark deposit engineering and federal funding submission for proposed plant on schedule, and progress decline development to plan.

Progress during FY24:

In February 2024 we announced final investment approval for the Taylor zinc-lead-silver deposit[(2)], the first development at our Hermosa project and a major milestone aligned with our strategy. Taylor is expected to deliver attractive returns over multiple decades, with the feasibility study confirming the potential for a long-life, low-cost, low-carbon operation. It is expected to reach first production in the second half of FY27 and deliver nameplate production in FY30.

Once in production, Taylor will increase our supply of commodities critical for a low-carbon future and is expected to sustainably lift Group margins due to its first quartile cost position. With global zinc demand growth expected to outpace production by approximately three million tonnes to 2031, we expect higher incentive prices for zinc as Taylor ramps up to nameplate capacity.

As the first phase of a regional scale opportunity at Hermosa, Taylor's infrastructure including dewatering, power, roads and site facilities, will unlock value for future growth options. These include Clark, our battery-grade manganese deposit, and potential discoveries in our highly prospective regional land package, which has already returned high-grade copper and zinc results from the Peake deposit and Flux prospect. There is the potential to add a capital efficient copper circuit to Taylor to process copper-rich material from Peake.

Taylor has now progressed into execution and our immediate focus is completing the construction of critical path infrastructure. The shaft pre-sink has been completed on schedule and construction of the main access and ventilation shafts is on track to commence in the first quarter of FY25.

We are progressing Clark to potential development via key workstreams across study work, product validation and customer engagements. We have commenced engineering design studies on the proposed plant for the next phase of metallurgical testing to evaluate the final capacity, location and estimated capital costs. We have also commenced construction of an exploration decline to provide access to ore for demonstration scale output, which is on track to be completed by the end of 2025. In May 2024 we were awarded a US$20 million grant by the United States Department of Defense to help accelerate the domestic production of battery-grade manganese, and we have also submitted a request for federal funding to support the next phase of testing.

At Sierra Gorda, we have progressed a feasibility study for the fourth grinding line expansion, which is expected to deliver an increase in plant throughput and grow our copper production. The feasibility study and a final investment decision by the joint venture partners is expected in the first half of FY25.

At Worsley Alumina, we continue to progress the environmental approval process for the Worsley Mine Development Project to enable access to bauxite to sustain production. We have undertaken a carrying value assessment of Worsley Alumina having regard to the increased uncertainty created by the approval process and associated challenging operating conditions, and have recognised an impairment expense for Worsley Alumina with our FY24 financial results. We continue to work collaboratively with the Western Australian Government and aim to secure environmental approvals by the end of 2024[(3)].

Looking Back to Look Forward

Our Cannington operation, which has produced zinc, lead and silver for more than 25 years, and the Taylor zinc-lead-silver deposit at our Hermosa project, which we announced final investment approval to develop in FY24, have similar orebodies.

This has provided an opportunity for the Hermosa team to leverage the extensive knowledge and experience of the Cannington team in the design of the Taylor processing plant.

Cannington's Superintendent Processing visited the project site in May 2024 to share insights and ideas to help enhance and de-risk the development of Taylor.

Areas for discussion and collaboration have included hazard identification, concentrator design, water management, and the trials of innovative technologies at Cannington for potential use at Hermosa. Although Taylor will be a very different facility to Cannington, the learnings will help set it up for long-term success.

(2) Refer to market release "Final Investment Approval to Develop Hermosa's Taylor Deposit" dated 15 February 2024.
(3) Refer to market release "Worsley Alumina Approvals Update" dated 22 July 2024.

IDENTIFY OPPORTUNITIES

Create social, environmental and economic value

Our FY24 commitments:

- Implement social investment plans on time and on budget;
- Apply our social investment impact measurement framework to our Hotazel Manganese Mines and Hillside Aluminium economic development plans;
- Introductory human rights training completed by all targeted roles and made available to the wider workforce; and
- Deliver contextual water target milestones to agreed plan and achieve the FY24 target water use efficiency outcome as defined within our Sustainability Linked Loan (SLL) framework.

Progress during FY24:

Social investment plans were implemented for each operation and we invested US$23.6 million in community initiatives. Our direct social investment spend was across our four key focus areas - education and leadership (22 per cent), good health and social wellbeing (20 per cent), economic participation (45 per cent) and natural resource resilience (13 per cent).

The economic value of our presence in communities is an important part of our societal contribution and we develop economic development plans as required by our internal social performance standard. These are complementary to our social investment plans and identify opportunities to contribute to local communities through employment, procurement, business development, and regional economic development. In FY24, we applied our social investment impact measurement framework to our Hotazel Manganese Mines and Hillside Aluminium economic development plans which focus on skills development and Enterprise and Supplier Development (ESD) activities.

We believe that growing and developing small, medium, and micro enterprises (SMMEs) is fundamental to the transformation of the South African economy. We collaborate with SMMEs on ESD and our FY24 ESD expenditure of US$10 million exceeded our target of US$3.48 million.

In Australia, we are committed to increasing our procurement of goods and services from Aboriginal and Torres Strait Islander businesses through a dedicated procurement strategy, with spend increasing by 11 per cent to A$34 million in FY24.

We have a responsibility to manage human rights risks to people across our operations and business relationships. Our suite of human rights training, which includes an introductory human rights module and two modules on modern slavery and security, is assigned to selected employees based on their role and is made available to all employees. The introductory module was completed by 95 per cent of targeted roles in FY24.

Water is a vital shared resource and a critical input for our operations. In 2019 and 2022 we established contextual water targets for five operations which were identified as experiencing material water-related risks at that time, with two operations achieving their targets in prior years. For the three that remain, six out of seven milestones were met in FY24. In FY22, we established a water efficiency target (WET) for four operations identified as being exposed to baseline water stress at that time, to collectively achieve a 10 per cent improvement in water use efficiency by FY27. The WET is one of three overarching key performance indicators for our SLL. Progress against the WET remains on track and we exceeded the FY24 stretch outcome for water use efficiency as defined within the SLL.

We recognise the importance of protecting and conserving biodiversity. We owned, leased or managed over 607,000 hectares of land in FY24, approximately three per cent of which has been disturbed as a result of our activities. Of this disturbed land, 34 per cent is in various stages of rehabilitation. In FY24, over 190 hectares of land was disturbed through our activities and we undertook progressive rehabilitation activities across approximately 416 hectares, a 25 per cent increase from FY23.

Our approach to climate change is focused on reshaping our portfolio, decarbonising our operations, working with others, and understanding and responding to the potential physical impacts of climate change.

Our reported operational greenhouse gas (GHG) emissions (Scope 1 and 2) for FY24 were 20.3 Mt CO_2-e, a six per cent decrease from FY23 and two per cent decrease from our FY21 baseline[(1)]. Scope 1 GHG emissions decreased by nine per cent year-on-year largely due to decreased GHG emissions at Worsley Alumina and lower fugitive emissions from Illawarra Metallurgical Coal, and Scope 2 GHG emissions decreased by four per cent year-on-year primarily due to a decrease in the Eskom grid emission factor[(2)] for our South African operations.

With 81 per cent of our operational GHG emissions in FY24 generated by three operations – Hillside Aluminium, Worsley Alumina and Mozal Aluminium, we continue to focus on decarbonisation programs and initiatives in our aluminium value chain.

At Worsley Alumina, we converted two coal-fired boilers to natural gas, progressed the product washing dilution reduction project into execution, and advanced our pipeline of decarbonisation studies. At Hillside Aluminium, we converted 36 per cent of pots to AP3XLE energy efficiency technology and identified that we need to partner with Eskom and the South African Government towards a comprehensive low-carbon energy solution for the operation beyond 2031. We also engaged extensively with stakeholders including the Government of the Republic of Mozambique to secure an affordable, long-term low-carbon energy source for Mozal Aluminium beyond 2026, as there are currently no viable alternative suppliers of renewable energy at the required scale.

+ **Learn more about our approach to sustainability in our Sustainable Development Report 2024 at *www.south32.net*.**

(1) FY21 baseline adjusted to exclude GHG emissions from South Africa Energy Coal and Tasmanian Electro Metallurgical Company, which were divested in FY21.
(2) The grid emission factor measures the amount of GHG emissions per unit of electricity generated. This includes all generation sources such as coal, natural gas, solar and waste-to-energy.

Sustainably reshape our business for the future

Our FY24 commitments:

- Develop and pursue opportunities to optimise our portfolio.

Progress during FY24:

In addition to making a final investment decision for the Taylor deposit at the Hermosa project, we have made other substantial changes to our portfolio in FY24.

In February 2024 we entered into an agreement to sell Illawarra Metallurgical Coal for up to US$1.65 billion[(3)]. The agreement became unconditional on 29 July 2024 and is expected to complete on 29 August 2024. The transaction will simplify our business, strengthen our balance sheet and reduce our capital intensity, unlocking capital to invest in our high-quality development projects in copper and zinc.

We entered into an agreement to sell our 50 per cent interest in the Eagle Downs metallurgical coal project, for upfront consideration of US$15 million, a contingent payment of US$20 million and a price-linked royalty of up to US$100 million[(4)]. The transaction completed on 12 August 2024.

We also entered into a binding agreement to sell the Metalloys manganese alloy smelter[(5)], with the transaction expected to complete in the second half of FY25 subject to the satisfaction of certain conditions.

With these changes, our exposure to commodities critical for a low-carbon future will be approximately 90 per cent of Underlying revenue[(6)]. We have added copper and doubled our low-carbon aluminium capacity since inception, we have exited lower returning, capital intensive businesses, and we are growing our zinc and copper volumes through high-quality development projects.

We have also been active in greenfield exploration in FY24, with partnerships and prospects in six countries. We have consolidated our position in the San Juan region of Argentina by increasing our interest in Aldebaran Resources Inc. to 14.8 per cent, which has an earn-in to acquire an 80 per cent interest in the Altar copper project, and by acquiring a 50.1 per cent interest and operatorship of the Chita Valley copper exploration project. We also completed a first-time exploration drilling program at our 100 per cent owned Roosevelt project in Alaska, and extended our strategic alliance with AusQuest, which is focused on developing high-potential exploration opportunities in Australia, for a further two years.

Fuelling Groote Eylandt's Recovery

In March 2024, Groote Eylandt in Australia's Northern Territory was significantly impacted by Tropical Cyclone Megan, with widespread flooding and damage to critical infrastructure.

In addition to managing the impact on Australia Manganese, our Groote Eylandt Mining Company (GEMCO) team played a key role in supporting communities on the Eylandt to get back on their feet.

GEMCO performs a unique role by providing a range of infrastructure and services which the community relies on, including fuel and electricity supply.

With fuel supply to the Eylandt cut off, the GEMCO team rationed the operation's fuel reserves, coordinating fuel access and 'manning the pumps' for approximately 14 weeks to support key service providers such as emergency services, health, education, Aboriginal corporations, as well as the public, until fuel deliveries to the Eylandt resumed in late June.

(3) Refer to market release "Sale of Illawarra Metallurgical Coal" dated 29 February 2024.
(4) Refer to media release "Agreement to Divest Interest in Eagle Downs" dated 12 February 2024.
(5) Refer to media release "Agreement to Divest Metalloys Manganese Alloy Smelter" dated 13 June 2024.
(6) Illustrative FY24 Group Underlying revenue. Presented on a proportional consolidation basis and excludes Illawarra Metallurgical Coal, third party product revenue and Group and unallocated items/eliminations.

A BALANCED APPROACH TO MEASURING OUR PERFORMANCE

FINANCIAL

	Why it matters	Performance in FY24
Production Copper equivalent production (kt)(1) **1,118** FY23: **1,206** FY22: **1,124**	Provides a baseline to easily benchmark our production performance against other mining and metals companies.	Achieved 98 per cent of revised FY24 copper equivalent production guidance, with two annual production records offset by weather and other operational impacts.
Capital expenditure Investment (US$M)(2) **1,409** FY23: **1,177** FY22: **723**	Measures our approach to investing in safe and reliable operations, improvements and life extensions, and growth options.	Increased our investment in productivity and improvement projects and our high-quality development projects in base metals.
Earnings Underlying EBITDA (US$M) **1,802** FY23: **2,534** FY22: **4,755**	Underlying measures of earnings are important when assessing underlying financial and operating performance.	Lower commodity prices and production volumes, primarily at Illawarra Metallurgical Coal and Australia Manganese, more than offset a reduction in our cost base.
Cash flow Free cash flow from operations (US$M) **(80)** FY23: **57** FY22: **2,240**	Cash flow measures are important when assessing underlying financial and operating performance.	Following a challenging first half, strong cash generation in the second half of the year was supported by improved operating performance, higher commodity prices and an unwind of working capital.
Shareholders Shareholder returns (US$M)(3) **198** FY23: **1,225** FY22: **788**	Provides an indicator for shareholders of how well their investment is performing.	We returned US$163 million via fully-franked ordinary dividends and US$35 million via our on-market share buy-back, while managing our financial position and retaining the right balance of flexibility, efficiency and prudence.

(1) Copper equivalent production was calculated using FY23 realised prices.
(2) Comprises Capital expenditure, capitalised exploration and evaluation expenditure and the purchase of intangibles. Capital expenditure comprises safe and reliable capital expenditure, improvement and life extension capital expenditure (including decarbonisation), and growth capital expenditure.
(3) Fully-franked ordinary dividends paid in respect of H2 FY23 (US$145M), fully-franked ordinary dividends paid in respect of H1 FY24 (US$18M) and on-market share buy-back (US$35M).

KEY

Strategy pillar | Sustainability pillar | Strategic risks | Remuneration

SUSTAINABILITY

	Why it matters	Performance in FY24
Health and safety Lost time injury frequency (per million hours worked)[(4)] **1.9** FY23: *1.6*[(5)] FY22: 2.0	Nothing is more important than the health, safety and wellbeing of our people.	LTIF increased by 19 per cent year-on-year, mostly driven by an increase in lost time injuries at our Australian operations.
People Employee engagement (per cent)[(6)] **81** FY23: *80* FY22: *80*	Engaging directly with our people allows us to understand how they experience all aspects of South32 and identify areas for improvement.	Our employee engagement score, as measured in our Your Voice employee survey, improved by one percentage point year-on-year.
Community Social investment (US\$M) **23.6** FY23: 27.7 FY22: 31.1	We invest in local communities with the aim of contributing meaningfully to their social and economic development.	Social investment plans were implemented on time and on budget.
Environment Operational water efficiency (per cent)[(7)] **68.4** FY23: 67.8 FY22: - (data not collected)	Water is a vital shared resource and a critical input for our operations.	Our operational water efficiency increased year-on-year, demonstrating overall improved management of water resources.
Climate change Operational greenhouse gas emissions (Mt CO_2-e) **20.3** FY23: *21.7*[(8)] FY22: *22.0*[(8)]	Human activity is causing climate change and the impacts are affecting ecosystems, biodiversity, and communities around the world.	Our reported Scope 1 and Scope 2 greenhouse gas emissions decreased by six per cent year-on-year, with Scope 1 emissions decreasing by 0.9 Mt CO_2-e and Scope 2 emissions decreasing by 0.5 Mt CO_2-e.

(4) Frequency rates are per million hours worked. Incidents are included where South32 controls the work location or controls the work activity.
(5) In FY24, seven injuries which occurred in FY23 have been reclassified from restricted work cases to lost time cases, resulting in an increase in LTIF from 1.4 to 1.6.
(6) Given the agreement to sell Illawarra Metallurgical Coal and focus on recovery efforts following Tropical Cyclone Megan at Australia Manganese, employees at these operations did not participate in this year's Your Voice employee survey. Survey results presented in this report are calculated on re-baselined data to support year-on-year comparison against the same operations in scope.
(7) Percentage of water used for operational activities which is reused/recycled water.
(8) In FY24, Illawarra Metallurgical Coal transitioned its greenhouse gas emissions reporting methodology from Continuous Emissions Monitoring to Periodic Emissions Monitoring, resulting in historical greenhouse gas emissions being revised.

MANAGING OUR RISKS TO PROTECT AND UNLOCK VALUE

Risk management is fundamental to maximising the value of our business and informing its strategic direction. Effective risk management enables us to identify priorities, allocate resources, demonstrate due diligence in discharging legal and regulatory obligations, and meet the standards and expectations of our stakeholders.

Our approach to risk management is governed by our risk management framework, which is defined in our risk management policy, and delivered through our system of risk management. Our internal risk management standard outlines the minimum mandatory requirements for the management of risks that can materially impact our ability to achieve our purpose, strategy and business plans. Our system of risk management is aligned to the principles of the International Standard for Risk Management AS/NZS ISO 31000:2018. Our approach to risk management applies to all employees, directors and contractors of South32. Our risks are regularly assessed and managed at both a company-wide strategic level and at a tactical level for operation, project and function risks. Our risk assessment criteria consider the potential impact of a risk event both on our own business and people, as well as the potential impact on others, such as our local communities, and impacts on the environment.

Risk appetite

Risk appetite is the level of residual risk that we are willing to take in pursuit of our strategic objectives, which is established in relation to our operating environment. Our Board considers and approves the risk appetite developed by management. Our internal Risk Appetite Statements outline the extent to which we are or are not willing to engage with higher levels of risk (both threats and opportunities) in order to realise greater benefit in the pursuit of our purpose and strategy and in alignment with our values and Code of Business Conduct. The Risk and Audit Committee reviews any significant changes to material and strategic risks identified by management (including new and emerging risks) and considers whether they remain within the risk appetite. Key risk indicators (KRIs) are set by management and used to monitor performance against our set risk appetite. Understanding our risk appetite across our strategic risks assists in decision-making across the Group.

Material risks

We apply the three lines operating model to our system of risk management, which determines how our structures, processes, and organisational roles work together to facilitate strong risk management and assurance. This approach is used to manage our material risks and enables us to:

- Provide stable and consistent processes, tools and routines to identify and regularly assess the most impactful threats and opportunities;
- Deliver predictable outcomes and prevent unforeseen events with material impacts;
- Understand our risks and manage these at all levels of the organisation; and
- Reduce or seek to eliminate risks where appropriate or improve our processes using a risk-based approach.

Our material risks are those which can materially impact our ability to achieve our purpose, strategy and business plans. The effective management of our material risks is routinely assessed by our Lead Team. An overview of these risks are reviewed by our Risk and Audit Committee and Sustainability Committee, which assist our Board to carry out its role of overseeing our risk management and assurance practices. We report transparent real-time risk data through our risk management tool, Global360. This software connects data relating to the management of our risks, interactions, events, hazards and assurance actions. Aside from helping us manage our business, reliable data on material risks contributes towards the monitoring and management of our strategic risks. This provides insight into trends and emerging themes that can trigger a review of our business plans or inform a change in strategic direction.

Strategic risks

Our strategic risks are risks which can affect our ability to achieve our strategic objectives. They have the capacity to affect all, or a significant part, of our organisation and therefore tend to have significant impacts, both negative and positive. With that in mind, our strategic risks, associated KRIs and management responses are monitored over the course of the year, with formal evaluation and reporting to the Board twice per year. The review process is informed by external and internal events that could have a potential impact on our organisation, as well as emerging themes across our material risks. In FY24, we identified 13 strategic risks each of which is explained further in subsequent pages.

FY24 Risk exposure trend key

The inherent risk impact or likelihood has increased over the past 12 months (i.e. without considering internal controls or management responses).

The inherent risk impact or likelihood has not changed significantly over the past 12 months (i.e. without considering internal controls or management responses).

The inherent risk impact or likelihood has decreased over the past 12 months (i.e. without considering internal controls or management responses).

Keeping our people safe and well

A safe and healthy working environment is fundamental to living our values.

FY24 Risk exposure trend

— There have been positive signs of the desired shifts in our lead safety indicators across FY24. Our operations have sustained or improved leadership time in field[1], as well as sustaining the reporting frequency of hazards and near misses. We continue to embed measures to promote chronic unease and to inform actions to further drive our safety culture transformation, including a deliberate focus on fatality elimination.

Risk appetite

Aligned to our purpose and values, we will not take actions that compromise the health, safety and wellbeing of our people, contractors and communities.

Opportunities

Keeping our people safe and well underpins the culture we aspire to and sets our expectations of each other.

Threats

The impact of not having a safe working environment can be devastating for our employees, contractors and communities. It can alter lives and impact shareholder returns, stakeholder confidence and ultimately our licence to operate.

Our response includes:

- In everything we do, we focus on the health, safety and wellbeing of our people, contractors and communities;
- We have a system of risk management and comprehensive internal health and safety policies, standards and systems with associated performance requirements designed to prevent and mitigate potential exposure to health and safety risks;
- We value and strive to build inclusion and diversity in our workplace where everyone is valued and can participate to achieve their full potential. We do not tolerate any form of inappropriate conduct which includes bullying, harassment, discrimination or victimisation;
- We aim to eliminate or minimise psychosocial hazards across our workplaces. We have progressed the development of our new global psychosocial risk framework which aims to standardise the way that we identify, assess, and mitigate psychosocial risks across our business;
- We engage, develop and train our people so that our work is well designed and executed;
- We investigate actual and potential significant events that could have led to severe injury or higher outcomes, put controls in place and share the learnings across our organisation;
- We continuously improve our work environment with the aim of making it safer, healthier and more productive for our people. We are implementing our multi-year Group-wide Safety Improvement Program designed with the aim of enhancing our safety culture and by changing mindsets and behaviours, achieving a step change in our safety performance; and
- In line with the three lines operating model, we have assurance functions independent of our operating activities that provide assurance against our own comprehensive internal standards.

+ **Learn more about our approach to health and safety in our Sustainable Development Report 2024 at *www.south32.net*.**

Portfolio reshaping

Our objective is to improve our return on invested capital and create shareholder value by increasing our exposure to high-quality operations in commodities with a strong and sustainable outlook, in jurisdictions where we believe we can operate in line with our values and Code of Business Conduct.

FY24 Risk exposure trend

— Consistent with the prior year, a constructive mid/long term outlook for commodities critical for a low-carbon future continues to drive competition for development and operating assets in developed and/or low risk jurisdictions[2], with a scarcity of assets for sale.

Risk appetite

We accept that in actively transforming our portfolio, we need to take risk to capture opportunities. We will seek to do so in jurisdictions and commodities where we believe we can operate or invest in line with our values and Code of Business Conduct.

Opportunities

Increasing our exposure to commodities critical to a low-carbon future will position our business for a low-carbon future, in alignment with our strategy. Acquisitions of operations or development options (including non-operating and non-controlling shares in these operations and development options) present us with opportunities to create shareholder value through increasing our exposure to these commodities. Partnering with junior explorers also creates opportunities for us in early-stage exploration in more challenging jurisdictions where we are not able to leverage our existing operating capabilities.

Threats

Increasing demand for commodities critical to a low-carbon future may drive higher valuations of acquisition targets, making acquisitions challenging and potentially value destructive. A scarcity of assets for sale that meet our strategic objectives (including commodity, asset quality and jurisdiction) at attractive valuations or a reliance on exploration to fill our pipeline of opportunities may impact the pace of transition. Geopolitical developments may also limit those jurisdictions in which we can operate or those counterparties with which we can partner or transact.

Our response includes

- We are actively reshaping our portfolio towards commodities critical to a low-carbon future;
- We take more risk on early-stage exploration projects, including jurisdictional risk as well as through joint ventures and earn-ins, but commensurate with the commercial exposure;
- We will be flexible on opportunistic acquisitions including non-controlling and non-operating shareholdings in incorporated or unincorporated joint ventures; and
- We carry out an annual review of commodity prices and exchange rates, to develop long-term views for our portfolio commodities and foreign exchange rates for the jurisdictions where we operate. This process is supplemented by tri-annual updates.

+ **Learn more about how we are reshaping our portfolio in Our strategy in action on page 25.**

(1) In this context "leadership time in field" means, a common core routine undertaken when leaders engage in the workplace.
(2) Determined by reference to the Fraser Institute Annual Survey of Mining Companies 2023.

Climate Change and environment

Climate change poses physical risks to our business, our people and the infrastructure, communities, environment and value chain on which we rely. The political, social and economic responses to the challenges posed by climate change and the transition to a low-carbon economy also pose transition risks to our business performance (i.e. demand for some of our commodities, cost and profit margins, social licence, regulatory exposure, and affordability of secure low-carbon energy and decarbonisation technology). Learn more about our approach to climate change, including our detailed assessment of the risks climate change poses to our business, in the Addressing Climate Change section of our Sustainable Development Report 2024 and our Climate Change Action Plan (CCAP), both of which available at *www.south32.net*.

We recognise that our operations, people and communities are dependent on healthy functioning ecosystems. For example, water scarcity, increased competition for water resources or increased costs to access water supply can impact our operations, supply chains and communities. Our operations also have the potential to impact biodiversity, air quality and land and water resources. This may result in increased costs to mitigate or address such impacts, prevent or delay project approvals, and could cause reputational damage.

FY24 Risk exposure trend

Stakeholder demands and regulatory mechanisms for climate change mitigation and adaptation as well as environmental management continued to increase during FY24. Ongoing technological and commercial uncertainty in decarbonisation solutions is influencing energy supply certainty. As Earth's climate changes, the frequency and intensity of extreme weather events is expected to increase, ranging from fire and drought to floods and landslides.

Risk appetite

We recognise the impact our operations have on the environment due to the extractive nature of our activities and that the greenhouse gas emissions associated with our activities contribute to climate change. We also recognise the role our industry plays in providing the materials that are essential in the transition to a low-carbon world and in supporting actions to limit biodiversity loss. We acknowledge that we have potential vulnerabilities to the physical impacts of climate change and exposure to other climate and environment-related risks. We accept that we need to take risks in order to minimise our environmental impact and reduce our exposure to physical and transition climate change risk and environment-related risk. We seek to take considered risks that may arise as we transform our portfolio to maintain competitiveness in a low-carbon world and pursue our greenhouse gas emissions reduction target and goals.

Opportunities

Aligning our business strategy, including how we operate and what we produce, with stakeholder expectations, future technologies and evolving climate and environmental policies and regulations, contributes to a resilient and high performing portfolio. We aim to increase the efficiency of our operations and support business continuity through responsibly assessing and addressing our climate change and environment-related risks, dependencies and impacts, and increasing the resilience of our business, our value chain and communities in which we operate. We aim to collaborate with customers, suppliers, communities, governments, technology innovators and industry to support the delivery of our climate change and environment ambitions.

Threats

The complex and pervasive nature of climate change means that climate and environment-related risks are reflected across our risk profile. For further details on the potential impacts of climate change on our strategic risks, refer to the Addressing Climate Change section of our Sustainable Development Report 2024 and pages 99 to 101 of our CCAP.

Failure to manage climate and environment-related risks may impact our ability to secure development approvals, permits or licences and increase our legal exposures. It may also limit our ability to access capital, insurances and low-carbon energy, develop strategic partnerships with Indigenous, Traditional and Tribal Peoples or environmental organisations, attract and retain employees, deliver our project portfolio, and grow our business in existing and new jurisdictions.

Our response includes:

- Our approach to managing the transition and physical risks of climate change is outlined in the Addressing Climate Change section of our Sustainable Development Report and our CCAP;
- Our sustainability approach, inclusive of our environmental performance requirements, is guided by the ICMM Mining Principles, United Nations Global Compact (UNGC) Ten Principles and United Nations Sustainable Development Goals and is outlined in our Sustainability Policy and Sustainable Development Report 2024 at www.south32.net;
- We seek to manage water resources using a holistic approach to promote better water use, effective catchment management and to contribute to improved water security and sanitation;
- We establish contextual water targets for operations exposed to water-related material risks with consideration for broader stakeholder and catchment needs;
- Our approach to biodiversity conservation addresses biodiversity impacts with a focus on minimising our operational impacts through application of the biodiversity mitigation hierarchy and collaborating with others to contribute towards biodiversity conservation and restoration;
- We aim to achieve no net loss outcomes for all new projects and major expansions to existing projects through a balanced application of the biodiversity mitigation hierarchy of avoidance, minimisation, rehabilitation and offsetting;
- We integrate land management and rehabilitation processes into our business planning and give consideration to cumulative impacts when developing management controls to minimise impacts on surrounding ecosystems;
- We manage our waste streams to minimise environmental impact and realise value through a balanced application of the waste mitigation hierarchy of prevention, minimisation, reuse, recycle, energy recovery and disposal;
- We engage regularly with investors, governments, industry partners, membership-based sustainability organisations, environmental, social, and governance (ESG) proxy advisers and ESG activist groups to identify and monitor emerging environmental, nature and climate change risks, opportunities and trends; and
- We are transparent in our disclosure of environment and climate-related opportunities and threats in our annual reporting, in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards and recommendations of the Task Force on Climate-related Financial Disclosures.

+ **Learn more about how we are addressing climate change and managing our environmental impact in our Sustainable Development Report 2024 at *www.south32.net*.**

Maintain, realise or enhance the value of our Mineral Resources and Ore Reserves

We intend to realise the potential of the resources and reserves we are entrusted to develop. We work to continually optimise our operations through sound technical and economic understanding of our resources and reserves.

FY24 Risk exposure trend

Factors across FY24 influencing value at risk within our life of operations plans include production complexity, extreme weather events, commodity market structural changes and approval delays for specific operations. However, our approved development path activities remain on track from FY23.

Risk appetite

We are not willing to take risks that inhibit our ability to realise the potential of the resources and reserves we are entrusted to develop.

Opportunities

We continue to enhance our understanding of our resources and reserves. We leverage this enhanced understanding through the annual planning cycle to define and assess additional opportunities to add value to our business.

Threats

If we fail to continually optimise our operations and projects, it will have a significant impact on shareholder returns, the benefits our stakeholders receive and ultimately, the sustainability of the company.

Our response includes:

- We have capital prioritisation, capital allocation and planning processes which prioritise the highest-value options across our portfolio;
- We apply an annual planning process, that considers the impact of ESG related matters on our Ore Reserves, with plans structured to maximise value throughout the life of our operations;
- Drill plans and budgets are approved as part of our annual planning cycle and compliance to those plans is reported monthly. Where there is material deviation to plan, actions are taken to get us back on track;
- We apply a rigorous project development process that includes independent peer review of project risks and approval tollgates;
- We report Mineral Resources and Ore Reserves (including Coal Resources and Coal Reserves) in accordance with the JORC Code as required in Chapter 5 of the ASX Listing Rules; and
- We have an internal closure standard which requires that our full life of operations value incorporates closure and rehabilitation liabilities.

+ **Learn more about resources and reserves on page 178.**

Major external events or natural catastrophes

Our operations and logistics networks can be disrupted by events such as pandemics, natural disasters and extreme weather events that could impact people's safety, wellbeing, security, the integrity of tailings storage facilities and key operating infrastructure.

FY24 Risk exposure trend

In Australia across the mining industry, intense climatic events, ranging from fire and floods to cyclone-driven extreme rains, affected mining activities leading to the temporary suspension of operations. For South32 heavy rain, causing floods, directly impacted both Australia Manganese and Cannington in FY24.

Risk appetite

We are not willing to take risks that compromise our ability to manage natural catastrophes. However, we accept we operate in a diverse range of geographic locations, which are exposed to natural events and other external events.

Opportunities

Achieving stable and predictable performance enhances the value proposition to our shareholders, stakeholders and the communities in which we operate. The better we prepare for, learn and improve from events, the better we are placed to respond and aim to reduce the impact of future events – strengthening our organisational resilience.

Threats

Failure to manage major events or natural catastrophes could result in a significant event or other long-term damage that could harm the company's access to logistics chains and critical goods and services, operational and financial performance, and licence to operate. The role of climate change in increasing the frequency and severity of natural catastrophes is addressed under 'Climate change and environment' on page 30.

Our response includes:

- When facing potential catastrophes, we put safety and wellbeing at the heart of everything we do;
- We use our system of risk management in design, construction and operation phases to analyse risks, and design and implement actions that aim to prevent or limit business impacts;
- We utilise climate modelling data to inform our long-term plans and project pipelines, and conduct physical risk assessments of our assets every two years;
- We have business continuity and disaster response plans in place with trigger action response scenarios to facilitate a rapid response to major events and safely restore our operations, with the aim of protecting the health and safety of our people and the communities in which we operate;
- Consistent with the three lines operating model, we have assurance functions independent of our operating activities that provide assurance against our own comprehensive internal standards including equipment integrity, tailings management and technical stewardship. Where relevant, we work with external experts, relevant industry bodies and technology suppliers, to provide additional assurance and input; and
- We purchase insurance coverage against many, but not all, potential losses or liabilities arising from major events or natural catastrophes. This coverage has a deductible cost to the company and limits that mean full financial coverage will not be achieved.

Maintain competitiveness through technology and innovation

Technology and innovation are advancing at a rapid pace. Companies unable to effectively leverage technology and innovation may find themselves failing to deliver against shareholder expectations on returns, unable to attract and retain talent or, in the example of decarbonisation, failing to maintain licence to operate. Cyber incidents are becoming more sophisticated and targeting third party suppliers with weaker controls to infiltrate larger organisations.

FY24 Risk exposure trend

We continue to see cyberattacks targeting operational technology systems, including those used by mining companies. There has been an increase in hackers targeting personally identifiable information held by third party suppliers and vendors with immature cyber controls.

The adoption of artificial intelligence (AI), including new developments in generative AI, has 'step-changed' from previous years and is increasing rapidly across various industries. These rapid developments present both opportunities and risks to our business.

Risk appetite

We are not willing to take risks that will result in a loss of data or disruptions to our operations and projects due to the theft, disclosure or corruption of information. Aligned to our strategy, we will pursue technology and innovation that may have a lower certainty of success where there is commensurate potential for high return on investment.

Opportunities

To stay competitive, we position our organisation to effectively identify, develop and adopt sustainable business models, technologies, AI and innovation in our operations and projects. Priority innovation opportunities are identified and delivered through Innovate32, our strategy-aligned, value-focused, innovation portfolio. This approach will assist us to deliver on shareholder return expectations and position us for future business opportunities.

Threats

Failure to keep pace with, and leverage advances in, technology and innovation could result in reduced shareholder returns and impact our licence to operate. Failure to adopt automation, electrification, AI and digital systems could result in deteriorating performance across safety, productivity, returns and greenhouse gas emissions. Cybersecurity incidents could pose multiple risks including disruption to new projects and operations, theft, disclosure or corruption of information.

Our response includes:

- We actively manage cybersecurity, privacy and loss of critical systems risks through our system of risk management;
- We have developed our cybersecurity strategy and risk controls aligned to the National Institute of Standards and Technology cybersecurity framework;
- We have developed standards, procedures and implemented tools to proactively manage our cybersecurity and privacy controls;
- We have a clearly defined approach to innovation, improvement and technology;
- We deliver specific programs focused on adoption and improvement of critical technology capabilities across multiple time horizons;
- We have a value-based 'portfolio' approach to testing and scaling up innovation across the company;
- We have rigorous internal technology standards and processes;
- We benchmark our digital technology performance against industry best practice and coordinate and integrate technology advances into our growth portfolio; and
- We monitor internal customer satisfaction and manage customer support.

+ **Learn more about how technology and innovation are unlocking value in Our strategy in action on page 22.**

Predictable operational performance

Loss of predictable operational performance will prevent us from reliably delivering on our strategic objectives. We build resilience and predictability into our business by sustaining our ability to keep our people safe and well, effectively managing our assets, meeting our regulatory and social obligations, managing cost inflation and consistently delivering quality products to our customers.

FY24 Risk exposure trend

— Over the past year we have experienced both internal and external events that have impacted predictable operational performance. While external risks associated with extreme weather, energy supply, social and labour unrest remain elevated, our exposure trend remains neutral relative to recent years. Focus remains on mitigating our external risk exposure while directly addressing the root causes of internal production variation with continued improvement of our management systems.

Risk appetite

We are not willing to take risks that compromise the stable and predictable performance of our operations.

Opportunities

We mature our management systems to control and continuously improve our operations and processes, so that we can deliver stable and predictable performance and unlock the full value of our business. We invest in our operations to sustain and improve production capacity that generates reliable cash flow to deliver on our strategic objectives.

Threats

External volatility and challenges can impact predictable performance. These include extreme weather events, labour and supply chain tightness as well as regulatory and geopolitical change. If we are unable to safely and consistently achieve our production, cash flow or profitability targets, it could negatively impact our ability to deliver on our strategic objectives and negatively impact shareholder returns.

Our response includes:

- We have embedded, and continuously verify and improve our safety and risk management systems across our business;
- We have an effective asset management system in place at each operation and review our asset health, asset integrity and capital investments on a regular basis;
- We actively verify and improve the effectiveness of our Operating System by embedding our operating practices including operational planning, execution, review and improvement;
- We actively manage risks to our resources and reserves, mine and operational planning including reconciliation of Ore Reserves to production, plan and spatial compliance and management of geotechnical risks;
- We manage an integrated system of long to short-term planning, scheduling and budget forecasting processes that considers ESG themes and optimises the value from our resources;
- We actively manage product delivery and supply chain risks including effective sales and operational planning processes, monitoring of raw material supply and management of target inventory operating windows; and
- We carry out rigorous quality assurance programs over our products and operations.

+ **Learn more about our operational performance in Our strategy in action on page 21.**

Delivery of our project portfolio

Delivery of our project portfolio, both brownfield and greenfield, forms a critical component of our strategy. Delivery of projects safely, on schedule and within budget allows us to optimise and unlock the value of our business.

FY24 Risk exposure trend

— Approvals and permitting delays, project cost inflation and constraining market drivers continue to impact project timelines. Skilled labour shortages, wage and material cost escalation, as well as supply chain constraints continue to apply pressure on contract pricing and project investment risk in the markets where we execute our projects.

Risk appetite

Aligned to our strategy of unlocking value in our business, we will not take actions that compromise the planning and execution of our major projects. However, we may accept greater levels of risk to pursue opportunities to extend the life of existing operations through brownfield projects and in executing decarbonisation projects for our assets.

Opportunities

Delivery of our project portfolio on time and within budget allows us to improve reliability, complement our existing assets, extend the life of our operations, realise our external commitments and grow volumes into structurally attractive markets.

Threats

Inability to deliver the project pipeline may impact on our future cash flows, reputation and return on investments. Known and emerging uncertainties that may challenge the timely and successful execution of our projects can include regulatory approval timeframes, permitting delays, supply chain disruptions, high inflation, joint venture partner misalignment, and activism.

Our response includes:

- Our internal investment framework defines a tollgate process with an independent peer review mechanism to inform key investment decisions;
- Our project management framework supports disciplined project development and delivery;
- We maintain a life of operation annual planning process. By evaluating the embedded project options in our operations, we look to optimise value throughout the life of our operations;
- We have developed our Operating System for major projects, and are maturing our performance in delivering projects on cost and on schedule;
- Our joint venture agreements include mechanisms such as technical committees and collaborative reviews to influence project, schedule and cost outcomes;
- We apply a standardised valuation methodology with consistent key macroeconomic assumptions; and
- We conduct an annual review of commodity prices and exchange rates which informs our project budgets. This process is supplemented by tri-annual updates.

+ **Learn more about our project execution in Our strategy in action on page 23.**

Supply chain security

The inability to procure critical goods and services, such as raw materials, energy, water, gas, equipment and spare parts, consumables, technology, corporate services, labour and logistics, has the potential to impact business performance and our strategic objectives.

The procurement of critical goods and services must be undertaken in a manner that aligns to our purpose and values, meets stakeholder expectations and adheres to the policies and regulations where we operate. This includes sustainable sourcing and supporting local communities.

The security of our supply chain is heavily impacted by pandemics, jurisdictional unrest, geopolitical tensions, climate change, and a shift from globalism towards protectionism.

FY24 Risk exposure trend

We have seen an increase in levels of global conflict and geopolitical tension, as well as increases in the frequency and intensity of climatic events, resulting in increased protectionism and supply chain regionalisation.

Risk appetite

Aligned to our strategy of optimising our business, we are not willing to take undue risks that compromise the security of our supply chain. However, we accept that we have a strong reliance on certain critical suppliers, particularly to provide energy, logistics, and raw materials to our operations and we have limited ability to reduce this reliance.

Opportunities

Optimal and sustainable management of supply chain risk positions our business to operate safely and reliably, at the lowest possible cost and in a manner that meets or exceeds the expectations of our stakeholders. It also provides us with the ability to influence how others in our industry approach sustainable sourcing and to position us to benefit as trade flows respond to rising protectionism, social consciousness, and general trends to de-risk supply chains.

Threats

Disruption of our supply chain could materially impact our ability to deliver on our commitments and meet the expectations of our stakeholders. The global energy transition is increasing the complexity of our energy procurement activity. Failure to meet minimum ethical supply chain standards has the potential to damage our social licence to operate (this is further addressed under 'Evolving societal expectations' on page 36). Climate change has the potential to increase the frequency and severity of extreme weather events which may threaten our supply chains, particularly logistics and the availability of critical goods and services (this is addressed under 'Climate change and environment' on page 30, and in the Addressing Climate Change section of our Sustainable Development Report 2024).

Our response includes:

- We understand, assess and continually monitor the risks in our supply chains through an integrated system that considers the value of critical goods and services. This includes risks relating to potential shortages, critical suppliers and categories, vendor liquidity, logistics, climate change and decarbonisation, and modern slavery;
- Internal and external data is integrated so we have a good understanding of existing and emerging risks and can take action to mitigate;
- We use our understanding of risk to deploy controls to support predictable operations. This includes working closely with our vendors and operations to match availability with demand; understanding options for alternative sources of supply and implementing multi-source supply where required; optimising inventory levels; flexing commercial terms and maintaining up-to-date business continuity plans. We continually optimise our approach between 'just in case' and 'just in time' as supply chain risk ebbs and flows;
- We build strong strategic partnerships with key suppliers and customers on a long-term, mutually beneficial basis;
- We have a clearly defined transformation strategy and Enterprise Supplier Development program in South Africa aimed at building and growing small, medium and micro enterprises;
- We have Reconciliation Action Plan targets to develop and support Aboriginal and Torres Strait Islander enterprises in Australia;
- We have local procurement initiatives designed to increase opportunities for local suppliers;
- We actively review and manage payment terms to support small and local businesses in all jurisdictions in which we operate; and
- We have an established process to assess and mitigate potential modern slavery risks.

+ **Learn more about our responsible supply chain activities in our Sustainable Development Report 2024 at *www.south32.net*.**

Shaping our culture and managing diverse talent

We must actively shape and embed our culture to attract, develop, support, and retain our talented people to deliver a safe and sustainable business. To align with the evolving needs of our people, business, and broader stakeholders, we continuously monitor our culture and seek feedback to enhance the employee experience.

FY24 Risk exposure trend

Internal feedback and data suggests improvements in employee experience and a reduction in attrition risk, coupled with the expectation that global unemployment rates are expected to hold steady in the near term.

Risk appetite

People underpin everything we do and we are not willing to take risks that could negatively impact our culture and the way our people connect to our purpose. However, we recognise our size and the competitive labour market in which we operate and therefore must be willing to take risk to build our talent and succession pipeline.

Opportunities

By shaping and embedding our culture through our systems, symbols, and behaviours, we will maintain an employee experience that engages all our people to better deliver our strategic objectives, together.

Threats

If we are unable to embed our preferred culture, we will likely have lower levels of engagement, disconnected teams that lack diversity and operate in silos, and relationship rather than performance-based decision making. Over time, this may constrain innovative thinking and impact our ability to attract and retain talent, which may lead to significant shareholder value erosion and reputational damage.

Our response includes:

- Our Code of Business Conduct sets out our expected standards of workplace behaviours which inform our culture. Formal training and assessment routines are in place to educate, reinforce, and assess understanding in our people. Anyone can report a business conduct concern, anonymously if preferred, or by using our confidential and independently administered reporting hotline;
- We measure and discuss culture using a Culture Tensions framing model. This process acts as a health check and allows us to assess positive or negative change and test whether we are making progress towards our preferred culture that better balances relationships with performance, systems and processes with innovation and empowerment;
- We measure our employee experience, including at onboarding, annually through our 'Your Voice' employee survey, and at exit. The Your Voice survey responses are shared with line leaders to enable team-based conversations that directly empower improvements to the local employee experience;
- We have an Inclusion and Diversity Policy, internal inclusion and diversity standard and a framework which sets out our commitments, strategy, requirements, measurable objectives and approach to performance reporting;
- We have a Leadership Model which strengthens alignment to our preferred culture and behaviours, and is integrated across our people systems and processes;
- We have a performance and goals process which supports our reward philosophy, and recognises and rewards aligned leadership behaviours and performance;
- We design our reward elements in accordance with our global reward framework taking into consideration local labour market practices, which enables us to attract appropriate skills and experience, engage employees and improve performance;
- We routinely review our key talent and critical role successors globally, creating individualised plans to further their development and address talent pipeline risks as appropriate. This includes targeted retention programs for key talent and/or team members occupying critical roles;
- We support employees who undertake further education and training related to their current or future career with South32; and
- We have an internal flexible work procedure which empowers our leaders to engage with their teams to determine the ways of working that balance individual, team and business requirements.

+ **Learn more about our people and culture in our Sustainable Development Report 2024 at *www.south32.net*.**

Evolving societal expectations

The expectations of resources companies by employees, governments, investors, lenders, host communities, customers, non-governmental organisations and broader society continue to evolve. To keep pace with these rapidly evolving expectations and understand the potential impact to our business performance, reputation and delivery of our strategic objectives, we maintain an active stakeholder engagement program and undertake external monitoring on a wide range of financial and ESG issues, including climate change. We regularly engage with our stakeholders to understand and respond to their views, which may be divergent, and aim to identify ways we can create enduring social, environmental and economic value, in a way that aligns with our purpose and values.

FY24 Risk exposure trend

This risk is dynamic and expectations, sentiment and standards continue to evolve broadly as anticipated based on our active stakeholder engagement program and external monitoring.

Risk appetite

We are not willing to take risks that will result in a failure to meet societal expectations, in human rights, cultural heritage, modern slavery and community safety. However, we accept that we will be required to take some risks in areas such as impacts of mining or minerals processing (e.g. on the environment) and commodity selection that may not completely align with societal expectations.

Opportunities

Proactive, collaborative and transparent engagement with our stakeholders builds relationships based on trust and shared understanding. Our ongoing licence to operate, and ability to reshape our business for a low-carbon future, is built on our social performance and contribution to our stakeholders and broader society.

Threats

Failure to meet evolving societal expectations for ESG performance could damage our reputation and negatively impact our licence to operate, limiting our ability to access capital or markets, retain and attract employees and grow our business in existing and new jurisdictions.

Our response includes:

- Our purpose and strategy expressly balance economic outcomes with social and environmental outcomes, now and into the future. In the decisions we take, we look to minimise impact, respect human rights and aim to create enduring social, environmental and economic value for our stakeholders, in a way that aligns with our purpose and values;
- We undertake internal and external stakeholder analysis and engagement on a wide range of financial and ESG issues, including an annual materiality process to understand our material ESG issues. Our approach is aligned with the ICMM Mining Principles, The UNGC Ten Principles and GRI Sustainability Reporting Standards;
- We engage with our customers to understand their requirements and drivers for responsible production, sourcing and stewardship in the supply chain. We work with certification bodies such as the Aluminium Stewardship Initiative to seek certification against their performance standards to help facilitate continued access to markets;
- We work to build strong, positive and meaningful relationships with local communities. We regularly complete and review community perception surveys, human rights impact assessments, social baseline studies and social impact and opportunity assessments to improve our understanding of the communities in which we operate;
- We review and amend our social investment program annually to align with community and stakeholder priorities. We measure the outputs and outcomes of our social investments as it informs future investment decisions and improves social investment project design;
- We develop economic development plans at all our operations which contribute to local and regional economic development through employment, procurement and business development. These plans include targets informed by local context, including women and people with diverse backgrounds;
- We engage with Indigenous, Traditional and Tribal Peoples across our operations to build mutual understanding and strengthen cultural heritage management. Our engagement with Indigenous, Traditional and Tribal Peoples throughout the life of our operations is sensitive to and respects cultural protocols; and
- We participate in sustainability reporting transparency initiatives and ESG rating agency reviews that assess and score our performance.

+ **Learn more about how we are delivering value to society in our Sustainable Development Report 2024 at *www.south32.net*.**

Political risks, actions by governments and/or authorities

Changes in legislation, regulation, policy and geopolitical activity have the potential to impact our strategic objectives and the way we work. This includes broader policy decisions and regulatory changes, related but not limited to, changes to royalty and taxation policy, nationalisation of mineral resources, supply chains, renegotiation or nullification of contracts, leases, permits or agreements, climate change and emissions reduction requirements and environmental and social performance requirements. We aim to effectively manage this uncertainty through engagement with key stakeholders and industry associations, monitoring of political activity, policy, legislative and regulatory changes, and by having access to specialised knowledge.

FY24 Risk exposure trend

Geopolitical volatility increased in FY24 through conflicts in Ukraine and the Middle East, ongoing US-China tensions, resulting in increased trade and domestic policy targeting supply chain resilience. Increased geopolitical risk is magnified through unstable policy environments and misinformation risk as major economies conducted elections in FY24. Tax authority activity has intensified, with an increase experienced in tax audits and disputes.

Risk appetite

We have a low appetite for activities that are likely to result in non-compliance with applicable legal or regulatory requirements. We maintain programs that seek to comply with those requirements. However, there can be no guarantee that such programs will always be effective to identify or prevent breaches of the law. Further, we operate in certain complex environments and jurisdictions, which are subject to legislative, regulatory or government policy changes that may adversely impact our business. Therefore, there will always be residual risk in relation to compliance with legal and regulatory requirements and changes to those requirements that may adversely impact our business.

Opportunities

Proactive engagement leading to strong relationships with governments and authorities provides a mutual understanding of drivers for decision making. This increases clarity around policy and regulatory environments, enables appropriate and tailored responses to issues and provides investment certainty.

Threats

Legislation adverse to our business and regulatory or policy decisions taken by governments or authorities, particularly relating to societal expectations, can result in operational disruption, permitting uncertainty, increases to our tax obligations, affect future planning or lead to cessation of operations or non-investment in operations or projects.

Our response includes:

- We have specialised knowledge through in-house expertise or the use of external experts, including tax management capability, tax advice and external affairs advice;
- We monitor political activity, policy, and legislative and regulatory changes in the jurisdictions where we operate, and we also engage with relevant authorities, to understand and mitigate potential impacts on our business performance;
- We engage with key stakeholders in all jurisdictions where we operate, in accordance with our stakeholder engagement plans;
- We work through selected industry associations to influence how the industry is positioned; and
- We produce an annual Tax Transparency and Payments to Governments Report, which shows how we meet our regulatory tax obligations.

+ **Learn more about our approach to tax in our Tax Transparency and Payments to Government Report 2024 at *www.south32.net*.**

Global economic uncertainty and liquidity

We prioritise an investment grade credit rating and a disciplined approach to allocating capital which aims to keep our balance sheet strong, providing us with financial flexibility regardless of market conditions. By creating competition for capital and investing selectively in our existing operations, growth options and external opportunities, or by making returns to shareholders, we aim to maximise total shareholder returns over time.

FY24 Risk exposure trend

External market volatility is largely unchanged and the risk of default of our investment grade bank counterparties and customers remained stable in FY24.

Risk appetite

We are not willing to take risks that may limit our ability to maintain a minimum liquidity balance and/or access to funding on acceptable terms. We recognise our preferred commodity basket and our operating costs have the potential for price and exchange rate volatility outside of our control, and whilst we accept that as a resource company we are exposed to this inherent risk, we will act to reduce its impact by understanding its effect on our business.

Opportunities

By investing selectively in our existing operations and growth options, external opportunities, or by making returns to shareholders, we aim to maximise total shareholder returns over time.

Threats

A significant or sharp deterioration in economic conditions can adversely impact market demand, commodity prices, and/or exchange rates which has the potential to significantly reduce profitability, cash flow and returns to shareholders. An increase in volatility, especially when it has an impact on in-bound and out-bound supply chains, has the potential to increase working capital requirements, affecting our liquidity. A reduction in liquidity available in capital markets has the potential to impact our balance sheet and ability to pursue our strategy.

Our response includes:

- We have a diverse portfolio of operations, commodities and end markets which strengthens our resilience to the disruption of any one commodity, geography or operation;
- We prioritise a strong balance sheet and an investment grade credit rating, with the aim of remaining resilient through economic cycles;
- We test our financial strength across a range of scenarios, including a depressed demand and pricing environment. We also maintain a minimum liquidity buffer and access to a diverse range of funding sources;
- We adjust our capital allocation plans according to market conditions;
- We maintain strong relationships with high-quality financial institutions, customers and suppliers from all around the world;
- We mostly sell our products with reference to floating, market-based prices, which are broadly correlated with floating global currency markets and the input costs we are exposed to; and
- We carry out an annual review of commodity prices and exchange rates, which informs our operational plans. This process is supplemented by tri-annual updates.

+ **Learn more about our capital management framework in Our strategy on page 19.**

Financial and operational performance summary

STRONG SECOND HALF RESULTS AND ACCELERATED PORTFOLIO TRANSFORMATION

Improved operating performance, disciplined cost management and higher prices for our key commodities lifted our financial results to finish the year, and we we further transformed our portfolio.

The Group uses both International Financial Reporting Standards (IFRS) financial measures and non-IFRS financial measures such as underlying measures of earnings, effective tax rate (ETR), return on invested capital (ROIC), cash flow and net cash/(debt), to assess the Group's performance.

The definitions of individual non-IFRS financial measures used in this report are set out in the Glossary of terms and abbreviations starting on page 191.

A reconciliation of the Group's underlying financial results to the statutory information included in the Group's consolidated financial statements is included in note 4(b)(i) to the financial statements on page 124.

The Directors believe that the non-IFRS financials measures are relevant to understanding the underlying financial and operating performance of the Group and its operations. These non-IFRS financial measures provide useful information, but should not be considered as an indication of, or an alternative to, profit/(loss) after tax as an indicator of actual operating performance or as an alternative to cash flow as a measure of liquidity.

In discussing the operating results of the Group, the focus is on Underlying earnings attributable to members and ROIC. Underlying earnings attributable to members is the key measure that is used by the Group to assess our performance, make decisions on the allocation of resources and assess senior management's performance. In addition, the performance of each of the Group's operations and operational management is assessed based on Underlying EBIT and Underlying EBITDA.

Management uses these measures because financing structures and tax regimes differ across the Group's operations and substantial components of tax and interest charges are levied at a Group level rather than an operational level.

The underlying information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis.

In order to calculate Underlying EBITDA, Underlying EBIT and Underlying earnings attributable to members, the following items are adjusted as applicable each period, irrespective of materiality:

- Exchange rate (gains)/losses on restatement of monetary items;
- Impairment losses/(reversals);
- (Gains)/losses on disposal and/or consolidation of interests in operations;
- (Gains)/losses on non-trading derivative instruments, contingent consideration and other investments measured at fair value through profit or loss;
- Major corporate restructures;
- Joint venture adjustments for material equity accounted investments;
- Exchange rate variations on net cash/(debt);
- Tax effect of earnings adjustments; and
- Exchange rate variations on tax balances.

In addition, items that do not reflect the underlying operations of the Group, and are individually, or in combination with other related earnings adjustments, significant to the financial statements, are excluded to determine Underlying earnings.

Financial Highlights

US$M	FY24	FY23	% Change
Revenue from continuing operations	**5,479**	5,646	(3%)
Profit/(loss) before tax and net finance income/(costs) from continuing operations	**(735)**	(466)	(58%)
Profit/(loss) after tax	**(205)**	(173)	(18%)
Profit/(loss) after tax attributable to members[1]	**(203)**	(173)	(17%)
Basic earnings/(loss) per share (US cents)[2]	**(4.5)**	(3.8)	(18%)
Ordinary dividends per share (US cents)[3]	**3.5**	8.1	(57%)
Other financial measures			
Underlying revenue[4][5]	**8,296**	9,050	(8%)
Underlying EBITDA[4]	**1,802**	2,534	(29%)
Underlying EBITDA margin[4][6]	**22.8%**	29.4%	(6.6%)
Underlying EBIT[4]	**886**	1,616	(45%)
Underlying EBIT margin[4][7]	**11.1%**	18.7%	(7.6%)
Underlying earnings[4][8]	**380**	916	(59%)
Basic Underlying earnings per share (US cents)[2][4]	**8.4**	20.0	(58%)
ROIC[4]	**4.5%**	10.0%	(5.5%)
Ordinary shares on issue (million)	**4,529**	4,545	(0.4%)

(1) Members are equity holders of South32 Limited. Amounts reported as attributable to members are stated net of amounts attributable to non-controlling interests.
(2) FY24 basic earnings per share is calculated as Profit/(loss) after tax attributable to members divided by the weighted average number of shares for FY24 (4,519 million). FY24 basic Underlying earnings per share is calculated as Underlying earnings attributable to members divided by the weighted average number of shares for FY24. FY23 basic earnings per share is calculated as Profit/(loss) after tax attributable to members divided by the weighted average number of shares for FY23 (4,572 million). FY23 basic Underlying earnings per share is calculated as Underlying earnings divided by the weighted average number of shares for FY23.
(3) FY24 ordinary dividends per share is calculated as H1 FY24 ordinary dividend announced (US$18 million) divided by the number of shares on issue at 31 December 2023 (4,529 million) plus H2 FY24 ordinary dividend announced (US$140 million) divided by the number of shares on issue at 30 June 2024 (4,529 million).
(4) FY23 and FY24 includes discontinued operation Illawarra Metallurgical Coal.
(5) Underlying revenue includes revenue from third party products and services.
(6) Comprises Underlying EBITDA excluding third party products and services EBITDA, divided by Underlying revenue excluding third party products and services revenue. Also referred to as operating margin.
(7) Comprises Underlying EBIT excluding third party products and services EBIT, divided by Underlying revenue excluding third party products and services revenue.
(8) Refers to Underlying earnings attributable to members.

Safety performance

Nothing is more important than the health, safety and well-being of our people. We continue to implement our Safety Improvement Program, a multi-year global program of work launched in FY22, designed to enhance our safety culture and achieve a step change in our safety performance. Our LEAD Safely Every Day program includes safety leadership capability workshops and coaching which has been delivered to over 1,500 leaders since its launch in FY23. In FY24, we extended the program to frontline employees and a subset of contractors that perform high-risk work at our operations, and functional roles that support them.

We use a range of leading and lagging indicators to assess our safety performance. Our total recordable injury frequency (TRIF) for FY24 improved by 14 per cent to 5.1 (FY23: 5.9), while lost time injury frequency (LTIF) increased to 1.9 in FY24 (FY23: *1.6*[9]). Our leading indicator, significant hazard frequency, increased to 122.3 for FY24 (FY23: 91.6), indicating improved hazard awareness and a positive reporting culture.

Health and safety performance

Performance metric	FY24	FY23[10]
Fatalities from health and safety incidents	**0**	2
Lost time injury frequency (LTIF)	**1.9**	*1.6*[9]
Total recordable injury frequency (TRIF)	**5.1**	5.9
Total significant hazard frequency	**122.3**	91.6

People and culture

An inclusive culture and diverse workforce supports greater collaboration, innovation and performance. Building and maintaining a workforce that represents the communities in which we operate, especially recruiting more women into operational roles, is an industry-wide challenge that we are working to address.

We track our inclusion and diversity performance against a series of measurable objectives. The below table shows the representation of women in our workforce, leadership teams and Board, and the representation of Black People in our South African workforce. Performance improved or was maintained year-on-year for five of the seven FY24 measurable objectives, and we achieved three of the seven FY24 measurable objectives.

Inclusion and diversity performance

Diversity representation (%)	FY24 measurable objective	FY24	FY23
Women in our workforce	Achieve at least 23.5%	**20.6**	20.2
Women on our Board	Maintain at least 40%	**50.0**	44.4
Women in Lead Team	Maintain at least 40%	**50.0**	50.0
Women in Senior Leadership Team	Achieve at least 32.7%	**30.3**	30.3
Women in Operational Leadership Team	Achieve at least 31.5%	**25.7**	28.7
Black People in South Africa in total workforce	Maintain at least 85%	**88.4**	86.9
Black People in South Africa in management roles	Achieve at least 60%	**51.8**	55.3

Addressing climate change

We have set a target to halve our operational greenhouse gas (GHG) emissions (Scope 1 and 2) by 2035[11] and a long-term goal to achieve net zero GHG emissions across all scopes (Scope 1, 2 and 3) by 2050. Our approach to climate change is focused on reshaping our portfolio to commodities critical in the transition to a low-carbon world, decarbonising our operations, and working with others to decarbonise the value chain. In FY24, Worsley Alumina converted the first two coal-fired boilers to natural gas, and Hillside Aluminium converted a further 18 per cent of pots to AP3XLE energy efficiency technology (bringing the total to 36 per cent). Our operational emissions decreased by 6 per cent and Scope 3 emissions decreased by 17 per cent in FY24.

Greenhouse gas emissions

Million tonnes of CO_2 equivalent	FY24	FY23[10]
Operational GHG emissions	**20.3**	*21.7*
Scope 3 GHG emissions	**54.2**	*65.0*[12]

(9) Seven injuries which occurred in FY23 have been reclassified from restricted work cases to lost time cases, resulting in an increase in LTIF from 1.4 to 1.6
(10) Figures in Italics indicate that an adjustment has been made since the figures were previously reported
(11) Target is defined as an intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions. Our target is to halve our operational greenhouse gas (GHG) emissions by 2035 compared to our FY21 baseline. FY21 baseline adjusted to exclude GHG emissions from South Africa Energy Coal and TEMCO, which were divested in FY21.
(12) FY23 downstream transportation and distribution has been restated from 0.9Mt CO_2e to 0.4Mt CO_2e following a review of the methodology used in this category.

Business performance

Aluminium value chain

Alumina

Alumina production was largely unchanged year-on-year at 5.1Mt, with improved plant availability at Brazil Alumina partially offsetting a temporary bauxite conveyor outage at Worsley Alumina in Q4 FY24. Production is expected to increase by approximately 1 per cent in FY25.

Underlying EBITDA increased by US$106 million to US$364 million in FY24, for an operating margin of 20 per cent, as our average realised price of alumina increased by 1 per cent and caustic soda prices declined.

Aluminium

Aluminium production was largely unchanged year-on-year at 1.1Mt, as Hillside Aluminium achieved record production, Brazil Aluminium continued to ramp up, and Mozal Aluminium progressed its recovery plan. Production is expected to increase by approximately 6 per cent to 1.2Mt in FY25 as Brazil Aluminium continues to ramp up and Mozal Aluminium delivers its recovery plan.

Underlying EBITDA decreased by US$115 million to US$121 million in FY24, for an operating margin of 4 per cent, as a 6 per cent reduction in the average realised price of aluminium and higher energy prices more than offset lower smelter raw material input prices.

Base metals

Copper

Sierra Gorda copper equivalent production decreased by 15 per cent to 73.8kt in FY24, as higher plant throughput was offset by lower than planned copper grades. Production is expected to increase by approximately 15 per cent in FY25, with the continued benefit of the plant de-bottlenecking project and higher planned copper grades in the next phase of the mine plan.

Underlying EBITDA decreased by US$83 million to US$275 million in FY24, for an operating margin of 43 per cent, as higher realised metal prices and lower electricity costs were more than offset by lower volumes and a one-off workforce payment.

Sierra Gorda progressed the feasibility study for the fourth grinding line expansion, which has the potential to increase plant throughput by ~20 per cent to ~58Mtpa (100 per cent basis), ahead of a planned final investment decision in H1 FY25.

We consolidated our position in the emerging copper district of San Juan, Argentina, acquiring a 50.1 per cent interest in the Chita Valley copper project, and increasing our interest in Aldebaran Resources to 14.8 per cent.

We invested US$27 million in greenfield exploration programs in FY24, focused on copper exploration prospects in highly prospective regions.

Following the end of the period, we entered into an earn-in agreement and strategic alliance with Noronex Limited to identify and test copper exploration prospects across the Kalahari copper belt in Namibia.

Zinc

Cannington payable zinc equivalent production increased by 10 per cent to 285.2kt in FY24, despite adverse weather impacts, as we realised higher average metal grades. Production is expected to decline by approximately 12 per cent in FY25 as we rebuild run of mine stocks and continue to manage a significant increase in underground activity and complexity.

Underlying EBITDA increased by US$76 million to US$289 million, for an operating margin of 46 per cent, reflecting higher production volumes and average realised metal prices.

On 15 February 2024, we announced final investment approval for the Taylor zinc-lead-silver deposit at our Hermosa project(13), following completion of a feasibility study which confirmed the potential for attractive returns over multiple decades.

As the first phase of a regional scale opportunity in Arizona, United States, Taylor's infrastructure will unlock value for future growth options, including the Clark battery-grade manganese deposit and potential discoveries in our highly prospective regional land package.

We invested US$372 million at Hermosa in FY24, as we installed critical path infrastructure and progressed studies and permitting for Taylor and Clark. We expect to invest US$600 million at Hermosa in FY25 as we progress construction of Taylor, and an exploration decline at Clark to enable access to ore for further product test work.

We invested US$24 million in exploration work at Hermosa in FY24, successfully returning high-grade copper and zinc results from Peake and Flux(14), respectively. We expect to invest US$35 million in FY25 as we complete further exploration at Peake to test the potential for a continuous structural and lithology controlled system connecting Taylor and Peake.

Nickel

Cerro Matoso payable nickel production was largely unchanged at 40.6kt in FY24, supported by improved plant throughput and nickel grades to finish the year. Production is expected to be 35.0kt in FY25, due to lower planned nickel grades.

Underlying EBITDA decreased by US$150 million to US$96 million in FY24, for an operating margin of 17 per cent, as a significant decline in the average realised nickel price and a stronger Colombian peso more than offset lower price-linked royalties.

We continue to progress our strategic review of Cerro Matoso in response to structural changes in the nickel market. We expect to provide information on the outcomes of this review in H2 FY25.

(13) Refer to market release "Final Investment Approval to Develop Hermosa's Taylor Deposit" dated 15 February 2024.
(14) Exploration Results and Exploration Targets: The information in this announcement that relates to the Exploration Results and Targets for Taylor, Clark, Peake and Flux is extracted from the market release "Final investment approval to develop Hermosa's Taylor deposit" dated 15 February 2024. The information was prepared by D Bertuch, Competent Person in accordance with the requirements of the JORC Code. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially changed from the original market announcement.

Manganese

Australia Manganese

Australia Manganese production decreased by 34 per cent to 2.3Mwmt in FY24, as we temporarily suspended operations in March 2024 due to the impacts of Tropical Cyclone Megan.

Underlying EBITDA decreased by US$187 million to US$182 million in FY24, reflecting the impact of Tropical Cyclone Megan.

We continue to implement the operational recovery plan, dewatering targeted mining pits and commencing a phased mining restart. Mining activity is expected to increase to support a planned build in stockpiles ahead of the wet season, with FY25 production guidance set at 1.0Mwmt. Production is expected to increase to 3.2Mwmt in FY26 as we complete the operational recovery plan.

Capital expenditure for mine repairs and infrastructure, including the wharf and a critical bridge, is expected to be approximately US$125 million in FY25.

Wharf operations are scheduled to recommence in Q3 FY25, subject to maintaining construction productivity during the wet season, with sales volumes expected to progressively increase over Q4 FY25.

Our insurers have confirmed that the damage caused by Tropical Cyclone Megan is covered under our property damage and business interruption insurance. We are continuing to work with our insurers to assess the timing and value of recoveries under these policies.

South Africa Manganese

South Africa Manganese production increased by 3 per cent to a record 2.2Mwmt in FY24, as we lifted output of secondary products to capitalise on stronger manganese prices in Q4 FY24.

Underlying EBITDA decreased by 2 per cent to US$65 million in FY24, for an operating margin of 19 per cent, as higher sales volumes were offset by lower realised manganese prices in the first half of the year.

South Africa Manganese production is expected to be 2.0Mwmt across FY25 and FY26, as we continue to use higher cost trucking to optimise sales volumes and margins.

Metallurgical coal

Illawarra Metallurgical Coal saleable production decreased by 24 per cent to 4.9Mt in FY24, consistent with guidance, as we completed planned longwall moves.

Underlying EBITDA decreased by US$333 million to US$522 million in FY24, for an operating margin of 40 per cent, due to lower planned volumes and metallurgical coal prices.

On 29 February 2024, we entered into an agreement to sell Illawarra Metallurgical Coal to an entity owned by Golden Energy and Resources Pte Ltd and M Resources Pty Ltd, for cash consideration of up to US$1.65B(15) (the Transaction). The Transaction is now unconditional and is expected to complete on 29 August 2024.

Following the end of the period, we completed the sale of our 50 per cent interest in the Eagle Downs metallurgical coal project to a subsidiary of Stanmore Resources Limited for US$15 million in cash, a contingent payment of US$20 million(16) and a price-linked royalty of up to US$100 million(17).

(15) Refer to market release "Sale of Illawarra Metallurgical Coal" dated 29 February 2024. The consideration comprises; upfront cash consideration of US$1,050 million, payable at completion; deferred cash consideration of US$250 million, payable in 2030; and contingent price-linked cash consideration of up to US$350M, applicable for five years from the date of completion with no annual cap. The first two years will be calculated and paid on the second anniversary of completion and annually thereafter. The contingent price-linked consideration will be calculated as 50 per cent of incremental metallurgical coal revenue from equity production, net of royalties, based on the following metallurgical coal price thresholds: Year 1: US$200/t, Year 2: US$200/t, Year 3: US$190/t, Year 4: US$180/t, Year 5: US$180/t.
(16) Subject to the Eagle Downs project reaching metallurgical coal production of 100,000 tonnes.
(17) Price-linked royalty calculated based on potential future metallurgical coal production and a metallurgical coal index price of at least US$170/t.

Financial performance

Profit and Loss

The Group reported a loss after tax attributable to members[18] of US$203 million in FY24, with impairment expenses for Worsley Alumina (US$388 million post-tax)[19] and Cerro Matoso (US$248 million post-tax), partially offset by an impairment reversal for Illawarra Metallurgical Coal (US$139 million post-tax). Underlying earnings[20] decreased by US$536 million to US$380 million in FY24. A reconciliation of profit/(loss) to Underlying earnings is set out on page 45.

Underlying revenue decreased by US$754 million (or 8 per cent) to US$8,296 million in FY24 due to lower average commodity prices (-US$337 million) and lower production volumes predominantly at Illawarra Metallurgical Coal due to planned longwall moves (-US$373 million) and at Australia Manganese due to Tropical Cyclone Megan (-US$159 million). A reconciliation of Underlying revenue to statutory revenue is included in Note 4 Segment information to the Financial Report, starting on page 118.

Underlying EBITDA decreased by US$732 million (or 29 per cent) to US$1,802 million in FY24, for a Group operating margin[21] of 22.8 per cent, as the aforementioned revenue impacts more than offset a US$124 million reduction in the Group's cost base[22] as we continued our focus on disciplined cost management and benefitted from lower raw material input prices.

Underlying EBIT decreased by US$730 million (or 45 per cent) to US$886 million in FY24, as Underlying depreciation and amortisation was largely unchanged at US$916 million.

Cash Flow

Group free cash flow from operations, excluding equity accounted investments (EAIs), was an outflow of US$80 million in FY24, reflecting lower commodity prices and metallurgical coal volumes, and our investment in productivity, improvement and growth projects.

Separately, we received net distributions[23] of US$53 million from our manganese and Sierra Gorda EAIs in FY24 (FY23: US$187 million). The decrease in EAI distributions in FY24 reflected the impact of Tropical Cyclone Megan at Australia Manganese and our continued investment in projects to grow future copper production at Sierra Gorda.

Group capital expenditure, excluding EAIs, increased by US$252 million to US$1,042 million in FY24 as we invested in critical path infrastructure and studies at our Hermosa project and additional ventilation capacity at Illawarra Metallurgical Coal.

Group capital expenditure, excluding EAIs, is expected to decrease by US$52 million to US$990 million in FY25. Safe and reliable capital expenditure is expected to decrease by US$293 million with the divestment of Illawarra Metallurgical Coal, while growth capital expenditure is expected to increase by US$228 million as we progress construction of Taylor at our Hermosa project.

Capital expenditure for our EAIs increased by US$36 million to US$315 million in FY24 and is expected to increase by US$70 million to US$385 million in FY25 as we repair and install critical infrastructure at Australia Manganese.

We returned US$198 million to shareholders during FY24, with US$163 million in fully-franked ordinary dividends and US$35 million via the on-market share buy-back.

Balance Sheet

The Group finished the period with net debt of US$762 million. Net debt reduced by US$329 million in H2 FY24, supported by improved operating performance, higher commodity prices and an unwind of working capital to finish the year.

The sale of Illawarra Metallurgical Coal will further enhance the Group's balance sheet strength and flexibility and unlock capital to invest in our high-quality development projects and growth options in base metals.

Dividends and Capital Management

Consistent with our policy to distribute a minimum 40 per cent of Underlying earnings as ordinary dividends, the Board has resolved to pay a fully-franked final ordinary dividend of US 3.1 cents per share (US$140 million) in respect of H2 FY24, representing 41 per cent of Underlying earnings.

Reflecting the Group's strengthened financial position and our disciplined approach to capital management, the Board has also resolved to allocate US$200 million to our ongoing capital management program, to be returned to shareholders via an on-market share buy-back, commencing from completion of the sale of Illawarra Metallurgical Coal. This takes total returns under our capital management program to US$2.5 billion, with the US$200 million increase in the program to be returned to shareholders by 12 September 2025.

(18) Members are equity holders of South32 Limited. Amounts reported as attributable to members are stated net of amounts attributable to non-controlling interests.
(19) Refer to market release "Worsley Alumina Approvals Update" dated 22 July 2024.
(20) Refers to Underlying earnings attributable to members.
(21) Comprises Underlying EBITDA excluding third party products and services EBITDA, divided by Underlying revenue excluding third party products and services revenue. Also referred to as operating margin.
(22) The Group's total adjusted cost base of US$6,018 million for FY24 (FY23: US$6,142 million) which excludes third party product costs.
(23) FY24 net distributions from our material equity accounted joint ventures comprises of dividends (+US$90 million), initial funding (-US$30 million) to Australia Manganese to support recovery plans, a net drawdown of shareholder loans (-US$34 million) from manganese and a distribution (+US$27 million) from Sierra Gorda. The distribution from Sierra Gorda comprised a repayment of US$27 million of accrued interest.

Earnings reconciliation

The Group reported a loss after tax attributable to members of US$203 million in FY24, with impairment expenses for Worsley Alumina (US$388 million post-tax) and Cerro Matoso (US$248 million post-tax), partially offset by an impairment reversal at Illawarra Metallurgical Coal (US$139 million post-tax). Underlying earnings decreased by US$536 million to US$380 million.

Consistent with our accounting policies, various items are excluded from the Group's profit/(loss) to derive Underlying earnings. Total adjustments to derive Underlying EBIT (US$983 million), shown in the table below, include:

- Net impairment loss/(reversal) of non-financial assets (+US$604 million):

  Impairment expenses
  - Worsley Alumina: (+US$554 million) reflecting increased uncertainty created by the Western Australian Environmental Protection Authority's recommended conditions for the Worsley Mine Development Project approval and associated challenging operating conditions[24];
  - Cerro Matoso: (+US$264 million) reflecting structural changes in the nickel market which are expected to continue to place pressure on nickel prices and discounts for our ferronickel product;

  Impairment reversals
  - Illawarra Metallurgical Coal: (-US$197 million) following the announced sale to an entity owned by Golden Energy and Resources Pte Ltd and M Resources Pty Ltd[25]; and
  - Eagle Downs metallurgical coal project: (-US$17 million) following the announced sale to a subsidiary of Stanmore Resources Limited[26].
- Sierra Gorda (+US$155 million) and manganese joint venture adjustments (+US$129 million): to reconcile the equity accounting position to a proportional consolidation basis. This included adjustment for idle capacity and other remediation related costs (+US$93 million) at Australia Manganese as a result of Tropical Cyclone Megan;
- Significant items (+US$50 million): the Group operates a captive insurance program, in which a wholly-owned subsidiary of the Group insures a number of operations, including Australia Manganese. As a result of Tropical Cyclone Megan, we have recognised a self-insurance expense of US$50 million with a partially offsetting amount of US$30 million (South32 share) recognised within Australia Manganese and included in the manganese joint venture adjustments noted above; and
- Net impairment loss of financial assets (+US$29 million): periodic revaluation of the shareholder loan receivable from Sierra Gorda reflecting copper prices and other macroeconomic assumptions. An offsetting amount is recorded in the Sierra Gorda joint venture adjustments noted above.

Further information on these adjustments is included in Note 4 Segment information to the Financial Report, starting on page 118.

Profit/(loss) to Underlying EBITDA reconciliation[27]

US$M	FY24	FY23
Profit/(loss) before tax and net finance income/(costs) from continuing operations	**(735)**	(466)
Profit/(loss) before tax and net finance income/(costs) from a discontinued operation	**638**	664
Adjustments to derive Underlying EBIT:		
Significant items	**50**	(186)
Joint venture adjustments	**284**	291
Exchange rate (gains)/losses on the restatement of monetary items	**24**	(62)
Net impairment loss/(reversal) of financial assets	**29**	71
Net impairment loss/(reversal) of non-financial assets	**604**	1,300
(Gains)/losses on non-trading derivative instruments, contingent consideration and other investments measured at fair value through profit and loss	**(8)**	4
Total adjustments to derive Underlying EBIT	**983**	1,418
Underlying EBIT	**886**	1,616
Underlying depreciation and amortisation	**916**	918
Underlying EBITDA	**1,802**	2,534

Profit/(loss) to Underlying earnings reconciliation[27]

US$M	FY24	FY23
Profit/(loss) after tax attributable to members	**(203)**	(173)
Total adjustments to derive Underlying EBIT	**983**	1,418
Total adjustments to derive Underlying net finance costs	**(228)**	(203)
Total adjustments to derive Underlying income and royalty related tax expense	**(172)**	(126)
Underlying earnings	**380**	916

(24) Refer to market release "Worsley Alumina Approvals Update" dated 22 July 2024
(25) Refer to market release "Sale of Illawarra Metallurgical Coal" dated 29 February 2024. The consideration comprises; upfront cash consideration of US$1,050 million, payable at completion; deferred cash consideration of US$250 million, payable in 2030; and contingent price-linked cash consideration of up to US$350 million, applicable for five years from the date of completion with no annual cap. The first two years will be calculated and paid on the second anniversary of completion and annually thereafter. The contingent price-linked consideration will be calculated as 50 per cent of incremental metallurgical coal revenue from equity production, net of royalties, based on the following metallurgical coal price thresholds: Year 1: US$200/t, Year 2: US$200/t, Year 3: US$190/t, Year 4: US$180/t, Year 5: US$180/t.
(26) Refer to media release "Agreement to divest interest in Eagle Downs" dated 12 February 2024.
(27) FY23 and FY24 includes discontinued operation Illawarra Metallurgical Coal.

External factors and trends affecting the Group's result

Commodity prices and changes in product demand and supply

The Group produces metals, concentrates and ores, for which prices are driven by global demand and supply for each of these commodities. Average commodity prices were broadly lower across FY24, despite improved demand and constrained supply supporting prices for our key commodities to finish the year. The prices that the Group obtains for its products are a key driver of business performance, and fluctuations in these markets affect our results, including cash flows and shareholder returns.

Details of the impact on Underlying EBIT from changes in commodity prices are set out in the Earnings Analysis on page 47.

Exchange rates

The Group is exposed to exchange rate risk on foreign currency sales, purchases and expenses, as no active currency hedging is undertaken. As the majority of sales are denominated in US dollars, and the US dollar plays a dominant role in the Group's business, funds borrowed and held in US dollars provide a natural hedge to currency fluctuations. Operating costs and costs of locally-sourced equipment are influenced by fluctuations in local currencies, primarily the Australian dollar, South African rand, Brazilian real, Colombian peso, and Chilean peso.

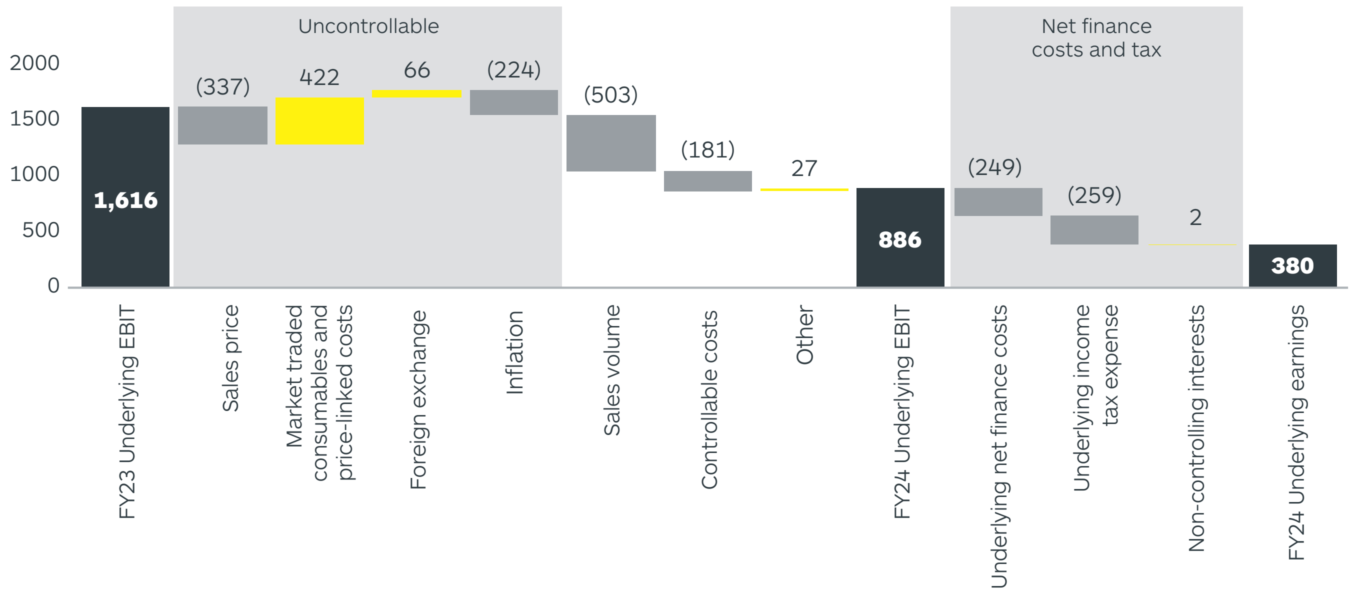
The Group is also exposed to exchange rate translation risk in relation to net monetary liabilities, being foreign currency denominated monetary assets and liabilities, including debt, tax and other long-term liabilities.

Details of the impact of foreign currency fluctuations on Underlying EBIT are set out in the Earnings Analysis on page 47.

Earnings analysis

The following key factors influenced Underlying EBIT in FY24, relative to FY23.

Reconciliation of movements in Underlying EBIT (US$M)[28][29][30]



(28) Sales price variance reflects the revenue impact of changes in commodity prices, based on the current period's sales volume. Price-linked costs variance reflects the change in royalties together with the change in input costs driven by changes in commodity prices or market traded consumables. Foreign exchange reflects the impact of exchange rate movements on local currency denominated costs and sales. Sales volume variance reflects the revenue impact of sales volume changes, based on the comparative period's sales prices. Controllable costs variance represents the impact from changes in the Group's controllable local currency cost base, including the variable cost impact of production volume changes on expenditure, and period-on-period movements in inventories. The controllable cost variance excludes earnings adjustments including significant items.

(29) Underlying net finance costs and Underlying income tax expense are actual FY24 results, not year-on-year variances.

(30) South32's ownership shares of operations are presented as follows: Worsley Alumina (86 per cent share), Brazil Alumina (36 per cent share), Brazil Aluminium (40 per cent share), Hillside Aluminium (100 per cent), Mozal Aluminium (63.7 per cent share), Sierra Gorda (45 per cent share), Cannington (100 per cent), Hermosa (100 per cent), Cerro Matoso (99.9 per cent share), Illawarra Metallurgical Coal (100 per cent), Australia Manganese (60 per cent share), South Africa Manganese ore (54.6 per cent share) and South Africa Manganese alloy (60 per cent share).

Earnings Analysis	US$M	Commentary
FY23 Underlying EBIT	**1,616**	
Change in sales price	(337)	Lower average realised prices for our commodities, including: Aluminium (-US$169 million) Nickel (-US$143 million) Manganese (-US$103 million) Metallurgical coal (-US$26 million) and energy coal (-US$21 million) Partially offset by higher average realised prices for copper (+US$48 million), silver (+US$42 million), and alumina (+US$21 million)
Net impact of price-linked costs	422	Lower aluminium smelter raw material input prices (+US$147 million), including pitch and coke Lower caustic soda prices at Worsley Alumina (+US$83 million) and Brazil Alumina (+US$32 million) Lower price-linked royalties (+US$72 million) Lower coal and diesel prices (+US$31 million) Lower freight and distribution costs (+US$28 million) Lower electricity prices at Illawarra Metallurgical Coal (+US$20 million)
Change in exchange rates	66	Weaker Australian dollar (+US$58 million), and South African rand (+US$54 million) Partially offset by a stronger Colombian peso (-US$39 million) and Brazilian real (-US$12 million)
Change in inflation	(224)	Inflation-linked indexation of our Southern African aluminium smelter electricity prices (-US$46 million) General inflation across Australia (-US$87 million), South America (-US$54 million) and Southern Africa (-US$36 million)
Change in sales volume	(503)	Lower volumes at Illawarra Metallurgical Coal (-US$373 million), Australia Manganese (-US$159 million) and Sierra Gorda (-US$85 million) Partially offset by higher volumes at Brazil Aluminium (+US$84 million), Cannington (+US$33 million), Brazil Alumina (+US$24 million) and South Africa Mananganese (+US$8 million)
Controllable costs	(181)	Inventory and volume related movements (-US$184 million) primarily due to a drawdown in inventories to support higher sales volumes in our aluminium value chain A planned workforce payment at Sierra Gorda (-US$20 million), following the finalisation of a new, three-year industrial agreement Higher contractor and maintenance costs (-US$14 million) including at Sierra Gorda, Hillside Aluminium and Mozal Aluminium Partially offset by lower energy costs at Sierra Gorda (+US$18 million), following the transition to cost efficient, 100 per cent renewable energy supply Lower consumable and maintenance costs at Cerro Matoso (+US$15 million) as we optimised our maintenance activity
Other	27	Remediation costs and idle capacity losses at Australia Manganese (+US$93 million), reclassified as a significant item in accordance with our accounting policies Higher third party product EBIT (+US$12 million) Partially offset by our share of the loss from Mineração Rio do Norte (MRN) due to lower bauxite prices (-US$36 million) and asset write-offs (-US$34 million) including at Australia Manganese due to Tropical Cyclone Megan
FY24 Underlying EBIT	**886**	

Net finance income/(costs)

The Group's FY24 Underlying net finance costs of US$249 million primarily comprise the unwinding of the discount applied to our closure and rehabilitation provisions (US$165 million), interest on lease liabilities (US$59 million) largely for our multi-fuel co-generation facility at Worsley Alumina, and interest on our US$700 million of senior unsecured notes (US$31 million) issued in H2 FY22 to partly fund the Sierra Gorda acquisition.

Underlying net finance costs reconciliation[31]

US$M	FY24	FY23
Unwind of discount applied to closure and rehabilitation provisions	**(165)**	(113)
Interest on lease liabilities	**(59)**	(56)
Interest on senior unsecured notes	**(31)**	(31)
Change in discount rate on closure and rehabilitation provisions	**8**	—
Other	**(2)**	12
Underlying net finance costs	**(249)**	(188)
Add back earnings adjustment for exchange rate variations on net debt	**8**	8
Joint venture adjustments[32]	**220**	195
Total adjustments to derive Underlying net finance costs	**228**	203
Remove net finance costs from a discontinued operation	**10**	7
Net finance income/(costs)	**(11)**	22

Tax expense

The Group's Underlying income tax and royalty related taxation expense, which includes our material EAIs, decreased by US$253 million to US$259 million in FY24, for an Underlying effective tax rate (ETR) of 38.8 per cent (FY23: 36.1 per cent). Our Group Underlying ETR reflects the corporate tax rates[33] and royalty related taxes[34] of the jurisdictions in which we operate and our geographical earnings mix.

The Underlying ETR for our manganese business was 71.3 per cent in FY24, including the royalty related tax[34] at Australia Manganese, reflecting the derecognition of certain deferred tax assets and reduced profitability as operations at Australia Manganese were temporarily suspended following Tropical Cyclone Megan. The Underlying ETR for our Sierra Gorda EAI was 0 per cent in FY24, as royalty related tax[34] was offset by the recognition of deferred tax assets on carry-forward tax losses.

Underlying income tax and royalty related taxation expense reconciliation[31]

US$M	FY24	FY23
Underlying EBIT	**886**	1,616
Include: Underlying net finance costs	**(249)**	(188)
Remove: Share of (profit)/loss of EAIs	**31**	(11)
Underlying profit/(loss) before tax	**668**	1,417
Income tax expense/(benefit) from continuing operations	**(106)**	174
Income tax expense/(benefit) from a discontinued operation	**193**	212
Tax effect of other adjustments to derive Underlying EBIT	**122**	(3)
Tax effect of other adjustments to derive Underlying net finance costs	**(2)**	(3)
Exchange rate variations on tax balances	**(20)**	4
Significant items	**15**	(23)
Joint venture adjustments relating to income tax[32]	**21**	96
Joint venture adjustments relating to royalty related tax[32]	**36**	55
Total adjustments to derive Underlying income tax (expense)/benefit	**172**	126
Underlying income tax (expense)/benefit	**259**	512
Underlying effective tax rate	**38.8%**	36.1%

(31) FY23 and FY24 includes discontinued operation Illawarra Metallurgical Coal.
(32) The underlying information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. The joint venture adjustments reconcile the proportional consolidation to the equity accounting position included in the Group's consolidated financial statements.
(33) The corporate tax rates of the geographies where the Group operates include: Australia 30 per cent, South Africa 27 per cent, Colombia 35 per cent, Mozambique 0 per cent, Brazil 34 per cent and Chile 27 per cent.
(34) Australia Manganese is subject to a royalty related tax equal to 20 per cent of adjusted EBIT. Sierra Gorda is subject to a royalty related tax based on the amount of copper sold and the mining operating margin, the rate is between 5 per cent and 14 per cent for annual sales over 50kt of refined copper. These royalties are included in Underlying tax expense.

Cash flow

Group free cash flow from operations, excluding EAIs, was an outflow of US$80 million in FY24, reflecting lower commodity prices and metallurgical coal volumes, and our investment in productivity, improvement and growth projects. Group free cash flow for the year reflected a significant uplift in H2 FY24 (H2 FY24: +US$397 million, H1 FY24: -US$477 million), supported by improved operating performance, higher commodity prices, and an unwind of working capital (H2 FY24: US$182 million unwind, H1 FY24: US$276 million build).

Group capital expenditure, excluding EAIs, increased by US$186 million to US$1,080 million as we invested in critical path infrastructure and studies at our Hermosa project and additional ventilation capacity at Illawarra Metallurgical Coal.

Group cash tax paid, excluding EAIs, decreased by US$595 million to US$223 million as cash tax normalised following one-off portfolio related payments in the prior period.

Separately, we received net distributions[35] of US$53 million from our manganese and Sierra Gorda EAIs. Net distributions from our manganese EAI reflected US$30 million of initial funding provided to Australia Manganese to support recovery plans.

Free cash flow from operations excluding EAIs

US$M	FY24	FY23
Profit/(loss) from continuing and discontinued operations	**(97)**	198
Non-cash or non-operating items	**1,408**	1,852
Share of (profit)/loss from EAIs	**60**	(246)
Change in working capital	**(94)**	10
Cash generated from operations	**1,277**	1,814
Total capital expenditure, excluding EAIs, including intangibles and capitalised exploration	**(1,080)**	(894)
Operating cash flows generated from operations after capital expenditure	**197**	920
Net interest paid[36]	**(54)**	(45)
Income tax paid	**(223)**	(818)
Free cash flow from operations	**(80)**	57

Working capital movement

US$M	FY24	Commentary
Trade and other receivables	**(120)**	Timing of shipments and higher commodity prices in Q4 FY24
Inventories	**27**	Drawdown of aluminium inventory in H2 FY24
Trade and other payables	**(7)**	
Provisions and other liabilities	**6**	
Total working capital movement	**(94)**	

(35) FY24 net distributions from our material equity accounted joint ventures comprises of dividends (+US$90 million), initial funding (-US$30 million) to Australia Manganese to support recovery plans, a net drawdown of shareholder loans (-US$34 million) from manganese and a distribution (+US$27 million) from Sierra Gorda. The distribution from Sierra Gorda comprised a repayment of US$27 million of accrued interest.
(36) Net interest paid excludes distributions from material equity accounted investments.

Capital expenditure

The Group's capital expenditure[37], excluding EAIs, increased by US$186 million to US$1,080 million in FY24 as we continued our investment in productivity, improvement and growth projects:

- Safe and reliable capital expenditure (US$266 million), including Illawarra Metallurgical Coal (US$337 million), increased by US$133 million to US$603 million, reflecting elevated capital expenditure at Illawarra Metallurgical Coal for additional ventilation capacity;
- Improvement and life extension capital expenditure increased by US$6 million to US$64 million as we completed energy transition projects at Worsley Alumina and progressed the De-bottlenecking Phase Two project at Brazil Alumina;
- Growth capital expenditure increased by US$116 million to US$372 million at Hermosa, as we installed critical path infrastructure and progressed studies and permitting for Taylor and Clark; and
- Intangibles and capitalised exploration expenditure was US$33 million, as we completed multiple exploration programs across our portfolio focused on base metals.

Our share of capital expenditure for our material EAIs increased by US$46 million to US$329 million in FY24:

- Capital expenditure for our manganese EAIs increased by US$25 million to US$109 million, as South Africa Manganese continued work to access new mining areas and improve rail efficiencies, and Australia Manganese progressed construction of the Eastern Leases South life extension project, prior to the suspension of operations due to Tropical Cyclone Megan; and
- Capital expenditure for our Sierra Gorda EAI increased by US$21 million to US$220 million, as the operation continued its investment in deferred stripping, additional tailing storage infrastructure, plant de-bottlenecking, and the feasibility study for the fourth grinding line expansion project.

Capital expenditure (South32 share)[37] [38]

US$M	FY24	FY23
Safe and reliable capital expenditure	**(266)**	(228)
Improvement and life extension capital expenditure	**(64)**	(58)
Growth capital expenditure	**(372)**	(256)
Intangibles and the capitalisation of exploration expenditure	**(33)**	(95)
Discontinued operation - Illawarra Metallurgical Coal	**(345)**	(257)
Total capital expenditure (excluding EAIs)	**(1,080)**	(894)
EAIs capital expenditure	**(329)**	(283)
Total capital expenditure (including EAIs)	**(1,409)**	(1,177)

Balance sheet

The Group finished the period with net debt of US$762 million. Net debt reduced by US$329 million in H2 FY24, supported by improved operating performance, higher commodity prices and an unwind of working capital to finish the year.

The sale of Illawarra Metallurgical Coal will further enhance the Group's balance sheet strength and flexibility and unlock capital to invest in our high-quality development projects and growth options in base metals.

We continue to prioritise a strong balance sheet and investment grade credit rating through the cycle. Our current BBB+/Baa1 credit ratings were re-affirmed by S&P Global Ratings and Moody's, respectively, during FY24. We also retain access to significant liquidity, having successfully extended our undrawn sustainability-linked revolving credit facility of US$1.4 billion to December 2027 and US$1.3 billion to December 2028.

Net debt

US$M	FY24	FY23
Cash and cash equivalents	**842**	1,258
Lease liabilities	**(710)**	(674)
Other interest bearing liabilities	**(894)**	(1,067)
Net debt[(a)]	**(762)**	(483)

(a) Net debt includes Illawarra Metallurgical Coal and Eagle Downs metallurgical coal which are classified as held for sale.

(37) Total capital expenditure comprises Capital expenditure, capitalised exploration and evaluation expenditure and the purchase of intangibles. Capital expenditure comprises safe and reliable capital expenditure, improvement and life extension capital expenditure (including decarbonisation), and growth capital expenditure.

(38) South32's ownership shares of operations are presented as follows: Worsley Alumina (86 per cent share), Brazil Alumina (36 per cent share), Brazil Aluminium (40 per cent share), Hillside Aluminium (100 per cent), Mozal Aluminium (63.7 per cent share), Sierra Gorda (45 per cent share), Cannington (100 per cent), Hermosa (100 per cent), Cerro Matoso (99.9 per cent share), Illawarra Metallurgical Coal (100 per cent), Australia Manganese (60 per cent share), South Africa Manganese ore (54.6 per cent share) and South Africa Manganese alloy (60 per cent share).

OUTLOOK

Production

We achieved 98 per cent of revised FY24 copper equivalent production guidance[39], as we set consecutive annual production records at Hillside Aluminium and South Africa Manganese, and lifted production at Cannington by 10 per cent despite adverse weather impacts.

In FY25, we expect to increase our low-carbon aluminium[40] production by 17 per cent as Brazil Aluminium continues to ramp up and Mozal Aluminium delivers its recovery plan, and lift copper production by 15 per cent as Sierra Gorda realises higher planned grades.

Australia Manganese has commenced a phased mining restart with mining activity expected to increase to support a planned build in stockpiles ahead of the wet season. Wharf operations are expected to recommence in Q3 FY25, subject to maintaining construction productivity during the wet season.

Production guidance (South32 share)[41]

	FY24	FY25e[(a)]	FY26e[(a)]	Key guidance assumptions
Worsley Alumina				
Alumina production (kt)	3,777	**3,750**	**3,750**	Constrained bauxite inventories in FY25 and FY26
Brazil Alumina (non-operated)				
Alumina production (kt)	1,286	**1,350**	**1,380**	Improved plant stability and realisation of benefits from the De-bottlenecking Phase Two project
Brazil Aluminium (non-operated)				
Aluminium production (kt)	104	**130**	**160**	Ramping up across all three potlines
Hillside Aluminium				
Aluminium production (kt)	720	**720**	**720**	Expected to continue to test its maximum technical capacity
Mozal Aluminium[(40)]				
Aluminium production (kt)	314	**360**	**370**	Execution of operational recovery plan and return to nameplate capacity in H1 FY26
Sierra Gorda (non-operated)				
Ore processed (Mt)	21.9	**21.8**	**22.0**	Expected to increase copper equivalent production by 15 per cent in FY25 and a further 2 per cent in FY26, with the continued benefit of the plant de-bottlenecking project and higher planned copper grades
Payable copper equivalent production (kt)	73.5	**84.8**	**86.1**	
Payable copper production (kt)	60.8	**70.0**	**74.0**	
Payable molybdenum production (kt)	0.9	**1.3**	**1.0**	
Payable gold production (koz)	24.6	**25.0**	**20.0**	
Payable silver production (koz)	607	**550**	**600**	
Cannington				
Ore processed (kdmt)	2,221	**2,100**	**2,200**	Increased underground mine complexity and rebuild of run of mine stocks in FY25
Payable zinc equivalent production (kt)	302.5	**265.4**	**282.2**	
Payable silver production (koz)	12,666	**11,300**	**12,000**	
Payable lead production (kt)	112.4	**100.0**	**110.0**	
Payable zinc production (kt)	60.7	**50.0**	**50.0**	
Cerro Matoso				
Ore processed (kdmt)	2,774	**2,750**	**Subject to review**	Lower planned nickel grades in FY25
Payable nickel production (kt)	40.6	**35.0**		FY26 production guidance is not provided, subject to strategic review
Australia Manganese				
Manganese ore production (kwmt)	2,324	**1,000**	**3,200**	Mining activity to increase across FY25 and FY26 as we implement the operational recovery plan
South Africa Manganese				
Manganese ore production (kwmt)	2,175	**2,000**	**2,000**	Continued use of higher cost trucking to optimise sales volumes

	FY24	FY25e[(a)]	Key guidance assumptions
Illawarra Metallurgical Coal			
Total coal production (kt)	4,938		Guidance not provided, with the Transaction expected to complete on 29 August 2024
Metallurgical coal production (kt)	4,305	**N/A**	
Energy coal production (kt)	633		

(a) The denotation (e) refers to an estimate or forecast year.

(39) Group payable copper equivalent production based on FY24 production guidance, calculated by applying FY23 realised prices for all operations.
(40) Refers to aluminium produced in a process that results in less than 4t CO_2-e Scope 1 and Scope 2 GHG emissions per tonne of aluminium.
(41) South32's ownership shares of operations are presented as follows: Worsley Alumina (86 per cent share), Brazil Alumina (36 per cent share), Brazil Aluminium (40 per cent share), Hillside Aluminium (100 per cent), Mozal Aluminium (63.7 per cent share), Sierra Gorda (45 per cent share), Cannington (100 per cent), Hermosa (100 per cent), Cerro Matoso (99.9 per cent share), Illawarra Metallurgical Coal (100 per cent), Australia Manganese (60 per cent share), South Africa Manganese ore (54.6 per cent share) and South Africa Manganese alloy (60 per cent share).

Costs and capital expenditure

Operating unit costs guidance

Operating unit costs were in line with guidance across our operations in FY24, as we continued our focus on disciplined cost management. This focus, combined with the benefit of lower raw material input prices in our aluminium value chain, resulted in a 2 per cent reduction in our total cost base in FY24[42].

Looking forward, we remain focused on delivering further cost efficiencies to mitigate industry-wide inflationary pressure and lower planned volumes at certain operations in FY25.

While Operating unit cost guidance is not provided for our aluminium smelters, their cost profile will continue to be influenced by producer currencies, and the price of raw material inputs and energy. FY25 Operating unit costs for Brazil Aluminium and Mozal Aluminium are expected to benefit from planned production growth of 25 per cent and 15 per cent, respectively.

Operating unit cost[43]

	FY24	H1 FY24	H2 FY24	FY25e[a][b]	Key guidance assumptions
Worsley Alumina (US$/t)	269	258	280	**290**	Constrained bauxite supply, higher caustic soda prices and price-linked royalties
Brazil Alumina (non-operated) (US$/t)	323	325	320	**Not provided**	Will continue to be influenced by the price of raw material inputs and energy
Brazil Aluminium (non-operated) (US$/t)	3,500	4,025	3,160	**Not provided**	To benefit from a planned 25 per cent increase in production in FY25, and continue to be influenced by the price of raw material inputs and energy
Hillside Aluminium (US$/t)	2,115	2,135	2,097	**Not provided**	Will continue to be influenced by the price of raw material inputs, the South African rand and inflation-linked energy costs
Mozal Aluminium (US$/t)	2,371	2,461	2,238	**Not provided**	To benefit from a planned 15 per cent increase in production in FY25, and continue to be influenced by the price of raw material inputs and energy
Sierra Gorda (non-operated) (US$/t)[c]	17.0	18.8	15.2	**16.0**	Moderation in labour costs following the prior period's workforce payment
Cannington (US$/t)[c]	154	150	159	**170**	Lower planned mill throughput
Cerro Matoso (US$/lb)	5.10	5.57	4.73	**5.65**	Lower planned nickel grades, partially offset by lower price-linked royalties and a weaker Colombian peso
Australia Manganese (US$/dmtu, FOB)	2.32	2.15	N/A	**Not provided**	Subject to operational recovery plan and volumes in H2 FY25
South Africa Manganese (US$/dmtu, FOB)	2.67	2.59	2.78	**3.00**	Higher price-linked royalties and in-land logistics costs

(a) FY25e Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY25, including: an alumina price of US$480/t; a manganese ore price of US$7.80/dmtu for 44 per cent manganese product; a nickel price of US$7.50/lb; a silver price of US$27.8/troy oz; a lead price of US$2,070/t (gross of treatment and refining charges); a zinc price of US$2,750/t (gross of treatment and refining charges); a copper price of US$4.40/lb (gross of treatment and refining charges); a molybdenum price of US$17.50/lb (gross of treatment and refining charges); a gold price of US$2,300/troy oz; an AUD:USD exchange rate of 0.65; a USD:ZAR exchange rate of 18.50; a USD:COP exchange rate of 4,100; USD:CLP exchange rate of 900; and a reference price for caustic soda; which reflect forward markets as at August 2024 or our internal expectations.

(b) The denotation (e) refers to an estimate or forecast year.

(c) US dollar per tonne of ore processed. Periodic movements in finished product inventory may impact Operating unit costs.

(42) The Group's total adjusted cost base of US$6,018M for FY24 (FY23: US$6,142 million) which excludes third party product costs

(43) Operating unit cost is Underlying revenue less Underlying EBITDA, excluding third party products and services, divided by sales volumes. Operating cost is Underlying revenue less Underlying EBITDA excluding third party products and services. Manganese Australia FY24 average manganese content of external ore sales was 42.4 per cent on a dry basis (FY23: 43.8 per cent). 98 per cent of FY24 external manganese ore sales (FY23: 96 per cent) were completed on a CIF basis. FY24 realised FOB ore prices and Operating unit costs have been adjusted for freight and marketing costs of US$42 million (FY23: US$62 million), consistent with our FOB cost guidance. Manganese South Africa FY24 average manganese content of external ore sales was 38.8 per cent on a dry basis (FY23: 39.1 per cent). 89 per cent of FY24 external manganese ore sales (FY23: 88 per cent) were completed on a CIF basis. FY24 realised FOB ore prices and Operating unit costs have been adjusted for freight and marketing costs of US$28 million (FY23: US$61 million), consistent with our FOB cost guidance.

Capital expenditure guidance (excluding exploration and intangibles)

FY25 Group capital expenditure, excluding EAIs, is expected to decrease by US$52 million to US$990 million, reflecting lower sustaining capital expenditure with the divestment of Illawarra Metallurgical Coal, partially offset by higher growth capital expenditure at Hermosa as we progress construction of Taylor and the exploration decline for Clark:

- Safe and reliable: expected to decrease by US$293 million to US$310 million following the divestment of Illawarra Metallurgical Coal;
- Improvement and life extension: expected to increase by US$13 million to US$80 million, as we complete work for new mining areas and decarbonisation projects at Worsley Alumina; and
- Growth: expected to increase by US$228 million to US$600 million at Hermosa, as we construct infrastructure for Taylor (~US$530 million), progress studies and key infrastructure for Clark (~US$40 million) and complete work across the broader project (~US$30 million).

FY25 capital expenditure for our material EAIs is expected to increase by US$70 million to US$385 million, as we invest to support the resumption of operations at Australia Manganese and advance projects to grow future copper volumes at Sierra Gorda:

- Manganese EAIs: expected to increase by US$67 million to US$175 million as we invest US$125 million at Australia Manganese to repair and install critical infrastructure, including the wharf and a critical bridge. Our insurers have confirmed that the damage caused by Tropical Cyclone Megan is covered under our property damage and business interruption insurance. We are continuing to work with our insurers to assess the timing and value of recoveries under these policies; and
- Sierra Gorda: expected to be largely unchanged at US$210 million as we continue to invest in deferred stripping and additional tailings capacity. We expect to update guidance following a final investment decision for the fourth grinding line expansion, planned for H1 FY25.

Capital expenditure excluding exploration and intangibles (South32 share)[44]

US$M	FY24	FY25e[(a)]
Worsley Alumina	69	**90**
Brazil Alumina	58	**60**
Brazil Aluminium	8	**10**
Hillside Aluminium	38	**60**
Mozal Aluminium	22	**25**
Cannington	37	**45**
Cerro Matoso	34	**20**
Illawarra Metallurgical Coal	337	**—[(b)]**
Safe and reliable capital expenditure (excluding EAIs)	603	**310**
Worsley Alumina	37	**45**
Brazil Alumina	22	**3**
Other operations	8	**32**
Improvement and life extension capital expenditure (excluding EAIs)	67	**80**
Hermosa	372	**600**
Growth capital expenditure	372	**600**
Total capital expenditure (excluding EAIs)	1,042	**990**
Total capital expenditure (including EAIs)	1,357	**1,375**

Capital expenditure for EAIs excluding exploration and intangibles (South32 share)[44]

US$M	FY24	FY25e[(a)]
Sierra Gorda	175	**185**
Australia Manganese	39	**125**
South Africa Manganese	31	**35**
Safe and reliable capital expenditure (EAIs)	245	**345**
Sierra Gorda	32	**25[(c)]**
Australia Manganese	26	**–**
South Africa Manganese	12	**15**
Improvement and life extension capital expenditure (EAIs)	70	**40**
Total capital expenditure (EAIs)	315	**385**

(a) The denotation (e) refers to an estimate or forecast year.
(b) FY25 capital expenditure guidance is not provided for Illawarra Metallurgical Coal, with the sale expected to complete on 29 August 2024.
(c) We expect to update FY25 capital expenditure guidance following a final investment decision for the fourth grinding line project, planned for H1 FY25.

(44) South32's ownership shares of operations are presented as follows: Worsley Alumina (86 per cent share), Brazil Alumina (36 per cent share), Brazil Aluminium (40 per cent share), Hillside Aluminium (100 per cent), Mozal Aluminium (63.7 per cent share), Sierra Gorda (45 per cent share), Cannington (100 per cent), Hermosa (100 per cent), Cerro Matoso (99.9 per cent share), Illawarra Metallurgical Coal (100 per cent), Australia Manganese (60 per cent share), South Africa Manganese ore (54.6 per cent share) and South Africa Manganese alloy (60 per cent share).

Capitalised exploration guidance

FY25 Group capitalised exploration, including EAIs, is expected to be US$50 million as we continue base metals exploration programs across our portfolio. This includes exploration programs at our Hermosa project as we continue to test the Peake copper deposit[45], and at Sierra Gorda's Catabela Northeast copper porphyry exploration prospect.

Capitalised exploration (South32 share)[46]

US$M	FY24	FY25e(a)
Capitalised exploration (excluding EAIs)	34	**40**
EAIs capitalised exploration	14	**10**
Capitalised exploration (including EAIs)	48	**50**

(a) The denotation (e) refers to an estimate or forecast year.

Other expenditure guidance

Other expenditure items presented below are on a proportional consolidation basis including our manganese and Sierra Gorda EAIs.

	FY24	FY25e(a)	Commentary
Group and unallocated expense in Underlying EBIT (excluding Hermosa, greenfield exploration and third party products and services EBIT) (US$M)	96	**100**	Reflects a normalised run-rate
Hermosa expenses included in Underlying EBIT (US$M)	24	**30**	Work across the broader Hermosa project
Underlying depreciation and amortisation (US$M)	916	**810**	Reflects divestment of Illawarra Metallurgical Coal
Underlying net finance costs (US$M)	249	**190**	Reflects divestment of Illawarra Metallurgical Coal
Greenfield exploration (US$M)	27	**30**	Greenfield exploration activity targeting base metals in highly prospective regions

(a) The denotation (e) refers to an estimate or forecast year.

(45) Exploration Results and Exploration Targets: The information in this announcement that relates to the Exploration Results and Targets for Taylor, Clark, Peake and Flux is extracted from the market release "Final investment approval to develop Hermosa's Taylor deposit" dated 15 February 2024. The information was prepared by D Bertuch, Competent Person in accordance with the requirements of the JORC Code. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially changed from the original market announcement.

(46) South32's ownership shares of operations are presented as follows: Worsley Alumina (86 per cent share), Brazil Alumina (36 per cent share), Brazil Aluminium (40 per cent share), Hillside Aluminium (100 per cent), Mozal Aluminium (63.7 per cent share), Sierra Gorda (45 per cent share), Cannington (100 per cent), Hermosa (100 per cent), Cerro Matoso (99.9 per cent share), Illawarra Metallurgical Coal (100 per cent), Australia Manganese (60 per cent share), South Africa Manganese ore (54.6 per cent share) and South Africa Manganese alloy (60 per cent share).

OPERATION ANALYSIS

A summary of the underlying performance of the Group's operations is presented below and a more detailed analysis is presented on pages 56 to 66. Unless otherwise stated: all metrics reflect South32's share; Operating unit cost is Underlying revenue less Underlying EBITDA excluding third party products and services divided by sales volumes; Operating cost is Underlying revenue less Underlying EBITDA excluding third party products and services; and Realised sales price is calculated as Underlying revenue excluding third party products and services divided by sales volume.

Operations table (South32 share)[47][48]

	Underlying revenue		Underlying EBIT	
US$M	FY24	FY23	FY24	FY23
Worsley Alumina	**1,356**	1,363	**131**	68
Brazil Alumina	**484**	456	**(11)**	(45)
Brazil Aluminium	**242**	166	**(121)**	(136)
Hillside Aluminium	**1,720**	1,823	**130**	191
Mozal Aluminium	**812**	886	**(30)**	56
Sierra Gorda	**647**	684	**143**	217
Cannington	**631**	542	**206**	142
Hermosa	**–**	–	**(28)**	(19)
Cerro Matoso	**556**	698	**35**	189
Australia Manganese	**436**	688	**61**	266
South Africa Manganese	**343**	344	**45**	45
Third party products and services[49]	**388**	399	**7**	12
Inter-segment / Group and unallocated	**(780)**	(782)	**(123)**	*(84)*
South32 Group (excluding Illawarra Metallurgical Coal)	**6,835**	7,267	**445**	902
Illawarra Metallurgical Coal[50]	**1,461**	*1,783*	**441**	*714*
South32 Group	**8,296**	9,050	**886**	1,616

(47) South32's ownership shares of operations are presented as follows: Worsley Alumina (86 per cent share), Brazil Alumina (36 per cent share), Brazil Aluminium (40 per cent share), Hillside Aluminium (100 per cent), Mozal Aluminium (63.7 per cent share), Sierra Gorda (45 per cent share), Cannington (100 per cent), Hermosa (100 per cent), Cerro Matoso (99.9 per cent share), Illawarra Metallurgical Coal (100 per cent), Australia Manganese (60 per cent share), South Africa Manganese ore (54.6 per cent share) and South Africa Manganese alloy (60 per cent share).
(48) Figures in Italics indicate that an adjustment has been made since the figures were previously reported.
(49) FY24 Third party products and services sold comprise US$170 million for aluminium, US$3 million for alumina, US$79 million for freight services, US$102 million for raw materials and US$34 million for manganese. Underlying EBIT on third party products and services comprise nil for aluminium, US$10 million for alumina, US$(2) million for freight services, US$(1) milllion for raw materials and nil for manganese. FY23 Third party products and services sold comprise US$86 million for aluminium, US$25 million for alumina, US$106 million for freight services, US$149 million for raw materials and US$33 million for manganese. Underlying EBIT on third party products and services comprise US$(1) million for aluminium, US$13 million for alumina, US$(1) million for freight services, US$1 million for raw materials and nil for manganese.
(50) Illawarra Metallurgical Coal's FY24 and restated FY23 underlying results include third party product and services. FY24 Third party products and services sold was US$237 million and Underlying EBIT was US$28 million. FY23 Third party products and services sold was US$140 million and Underlying EBIT was US$11 million.

WORSLEY ALUMINA

Location: **Western Australia, Australia**
South32 share: **86 per cent**

Worsley Alumina is an integrated bauxite mining and alumina refining operation in the South West of Western Australia. Alumina from Worsley Alumina is exported to our Hillside Aluminium and Mozal Aluminium smelters and other smelters around the world.

South32 holds an 86 per cent share in Worsley Alumina, while Japan Alumina Associates (Australia) Pty Ltd owns 10 per cent and Sojitz Alumina Pty Ltd owns four per cent.

Volumes

Worsley Alumina saleable production decreased by 2 per cent (or 62kt) to 3,777kt in FY24, as a temporary outage of the bauxite conveyor impacted bauxite supply to the refinery in Q4 FY24. Production is expected to be 3,750kt across FY25 and FY26 as we manage bauxite inventories due to delays in regulatory approvals for new mining areas, and complete additional conveyor maintenance. The refinery is expected to operate at nameplate capacity of 4.6Mtpa (100 per cent basis) from FY27, subject to the receipt of approvals for new mining areas.

On 8 July 2024, the WA Environmental Protection Authority (WA EPA) published its recommendation that the Worsley Mine Development Project be approved, subject to conditions. If imposed in their current form, several conditions would create significant operating challenges. We have lodged an appeal in relation to the WA EPA assessment report, and continue to work collaboratively with the Western Australian Government to enable Worsley Alumina to continue to meet the State's robust environmental standards. We are aiming to secure the required environmental approvals by the end of CY24.

Operating costs

Operating unit costs decreased by 8 per cent, to US$269/t in FY24, as lower caustic soda prices (FY24: US$460/t, FY23: US$659/t), freight rates and a weaker Australian dollar, more than offset higher energy costs as we converted the first two coal-fired boilers to natural gas.

We expect FY25 Operating unit costs to increase by 8 per cent, to US$290/t, due to the impact of constrained bauxite supply, higher caustic soda prices (FY25e: ~US$500/t) and price-linked royalties[(51)].

Financial performance

Underlying EBIT increased by 93 per cent (or US$63 million), to US$131 million in FY24, as higher average alumina prices (+US$11 million), lower caustic soda costs (+US$81 million) and freight rates on sales (+US$18 million), more than offset lower sales volumes (-US$18 million) and higher energy costs (-US$8 million).

Capital expenditure

Safe and reliable capital expenditure increased by US$20 million to US$69 million in FY24 and is expected to be US$90 million in FY25 as we continue our investment in infrastructure to access new mining areas and additional bauxite residue disposal capacity.

Improvement and life extension capital expenditure increased by US$4 million to US$37 million in FY24 and is expected to be US$45 million in FY25 as we progress the Worsley Mine Development Project and decarbonisation projects at the refinery.

Safety	FY24	FY23
Lost Time Injury Frequency (LTIF)	**1.6**	0.6
Total Recordable Injury Frequency (TRIF)	**8.0**	8.6

South32 share	FY24	FY23
Alumina production (kt)	**3,777**	3,839
Alumina sales (kt)	**3,767**	3,817
Realised alumina sales price (US$/t)	**360**	357
Operating unit cost (US$/t)	**269**	291

South32 share (US$M)	FY24	FY23
Underlying revenue	**1,356**	1,363
Underlying EBITDA	**324**	251
Underlying EBIT	**131**	68
Net operating assets	**1,813**	2,457
Capital expenditure	**106**	82
Safe and reliable	**69**	49
Improvement and life extension	**37**	33
Social Investment	**0.9**	1.1

(51) FY25 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY25, including: an alumina price of US$480/t; a manganese ore price of US$7.80/dmtu for 44 per cent manganese product; a nickel price of US$7.50/lb; a silver price of US$27.8/troy oz; a lead price of US$2,070/t (gross of treatment and refining charges); a zinc price of US$2,750/t (gross of treatment and refining charges); a copper price of US$4.40/lb (gross of treatment and refining charges); a molybdenum price of US$17.50/lb (gross of treatment and refining charges); a gold price of US$2,300/troy oz; an AUD:USD exchange rate of 0.65; a USD:ZAR exchange rate of 18.50; a USD:COP exchange rate of 4,100; USD:CLP exchange rate of 900; and a reference price for caustic soda; which reflect forward markets as at August 2024 or our internal expectations.

BRAZIL ALUMINA

Location: **Pará and Maranhão, Brazil**
South32 investment: **Bauxite - 33 per cent**
South32 share: **Alumina - 36 per cent**

Brazil Alumina includes the non-operated Mineração Rio do Norte (MRN) bauxite mine and the non-operated Alumar alumina refinery. Our share of bauxite produced from MRN is supplied to the Alumar refinery. The alumina produced from Alumar refinery is supplied to the co-located Alumar aluminium smelter and exported to other smelters around the world.

South32 holds a 33 per cent interest in MRN. Glencore holds 45 per cent and Rio Tinto Alcan holds 22 per cent. We also hold a 36 per cent share of the Alumar alumina refinery. Alcoa holds 54 per cent and Rio Tinto Alcan holds 10 per cent.

Volumes

Brazil Alumina saleable production increased by 2 per cent (or 24kt) to 1,286kt in FY24, with improved plant availability in H2 FY24. Production is expected to increase by 5 per cent to 1,350kt in FY25 and a further 2 per cent to 1,380kt in FY26 as the refinery begins to realise the benefits of the De-bottlenecking Phase Two project.

Operating costs

Operating unit costs decreased by 12 per cent, to US$323/t in FY24, as the refinery delivered improved volumes and benefitted from lower prices for caustic soda (FY24: US$469/t, FY23: US$722/t), coal-linked energy, and bauxite from MRN linked to alumina and aluminium prices on a trailing basis.

While Operating unit cost guidance is not provided for this non-operated facility, we expect FY25 Operating unit costs to benefit from higher planned volumes and a further reduction in energy prices.

Financial performance

Underlying EBIT improved by US$34 million, to a loss of US$11 million in FY24, as higher sales volumes (+US$16 million) and average realised alumina prices (+US$12 million), together with lower prices for caustic soda (+US$32 million), energy (+US$28 million) and bauxite (+US$9 million), more than offset a stronger Brazilian real (-US$4 million).

Our share of the loss from our equity interest in MRN was US$30 million in FY24 (FY23: profit of US$6 million), which reflected lower bauxite prices.

Capital expenditure

Safe and reliable capital expenditure increased by US$13 million to US$58 million in FY24 and is expected to be US$60 million in FY25 as we continue our investment in additional bauxite residue disposal capacity.

Improvement and life extension capital expenditure increased by US$9 million to US$22 million in FY24 as we completed key work for the refinery's De-bottlenecking Phase Two project. Our spend is expected to significantly reduce to US$3 million in FY25.

The partners of MRN continue to progress a feasibility study for the West Zone project, which has the potential to extend the life of the bauxite mine by more than 20 years[52]. A final investment decision for an enabling transmission line to connect MRN to the Brazilian power grid is anticipated during FY25. The transmission line will enable MRN to replace its current diesel-powered generation with renewable energy sources, reducing operating costs and GHG emissions.

South32 share	FY24	FY23
Alumina production (kt)	**1,286**	1,262
Alumina sales (kt)	**1,282**	1,237
Realised sales price (US$/t)	**378**	369
Operating unit cost (US$/t)(a)	**323**	368

South32 share (US$M)	FY24	FY23
Underlying revenue	**484**	456
Underlying EBITDA	**40**	7
Underlying EBIT	**(11)**	(45)
Net operating assets	**736**	738
Capital expenditure	**80**	58
Safe and reliable	**58**	45
Improvement and life extension	**22**	13

(a) Excludes the profit/(loss) from our equity interest in MRN.

(52) The information in this report that refers to production target and forecast financial information for MRN is based on Proved (8 per cent) and Probable (1 per cent) Ore Reserves and Measured (91 per cent) Mineral Resources. The Mineral Resources and Ore Reserves underpinning the Production Target have been prepared by Competent Persons in accordance with the requirement of the JORC Code and is available on pages 177 to 186. South32 confirms that all material assumptions underpinning the production target and forecast financial information derived from production target continues to apply and have not materially changed.

BRAZIL ALUMINIUM

Location: **Maranhão, Brazil**
South32 share: **40 per cent**

The Brazil Aluminium smelter was restarted during FY22 after being on care and maintenance since 2015. Brazil Aluminium produces aluminium for domestic and export markets, with alumina supplied by the co-located Alumar refinery. Our share of Brazil Aluminium production is powered by 100 per cent renewable power.

South32 holds a 40 per cent share in the non-operated Alumar aluminium smelter. Alcoa Corporation holds a 60 per cent share.

Volumes

Brazil Aluminium saleable production increased by 51 per cent (or 35kt) to 104kt in FY24, as the smelter continued to ramp up all three potlines. Production is expected to increase by 25 per cent to 130kt in FY25 and a further 23 per cent to 160kt in FY26.

Operating costs

Operating unit costs decreased by 20 per cent, to US$3,500/t in FY24, as the smelter continued to ramp up and benefitted from lower prices for smelter raw material inputs.

While Operating unit cost guidance is not provided for this non-operated facility, we expect FY25 Operating unit costs to benefit from a 25 per cent increase to production volumes as the smelter continues to ramps up.

Financial performance

Underlying EBIT improved by US$15 million, to a loss of US$121 million in FY24, as higher sales volumes (+US$84 million) and lower smelter raw material input prices (+US$26 million), more than offset lower average realised aluminium prices (-US$8 million), a stronger Brazilian real (-US$8 million), and production and inventory related costs (-US$75 million) as the smelter continued to ramp up.

Capital expenditure

Capital expenditure was US$8 million in FY24 and is expected to be US$12 million in FY25.

South32 share	FY24	FY23
Aluminium production (kt)	**104**	69
Aluminium sales (kt)	**102**	68
Realised sales price (US$/t)	**2,373**	2,452
Operating unit cost (US$/t)	**3,500**	4,357

South32 share (US$M)	FY24	FY23
Underlying revenue	**242**	166
Underlying EBITDA	**(115)**	(129)
Underlying EBIT	**(121)**	(136)
Net operating assets	**68**	28
Capital expenditure	**8**	9
Safe and reliable	**8**	9
Improvement and life extension	**–**	–

HILLSIDE ALUMINIUM

Location: **KwaZulu-Natal, South Africa**
South32 share: **100 per cent**

Hillside Aluminium is located in Richards Bay, South Africa, and is the largest aluminium smelter in the southern hemisphere. The smelter produces high-quality, primary aluminium for domestic and export markets.

Volumes

Hillside Aluminium saleable production increased by 1kt to a record 720kt in FY24, as the smelter continued to test its maximum technical capacity, despite the impact of load-shedding. Production is expected to be sustained at 720kt(53) across FY25 and FY26.

Operating costs

Operating unit costs decreased by 3 per cent, to US$2,115/t in FY24, as the smelter continued its strong operating performance and benefitted from lower prices for smelter raw material inputs, more than offsetting additional maintenance.

While Operating unit cost guidance is not provided, the cost profile of the smelter will continue to be heavily influenced by the price of smelter raw material inputs, including alumina supplied by our Worsley Alumina refinery, and other external factors including the South African rand and inflation-linked energy costs.

The smelter's electricity is supplied by Eskom under a contract to 2031, with a tariff that is South African rand based and a rate of escalation linked to the South Africa Producer Price Index. We continue to work with Eskom and other stakeholders in the South African energy sector on pathways to secure lower carbon(54) electricity supply.

Financial performance

Underlying EBIT decreased by 32 per cent (or US$61 million), to US$130 million in FY24, as lower average realised aluminium prices (-US$107 million) and maintenance costs (-US$9 million), more than offset lower prices for smelter raw material inputs (+US$89 million).

130 pots were relined at a cost of US$327 thousand per pot in FY24 (FY23: 96 pots at US$281k per pot), with ~130 pots scheduled to be relined in FY25. The smelter is deploying AP3XLE energy efficiency technology in its pot relining activity to further enhance the smelter's energy efficiency and reduce GHG emissions. At the end of FY24, 36 per cent of the pots had been relined using AP3XLE technology.

Capital expenditure

Capital expenditure increased by US$22 million to US$40 million in FY24 and is expected to increase to US$65 million in FY25 as we replace the smelter's pot tending assemblies. We expect capital expenditure to remain elevated across FY25 and FY26 as we substantially complete our investment in pot tending assemblies.

Safety	FY24	FY23
Lost Time Injury Frequency (LTIF)	**0.8**	1.7
Total Recordable Injury Frequency (TRIF)	**1.6**	3.0

South32 share	FY24	FY23
Aluminium production (kt)	**720**	719
Aluminium sales (kt)	**720**	719
Realised sales price (US$/t)	**2,389**	2,535
Operating unit cost (US$/t)	**2,115**	2,178

South32 share (US$M)	FY24	FY23
Underlying revenue	**1,720**	1,823
Underlying EBITDA	**197**	257
Underlying EBIT	**130**	191
Net operating assets	**805**	845
Capital expenditure	**40**	18
Safe and reliable	**38**	16
Improvement and life extension	**2**	2
Social Investment	**7.3**	9.1

(53) Production guidance for Hillside Aluminium and Mozal Aluminium does not assume any load-shedding impact on production.
(54) Refers to lower levels of GHG emissions when compared to the current state. Where used in relation to South32's products or portfolio, it refers to enhancement of existing methods, practices and technologies to substantially lower the level of embodied GHG emissions as compared to the current state.

MOZAL ALUMINIUM

Location: **Maputo, Mozambique**
South32 share: **63.7 per cent**

Mozal Aluminium is located near Maputo, Mozambique, and is a significant industrial employer in the country. The smelter produces high-quality, primary aluminium for domestic and export markets.

South32 holds a 63.7 per cent share of Mozal Aluminium. The Industrial Development Corporation of South Africa Limited holds 32.4 per cent and the Government of the Republic of Mozambique holds 3.9 per cent (through preference shares).

Volumes

Mozal Aluminium saleable production decreased by 9 per cent (or 31kt), to 314kt in FY24, as the smelter progressed its recovery plan, while managing the impact of load-shedding. Production is expected to increase by 15 per cent to 360kt(55) in FY25, and a further 3 per cent to 370kt(54) in FY26 as the smelter returns toward nameplate capacity.

FY26 production guidance is subject to the extension of the current power supply agreement for Mozal Aluminium, which expires in March 2026. We continue to work with Eskom and the Government of the Republic of Mozambique to extend the smelter's hydro-electric power supply, as there are currently no viable alternative suppliers of renewable energy at the required scale.

Operating costs

Operating unit costs increased by 2 per cent, to US$2,371/t in FY24, with sequentially lower Operating unit costs across H2 FY24 of US$2,238/t (H1 FY24: US$2,461/t) as the smelter progressed its recovery plan and benefitted from lower smelter raw material input prices.

While Operating unit cost guidance is not provided, we expect FY25 Operating unit costs to benefit from a 15 per cent increase in production volumes as the smelter delivers its recovery plan. The smelter's cost base will continue to be heavily influenced by the price of smelter raw material inputs, including alumina supplied by our Worsley Alumina refinery, and other external factors including the South African rand and inflation-linked indexation of energy costs.

Financial performance

Underlying EBIT decreased by US$86 million, to a loss of US$30 million in FY24, as lower average realised aluminium prices (-US$54 million) and sales volumes (-US$20 million), together with higher energy (-US$17 million) and maintenance costs (-US$9 million), more than offset lower prices for smelter raw material inputs (+US$60 million).

136(56) pots were relined at a cost of US$377 thousand per pot in FY24 (FY23: 82 pots at US$318 thousand per pot) using AP3XLE technology. We expect to reline ~150 pots in FY25 as we progressively return pots to operation as part of the recovery plan.

Capital expenditure

Capital expenditure was US$23 million in FY24 and is expected to be US$25 million in FY25 as we continue our investment in plant upgrades.

Safety	FY24	FY23
Lost Time Injury Frequency (LTIF)	**0.6**	0.4
Total Recordable Injury Frequency (TRIF)	**1.5**	1.5

South32 share	FY24	FY23
Aluminium production (kt)	**314**	345
Aluminium sales (kt)	**326**	334
Realised sales price (US$/t)	**2,491**	2,653
Operating unit cost (US$/t)	**2,371**	2,329

South32 share (US$M)	FY24	FY23
Underlying revenue	**812**	886
Underlying EBITDA	**39**	108
Underlying EBIT	**(30)**	56
Net operating assets	**498**	578
Capital expenditure	**23**	17
Safe and reliable	**22**	16
Improvement and life extension	**1**	1
Social Investment	**2.2**	1.8

(55) Production guidance for Hillside Aluminium and Mozal Aluminium does not assume any load-shedding impact on production.
(56) Presented on a 100 per cent basis.

SIERRA GORDA

Location: **Antofagasta, Chile**
South32 share: **45 per cent**

Sierra Gorda is a large scale, open-pit mine in the prolific Antofagasta copper mining region, that produces copper, molybdenum, gold and silver.

South32 holds a 45 per cent share in Sierra Gorda via the Sierra Gorda S.C.M. incorporated Joint Venture, alongside 55 per cent joint venture partner KGHM Polska Miedz.

Volumes

Sierra Gorda payable copper equivalent production decreased by 15 per cent (or 12.7kt) to 73.8kt in FY24, as higher plant throughput delivered by the de-bottlenecking project was more than offset by lower than planned copper grades and molybdenum recoveries in the current phase of the mine plan.

Production is expected to increase by approximately 15 per cent to 84.8kt in FY25 and a further 2 per cent to 86.1kt in FY26, as the operation continues to benefit from the de-bottlenecking project and realises higher metal grades in the next phase of the mine plan.

Operating costs

Operating unit costs increased by 10 per cent, to US$17.0/t ore processed in FY24, in line with guidance, as the operation incurred a planned one-off workforce payment following the finalisation of a new three-year industrial agreement.

We expect FY25 Operating unit costs to decrease by 6 per cent to US$16.0/t ore processed, reflecting the normalisation of labour costs, and maintenance efficiencies[57].

Financial performance

Underlying EBIT decreased by 34 per cent, (or US$74 million) to US$143 million in FY24, as higher average realised metal prices (+US$48 million) and lower electricity costs (+US$18 million), under a cost efficient, 100 per cent renewable electricity contract, were more than offset by lower sales volumes (-US$85 million), the one-off workforce payment (-US$20 million), higher maintenance costs (-US$10 million) and local inflationary pressures (-US$14 million).

Capital expenditure

Safe and reliable capital expenditure was US$175 million in FY24 and is expected to be US$185 million in FY25 as the operation continues deferred stripping activity and invests in additional tailings infrastructure.

Improvement and life extension capital expenditure was US$32 million in FY24 as the operation completed plant de-bottlenecking work and progressed the feasibility study for the fourth grinding line expansion.

We expect to spend US$25 million in H1 FY25, ahead of the planned completion of the feasibility study for the fourth grinding line project. The project has the potential to increase plant throughput by ~20 per cent to ~58Mtpa, lifting copper production and lowering Operating unit costs.

We expect to update FY25 capital guidance following the final investment decision for the fourth grinding line project.

South32 share	FY24	FY23
Ore mined (Mt)	**19.9**	26.0
Ore processed (Mt)	**21.9**	21.2
Ore grade processed (%, Cu)	**0.36**	0.42
Payable copper equivalent production (kt)	**73.8**	86.5
Payable copper production (kt)	**60.8**	70.7
Payable molybdenum production (kt)	**0.9**	1.2
Payable gold production (koz)	**24.6**	28.8
Payable silver production (koz)	**607**	630
Payable copper sales (kt)	**60.9**	71.8
Payable molybdenum sales (kt)	**1.3**	1.3
Payable gold sales (koz)	**24.9**	29.1
Payable silver sales (koz)	**605**	639
Realised copper sales price (US$/lb)	**3.86**	3.51
Realised molybdenum sales price (US$/lb)	**20.60**	21.28
Realised gold sales price (US$/oz)	**2,129**	1,821
Realised silver sales price (US$/oz)	**24.8**	21.9
Operating unit cost (US$/t ore processed)[58]	**17.0**	15.4

South32 share (US$M)	FY24	FY23
Underlying revenue	**647**	684
Underlying EBITDA	**275**	358
Underlying EBIT	**143**	217
Net operating assets	**1,664**	1,588
Capital expenditure	**207**	196
Safe and reliable	**175**	151
Improvement and life extension	**32**	45
Exploration expenditure	**13**	7
Exploration expensed	**–**	4

(57) FY25 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY25, including: an alumina price of US$480/t; a manganese ore price of US$7.80/dmtu for 44 per cent manganese product; a nickel price of US$7.50/lb; a silver price of US$27.8/troy oz; a lead price of US$2,070/t (gross of treatment and refining charges); a zinc price of US$2,750/t (gross of treatment and refining charges); a copper price of US$4.40/lb (gross of treatment and refining charges); a molybdenum price of US$17.50/lb (gross of treatment and refining charges); a gold price of US$2,300/troy oz; an AUD:USD exchange rate of 0.65; a USD:ZAR exchange rate of 18.50; a USD:COP exchange rate of 4,100; USD:CLP exchange rate of 900; and a reference price for caustic soda; which reflect forward markets as at August 2024 or our internal expectations.
(58) Sierra Gorda and Cannington Operating unit cost is Underlying revenue less Underlying EBITDA divided by ore processed. Periodic movements in finished product inventory may impact Operating unit costs.

CANNINGTON

Location: **Queensland, Australia**
South32 share: **100 per cent**

Cannington is an underground mine located in north-west Queensland, Australia, that produces high-grade lead and zinc concentrates with a high silver content.

Volumes

Cannington payable zinc equivalent production increased by 10 per cent to 285.2kt in FY24, despite adverse weather impacts, as the operation realised higher average metal grades.

Looking ahead, a significant increase in underground activity and complexity is expected to drive greater variability in mine performance as the underground mine progresses toward the end of its life. Due to these factors and the need to rebuild run of mine stocks following adverse weather impacts in H2 FY24, payable zinc equivalent production is expected to be 265.4kt in FY25 (ore processed 2,100kdmt, silver 11,300koz, lead 100.0kt, zinc 50.0kt). Production is then expected to increase by 6 per cent in FY26 to 282.2kt payable zinc equivalent (ore processed 2,200kdmt, silver 12,000koz, lead 110.0kt, zinc 50.0kt) with improved plant throughput.

Operating costs

Operating unit costs were largely unchanged at US$154/t in FY24, as higher plant throughput and a weaker Australian dollar were offset by additional contractor costs to support the planned increase in underground activity.

We expect FY25 Operating unit costs to increase by 10 per cent, to US$170/t, reflecting the volume impact of lower ore processed(59).

Financial performance

Underlying EBIT increased by 45 per cent (or US$64 million), to US$206 million in FY24, as higher average metal prices (+US$56 million) and sales volumes (+US$33 million), more than offset additional contractor costs to deliver planned underground activity (-US$8 million) and higher local gas prices (-US$5 million).

Capital expenditure

Capital expenditure decreased by US$23 million to US$38 million in FY24, following the transition to 100 per cent truck haulage in the prior period. We expect to invest US$45 million in FY25 as we continue to invest in underground development.

Safety	FY24	FY23
Lost Time Injury Frequency (LTIF)	**5.6**	4.8
Total Recordable Injury Frequency (TRIF)	**15.8**	11.0

South32 share	FY24	FY23
Ore mined (kwmt)	**2,252**	2,223
Ore processed (kdmt)	**2,221**	2,156
Ore grade processed (g/t, Ag)	**205**	187
Ore grade processed (%, Pb)	**5.9**	5.6
Ore grade processed (%, Zn)	**3.7**	3.8
Payable zinc equivalent production (kt)	**285.2**	259.6
Payable silver production (koz)	**12,666**	11,183
Payable lead production (kt)	**112.4**	101.7
Payable zinc production (kt)	**60.7**	59.2
Payable silver sales (koz)	**11,793**	10,739
Payable lead sales (kt)	**102.4**	99.0
Payable zinc sales (kt)	**60.1**	58.1
Realised silver sales price (US$/oz)	**24.8**	21.1
Realised lead sales price (US$/t)	**2,002**	1,919
Realised zinc sales price (US$/t)	**2,230**	2,151
Operating unit cost (US$/t ore processed)(60)	**154**	153

South32 share (US$M)	FY24	FY23
Underlying revenue	**631**	542
Underlying EBITDA	**289**	213
Underlying EBIT	**206**	142
Net operating assets	**150**	172
Capital expenditure	**38**	61
Safe and reliable	**37**	60
Improvement and life extension	**1**	1
Exploration expenditure	**9**	8
Exploration expensed	**6**	6
Social Investment	**0.4**	0.5

(59) FY25 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY25, including: an alumina price of US$480/t; a manganese ore price of US$7.80/dmtu for 44 per cent manganese product; a nickel price of US$7.50/lb; a silver price of US$27.8/troy oz; a lead price of US$2,070/t (gross of treatment and refining charges); a zinc price of US$2,750/t (gross of treatment and refining charges); a copper price of US$4.40/lb (gross of treatment and refining charges); a molybdenum price of US$17.50/lb (gross of treatment and refining charges); a gold price of US$2,300/troy oz; an AUD:USD exchange rate of 0.65; a USD:ZAR exchange rate of 18.50; a USD:COP exchange rate of 4,100; USD:CLP exchange rate of 900; and a reference price for caustic soda; which reflect forward markets as at August 2024 or our internal expectations.

(60) Sierra Gorda and Cannington Operating unit cost is Underlying revenue less Underlying EBITDA divided by ore processed. Periodic movements in finished product inventory may impact Operating unit costs.

CERRO MATOSO

Location: **Córdoba, Colombia**
South32 share: **99.9 per cent**

Cerro Matoso is an integrated nickel laterite mine and smelter located in northern Colombia that produces ferronickel used to make stainless steel.

South32 owns 99.9 per cent of Cerro Matoso. Current and former employees own 0.02 per cent, with the balance of shares held in a reserve account following a buy-back.

We continue to progress our strategic review of Cerro Matoso in response to structural changes in the nickel market. We expect to provide information on the outcome of this review in H2 FY25.

Volumes

Cerro Matoso payable nickel production was largely unchanged at 40.6kt in FY24, supported by improved plant throughput and nickel grades to finish the year. Production is expected to be 35.0kt in FY25, reflecting lower planned nickel grades. FY26 production guidance is not provided as it is subject to the outcomes of the strategic review.

Operating costs

Operating unit costs were largely unchanged at US$5.10/lb in FY24, beating our already lowered guidance by 2 per cent, as we realised further cost efficiencies and benefitted from lower price-linked royalties, offsetting a stronger Colombian peso.

We expect FY25 Operating unit costs to increase by 11 per cent to US$5.65/lb, reflecting the volume impact of lower planned nickel grades, partially offset by a weaker Colombian peso and lower price-linked royalties[61].

Financial performance

Underlying EBIT decreased by US$154 million, to US$35 million in FY24, as a significant decline in the average realised nickel price (-US$143 million) and a stronger Colombian peso (-US$39 million), more than offset lower price-linked royalties (+US$36 million).

Underlying EBIT improved by US$63 million to US$49 million in H2 FY24 (H1 FY24: EBIT loss of US$14 million) as we took action to protect margins, and price realisations for our ferronickel product improved (H2 FY24: ~21 per cent, H1 FY24: ~29 per cent discount to the LME Nickel Index).

Capital expenditure

Capital expenditure was US$34 million in FY24 and is expected to reduce by US$14 million to US$20 million in FY25 as we prioritise our capital program.

Safety	FY24	FY23
Lost Time Injury Frequency (LTIF)	**2.3**	1.3
Total Recordable Injury Frequency (TRIF)	**2.7**	1.6

South32 share	FY24	FY23
Ore mined (kwmt)	**5,195**	5,560
Ore processed (kdmt)	**2,774**	2,807
Ore grade processed (%, Ni)	**1.60**	1.62
Payable nickel production (kt)	**40.6**	40.8
Payable nickel sales (kt)	**40.9**	40.8
Realised nickel sales price (US$/lb)[62]	**6.17**	7.76
Operating unit cost (US$/lb)	**5.10**	5.03

South32 share (US$M)	FY24	FY23
Underlying revenue	**556**	698
Underlying EBITDA	**96**	246
Underlying EBIT	**35**	189
Net operating assets	**91**	363
Capital expenditure	**34**	38
Safe and reliable	**34**	33
Improvement and life extension	**–**	5
Exploration expenditure	**3**	2
Exploration expensed	**3**	2
Social Investment	**2.6**	4.8

(61) FY25 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY25, including: an alumina price of US$480/t; a manganese ore price of US$7.80/dmtu for 44 per cent manganese product; a nickel price of US$7.50/lb; a silver price of US$27.8/troy oz; a lead price of US$2,070/t (gross of treatment and refining charges); a zinc price of US$2,750/t (gross of treatment and refining charges); a copper price of US$4.40/lb (gross of treatment and refining charges); a molybdenum price of US$17.50/lb (gross of treatment and refining charges); a gold price of US$2,300/troy oz; an AUD:USD exchange rate of 0.65; a USD:ZAR exchange rate of 18.50; a USD:COP exchange rate of 4,100; USD:CLP exchange rate of 900; and a reference price for caustic soda; which reflect forward markets as at August 2024 or our internal expectations.
(62) Cerro Matoso realised nickel sales price is inclusive of by-products.

AUSTRALIA MANGANESE

Location: **Northern Territory, Australia**
South32 share: **60 per cent**

Australia Manganese consists of Groote Eylandt Mining Company (GEMCO) in the Northern Territory, Australia. GEMCO is an open-cut mining operation that produces high-grade manganese ore.

South32 holds a 60 per cent share in GEMCO and Anglo American Plc holds the remaining 40 per cent.

On 16 to 17 March 2024, Tropical Cyclone Megan severely impacted operations at GEMCO, with record rainfall and the second strongest wind gusts in the past 20 years. The intense weather system resulted in widespread flooding and significant damage to critical infrastructure.

Following Tropical Cyclone Megan, we continue to implement the operational recovery plan, dewatering targeted mining pits and commencing a phased mining restart. Mining activity is expected to increase to support a planned build in stockpiles ahead of the wet season. Wharf operations are scheduled to recommence in Q3 FY25, subject to maintaining construction productivity during the wet season, with sales volumes expected to progressively increase over Q4 FY25.

Volumes

Australia Manganese saleable production decreased by 34 per cent (or 1,221kwmt), to 2,324kwmt in FY24, as we temporarily suspended operations in March 2024.

Production is expected to be 1,000kwmt in FY25 and 3,200kwmt in FY26 as we complete the operational recovery plan.

Operating costs

Operating unit costs increased by 23 per cent, to US$2.32/dmtu in FY24, due to lower volumes as a result of Tropical Cyclone Megan.

FY25 Operating unit cost guidance is not currently provided and is subject to the operational recovery plan and volumes in H2 FY25.We expect to incur additional idle capacity and remediation related costs in FY25 as we implement the operational recovery plan, which will be excluded from FY25 Underlying earnings as an earnings adjustment.

Financial performance

Underlying EBIT decreased by 77 per cent (or US$205 million) to US$61 million in FY24. Separately we incurred idle capacity and other remediation costs of US$93 million that were excluded from Underlying EBIT as an earnings adjustment.

Capital expenditure

Capital expenditure for mine repairs and infrastructure, including the wharf and a critical bridge, is expected to be approximately US$125 million in FY25.

Our insurers have confirmed that the damage caused by Tropical Cyclone Megan is covered under our property damage and business interruption insurance. We are continuing to work with our insurers to assess the timing and value of recoveries under these policies.

Safety	FY24	FY23
Lost Time Injury Frequency (LTIF)	**4.0**	1.5
Total Recordable Injury Frequency (TRIF)	**8.4**	6.3

South32 share	FY24	FY23
Manganese ore production (kwmt)	**2,324**	3,545
Manganese ore sales (kwmt)	**2,573**	3,261
Realised external manganese ore sales price (US$/dmtu, FOB)(63)(64)	**3.77**	4.59
Ore operating unit cost (US$/dmtu, FOB(64)(65)	**2.32**	1.88

South32 share (US$M)	FY24	FY23
Underlying revenue	**436**	688
Underlying EBITDA	**182**	369
Underlying EBIT	**61**	266
Net operating assets	**166**	239
Capital expenditure	**65**	58
Safe and reliable	**39**	41
Improvement and life extension	**26**	17
Exploration expenditure	**1**	1
Exploration expensed	**–**	–
Social Investment	**1.0**	0.8

(63) Volumes and prices do not include any third party trading that may be undertaken independently of equity production. Realised ore prices are calculated as external sales Underlying revenue less freight and marketing costs, divided by external sales volume.
(64) Manganese Australia FY24 average manganese content of external ore sales was 42.4 per cent on a dry basis (FY23: 43.8 per cent). 98 per cent of FY24 external manganese ore sales (FY23: 96 per cent) were completed on a CIF basis. FY24 realised FOB ore prices and Operating unit costs have been adjusted for freight and marketing costs of US$42 million (FY23: US$62 million), consistent with our FOB cost guidance.
(65) FOB Ore Operating unit cost is Underlying revenue less Underlying EBITDA, freight and marketing costs, divided by ore sales volume.

SOUTH AFRICA MANGANESE

Location: **Northern Cape and Gauteng, South Africa**
South32 share: **Ore - 54.6 per cent, Alloy - 60 per cent**

South Africa Manganese consists of two manganese mines in the Kalahari Basin, and the Metalloys manganese alloy smelter which was placed on care and maintenance in FY20.

Hotazel Manganese Mines (HMM) is located in the Kalahari Basin. South32 holds a 60 per cent interest in Samancor Holdings (Pty) Ltd (Samancor Holdings) and Anglo American Plc holds the remaining 40 per cent. Samancor Holdings indirectly owns 74 per cent of HMM, which gives South32 its ownership interest. The remaining 26 per cent of HMM is owned by Broad-Based Black Economic Empowerment (B-BBEE) entities(66).

South32 holds an effective 60 per cent interest in Samancor Manganese (Pty) Ltd (Metalloys manganese alloy smelter). In June 2024, South Africa Manganese entered into a binding agreement to divest Metalloys, subject to the satisfaction of conditions(67).

Volumes

South Africa Manganese saleable production increased by 3 per cent (or 67kwmt) to a record 2,175kwmt in FY24, as we lifted output of secondary products to capitalise on stronger manganese prices in Q4 FY24.

Production is expected to be 2,000kwmt across FY25 and FY26 as we continue to use higher cost trucking to optimise sales volumes and margins.

Operating costs

Operating unit costs were largely unchanged at US$2.67/dmtu in FY24, as higher volumes and a weaker South African rand partially offset higher in-land logistics costs and local inflationary cost pressures.

We expect FY25 Operating unit costs to increase by 12 per cent to US$3.00/dmtu, due to higher price-linked royalties and in-land logistics costs(68).

Financial performance

Ore Underlying EBIT decreased by 6 per cent (or US$3 million), to US$48 million in FY24, as higher sales volumes (+US$8 million) and a weaker South African rand (+US$11 million) were more than offset by lower average realised manganese prices (-US$9 million), higher in-land logistics costs (-US$12 million) and local inflationary pressures (-US$11 million).

Capital expenditure

Safe and reliable capital expenditure increased by US$15 million to US$31 million in FY24 and is expected to be US$35 million in FY25 as we continue our investment in rail infrastructure to improve safety and efficiencies, and new mobile fleet.

Improvement and life extension capital expenditure was US$12 million in FY24 and is expected to be US$15 million in FY25 as we advance work to access new mining areas and increase future production capacity at our high-grade underground Wessels mine.

Safety	FY24	FY23
Lost Time Injury Frequency (LTIF)	**1.6**	0.7
Total Recordable Injury Frequency (TRIF)	**2.5**	0.7

South32 share	FY24	FY23
Manganese ore production (kwmt)	**2,175**	2,108
Manganese ore sales (kwmt)	**2,116**	2,065
Realised external manganese ore sales price (US$/dmtu, FOB)(69)(70)	**3.53**	3.58
Ore operating unit cost (US$/dmtu, FOB)(70)(71)	**2.67**	2.64

South32 share (US$M)	FY24	FY23
Underlying revenue	**343**	344
Manganese ore	**343**	344
Manganese alloy	**–**	–
Underlying EBITDA	**65**	66
Manganese ore	**68**	72
Manganese alloy	**(3)**	(6)
Underlying EBIT	**45**	45
Manganese ore	**48**	51
Manganese alloy	**(3)**	(6)
Net operating assets/(liabilities)	**200**	143
Manganese ore	**271**	214
Manganese alloy	**(71)**	(71)
Capital expenditure	**43**	25
Safe and reliable	**31**	16
Improvement and life extension	**12**	9
Exploration expenditure	**–**	1
Exploration expensed	**–**	1
Social Investment	**2.3**	3.2

(66) The remaining 26 per cent of HMM is owned by B-BBEE entities, of which 17 per cent of the interests were acquired using vendor finance with the loans repayable via distributions attributable to these parties, pro rata to their share in HMM. Until these loans are repaid, the Group's interest in HMM is accounted for at 54.6 per cent.
(67) Refer to media release "Agreement to divest Metalloys manganese alloy smelter" dated 13 June 2024.
(68) FY25 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY25, including: an alumina price of US$480/t; a manganese ore price of US$7.80/dmtu for 44 per cent manganese product; a nickel price of US$7.50/lb; a silver price of US$27.8/troy oz; a lead price of US$2,070/t (gross of treatment and refining charges); a zinc price of US$2,750/t (gross of treatment and refining charges); a copper price of US$4.40/lb (gross of treatment and refining charges); a molybdenum price of US$17.50/lb (gross of treatment and refining charges); a gold price of US$2,300/troy oz; an AUD:USD exchange rate of 0.65; a USD:ZAR exchange rate of 18.50; a USD:COP exchange rate of 4,100; USD:CLP exchange rate of 900; and a reference price for caustic soda; which reflect forward markets as at August 2024 or our internal expectations.
(69) Volumes and prices do not include any third party trading that may be undertaken independently of equity production. Realised ore prices are calculated as external sales Underlying revenue less freight and marketing costs, divided by external sales volume.
(70) Manganese South Africa FY24 average manganese content of external ore sales was 38.8 per cent on a dry basis (FY23: 39.1 per cent). 89 per cent of FY24 external manganese ore sales (FY23: 88 per cent) were completed on a CIF basis. FY24 realised FOB ore prices and Operating unit costs have been adjusted for freight and marketing costs of US$28 million (FY23: US$61 million), consistent with our FOB cost guidance.
(71) FOB Ore Operating unit cost is Underlying revenue less Underlying EBITDA, freight and marketing costs, divided by ore sales volume.

ILLAWARRA METALLURGICAL COAL

Location: **New South Wales, Australia**
South32 share: **100 per cent**

Illawarra Metallurgical Coal operates two underground metallurgical coal mines in the southern coalfields of New South Wales, Australia.

We expect to complete the sale of Illawarra Metallurgical Coal for total cash consideration of up to US$1.65B[(72)], on 29 August 2024.

Volumes

Illawarra Metallurgical Coal saleable production decreased by 24 per cent (or 1,582kt), to 4,938kt in FY24, in line with guidance, as the operation completed planned longwall moves.

FY25 production guidance is not provided, as the sale is expected to completed on 29 August 2024.

Operating costs

Operating unit costs increased by 18 per cent, to US$150/t in FY24, as we completed planned longwall moves.

Financial performance

Underlying EBIT decreased by 38 per cent (or US$273 million), to US$441 million in FY24, as lower sales volumes (-US$373 million) due to planned longwall moves, and lower average realised prices (-US$47 million), more than offset lower price-linked royalties (+US$30 million) and local electricity prices (+US$20 million).

Depreciation and amortisation decreased by US$60 million to US$81 million, as Illawarra Metallurgical Coal ceased depreciating upon classification as a discontinued operation and held for sale since February 2024[(72)].

Capital expenditure

Capital expenditure increased by US$92 million to US$340 million in FY24 as we continued a significant investment in additional ventilation capacity at Appin.

Safety	FY24	FY23
Lost Time Injury Frequency (LTIF)	**3.4**	4.3
Total Recordable Injury Frequency (TRIF)	**11.2**	21.3

South32 share	FY24	FY23
Metallurgical coal production (kt)	**4,305**	5,497
Energy coal production (kt)	**633**	1,023
Metallurgical coal sales (kt)	**4,172**	5,402
Energy coal sales (kt)	**699**	957
Realised metallurgical coal sales price (US$/t)	**275**	279
Realised energy coal sales price (US$/t)	**107**	144
Operating unit cost (US$/t)	**150**	127

South32 share (US$M)[(a)]	FY24	FY23[(73)]
Underlying revenue[(74)]	**1,461**	*1,783*
Underlying EBITDA	**522**	*855*
Underlying EBIT	**441**	*714*
Net operating assets	**1,236**	*901*
Capital expenditure	**340**	248
Safe and reliable	**337**	242
Improvement and life extension	**3**	6
Exploration expenditure	**10**	17
Exploration expensed	**5**	9
Social Investment	**1.2**	0.9

(a) Illawarra Metallurgical Coal has been classified as a discontinued operation and held for sale since February 2024[(72)]. As a result, the FY24 and restated FY23 underlying results reflect those of the discontinued operation, including third party products and services. Net operating assets represent the assets and directly associated liabilities classified as held for sale for FY24 and the restated equivalent amounts for FY23.

(72) Refer to market release "Sale of Illawarra Metallurgical Coal" dated 29 February 2024. The consideration comprises; upfront cash consideration of US$1,050 million, payable at completion; deferred cash consideration of US$250 million, payable in 2030; and contingent price-linked cash consideration of up to US$350 million, applicable for five years from the date of completion with no annual cap. The first two years will be calculated and paid on the second anniversary of completion and annually thereafter. The contingent price-linked consideration will be calculated as 50% of incremental metallurgical coal revenue from equity production, net of royalties, based on the following metallurgical coal price thresholds: Year 1: US$200/t, Year 2: US$200/t, Year 3: US$190/t, Year 4: US$180/t, Year 5: US$180/t.
(73) Figures in Italics indicate that an adjustment has been made since the figures were previously reported.
(74) Illawarra Metallurgical Coal revenue includes metallurgical coal and energy coal sales revenue.

GOVERNANCE

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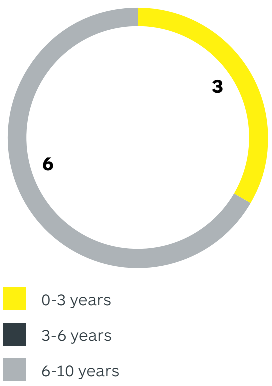
OUR BOARD IN ACTION

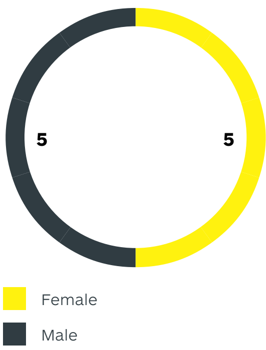
The role of our Board is to represent shareholders and to promote and protect the interests of the Group. In FY24 our Board met 16 times, hosted our Annual General Meeting, and engaged with shareholders and other stakeholders. Directors also conducted site visits to Worsley Alumina, Cannington, Australia Manganese, Mozal Aluminium and the Singapore office.

Board Composition as at 30 June 2024

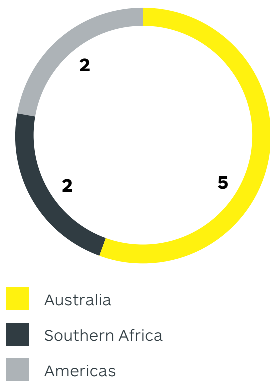
Length of tenure
(Non-Executive Directors)



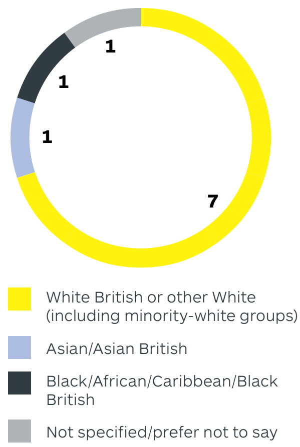
Gender diversity
(all Directors)



Location
(Non-Executive Directors)



Ethnicity
(all Directors)



Our Board visits Cannington

The April 2024 Board program was held in Brisbane, Australia and included a visit to the Cannington operation in north-west Queensland.

While at the operation, Directors visited both underground and surface facilities, spending time in the field with employees to monitor and assess workplace culture and hear first-hand about challenges they face.

The Directors were joined by select employees from our Australian Operations for a lunch and learn session focused on safety, enabling Directors to better understand safety routines and interactions experienced at operations and the practical deployment of our LEAD Safely Every Day training program.

Directors also participated in Active Bystander training, which builds upon the Living our Code training series and focuses on the important role of bystanders in helping reduce unsafe and disrespectful behaviours.

As part of the Board and Committee meetings, the Board received briefings from external presenters on the management of sexual harassment, and an update on the political landscape in South Africa leading into the national election in May 2024.

Board focus areas and activities in FY24

Safety and performance

- Maintained oversight of, and a focus on, our approach to safety and our safety performance;
- Monitored progress of our multi-year Safety Improvement Program, which aims to achieve a step change in our safety performance;
- Maintained oversight of our approach to serious injury risk reduction through significant incident investigation reviews with management and material safety risk deep-dives during visits to our operations;
- Discussed safety performance at each Sustainability Committee meeting including progress of our LEAD Safely Every Day training program;
- Continued to focus on the management of workplace sexual harassment as a material health and safety risk and implementation of appropriate controls;
- Maintained oversight of Australia Manganese following Tropical Cyclone Megan in March 2024, focusing initially on the safety of our people and the community on Groote Eylandt as a priority, followed by a phased return to mining activities;
- Participated in Active Bystander training which forms part of the Living our Code training and discussion series; and
- Heard first-hand from operational employees to better understand safety routines and interactions and the practical application of our LEAD Safely Every Day training program, safety interactions in the field, and the impact of our Safety Improvement Program training on employees and contractors.

Strategy

- Maintained oversight of strategy development and implementation;
- Participated in a dedicated Strategy Day and engaged with management on strategic issues;
- Approved decisions to reshape our portfolio towards commodities for a low-carbon future, including:
    - The final investment for development of the Taylor deposit at the Hermosa project in Arizona, United States;
    - The sale of Illawarra Metallurgical Coal in New South Wales, Australia[1]; and
    - The divestment of our 50 per cent interest in the Eagle Downs metallurgical coal project in Queensland, Australia[2].
- Maintained oversight of our pipeline of decarbonisation initiatives;
- Maintained oversight of energy supply challenges at Hillside Aluminium and Mozal;
- Maintained oversight of our greenfield exploration strategy and framework, including key exploration partnerships and projects targeting base metals around the world;
- Maintained oversight of the alignment our remuneration and benefits framework with our purpose, strategy, values, and culture;
- Approved our capital management program; and
- Engaged with shareholders and other stakeholders on financial, operational, remuneration and other matters.

Culture

- Worked with our Lead Team to set the direction and tone for a workplace culture that aligns with our purpose, reflects our values, and supports the delivery of our strategy;
- Approved our updated Code of Business Conduct and Speak Up Policy;
- Monitored culture through visits to our operations and offices, operational deep-dives, and management presentations, applying a `Culture Health Check' tool to assess alignment of our culture with our purpose, strategy and values, and evaluating results of our annual Your Voice employee survey and actions taken to address improvement areas;
- Maintained oversight of our approach to inclusion and diversity, monitored progress against our inclusion and diversity measurable objectives and approved our revised Inclusion and Diversity Policy; and
- Visited Hotham Park, a recreational facility near the Boddington bauxite mine, of which Worsley Alumina is a founding partner and the Malhampsene Primary School near the Mozal Aluminium smelter.

Governance

- Governed the Group, having regard to our purpose, strategy, values and culture, our shareholders as a whole, and the interests of other stakeholders;
- Maintained oversight of the integration of ESG considerations, including our response to the risks and opportunities that climate change presents, into our strategy and capital allocation, budget, risk oversight and governance;
- Engaged in ongoing education including briefings from internal and external experts on governance developments including cyber security, workplace sexual harassment, climate and biodiversity, Australian industrial relations reform and work health and safety;
- Approved the appointment of Ms Sharon Warburton as a Non-Executive Director;
- Maintained oversight of key talent;
- Approved the revised Board Charter and Terms of Reference for each of the Board's standing Committees which were reviewed and updated to reflect evolving governance, societal and business issues such as climate change, psychosocial safety, workplace sexual harassment, cyber security and data privacy; and
- Reported on gender and ethnicity representation on the Board, confirming that our Board represents a broad cultural, ethnic, background and geographic mix, and achieves its gender diversity objectives.

+ **Learn more about our key corporate governance policies and practices in our Corporate Governance Statement 2024 at *www.south32.net***

(1) For further information see page 25 of this report.
(2) For further information see page 25 of this report.

N R

Ms Karen Wood BEd, LLB (Hons), 68
Chair and Independent Non-Executive Director
Appointed: 1 November 2017; Chair: 12 April 2019
Location: Australia

Career summary: Ms Wood has worked in legal practice and business.

In 2001, Ms Wood joined BHP and held several global executive leadership roles, including Group Company Secretary, Chief Governance Officer, Chief People Officer and President People and Public Affairs (Corporate Affairs). Following her retirement in 2014, she continued as an adviser to BHP's Board and Chief Executive Officer until 2015. She also chaired the BHP Foundation until 2019, overseeing grant provisions for not-for-profit organisations to deliver global programs in the areas of natural resource governance, human capability and social inclusion, and conserving and sustainably managing natural environments. Before joining BHP, she worked at Bonlac Foods Limited, where she spent five years as General Counsel and Company Secretary.

Other key positions Ms Wood has held include being a member of the Takeovers Panel from 2000 to 2012, and roles with the Australian Securities and Investments Commission (Business Consultative Panel) and the Australian Government's Business Regulatory Advisory Group.

External appointments: Ms Wood is a Director of the Robert Salzer Foundation, serves as an ambassador for the Australian Indigenous Education Foundation and is a member of the Advisory Board of the Sir John Monash Leadership Academy. She was also appointed as a Director of the Stars Foundation in August 2024. Ms Wood was a Non-Executive Director of ASX-listed Djerriwarrh Investments Limited from July 2016 until January 2024.

Skills and experience: Ms Wood brings extensive corporate governance expertise to her roles as Chair of our Board and the Nomination and Governance Committee. In these roles, her experienced leadership promotes a cohesive environment of constructive challenge and oversight. Ms Wood's substantial tenure as a global executive within the resources industry means that she brings a strong understanding of the regulatory landscape and the key strategic risks and opportunities for a global mining and metals company. Her expertise in shaping culture (including through organisational and remuneration design), public policy, social performance and stakeholder engagement enables her to bring valuable insights in these areas.

Graham Kerr BBus, FCPA, 53
Chief Executive Officer and Managing Director
Appointed: October 2014; Managing Director: 21 January 2015
Location: Australia

Career summary: Mr Kerr joined BHP in 1994 and held a wide range of operational and commercial roles across the business, including Chief Financial Officer Stainless Steel Materials, Vice President Finance Diamonds and Finance Director for the BHP Canadian Diamonds Company.

In 2004, Mr Kerr joined Iluka Resources Limited as General Manager Commercial. He returned to BHP in 2006, leading to his appointment as President of Diamonds and Specialty Products where he was accountable for the Ekati Diamond Mine in Canada, the Richards Bay Minerals joint venture in South Africa, diamonds exploration in Angola, the Corridor Sands Project in Mozambique and the development of BHP's potash portfolio in Canada.

Mr Kerr was appointed BHP's Chief Financial Officer in 2011, a role which he held until 2015 when he left to lead South32 through its demerger from BHP and listing in three countries.

External appointments: Mr Kerr is a Director of CEOs for Gender Equity, the Minerals Council of Australia and the Fremantle Football Club.

Skills and experience: Mr Kerr's strong track record in resources development, and global experience as a commercial and operational leader within the resources industry, means that he brings deep mining and metals expertise and exceptional financial acumen. His health and safety expertise, and passion for promoting inclusion and diversity, are valued contributions to our Board as it oversees our commitment to elevate our safety performance and instil a culture where everyone feels safe and respected at work. Mr Kerr's strong focus on a purpose-driven and values-led future for South32 make him a trusted leader as we progress the next phase of our strategy.

Committee membership key:

- Chair appointment
- N Nomination and Governance Committee
- R Remuneration Committee
- RA Risk and Audit Committee
- S Sustainability Committee

RA N R

Mr Frank Cooper AO, BCom, FCA, FAICD, 68
Independent Non-Executive Director
Appointed: 7 May 2015
Location: Australia

Career summary: Mr Cooper qualified as a chartered accountant in Australia, leading to a 40-year career in the finance and accounting profession. He has held a number of senior tax and finance roles, including Partner at Ernst & Young, Partner / Business Unit Leader, Tax Practice at PricewaterhouseCoopers and Managing Partner for Arthur Andersen in Perth (for just over 10 years), during which time he specialised in the mining, energy and utility sectors.

Other key positions Mr Cooper has held include Commissioner and Chairman of the Insurance Commission of Western Australia and Pro Chancellor of the University of Western Australia.

Throughout his career, Mr Cooper has had extensive involvement in community activities, including serving as Commissioner and Chair of the West Australian Football Commission and as a Member of the State Health Research Advisory Council (Western Australia).

In 2014 Mr Cooper was awarded an Officer of the Order of Australia. He was also named West Australian of the Year in the Professions category in 2015.

External appointments: Mr Cooper is a Director of St John of God Australia Limited and Wright Prospecting Pty Ltd. Mr Cooper was a Non-Executive Director of ASX-listed Woodside Energy Group Limited from February 2013 until April 2024.

Skills and experience: Mr Cooper brings exceptional financial acumen and accounting expertise, a strong understanding of legal and regulatory compliance and substantial experience in risk management oversight to our Board, all of which also make him a highly capable Risk and Audit Committee Chair. His listed company experience and expertise in capital management and corporate development are highly valued by our Board as it oversees the implementation of our strategy, as is his strong focus on organisational philosophy, values and standards.

S N RA

Dr Xiaoling Liu BEng (Extractive Metallurgy), PhD (Extractive Metallurgy), FAusIMM, FTSE, GAICD, 67
Independent Non-Executive Director
Appointed: 1 November 2017
Location: Australia

Career summary: Dr Liu completed her undergraduate study in Chongqing University in China and her PhD in Extractive Metallurgy at Imperial College in the United Kingdom, before joining the Rio Tinto Group as a senior research scientist in 1988.

Over her 26-year career with Rio Tinto, Dr Liu held various roles in smelting operations, including General Manager Operations at Bell Bay (Tasmania), leading to other senior operational and management roles, including Managing Director Technical Services, where she led Rio Tinto's global technical services unit. Prior to her retirement, Dr Liu was President and Chief Executive Officer of Rio Tinto Minerals, with responsibility for integrated operations of mining, processing, supply chain, marketing and sales for its Borates business in the United States, Europe and Asia.

Dr Liu has served as Vice President of the Board of the Australian Aluminium Council, a Board Member of the California Chamber of Commerce, a Director of Melbourne Business School and Chancellor of Queensland University of Technology. She has also served as a Non-Executive Director at Newcrest Mining Limited (September 2015 until November 2020) and Iluka Resources Limited (February 2016 until April 2019).

External appointments: Dr Liu was a Non-Executive Director of ASX-listed Incitec Pivot Limited from November 2019 until May 2024.

Skills and experience: With her accomplished career as a global executive in the resources industry, Dr Liu brings to our Board expertise in mining and processing operations, the execution of major capital projects and commodity value chain management. Her high financial acumen, expertise in health and safety and strong understanding of the key environmental impacts, risks and opportunities relevant to our operations, make her a valued contributor to the Committees on which she serves. Dr Liu's knowledge and experience in technology and innovation, together with her technical background, is an asset to our Board as it oversees our advancement towards a low-carbon future.

N S

Mr Carlos Mesquita BEng (MetalEng), MBA, 66
Independent Non-Executive Director
Appointed: 1 May 2023
Location: Chile

Career summary: Mr Mesquita is a qualified Metallurgical Engineer. He has worked in the mining and metals industry for more than 40 years and has extensive experience in leading mining and processing operations and major capital projects.

Mr Mesquita spent 30 years with BHP where he held various positions in the company's base metals and aluminium businesses, including Asset President of Mozal Aluminium and Asset President of Escondida – the world's largest copper mine. During this time he also served as Vice President Major Projects where he led the base metals projects program, overseeing more than US$10 billion in mining investments in countries including Chile, Australia and Peru.

Mr Mesquita has also previously advised mining companies and private equity funds on acquisitions of mining assets in South America and from 2014 to 2015 he was a Non-Executive Director of Mineracao Serra Verde, a mid-sized rare earth minerals mine in central Brazil.

In the first half of 2022, Mr Mesquita was a consultant for South32 providing in-country support following our acquisition of a 45 per cent interest in the Sierra Gorda copper mine.

External appointments: None

Skills and experience: Mr Mesquita has extensive experience in the global mining and metals industry with a particular focus on base metals and aluminium in the Americas and Africa. His previous roles and first-hand experience of working at projects in an operational capacity means he brings a unique and diverse perspective to our Board. This, together with his experience in leading complex operations with responsibility for safety, volume and costs, support our strategy of optimising our business by working safely, minimising our impact, consistently delivering stable and predictable performance, and continually improving our competitiveness.

N RA

Dr Ntombifuthi (Futhi) Mtoba CA(SA), DCom (Honoris Causa), BCompt (Hons), HDip Banking Law, BA (Econ)(Hons), BA (Arts), 69
Independent Non-Executive Director
Appointed: 7 May 2015
Location: South Africa

Career summary: Dr Mtoba qualified as a chartered accountant in South Africa and joined Deloitte and Touche in 1988, specialising in financial services. She was one of the first African Black women to be appointed Partner by one of the Big Four accounting firms, and was later appointed Chairperson of Deloitte Southern Africa.

Dr Mtoba is President and founder of TEACH South Africa, which recruits skilled teachers for underprivileged schools. She has held several board positions at organisations focused on economic development and community engagement, including the New Partnership for Africa's Development Business Foundation and the African Union Foundation. Dr Mtoba has also been President of the Association for the Advancement of Black Accountants and Business Unity South Africa and chaired the University of Pretoria Council for over 10 years.

Other positions Dr Mtoba has held include being a member of the International Monetary Fund Advisory Group of Sub-Saharan Africa, the World Economic Forum Global Advisory Council, the United Nations Global Compact Board and a Director of the International Women's Forum (South Africa). She has received several awards for contributions to business and society, including Most Outstanding Leadership Women of the Year (Africa Economy Builders, 2018).

External appointments: Dr Mtoba is currently a Non-Executive Director and Deputy Chair of the Public Investment Corporation Limited and Chair of its Audit Committee, a Director of Discovery Bank Holdings Limited and Lead Independent Director and Audit Committee Chair of Discovery Bank Limited, a Director of Vumelana Advisory Fund, and a Director of Chapter Zero Southern Africa.

Skills and experience: Dr Mtoba's tenure as partner and a leader at one of Africa's predominant financial professional services firms, and the numerous roles she has held in local, regional and international organisations and forums, means that she provides our Board with considerable financial, economic and public policy expertise and leadership. Dr Mtoba brings a strong focus on culture and her expertise in social performance and community and stakeholder engagement are an asset to our Board as it supports our aspiration to contribute social and economic value where we operate.

Committee membership key:

Chair appointment
N Nomination and Governance Committee
R Remuneration Committee
RA Risk and Audit Committee
S Sustainability Committee

N S

Ms Jane Nelson CMG, BSc Agricultural Economics (Cum Laude), BA, MA (Philosophy, Politics and Economics), 64

Independent Non-Executive Director

Appointed: 1 May 2023

Location: United States

Career summary: Ms Nelson has a Bachelor of Science in Agricultural Economics (Cum Laude) from the University of KwaZulu-Natal in South Africa. She also holds a Bachelor of Arts and Master of Arts in Philosophy, Politics and Economics from the University of Oxford in the United Kingdom, where she was a Rhodes Scholar.

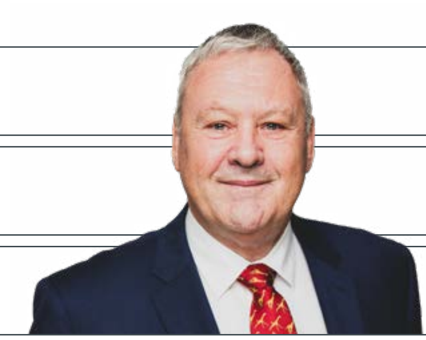
Ms Nelson has a 30-year career researching and advocating for sustainable business practices and was the founding Director of the Harvard Kennedy School's Corporate Responsibility Initiative, where she is now a senior research fellow. She is a non-resident senior fellow in the Global Economy and Development program at Brookings and a former senior associate of Cambridge University's Programme for Sustainability Leadership.

Ms Nelson served on ExxonMobil's External Sustainability Advisory Panel from 2010 to 2023, the Independent Advisory Panel to the ICMM's Resource Endowment Initiative and on advisory councils for other companies, the World Bank Group and the United Nations. She also worked for The Prince of Wales International Business Leaders Forum in the United Kingdom, the World Business Council for Sustainable Development in Africa, FUNDES in Latin America and as a Vice President at Citibank working in Asia, Europe and the Middle East.

In December 2023, Ms Nelson was appointed a Companion of the Order of Saint Michael and Saint George in the UK's Overseas and International Honours List for services to business and to sustainability.

External appointments: Ms Nelson is currently a Non-Executive Director of NYSE-listed Newmont Mining Corporation (since 2011) and Chair of its Safety and Sustainability Committee. Ms Nelson is currently a member of the World Economic Forum's (WEF) Global Future Council on Good Governance, WEF's Climate Governance Community of Experts and WEF's Stewardship Council for Food Systems. Ms Nelson is also a Co-Chair of the Business Commission to Tackle Inequality and an Emeritus Director of the World Environment Center.

Skills and experience: Ms Nelson's career comprises a portfolio of roles across academia as well as international policy, business leadership groups and not-for-profit organisations. She has expertise in sustainable development including in human rights, cultural heritage and Indigenous issues and a significant understanding of climate change and biodiversity issues. Ms Nelson's strong focus on sustainable development, together with her passion for building partnerships between business, government and civil society, is an asset to our Board given this is at the heart of our purpose and underpins the delivery of our strategy.



R N S

Mr Wayne Osborn Dip Elect Eng, MBA, FTSE, 72

Independent Non-Executive Director

Appointed: 7 May 2015

Location: Australia

Career summary: Mr Osborn worked as an engineer in the telecommunications and iron ore industries, before joining Alcoa (Australia) in 1979.

Mr Osborn held several senior management positions with Alcoa over the course of his career, including having accountability for its Asia-Pacific manufacturing operations in China, Japan, Korea and Australia. In 2001 he was appointed Managing Director, leading an integrated business comprised of bauxite mining, alumina refining, coal mining, power generation and aluminium smelting until his retirement in 2008.

Since 2008, Mr Osborn has served as a Non-Executive Director in the mining, energy and construction industries. Most recently, he was a Non-Executive Director of Wesfarmers Limited from March 2010 to October 2021.

Other key roles Mr Osborn has held include Chairman of the Australian Institute of Marine Science, Chairman of the Western Australia Branch of the Australia Business Arts Foundation and Vice President of the Chamber of Commerce and Industry, Western Australia.

Mr Osborn is also a recipient of the WA Business Leader Award (2007) and the Australian Institute of Company Directors Award for Excellence (2018).

External appointments: None.

Skills and experience: Mr Osborn brings expertise in mining and smelting operations, large-scale capital projects and commodity value chain management to our Board. His broad skills and experience in health and safety management and strong understanding of the key environmental issues, risks and opportunities relevant to our operations, are an asset to our Board as it oversees our commitments to improve our safety performance, our approach to sustainability-related risks and opportunities and how we manage our environmental impact. Mr Osborn's experience leading large workforces, expertise in overseeing remuneration design and implementation and strong focus on sustainability, make him a highly capable Remuneration Committee Chair.

N R S

Mr Keith Rumble BSc, MSc (Geology), 70
Independent Non-Executive Director
Appointed: 27 February 2015
Location: South Africa

Career summary: Mr Rumble is a qualified geologist. He joined Richards Bay Minerals (at that time, a joint venture between BHP and the Rio Tinto Group) in 1980, working in smelting and metallurgy, and held various management positions before becoming Chief Executive Officer in 1996. Prior to that appointment, Mr Rumble spent just under three years with Rio Tinto's iron and titanium business as Director of International Sales and Marketing. He was appointed President and Chief Executive Officer of Rio Tinto Iron and Titanium Inc. in Canada in 2000. In 2001, Mr Rumble joined Impala Platinum, where he held the role of Chief Executive Officer until 2007 after which he moved to junior miner SUN Mining (part of the SUN Group), also as Chief Executive Officer.

Since his retirement as an executive in 2008, Mr Rumble has held Non-Executive Director positions at BHP and South African infrastructure and resources company, Aveng Limited.

External appointments: Mr Rumble is currently a Director of Enzyme Technologies (Pty) Limited and Elite Wealth (Pty) Limited.

Skills and experience: With his substantial tenure as an executive leader in the resources industry, Mr Rumble brings deep knowledge and experience in mining and smelting operations. His expertise in geological and geoscience matters and strong understanding of the key environmental impacts, risks and opportunities relevant to our business, enhance our Board's capability to oversee our sustainability commitments, risks and impacts. These skills, together with his health and safety management expertise and proficiency in risk management, make him a valuable member of the Sustainability Committee. Mr Rumble was Chair of the Sustainability Committee from 2015 until April 2024.

N RA

Ms Sharon Warburton BBus (Accounting and Business Law), FCA, FAICD, 54
Independent Non-Executive Director
Appointed: 28 November 2023
Location: Australia

Career summary: Ms Warburton is a chartered accountant with more than 25 years' experience across the major project infrastructure, property development, and resources industries. She has previously held executive roles with Brookfield Multiplex, Citigroup, and Rio Tinto, working across Australia, Asia, Europe and the Middle East. Ms Warburton's previous board experience includes as a Director of Perth Children's Hospital Foundation, Gold Road Resources Limited, NEXTDC Limited, Barminco, Western Power, Northern Australia Infrastructure Facility and Blackmores Limited. Ms Warburton was also a Director of Fortescue Metals Group.

In 2014, Ms Warburton was awarded Western Australia Telstra Business Woman of the Year.

External appointments: Ms Warburton is currently a Non-Executive Director of ASX-listed Northern Star Resources Limited (since 2021), Wesfarmers Limited (since 2019) including Chair of its Audit and Risk Committee, and Worley Limited (since 2019) including Chair of its Audit and Risk Committee. Ms Warburton is also an Independent Director of Mirvac Funds Management Australia Limited, Thiess Group Holdings Pty Limited and Karlka Nyiyaparli Aboriginal Corporation. From May 2015 until April 2024, Ms Warburton was a part-time member of the Takeovers Panel. She is a member of Chief Executive Women and an Adjunct Professor in Leadership and Strategy at the Curtin University School of Business.

Skills and experience: Ms Warburton is a prominent and highly credentialled Director. Her extensive experience in areas of corporate strategy, business operations, accounting and finance, major project construction, risk management and governance contribute to the Board's broad range of skills and support the delivery of our strategy.

Committee membership key:

Chair appointment
N Nomination and Governance Committee
R Remuneration Committee
RA Risk and Audit Committee
S Sustainability Committee

Directors' report

This report is presented by the Board of Directors of South32 Limited, together with the Group's Financial report, for the financial year ended 30 June 2024.

This report is prepared in accordance with the requirements of the Corporations Act, with the following information forming part of this report:

- Operating and Financial Review on the inside front cover to page 66;
- Director biographical information on pages 70 to 74;
- Remuneration report on pages 82 to 108;
- Note 19(b) Financial risk management objectives and policies on pages 151 to 154;
- Note 20 Share capital on page 154;
- Note 21 Auditor's remuneration on page 155;
- Note 22 Employee share ownership plans on pages 155 to 158;
- Note 31 Subsequent events on page 167;
- Directors' declaration on page 170;
- Auditor's independence declaration on page 171;
- Resources and Reserves on pages 177 to 186;
- Shareholder information on pages 188 to 190; and
- Corporate directory on page 199.

Directors and meetings

At the date of this report, the Directors in office were:

Ms Karen Wood	Appointed 1 November 2017
Mr Graham Kerr	Appointed 21 January 2015
Mr Frank Cooper AO	Appointed 7 May 2015
Dr Xiaoling Liu	Appointed 1 November 2017
Mr Carlos Mesquita	Appointed 1 May 2023
Dr Ntombifuthi (Futhi) Mtoba	Appointed 7 May 2015
Ms Jane Nelson	Appointed 1 May 2023
Mr Wayne Osborn	Appointed 7 May 2015
Mr Keith Rumble	Appointed 27 February 2015
Ms Sharon Warburton	Appointed 28 November 2023

You can find information about our Directors' qualifications, experience, special responsibilities and other directorships on pages 70 to 74.

Board and Committee meetings and Director attendance

There are 10 regularly scheduled meetings of our Board each year and Committee meetings are also held during this time. Additional meetings are convened as required to address business critical issues.

During FY24, there were a total of 16 Board meetings. Six of these were held face-to-face at either one of our offices or geographic areas of operation. The additional non-scheduled meetings were held to consider options in relation to the sale of Illawarra Metallurgical Coal, Director succession planning and other critical business issues.

Throughout the year, Directors conducted site visits to Australia Manganese, Worsley Alumina, Cannington and Mozal Aluminium, the Singapore office, and all attended a dedicated strategy day held in June 2024. In addition to the site visits, during FY24 our Board continued to stay connected with our operations by way of operational overviews and briefing sessions conducted as part of the Board program.

To help it carry out its responsibilities, our Board has four standing Board Committees. From time to time and on an "as needs basis", the Board creates other committees to address important matters and areas of focus for the business. For example, a committee was established to oversee the Group's sale of Illawarra Metallurgical Coal.

All Directors have a standing invitation to attend all Committee meetings, and in practice, all Directors generally attend all meetings.

The number of Board and Committee meetings held in FY24, as well as the Directors who attended them, can be found in Table 1.1.

Our Chair sets the agenda for each Board meeting, with the Chief Executive Officer (CEO) and the Company Secretary. The meetings typically include:

- Minutes of the previous meeting and matters arising;
- Report from our Chair;
- Update on various governance matters;
- CEO's report;
- Finance report;
- Commercial report;
- Reports on major projects and strategic matters;
- Board Committee Chair reports;
- Continuous disclosure checkpoint; and
- Closed sessions with Directors and closed sessions with Non-Executive Directors only.

Our Directors receive regular updates from management on a range of relevant issues, including safety (with a broad focus covering both physical and psychosocial safety, as well as sexual harassment), climate change, greenhouse gas emissions reduction targets, evolving regulations and policy developments, workplace culture, inclusion and diversity, cultural heritage, community matters, business integrity, and litigation. Additionally, they receive reports for discussion on operational performance, corporate culture and leadership, corporate governance, and other business matters, including market updates and research. In between meetings, our Board receives regular reports from senior management on matters, including (but not limited to):

- Sustainability (including health and safety) performance;
- Financial and production performance;
- Cyber security and privacy;
- Government relations and political affairs;
- Investor relations hosted engagements (including environmental, social and governance updates);
- Project updates (including pending investment decisions) and other significant business imperatives;
- Market and commodity updates; and
- Relevant media coverage.

As part of their ongoing education and training, during FY24 our Board received external briefings on various matters including cyber security risk, climate and biodiversity risk governance and disclosure matters, workplace sexual harassment, the political landscape and developments in South Africa and Australian workplace relations reforms.

Table 1.1 Board and Committee Meeting Attendance in FY24

	Board		Nomination and Governance Committee		Remuneration Committee		Risk and Audit Committee		Sustainability Committee	
	Eligible[1]	Attended[2]	Eligible[1]	Attended[2]	Eligible[1]	Attended[2]	Eligible[1]	Attended[2]	Eligible[1]	Attended[2]
K Wood	16	16	9	9	7	7	-	11	-	8
G Kerr (CEO)	16	16	-	9	-	7	-	11	-	8
F Cooper	16	16	9	9	7	7	11	11	-	8
X Liu[3]	16	16	9	9	-	7	11	11	8	8
C Mesquita	16	16	9	9	-	7	-	11	8	8
N Mtoba	16	16	9	9	-	7	11	11	-	8
J Nelson	16	16	9	9	-	7	-	11	8	8
W Osborn[4]	16	16	9	9	7	7	9	11	8	8
K Rumble[3]	16	16	9	9	7	7	-	11	8	8
S Warburton[4][5]	8	8	2	5	-	3	2	5	-	4

Member Chair

(1) Indicates the number of meetings held during FY24 while the Director was a member of the Board or Committee.
(2) Indicates the number of meetings the Director attended during FY24.
(3) Effective 1 April 2024, X Liu was appointed Chair of the Sustainability Committee (replacing K Rumble in that role).
(4) Effective 1 April 2024, S Warburton was appointed a member of the Nomination and Governance Committee and Risk and Audit Committee, and W Osborn ceased to be a member of the Risk and Audit Committee.
(5) S Warburton was appointed as a Director effective 28 November 2023.

Diversity representation

We aim to be welcoming and inclusive, and embrace and celebrate differences. We know an inclusive and diverse workforce is safer and allows for greater collaboration, innovation and performance. Learn more about our commitment to inclusion and diversity in our Inclusion and Diversity Policy available at *www.south32.net*.

We are committed to building and maintaining an inclusive and diverse workforce that reflects the communities in which we operate. Diversity is a key attribute of high performance in a well-functioning Board and Lead Team, and offers benefits including varied thoughts and perspectives along with unique insights and healthy challenge, which lead to better decision-making as we execute our strategy.

We consider inclusion and diversity in tandem, grounded in mutual respect, where each person's unique differences are recognised, valued, and celebrated.

Our vision for diversity considers the broadest definition of difference, including but not limited to gender, ethnicity, nationality, cultural background, geographic location, language/accent, religious beliefs, socio-economic background, neurodiversity, disability, physical attributes, appearance, age, education, family responsibilities and sexuality.

Table 1.2 Gender and ethnicity representation on the Board and Executive Management as at 30 June 2024

Board and Executive Management diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)[1]	Number in Executive Management[2]	Percentage of Executive Management
Gender identity					
Men	5	50.0%	1	4	44.4%
Women	5	50.0%	1	5	55.6%
Not specified / prefer not to say	-	-	-	-	-
Ethnic background					
White British or other White (including minority-white groups)	7	70.0%	2	6	66.7%
Mixed/Multiple Ethnic Groups	-	-	-	2	22.2%
Asian/Asian British	1	10.0%	-	1	11.1%
Black/African/Caribbean/Black British	1	10.0%	-	-	-
Other ethnic group	-	-	-	-	-
Not specified / prefer not to say	1	10.0%	-	-	-

(1) The United Kingdom (UK) Financial Conduct Authority (FCA) prescribes that the senior positions on the Board are the Chair, CEO, Chief Financial Officer (CFO) and Senior Independent Director (SID). For South32, the senior positions on the Board are only the Chair and the CEO. In line with market practice for Australian listed companies, the CFO does not sit on the Board and South32 does not have a SID as this role is not required under the corporate governance code South32 applies, being the ASX Principles and Recommendations.
(2) In accordance with the UK Listing Rules, Executive Management includes the Lead Team (our most senior executive body below the Board) and the Company Secretary, excluding administrative and support staff.

The FCA requires listed companies to publish information on gender and ethnic representation of the Board and Executive Management including demonstrated performance against the FCA's diversity and inclusion targets, namely that at least 40 per cent of the Board are women, at least one of the senior Board positions is held by a woman and at least one member of the Board is from a non-white ethnic minority background. South32 meets or exceeds all of these targets, as set out in Table 1.2.

The data presented in Table 1.2 was collected via self-reported questionnaires completed by all members of the Board and Executive Management that included the definitions prescribed by the UK Listing Rules.

Principal activities, state of affairs and review of operations

Principal activities and significant changes during the financial year

In FY24, the principal activities of the Group were mining and metals production, from a portfolio of assets that included bauxite, alumina, aluminium, copper, zinc, lead, silver, nickel, manganese and metallurgical coal.

In February 2024, the Group announced its decision to enter into a binding agreement to sell Illawarra Metallurgical Coal subject to the completion of certain conditions which were achieved on 29 July 2024.

In March 2024, Tropical Cyclone Megan severely impacted operations at Australia Manganese, causing significant damage to critical infrastructure and a temporary suspension of operations. Phased mining operations resumed in June 2024 with wharf export capability scheduled to commence in Q3 FY25, subject to maintaining construction productivity during the wet season.

There were no other significant changes in the Group's principal activities during the financial year.

State of affairs

There were no significant changes in the Group's state of affairs during the financial year, other than the Group's binding agreement to sell Illawarra Metallurgical Coal, which is expected to complete on 29 August 2024, the temporary suspension of operations at Australia Manganese due to Tropical Cyclone Megan, and as set out in the Operating and Financial Review on the inside front cover to page 66.

Review of operations, likely developments and expected results

A review of the Group's FY24 operations is set out in the Operating and Financial Review on the inside front cover to page 66.

The Operating and Financial Review also includes likely developments in the Group's operations in future financial years and expected results of those operations.

Dividends

We paid the following dividends during FY24:

	Total dividend	Payment date
Final dividend of US 3.2 cents per share (fully-franked) for the year ended 30 June 2023	US$145 million	12 October 2023
Interim dividend of US 0.4 cents per share (fully-franked) for the half-year ended 31 December 2023	US$18 million	4 April 2024

Matters since the end of the financial year

Refer to note 31 to the financial statements (Subsequent events) on page 167.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

Directors' relevant interests in shares

Table 1.3 Directors' Relevant Interests in South32 Limited Shares

Director	Number of South32 Limited shares in which a relevant interest is held as at the date of this Directors' Report
K Wood	367,825
G Kerr (CEO)[1]	8,502,545
F Cooper	128,010
X Liu	66,000
C Mesquita	177,440
N Mtoba	71,386
J Nelson	-
W Osborn	174,104
K Rumble	161,380
S Warburton	42,870

(1) At the date of this Directors' Report, G Kerr's total interest includes 2,040,944 South32 Limited ordinary shares and 6,461,601 rights over South32 Limited shares held under the South32 Equity Incentive Plan.

Rights and options over South32 Limited shares

No rights or options over South32 Limited ordinary shares are held by any of our Non-Executive Directors.

Our CEO and Managing Director, Graham Kerr, holds rights over South32 Limited shares, granted under the South32 Equity Incentive Plan. You can find more details about this in the Remuneration report on page 82.

The total number of rights over South32 Limited shares on issue as at 30 June 2024 is set out in note 22 to the financial statements (Employee share ownership plans) on pages 155 to 158. No rights have been granted since the end of FY24. As of the date of this report, the total number of rights over South32 Limited shares on issue is 47,648,705.

No shares have been issued on vesting of rights during or since the end of FY24.

South32 Limited has not had any options on issue during or since the end of FY24.

Company Secretary

Claire Tolcon LLB, BComm, FGIA, GAICD

Claire Tolcon is our Company Secretary and was appointed to this position on 30 October 2020. Claire joined South32 in 2017 and was a corporate lawyer in our legal team before moving into Company Secretariat. Prior to South32, Claire held the role of General Counsel and Company Secretary for a number of Australian Securities Exchange (ASX) listed entities, before this she was a partner of a corporate law firm in Perth. She holds a Bachelor of Laws and Bachelor of Commerce from Murdoch University, a Graduate Diploma of Applied Finance and Investment from Kaplan Business School and is a Fellow of the Governance Institute of Australia.

Indemnities and insurance

The South32 Limited Constitution requires that we indemnify each Director and Company Secretary (as well as employees appointed as directors and secretaries of a Group company) on a full indemnity basis and to the extent permitted by law against liability incurred by them in their capacity as an officer of any Group company. The Directors and the Company Secretary named in this report have the benefit of this indemnity (as do individuals who formerly held one of these positions).

As permitted by our Constitution, South32 Limited has entered into Deeds of Indemnity, Access and Insurance with each of the Company's Directors, Company Secretary and the CFO under which we agree to indemnify those persons on a full indemnity basis and to the extent permitted by law.

We purchase directors and officers liability insurance which insures against certain liabilities (subject to exclusions) in respect of current and former Directors and other Officers of the Group. Due to confidentiality obligations and undertakings of the insurance, we can't disclose any further details about the premium or insurance.

During FY24 and as at the date of this Directors' report, no indemnity in favour of a current or former Director or Officer of the Group has been called on.

Corporate Governance

Under ASX Listing Rule 4.10.3, ASX listed entities are required to benchmark their corporate governance practices against the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations).

South32 is compliant with all relevant ASX Recommendations.

Our Corporate Governance Statement 2024 is available at *www.south32.net*. It also contains the information required under the UK FCA's Disclosure Guidance and Transparency Rules.

Auditor

Our External Auditor has provided an independence declaration in accordance with the Corporations Act, which is set out on page 171 and forms part of this report.

Non-audit services

No non-audit services were undertaken by, and no amounts in respect of such services were paid or are payable to, our External Auditor during FY24. Refer to Note 21 to the financial statements (Auditor's remuneration) on page 155.

Political donations and social investment

Our Code of Business Conduct sets out our approach to political donations and social investment.

In FY24, we made no political donations to any political party, politician, political party official, elected official or candidate for public office in any country. On occasion, our representatives attend political events that charge an attendance fee where attendance is approved beforehand in accordance with our internal approval requirements. We record the details of attendances and the relevant costs at a corporate level.

In FY24, we contributed US$24 million in social investment that comprised direct investment, in-kind support and administrative costs. For more information on our social investment, please refer to our Sustainable Development Report 2024, available at *www.south32.net*.

Proceedings on behalf of South32

No proceedings have been brought or intervened in on our behalf, nor any application made, under section 237 of the Corporations Act.

Environmental performance

Performance in relation to environmental regulation

We seek to be compliant with all applicable environmental laws and regulations relevant to our operations.

We classify environmental incidents based on actual and potential impact type as defined by our internal material risk management standard. In FY24, there were no environmental events that resulted in a major impact to the environment.

Fines and prosecutions

During FY24, we have not identified any instances of significant non-compliance with applicable laws and regulations, or received any significant fines, non-monetary sanctions or prosecutions.

We define significant non-compliances with laws and regulations based on internal materiality thresholds. This may include non-compliances with laws and regulations that result in significant health, safety, community, reputational, legal, or financial impacts. Prosecutions, fines, or non-monetary sanctions are disclosed where they relate to a reported significant non-compliance.

Rounding of amounts

South32 Limited is an entity to which the *Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* (ASIC Instrument 2016/191) applies. We have rounded amounts in this report in accordance with ASIC Instrument 2016/191. This means the amounts in this report and the financial statements have been rounded to the nearest million US dollars, unless stated otherwise.

Responsibility statement

The Directors state that to the best of their knowledge:

(a) The consolidated financial statements and notes on pages 110 to 167 were prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit and loss of the Group and the undertakings included in the consolidation taken as a whole; and

(b) The Directors' report includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties the Group faces.

This Directors' report and the responsibility statement are made in accordance with a resolution of the Board.

Karen Wood
Chair

Graham Kerr
Chief Executive Officer and Managing Director

Date: 29 August 2024

Lead Team

Graham Kerr
BBUS, FCPA, 53
Chief Executive Officer and Managing Director

See page 70 for Graham Kerr's qualifications and experience.

Sandy Sibenaler
BCom, MFin, CA, GAICD, 42
Chief Financial Officer

Sandy Sibenaler joined South32 in 2021 and became our Chief Financial Officer in April 2023, with responsibility for Financial Reporting, Management Reporting, Treasury, Business Evaluation, Tax, Investor Relations and Group Assurance. Prior to this role, Sandy was our Vice President Finance.

Sandy has more than 20 years of treasury, finance and commercial experience in the resources sector. Prior to joining South32, she held a number of senior finance and commercial roles at Woodside and BHP including Vice President of Treasury and Insurance, General Manager Logistics and Finance Reporting Manager.

Sandy holds a Bachelor of Commerce from the University of Western Australia, a Master of Finance from Kaplan Business School, is a Fellow of Chartered Accountants Australia and New Zealand and a Graduate of the Australian Institute of Company Directors.

Vanessa Torres
BSc (Chemical), MEng, DEng, GAICD 54
Chief Operating Officer Australia

Vanessa Torres became our Chief Operating Officer in March 2024 and is responsible for Worsley Alumina, Cannington and Australia Manganese. She joined South32 in 2018 as our Chief Technology Officer, and her role was broadened to Chief Technical Officer in 2020.

Before joining South32, Vanessa was Vice President Operational Infrastructure for BHP Western Australia Iron Ore. She has over 30 years of global mining experience across Australia, Canada, Brazil, Peru and New Caledonia, and has held various senior roles at BHP and Vale in strategy, operations, projects and business development. Her multi-commodity experience spans base metals, bulk materials, battery minerals and precious metals.

Vanessa holds Doctorate and Master degrees in Minerals Engineering from the University of Sao Paulo, and a Bachelor of Science from the Federal University of Minas Gerais, Brazil. She was a Visiting Scholar at the University of British Columbia, Canada, where her research focused on the application of artificial intelligence to the mining industry. Vanessa is also a Graduate of the Australian Institute of Company Directors.

Noel Pillay
NHDP Mech Eng, 56
Chief Operating Officer Southern Africa and Colombia

Noel Pillay became our Chief Operating Officer in October 2021 and is responsible for our operations in Southern Africa and Colombia.

Prior to this role, Noel was Vice President Operations at Worsley Alumina where he was responsible for the operation's safety, production and cost performance. Before his time at Worsley Alumina, Noel was Vice President Operations at Hillside Aluminium in South Africa.

Before joining South32, Noel worked for BHP from 1994 as a Maintenance Engineer at Hillside Aluminium and has held several leadership roles in Maintenance, Production, Business Improvement and Human Resources in South Africa and Australia.

Noel is a trained Mechanical Engineer and holds a National Higher Diploma from the University of Johannesburg.

Simon Collins
BE (Mining), MBA, 51
Chief Development Officer

Simon Collins has been our Chief Development Officer since October 2018. He is responsible for Exploration, Corporate Development, Brazil Alumina, Brazil Aluminium and Sierra Gorda.

Simon has 30 years of experience in the resources industry in senior leadership, commercial and business development roles. Before joining South32, he worked for BHP for more than a decade, providing leadership to commercial and business development teams in Australia, Africa and the Americas. He began his career in mine operations in Australia and then South Africa.

Simon holds a Master of Business Administration from London Business School and a Bachelor of Engineering (Mining) from the University of New South Wales.

Kelly O'Rourke
LLB, BCom, MAICD, 45
Chief Legal and External Affairs Officer

Kelly O'Rourke was appointed to the Lead Team in November 2020 and is our Chief Legal and External Affairs Officer, with responsibility for Legal, Company Secretariat, Business Integrity, Communications, Community, Government and Sustainability Strategy.

Kelly joined South32 in 2016 as Vice President of Corporate Affairs and Investor Relations. She previously worked at BHP for nine years where she held senior roles in Legal, Business Development, Mergers and Acquisitions and the Office of the Chief Executive.

Kelly has more than 20 years of experience in the mining industry across legal, commercial, business development, mergers and acquisitions, external affairs and community roles across Australia, Asia, the United Kingdom, Europe, Africa and the Americas.

Kelly holds a Bachelor of Laws (Distinction) from The University of Western Australia, a Bachelor of Commerce from Curtin University and is a Member of the Australian Institute of Company Directors.

Erwin Schaufler
MSc, Mag.rer.soc.oec., GAICD, 48
Chief Technical Officer

Erwin Schaufler became our Chief Technical Officer in March 2024, with responsibility for Technology, Innovation, Business Optimisation, Global Business Services, Capital Projects, Planning, Health, Safety, Environment and Technical Stewardship.

Prior to this role, Erwin held various leadership roles at Worsley Alumina for more than six years including Vice President Operations and General Manager Refinery. Before his time at Worsley Alumina, Erwin played a key role in the establishment of the Marketing function when South32 was formed in 2015 and led the design and implementation of a revised Marketing strategy.

Before joining South32 Erwin worked at BHP for eight years, firstly in the Technology team where he held various senior roles before joining Marketing in distribution and supply chain in 2011.

Erwin holds a Master of Science in Logistics and Supply Chain from Cranfield University in the United Kingdom, a Magister rerum socialium oeconomicarumque (Master of Business Administration) from Vienna University of Economics and Business, is a Graduate of the Australian Institute of Company Directors, and has completed the Advanced Management Program at INSEAD.

Katie Tovich
BCom, CA, GAICD, 54
Chief Human Resources and Commercial Officer

Katie Tovich joined South32 in 2015 and became our Chief Human Resources and Commercial Officer in April 2023, with responsibility for our Human Resources, Marketing and Supply functions. Katie was our Chief Financial Officer from May 2019 to March 2023 and prior to this role, was Vice President Corporate Affairs and Investor Relations, as well as Head of Treasury.

Katie brings more than 30 years of global experience in the resources sector. Before joining South32, she held senior finance and marketing roles at BHP in Australia and Asia, including Vice President Corporate Finance, Head of Finance Worsley Alumina and Vice President Finance Marketing – Carbon Steel Materials. Earlier in her mining career, she held finance and marketing leadership positions at WMC Resources Limited in Australia and North America.

Katie holds a Bachelor of Commerce from the University of Tasmania, is a Member of Chartered Accountants Australia and New Zealand and is a Graduate of the Australian Institute of Company Directors.

CREATING VALUE FOR OUR STAKEHOLDERS

The Remuneration Committee assists the Board to oversee the remuneration and benefits framework for South32, providing assurance that remuneration arrangements support the delivery of our purpose and strategy, are aligned to our values and are in the long-term interests of our shareholders.

On behalf of the Board, I'm pleased to present the Remuneration report for FY24.

FY24 performance

Nothing is more important than the health, safety and wellbeing of our people. In FY24 we worked to further embed our 'safety guarantee' to instil a belief that everyone can go home safe and well, create a sense of chronic unease, reduce complacency, and assist to reduce risk tolerance in relation to safety and health.

We continued to implement our Safety Improvement Program, a multi-year program of work which aims to achieve a step change in our safety performance, and we use a range of metrics to assess this including both leading and lagging indicators. While we had no fatalities at our operations in FY24 and our leading indicators improved year-on-year, we did not meet the targets for some of our lagging indicators, indicating that we have further work to do to eliminate serious injuries from our business.

Effective risk management is an important part of our approach to keeping our people safe and well and we maintained 98 per cent compliance to our scheduled risk routines, including undertaking risk reviews, verifying controls and closing risk-related actions.

We know an inclusive and diverse workforce is safer and can enhance performance. Our inclusion and diversity measurable objectives are targets and actions aimed at improving inclusion and diversity in our workplace. While we did not meet all of our targets, the representation of women in our overall workforce improved, as did the representation of Black People in our overall workforce in South Africa. Pleasingly, our inclusion index score, which is measured through our annual Your Voice employee survey, improved year-on-year to 82.3 per cent.

Other important sustainability measures include our social and environmental performance. We invested US$23.6 million in community initiatives in Australia, South Africa, Mozambique, Colombia and the United States, and introductory human rights training was completed by 95 per cent of targeted roles.

We view water as a vital shared resource and are committed to working towards sustainably managing water resources within our operations, meeting or exceeding the majority of our water-related targets and milestones in FY24.

Against the backdrop of an uncertain geopolitical and market environment, we set consecutive annual production records at two operations and lifted production at Cannington by 10 per cent despite adverse weather impacts. We finished the year strongly, and delivered Underlying earnings before interest, tax, depreciation and amortisation of US$1.8 billion.

We returned US$198 million to shareholders during FY24 via ordinary dividends and our on-market share buy-back. Consistent with our policy to distribute a minimum of 40 per cent of Underlying earnings as ordinary dividends, the Board has resolved to pay a fully-franked final ordinary dividend of US 3.1 cents per share (US$140 million) in respect of the second half of FY24.

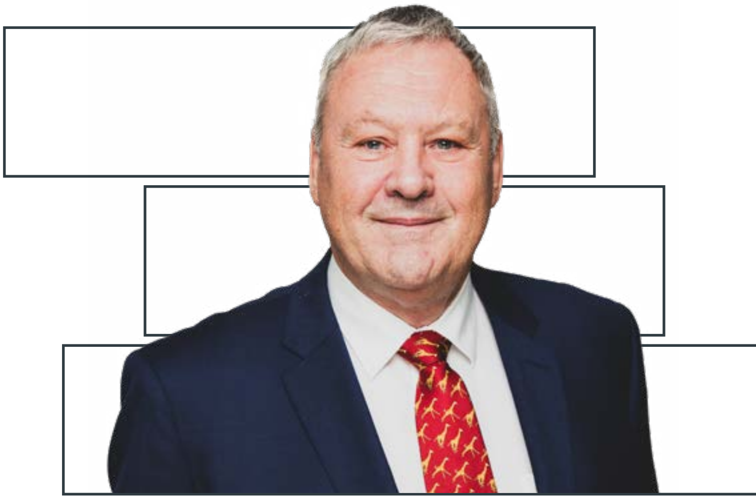
Reflecting the Group's strengthened financial position and our disciplined approach to capital management, the Board has also resolved to allocate US$200 million to our ongoing capital management program, to be returned to shareholders via an on-market share buy-back, commencing from completion of the sale of Illawarra Metallurgical Coal.

This year, we achieved a major milestone aligned with our strategy, by presenting the Taylor zinc-lead-silver development option at our Hermosa project to the Board for a final investment decision, with the Board approving its development. As the first phase of a regional scale opportunity at Hermosa, Taylor's infrastructure will unlock value for future growth options including Clark, our battery-grade manganese deposit, and potential discoveries in our highly prospective regional land package.

Taylor is now in the execution phase and our immediate focus is the construction of critical path infrastructure including the main access and ventilation shafts, which is on track to commence in the first quarter of FY25.

We are also progressing Clark to potential development via key workstreams and have commenced construction of an exploration decline to provide access to ore for demonstration scale output.

Our performance during the year is recognised in our Business Scorecard, a key component of our short-term incentive (STI), where an overall outcome of 91.1 per cent (out of a possible 150 per cent) was achieved. See page 93 for more information.



FY24 reward outcomes

Our executive reward framework for FY24 remained unchanged and consisted of fixed remuneration, STI and long-term incentive (LTI).

In September 2023, fixed remuneration increases were applied for our Executive key management personnel (KMP), which aligned with increases applied to the broader workforce and were disclosed in our 2023 Remuneration report. These increases support us to remain market competitive, as well as recognise the performance and experience of our Executive KMP.

For FY24, we adjusted the measures in our Business Scorecard to increase the weighting of safety and culture, and environment and social measures, while maintaining focus on financial measures and strategic delivery. Taking into consideration the Business Scorecard outcome, the Board's decision not to apply a Business Modifier, and individual performance and behaviours, the CEO STI outcome was 73 per cent of maximum with other Executive KMP STI outcomes ranging from 53 to 82 per cent of maximum (see page 96 for more information).

The LTI is the component of executive remuneration most closely linked to the shareholder experience as it rewards executives for the delivery of returns that exceed peer benchmarks across a four-year period. South32 delivered a total shareholder return (TSR) of 109 per cent over the four-year performance period of the FY21 LTI, resulting in a 33 per cent vesting outcome (see page 97 for more information).

The Board has approved the performance-based Transitional LTI awards for Chief Operating Officers Jason Economidis and Noel Pillay to partially vest, noting this award was granted to Jason and Noel in FY22 when they were permanently appointed to the Lead Team to avoid a potential gap in vesting arising from their transition from the Management Share Plan to the LTI.

All LTI awards granted to permanent members of the Lead Team, including those designated as Executive KMP, are subject to company performance hurdles. However, we allow individuals promoted into the Lead Team to retain awards granted when they were in prior management roles. As a result, our Chief Financial Officer, Sandy Sibenaler, continues to hold service-based awards that were granted prior to joining the Lead Team and becoming a member of Executive KMP. The Board has approved some of these awards to vest.

Our current LTI framework also includes two strategic measures. The first of these relates to our approach to climate change, and in FY24 we continued to take action to meet our target to halve our operational greenhouse gas emissions (Scope 1 and 2) by 2035 from our FY21 baseline. The second relates to portfolio management and we have made substantial changes to our portfolio in FY24 including entering into an agreement to sell Illawarra Metallurgical Coal, which is expected to complete on 29 August 2024, unlocking significant value and further streamlining our portfolio toward base metals. We also entered into agreements to sell our 50 per cent interest in the Eagle Downs metallurgical coal project and the Metalloys manganese alloy smelter.

Looking forward to FY25

Following completion of our annual benchmarking process, the Board awarded a four per cent increase to the fixed remuneration of our CEO to maintain fixed remuneration at competitive levels in alignment with our reward framework. Increases of between four and six per cent were awarded to other Executive KMP, while Board fees for the Chair and other Non-Executive Directors will increase by 2.5 and four per cent respectively. These will take effect from 1 September 2024.

Our FY25 STI and LTI metrics will continue to focus executives on the safe delivery of our business priorities and the creation of sustainable, long-term value for our shareholders as we increase our exposure to commodities critical for a low-carbon future.

I look forward to continuing to engage with our shareholders and sharing in the future success of South32.

Wayne Osborn
Chair, Remuneration Committee

FY24 at a glance

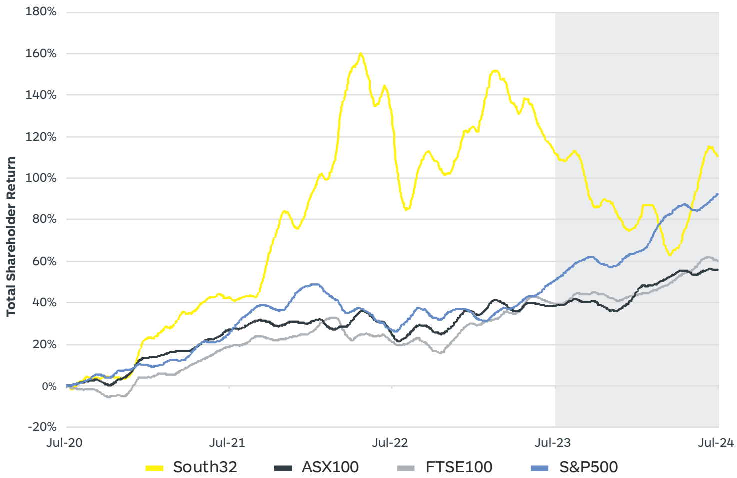
Portfolio transformation:
Taylor development final investment decision
Agreement to sell Illawarra Metallurgical Coal

Underlying EBITDA[1]:
US$1,802M

Four-year total shareholder return[2]:
109%

Total shareholder return (TSR)[3]

Diagram 1.1 - Four-year South32 TSR relative to key indices (A$)



(1) This number has not been prepared in accordance with International Financial Reporting Standards (IFRS). Refer to pages 118 to 128 for the basis of the underlying information and a reconciliation to statutory earnings.
(2) TSR calculation uses June 2020 average return at the start and June 2024 average return at the end of the measured period.
(3) Rolling 22 business day average TSR.

Table 1.1 outlines historic business performance outcomes.

Table 1.1 – Business performance

Performance measures[1]	FY24	FY23	FY22	FY21	FY20
Underlying EBITDA (US$M)[2][3]	**1,802**	2,534	4,755	1,856	1,458
Underlying earnings (US$M)[2][3][4]	**380**	916	2,602	489	193
Closing net cash/(debt) (US$M)	**(762)**	(483)	538	406	298
Movement in adjusted ROIC (percentage)[5]	**(5.0)**	(6.6)	0.4	0.7	0.0
Closing share price on 30 June (A$)[6]	**3.66**	3.76	3.94	2.93	2.04
Dividends/special dividends paid (US cents per share)	**3.6**	21.9	14.2	2.4	5.0
Total recordable injury frequency (TRIF) (per million hours worked)	**5.1**	5.9	5.3	4.3	4.2

(1) The financial information in this table has not been prepared in accordance with IFRS. Refer to pages 118 to 128 for the basis of the underlying information and a reconciliation to statutory earnings.
(2) The underlying information reflects the Group's interest in material equity accounted investments and is presented on a proportional consolidation basis. Refer to pages 118 to 128 for the basis of the underlying information and a reconciliation to statutory earnings.
(3) On 29 February 2024, South32 announced the sale of Illawarra Metallurgical Coal to an entity owned by Golden Energy and Resources Pte Ltd and M Resources Pty Ltd. As a result, Illawarra Metallurgical Coal was classified as a discontinued operation and held for sale from that date. Illawarra Metallurgical Coal remains part of the Group until the sale's completion which is expected be on 29 August 2024. In the meantime, the Group's underlying financial results include the financial contribution from Illawarra Metallurgical Coal.
(4) Refers to Underlying earnings attributable to members.
(5) The movement in adjusted ROIC (FY24: ((5.0 per cent)) is calculated as the difference between adjusted ROIC for the current performance period (FY24: 5.0 per cent) less ROIC from the previous performance period (FY23: 10.0 per cent) and represents the impacts of sales volumes (FY24: (5.2 per cent)) and other business performance impacts (FY24: 0.2 per cent) on ROIC. ROIC is calculated as Underlying EBIT (FY23: US$1,616 million) less the discount on rehabilitation provisions included in net finance costs, tax effected by the Group's Underlying effective tax rate (ETR) including our material equity accounted investments on a proportional consolidation basis (FY23: US$657 million), divided by the sum of the average balance of fixed assets and inventories (FY23: US$9,640 million) (including our material equity accounted investments on a proportional consolidation basis (FY23: US$2,599 million) and excluding the average balance of any rehabilitation assets, the impact of impairment and impairment reversal, and unproductive capital (FY23: US$(2,605 million))). Refer to pages 118 to 128 for the basis of underlying information and a reconciliation to statutory earnings.
(6) The closing share price on 28 June 2019 (the last trading day in FY19) was A$3.18.

FY24 key management personnel (KMP)

Our KMP consist of our Board (including the Chief Executive Officer), and members of the Lead Team who have authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly. Table 1.2 below provides an overview of our KMP in FY24.

Table 1.2 – KMP in FY24

Non-Executive Directors	FY24 Term	Executive KMP	FY24 Term
K Wood(1)	Full year	G Kerr – Chief Executive Officer (CEO)	Full year
F Cooper AO(1)	Full year	S Sibenaler – Chief Financial Officer (CFO)	Full year
X Liu	Full year	J Economidis(2) – Chief Operating Officer (COO) Australia	Ceased on 13 March 2024
C Mesquita	Full year	V Torres – COO Australia(3)	Appointed on 14 March 2024
N Mtoba	Full year	N Pillay – COO Southern Africa and Colombia	Full year
J Nelson	Full year		
W Osborn(4)	Full year		
K Rumble(1)	Full year		
S Warburton	Appointed on 28 Nov 2023		

(1) Remuneration Committee member.
(2) Upon ceasing as a member of KMP, J Economidis transitioned into the role of Director Illawarra Metallurgical Coal.
(3) Prior to commencing as COO Australia, and a member of KMP, V Torres was Chief Technical Officer.
(4) Remuneration Committee Chair.

FY24 Executive KMP remuneration overview

CEO fixed remuneration increase:	Range of Executive KMP STI outcomes as a percentage of maximum STI opportunity:	FY21 LTI vesting outcome:
4.5%	**53% to 82%**	**33%**

Fixed remuneration

The Board awarded a 4.5 per cent increase to the fixed remuneration of our CEO, Graham Kerr, from 1 September 2023 in recognition of his extensive experience and skill set. This adjustment aligned with the salary increase applied for the broader Australian workforce.

Fixed remuneration for other Executive KMP was also increased by between 4.5 and six per cent. Increases were aligned with those applied to the workforce in the relevant geographies (Australia and South Africa).

FY24 STI

In FY24, our performance against our Business Scorecard measures resulted in an outcome of 91.1 per cent (out of a possible 150 per cent). The Board determined that no Business Modifier would be applied to any Executive KMP in FY24 (see page 95).

Overall STI outcomes for Executive KMP ranged from 53 per cent to 82 per cent of maximum with Graham receiving 73 per cent of maximum.

LTI vesting in 2024

South32 delivered TSR of 109 per cent over the four-year performance period, which exceeded the world index TSR by 30.5%, but was two per cent below the threshold level of TSR performance against the customised global mining index. Accordingly, our Board approved one-third of the FY21 LTI award to vest and the remainder to lapse.

South32 does not offer retention rights to permanent members of the Lead Team, including those who are Executive KMP. However, employees who are promoted into Executive KMP roles retain unvested awards granted under the Management Share Plan (MSP) while in their prior role. These awards are a combination of performance rights and retention rights. The FY21 MSP performance rights award granted to Sandy, Jason and Noel prior to their permanent appointment to the Lead Team has the same performance conditions as the FY21 LTI. Accordingly, our Board approved one-third of the award to vest and the remainder to lapse.

As the three-year service-based condition of the FY22 MSP retention rights award granted to Sandy prior to her appointment to the Lead Team was met, our Board approved this award to vest in full.

Our Board approved the grant of an FY22 Transitional LTI award to Jason and Noel on their permanent appointments to the Lead Team. This performance tested award is designed to address the potential shortfall in vesting that arises from the transition from the MSP, which includes three-year retention rights, to the four-year LTI Plan. South32 relative TSR performance over the three-year performance period resulted in a partial vesting outcome of 70.4 per cent (see page 97 for more detail).

FY24 realised pay

Realised pay for the CEO (see page 86) was A$7.935M (FY23:$3.377M). The increase compared to FY23 reflects an above target STI outcome and the LTI partially vesting for the first time since FY19.

The Board considered all components of remuneration in reviewing the FY24 reward outcomes to align with our guiding principles (see page 87) and believes the FY24 realised pay for the CEO reflects performance (both in the year and also across the four-year performance period for the LTI).

Realised pay for Executive KMP in FY24

Realised pay is the value of reward received by Executive KMP in relation to the financial year, rather than potential pay that may be earned or disclosed statutory pay. We publish this information to enable shareholders to better understand the pay delivered to our Executive KMP through our reward framework (including the application of Board discretion) and how this is aligned to the performance of South32 over time.

The intention of our reward framework (see our guiding principles on page 87) is to deliver realised pay outcomes that reflect Company performance, the contribution of the Executive KMP to that performance and the shareholder experience. The Board and Remuneration Committee consider that our realised pay outcomes reflect this objective.

FY24 realised pay for Executive KMP, outlined in Table 1.3, includes:

- Fixed remuneration earned in FY24 (including superannuation);
- Other cash and non-monetary benefits earned in FY24;
- Total FY24 STI earned (including cash and deferred rights) based on performance during this financial year (see page 96); and
- LTI awards that vested based on performance and/or service conditions to 30 June 2024 (see page 99).

Realised pay is likely to vary substantially, either up or down, from statutory remuneration and from target remuneration (see page 90) because a significant portion of our Executive KMP pay is 'at risk' and based on performance measures. Furthermore, as the LTI is measured over a four-year performance period, vesting outcomes will not always correlate to the TSR outcomes for a single year. In FY24, realised pay for the CEO exceeded target remuneration (see page 90) for the first time since FY19. The above target outcome was primarily the result of strong total shareholder returns over the four-year LTI award performance period which resulted in one-third of the FY21 LTI award vesting.

Table 1.3 – Realised pay in respect of FY24 (A$'000)

Executive KMP		Fixed remuneration	Other(1)	STI cash	STI deferred	LTI(2)(3)	Total realised pay
G Kerr	**FY24**	**1,978**	**56**	**1,306**	**1,306**	**3,289**	**7,935**
	FY23	1,891	48	719	719	-	3,377
S Sibenaler(4)(5)	**FY24**	**862**	**8**	**640**	**640**	**230**	**2,380**
	FY23	576	37	249	84	89	1,035
J Economidis(6)	**FY24**	**851**	**15**	**903**	**-**	**867**	**2,636**
	FY23	812	12	352	352	372	1,900
V Torres(7)	**FY24**	**862**	**29**	**474**	**474**	**841**	**2,680**
	FY23	-	-	-	-	-	-
N Pillay	**FY24**	**701**	**27**	**445**	**445**	**503**	**2,121**
	FY23	678	26	248	248	324	1,524

(1) Other includes such items as car parking, insurances and tax advice provided to Executive KMP.
(2) Value of the LTI is based on a closing share price on 28 June 2024 of A$3.66 (FY24) and 30 June 2023 of A$3.76 (FY23).
(3) LTI includes MSP awards granted to S Sibenaler, J Economidis and N Pillay prior to their permanent appointments to the Lead Team and Transitional LTI awards granted to J Economidis and N Pillay following their permanent appointments to the Lead Team (see page 99).
(4) S Sibenaler became CFO and a member of Executive KMP on 1 April 2023. Prior to this, she was Vice President Finance. FY23 realised pay reflects nine months in her prior role and three months as CFO.
(5) Other for S Sibenaler in FY23 includes the pro-rated pay out of a retention agreement of A$35,500 relating to her service as Vice President Finance that was paid prior to becoming a member of Executive KMP.
(6) J Economidis ceased to be COO Australia and a member of the Executive KMP on 13 March 2024 and transitioned into the role of Director Illawarra Metallurgical Coal. FY24 realised pay includes the period as Director of Illawarra Metallurgical Coal. Should J Economidis cease employment upon completion of the sale of Illawarra Metallurgical Coal, his employment contract in respect of his role as Director of Illawarra Metallurgical Coal provides for him to receive accelerated vesting of STI rights and for a pro rata portion of his LTI rights to remain on foot and eligible for vesting in the ordinary course. No amounts have been included in the table above in respect of the potential accelerated vesting of STI rights or apportioned LTI rights.
(7) V Torres became COO Australia and a member of Executive KMP on 14 March 2024. V Torres' FY24 realised pay includes the period as Chief Technical Officer prior to becoming a member of Executive KMP.

CEO Pay Ratio

As part of our commitment to pay transparency, we have calculated the ratio of our CEO's total realised pay to the median total realised pay for all our employees globally. This results in an FY24 CEO pay ratio of 57:1 (FY23 26:1). The pay ratio is expected to vary from year to year, given the significant portion of our CEO's pay which is 'at risk'. The increase in the pay ratio between FY23 and FY24 reflects a higher STI outcome and the LTI partially vesting for the CEO in FY24.

CEO total realised pay has been calculated in accordance with the method used in Table 1.3. For all other employees, realised pay is for the 12-month period to 30 June 2024 and includes all allowances, annual incentive payments received and the value of shares that vested in the period, but excludes other non-monetary benefits. Pension contributions have been calculated based on the cost to the Group of the contributions made in the 12-month period. Employees on an international assignment, employees who have relocated internationally during the financial year and employees who joined or left the Group after 1 July 2023 have been excluded from the calculation.

Our reward framework

The pages of the Remuneration report that follow (together with Table 1.1 – Business performance on page 84 and Table 1.2 – KMP in FY24 on page 85) have been prepared in accordance with section 300A of the Corporations Act 2001 (Cth) (the Act) and audited as required by section 308(3C) of the Act. These sections relate to those persons who were KMP of South32 during FY24, being the individuals listed in Table 1.2 on page 85.

Remuneration governance

The roles and responsibilities of our Board, Remuneration Committee, management and external advisors in relation to remuneration for Executive KMP and employees of South32 are outlined below.

Board	Our Board maintains overall responsibility for overseeing the remuneration policy and the principles and processes that underpin it. It approves the remuneration arrangements for our CEO and Non-Executive Directors. Changes to the Director fee pool and equity grants to the CEO are approved by shareholders.
Remuneration Committee	The Remuneration Committee approves reward arrangements for our executives including those appointed to Executive KMP roles (other than the CEO). By taking advice from other Board Committees (such as the Sustainability and Risk and Audit Committees), the Remuneration Committee helps the Board oversee our remuneration policy, its specific application to the CEO, Lead Team and Non-Executive Directors and, in general, our employees. The Remuneration Committee provides oversight to gain assurance that remuneration arrangements are equitable and aligned to the long-term interests of shareholders, operate within risk appetite and support our purpose, strategy and values.
CEO and management	Our CEO makes recommendations to the Remuneration Committee regarding our executives, and how the remuneration policy and framework applies to our employees. Management provides information and recommendations to the Remuneration Committee to help it consider and implement approved arrangements.
External advisors	Independent external advisors may be engaged either directly by the Remuneration Committee, or via management. These advisors provide information on remuneration-related issues, including benchmarking information and market data. The Remuneration Committee did not receive recommendations from external advisors, including remuneration consultants, in relation to KMP in FY24.

We seek information and analysis from a range of data sources. This allows us to make decisions that are informed, objective, weighted and aligned to the requirements of the Company, and consistent with our guiding principles.

Reward practices and outcomes

Our Guiding Principles

Purpose and Strategy

We align short-term and long-term performance measures to our purpose and strategy. This includes our efforts to:

- **Optimise** our business by working safely, minimising our impact, consistently delivering stable and predictable performance and continually improving our competitiveness;
- **Unlock** the full value of our business through our people, innovation, projects and technology; and
- **Identify** and pursue opportunities to sustainably reshape our business for the future, and create enduring social, environmental and economic value.

How we work

Our culture is grounded in our values and is at the core of how we deliver our purpose and strategy. You'll see it reflected in our values, the decisions we take, the courage we show and the legacy we leave.

Supporting this is a strong belief that culture can be actively shaped through a focus on what we prioritise, what we measure, what we reward and who we appoint.

Shareholders

Our reward framework focuses executives and management on delivering superior TSR.

We do this through share ownership and LTI performance measures aligned to the shareholder experience.

We value feedback and regularly engage with investors and proxy advisors.

Performance

Our reward outcomes align to performance by providing a large part of executive pay 'at risk' based on financial and non-financial measures.

STI outcomes reflect performance over the financial year, while LTI outcomes reflect performance over a four-year period.

Market

Our reward is designed to be competitive and to attract and retain talented executives.

We benchmark our reward levels by considering similar sized companies on the Australian Securities Exchange (ASX), as well as our global mining peer group.

Components of our reward for FY24

Our intention	Attract and retain talented executives to lead South32	The majority of pay at risk reflects our commitment to pay for performance and deliver value to shareholders	
		Reward business and individual performance in the financial year	Drive long-term performance and ownership behaviours
Component	**Fixed Remuneration**	**Short-Term Incentive**	**Long-Term Incentive**
The why	Fixed remuneration is set with reference to the median of our peer groups, reflecting each member of Executive KMP's responsibilities, location, skills and experience.	STI focuses efforts on our key priorities both in the financial year and into the future. It aims to motivate Executive KMP to achieve challenging performance objectives. Our STI reflects performance during the year and measures outcomes within management's control.	LTI is directly linked to: – Relative TSR so that Executive KMP pay outcomes are aligned with the shareholder experience over the longer term; and – Two strategic measures so that Executive KMP pay outcomes are aligned to the business priorities that we believe will underpin the long-term success of South32.
The how	Base salary and superannuation.	– Fifty per cent paid in cash annually. – Fifty per cent delivered in rights to receive South32 shares[1], deferred for two years[2]. For rights that vest, Executive KMP are entitled to receive a cash payment equivalent to the dividends that would have been paid had the Executive KMP held South32 shares between the grant date and the date the rights convert to South32 shares (a dividend equivalent payment)[3].	Rights to receive South32 shares that are subject to meeting performance conditions over the four-year performance period.

Our approach in FY24

Fixed Remuneration

We benchmark our fixed remuneration and target remuneration against two key peer groups that reflect our profile as a Company and the markets in which we operate and compete for talent. Our peer groups are:

- An ASX peer group based on companies with half to double our market capitalisation (excluding foreign domiciled entities and real estate investment trusts); and
- An international mining peer group of 16 companies with a similar market capitalisation, commodity mix and/or global presence to South32 (see Our global mining peer group below).

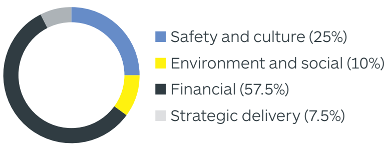
Short-Term Incentive

Quantum (percentage of fixed remuneration):

	Target value	Maximum opportunity
Executive KMP	120%	180%

Business Scorecard: The Business Scorecard reflects a balance of financial and non-financial measures that are a priority in the financial year. The financial measures remove the impact of commodity prices and foreign exchange so that we reward for items management can control.

Performance measures:



Business Modifier: As Scorecard measures do not always reflect all aspects of performance across a year, and to mitigate any unintended reward outcomes, the Board has the discretion to apply a Business Modifier to the Business Scorecard outcome. The Business Modifier may be applied to Executive KMP on an individual or group basis, having regard to the perspectives of stakeholders including employees, shareholders and communities.

Individual performance and behaviours: The Board also considers an Executive KMP's individual performance, taking into account their areas of responsibility and the alignment of their behaviours with our values (i.e. how outcomes have been achieved).

Long-Term Incentive

Quantum (percentage of fixed remuneration):

The quantum for FY24 was determined by multiplying fixed remuneration by the following face value percentages:

	Target value	Face value
CEO	120%	200%
Other Executive KMP	80%	133%

Performance measures:

TSR performance: Eighty per cent of the LTI is assessed based on our TSR performance compared to two comparator groups, these being:

- Two-thirds, or 53.3 per cent of the total award, is tested relative to the TSR performance of the companies that comprise the EMIX Global Mining Index at the start of the performance period (i.e. at 1 July 2023 for the FY24 LTI award)[4]; and
- One-third, or 26.7 per cent of the total award, is tested relative to the TSR of the MSCI World Index.

Strategic measures: The strategic measures, which each have a weighting of 10 per cent of the LTI, are:

- Our response to climate change; and
- The transition of our portfolio towards commodities critical to a low-carbon future.

More detail on the measures and our progress against them is outlined on page 100.

Vesting scale:

	Vesting outcome[5]		
	0%	40%	100%
EMIX Global Mining Index constituents*	TSR <= 50th percentile	TSR > 50th percentile	TSR => 75th percentile
MSCI World Index*	TSR < index TSR	TSR = index TSR	TSR => index TSR + 23.9%
Strategic Measures	Vesting outcomes will be determined by the Board at the end of the performance period.		

*Vesting between 40 per cent and 100 per cent is on a straight-line basis.

The Board has the discretion to adjust the TSR vesting outcome (both upwards and downwards) so that the overall vesting outcome is appropriate and aligned with our guiding principles (see page 87). There is no retesting if the performance condition is not met at the end of the performance period.

Our global mining peer group	The global mining peer group, used as one of our reference points for benchmarking FY24 fixed remuneration and total reward levels, included the following companies: Agnico Eagle Mines, Alcoa, Anglo American, AngloGold Ashanti, Antofagasta, Barrick Gold, First Quantum Minerals, Fortescue, Freeport-McMoRan, Gold Fields, Kinross Gold, Lundin Mining, Newcrest Mining, Newmont, Northern Star Resources and Teck Resources.
Minimum shareholding requirement	A minimum shareholding requirement (MSR), equal to 100 per cent of fixed remuneration for Executive KMP, drives a long-term focus and alignment with our shareholders. The MSR applies to all Lead Team members, including those who are Executive KMP, and must be obtained within five years of appointment to the Lead Team. The valuation approach applied to determine the MSR uses the South32 Limited share price at the time the assessment is made. See page 107 for our Executive KMP shareholdings.
Our service contracts	Contracts are entered into by Executive KMP in their personal capacity. At present the key terms for all Executive KMP include: – No fixed term; – Six months' notice by either party or payment by the company in lieu of notice; – Termination without notice for serious misconduct; – One month's notice by the Executive KMP[6] where a fundamental change occurs that materially diminishes their status, duties, authority or terms and conditions (receiving payment in lieu of six months' notice); – A maximum payment in lieu of notice of six months' fixed remuneration; and – Post-employment restraints for a period of up to six months after their employment with the Group ends. Shareholder approval was granted at the 2021 Annual General Meeting (AGM) for Executive KMP termination benefits and will be sought again at the 2024 AGM.

(1) References in this Remuneration report to 'South32 shares' are references to fully paid ordinary shares in South32 Limited.
(2) Deferred rights are subject to a service condition only as performance conditions are applied during the STI performance year.
(3) We introduced dividend equivalent payments on FY24 Deferred STI awards to increase the alignment between executives and shareholder interests during the STI deferral period. The dividend equivalent payment will be paid in cash at the time the Deferred STI awards convert to shares. No dividend equivalent payment is payable in respect of any rights that lapse.
(4) The constituent group is fixed for the four-year performance period with Board discretion to adjust the constituent group to take into account events such as takeovers, mergers or demergers that may occur during the performance period.
(5) The Board and Remuneration Committee use information from an external provider to inform them of the TSR performance of the relevant index and companies to assess the vesting outcome for the LTI.
(6) Some legacy executive employment contracts, including for the CEO, allow resignation without notice if a fundamental change occurs.

Linking reward and environmental, social and governance (ESG) topics

The 'at risk' components of our Executive KMP reward include ESG measures that align remuneration with our performance on ESG topics, as explained below.

STI

The Business Scorecard reflects a balance of financial and non-financial measures that reflect the key focus areas in the financial year. From an ESG perspective, 35 per cent of the FY24 Business Scorecard was assessed against 'sustainability' metrics, which include safety and culture metrics (safety and health, risk management and people) and environment and social performance metrics (social performance and water performance).

The overall Business Scorecard outcome is also subject to the Business Modifier. The Business Modifier allows the Board to appropriately adjust the Business Scorecard outcome. We have a track record of applying the Business Modifier to reflect non-financial performance and the overall shareholder experience (see page 95).

Further detail on our STI is included in the short-term incentive for FY24 section starting on page 92.

LTI

Twenty per cent of the FY24 LTI directly links executive reward to climate change and the transition of our portfolio towards commodities critical to a low-carbon future. More detail on the strategic measures and our progress against them is outlined on page 100.

Target remuneration for FY24

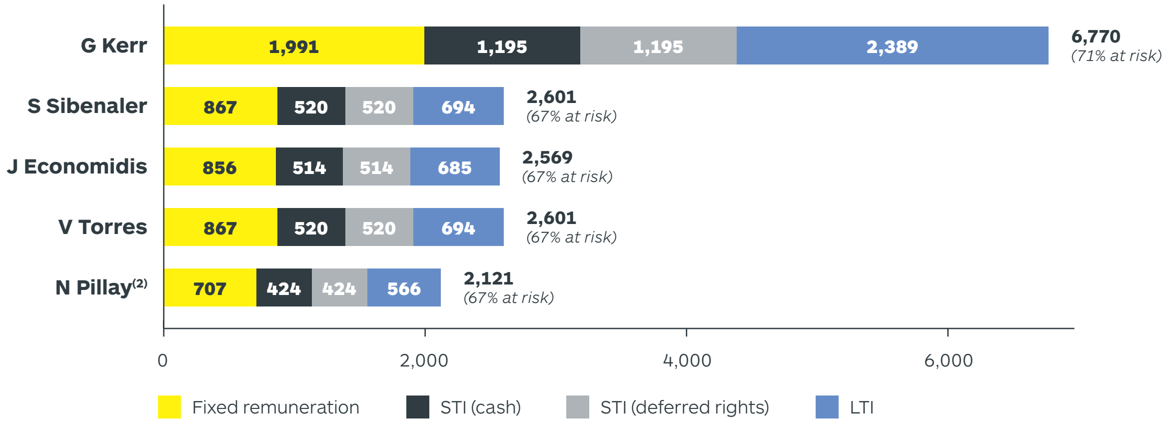
South32 sets target remuneration for each member of Executive KMP at a competitive level to attract and retain appropriate talent in the markets in which we operate. Our target remuneration is informed by the South32 reward framework (see page 87) that outlines the key factors the Board takes into consideration in setting Executive KMP reward and the strategic drivers of pay at South32.

It is important that reward levels fairly reflect the responsibilities and contribution of the Executive KMP and that outcomes are aligned to performance and the delivery of TSR. As a result, a meaningful portion of our Executive KMP remuneration is at risk, contingent on individual and Company performance measures.

Target remuneration, as outlined below, assumes on-target performance for the STI and considers the difficulty of achieving LTI vesting given the performance hurdles. The figures reflected in the diagram below are therefore based on the STI paid at target (120 per cent of fixed remuneration) and the LTI vesting at 120 per cent of fixed remuneration which reflects the difficulty of achieving the performance hurdles.

Based on these principles, target remuneration for Executive KMP as at 30 June 2024 is illustrated in Diagram 1.2.

Diagram 1.2 – FY24 target remuneration (A$'000)[1]



(1) Target remuneration reflects a full year in the Executive KMP role.
(2) Target remuneration for N Pillay has been converted to A$ using an exchange rate of AUD: ZAR 12.27.

FY24 target remuneration relative to peer groups (unaudited)

We have operations and offices on six continents and compete for talent globally.

The diagrams below illustrate the measured approach we have adopted in positioning CEO fixed remuneration and target remuneration for FY24 compared to relevant benchmarks, being the ASX peer group and the global mining peer group (see page 88). CEO fixed remuneration is comparable to the median for both peer groups. CEO target remuneration is aligned to the upper quartile for the ASX peer group, but below the global mining peer group median.

Diagram 1.3 – CEO fixed remuneration vs. peers

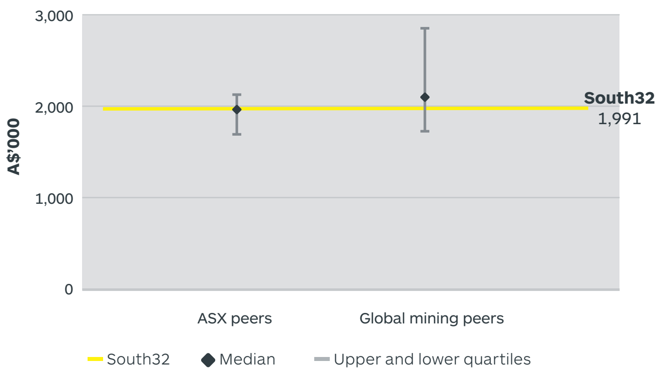
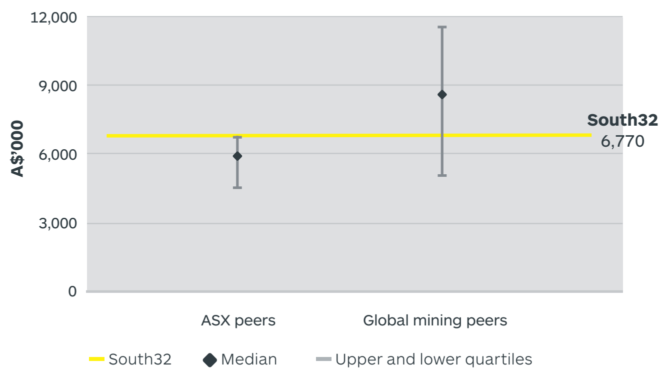


Diagram 1.4 – CEO target remuneration vs. peers

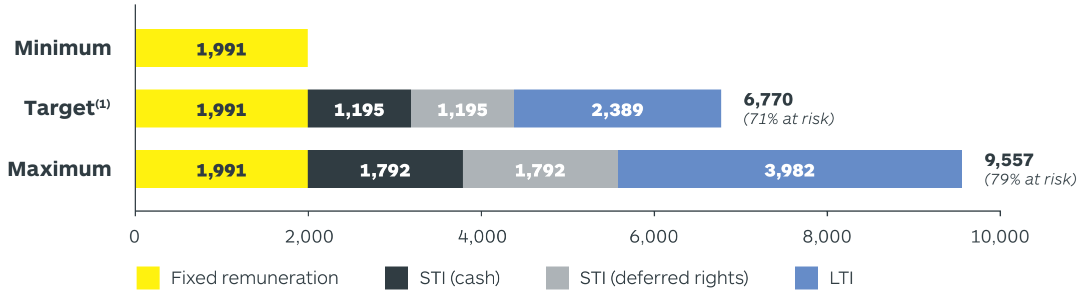


Range of possible remuneration outcomes

As actual business and individual achievement over the performance period determines reward outcomes, the pay received by Executive KMP each year will vary.

Diagram 1.5 illustrates the range of possible remuneration outcomes for the CEO, based on three performance outcome scenarios: minimum, target and maximum. While the figures in Diagram 1.5 and explanation are for the CEO, similar analysis can be undertaken for other Executive KMP to assess the minimum and maximum range of pay outcomes.

Diagram 1.5 – Range of CEO remuneration outcomes (A$'000)



(1) The target LTI value reflects the difficulty of achieving the performance hurdles.

In the **Minimum** scenario, no STI or LTI is paid. The CEO would receive fixed remuneration, inclusive of superannuation, of A$1,991,000.

Target outcomes would be achieved where the business meets the STI performance measures, resulting in the STI being paid at target levels (120 per cent of fixed remuneration, with half deferred into rights) and the LTI vesting at target (120 per cent of fixed remuneration).

To deliver a **Maximum** outcome for the STI (i.e. 180 per cent of fixed remuneration, with half deferred into rights), South32 would need to achieve the stretch targets for every metric in the Business Scorecard. For the LTI to vest in full (i.e. at 200 per cent of fixed remuneration), over the four-year performance period:

– The South32 TSR would need to meet or exceed the TSR of the company at the 75th percentile in the EMIX Global Mining Index constituent group;
– The South32 TSR would need to exceed the MSCI World Index by 23.9 per cent; and
– The Board would need to assess performance against both strategic measures as outstanding.

Deferred STI and LTI in the Target and Maximum scenarios do not incorporate future share price movements or any dividend equivalent payments that may be made on Deferred STI awards.

Fixed remuneration for FY24

On 1 September 2023, the CEO received an increase to fixed remuneration of 4.5 per cent from A$1,906,000 to A$1,991,000 in recognition of his extensive experience and skill set. This was his third increase in fixed remuneration since commencing in role in 2015. Sandy, Jason and Noel received fixed remuneration increases of between 4.5 and six per cent which aligned with the increases applied to the broader workforce in the relevant geographies (4.5 per cent in Australia and six per cent in South Africa).

Table 1.4 – Fixed remuneration for Executive KMP in FY24, effective 1 September 2023(1)

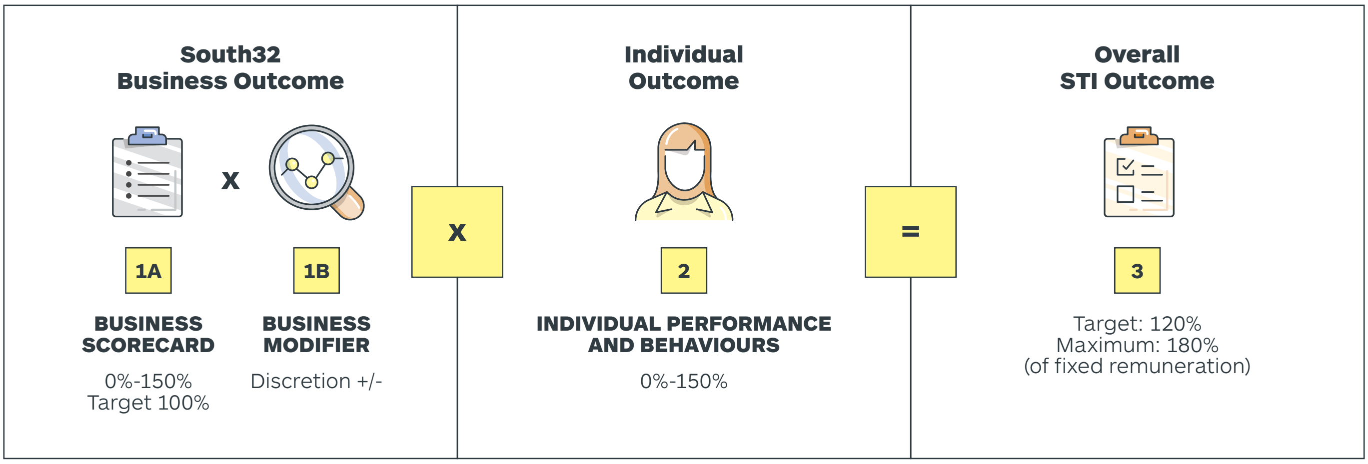
Executive KMP	FY23 fixed remuneration	FY24 fixed remuneration	Increase %
G Kerr	A$1,906,000	**A$1,991,000**	4.5
S Sibenaler(2)	A$830,000	**A$867,000**	4.5
J Economidis(3)	A$819,000	**A$856,000**	4.5
V Torres(4)	-	**A$867,000**	-
N Pillay(5)	ZAR 8,190,000	**ZAR 8,680,000**	6.0

(1) Fixed remuneration reflects a full year in the Executive KMP role.
(2) FY23 fixed remuneration for S Sibenaler was effective from commencing as CFO and a member of Executive KMP on 1 April 2023.
(3) FY24 fixed remuneration for J Economidis was effective until he ceased to be COO Australia and a member of Executive KMP on 13 March 2024.
(4) FY24 fixed remuneration for V Torres was effective from commencing as COO Australia and a member of Executive KMP on 14 March 2024.
(5) Fixed remuneration for N Pillay is denominated in ZAR. Using an exchange rate of AUD:ZAR 12.27, FY24 fixed remuneration is A$707,416.

Short-term incentive for FY24

Determining STI awards

Diagram 1.6 – Determination of STI awards



As outlined on page 88, the STI is intended to focus and reward Executive KMP for delivering on our key business priorities both in the financial year and into the future. The **overall STI outcome** is determined by assessing three key inputs: the Business Scorecard, the Business Modifier and individual performance and behaviours.

The **Business Scorecard** includes a balanced range of measures that consider both our financial and non-financial performance, and help our Executive KMP focus on outcomes that are within their control and a priority for the year.

The **Business Modifier** considers overall business outcomes or other factors that are not specifically contemplated in the Business Scorecard, such as:

- Significant safety or environmental events;
- The shareholder experience;
- Significant reputational issues; and
- An assessment of risk, culture or any other item that the Board considers appropriate.

The Business Modifier, based on Board discretion, adjusts the overall Business Scorecard outcome so that STI outcomes reflect business performance, including both what has been delivered and how it has been achieved. The outcome may be positive or negative and may be applied to Executive KMP on an individual or a group basis depending on the factors under consideration.

Together, the Business Scorecard and the Business Modifier determine the **South32 Business Outcome**.

Individual performance is measured based on delivery against the relevant business plans. Executives are also assessed on demonstrated behaviour aligned to our values (i.e. both on what is achieved and how it is achieved).

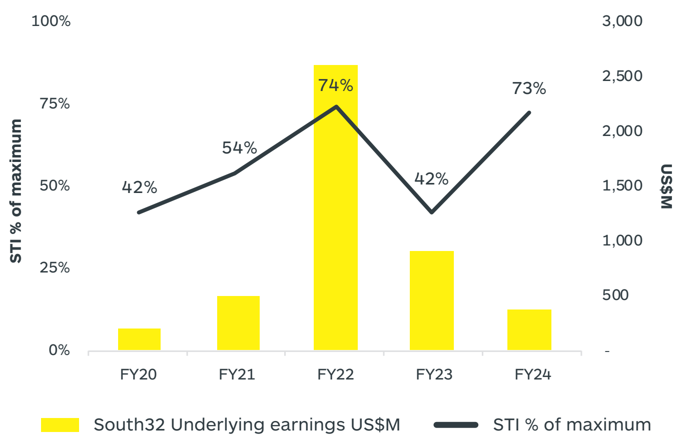
What this means in practice

Our Business Scorecard includes measures that are within our executives' control, and, as such, will not always mirror underlying South32 financial outcomes. Diagram 1.7 outlines the CEO's STI outcomes approved by the Board over the past five years.

In FY24, we maintained a strong focus on cost management and achieved a number of production records across our business. However, Underlying earnings was impacted by weaker commodity prices and lower production volumes, predominantly at Illawarra Metallurgical Coal, where we completed planned longwall moves, and at Australia Manganese due to Tropical Cyclone Megan.

Our Business Scorecard outcome of 91.1 per cent reflected a target outcome for our sustainability focused metrics, but a below target outcome for our financial metrics, driven primarily by our adjusted ROIC performance (refer to pages 93 and 94). The CEO's STI outcome incorporated the Business Scorecard outcome, the Board's decision not to apply a Business Modifier (refer page 95), and a 120 per cent individual outcome in recognition of Graham's outstanding leadership during the year (refer page 96).

Diagram 1.7 – CEO STI outcome vs. Underlying earnings[1]



(1) Refers to Underlying earnings attributable to members.

1A FY24 Business Scorecard

Table 1.5 – FY24 Business Scorecard outcomes

Scorecard measure	Performance	Zero / Target / Maximum	Target	Outcome
Safety and culture			**25.0%**	**23.3%**
Safety and health[1]				
At least 90 per cent of LEAD Safely Every Day learning activities completed by leaders.	96 per cent of LEAD Safely Every Day learning activities were completed by leaders.			
A significant hazard to significant event near miss reporting ratio of more than 15.	The significant hazard to significant event near miss ratio at the end of FY24 was 21.			
A 20 per cent reduction in the number of people exposed to potential material health exposures above 200 per cent of the occupational exposure limit (OEL) compared to the FY23 baseline.	Potential material health exposures above 200 per cent of OEL decreased by 10.5 per cent compared to the FY23 baseline.		15.0%	11.6%
A 60 per cent reduction in the number of injuries and acute illnesses associated with a potential fatality compared to the FY23 baseline.	The number of injuries and acute illnesses associated with a potential fatality increased by 12 per cent compared to the FY23 baseline.			
A year-on-year reduction in lost time injury frequency (LTIF).	LTIF was 1.9, an increase from the FY23 LTIF of 1.6.			
A reduction in TRIF from the FY22 baseline.	TRIF was 5.1, which is a five per cent reduction compared to the FY22 baseline.			
Risk management				
Maintain more than 95 per cent compliance to scheduled risk routines.	Delivered 98 per cent compliance to scheduled risk routines.			
Risks requiring significant improvement are less than 10 per cent of the total material risk profile.	Risks requiring significant improvement averaged seven per cent of the total material risk profile.		5.0%	6.5%
More than 95 per cent of current critical controls are categorised against the hierarchy of controls.	99 per cent of current critical controls were categorised against the hierarchy of controls. In addition, four of the five stretch targets were met.			
People[1]				
Achieve our annual inclusion and diversity targets.	One out of four of the targets for the representation of women in our workforce[2] and one out of two of the targets for the representation of Black People in our South African workforce were achieved. Our pay equity review was completed, investing US$292,000 to improve pay equity and meeting our target.		5.0%	5.2%
Deliver all activities on the annual inclusion and diversity action plan.	All activities on the annual inclusion and diversity action plan were completed.			
Maintain or improve average inclusion index score compared to FY23.	Our inclusion index score, as measured in the Your Voice employee survey, improved by 0.8 per cent compared to FY23[3], which exceeded target.			
Environment and social			**10.0%**	**11.8%**
Social performance[1]				
Implement social investment plans on time and on budget.	Social investment plans were implemented on time and on budget and we invested US$23.6M in community initiatives.			
Apply our social investment impact measurement framework to our Hotazel Manganese Mines and Hillside Aluminium economic development plans.	The social investment impact measurement framework was applied to the Hotazel Manganese Mines and Hillside Aluminium economic development plans.		5.0%	4.9%
Introductory human rights training completed by all targeted roles and made available to the wider workforce.	Introductory human rights training was completed by 95 per cent of targeted roles and made available to the wider workforce.			
Water performance[1]				
Deliver contextual water target milestones to agreed plan and achieve the FY24 target water use efficiency outcome as defined within our Sustainability Linked Loan (SLL) framework.	Six out of seven contextual water target milestones were met and we exceeded the FY24 stretch outcome for water use efficiency as defined within the SLL.		5.0%	6.9%

(1) Further information on this Business Scorecard measure can be found in the Our strategy in action section on pages 20 to 27 and/or our Sustainable Development Report 2024 at *www.south32.net*.
(2) The representation of women on our Board is excluded from the Business Scorecard People metric given it is not within management's control.
(3) Given the agreement to sell Illawarra Metallurgical Coal and focus on recovery efforts following Tropical Cyclone Megan at Australia Manganese, employees at these operations did not participate in this year's Your Voice employee survey. Survey results presented in this report are calculated on re-baselined data to support year-on-year comparison against the same operations in scope.

Scorecard measure	Performance	Zero Target Maximum	Target	Outcome
Financial			**57.5%**	**48.9%**
Production(4) Achieve 97 to 102 per cent of target revenue equivalent production.	Revenue equivalent production was 96.5 per cent of target.		15.0%	14.3%
Controllable cost(4) Deliver controllable costs that are within 2.5 per cent of target (adjusted for foreign exchange, price-linked costs, and other adjustments).	Controllable costs were within 1.7 per cent of target, reflecting a saving of US$44M.		10.0%	10.0%
Capital expenditure(4) Capital expenditure (excluding growth) is within five per cent of target (adjusted for foreign exchange). Growth capital expenditure is within 10 per cent of target.	Capital expenditure (excluding growth) was 94 per cent of target. Growth capital expenditure was 93 per cent of target.		7.5%	7.4%
Adjusted ROIC(5) Achieve target adjusted ROIC, consistent with our cost, production and capital expenditure targets.	Adjusted ROIC was 69 per cent of target.		25.0%	17.2%
Strategic delivery			**7.5%**	**7.1%**
Hermosa project(6) **Taylor.** Complete shaft pre-sink to plan, present project for final investment decision (FID) and commence and progress shaft development to plan. **Clark.** Progress engineering and federal funding submission for the proposed plant on schedule. Progress decline development to plan.	**Taylor.** The shaft pre-sink was completed on schedule. The project was presented for FID in February 2024 (and approved). Construction of the main access and ventilation shafts is on track to commence in the first quarter of FY25. **Clark.** Engineering design studies on the proposed plant for the next phase of metallurgical testing commenced. A request for federal funding was submitted. Construction of an exploration decline commenced.		7.5%	7.1%
Total			**100%**	**91.1%**

(4) Excludes non-operated entities (Sierra Gorda, Brazil Alumina and Brazil Aluminium). In line with our standard approach which removes factors outside management's control, the outcome includes adjustment for material weather related events.
(5) Includes non-operated entities (Sierra Gorda, Brazil Alumina and Brazil Aluminium). In line with our standard approach which removes factors outside management's control, the outcome includes adjustment for material weather related events.
(6) Further information on this Business Scorecard measure can be found in the Our strategy in action section on pages 20 to 27.

1B FY24 Business Modifier

The Board has discretion to adjust the overall Business Outcome by applying the Business Modifier. In considering the application of the Business Modifier for FY24, the Board was primarily focused on three things. First, the impact of Tropical Cyclone Megan on Australia Manganese, second, the impairment expense for Worsley Alumina, and third, the impairment expense for Cerro Matoso.

The Board deliberated on the circumstances relating to the impact of Tropical Cyclone Megan on the operations at Australia Manganese, which resulted in operations being temporarily suspended. The severe weather system developed quickly, resulting in record rainfall that flooded mining pits, and caused significant damage to critical infrastructure. The Company's insurers have confirmed that the damage caused by Tropical Cyclone Megan is covered under our insurance and we continue to work with our insurers to assess the timing and value of recoveries under these policies.

The Board considered the July 2024 Western Australian Environmental Protection Authority (WA EPA) assessment report, which recommended that the Worsley Mine Development Project may be implemented, subject to conditions. The environmental approval process, which commenced in 2019, involved extensive environmental assessment and consultation with a range of stakeholders.

Several of the recommended conditions go beyond reasonable measures for managing the environmental risks of the proposal based on scientific assessment and decades of operating experience, are not practicable, and are inconsistent with other governmental regulation and policy. Worsley Alumina has lodged an appeal in relation to the WA EPA assessment report and aims to secure environmental approvals for the project by the end of 2024. As a result of the recommended conditions, we recognised an impairment expense for Worsley Alumina that reflects increased uncertainty for the project approval and associated challenging operating conditions.

Finally, the Board reviewed the circumstances leading to the impairment expense for Cerro Matoso which reflected structural changes in the nickel market that are expected to continue to place pressure on nickel prices and discounts for our ferronickel product.

After carefully considering all the circumstances leading up to the damage at Australia Manganese, and the impairment expenses at Worsley Alumina and Cerro Matoso, the Board formed the view that they were outside the control of management and that no Business Modifier would be applied to any Executive KMP.

Table 1.6 outlines the Business Modifiers the Board has applied to the Business Scorecard for each Executive KMP role over the last five years.

Table 1.6 – Application of the Business Modifier by the Board (multiplier applied to the Business Scorecard outcome)

	Modifier for	Modifier applied in previous years			
	FY24	FY23[(1)]	FY22[(2)]	FY21	FY20
CEO		-25%	-20%	-20%	-30%
COO Southern Africa and Colombia	-	-20%	-20% -10%	-20%	-30%
Other Executive KMP		-10% -5%	-10% -5%	-5%	-15%

(1) In FY23, the Board decided to apply a Business Modifier of -10 per cent for J Economidis, and a Business Modifier of negative five per cent for other Executive KMP.

(2) In FY22, the Board decided to apply a Business Modifier of -20 per cent for the COO Southern Africa and Colombia at the time of the fatality, a Business Modifier of -10 per cent for J Economidis and N Pillay, and a Business Modifier of negative five per cent for the CFO.

2 FY24 individual performance

Our Board considers the individual scorecard outcomes for Executive KMP with regard to what was delivered and how it was delivered.

The Board recognised Graham's outstanding leadership and development of his Lead Team. Furthermore, the Board recognised his personal impact in leading our improved safety performance and the further transformation of our portfolio towards commodities critical to a low carbon future.

Individual outcomes applied to the other Executive KMP reflected the performance in their areas of accountability and development in their respective roles. These outcomes ranged from 88 per cent to 135 per cent, as indicated in Table 1.7 below.

3 Overall FY24 STI outcome

Overall STI outcomes for FY24 are determined through our Board's assessment of the business and individual outcomes, as outlined in Table 1.7.

Table 1.7 – STI earned by Executive KMP in respect of FY24 performance

	Business Scorecard Outcome %	Business Modifier +/- %	Individual Outcome %	Overall STI Outcome (% of Target)	Total STI Awarded	Cash	Deferred rights	Percentage of maximum STI	
								Awarded	Forfeited
Executive KMP	(1A)	(1B)	(2)	1A x (1+1B) x (2)	(A$'000)	(A$'000)(1)	(A$'000)(1)	(%)	(%)
G Kerr	91.1	-	120	109.3	2,612	1,306	1,306	**73**	27
S Sibenaler	91.1	-	135	123.0	1,280	640	640	**82**	18
J Economidis(2)	91.1	-	88	80.2	578	578	-	**53**	47
V Torres(3)	91.1	-	100	91.1	282	141	141	**61**	39
N Pillay(4)	91.1	-	115	104.8	890	445	445	**70**	30

(1) The cash portion of the STI will be paid in September 2024. The deferred rights to South32 shares are anticipated to be granted in or around December 2024 and will be due to vest in August 2026. A dividend equivalent payment will also be made when the rights vest. The deferred rights remain subject to continued service with the Group.
(2) J Economidis ceased to be a member of Executive KMP on 13 March 2024. Details in the above table are for his period as a member of Executive KMP. J Economidis' overall STI outcome for the period as Director IMC, which is not reflected in the table, was 106 per cent. The entire value of his FY24 STI will be paid in cash in September 2024.
(3) V Torres was appointed as a member of Executive KMP on 14 March 2024. Details in the above table are for her period as a member of Executive KMP.
(4) The total STI awarded, cash and deferred rights values for N Pillay are denominated in ZAR and have been converted to A$ using an exchange rate of AUD: ZAR 12.27.

Long-term incentive

FY21 LTI and MSP Performance award

Our FY21 LTI award was tested subject to performance conditions over a four-year period from 1 July 2020 to 30 June 2024 and continued service until the vesting date. Two-thirds of the award was subject to TSR performance over the four-year period with reference to a global mining index (the IHS Markit Global Mining Index, constrained by company and sector[1]). For the LTI awards granted from FY16 to FY21, we used a customised IHS Markit Global Mining Index as a TSR performance comparator. The index is customised by applying a cap on the index weight of each individual company and the index weight of each sector (such as gold) except the diversified mining sector, which is excluded from capping and redistribution. Applying these limits results in a rebalancing across the remaining companies and sectors in the index.

The remaining one-third was subject to TSR performance over the four-year period measured with reference to a world index (the MSCI World Index).

Sandy, Jason and Noel were granted the FY21 MSP Performance award prior to their permanent appointments as members of the Lead Team. This award has the same performance and vesting conditions as our FY21 LTI award.

For the LTI and MSP Performance awards to vest in full, our TSR performance needed to outperform both indices by at least 23.9 per cent over the four-year performance period (equivalent to 5.5 per cent per annum cumulative). Our TSR exceeded the world index TSR by 30.5 per cent, but failed to meet the threshold level of performance required against the global mining index (see Diagram 1.8 and Table 1.8). As a result, our Board approved one-third of the awards to vest and the remainder to lapse.

Diagram 1.8 – South32 TSR relative to comparator groups (A$)

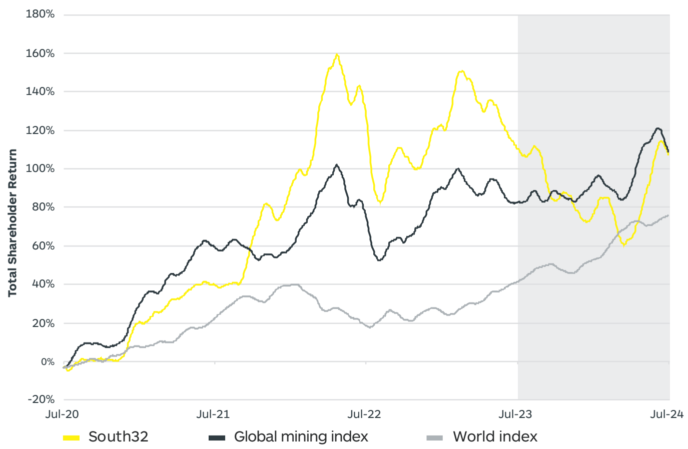


Diagram 1.9 – Vesting scale

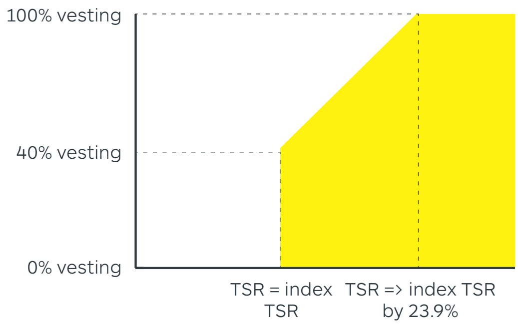


Table 1.8 – South32 FY21 LTI and MSP Performance award vesting outcomes

	TSR performance[1][2]				Vesting outcome	Index weighting	Weighted vesting outcome
	Index (A)	South32 (B)	Required for 100% vesting	Achieved (B-A)	(C)	(D)	(C x D)
Global mining index	111.0%	**109%**	Index+23.9%	(2.0%)	0%	2/3	**0%**
World index	78.5%		Index+23.9%	30.5%	100%	1/3	**33.3%**
							33.3%

(1) TSR calculation uses June 2020 average return at the start and June 2024 average return at the end of the measured period.
(2) The Board and Remuneration Committee use information from an external provider to inform them of the performance of the relevant index to assess the vesting outcome.

FY22 MSP Retention award

Although South32 does not offer MSP Retention awards to permanent members of the Lead Team, including those who are Executive KMP, when individuals are promoted to Lead Team roles, they retain any unvested MSP awards that may vest while they are members of KMP. Sandy was granted an FY22 MSP Retention award prior to her appointment as a member of the Lead Team. As the service-based condition of this award was met, our Board approved this award to vest in full.

The structure of the MSP is detailed on page 107.

(1) Following the decommissioning of the IHS Markit Global Mining index on 31 July 2023, the Board and Remuneration Committee considered a range of alternative global mining sector measures. The Board determined that the S&P Global Mining index, customised to apply constraints which cap the weight of each sector except the diversified mining sector, was the most suitable replacement to assess performance for the remainder of the performance period. This was due to its close performance correlation to the IHS Markit Global Mining index (on a customised basis) over the period 1 July 2020 to 31 July 2023.

FY22 Transitional LTI award

We granted the FY22 Transitional LTI awards to Jason and Noel on their permanent appointments to the Lead Team. The award was designed to address the potential shortfall in vesting in August 2024 that arises from the transition from the MSP, which includes Retention awards with a three-year service period condition, to the four-year performance period of the LTI.

This Transitional LTI award was subject to the same TSR performance conditions as the FY22 LTI award, but over a three-year period. Two-thirds of the award was measured with reference to a global mining index (the constituents of the IHS Markit Global Mining Index at the start of the performance period) and one third with reference to a world index (the MSCI World Index). The performance period for this award was from 1 July 2021 to 30 June 2024. For the Transitional LTI award to vest in full, our TSR performance needed to:

- Equal or exceed the TSR of the company at the 75th percentile when ranking the TSR of the constituents of the IHS Markit Global Mining Index at the start of the performance period (refer Diagram 1.11 for further information on the vesting scale); and
- Outperform the MSCI World Index by at least 17.4 per cent over the performance period, equivalent to 5.5 per cent per annum cumulative (refer Diagram 1.12 for further information on the vesting scale).

Our TSR ranked at the 66th percentile amongst the global mining sector index constituents and outperformed the MSCI world index by 3.9 per cent (see Diagram 1.10 and Table 1.9). As a result, our Board approved 70.4 per cent of the rights to vest and the remainder to lapse.

Diagram 1.10 – South32 TSR relative to comparator groups

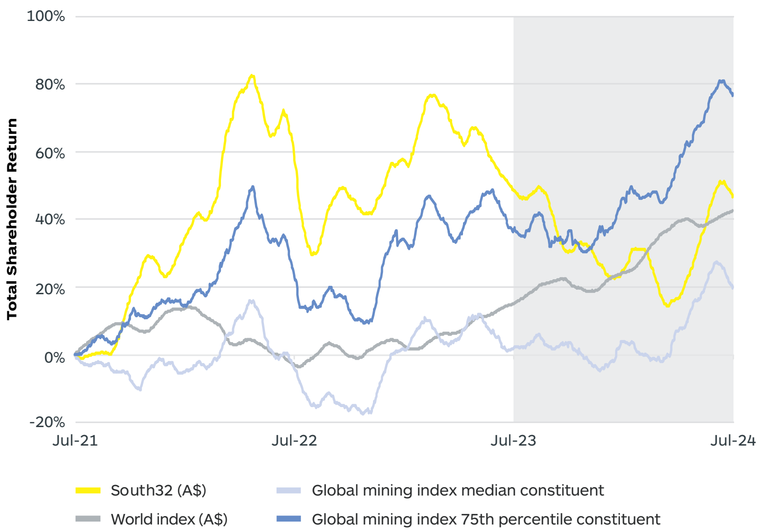


Diagram 1.11 – Global mining index constituents vesting scale

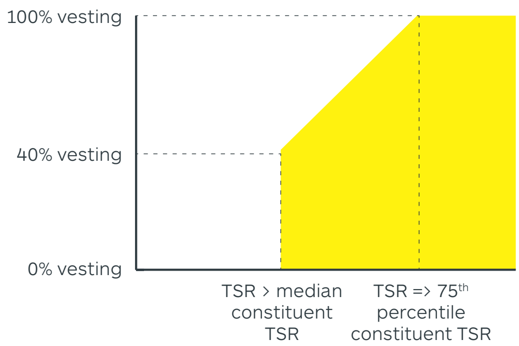


Diagram 1.12 –World index TSR vesting scale

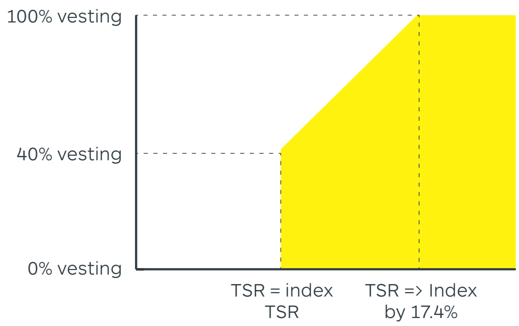


Table 1.9 – South32 FY22 Transitional LTI award vesting outcomes

	TSR performance(1)(2)				Vesting outcome	Metric weighting	Weighted vesting outcome
	Required for 40% vesting	South32	Required for 100% vesting	Achieved	(C)	(D)	(C x D)
Global mining index constituents	>50th Percentile(3)	**46.6%**	75th Percentile(4)	66th Percentile	78.9%	2/3	**52.6%**
World index	42.7%(5)		Index+17.4%	3.9%	53.4%	1/3	**17.8%**
							70.4%

(1) TSR calculation uses June 2021 average return at the start and June 2024 average return at the end of the measured period.
(2) The Board and Remuneration Committee use information from an external provider to inform them of the TSR performance to assess the vesting outcome.
(3) The TSR of the company at the 50th percentile in the constituent group over the three year performance period was 19.1 per cent.
(4) The TSR of the company at the 75th percentile in the constituent group over the three year performance period was 75.3 per cent.
(5) Reflects the MSCI World Index TSR over the three year performance period.

Summary of LTI outcomes in FY24

Table 1.10 – South32 LTI awards vested or lapsed

Executive KMP	Award	Number of rights granted	Number of rights vested	Number of rights lapsed	Value at grant[1] (A$'000)	Value lapsed[2] (A$'000)	Value of share price movement[3] (A$'000)	Value at vesting[4] (A$'000)
G Kerr	FY21 LTI	2,695,544	898,514	1,797,030	5,445	3,630	1,474	3,289
S Sibenaler	FY21 MSP Performance	59,405	19,801	39,604	120	80	32	72
	FY22 MSP Retention	43,246	43,246	-	124	-	34	158
J Economidis	FY21 MSP Performance	495,049	165,016	330,033	1,000	667	271	604
	FY22 Transitional LTI	102,094	71,874	30,220	293	87	57	263
V Torres	FY21 LTI	689,108	229,702	459,406	1,392	928	377	841
N Pillay	FY21 MSP Performance	215,655	71,885	143,770	436	290	117	263
	FY22 Transitional LTI	93,034	65,495	27,539	267	79	52	240

(1) 'Value at grant' is the number of rights granted multiplied by the grant determination price in June 2020 of A$2.02 (for the FY21 LTI/FY21 MSP Performance) and June 2021 of A$2.87 (for the FY22 MSP Retention/FY22 Transitional LTI), based on the volume weighted average price (VWAP) of South32 shares traded on the ASX over the last 10 trading days in June of the respective year.

(2) 'Value lapsed' is the number of rights lapsed/forfeited based on performance relative to the performance measures, multiplied by the grant determination price of A$2.02 (for the FY21 LTI/FY21 MSP Performance) and A$2.87 (for the FY22 MSP Retention/FY22 Transition LTI).

(3) 'Value of share price movement' is the number of shares that vested, multiplied by the difference between the grant determination price of A$2.02 (for the FY21 LTI/FY21 MSP Performance) and A$2.87 (for the FY22 MSP Retention/FY22 Transitional LTI) and the share price at 30 June 2024 of A$3.66. This reflects the value added/(lost) due to the change in share price over the performance period.

(4) 'Value at vesting' is the number of shares approved to vest, multiplied by the closing share price of South32 shares on 30 June 2024 of A$3.66.

LTI granted in FY24

FY24 LTI Plan

Each year we grant performance rights to our Executive KMP. Our FY24 LTI Plan awards, which were granted in December 2023, have a four-year performance period and are subject to performance hurdles (see page 88). Shareholders approved, under ASX Listing Rule 10.14, the grant of rights for the CEO at the AGM on 26 October 2023.

FY24 Transitional LTI

In FY24, the Remuneration Committee approved a one-off Transitional LTI award for Sandy following her appointment to the Lead Team. The award is designed to address the potential shortfall in vesting in August 2026 that arises from the transition from the MSP, which includes Retention awards with a three-year service period condition, to the four-year performance period of the LTI.

This award is performance based and has the same TSR performance conditions as the FY24 LTI but is measured over a three-year period. More information on this award is provided on page 107.

Table 1.11– FY24 LTI and Transitional LTI grants

		Reward determination[1]					
Executive KMP	Award	Face value (% of fixed remuneration)	Face value (A$'000)	Target value[2] (% of fixed remuneration)	Target value (A$'000)	Grant (December 2023): Number of rights granted[3]	Anticipated vesting date
G Kerr	FY24 LTI	200	3,982	120	2,389	**1,047,894**	August 2027
S Sibenaler	FY24 LTI	133	1,153	80	694	**303,450**	August 2027
	FY24 Transitional LTI	37.5	325	20	173	**85,559**	August 2026
J Economidis	FY24 LTI	133	1,138	80	685	**299,600**	August 2027
V Torres[4]	FY24 LTI	133	1,153	80	694	**303,450**	August 2027
N Pillay[5]	FY24 LTI	133	927	80	557	**243,820**	August 2027

(1) The grant of awards is based on the face value as outlined in Components of our reward (see page 88).

(2) The target value considers the difficulty of achieving performance hurdles.

(3) The number of awards granted to Executive KMP in December 2023 is calculated by dividing the face value by the VWAP of South32 shares traded on the ASX over the last 10 trading days of June 2023, being A$3.80. The fair value at grant for accounting purposes, as calculated by an external provider, was A$1.54 per right for the FY24 LTI and A$1.21 per right for the FY24 Transitional LTI award.

(4) V Torres become a member of Executive KMP on 14 March 2024, after the FY24 LTI award was granted to her in December 2023.

(5) Fixed remuneration for N Pillay is denominated in ZAR and was converted to A$ using an exchange rate of AUD: ZAR 12.46 to determine his FY24 award.

FY24 LTI strategic measures performance update

In FY22 we introduced two strategic measures, with a total weighting of 20 per cent of our LTI grant, to directly link executive remuneration to our approach to climate change and the transition of our portfolio towards commodities critical for a low-carbon future.

Vesting outcomes for the strategic measures will be determined by the Board following the end of each four-year performance period (e.g. on 30 June 2027 for the FY24 LTI award), based on our ability to make material progress in these areas, while aiming to protect and create shareholder value. The Board's rationale in assessing performance and determining the vesting outcome for each measure will be clearly articulated and shared with shareholders following the Board's assessment.

Table 1.12 below summarises the progress made against the strategic measures over the FY22 to FY24 period.

Table 1.12 – Strategic measures update

Measure	Progress against Measure[1]
Climate change We are taking action to meet our target to reduce our operational greenhouse gas (GHG) emissions (Scope 1 and 2) by 50 per cent by 2035, from an FY21 baseline[2], in accordance with our 2022 Climate Change Action Plan, which includes: – The advancement of conceptual projects through our capital investment tollgates, and the successful commissioning of identified emissions reduction projects; – The ongoing assessment of new technologies and alternative energy sources; and – Continued participation and direct investment in research and development partnerships. Consistent with our purpose, we will work to provide a just transition towards net zero in a way that supports our people, local communities and other stakeholders.	Since FY22, we have invested US$67 million in decarbonisation projects and studies. Our focus has been on improving energy efficiency, transitioning to low-carbon energy, and developing technology solutions with key milestones that included: **Advancements of conceptual projects** – Progressing the coal to gas project at Worsley Alumina from pre-feasibility study in FY22 to the conversion of two of the five coal-fired boilers to natural gas. In FY24, this contributed to a 14 per cent reduction in the refinery's operational GHG emissions against FY21 levels; – Progressing decarbonisation studies through the various project phases at Worsley Alumina, including mud-washing through feasibility study[3], waste to heat digestion through pre-feasibility, and mechanical vapour recompression and calciner flue gas heat recovery through concept studies. – Progressing AP3XLE energy efficiency technology from feasibility study phase in FY22 to the conversion of 36 per cent of pots at Hillside Aluminium to AP3XLE technology; and – Exceeding our 67 per cent target for post drainage capture efficiency (PDCE) of coal seam gas at Appin mine, Illawarra Metallurgical Coal (61 per cent in FY21). **Assessment of new technologies and alternative energy sources** – Progressing the energy supply project at Hillside Aluminium from a pre-feasibility study in FY22 to a Request for Information (RFI) from South African Independent Power producers in FY24. This RFI demonstrated the potential to procure affordable renewable energy, but identified several key risks and uncertainties; – Progressing from a pilot plant scale trial of ventilation air-methane mitigation technology at Illawarra Metallurgical Coal in FY22 through the feasibility project development stages to detailed design for a commercial-scale project – Continuing to work closely with the Government of the Republic of Mozambique and Eskom to secure hydro-electric power for Mozal Aluminium beyond Q3 FY26. In FY24, this contributed to the formation of a ministerial taskforce to accelerate progress; and – Incorporating low-carbon design principles into the feasibility study for the Hermosa Taylor development project. **Participation and investment in research and development partnerships** – Contributing to the Electric Mine Consortium infrastructure workstream by trialling light electric vehicles in FY23, and in FY24 an electric integrated tool carrier, and equipment chargers at Cannington. **Just transition** – Completing a study of the potential workforce impacts from our Worsley Alumina decarbonisation plans to inform our just transition planning.

(1) Further information on the progress of items listed can be found in our Sustainable Development Report 2024 at *www.south32.net*.
(2) FY21 baseline adjusted to exclude GHG emissions from South Africa Energy Coal and Tasmanian Electro Metallurgical Company, which were divested in FY21.
(3) Project returned to the pre-feasibility study stage due the capital intensity of the expected abatement compared to other potential projects.

Measure	Progress against Measure[1]
Portfolio management We are planning to further reshape our portfolio and increase our exposure to commodities critical for a low-carbon future by: – Optimising our existing portfolio by responsibly transferring ownership of non-core operations or transitioning them to closure; – Developing or acquiring operations which are cash generative through the cycle, improving the overall quality of our business; – Building a high-quality portfolio of greenfield and brownfield exploration and development options; and – Maintaining discipline by adhering to our proven capital management framework.	We have made significant progress over the last three years in this transformative area, shifting our portfolio towards commodities critical for a low carbon future. Key milestones have included: **Optimising our portfolio** – Entering into an agreement to sell Illawarra Metallurgical Coal. The sale will unlock significant value, further streamline our portfolio toward base metals, simplify our business, strengthen our balance sheet and reduce our sustaining capital intensity; and – Entering into binding agreements to sell our 50 per cent interest in the Eagle Downs metallurgical coal project and our 60 per cent interest in the Metalloys manganese alloy smelter. **Developing and acquiring operations** – Expanding our low-carbon aluminium capacity by increasing our interests in Mozal (by 16.6 per cent) and restarting the 40 per cent owned Brazil Aluminium smelter in FY22 utilising 100 per cent renewable energy; – Derisking bauxite supply for Brazil Alumina by increasing our interest in Mineração Rio do Norte (MRN) by 18.2 per cent and progressing the West Zone project; and – Entering into the global copper market by acquiring a 45 per cent interest in Sierra Gorda copper mine. **Exploration and development options** – Exercising our earn-in right with Minsud Resources and acquiring 50.1 per cent and taking control and operatorship of the Chita Valley copper exploration project in San Juan Province, Argentina; and – Undertaking exploratory drill programs at Hermosa's Peake prospect in FY23 and Flux prospect in FY24 and confirming target prospectivity. **Adhering to our capital management framework** – Prioritising the allocation of excess capital to projects that we expect will create enduring shareholder value.

Terms and conditions of rights awarded under equity plans

Type of equity	We deliver Deferred STI and LTI equity awards, including Transitional LTI and MSP awards, in the form of share rights. These are rights to receive fully paid ordinary shares in South32 Limited (or at the Board's discretion, a cash equivalent amount) subject to meeting specific performance and/or vesting conditions. As the rights are an element of remuneration, no amount is payable by employees to be allocated the rights. If the rights vest, no consideration or exercise price is payable for the allocation of shares. As rights are automatically exercised on vesting, they do not have an expiry date.
Dividend and voting rights	Rights carry no entitlement to voting or dividends. Rights to be granted in or around December 2024 for the FY24 Deferred STI awards will include an entitlement to a cash dividend equivalent payment paid in full at vesting (but only in respect of those Deferred STI rights that vest). No other rights carry a dividend equivalent entitlement.
Cessation of employment	Unless our Board determines otherwise: – Resignation or termination for cause: all unvested rights lapse; – Death, serious injury, disability or illness that prevents continued employment or total permanent disability: all unvested rights vest immediately; and – Other circumstances, generally: • Deferred STI awards: all unvested rights vest immediately; • LTI and MSP Performance awards: all unvested rights are pro-rated and the reduced portion remains on foot and eligible for vesting in the ordinary course, subject to any applicable performance hurdles; and • MSP Retention awards: all unvested rights are pro-rated and the reduced portion vests immediately. Where awards are pro-rated, the remaining portion lapses.
Change of control	Our Board can determine the level of vesting (if any) having regard to the portion of the vesting period elapsed, performance to date against any applicable performance conditions and other factors they deem appropriate.
Malus and clawback	Our Board can reduce or clawback all vested and unvested STI and LTI awards in certain circumstances so that executives do not obtain an inappropriate benefit. These circumstances are broad, and can include: – An executive engaging in misconduct; – A material misstatement of our accounts that results in vesting; – Behaviours of executives that bring South32 into disrepute; – A significant unexpected or unintended consequence or outcome; and – Any other factor our Board deems justifiable.
Rights to participate in new issues	A participant cannot take part in new issues of securities in relation to their unvested rights. However, the relevant plan rules include specific provisions dealing with rights issues, bonus issues and corporate actions, and other capital reconstructions.

Non-Executive Director remuneration

Components of our reward for FY24

Component	Board fees	Committee fees	Travel allowance
The why	As a global company, it's important that we offer competitive Non-Executive Director fees to help us attract the appropriate level of experience from a diverse global pool. Our Board fees reflect the size, complexity and global nature of our business and acknowledge the responsibilities of serving on our Board. To preserve the independence of our Non-Executive Directors, their remuneration does not have an 'at risk' element.	We pay Committee fees to recognise the additional responsibilities associated with participating on a Board Committee.	Our Board meetings are ordinarily held in Australia, South Africa and North and South America (see page 75 for more details). Site visits are also an important part of our Board program, giving Directors: – A better understanding of workplace culture through interactions with site-based employees; – An improved understanding of local and operational risks; – A chance to participate in continuous education; and – On-the-ground experience. As these meetings (site visits and other engagements) take time and commitment, particularly if they are in remote locations, we provide our Non-Executive Directors with a travel allowance.
The how	Board fee inclusive of superannuation.	We pay a fixed fee to our Board Chair for all responsibilities, including participation on any Board Committees. Other Non-Executive Directors receive Committee Chair and member fees (where applicable).	For air travel to a Board commitment that is greater than three hours but less than 10 hours to the destination, a one-off allowance of A$5,000 per trip applies. Where air travel is greater than 10 hours to the destination, the allowance per trip is A$10,000. The travel allowance is only paid where travel is undertaken and does not apply to domestic travel to a scheduled Board meeting.
Fee pool	The maximum aggregate amount we can pay our Non-Executive Directors remains at A$3.9 million per annum (fee pool). We will seek shareholder approval before making any changes to this pool.		
Minimum shareholding requirement	Each Non-Executive Director is required to accumulate a minimum shareholding of one year's Board fees within a reasonable period. See page 107 for shareholdings of our Non-Executive Directors.		

FY24 Non-Executive Director fees

We review fees every year and may receive external advice to help us do so. We based the review of FY24 fees on data provided by external consultants. This resulted in no change to the Board fees for the Chair and other Non-Executive Directors fees from FY23.

The table below outlines the fee levels for FY24.

Table 1.13 – FY24 Board and Committee fees, effective 1 September 2023

Fee	Description	FY24 fee (A$ per annum)	Increase % from FY23 fee
	Board of Directors		
Board fees	Chair of the Board	595,250	-
	Other Non-Executive Directors	195,000	-
	Risk and Audit, Remuneration, and Sustainability Committees		
Committee fees[1]	Committee Chair	46,000	-
	Members	23,000	-

(1) No Committee Chair or member fees were paid in FY24 for participation on the Nomination and Governance Committee.

FY24 Non-Executive Director remuneration

In Table 1.14, we have set out the statutory disclosures required under the Act and in accordance with Australian Accounting Standards, in respect of FY24 remuneration paid to Non-Executive Directors.

Table 1.14 – Non-Executive Director remuneration (A$'000)

			Short-term benefits			Post-employment benefits	
Non-Executive Director	FY24 term		Board and Committee fees	Non-monetary benefits(1)	Other cash allowances and benefits(2)	Superannuation	Total
K Wood	Full year	**FY24**	**568**	**-**	**15**	**27**	**610**
		FY23	567	-	20	25	612
F Cooper AO	Full year	**FY24**	**237**	**-**	**15**	**27**	**279**
		FY23	238	-	10	25	273
X Liu	Full year	**FY24**	**219**	**-**	**15**	**27**	**261**
		FY23	215	-	30	25	270
C Mesquita	Full year	**FY24**	**215**	**4**	**60**	**3**	**282**
		FY23	33	-	10	-	43
N Mtoba	Full year	**FY24**	**215**	**3**	**40**	**3**	**261**
		FY23	214	4	40	3	261
J Nelson	Full year	**FY24**	**215**	**2**	**60**	**3**	**280**
		FY23	33	-	5	-	38
W Osborn	Full year	**FY24**	**254**	**-**	**20**	**27**	**301**
		FY23	238	-	35	25	298
K Rumble	Full year	**FY24**	**255**	**3**	**50**	**3**	**311**
		FY23	260	2	45	3	310
S Warburton(3)	Part year	**FY24**	**105**	**-**	**15**	**16**	**136**
		FY23	-	-	-	-	-
Total		**FY24**	**2,283**	**12**	**290**	**136**	**2,721**
		FY23	1,798	6	195	106	2,105

(1) Includes assistance with tax return preparation.
(2) Includes travel allowances paid.
(3) Appointed on 28 November 2023.

Looking forward to FY25

No major changes are proposed to the reward framework for FY25. The Board routinely reviews the reward framework to assess its effectiveness in attracting and retaining Executive KMP whilst also incorporating the necessary flexibility to reward our Executive KMP for performance that is aligned with the interests of stakeholders.

Fixed remuneration

The Board approved increases to the fixed remuneration of Executive KMP for FY25 to maintain fixed remuneration at competitive levels in alignment with our reward framework (see Table 1.15).

Table 1.15 – Fixed remuneration for Executive KMP in FY25, effective 1 September 2024

Executive KMP	FY24 fixed remuneration (A$)	FY25 fixed remuneration (A$)	Increase %
G Kerr	1,991,000	**2,070,000**	4.0%
S Sibenaler	867,000	**910,000**	5.0%
V Torres	867,000	**902,000**	4.0%
N Pillay[(1)]	ZAR 8,680,000	**ZAR 9,201,000**	6.0%

(1) Fixed remuneration for N Pillay is denominated in ZAR. Using an exchange rate of AUD:ZAR 12.27, FY25 fixed remuneration is A$749,878.

Short-term incentive

The structure of our STI plan will remain unchanged for FY25 and is outlined in Diagram 1.13.

Diagram 1.13 – FY25 STI Business Scorecard performance metrics

Measures	Performance metrics	FY25 weighting
Safety and culture	Safety and health, risk management, people	**25.0%**
Environment and social	Social performance, water performance	**10.0%**
Financial	Production, cost, capital expenditure, adjusted ROIC	**57.5%**
Major projects delivery	Hermosa project milestones	**7.5%**
Business Scorecard		**100%**
X		
Business Modifier	Consider factors that are not specifically contemplated in the Business Scorecard	**+/-**
=		
South32 Business Outcome	Reflects our performance over the financial year	

Long-term incentive

The LTI plan design will remain unchanged for FY25. We will continue to measure our performance over a four-year period with 80 per cent assessed based on TSR performance relative to two comparator groups and 20 per cent assessed against two strategic measures, climate change and portfolio management, each with a 10 per cent weighting.

Director Fees

Effective 1 September 2024, Board fees for the Chair will increase by 2.5 per cent and by four per cent for other Non-Executive Directors as outlined in Table 1.16 below. There will be no change to Committee fees or the travel allowance. Total fees paid to Non-Executive Directors in FY25 will not exceed the fee pool (A$3.9M).

Table 1.16 – FY25 Board and Committee fees – effective 1 September 2024

Fee	Description	FY24 fee (A$ per annum)	FY25 fee (A$ per annum)	Increase % from FY24 fee
	Board of Directors			
Board fees	Chair of the Board	595,250	**610,000**	2.5%
	Other Non-Executive Directors	195,000	**202,750**	4.0%
	Risk and Audit, Remuneration, and Sustainability Committees			
Committee fees[(1)]	Committee Chair	46,000	**46,000**	-
	Members	23,000	**23,000**	-

(1) No Committee Chair or member fees are typically paid for participation on the Nomination and Governance Committee.

Statistory disclosures

Statutory remuneration table for Executive KMP

In the following table, we have set out the statutory disclosures required under the Act and in accordance with the Australian Accounting Standards. The amounts shown reflect the remuneration for each member of Executive KMP that relates to their service as KMP in FY24.

Table 1.17 – Statutory remuneration of Executive KMP in FY24 (A$'000)

		Short term benefits			Post employment benefits			Share based payments[4]			
Executive KMP		Salary	Cash bonus[1]	Non-monetary benefits[2]	Superannuation	Termination benefits	Other long-term benefits[3]	LTI / MSP	STI	Total remuneration	Percentage of total remuneration which is performance tested
G Kerr	**FY24**	**1,813**	**1,306**	**56**	**29**	**-**	**184**	**2,674**	**1,025**	**7,087**	**71%**
	FY23	1,651	719	48	28	-	176	2,605	833	6,060	69%
S Sibenaler[5]	**FY24**	**817**	**640**	**8**	**29**	**-**	**78**	**334**	**235**	**2,141**	**56%**
	FY23	195	84	1	6	-	19	49	9	363	39%
J Economidis[6]	**FY24**	**536**	**578**	**11**	**20**	**-**	**55**	**550**	**178**	**1,928**	**68%**
	FY23	716	352	12	26	-	74	748	271	2,199	62%
V Torres[7]	**FY24**	**249**	**141**	**9**	**9**	**-**	**23**	**217**	**123**	**771**	**62%**
	FY23	-	-	-	-	-	-	-	-	-	-
N Pillay[8]	**FY24**	**630**	**445**	**27**	**-**	**-**	**82**	**607**	**290**	**2,081**	**64%**
	FY23	631	248	26	-	-	79	593	151	1,728	57%
Total	**FY24**	**4,045**	**3,110**	**111**	**87**	**-**	**422**	**4,382**	**1,851**	**14,008**	
	FY23	3,193	1,403	87	60	-	348	3,995	1,264	10,350	

(1) STI is provided half in cash (which is included in the cash bonus column of the table) in September following the end of the performance period and half in deferred rights (which is included in the share-based payments column of the table). The value of the deferred equity portion is amortised over the vesting period.

(2) Non-monetary benefits are non-pensionable and include such items as insurances, car parking and personal tax assistance.

(3) Other long-term benefits is the accounting expense of annual and long-service leave accrued.

(4) The related awards were not actually provided to the Executive KMP. The figures are calculated in accordance with Australian Accounting Standards and are the amortised fair values of equity and equity-related instruments that have been granted to Executive KMP. Refer to Table 1.18 on page 106 in this report for information on awards outstanding during FY24.

(5) FY23 remuneration for S Sibenaler is for the period from when she commenced as a member of Executive KMP (1 April 2023).

(6) FY24 remuneration for J Economidis is for the period until he ceased to be a member of Executive KMP (13 March 2024). From 14 March 2024, J Economidis transitioned into the role of Director Illawarra Metallurgical Coal. J Economidis' employment contract in respect of his role as Director Illawarra Metallurgical Coal provides for accelerated vesting of Deferred STI rights and for a pro rated portion of his LTI rights to remain on foot and eligible for vesting in the ordinary course should his employment with South32 cease as a result of the sale of Illawarra Metallurgical Coal completing. No amounts have been included as remuneration in the table above in respect of his service as Director Illawarra Metallurgical Coal, nor has any value been attributed to the acceleration of his unvested Deferred STI awards upon cessation of his employment with South32.

(7) FY24 remuneration for V Torres is for the period from when she commenced as a member of Executive KMP (14 March 2024).

(8) FY24 salary for N Pillay is denominated in ZAR and has been converted to A$ using an exchange rate of AUD: ZAR 12.27. FY23 salary for N Pillay was converted to A$ using an exchange rate of AUD: ZAR 11.96.

Details of rights held by Executive KMP

In the following table, we have set out more information about the rights over South32 shares held by Executive KMP, including the movements in rights held during FY24. No closely related parties of any Executive KMP are issued rights over South32 shares.

See page 101 for terms and conditions of rights awarded under our equity plans.

Table 1.18 – Detail and movement of rights over South32 shares held by Executive KMP during FY24

Award[(1)(2)]	Opening balance at 1 July 2023	Grant date	Granted in FY24[(3)]	Vested in FY24		Lapsed / forfeited or other change in FY24		Closing balance at 30 June 2024[(6)]	Anticipated vesting date[(4)]
Executive KMP	Number		Number	Number[(4)]	%[(5)]	Number	%[(5)]	Number	
G Kerr	**7,118,582**		**1,281,440**	**242,160**	**12**	**1,696,261**	**88**	**6,461,601**	
FY23 Deferred STI (S)	-	04-Dec-23	233,546	-	-	-	-	233,546	Aug-25
FY24 LTI (P)	-	04-Dec-23	1,047,894	-	-	-	-	1,047,894	Aug-27
FY22 Deferred STI (S)	283,289	08-Dec-22	-	-	-	-	-	283,289	Aug-24
FY23 LTI (P)	934,313	08-Dec-22	-	-	-	-	-	934,313	Aug-26
FY21 Deferred STI (S)	242,160	06-Dec-21	-	242,160	100	-	-	-	Aug-23
FY22 LTI (P)	1,267,015	06-Dec-21	-	-	-	-	-	1,267,015	Aug-25
FY21 LTI (P)	2,695,544	04-Dec-20	-	-	-	-	-	2,695,544	Aug-24
FY20 LTI (P)	1,696,261	06-Dec-19	-	-	-	1,696,261	100	-	Aug-23
S Sibenaler	**284,124**		**416,299**	**23,762**	**100**	**-**	**-**	**676,661**	
FY23 Deferred STI (S)	-	04-Dec-23	27,290	-	-	-	-	27,290	Aug-25
FY24 LTI (P)	-	04-Dec-23	303,450	-	-	-	-	303,450	Aug-27
FY24 Transitional LTI (P)	-	04-Dec-23	85,559	-	-	-	-	85,559	Aug-26
FY23 MSP Retention (S)	32,113	08-Dec-22	-	-	-	-	-	32,113	Aug-25
FY23 MSP Performance (P)	53,522	08-Dec-22	-	-	-	-	-	53,522	Aug-26
FY22 MSP Retention (S)	43,246	06-Dec-21	-	-	-	-	-	43,246	Aug-24
FY22 MSP Performance (P)	72,076	06-Dec-21	-	-	-	-	-	72,076	Aug-25
FY21 MSP Retention (S)	23,762	06-May-21	-	23,762	100	-	-	-	Aug-23
FY21 MSP Performance (P)	59,405	06-May-21	-	-	-	-	-	59,405	Aug-24
J Economidis[(6)]	**1,631,118**		**413,834**	**136,637**	**47**	**155,763**	**53**	**1,752,552**	
FY23 Deferred STI (S)	-	04-Dec-23	114,234	-	-	-	-	114,234	Aug-25
FY24 LTI (P)	-	04-Dec-23	299,600	-	-	-	-	299,600	Aug-27
FY22 Deferred STI (S)	112,504	08-Dec-22	-	-	-	-	-	112,504	Aug-24
FY23 LTI (P)	266,977	08-Dec-22	-	-	-	-	-	266,977	Aug-26
FY21 Deferred STI (S)	37,628	06-Dec-21	-	37,628	100	-	-	-	Aug-23
FY22 LTI (P)	362,094	06-Dec-21	-	-	-	-	-	362,094	Aug-25
FY22 Transitional LTI (P)	102,094	06-Dec-21	-	-	-	-	-	102,094	Aug-24
FY21 MSP Retention (S)	99,009	04-Dec-20	-	99,009	100	-	-	-	Aug-23
FY21 MSP Performance (P)	495,049	04-Dec-20	-	-	-	-	-	495,049	Aug-24
FY20 MSP Performance (P)	155,763	06-Dec-19	-	-	-	155,763	100	-	Aug-23
V Torres[(7)]	**1,847,582**		**-**	**-**	**-**	**-**	**-**	**1,847,582**	
FY23 Deferred STI (S)	134,201	04-Dec-23	-	-	-	-	-	134,201	Aug-25
FY24 LTI (P)	303,450	04-Dec-23	-	-	-	-	-	303,450	Aug-27
FY22 Deferred STI (S)	106,735	08-Dec-22	-	-	-	-	-	106,735	Aug-24
FY23 LTI (P)	270,563	08-Dec-22	-	-	-	-	-	270,563	Aug-26
FY22 LTI (P)	343,525	06-Dec-21	-	-	-	-	-	343,525	Aug-25
FY21 LTI (P)	689,108	04-Dec-20	-	-	-	-	-	689,108	Aug-24
N Pillay	**1,162,203**		**321,530**	**86,262**	**39**	**135,708**	**61**	**1,261,763**	
FY23 Deferred STI (S)	-	04-Dec-23	77,710	-	-	-	-	77,710	Aug-25
FY24 LTI (P)	-	04-Dec-23	243,820	-	-	-	-	243,820	Aug-27
FY22 Deferred STI (S)	61,336	08-Dec-22	-	-	-	-	-	61,336	Aug-24
FY23 LTI (P)	240,246	08-Dec-22	-	-	-	-	-	240,246	Aug-26
FY22 LTI (P)	329,962	06-Dec-21	-	-	-	-	-	329,962	Aug-25
FY22 Transitional LTI (P)	93,034	06-Dec-21	-	-	-	-	-	93,034	Aug-24
FY21 MSP Retention (S)	86,262	04-Dec-20	-	86,262	100	-	-	-	Aug-23
FY21 MSP Performance (P)	215,655	04-Dec-20	-	-	-	-	-	215,655	Aug-24
FY20 MSP Performance (P)	135,708	06-Dec-19	-	-	-	135,708	100	-	Aug-23

(1) At the time of vesting, the quantum of all awards that vest based on performance and/or service conditions will automatically convert to South32 ordinary shares, in the participant's name, for nil consideration (unless the Board exercises its discretion to settle awards in cash instead of allocating shares). Any rights that do not vest will immediately lapse, hence there is no expiry date associated with the awards. (S) - Service only or (P) - Performance and Service conditions apply. As rights are subject to service and/or performance conditions, the minimum possible total value of rights granted under South32 equity plans for future financial years is nil and the maximum possible total value is the number of rights multiplied by the market price of South32 shares on the date of vesting.

(2) Further details regarding each of the prior year equity grants are described in past South32 Annual Reports.

(3) The fair value for awards granted in FY24 is the grant date fair value for accounting purposes being A$2.88 for the FY23 Deferred STI award, A$1.54 for the FY24 LTI award and A$1.21 for the FY24 Transitional LTI award. Shareholders approved, under ASX Listing Rule 10.14, the grant of rights for the CEO at the AGM on 26 October 2023.

(4) Rights that vested in FY24 converted to South32 ordinary shares for nil consideration on 25 August 2023. The South32 closing share price on this date was A$3.48. The vesting outcome for FY21 LTI awards, FY22 Transitional LTI awards, FY21 MSP Performance awards and FY22 MSP Retention awards scheduled to vest in August 2024 is summarised on page 99.

(5) The percentage is based on the maximum number of rights available to vest in FY24.

(6) J Economidis ceased to be COO Australia and a member of the Executive KMP on 13 March 2024. Closing balance is at this date.

(7) V Torres became COO Australia and a member of the Executive KMP on 14 March 2024. Opening balance is at this date.

Details of MSP and Transitional LTI awards

Key terms and performance conditions of MSP and Transitional LTI awards are outlined below in Table 1.19. For additional terms of the rights granted under the two plans, see Terms and conditions of rights awarded under equity plans on page 101.

Table 1.19 – Key terms and performance conditions of awards(1)

Award	Key Terms and Performance Conditions
MSP	The MSP is our LTI plan for eligible employees below Lead Team level. The Plan has two elements: – Retention rights with a three-year vesting and service period from 1 July to 30 June, vesting in August three years from grant provided employees remain employed in the Group(2); and – Performance rights with a four-year performance and service period from 1 July to 30 June, vesting in August four years from grant, subject to the same performance and vesting conditions as the LTI for Executive KMP for that year (see page 88). There is no retesting if the performance condition is not met and any rights that don't vest will immediately lapse. Rights do not carry any entitlement to voting, dividends or dividend equivalent payments.
Transitional LTI plan	When an executive is promoted to a role in the Lead Team, they move from the MSP (three-year retention rights and four-year performance rights) to the LTI plan for the Lead Team (four-year performance rights). The Transitional LTI is a one-off award that may be granted to address the potential shortfall in vesting after three years. These awards have the same TSR performance conditions as LTI awards granted in the same year except these awards have a three-year performance period. Details of Transitional LTI awards held at 30 June 2024 are outlined in Table 1.18. Further details about Transitional LTI awards granted in earlier years are described in past South32 Annual Reports.

(1) See page 88 for key terms of the LTI.
(2) The retention rights are subject to a service condition. Performance hurdles are factored into the performance rights component of MSP awards.

Shareholdings of KMP

The minimum shareholding requirement for Executive KMP is summarised on page 89.

For Non-Executive Directors, the valuation approach used to determine the minimum shareholding requirement of one year's Board fees is the cost to the Non-Executive Director to acquire the shares, except for shares acquired at demerger which are valued based on the closing South32 Limited share price on 18 May 2015 (A$2.05). As at 30 June 2024, Dr Ntombifuthi (Futhi) Mtoba, Ms Jane Nelson and Ms Sharon Warburton did not meet this requirement. The percentage of fees reflected in the Table 1.20 below is based on our share price at 30 June 2024.

Table 1.20 – South32 shares held directly, indirectly or beneficially by each member of KMP, including their related parties

	Held at 1 July 2023	Received on vesting of rights	Received as remuneration	Other net change(1)	Held at 30 June 2024	% of Board Fees/ fixed remuneration(2)
Non-Executive Directors						
K Wood	367,825	-	-	-	367,825	226
F Cooper AO	128,010	-	-	-	128,010	240
X Liu	66,000	-	-	-	66,000	124
C Mesquita	177,440	-	-	-	177,440	333
N Mtoba	71,386	-	-	-	71,386	134
J Nelson	-	-	-	-	-	-
W Osborn	174,104	-	-	-	174,104	327
K Rumble	161,380	-	-	-	161,380	303
S Warburton(3)	42,870	-	-	-	42,870	80
Executive KMP						
G Kerr	1,976,772	242,160	-	(177,988)	2,040,944	375
S Sibenaler	-	23,762	-	-	23,762	10
J Economidis(4)	111,764	136,637	-	(64,220)	184,181	79
V Torres(5)	462,313	-	-	-	462,313	195
N Pillay	322,038	86,262	-	(38,819)	369,481	191

(1) Other net change includes purchases, and sales and transfers of vested shares.
(2) Based on Board fees and fixed remuneration at 30 June 2024 and the closing share price of South32 shares as at that date of A$3.66.
(3) S Warburton was appointed as a Non-Executive Director on 28 November 2023. Opening balance is as at this date.
(4) J Economidis ceased to be COO Australia and a member of Executive KMP on 13 March 2024. Closing balance is at this date.
(5) V Torres became COO Australia and a member of Executive KMP on 14 March 2024. Opening balance is at this date.

Additional information

Transactions with KMP

There are no amounts payable to any KMP at 30 June 2024.

During FY24, there were no transactions between KMP or their close family members and the Group other than as described in this report.

There are no loans with any KMP.

A number of Directors of the Group have control or joint control of other entities (also known as personal entities). During the year, there have been no transactions between those entities and the Group, and no amounts were owed by or to the Group from those entities.

This Remuneration report was approved by our Board on 29 August 2024.

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Consolidated income statement
for the year ended 30 June 2024

US$M	Note	FY24	FY23 Restated[1]
Continuing operations			
Revenue:			
Group production		**5,021**	5,152
Third party products and services		**458**	494
	4	**5,479**	5,646
Other income		**108**	343
Expenses excluding finance costs	5	**(6,263)**	(6,696)
Share of profit/(loss) of equity accounted investments	25	**(59)**	241
Profit/(loss) from continuing operations		**(735)**	(466)
Comprising:			
Group production		**(742)**	(478)
Third party products and services		**7**	12
Profit/(loss) from continuing operations		**(735)**	(466)
Finance income		**222**	220
Finance costs		**(233)**	(198)
Net finance income/(costs)	18	**(11)**	22
Profit/(loss) before tax from continuing operations		**(746)**	(444)
Income tax (expense)/benefit	6	**106**	(174)
Profit/(loss) for the year from continuing operations		**(640)**	(618)
Discontinued operation			
Profit/(loss) after tax from a discontinued operation	30	**435**	445
Profit/(loss) for the year		**(205)**	(173)
Attributable to:			
Equity holders of South32 Limited		**(203)**	(173)
Non-controlling interests		**(2)**	–
Profit/(loss) for the year from continuing operations attributable to equity holders of South32 Limited:			
Basic earnings/(loss) per share (cents)	8	**(14.1)**	(13.5)
Diluted earnings/(loss) per share (cents)	8	**(14.1)**	(13.5)
Profit/(loss) for the year attributable to equity holders of South32 Limited:			
Basic earnings/(loss) per share (cents)	8	**(4.5)**	(3.8)
Diluted earnings/(loss) per share (cents)	8	**(4.5)**	(3.8)

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.

The accompanying notes form part of the consolidated financial statements.

Consolidated statement of comprehensive income
for the year ended 30 June 2024

US$M	Note	FY24	FY23
Profit/(loss) for the year		**(205)**	(173)
Other comprehensive income			
Items that may be reclassified to the Consolidated income statement:			
Translation of foreign operations		**3**	–
Share of other comprehensive income/(loss) of equity accounted investments	25	**–**	6
Total items that may be reclassified to the Consolidated income statement		**3**	6
Items that will not be reclassified to the Consolidated income statement:			
Investments in equity instruments designated as fair value through other comprehensive income (FVOCI):			
Net fair value gains/(losses)		**(27)**	(11)
Income tax (expense)/benefit		**(2)**	3
Gains/(losses) on pension and medical schemes	15	**4**	3
Income tax (expense)/benefit recognised within other comprehensive income		**(1)**	(1)
Total items that will not be reclassified to the Consolidated income statement		**(26)**	(6)
Total other comprehensive income/(loss)		**(23)**	–
Total comprehensive income/(loss)		**(228)**	(173)
Attributable to:			
Equity holders of South32 Limited		**(228)**	(173)
Non-controlling interests		**–**	–

The accompanying notes form part of the consolidated financial statements.

Consolidated balance sheet
as at 30 June 2024

US$M	Note	FY24	FY23
ASSETS			
Current assets			
Cash and cash equivalents	16	**842**	1,258
Trade and other receivables	9	**634**	778
Other financial assets	19	**1**	1
Inventories	10	**985**	1,102
Current tax assets		**69**	54
Other assets		**43**	46
Assets held for sale	30	**1,825**	–
Total current assets		**4,399**	3,239
Non-current assets			
Trade and other receivables	9	**2,083**	1,923
Other financial assets	19	**89**	118
Inventories	10	**63**	82
Property, plant and equipment	11	**6,503**	8,050
Intangible assets	12	**221**	242
Equity accounted investments	25	**396**	499
Deferred tax assets	6	**481**	390
Other assets		**10**	21
Total non-current assets		**9,846**	11,325
Total assets		**14,245**	14,564
LIABILITIES			
Current liabilities			
Trade and other payables	14	**805**	985
Interest bearing liabilities	17	**223**	365
Current tax payables		**15**	10
Provisions	15	**179**	194
Deferred income		**49**	6
Liabilities directly associated with assets held for sale	30	**573**	–
Total current liabilities		**1,844**	1,560
Non-current liabilities			
Trade and other payables	14	**1**	19
Interest bearing liabilities	17	**1,343**	1,376
Other financial liabilities	19	**17**	37
Deferred tax liabilities	6	**165**	210
Provisions	15	**1,904**	1,986
Deferred income		**–**	1
Total non-current liabilities		**3,430**	3,629
Total liabilities		**5,274**	5,189
Net assets		**8,971**	9,375
EQUITY			
Share capital	20	**13,216**	13,251
Treasury shares	20	**(43)**	(51)
Reserves		**(3,575)**	(3,553)
Accumulated losses		**(638)**	(271)
Total equity attributable to equity holders of South32 Limited		**8,960**	9,376
Non-controlling interests		**11**	(1)
Total equity		**8,971**	9,375

The accompanying notes form part of the consolidated financial statements.

Consolidated cash flow statement
for the year ended 30 June 2024

US$M	Note	FY24	FY23 Restated[1]
Operating activities			
Profit/(loss) before tax from continuing operations		**(746)**	(444)
Profit/(loss) before tax from a discontinued operation	30	**628**	657
Adjustments for:			
Significant items		**98**	(186)
Depreciation and amortisation expense		**643**	653
Net impairment loss/(reversal) of financial assets		**29**	71
Net impairment loss/(reversal) of non-financial assets		**604**	1,300
Employee share awards expense		**22**	24
Net finance (income)/costs		**21**	(15)
Share of (profit)/loss of equity accounted investments		**60**	(246)
(Gains)/losses on derivative instruments, contingent consideration and other investments measured at fair value through profit or loss (FVTPL)		**(3)**	(6)
Other non-cash or non-operating items		**15**	(4)
Changes in assets and liabilities:			
Trade and other receivables		**(120)**	178
Inventories		**27**	(126)
Trade and other payables		**(7)**	(45)
Provisions and other liabilities		**6**	3
Cash generated from operations		**1,277**	1,814
Interest received		**85**	78
Interest paid		**(112)**	(109)
Income tax paid		**(223)**	(818)
Dividends received		**2**	3
Dividends received from equity accounted investments		**90**	223
Net cash flows from operating activities		**1,119**	1,191
Investing activities			
Purchase of property, plant and equipment		**(1,042)**	(790)
Exploration expenditure		**(75)**	(98)
Exploration expenditure expensed and included in operating cash flows		**41**	59
Purchase of intangible assets		**(4)**	(65)
Proceeds from sale of intangible assets		**34**	73
Investment in financial assets		**(112)**	(179)
Proceeds from financial assets		**42**	117
Payments for the acquisition of subsidiaries and joint operations, net of their cash		**(4)**	(25)
Proceeds from the disposal of subsidiaries and joint operations, net of their cash	30	**42**	–
Investments in equity accounted investments		**(30)**	–
Net cash flows from investing activities		**(1,108)**	(908)
Financing activities			
Proceeds from interest bearing liabilities		**200**	–
Repayment of interest bearing liabilities		**(410)**	(133)
Purchase of shares by Employee Share Ownership Plan (ESOP) Trusts		**(11)**	(33)
Share buy-back		**(35)**	(218)
Dividends paid	7	**(163)**	(1,007)
Contributions from non-controlling interests		**2**	–
Net cash flows from financing activities		**(417)**	(1,391)
Net decrease in cash and cash equivalents		**(406)**	(1,108)
Cash and cash equivalents, net of overdrafts, at the beginning of the year		**1,258**	2,365
Effect of foreign exchange rate changes on cash and cash equivalents		**(10)**	1
Cash and cash equivalents, net of overdrafts, at the end of the year	16	**842**	1,258

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.

The accompanying notes form part of the consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2024

US$M	Attributable to equity holders of South32 Limited: Share capital	Treasury shares	Financial assets reserve(1)	Employee share awards reserve(2)	Other reserves(3)	Accumulated losses	Total	Non-controlling interests(4)	Total equity
Balance as at 1 July 2023	**13,251**	**(51)**	**(14)**	**52**	**(3,591)**	**(271)**	**9,376**	**(1)**	**9,375**
Profit/(loss) for the year	**–**	**–**	**–**	**–**	**–**	**(203)**	**(203)**	**(2)**	**(205)**
Other comprehensive income/(loss)	**–**	**–**	**(29)**	**–**	**1**	**3**	**(25)**	**2**	**(23)**
Total comprehensive income/(loss)	**–**	**–**	**(29)**	**–**	**1**	**(200)**	**(228)**	**–**	**(228)**
Transactions with owners:									
Dividends	**–**	**–**	**–**	**–**	**–**	**(163)**	**(163)**	**–**	**(163)**
Shares bought back and cancelled	**(35)**	**–**	**–**	**–**	**–**	**–**	**(35)**	**–**	**(35)**
Employee share entitlements for unvested awards, net of tax	**–**	**–**	**–**	**26**	**–**	**–**	**26**	**–**	**26**
Employee share awards vested and lapsed, net of tax	**–**	**19**	**–**	**(20)**	**–**	**(4)**	**(5)**	**–**	**(5)**
Purchase of shares by ESOP Trusts	**–**	**(11)**	**–**	**–**	**–**	**–**	**(11)**	**–**	**(11)**
Equity issued to holders of non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2**	**2**
Acquisition of subsidiary with non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**10**	**10**
Balance as at 30 June 2024	**13,216**	**(43)**	**(43)**	**58**	**(3,590)**	**(638)**	**8,960**	**11**	**8,971**
Balance as at 1 July 2022	13,469	(32)	(6)	45	(3,597)	901	10,780	(1)	10,779
Profit/(loss) for the year	–	–	–	–	–	(173)	(173)	–	(173)
Other comprehensive income/(loss)	–	–	(8)	–	6	2	–	–	–
Total comprehensive income/(loss)	–	–	(8)	–	6	(171)	(173)	–	(173)
Transactions with owners:									
Dividends	–	–	–	–	–	(1,007)	(1,007)	–	(1,007)
Shares bought back and cancelled	(218)	–	–	–	–	–	(218)	–	(218)
Employee share entitlements for unvested awards, net of tax	–	–	–	29	–	–	29	–	29
Employee share awards vested and lapsed, net of tax	–	14	–	(22)	–	6	(2)	–	(2)
Purchase of shares by ESOP Trusts	–	(33)	–	–	–	–	(33)	–	(33)
Balance as at 30 June 2023	13,251	(51)	(14)	52	(3,591)	(271)	9,376	(1)	9,375

(1) Represents the fair value movement in financial assets designated as FVOCI.
(2) Represents the accrued employee entitlements to share awards that have not yet vested.
(3) Primarily consists of the common control transaction reserve of US$3,569 million, which reflects the difference between consideration paid and the carrying value of assets and liabilities acquired, as well as the gains/losses on disposal of entities as part of the demerger of the Group in 2015.
(4) Primarily relates to the minority shareholder (49.9 per cent) of Minera Sud Argentina S.A. (MSA), which holds the Chita Valley copper porphyry exploration project in Argentina. The Group acquired a 50.1 per cent interest in MSA in April 2024.

The accompanying notes form part of the consolidated financial statements.

Notes to financial statements – Basis of preparation

This section sets out the accounting policies that relate to the consolidated financial statements of South32 Limited (referred to as the Company) and its subsidiaries and joint arrangements (collectively, the Group) as a whole. Where an accounting policy, critical accounting estimate, assumption or judgement is specific to a note, these are described within the note to which they relate. These policies have been consistently applied to all periods presented, except as described in note 3 New standards and interpretations.

The consolidated financial statements of the Group for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 29 August 2024.

1. Reporting entity

South32 Limited is a for-profit company limited by shares incorporated in Australia. South32 Limited has a primary listing on the Australian Securities Exchange (ASX), a secondary listing on the Johannesburg Stock Exchange (JSE), is admitted to listing in the equity shares (international commercial companies secondary listing) category of the Official List of the UK Financial Conduct Authority and its ordinary shares are traded on the London Stock Exchange (LSE).

The nature of the operations and principal activities of the Group are described in note 4 Segment information.

2. Basis of preparation

The consolidated financial statements are general purpose financial statements which:

- Have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), International Financial Reporting Standards (IFRS) Accounting Standards and other authoritative pronouncements of the International Accounting Standards Board (IASB);
- Have been prepared on a historical cost basis, except for post-retirement assets and obligations, derivative financial instruments and certain other financial assets and liabilities which are required to be measured at fair value;
- Are presented in US dollars, with all values rounded to the nearest million dollars (US$M or US$ million) unless otherwise stated, in accordance with *ASIC Corporations Instrument 2016/191*;
- Adopt all new and amended accounting standards and interpretations issued by the AASB and IASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2023. Refer to note 3 New standards and interpretations for further details; and
- Do not early adopt any accounting standards and interpretations that have been issued or amended but are not yet effective as described in note 3 New standards and interpretations.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of material subsidiaries at year end is contained in note 24 Subsidiaries.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

(b) Foreign currency translation

The functional currency of the majority of the Group's operations is the US dollar, as this is assessed to be the principal currency of the economic environments in which they operate.

Transactions denominated in foreign currencies are initially recorded in the functional currency using the exchange rate at the date of the underlying transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange at year end. Exchange gains or losses on translation are included in the Consolidated income statement, except for gains or losses on translation of foreign-denominated closure and rehabilitation provisions for operating sites, which are capitalised in property, plant and equipment, and gains or losses on translation of operations with non-USD functional currencies, which are recognised in other comprehensive income.

(c) Key estimates, assumptions and judgements

The preparation of the consolidated financial statements has required management to apply accounting policies and methodologies that are based on complex and subjective estimates, assumptions and judgements. Management based its estimates and judgements on historical experience and assumptions it believes to be reasonable and realistic based on the current environment. Actual results may differ from those reported in these statements due to the uncertainties that characterise the assumptions and conditions on which the estimates are based.

Specific sources of uncertainty identified by the Group are set out on the following pages and/or together with the applicable note, as follows:

Key estimates, assumptions and judgements	
Recognition of deferred taxes	note 6
Uncertain tax matters	note 6
Useful economic lives of assets	note 11
Impairment of non-financial assets	note 13
Closure and rehabilitation provisions	note 15
Expected credit loss on credit-impaired financial assets	note 19

2. **Basis of preparation** continued

(c) **Key estimates, assumptions and judgements** continued

In addition to the specific sources of uncertainty noted, the following assumptions are considered pervasive to the financial statements as a whole:

Climate change-related risks and opportunities

The key estimates, assumptions and judgements made in these consolidated financial statements take into account the Group's expectations of, and approach to, climate change-related risks and opportunities, and are consistent with the Group's reporting on climate-related matters.

These expectations may affect the Group's financial results and financial position in a number of ways, including the following:

- The useful lives of assets, and therefore the depreciation charged in the Consolidated income statement, may be impacted by changes in life of operation plans (refer to note 11 Property, plant and equipment);
- Asset recoverable amounts may be affected by changes in estimated future cash flows driven by, for example, changes in forecast commodity prices, operating costs, carbon prices, and the costs related to the physical impacts of climate change (refer to note 13 Impairment of non-financial assets and note 19(b)(iii) Credit risk: Shareholder loan receivable from Sierra Gorda);
- The commercial viability of exploration areas of interest may impact the recoverability of exploration and evaluation assets (refer to note 13 Impairment of non-financial assets); and
- Timing and cost of closure and rehabilitation activities (refer to note 15 Provisions).

The carrying amount of the associated deferred tax assets/liabilities may change due to changes in estimates of the likely recovery of the related tax benefits.

Global transition to a low-carbon world

While we are committed to the goals of the Paris Agreement, current global signposts continue to point towards a probable trajectory of at least 2°C climate change-related warming which informs our base case[(1)] for global transition to a low-carbon world. Our base case commodity price outlook is developed on an annual basis through a bottom-up approach, and is informed by the prevailing market and policy signposts, study findings by established external organisations and internal research. The Group also considers projections of global and regional economic growth, demographic changes, and technological evolution to inform our commodity demand outlook, forecast commodity prices and carbon prices. Any change in our base case may in turn impact our Ore Reserve estimates, life of operation plans, production volumes and future costs.

The Group's key estimates, assumptions and judgements with respect to transition risks and opportunities are based on the Group's expectations and assessments at the date of this report, and actual results may differ. Government policies and market developments continue to drive uncertainty in commodity and carbon price outlooks, which may impact the Group's approach to climate change and assumptions and judgements, which may in turn result in material changes to financial results and the carrying values of assets and liabilities in future reporting periods.

Physical impacts of climate change

The Group's operations are located in regions that may experience climate-related extremes, including but not limited to, extreme temperatures, bushfires, tropical cyclones, flooding and/or droughts. The Group has performed a baseline risk assessment of the physical impacts of climate change on its operated portfolio, with the assessment based on scenarios RCP4.5 and RCP8.5 as described by the Intergovernmental Panel on Climate Change (IPCC)[(2)].

Longer term assets (including those that move into closure) are likely to face more significant challenges due to the expected severity of climate risks manifesting over longer timeframes. Climate change is likely to exacerbate the risks to water supply, storage and usage that we currently manage, particularly for operations in areas of water scarcity and other sensitive environmental aspects.

Risks associated with the physical impacts of climate change are contemplated during the development of our life of operation plans (including closure estimates) and additional capital costs and/or increases to operating costs are incorporated into our forward-looking estimates when deemed appropriate. The Group's ongoing analysis of reasonable alternative assumptions with respect to future climate conditions has not identified any additional indicator that the carrying value of assets cannot be recovered or that useful lives of assets will be shortened.

The Group's key estimates, assumptions and judgements with respect to the physical impacts of climate change are based on the Group's expectations and assessments as at the date of this report, and actual results may differ. The high degree of uncertainty around the nature, timing and magnitude of weather events and long-term changes in climate patterns, as well as the Group's continued physical risk assessment process and the development of its direct adaptation strategies, may result in material changes to financial results and the carrying value of assets and liabilities in future reporting periods.

(1) By contrast, our 1.5°C scenario, which is primarily based on the International Energy Agency's Net Zero Emissions 2050 scenario (IEA NZE), is utilised by the Group to assess the resilience of our portfolio under a rapid global transition. The IEA NZE sets out one credible pathway to achieving a 1.5°C outcome by 2050, providing a set of general assumptions on commodity demand drivers, scrap availability, material efficiency and carbon prices.

(2) There are four Representative Concentration Pathways (RCPs) representing possible future greenhouse gas emissions and concentration scenarios. RCP4.5 equates to between 1.1°C and 2.6°C of climate change-related warming by the end of the century. RCP8.5 equates to between 2.6°C and 4.8°C of climate change-related warming by the end of the century.

2. Basis of preparation continued

(c) Key estimates, assumptions and judgements continued

Mineral Resources and Ore Reserves

Estimating the quantity and/or grade of Mineral Resources requires the location, quantity, grade (or quality), continuity and other geological characteristics to be known, estimated or interpreted from specific geological evidence and knowledge, including sampling, in order to satisfy the requirement that there are reasonable prospects for eventual economic extraction. This process may require complex and difficult geological assessments to interpret the data.

An Ore Reserve is the economically mineable part of the Measured and/or Indicated Mineral Resource that can be legally extracted, or where there is a reasonable expectation that approvals for extraction will be granted. In order to estimate Ore Reserves, consideration is required for a range of modifying factors, including mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental. When reporting Ore Reserves, the relevant studies, to at least a pre-feasibility level, must demonstrate that, at the time of reporting, extraction could be reasonably justified, including a consideration of forecast sales prices.

The Group reports Mineral Resources and Ore Reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), and the ASX Listing Rules Chapter 5: Additional reporting on mining and oil and gas production and exploration activities.

Because the economic assumptions used to estimate the Ore Reserves change from period to period, and because additional geological data is generated during the course of operations, estimates of the Mineral Resources and Ore Reserves may change from period to period. The Group's planning processes consider the impacts of climate change on its Ore Reserves, including assessments of operating costs and the impact of potential extreme weather events on the expectation of economic extraction.

The Group may also include Exploration Targets in determining the recoverable amount of a cash generating unit (CGU) or an exploration area of interest.

Similar to climate change-related risks and opportunities, changes in the Group's estimates of Mineral Resources and Ore Reserves, including exploration targets, may affect the Group's financial results and financial position in a number of ways, including asset recoverable amounts, useful lives of assets, commercial viability of exploration areas of interest, timing and cost of closure and rehabilitation activities, and the recovery of any associated deferred tax assets.

3. New standards and interpretations

(a) New accounting standards and interpretations effective from 1 July 2023

The following new accounting standards and interpretations have been published and are effective for the year ended 30 June 2024:

- Amendments to AASB 7, AASB 101, AASB 108 and AASB 134 – Disclosure of Accounting Policies and Definition of Accounting Estimates; and
- Amendments to AASB 1 and AASB 112 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The Group has reviewed these amendments and concluded that none have a material impact on the Group.

(b) New accounting standards and interpretations issued but not effective

The following new accounting standards and interpretations have been published but are not yet effective for the year ended 30 June 2024:

- Amendments to AASB 101 – Classification of Liabilities as Current or Non-current;
- Amendments to AASB 10 and AASB 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Amendments to AASB 16 – Lease Liability in a Sale and Leaseback;
- Amendments to AASB 121 – The Lack of Exchangeability; and
- AASB 18 – Presentation and Disclosure in Financial Statements.

The Group has reviewed these amendments and improvements, and with the exception of the item listed below, does not expect them to have a material impact on the Group.

<u>AASB 18 Presentation and Disclosure in Financial Statements</u>

AASB 18 was issued in June 2024 and will replace AASB 101 Presentation of Financial Statements, effective for annual periods beginning on or after 1 January 2027. The new standard introduces new classification and presentation requirements, primarily impacting the Consolidated income statement and related notes, as well as introducing additional disclosure requirements for management-defined performance measures.

The Group is in the process of assessing the impact of the new standard, however it is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, and is expected to only result in changes in the classification and presentation of these in the financial statements, as well as some additional disclosures in the notes.

The Group does not intend to early adopt any of the new standards or interpretations. It is expected that where applicable, these standards and interpretations will be adopted on each of the respective effective dates.

This section focuses on the financial performance of the Group, covering both profitability and the resulting return to shareholders via earnings per share.

4. Segment information

(a) Description of segments

The operating segments (also referred to as operations) are organised and managed separately according to their location and the nature of products produced.

The Lead Team (the chief operating decision makers) and the Board of Directors monitor the segment results regularly for the purpose of making decisions about resource allocation and assessing performance.

The principal activities of each operating segment are summarised as follows:

Operating segment	Principal activities
Worsley Alumina	Integrated bauxite mine and alumina refinery in Australia
Brazil Alumina	Integrated bauxite mine and alumina refinery in Brazil
Brazil Aluminium	Aluminium smelter in Brazil
Hillside Aluminium	Aluminium smelter in South Africa
Mozal Aluminium	Aluminium smelter in Mozambique
Sierra Gorda	Copper mine in Chile
Cannington	Silver, lead and zinc mine in Australia
Hermosa	Base metals exploration and development project in the United States
Cerro Matoso	Integrated laterite ferronickel mine and smelting complex in Colombia
Illawarra Metallurgical Coal[1]	Metallurgical coal mines in Australia
Australia Manganese	Manganese ore mine in Australia
South Africa Manganese	Manganese ore mines in South Africa

(1) In February 2024, the Group announced its decision to enter into a binding agreement to sell Illawarra Metallurgical Coal, which is expected to complete on 29 August 2024. Refer to note 30 Assets and liabilities held for sale and discontinued operations.

All operations are operated by the Group except Brazil Alumina, Brazil Aluminium and Sierra Gorda.

(b) Segment results

The segment information reflects the Group's interest in subsidiaries and joint operations, as well as material equity accounted joint ventures on a proportional consolidation basis. The segment information includes non-IFRS financial measures.

Segment performance is measured by Underlying EBIT and Underlying EBITDA. Underlying EBIT is profit/(loss) before net finance income/(costs), income tax expense/(benefit) and other earnings adjustment items. Underlying EBITDA is Underlying EBIT before depreciation and amortisation.

Reconciliations of the underlying segment information to the statutory information included in the Group's consolidated financial statements are set out in note 4(b)(i) Underlying results reconciliation, including joint venture adjustments which reconcile the proportional consolidation of the material equity accounted joint ventures back to their statutory equity accounting positions.

The Group's material equity accounted joint ventures are Sierra Gorda, Australia Manganese and South Africa Manganese, including an allocation of Manganese Marketing, refer to note 25 Equity accounted investments.

The Group separately discloses sales of group production from sales of third party products and services because of the significant difference in profit margin earned on these sales.

It is the Group's policy that inter-segment transactions are made on an arm's length basis.

Group and unallocated items/eliminations represent group centre functions and consolidation adjustments.

Group financing and income taxes are primarily managed on a Group basis and are not allocated to operating segments.

Total assets and liabilities for each continuing operating segment represent operating assets and liabilities which predominantly exclude the carrying amount of non-material equity accounted investments, cash, interest bearing liabilities, tax balances and certain other financial assets and liabilities.

4. Segment information continued

(b) Segment results continued

Revenue recognition

Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. Revenue is not reduced for royalties and other taxes payable from Group production.

The following is a description of the principal activities from which the Group generates its revenue:

Revenue from the sale of commodities

The Group primarily sells the following commodities: alumina, aluminium, copper, silver, lead, zinc, nickel, metallurgical coal and manganese ore. The sales of these commodities are considered to be performance obligations as they are the contractual promises by the Group to transfer distinct goods to customers.

The transaction price allocated to each performance obligation is recognised as the performance obligation is satisfied. Satisfaction occurs when control of the promised commodity is transferred to the customer.

For the sale of commodities, revenue is therefore recognised at a point in time, net of treatment and refining charges (where applicable). The majority of the Group's sales agreements specify that title passes on the bill of lading date (the date the commodity is delivered to the shipping agent) and is assessed to be the point of time in which control over the commodity passes to the customer. For these sales, revenue is recognised on the bill of lading date. For certain sales, title passes and revenue is recognised when the goods have been delivered to the customer.

For certain commodities, the sales price is determined on a provisional basis at the date of sale and adjustments to the sales price subsequently occur based on movements in quoted market or contractual prices up to the date of final pricing. The period between provisional invoicing and final pricing is up to 180 days. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the characteristics of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are disclosed separately as 'other' revenue. In all cases, fair value is estimated by reference to forward market prices.

Revenue from the provision of freight services

The Group sells most of its commodities on either Free On Board (FOB) or Cost, Insurance, and Freight (CIF) Incoterms. In the case of CIF Incoterms, the Group is responsible for shipping services after the date at which control of the commodities passes to the customer at the port of loading. The provision of shipping services in these types of arrangements are a distinct service (and therefore a separate performance obligation) to which a portion of the transaction price should be allocated and recognised over time as the shipping services are provided. The Group also provides third party freight services which are recognised as the shipping service is provided.

The Group does not separately disclose sales revenue from freight services as it does not consider this necessary in order to understand the impact of economic factors on the Group.

4. Segment information continued

(b) Segment results continued

FY24 US$M	Worsley Alumina	Brazil Alumina	Brazil Aluminium	Hillside Aluminium	Mozal Aluminium
Revenue from customers	1,355	483	242	1,717	812
Other revenue[3]	1	1	–	3	–
Total underlying revenue	**1,356**	**484**	**242**	**1,720**	**812**
Comprising:					
Group production	717	343	242	1,720	812
Third party products and services[4]	–	–	–	–	–
Inter-segment revenue	639	141	–	–	–
Total underlying revenue	**1,356**	**484**	**242**	**1,720**	**812**
Underlying EBITDA	**324**	**40**	**(115)**	**197**	**39**
Underlying depreciation and amortisation	(193)	(51)	(6)	(67)	(69)
Underlying EBIT	**131**	**(11)**	**(121)**	**130**	**(30)**
Comprising:					
Group production	131	19	(121)	130	(30)
Exploration expensed	–	–	–	–	–
Third party products and services[4]	–	–	–	–	–
Share of profit/(loss) of equity accounted investments	–	(30)	–	–	–
Underlying EBIT	**131**	**(11)**	**(121)**	**130**	**(30)**
Underlying net finance costs					
Underlying income tax (expense)/benefit					
Underlying royalty related tax (expense)/benefit					
Underlying earnings					
Total adjustments to profit/(loss)[5]					
Profit/(loss) for the year					
Underlying exploration expenditure	–	–	–	–	–
Underlying capital expenditure[6]	106	80	8	40	23
Underlying equity accounted investments	–	20	–	–	–
Total underlying assets[7]	3,009	898	119	1,100	663
Total underlying liabilities[7]	1,196	162	51	295	165

(1) The segment information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. The Group's underlying results includes the proportional elimination of revenue and corresponding expenses relating to freight services provided by the Group to material joint ventures of US$104 million, and third party product revenue of US$34 million included in Group and unallocated items/eliminations. Refer to note 4(b)(i) Underlying results reconciliation for the joint venture adjustments that reconcile the underlying proportional consolidation to the statutory equity accounting positions included in the Group's consolidated financial statements.

(2) The Illawarra Metallurgical Coal operating segment has been classified as a discontinued operation. Refer to note 30 Assets and liabilities held for sale and discontinued operations.

(3) Underlying other revenue relates to fair value movements on provisionally priced contracts.

(4) Underlying revenue on third party products and services sold from continuing operations comprises US$170 million for aluminium, US$3 million for alumina, US$34 million for manganese, US$79 million for freight services and US$102 million for raw materials. Underlying EBIT on third party products and services sold from continuing operations comprises US$10 million for alumina, US$(2) million for freight services and US$(1) million for raw materials.

(5) Represents the total of all adjustments made to profit/(loss) from operations, net finance income/(costs) and income tax (expense)/benefit. Refer to note 4(b)(i) Underlying results reconciliation for further details.

(6) Underlying capital expenditure excludes the purchase of intangibles and capitalised exploration expenditure.

(7) Total underlying assets and liabilities for each continuing operating segment represent operating assets and liabilities which predominantly exclude the carrying amount of non-material equity accounted investments, cash, interest bearing liabilities, tax balances and certain other financial assets and liabilities.

Continuing operations								Discontinued operation	
Sierra Gorda[1]	Cannington	Hermosa	Cerro Matoso	Australia Manganese[1]	South Africa Manganese[1]	Group and unallocated items/ eliminations	Group underlying results from continuing operations[1]	Illawarra Metallurgical Coal[2]	Group underlying results[1]
632	**611**	**–**	**562**	**447**	**337**	**(391)**	**6,807**	**1,469**	**8,276**
15	**20**	**–**	**(6)**	**(11)**	**6**	**(1)**	**28**	**(8)**	**20**
647	**631**	**–**	**556**	**436**	**343**	**(392)**	**6,835**	**1,461**	**8,296**
647	**631**	**–**	**556**	**436**	**343**	**–**	**6,447**	**1,224**	**7,671**
–	**–**	**–**	**–**	**–**	**–**	**388**	**388**	**237**	**625**
–	**–**	**–**	**–**	**–**	**–**	**(780)**	**–**	**–**	**–**
647	**631**	**–**	**556**	**436**	**343**	**(392)**	**6,835**	**1,461**	**8,296**
275	**289**	**(24)**	**96**	**182**	**65**	**(88)**	**1,280**	**522**	**1,802**
(132)	**(83)**	**(4)**	**(61)**	**(121)**	**(20)**	**(28)**	**(835)**	**(81)**	**(916)**
143	**206**	**(28)**	**35**	**61**	**45**	**(116)**	**445**	**441**	**886**
143	**212**	**(28)**	**38**	**61**	**45**	**(96)**	**504**	**419**	**923**
–	**(6)**	**–**	**(3)**	**–**	**–**	**(27)**	**(36)**	**(5)**	**(41)**
–	**–**	**–**	**–**	**–**	**–**	**7**	**7**	**28**	**35**
–	**–**	**–**	**–**	**–**	**–**	**–**	**(30)**	**(1)**	**(31)**
143	**206**	**(28)**	**35**	**61**	**45**	**(116)**	**445**	**441**	**886**
							(239)	**(10)**	**(249)**
							(92)	**(131)**	**(223)**
							(36)	**–**	**(36)**
							78	**300**	**378**
							(718)	**135**	**(583)**
							(640)	**435**	**(205)**
13	**9**	**24**	**3**	**1**	**–**	**29**	**79**	**10**	**89**
207	**38**	**372**	**34**	**65**	**43**	**1**	**1,017**	**340**	**1,357**
–	**–**	**–**	**–**	**–**	**–**	**–**	**20**	**6**	**26**
1,878	**569**	**1,571**	**334**	**596**	**390**	**2,325**	**13,452**	**1,794**	**15,246**
214	**419**	**136**	**243**	**430**	**190**	**2,216**	**5,717**	**558**	**6,275**

4. Segment information continued

(b) Segment results continued

FY23 Restated[1] US$M	Worsley Alumina	Brazil Alumina	Brazil Aluminium	Hillside Aluminium	Mozal Aluminium
Revenue from customers	1,364	456	166	1,822	888
Other revenue[3]	(1)	–	–	1	(2)
Total underlying revenue	1,363	456	166	1,823	886
Comprising:					
Group production	642	395	166	1,823	886
Third party products and services[4]	–	–	–	–	–
Inter-segment revenue	721	61	–	–	–
Total underlying revenue	1,363	456	166	1,823	886
Underlying EBITDA	251	7	(129)	257	108
Underlying depreciation and amortisation	(183)	(52)	(7)	(66)	(52)
Underlying EBIT	68	(45)	(136)	191	56
Comprising:					
Group production	68	(51)	(136)	191	56
Exploration expensed	–	–	–	–	–
Third party products and services[4]	–	–	–	–	–
Share of profit/(loss) of equity accounted investments	–	6	–	–	–
Underlying EBIT	68	(45)	(136)	191	56
Underlying net finance costs					
Underlying income tax (expense)/benefit					
Underlying royalty related tax (expense)/benefit					
Underlying earnings					
Total adjustments to profit/(loss)[5]					
Profit/(loss) for the year					
Underlying exploration expenditure	–	–	–	–	–
Underlying capital expenditure[6]	82	58	9	18	17
Underlying equity accounted investments	–	51	–	–	–
Total underlying assets[7]	3,578	880	91	1,156	778
Total underlying liabilities[7]	1,121	142	63	311	200

(1) The Illawarra Metallurgical Coal operating segment has been reclassified as a discontinued operation. Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) The segment information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. The Group's underlying results includes the proportional elimination of revenue and corresponding expenses relating to freight services provided by the Group to material joint ventures of US$128 million, and third party product revenue of US$33 million included in Group and unallocated items/eliminations. Refer to note 4(b)(i) Underlying results reconciliation for the joint venture adjustments that reconcile the underlying proportional consolidation to the statutory equity accounting positions included in the Group's consolidated financial statements.
(3) Underlying other revenue relates to fair value movements on provisionally priced contracts.
(4) Underlying revenue on third party products and services sold from continuing operations comprises US$86 million for aluminium, US$25 million for alumina, US$33 million for manganese, US$106 million for freight services and US$149 million for raw materials. Underlying EBIT on third party products and services sold from continuing operations comprises US$(1) million for aluminium, US$13 million for alumina, US$(1) million for freight services and US$1 million for raw materials.
(5) Represents the total of all adjustments made to profit/(loss) from operations, net finance income/(costs) and income tax (expense)/benefit. Refer to note 4(b)(i) Underlying results reconciliation for further details.
(6) Underlying capital expenditure excludes the purchase of intangibles and capitalised exploration expenditure.
(7) Total underlying assets and liabilities for each continuing operating segment represent operating assets and liabilities which predominantly exclude the carrying amount of non-material equity accounted investments, cash, interest bearing liabilities, tax balances and certain other financial assets and liabilities.

Continuing operations								Discontinued operation	
Sierra Gorda[2]	Cannington	Hermosa	Cerro Matoso	Australia Manganese[2]	South Africa Manganese[2]	Group and unallocated items/ eliminations	Group underlying results from continuing operations[2]	Illawarra Metallurgical Coal[1]	Group underlying results[2]
682	554	–	698	720	369	(381)	7,338	1,809	9,147
2	(12)	–	–	(32)	(25)	(2)	(71)	(26)	(97)
684	542	–	698	688	344	(383)	7,267	1,783	9,050
684	542	–	698	688	344	–	6,868	1,643	8,511
–	–	–	–	–	–	399	399	140	539
–	–	–	–	–	–	(782)	–	–	–
684	542	–	698	688	344	(383)	7,267	1,783	9,050
358	213	(15)	246	369	66	(52)	1,679	855	2,534
(141)	(71)	(4)	(57)	(103)	(21)	(20)	(777)	(141)	(918)
217	142	(19)	189	266	45	(72)	902	714	1,616
221	148	(19)	191	266	46	(42)	939	707	1,646
(4)	(6)	–	(2)	–	(1)	(42)	(55)	(9)	(64)
–	–	–	–	–	–	12	12	11	23
–	–	–	–	–	–	–	6	5	11
217	142	(19)	189	266	45	(72)	902	714	1,616
							(182)	(6)	(188)
							(246)	(211)	(457)
							(55)	–	(55)
							419	497	916
							(1,037)	(52)	(1,089)
							(618)	445	(173)
7	8	20	2	1	1	51	90	17	107
196	61	256	38	58	25	3	821	248	1,069
–	–	–	–	–	–	–	51	7	58
1,811	575	1,095	581	660	326	2,564	14,095	1,420	15,515
223	403	96	218	421	183	2,240	5,621	519	6,140

4. Segment information continued

(b) Segment results continued

(i) Underlying results reconciliation

The following tables reconcile the underlying segment information to the statutory information included in the Group's consolidated financial statements:

FY24 US$M	Continuing operations	Discontinued operation[1]	Total
Underlying EBIT	**445**	**441**	**886**
Significant items[2]	**(50)**	**–**	**(50)**
Joint venture adjustments[3][4]	**(284)**	**–**	**(284)**
Exchange rate gains/(losses) on restatement of monetary items[5]	**(24)**	**–**	**(24)**
Net impairment (loss)/reversal of financial assets[5][6]	**(29)**	**–**	**(29)**
Net impairment (loss)/reversal of non-financial assets[5][7]	**(801)**	**197**	**(604)**
Gains/(losses) on non-trading derivative instruments, contingent consideration and other investments measured at FVTPL[5]	**8**	**–**	**8**
Profit/(loss) from operations	**(735)**	**638**	**(97)**
Underlying net finance costs	**(239)**	**(10)**	**(249)**
Joint venture adjustments[3][4]	**220**	**–**	**220**
Exchange rate variations on net debt	**8**	**–**	**8**
Net finance income/(costs)	**(11)**	**(10)**	**(21)**
Underlying income tax (expense)/benefit	**(92)**	**(131)**	**(223)**
Underlying royalty related tax (expense)/benefit	**(36)**	**–**	**(36)**
Tax effect of significant items[2]	**15**	**–**	**15**
Joint venture adjustments relating to income tax expense[3][4]	**21**	**–**	**21**
Joint venture adjustments relating to royalty related tax expense[3][4]	**36**	**–**	**36**
Tax effect of other adjustments to derive Underlying EBIT	**180**	**(58)**	**122**
Tax effect of other adjustments to derive Underlying net finance costs	**(2)**	**–**	**(2)**
Exchange rate variations on tax balances	**(16)**	**(4)**	**(20)**
Income tax (expense)/benefit	**106**	**(193)**	**(87)**
Underlying earnings	**78**	**300**	**378**
Total adjustments to profit/(loss)	**(718)**	**135**	**(583)**
Profit/(loss) for the year	**(640)**	**435**	**(205)**
Underlying earnings attributable to:			
Equity holders of South32 Limited	**80**	**300**	**380**
Non-controlling interests	**(2)**	**–**	**(2)**

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) Refer to note 4(b)(ii) Significant items.
(3) The segment information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. Joint venture adjustments reconcile the proportional consolidation to the statutory equity accounting positions, recognised in share of profit/(loss) of equity accounted investments in the Consolidated income statement.
(4) The net impact of all joint venture adjustments to the Group's profit/(loss) for the year amounted to US$(7) million of which US$28 million related to the Sierra Gorda segment, US$(27) million related to the Australia Manganese segment and US$(8) million related to the South Africa Manganese segment. The Sierra Gorda joint venture adjustments include a revaluation gain of US$29 million (US$22 million post-tax) relating to the shareholder loan payable that was eliminated from the Group's Underlying earnings upon proportional consolidation. The Australia Manganese joint venture adjustments include significant items of US$(63) million (US$(28) million post-tax) as outlined in note 4(b)(ii) Significant items.
(5) Recognised in expenses excluding finance costs in the Consolidated income statement.
(6) Refer to note 19 Financial assets and financial liabilities.
(7) Refer to note 13 Impairment of non-financial assets.

4. **Segment information** continued

(b) **Segment results** continued

(i) Underlying results reconciliation continued

FY23 Restated[1] US$M	Continuing operations	Discontinued operation[1]	Total
Underlying EBIT	902	714	1,616
Significant items[2]	237	(51)	186
Joint venture adjustments[3][4]	(291)	–	(291)
Exchange rate gains/(losses) on restatement of monetary items[5]	61	1	62
Net impairment (loss)/reversal of financial assets[5][6]	(71)	–	(71)
Net impairment (loss)/reversal of non-financial assets[5][7]	(1,300)	–	(1,300)
Gains/(losses) on non-trading derivative instruments, contingent consideration and other investments measured at FVTPL[5]	(4)	–	(4)
Profit/(loss) from operations	(466)	664	198
Underlying net finance costs	(182)	(6)	(188)
Joint venture adjustments[3][4]	195	–	195
Exchange rate variations on net debt	9	(1)	8
Net finance income/(costs)	22	(7)	15
Underlying income tax (expense)/benefit	(246)	(211)	(457)
Underlying royalty related tax (expense)/benefit	(55)	–	(55)
Tax effect of significant items[2]	(39)	16	(23)
Joint venture adjustments relating to income tax expense[3][4]	96	–	96
Joint venture adjustments relating to royalty related tax expense[3][4]	55	–	55
Tax effect of other adjustments to derive Underlying EBIT	(2)	(1)	(3)
Tax effect of other adjustments to derive Underlying net finance costs	(3)	–	(3)
Exchange rate variations on tax balances	20	(16)	4
Income tax (expense)/benefit	(174)	(212)	(386)
Underlying earnings	419	497	916
Total adjustments to profit/(loss)	(1,037)	(52)	(1,089)
Profit/(loss) for the year	(618)	445	(173)
Underlying earnings attributable to:			
Equity holders of South32 Limited	419	497	916
Non-controlling interests	–	–	–

(1) The Illawarra Metallurgical Coal operating segment has been reclassified as a discontinued operation. Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) Refer to note 4(b)(ii) Significant items.
(3) The segment information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. Joint venture adjustments reconcile the proportional consolidation to the statutory equity accounting positions, recognised in share of profit/(loss) of equity accounted investments in the Consolidated income statement.
(4) The net impact of all joint venture adjustments to the Group's profit/(loss) for the year amounted to US$55 million of which US$46 million related to the Sierra Gorda segment, US$(3) million related to the Australia Manganese segment and US$12 million related to the South Africa Manganese segment. The Sierra Gorda joint venture adjustments include a revaluation gain of US$71 million (US$52 million post-tax) relating to the shareholder loan payable that was eliminated from the Group's Underlying earnings upon proportional consolidation.
(5) Recognised in expenses excluding finance costs in the Consolidated income statement.
(6) Refer to note 19 Financial assets and financial liabilities.
(7) Refer to note 13 Impairment of non-financial assets.

4. Segment information continued

(b) Segment results continued

(i) Underlying results reconciliation continued

FY24 US$M	Group underlying results	Joint venture adjustments	Discontinued operation adjustments[1]	Group statutory results
Total revenue	**8,296**	**(1,356)**	**(1,461)**	**5,479**
Depreciation and amortisation	**916**	**(273)**	**(81)**	**562**
Share of profit/(loss) of equity accounted investments	**(31)**	**(29)**	**1**	**(59)**
Exploration expenditure[2]	**89**	**(14)**	**–**	**75**
Capital expenditure[2]	**1,357**	**(315)**	**–**	**1,042**
Equity accounted investments	**26**	**376**	**(6)**	**396**
Total assets	**15,246**	**(1,001)**	**–**	**14,245**
Total liabilities	**6,275**	**(1,001)**	**–**	**5,274**

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) The Group statutory results include the cash flows from discontinued operations, consistent with the Consolidated cash flow statement.

FY23 Restated[1] US$M	Group underlying results	Joint venture adjustments	Discontinued operation adjustments[1]	Group statutory results
Total revenue	9,050	(1,621)	(1,783)	5,646
Depreciation and amortisation	918	(265)	(141)	512
Share of profit/(loss) of equity accounted investments	11	235	(5)	241
Exploration expenditure[2]	107	(9)	–	98
Capital expenditure[2]	1,069	(279)	–	790
Equity accounted investments	58	441	–	499
Total assets	15,515	(951)	–	14,564
Total liabilities	6,140	(951)	–	5,189

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) The Group statutory results include the cash flows from discontinued operations, consistent with the Consolidated cash flow statement.

(ii) Significant items

Significant items are those items, not separately identified in note 4(b)(i) Underlying results reconciliation, whose nature and amount are considered significant to the Group's consolidated financial statements.

FY24 US$M	Gross	Tax	Net
Tropical Cyclone Megan impacts	**(50)**	**15**	**(35)**
Total significant items	**(50)**	**15**	**(35)**

Tropical Cyclone Megan impacts

In March 2024, Tropical Cyclone Megan severely impacted operations at Groote Eylandt Mining Company Pty Ltd (GEMCO). The weather system resulted in widespread flooding and significant damage to infrastructure, including the wharf, port and a critical bridge, resulting in the temporary suspension of operations. Amounts incurred directly or indirectly as a result of Tropical Cyclone Megan, including insurance related income and expenses, do not reflect the performance of the underlying operation and have been classified as significant items.

The Group operates a captive insurance program, in which a wholly owned subsidiary within the Group insures a number of our operations, including GEMCO. As a result of Tropical Cyclone Megan, the Group recognised an insurance expense incurred by its captive insurer of US$50 million (US$35 million post-tax) in expenses excluding finance costs in the Consolidated income statement, and was included within Group and unallocated items/eliminations.

Australia Manganese incurred a net loss of US$63 million (US$28 million post-tax) which was recognised in share of profit/(loss) of equity accounted investments in the Consolidated income statement. The net loss of US$28 million included expenses related to idle capacity charges, asset write-offs, repairs and clean-up costs, partially offset by lower income and royalty taxes, and the Group's share of the insurance income described above. The net loss of US$28 million was included in the joint venture adjustments in the underlying results reconciliation.

During 2025, the Group expects to incur further costs and considers it probable to recover amounts through insurance, which will also be classified as significant items. No contingent asset has been disclosed for any further anticipated insurance recoveries as a reliable estimate cannot be made at present.

4. **Segment information** continued

(b) **Segment results** continued

(ii) Significant items continued

FY23 US$M	Gross	Tax	Net
Disposal of royalties	189	(56)	133
Assets write-off	(51)	16	(35)
Tax adjustments relating to the Sierra Gorda acquisition	–	17	17
Vendor indemnity relating to the Sierra Gorda acquisition	48	–	48
Total significant items	186	(23)	163

Disposal of royalties

On 19 July 2022, the Group divested four royalties to Ecora Resources PLC (formerly known as Anglo Pacific Group PLC) in exchange for consideration comprising an upfront cash payment of US$48 million, deferred cash consideration of US$55 million, US$78 million in equity and a variable consideration receivable valued at US$10 million. The equity in Ecora Resources PLC has been recognised as an investment in equity instruments designated at FVOCI. The variable consideration is payable if certain production and price-linked conditions are met prior to 2032, up to a maximum of US$15 million.

The royalties were recognised as intangible assets with a nominal carrying value. On completion the Group recognised other income, net of transaction costs, of US$189 million (US$133 million post-tax) in the Consolidated income statement and was included in Group and unallocated items/eliminations.

Assets write-off

On 23 August 2022, the Group announced that it would not proceed with an investment in the Dendrobium Next Domain project at Illawarra Metallurgical Coal following its consideration of recently completed study work and extensive analysis of alternatives considered for the complex. As a result of the decision in August 2022, the Group wrote off US$51 million (US$35 million post-tax) of costs previously capitalised in relation to the project which were recognised within expenses excluding finance costs in the Consolidated income statement. The write-off related to capitalised exploration and evaluation assets previously included in property, plant and equipment on the Consolidated balance sheet.

Tax adjustments relating to the Sierra Gorda acquisition

During FY23, the Group recognised an income tax benefit of US$31 million relating to tax liabilities recognised on the acquisition of Sierra Gorda during FY22. The US$31 million benefit comprises a reassessment of US$17 million and a foreign exchange gain of US$14 million which is separately reported as part of exchange variations of tax balances. The tax adjustments relating to the Sierra Gorda acquisition have been excluded from the Group's Underlying income tax expense on the basis that they do not relate to assessable income earned during its ownership.

Vendor indemnity relating to the Sierra Gorda acquisition

On 17 May 2023, Chilean Mining Tax reforms were passed by the Chilean Congress and subsequently enacted in August 2023. As part of the Group's acquisition of Sierra Gorda during FY22, the Group had the right to claim an indemnity from the vendors for any mining tax changes enacted prior to December 2025. As a result of these changes the Group recognised other income of US$48 million in the Group's Consolidated income statement in relation to the indemnity, which was subsequently received from the vendors in FY24.

4. Segment information continued

(c) Geographical information

The geographical information below analyses statutory Group revenue from continuing operations and non-current assets by location. Revenue is primarily presented by the geographical destination of the product and non-current assets are presented by the geographical location of the operations.

US$M	Revenue from external customers FY24	Revenue from external customers FY23 Restated(1)	Non-current assets FY24	Non-current assets FY23
Australia	**359**	263	**3,350**	5,239
Brazil	**112**	192	**797**	765
China	**622**	695	**–**	–
Italy	**330**	338	**–**	–
Japan	**304**	313	**–**	–
Middle East	**319**	269	**–**	–
Netherlands(2)	**948**	1,056	**1,769**	1,604
South Africa	**392**	495	**868**	882
South Korea	**299**	249	**–**	–
United States of America	**397**	419	**1,661**	1,193
Rest of Africa	**283**	346	**435**	488
Rest of Asia	**319**	386	**79**	100
Rest of Europe	**458**	321	**8**	1
Rest of North America	**244**	234	**2**	1
Rest of Oceania	**93**	70	**–**	–
Rest of South America	**–**	–	**307**	544
Unallocated assets(3)	**–**	–	**570**	508
Total	**5,479**	5,646	**9,846**	11,325

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) Non-current assets include the non-current portion of the shareholder loan receivable from Sierra Gorda.
(3) Comprises other financial assets and deferred tax assets.

5. Expenses excluding finance costs

US$M	Note	FY24	FY23 Restated(1)
Changes in inventories of finished goods and work in progress		**49**	(49)
Raw materials and consumables used		**2,426**	2,592
Wages, salaries and redundancies		**554**	527
Pension and other post-retirement obligations		**51**	51
External services (including transportation)		**909**	873
Third party commodity purchases		**436**	471
Depreciation and amortisation		**562**	512
Exchange rate (gains)/losses on restatement of monetary items		**24**	(61)
(Gains)/losses on derivative instruments, contingent consideration and other investments measured at FVTPL		**(3)**	(6)
Government and other royalties paid and payable		**142**	179
Exploration expenditure incurred and expensed		**36**	50
Net impairment loss/(reversal) of financial assets	19	**29**	71
Net impairment loss/(reversal) of non-financial assets	13	**801**	1,300
Short-term, low-value and variable lease rentals		**58**	50
All other operating expenses		**189**	136
Total		**6,263**	6,696

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.

6. Tax

Income tax expense comprises current and deferred tax and is recognised in the Consolidated income statement except to the extent that it relates to items recognised directly in the Consolidated statement of comprehensive income.

(a) Income tax expense

US$M	FY24	FY23 Restated[1]
Current income tax (expense)/benefit	**(213)**	(476)
Deferred income tax (expense)/benefit	**126**	90
Total income tax (expense)/benefit	**(87)**	(386)
Income tax (expense)/benefit attributable to:		
Continuing operations	**106**	(174)
Discontinued operation[1]	**(193)**	(212)
Total income tax (expense)/benefit	**(87)**	(386)

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.

(b) Reconciliation of prima facie tax expense to income tax expense

US$M	FY24	FY23 Restated[1]
Profit/(loss) before tax from continuing operations	**(746)**	(444)
Profit/(loss) before tax from a discontinued operation	**628**	657
Deduct: Share of profit/(loss) of equity accounted investments included in continuing operations	**(59)**	241
Deduct: Share of profit/(loss) of equity accounted investments included in a discontinued operation	**(1)**	5
Profit/(loss) subject to tax	**(58)**	(33)
Income tax on profit/(loss) calculated at 30 per cent	**18**	10
Tax rate differential on non-Australian income	**4**	1
Exchange variations and other translation adjustments	**(20)**	4
Withholding tax on distributed earnings	**–**	(36)
Derecognition of future tax benefits[2]	**(14)**	(55)
Non-deductible impairment charges[2]	**(77)**	(333)
Colombian royalty expense	**23**	(24)
Tax adjustments relating to the Sierra Gorda acquisition[3]	**–**	31
Prior year adjustments	**(10)**	4
Other	**(11)**	12
Total income tax (expense)/benefit	**(87)**	(386)

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) FY24 primarily relates to the impairment of Cerro Matoso, which resulted in the Group derecognising US$38 million of deferred tax assets and incurring US$38 million of non-deductible tax expenses. FY23 primarily relates to the impairment of the Taylor Deposit at Hermosa, which resulted in the Group derecognising US$53 million of deferred tax assets and incurring US$315 million of non-deductible tax expenses. Refer to note 13 Impairment of non-financial assets.
(3) Refer to note 4(b)(ii) Significant items.

Profit/(loss) from equity accounted investments has been taxed in companies other than South32 Limited, being the companies whose results are disclosed as equity accounted investments in the consolidated financial statements. Refer to note 25 Equity accounted investments for further details of the Group's equity accounted investments.

6. Tax continued

(c) Movement in deferred tax balances

The composition of the Group's net deferred tax assets and liabilities recognised on the Consolidated balance sheet, including amounts classified as held for sale, and the deferred tax expense (charged)/credited to the Consolidated income statement, including from discontinued operations, is as follows:

US$M	Deferred tax assets		Deferred tax liabilities		Deferred tax (charged)/credited to the Consolidated income statement[1]	
	FY24	FY23	FY24[1]	FY23	FY24	FY23
Type of temporary difference						
Depreciation	**96**	253	**103**	261	**1**	2
Employee benefits	**45**	49	**(21)**	(12)	**5**	1
Closure and rehabilitation	**251**	234	**(56)**	(59)	**14**	34
Other provisions	**14**	–	**(3)**	(13)	**4**	–
Deferred charges	**–**	(52)	**83**	–	**(31)**	8
Non tax-depreciable fair value adjustments, revaluations and mineral rights	**(8)**	(95)	**2**	11	**96**	–
Tax-effected losses	**94**	15	**–**	(54)	**25**	57
Brazil deferral incentive[2]	**–**	–	**61**	70	**9**	(6)
Leases	**20**	(1)	**(2)**	(1)	**22**	(1)
Other	**(31)**	(13)	**9**	7	**(19)**	(5)
Total	**481**	390	**176**	210	**126**	90

(1) Deferred tax liabilities include US$11 million classified as held for sale on the Consolidated balance sheet in FY24. Deferred tax expense charged/(credited) to the Consolidated income statement includes US$103 million (FY23: US$2 million) from discontinued operations. Refer to note 30 Assets and liabilities held for sale and discontinued operations.

(2) Our Brazilian subsidiary has received a 75 per cent corporate income tax deferral due to the reinvestment of capital in the North East regions of Brazil. The tax is deferred until earnings are repatriated from Brazil.

Deferred tax is provided using the balance sheet liability method, providing for the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for tax assessment or deduction purposes.

To the extent that an item's tax base is solely derived from the amount deductible under capital gains tax legislation, deferred tax is determined as if such amounts are not deductible in determining future assessable income.

(d) Unrecognised deferred tax assets and liabilities

The composition of the Group's unrecognised deferred tax assets and liabilities is as follows:

US$M	FY24	FY23
Unrecognised deferred tax assets		
Tax-effected losses[1]	**61**	58
Mineral rights	**617**	617
Impairment of investments in subsidiaries	**1,233**	949
Closure and rehabilitation	**99**	48
Depreciable assets	**70**	32
Other temporary differences	**6**	1
Total unrecognised deferred tax assets	**2,086**	1,705
Unrecognised deferred tax liabilities		
Taxable temporary differences associated with investments and undistributed earnings in subsidiaries	**36**	33
Total unrecognised deferred tax liabilities	**36**	33

(1) Represents tax losses that have no expiry.

6. **Tax** continued

(e) Tax consolidation

South32 Limited and its 100 per cent owned Australian resident subsidiaries have formed a tax consolidated group with effect from 25 May 2015. South32 Limited is the head entity of the tax consolidated group. Members of the Group have entered into a tax sharing agreement in order to allocate income tax expense to the wholly-owned subsidiaries on a stand-alone basis. The tax sharing arrangement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. The possibility of such a default is considered remote at the date of this report.

Members of the tax consolidated group have also entered into a tax funding agreement. The Group has applied its allocation approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group. The tax funding agreement provides for each member of the tax consolidated group to pay or receive a tax equivalent amount to or from the head entity in accordance with their notional current tax liability or current tax asset. Such amounts are reflected in amounts receivable from or payable to the head entity in their accounts and are settled as soon as practicable after lodgement of the consolidated return and payment of the tax liability.

(f) Future tax developments

The Group continues to monitor the Organisation for Economic Co-operation and Development's Two Pillar Solution in all countries in which the Group operates.

Pillar One measures currently apply only to multinational enterprises that have a global turnover exceeding €20 billion and profitability exceeding 10 per cent, and therefore does not apply to the Group. Pillar Two measures seek to introduce a 15 per cent global minimum tax and will apply to the Group given its annual turnover exceeds the €750 million threshold. The Group notes that in Australia, draft legislation has been introduced into Parliament but has not yet been enacted, with effect from 1 January 2024. The Group also notes that other jurisdictions in which the Group operate have either announced their intention to implement or have enacted Pillar Two legislation.

The Group has adopted the guidance contained in the IASB issued International Tax Reform - Pillar Two Model Rules, which amended IAS 12 Income Taxes, released in May 2023 and applied the mandatory temporary exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group is continuing to evaluate the cash tax implications and other impacts of the Pillar Two model rules, and does not expect the impact on the Group to be material.

(g) Tax transparency report

More detail of the Group's tax outcomes, including country-by-country reporting is included in the 2024 Tax Transparency and Payments to Government Report.

Key estimates, assumptions and judgements

Deferred tax

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the Consolidated balance sheet. Deferred tax assets are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, climate change-related impacts, Mineral Resources and Ore Reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends and other capital management transactions.

Uncertain tax matters

Judgements are required about the application of the inherently complex income tax legislation in Colombia and Brazil. These judgements are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated balance sheet and the amount of other tax losses and temporary differences not yet recognised.

Where the final tax outcomes are different from the amounts that were initially recorded, these differences impact the current and deferred tax provisions in the period in which the determination is made. Measurement of uncertain tax and royalty matters considers a range of possible outcomes, including assessments received from tax authorities. Where management is of the view that potential liabilities have a low probability of crystallising, or it is not possible to quantify them reliably, they are disclosed as contingent liabilities.

7. Dividends

US$M	FY24	FY23
Prior year final dividend[1]	**145**	646
Prior year special dividend	**–**	138
Interim dividend[2]	**18**	223
Total dividends declared and paid during the year	**163**	1,007

(1) On 24 August 2023, the Directors resolved to pay a fully franked final dividend of US 3.2 cents per share (US$145 million) in respect of the 2023 financial year. The dividends were paid on 12 October 2023.
(2) On 15 February 2024, the Directors resolved to pay a fully franked interim dividend of US 0.4 cents per share (US$18 million) in respect of the 2024 financial half year. The dividends were paid on 4 April 2024.

Franking account

US$M	FY24	FY23
Franking credits at the beginning of the financial year	**538**	678
Credits arising from tax paid/payable by South32 Limited[1]	**137**	243
Credits arising from receipt of franked dividends	**32**	68
Utilisation of credits arising from the payment of franked dividends	**(72)**	(426)
Exchange rate variations	**–**	(25)
Total franking credits available at the end of the financial year[2]	**635**	538

(1) Includes the Australia FY24 income tax liability of US$19 million.
(2) The payment of the final franked FY24 dividend declared after 30 June 2024 will decrease the franking account balance by US$60 million. Refer to note 31 Subsequent events.

8. Earnings per share

Basic earnings/(loss) per share amounts are calculated based on profit or loss attributable to equity holders of South32 Limited and the weighted average number of shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated based on profit or loss attributable to equity holders of South32 Limited and the weighted average number of shares outstanding after adjustment for the effects of all dilutive potential shares.

The following reflects the profit or loss and share data used in the basic and diluted earnings/(loss) per share computations:

Profit/(loss) attributable to equity holders US$M	FY24	FY23 Restated[1]
Continuing operations	**(638)**	(618)
Discontinued operation[1]	**435**	445
Profit/(loss) attributable to equity holders of South32 Limited (basic)	**(203)**	(173)
Profit/(loss) attributable to equity holders of South32 Limited (diluted)	**(203)**	(173)

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.

Weighted average number of shares Million	FY24	FY23
Basic earnings/(loss) per share denominator[1]	**4,519**	4,572
Diluted earnings/(loss) per share denominator[2]	**4,519**	4,572

(1) The basic earnings/(loss) per share denominator is the aggregate of the weighted average number of shares after deduction of the weighted average number of treasury shares outstanding and shares permanently cancelled through the on-market share buy-back program.
(2) The diluted earnings/(loss) per share calculation excludes 17,831,040 (FY23: 26,994,090) shares contingently issuable under ESOP plans, subject to service and performance conditions, which are considered anti-dilutive.

Earnings/(loss) per share US cents	FY24	FY23 Restated[1]
Continuing operations		
Basic earnings/(loss) per share	**(14.1)**	(13.5)
Diluted earnings/(loss) per share	**(14.1)**	(13.5)
Attributable to ordinary equity holders of South32 Limited		
Basic earnings/(loss) per share	**(4.5)**	(3.8)
Diluted earnings/(loss) per share	**(4.5)**	(3.8)

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.

Notes to financial statements – Operating assets and liabilities

This section shows the assets used to generate the Group's trading performance and the liabilities incurred. Assets and liabilities relating to the Group's financing activities are addressed in the capital structure and financing section, notes 16 to 20.

9. Trade and other receivables

US$M	FY24	FY23
Current		
Trade receivables	**398**	395
Loans to equity accounted investments(1)(2)	**73**	114
Other receivables	**163**	269
Total current trade and other receivables(3)	**634**	778
Non-current		
Loans to equity accounted investments(1)(2)	**1,933**	1,790
Other receivables	**150**	133
Total non-current trade and other receivables(3)	**2,083**	1,923

(1) Refer to note 28 Related party transactions.
(2) Includes a purchased credit-impaired receivable which is classified as current of US$45 million and non-current of US$1,769 million (FY23: current of US$107 million and non-current of US$1,604 million). Refer to note 19 Financial assets and financial liabilities.
(3) Net of allowances for expected credit losses of US$2 million (FY23: US$2 million).

Trade receivables generally have terms of up to 30 days.

10. Inventories

US$M	FY24	FY23
Current		
Raw materials and consumables	**484**	519
Work in progress	**299**	333
Finished goods	**202**	250
Total current inventories	**985**	1,102
Non-current		
Raw materials and consumables	**41**	57
Work in progress	**22**	25
Total non-current inventories	**63**	82

The value of inventories carried at net realisable value as at 30 June 2024 was US$15 million (FY23: US$222 million). Inventory write-downs of US$3 million (FY23: US$18 million) were recognised in the year.

Inventories are valued at the lower of cost and net realisable value. Cost is determined primarily on the basis of average cost. For processed inventories, cost is derived on an absorption costing basis. Cost comprises the cost of purchasing raw materials and the cost of production, including attributable overheads.

11. Property, plant and equipment

FY24 US$M	Land and buildings Right-of-use assets	Land and buildings Owned assets	Plant and equipment Right-of-use assets	Plant and equipment Owned assets	Other mineral assets(1)	Assets under construction	Exploration and evaluation	Total
Cost								
At the beginning of the year	**43**	**2,413**	**1,051**	**13,408**	**4,470**	**1,235**	**245**	**22,865**
Additions	**2**	**–**	**72**	**51**	**–**	**901**	**53**	**1,079**
Foreign exchange movements in closure and rehabilitation provisions(2)	**–**	**–**	**–**	**(11)**	**–**	**–**	**–**	**(11)**
Disposals	**(2)**	**–**	**–**	**(50)**	**(54)**	**(21)**	**–**	**(127)**
Reclassified as held for sale(3)	**(6)**	**(125)**	**(29)**	**(2,093)**	**(1,187)**	**(477)**	**(38)**	**(3,955)**
Transfers and other movements	**–**	**55**	**–**	**337**	**102**	**(314)**	**(180)**	**–**
At the end of the year	**37**	**2,343**	**1,094**	**11,642**	**3,331**	**1,324**	**80**	**19,851**
Accumulated depreciation and impairments								
At the beginning of the year	**18**	**1,516**	**380**	**9,533**	**3,053**	**170**	**145**	**14,815**
Depreciation(4)	**7**	**77**	**67**	**417**	**69**	**–**	**–**	**637**
Net impairments(5)	**–**	**61**	**53**	**233**	**225**	**(4)**	**–**	**568**
Disposals	**(2)**	**–**	**–**	**(48)**	**(54)**	**–**	**–**	**(104)**
Reclassified as held for sale(3)	**(4)**	**(72)**	**(19)**	**(1,638)**	**(775)**	**(47)**	**(13)**	**(2,568)**
Transfers and other movements	**–**	**–**	**–**	**–**	**–**	**132**	**(132)**	**–**
At the end of the year	**19**	**1,582**	**481**	**8,497**	**2,518**	**251**	**–**	**13,348**
Net book value at the end of the year	**18**	**761**	**613**	**3,145**	**813**	**1,073**	**80**	**6,503**

(1) Other mineral assets include US$482 million relating to acquired mineral deposits still in the exploration and evaluation phase.
(2) Refer to note 15 Provisions.
(3) Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(4) Includes depreciation charges relating to discontinued operations of US$81 million. Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(5) Refer to note 13 Impairment of non-financial assets.

FY23 US$M	Land and buildings Right-of-use assets	Land and buildings Owned assets	Plant and equipment Right-of-use assets	Plant and equipment Owned assets	Other mineral assets(1)	Assets under construction	Exploration and evaluation	Total
Cost								
At the beginning of the year	37	2,352	943	13,204	4,547	815	212	22,110
Additions	6	–	91	133	–	815	84	1,129
Foreign exchange movements in closure and rehabilitation provisions(2)	–	–	–	(68)	–	–	–	(68)
Disposals	–	(3)	–	(112)	(140)	–	(51)	(306)
Transfers and other movements	–	64	17	251	63	(395)	–	–
At the end of the year	43	2,413	1,051	13,408	4,470	1,235	245	22,865
Accumulated depreciation and impairments								
At the beginning of the year	15	1,438	316	9,239	2,050	51	13	13,122
Depreciation(3)	3	78	64	402	94	–	–	641
Net impairments(4)	–	–	–	–	1,049	119	132	1,300
Disposals	–	–	–	(108)	(140)	–	–	(248)
At the end of the year	18	1,516	380	9,533	3,053	170	145	14,815
Net book value at the end of the year	25	897	671	3,875	1,417	1,065	100	8,050

(1) Other mineral assets include US$658 million relating to acquired mineral deposits still in the exploration and evaluation phase.
(2) Refer to note 15 Provisions.
(3) Includes depreciation charges relating to discontinued operations of US$141 million. Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(4) Refer to note 13 Impairment of non-financial assets.

Capital expenditure commitments as at 30 June 2024 were US$154 million (FY23: US$193 million).

11. Property, plant and equipment continued

(a) Property, plant and equipment

Property, plant and equipment is held at cost less accumulated depreciation and impairment charges.

(b) Assets under construction

When Ore Reserves are estimated and development of commercial production is approved, capitalised exploration and evaluation expenditure is reclassified to assets under construction. All subsequent development expenditure is capitalised and classified as assets under construction, provided commercial viability conditions continue to be satisfied.

All assets included in assets under construction are reclassified to other categories in property, plant and equipment when the asset is available and ready for use in the location and condition necessary for it to be capable of operating in the manner intended.

(c) Exploration and evaluation expenditure

Exploration is defined as the search for potential mineralisation after the Group has obtained legal rights to explore in a specific area. This includes topographical, geological, geochemical and geophysical studies and exploratory drilling, trenching and sampling.

Evaluation is defined as the determination of the technical feasibility and commercial viability of a particular prospect. Activities conducted during the evaluation phase include the determination of the tonnage and grade and/or quality of the deposit, examination and testing of extraction methods and metallurgical or treatment process, surveys of transportation and infrastructure requirements, and market and finance studies.

Exploration and evaluation expenditure (including amortisation of capitalised licence and lease costs) is charged to the Consolidated income statement as incurred except in the following circumstances, in which case the expenditure may be capitalised:

- The exploration and evaluation activity is within an area of interest which was previously acquired as an asset acquisition or in a business combination and was measured at fair value on acquisition;
- The right to tenure within the exploration area is current and ongoing; and
- The economics indicates a positive net present value and the region's fiscal terms are established and stable enough to sustain an expectation that future development is unlikely to be compromised by such fiscal terms.

In addition, drilling costs incurred at a producing mine for the purpose of improving confidence of the existing resource may be capitalised when the following criteria are satisfied:

- The drilling occurs within the existing physical boundaries of the area defined as the resource; and
- The drilling costs are incurred in resources which are economically recoverable.

Capitalised exploration and evaluation expenditure considered to be a tangible asset is recognised as a component of property, plant and equipment at cost less impairment charges. Otherwise, it is recognised as an intangible asset (such as certain licence and lease arrangements). Licences or leases purchased which allow exploration over an extended period of time meet the definition of an intangible exploration lease asset where they cannot be reasonably associated with a known Mineral Resource.

(d) Other mineral assets

Other mineral assets comprise:

- Capitalised exploration and evaluation expenditure for areas now in production;
- Development expenditure for areas now in production; and
- Mineral rights acquired.

In underground mines, when production and development activity occur concurrently, development activity is separated from production activity, and is capitalised as development expenditure in other mineral assets. Underground mine development activity includes the cost associated with gaining access to an ore deposit which gives rise to a substantive change in the future productive capacity of the mine.

11. Property, plant and equipment continued

(e) Leases

At inception of a contract, the Group assesses whether the contract contains a lease.

The Group recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred and estimated future cost of closure or rehabilitation, less any lease incentives received.

The corresponding lease liability is included within interest bearing liabilities. The lease liability is initially measured based on the value of lease payments not yet paid at the commencement date, discounted to present value using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The nature of the Group's leases predominantly relates to mining equipment and assets supporting the operations in line with the Group's principal activities.

Leased assets are pledged as security for the related lease liabilities.

Short-term, low-value and variable leases

The Group has elected not to recognise ROU assets and lease liabilities for short-term and low-value leases. The Group recognises the lease payments associated with short-term, low-value and variable leases within expenses excluding finance costs in the Consolidated income statement on a straight-line basis over the lease term. If variable leases have a fixed component, this component is recognised as a lease liability within interest bearing liabilities on the Consolidated balance sheet.

Total cash outflows for lease obligations consist of US$108 million (FY23: US$98 million) for lease liabilities recognised on the Consolidated balance sheet and US$80 million (FY23: US$69 million) for short-term, low-value and variable leases recognised in the Consolidated income statement.

(f) Depreciation and amortisation

The major categories of property, plant and equipment are depreciated on a units of production or straight-line basis using the estimated lives indicated below. However, where assets are dedicated to an operation or lease and are not readily transferable, the below useful lives are subject to the lesser of the asset category's useful life and the life of the operation or lease.

Category	Useful life
Buildings	25 to 40 years straight-line
Land	not depreciated
Plant and equipment	3 to 30 years straight-line
ROU assets	based on the shorter of the useful life or the lease term (straight-line)
Mineral rights	based on Ore Reserves on a units of production basis
Capitalised exploration, evaluation and development expenditure	based on Ore Reserves on a units of production basis

Key estimates, assumptions and judgements

Useful economic lives of assets

The useful lives of our property, plant and equipment are often dependent, either directly or indirectly, on the reserve life of the orebody to which they relate. Changes in economic assumptions used to estimate Ore Reserves and/or the timing of closure of operations, including the Group's expectations with respect to climate change-related risks and opportunities, may impact the estimated useful lives of the specific assets concerned.

Refer to note 2(c) Key estimates, assumptions and judgements for further details regarding Mineral Resources and Ore Reserves, and climate change-related risks and opportunities as sources of estimation uncertainty.

12. Intangible assets

FY24 US$M	Goodwill	Other intangibles	Total
Cost			
At the beginning of the year	**139**	**328**	**467**
Exchange rate variations taken to reserves	**–**	**1**	**1**
Additions	**–**	**4**	**4**
Acquisition of a subsidiary[1]	**–**	**20**	**20**
Reclassified as held for sale[2]	**–**	**(1)**	**(1)**
At the end of the year	**139**	**352**	**491**
Accumulated amortisation and impairments			
At the beginning of the year	**–**	**225**	**225**
Amortisation	**–**	**10**	**10**
Net impairments[3]	**–**	**36**	**36**
Reclassified as held for sale[2]	**–**	**(1)**	**(1)**
At the end of the year	**–**	**270**	**270**
Net book value at the end of the year	**139**	**82**	**221**

(1) In April 2024, the Group acquired a 50.1 per cent ownership interest in MSA, which holds the Chita Valley copper porphyry exploration prospect. The acquisition was completed in exchange for cash consideration of US$10 million. As a result of the acquisition, the Group recognised an intangible exploration asset of US$20 million and non-controlling interest of US$10 million within total equity.
(2) Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(3) Refer to note 13 Impairment of non-financial assets.

FY23 US$M	Goodwill	Other intangibles	Total
Cost			
At the beginning of the year	139	284	423
Additions	–	69	69
Disposals	–	(25)	(25)
At the end of the year	139	328	467
Accumulated amortisation and impairments			
At the beginning of the year	–	237	237
Amortisation	–	13	13
Disposals	–	(25)	(25)
At the end of the year	–	225	225
Net book value at the end of the year	139	103	242

Amounts paid for the acquisition of identifiable intangible assets, such as software, licences and contract based intangible assets are capitalised at the fair value of consideration paid and are recognised at cost less accumulated amortisation and impairment charges. Identifiable intangible assets with a finite life are amortised on a straight-line basis over their expected useful life from when the asset is ready for use, except for intangible exploration assets, which are not amortised until the area is in production. The useful lives are as follows:

Category	Useful life
Software and licences	5 years
Contract based intangible assets	up to 35 years

The Group has no identifiable intangible assets in use for which the expected useful life is indefinite.

13. Impairment of non-financial assets

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups and referred to as CGUs. Impairment tests are carried out annually for CGUs containing goodwill and when there is an indication of impairment or impairment reversal for all other CGUs. The Group typically uses discounted cash flow valuation ranges to assess whether there is an indicator of impairment or impairment reversal for its CGUs.

If the carrying value of a CGU exceeds its recoverable amount, the CGU is impaired. Impairment reversals cannot exceed the carrying value that would have been determined (net of depreciation) had no impairment loss been recognised for the CGU. Goodwill is not subject to impairment reversal.

For areas not yet in production, any mineral rights acquired, together with subsequent capitalised exploration and evaluation expenditure, are reviewed to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Once the technical feasibility and commercial viability of an area of interest are demonstrated, exploration and evaluation assets attributable to that area of interest are tested for impairment.

Impairments and impairment reversals for the year, recognised within expenses excluding finance costs in the Consolidated income statement, are as follows:

US$M	Note	FY24	FY23
Impairment			
Property, plant and equipment(1)(2)	11	**729**	1,300
ROU assets(1)	11	**53**	–
Intangible assets(1)	12	**36**	–
Impairment reversal			
Property, plant and equipment(3)	11	**(214)**	–
Total net impairment		**604**	1,300

(1) FY24 relates to a US$554 million impairment of Worsley Alumina, including US$53 million allocated to ROU assets, and a US$264 million impairment of Cerro Matoso, including US$36 million allocated to intangible assets.
(2) FY23 relates to a US$1,300 million impairment of the Taylor Deposit at Hermosa.
(3) FY24 relates to a US$197 million impairment reversal included within the Illawarra Metallurgical Coal discontinued operation, and a US$17 million impairment reversal in respect of Eagle Downs Metallurgical Coal, included within Group and unallocated items/eliminations in the Group's segment results.

(a) Impairments and impairment reversals - 30 June 2024

Worsley Alumina

In 2019, Worsley Alumina commenced the environmental approval process with the Western Australian Environmental Protection Authority (WA EPA) for the Worsley Mine Development Project to enable access to bauxite to sustain production. On 8 July 2024, the WA EPA published its recommendation that the proposal may be implemented, subject to conditions. If imposed in their current form, several of these conditions would create significant operating challenges for Worsley Alumina and impact its long-term viability.

Having regard to the increased uncertainty created by the WA EPA's recommended conditions and the associated operating impacts for Worsley Alumina, the Group identified an impairment indicator for the Worsley Alumina CGU and recognised a resulting impairment of US$554 million. The recoverable amount of Worsley Alumina was determined as US$2,027 million based on its fair value less cost of disposal (FVLCD).

Worsley Alumina, which is also an operating segment, consists of an integrated bauxite mine and alumina refinery in Western Australia. The impairment of US$554 million of property, plant and equipment includes US$30 million recognised in land and buildings, US$229 million recognised in plant and equipment and US$295 million recognised in other mineral assets.

The fair value measurement was categorised as a Level 3 fair value based on the inputs in the discounted cash flow valuation model (refer to note 19 Financial assets and financial liabilities), and was determined using a real US$ post tax discount rate of 7 per cent. The recoverable amount was informed by a production profile and costs based on management's planning processes. The key assumptions used in the determination of the FVLCD were:

- Alumina price;
- Foreign exchange rates;
- Costs of production;
- Discount rate;
- Regulatory approvals; and
- Mineral Resource estimation.

Alumina price and foreign exchange rates – The alumina price, in real terms, and exchange rates used in the FVLCD determinations were within the following ranges:

FY24	Assumptions used
Alumina price (US$/t)	395 to 480
Foreign exchange rates (AU$ to US$)	0.67 to 0.75

13. Impairment of non-financial assets continued

(a) Impairments and impairment reversals - 30 June 2024 continued

Worsley Alumina continued

Costs of production – Estimated costs of production are based on management's planning processes, which include assumptions on forecast operating, energy and raw materials expenditures.

The following table illustrates the sensitivity of the recoverable amount of Worsley Alumina to a reasonable possible change in the aforementioned assumptions. Owing to the complexity of the relationships between each key assumption, the analysis was performed for each assumption individually (all other assumptions held constant).

FY24	Change in key assumption	Impact on recoverable amount (US$M)	
		Favourable	Unfavourable
Alumina price (US$/t)	10%	**1,215**	**(1,215)**
Foreign exchange rates (AU$ to US$)	10%	**855**	**(855)**
Costs of production	10%	**855**	**(855)**
Discount rate	100 basis points	**110**	**(100)**

Regulatory approvals – The life of operation plan which informed the production profile includes the assumption that Worsley Alumina will be able to obtain the necessary future regulatory approvals required to continue operating to plan. This includes the Group's expectation that the Worsley Mine Development Project will secure environmental approval based on conditions that are reasonable, aligned with existing legislation and scientifically based.

Mineral Resource estimation – The Mineral Resource estimate of Worsley Alumina is reported in accordance with the JORC Code, and the ASX Listing Rules (Chapter 5): Additional reporting on mining and oil and gas production and exploration activities. Refer to the Mineral Resources and Ore Reserves section of note 2(c) for further information on these estimates.

Cerro Matoso

During FY24, the Group commenced a strategic review of Cerro Matoso to evaluate options to enhance the operation's competitive position. During this review, the Group identified an impairment indicator for the Cerro Matoso CGU and recognised a resulting impairment of US$264 million. The recoverable amount of Cerro Matoso was determined as US$54 million based on its FVLCD.

The impairment reflects structural changes observed in the nickel market which are expected to continue to place pressure on nickel prices and discounts for the Group's ferronickel product. Furthermore, the impairment reflects a decision of the Group to limit further capital investment into the region in the light of the uncertainty created by recent tax law increases and the increased frequency of tax audits.

Cerro Matoso, which is also an operating segment, consists of an integrated laterite ferronickel mine and smelting complex in Colombia. The impairment of US$264 million includes US$228 million of property, plant and equipment and US$36 million of intangible assets. The impairment of property, plant and equipment includes US$45 million recognised in land and buildings, US$154 million recognised in plant and equipment and US$29 million recognised in other mineral assets.

The fair value measurement was categorised as a Level 3 fair value based on the inputs in the discounted cash flow valuation model (refer to note 19 Financial assets and financial liabilities), and was determined using a real US$ post tax discount rate of 7 per cent with a country risk premium of 2 per cent. The recoverable amount was informed by a production profile and costs based on management's planning processes. The key assumptions used in the determination of the FVLCD were:

- Ferronickel price;
- Foreign exchange rates; and
- Mineral Resource estimation.

Ferronickel price and foreign exchange rates – The ferronickel price, in real terms, and exchange rates used in the FVLCD determinations were within the following ranges:

FY24	Assumptions used
Ferronickel price (US$/lb)	6.30 to 7.00
Foreign exchange rates (US$ to COP)	4,180 to 4,295

The following table illustrates the sensitivity of the recoverable amount of Cerro Matoso to a reasonable possible change in the aforementioned assumptions. Owing to the complexity of the relationships between each key assumption, the analysis was performed for each assumption individually (all other assumptions held constant).

FY24	Change in key assumption	Impact on recoverable amount (US$M)	
		Favourable	Unfavourable
Ferronickel price (US$/lb)	10%	**140**	**(165)**
Foreign exchange rates (US$ to COP)	10%	**70**	**(95)**

Mineral Resource estimation – The Mineral Resource estimate of Cerro Matoso is reported in accordance with the JORC Code, and the ASX Listing Rules (Chapter 5): Additional reporting on mining and oil and gas production and exploration activities. Refer to the Mineral Resources and Ore Reserves section of note 2(c) for further information on these estimates.

13. Impairment of non-financial assets continued

(a) Impairments and impairment reversals - 30 June 2024 continued

Illawarra Metallurgical Coal

In February 2024, the Group announced its decision to enter into a binding agreement to sell Illawarra Metallurgical Coal and reclassified the disposal group as held for sale.

The recoverable amount of the Illawarra Metallurgical Coal disposal group was assessed and as a result a US$197 million impairment reversal of property, plant and equipment was recognised. The impairment reversal includes US$14 million of land and buildings, US$97 million of plant and equipment and US$86 million of other mineral assets.

The recoverable amount of US$1,236 million was determined using the FVLCD methodology, informed by the consideration expected to be received, less costs of disposal, inclusive of the fair value of contingent price-linked consideration determined to be US$115 million. Refer to note 30 Assets and liabilities held for sale and discontinued operations for further details.

The fair value of the contingent price-linked consideration is categorised as a Level 3 fair value based on the inputs used in the valuation (refer to note 19 Financial assets and financial liabilities), including metallurgical coal prices within a range of US$190/t to US$225/t and a real US$ post tax discount rate of 7 per cent. The following table illustrates the sensitivity of this fair value to a reasonable possible change in the metallurgical coal price assumption.

FY24	Change in key assumption	Impact on recoverable amount (US$M)	
		Favourable	Unfavourable
Metallurgical coal price (US$/t)	10%	**150**	**(115)**

As at 30 June 2024, the recoverable amount approximates the carrying value of the disposal group held for sale.

Eagle Downs Metallurgical Coal

In February 2024, the Group announced its decision to enter into a binding agreement to sell its 50 per cent interest in Eagle Downs Metallurgical Coal and reclassified the disposal group as held for sale.

The recoverable amount of the Group's interest in Eagle Downs Metallurgical Coal was assessed and as a result a US$17 million impairment reversal of property, plant and equipment was recognised. The impairment reversal includes US$13 million of other mineral assets and US$4 million of assets under construction.

The recoverable amount of US$16 million was determined using the FVLCD methodology, informed by the consideration expected to be received, less costs of disposal, inclusive of the fair value of contingent price-linked consideration. The contingent price-linked consideration was valued at nil based on the Group's assessment of development risk which is a prerequisite for the contingent payment and price-linked royalty to be applied. Refer to note 30 Assets and liabilities held for sale and discontinued operations for further details.

As at 30 June 2024, the recoverable amount approximates the carrying value of the disposal group held for sale.

(b) Impairments - 30 June 2023

Hermosa – Taylor Deposit

In August 2018, the Group completed its acquisition of the Hermosa project located in the United States. The Hermosa project comprises the zinc-lead-silver sulphide deposit (Taylor Deposit), the manganese-zinc-silver oxide deposit (Clark Deposit) and a land package with the potential for further polymetallic and copper mineralisation (Land Package). In FY23, the Group advanced the feasibility study for the Taylor Deposit, completed a pre-feasibility selection study for the Clark Deposit and announced that the US Federal Permitting Improvement Steering Council, an independent federal agency, had confirmed the Hermosa project as the first mining project added to the FAST-41 process. Since acquisition, the fair value of the Taylor Deposit had been negatively impacted by delayed first production as a result of COVID-19 related restrictions and significant dewatering requirements, as well as capital cost escalation in line with industry-wide inflation.

Study work completed in FY23 confirmed that the Taylor Deposit and the Clark Deposit can be developed independently. As a result, the Group identified three separate areas of interest within the Hermosa project: the Taylor Deposit, the Clark Deposit and the Regional Land Package. On separation into three separate areas of interest, the Group allocated the carrying value of the previous single Hermosa area of interest to each of the newly identified and separate areas of interest.

As a result of the study work, the Group identified an impairment indicator for the Taylor Deposit and recognised a resulting impairment of property, plant and equipment of US$1,300 million in FY23. The impairment of US$1,300 million includes US$1,049 million recognised in other mineral assets, US$119 million recognised in assets under construction and US$132 million recognised in exploration and evaluation. The recoverable amount of the Taylor Deposit was determined as US$482 million based on its FVLCD.

The fair value measurement was categorised as a Level 3 fair value based on the inputs in the discounted cash flow valuation model (refer to note 19 Financial assets and financial liabilities). The recoverable amount was informed by inputs from the feasibility study in progress for the Taylor Deposit, including the expected technical performance of the deposit as well as expected capital and operating costs for the life of the operation. Refer to the Key estimates, assumptions and judgements section of this note for further details on the key assumptions and sensitivities related to the recoverable amount of the Taylor deposit.

13. Impairment of non-financial assets continued

(c) Impairment test for CGUs containing goodwill

The carrying amount of goodwill has been allocated to the following CGU:

US$M	Note	FY24	FY23
Hillside Aluminium		**139**	139
Total goodwill	12	**139**	139

The goodwill arose from the acquisition of Alusaf in Hillside Aluminium (Pty) Ltd and has been allocated to the Hillside Aluminium CGU which comprises the Hillside aluminium smelter. The recoverable amount of the Hillside Aluminium CGU was determined based on a FVLCD calculation, using a real US$ post tax discount rate of 7 per cent (FY23: 7 per cent), and a country risk premium of 2 per cent (FY23: 2 per cent) applied to discount future cash flows expressed in real terms, and was categorised as a Level 3 fair value based on the inputs in the valuation technique (refer to note 19 Financial assets and financial liabilities). The key assumptions used in the determination of FVLCD were:

- Aluminium and alumina prices;
- Foreign exchange rates;
- Production volumes;
- Carbon pricing and timing; and
- Discount rate.

Aluminium and alumina prices, and foreign exchange rates – The ranges of aluminium prices, alumina prices and exchange rates, in real terms, used in the FVLCD determinations, along with the sensitivity of the recoverable amount of Hillside Aluminium to a reasonable possible change in these assumptions, based on unfavourably changing these assumptions by 10 per cent whilst holding all other variables constant, are shown in the table below:

FY24	Assumptions used	Impact on recoverable amount (US$M)
Alumina price (US$/t)	395 to 480	**(220)**
Aluminium price (US$/t)	2,495 to 2,575	**(665)**
Foreign exchange rates (US$ to ZAR)	17.2 to 18.6	**(310)**

Production volumes – Estimated production volumes are based on the life of the smelter as determined by management as part of its long-term planning process. Production volumes are influenced by production input costs such as electricity prices, jurisdiction-based carbon pricing, and the selling price of aluminium.

Carbon pricing and timing – In determining the FVLCD, the current jurisdiction enacted carbon price, in real terms, of ZAR209 to ZAR454 per tonne CO2-e (FY23: ZAR186 to ZAR474 per tonne CO2-e) was applied for the life of operation for Scope 1 and 2 emissions, net of operation specific abatement allowances.

The impairment test for the Hillside Aluminium CGU indicated that no impairment was required. At 30 June 2024 the carrying value approximates its recoverable amount. As such any material long-term unfavourable change in the aforementioned key assumptions could lead to the carrying value exceeding the recoverable amount. The relationships between each key assumption are complex, such that a change in one may cause a change in several other inputs.

13. Impairment of non-financial assets continued

Key estimates, assumptions and judgements

An assessment as to whether there is any indication of impairment and the calculation of a CGU's recoverable amount requires management to make estimates and assumptions about expected production and sales volumes, commodity prices, foreign exchange rates, Mineral Resources and Ore Reserves, regulatory approvals, operating costs, closure and rehabilitation costs, capital expenditure, allocation of corporate costs, jurisdiction-specific carbon prices and global carbon pricing. These estimates and assumptions are subject to risk and uncertainty. There is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount. In such circumstances, some or all of the carrying amount may be impaired or a previously recognised impairment charge may be reversed with the impact recognised in the Consolidated income statement.

The key estimates and assumptions used in the assessment of impairment indicators are as follows:

Future production	Life of operation plans based on Mineral Resource and Ore Reserve estimates, economic life of smelters and refineries and, in certain cases, Exploration Targets and expansion projects, including future cost of production. Refer to note 2(c) Key estimates, assumptions and judgements for further details regarding Mineral Resources and Ore Reserves as sources of estimation uncertainty.
Commodity prices and market traded consumables	Short-term price assumptions are based on an assessment of market signposts including observed prices such as forwards, futures and reported transactions. Long-term price estimates are typically developed based on the demand and supply drivers of a commodity, refer to note 2(c) Key estimates, assumptions and judgements for further details regarding our base case commodity price outlook.
Exchange rates	Short-term exchange rate estimates are guided primarily by spot or forward exchange rates. Longer term estimates are based on an assessment of available market data and economic indicators.
Discount rates	Risk-adjusted cost of capital appropriate to the resource.
Regulatory approvals	Life of operation plans include assumptions associated with the successful application, and timing thereof, of ongoing and future regulatory approvals.
Carbon prices	Actual enacted schemes less allowable abatements, where applicable, and a long-term base case estimate of US$67 per tonne CO2-e (real) applied to all Scope 1 and 2 emissions from FY40 onwards.

Where impairment testing is undertaken, a range of external sources are considered as further input to the above assumptions.

Climate change-related risks and opportunities

The Group's forecast commodity prices and other key assumptions represent management's expectations on likely outcomes, with a base case estimation of climate change-related warming of 1.9°C by 2050 and 3.1°C by 2100. When assessing whether there is any indication of impairment or impairment reversal, management performs a sensitivity analysis by considering a range of possible scenarios, with no one scenario being conclusive in isolation. Our sensitivity analysis shows that our 1.5°C scenario would result in an increased risk of impairment at the Hillside Aluminium CGU.

The full costs and benefits of decarbonisation projects are included in the Group's valuations when it has a high degree of confidence that a project will achieve an emissions reduction, which typically aligns with the related capital project being internally approved, or when it is critical for meeting regulatory licensing requirements. The Group's valuations include the cost and benefit of initiatives necessary to meet its medium-term target to halve its operational greenhouse gas (GHG) emissions by 2035 compared to its FY21 baseline. 'Target' is defined as an intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions. The decarbonisation pathway to meet our goal of net zero GHG emissions by 2050 is not yet fully defined and, as such, the cost and benefit of all associated initiatives are not included in the Group's valuations. 'Goal' is defined as an ambition to seek an outcome for which there is no current pathway(s), but for which efforts will be pursued towards addressing that challenge, subject to certain assumptions or conditions.

The Group utilises an internal price on carbon to inform decision-making and valuations, based on actual enacted schemes less allowable abatements, where applicable, and a long-term base case estimate of US$67 per tonne CO2-e (real) applied to all Scope 1 and 2 emissions from FY40 onwards. In developing forecast global carbon prices, the Group considers policy and market-driven carbon prices as well as abatement costs, weighted across developed and developing countries.

When assessing for impairment indicators, the Group has considered the sensitivity of operations to changes in carbon prices. The Group's operations are not uniformly impacted by carbon prices. The impact is influenced by the amount of Scope 1 and 2 emissions the operation generates and the jurisdiction in which it operates, in combination with the respective life of operation plans. The Group's CGUs with a higher carbon sensitivity include Worsley Alumina, Hillside Aluminium and Mozal Aluminium.

13. Impairment of non-financial assets continued

Key estimates, assumptions and judgements continued

Exploration and evaluation

For areas not yet in production, judgement is required to determine the likelihood of future economic benefits from future development, and whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset (including associated acquired mineral rights) is unlikely to be recovered in full.

At or before the final investment decision for a given area of interest, and once technical feasibility and commercial viability has been demonstrated, the Group assesses the carrying value of that area of interest for impairment or, for an area of interest previously impaired, impairment reversal.

Hermosa - Taylor Deposit

In February 2024, the Directors approved a final investment decision to develop the Taylor Deposit when the project's technical feasibility and commercial viability was demonstrated. At this time, the Group entered the development and construction phase, and reclassified the previously capitalised exploration and evaluation expenditure to the assets under construction category within property, plant and equipment. An impairment assessment was also performed, and the Group concluded that no impairment or impairment reversal was required.

The Group's discounted cash flow valuation ranges used for ongoing monitoring of possible indicators of impairment or impairment reversal for the Taylor Deposit relies on a number of highly sensitive assumptions as listed below.

Zinc, lead and silver prices	Long-run commodity prices in real terms	Assumptions used
	Zinc (US$/t)	2,820 to 3,240
	Lead (US$/t)	2,095 to 2,190
	Silver (US$/oz)	21 to 29
Pre-production capital expenditure	The discounted cash flow calculations include an estimate of pre-production capital to support the development of the Taylor Deposit to its nameplate capacity of up to 4.3 million tonnes per annum. Key inputs including steel, cement and electrical components are subject to uncertainties, including industry-wide inflation.	
Mineral Resource estimation	The Mineral Resource estimate of the Taylor Deposit is reported in accordance with the JORC Code, and the ASX Listing Rules (Chapter 5): Additional reporting on mining and oil and gas production and exploration activities. Refer to the Mineral Resources and Ore Reserves section of note 2(c) for further information on these estimates.	
Development approvals	Development and construction continues to progress at the Taylor Deposit following the final investment decision in February 2024. The addition of the Hermosa project to the FAST-41 process has reduced the expected timing of Federal environmental approvals and permits by approximately two years. A Record of Decision (RoD) to permit surface disturbance and additional tailings storage on unpatented land will require completion of the National Environmental Policy Act process with the United States Forest Service.	
Discount rate	A real US$ post tax discount rate of 7 per cent was applied to discount future cash flows expressed in real terms.	

The following table illustrates the sensitivity of the recoverable amount of the Taylor Deposit to a reasonable possible change in key assumptions, and the resulting impairment or impairment reversal that would be recognised. Owing to the complexity of the relationships between each key assumption, the analysis was performed for each assumption individually (all other assumptions held constant).

		Impact on recoverable amount (US$M)	
FY24	Change in key assumption	Favourable	Unfavourable
Zinc prices	10%	310	(310)
Lead prices	10%	260	(260)
Silver prices	10%	140	(140)
Pre-production capital expenditure	10%	195	(195)
Discount rate	100 basis points	360	(305)

13. Impairment of non-financial assets continued

Key estimates, assumptions and judgements continued

Mozal Aluminium

The Group jointly controls Mozal Aluminium together with the Industrial Development Corporation of South Africa Limited and the Government of the Republic of Mozambique. Electricity supplied to Mozal Aluminium is generated by Hidroeléctrica de Cahora Bassa, a hydro-electric power generator, and supplied via Eskom, the South African state-owned entity which owns and operates South Africa's national electricity grid. Eskom also provides back-up energy to Mozal Aluminium for periods when Hidroeléctrica de Cahora Bassa produces less than its contractual minimum supply of hydro-electric power.

The Group is working with key stakeholders to extend the supply of power generated by Hidroeléctrica de Cahora Bassa for Mozal Aluminium beyond 2026. Although an extension and pricing of the existing arrangement with Eskom is uncertain, the Group has made a reasonable assumption that an extension to 2030 can be achieved on mutually acceptable commercial terms. Failure to extend the supply of power generated by Hidroeléctrica de Cahora Bassa will have a material impact on the recoverable amount of Mozal Aluminium.

14. Trade and other payables

US$M	FY24	FY23
Current		
Trade creditors	**665**	854
Other creditors	**140**	131
Total current trade and other payables	**805**	985
Non-current		
Trade creditors	**–**	18
Other creditors	**1**	1
Total non-current trade and other payables	**1**	19

Trade and other payables generally represent liabilities for goods and services provided to the Group prior to the end of the year which were unpaid at the end of the year. These amounts are unsecured.

Trade and other payables, other than financial liabilities held at FVTPL, are stated at their amortised cost and are non-interest bearing. The carrying value of these trade and other payables is considered to approximate fair value due to the short-term nature of the payables.

15. Provisions

US$M	FY24	FY23
Current		
Employee benefits	**159**	177
Closure and rehabilitation	**9**	7
Other	**11**	10
Total current provisions	**179**	194
Non-current		
Employee benefits	**7**	6
Closure and rehabilitation	**1,858**	1,931
Post-retirement employee benefits	**30**	33
Other	**9**	16
Total non-current provisions	**1,904**	1,986

15. Provisions continued

FY24 US$M	Employee benefits	Closure and rehabilitation	Post-retirement employee benefits	Other	Total
At the beginning of the year	**183**	**1,938**	**33**	**26**	**2,180**
Charge/(credit) to the Consolidated income statement:					
Underlying	**156**	**12**	**3**	**3**	**174**
Discounting[(1)]	**–**	**132**	**–**	**–**	**132**
Change in discount rate	**–**	**(3)**	**–**	**–**	**(3)**
Net interest expense	**–**	**–**	**2**	**–**	**2**
Released during the year	**(15)**	**(2)**	**–**	**–**	**(17)**
Amounts capitalised for change in costs and estimates	**–**	**68**	**–**	**–**	**68**
Amounts capitalised for change in discount rate	**–**	**(17)**	**–**	**–**	**(17)**
Foreign exchange amounts capitalised	**–**	**(11)**	**–**	**–**	**(11)**
Amounts taken to retained earnings	**–**	**–**	**(4)**	**–**	**(4)**
Utilisation	**(132)**	**(15)**	**(4)**	**(7)**	**(158)**
Reclassified as held for sale[(2)]	**(26)**	**(235)**	**–**	**(2)**	**(263)**
At the end of the year	**166**	**1,867**	**30**	**20**	**2,083**

(1) Includes discounting charges relating to discontinued operations of US$7 million. Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) Refer to note 30 Assets and liabilities held for sale and discontinued operations.

FY23 US$M	Employee benefits	Closure and rehabilitation	Post-retirement employee benefits	Other	Total
At the beginning of the year	175	1,793	34	19	2,021
Charge/(credit) to the Consolidated income statement:					
Underlying	167	16	5	7	195
Discounting[(1)]	–	91	–	–	91
Net interest expense	–	–	3	–	3
Exchange rate variations	(7)	(15)	(3)	1	(24)
Released during the year	(1)	(7)	–	–	(8)
Amounts capitalised for change in costs and estimates	–	149	–	–	149
Amounts capitalised for change in discount rate	–	(16)	–	–	(16)
Foreign exchange amounts capitalised	–	(68)	–	–	(68)
Amounts taken to retained earnings	–	–	(3)	–	(3)
Utilisation	(151)	(5)	(3)	(1)	(160)
At the end of the year	183	1,938	33	26	2,180

(1) Includes discounting charges relating to discontinued operations of US$8 million. Refer to note 30 Assets and liabilities held for sale and discontinued operations.

(a) Employee benefits

Liabilities for unpaid wages and salaries are recognised in other creditors. Current entitlements to annual leave and accumulating sick leave accrued for services up to the reporting date are recognised in the provision for employee benefits and are measured at the amounts expected to be paid. Entitlements to non-accumulated sick leave are recognised when the leave is taken.

The current liability for long service leave (for which settlement within 12 months of the reporting date cannot be deferred) is recognised in the current provision for employee benefits and is measured in accordance with annual leave described above.

(b) Closure and rehabilitation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling, removal or treatment of waste materials, site and land rehabilitation.

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation and at, or after, the time of closure, for disturbance existing at the reporting date. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

15. Provisions continued

(b) Closure and rehabilitation continued

The timing of the actual closure and rehabilitation expenditure is dependent upon a number of factors such as: the life and nature of the asset; the operating licence conditions; and the environment in which the operation operates. Expenditure may occur before and after closure, and can continue for an extended period of time depending on closure and rehabilitation requirements.

Closure and rehabilitation provisions are measured based on the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation.

Discount rates used are risk-free interest rates specific to the country in which the operations are located and the expected timing of the closure and rehabilitation expenditure. Material changes in country specific risk-free interest rates may affect the discount rates applied. The Group reviews its discount rates used periodically, with any corresponding change in the provision as a result of revising discount rates capitalised as an asset in the case of open sites or charged/(credited) to the Consolidated income statement in the case of closed sites.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in property, plant and equipment and depreciated accordingly. The value of the provision is progressively increased over time due to the effect of discounting unwind and inflation, creating an expense recognised in finance costs.

Closure and rehabilitation provisions are also adjusted for changes in costs and estimates. Those adjustments are accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the depreciated capitalised cost of the related assets, in which case the carrying value is reduced to nil and the remaining adjustment is recognised in the Consolidated income statement. In the case of closed sites, changes to estimated costs are recognised immediately in the Consolidated income statement. Changes to the capitalised cost result in an adjustment to future depreciation. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved.

(c) Post-retirement employee benefits

This relates to the provision for post-employment defined benefit pension and medical schemes. Refer to note 28(d) Pension and other post-retirement obligations.

Key estimates, assumptions and judgements

The recognition of closure and rehabilitation provisions requires judgement and is based on significant estimates and assumptions, such as:

- The requirements of the relevant local legal and regulatory framework;
- The magnitude of possible contamination;
- The timing, extent and cost of required closure and rehabilitation activity; and
- Potential changes in physical and climate conditions.

These uncertainties may result in future actual expenditure differing from the amounts currently provided.

The Group's expectations and approach in relation to climate change-related risks and opportunities are reflected in the estimates and assumptions noted above. For example, our base case estimation of climate change-related warming of 1.9°C by 2050 and 3.1°C by 2100 impacts our life of operations plans, which in turn impacts assumptions regarding timing and cost of closure and rehabilitation activities. Physical impacts of climate change have been considered in the estimation of closure and rehabilitation costs, including timing of relinquishment based on the Group's assessment to date. These estimates will continue to be refined as the Group progresses its assessment of physical risks and development of direct adaptation and mitigation strategies.

The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time.

In addition to the uncertainties noted above, certain closure and rehabilitation activities may be subject to legal disputes and depending on the ultimate resolution of these disputes, the final liability for such matters could vary.

If risk-free interest rates were decreased by 0.5 per cent (in real terms), the provision would increase by approximately US$258 million.

Notes to financial statements – Capital structure and financing

This section outlines how the Group manages its capital and related financing activities.

16. Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand as well as short-term deposits.

US$M	FY24	FY23
Cash	**663**	611
Short-term deposits	**179**	647
Cash and cash equivalents[1][2]	**842**	1,258

(1) Cash and cash equivalents include US$2 million (FY23: US$6 million) which is restricted by legal or contractual arrangements.
(2) Cash and cash equivalents include US$138 million (FY23: US$287 million) consisting of short-term deposits and cash managed by the Group on behalf of its equity accounted investments. The corresponding amount payable is included in note 17 Interest bearing liabilities.

17. Interest bearing liabilities

US$M	FY24	FY23
Current		
Lease liabilities	**58**	51
Unsecured loans from equity accounted investments[1]	**138**	287
Unsecured other	**27**	27
Total current interest bearing liabilities	**223**	365
Non-current		
Lease liabilities	**614**	623
Senior unsecured notes	**692**	690
Unsecured other	**37**	63
Total non-current interest bearing liabilities	**1,343**	1,376

(1) Refer to note 16 Cash and cash equivalents and note 28 Related party transactions.

In April 2022, the Group completed the issuance of US$700 million of senior unsecured notes pursuant to Rule 144A and Regulation S of the United States Securities Act of 1933. The notes pay interest in April and October each year at a rate of 4.35 per cent per annum and mature in 2032.

A reconciliation of movements in interest bearing liabilities to cash flows arising from financing activities is set out below:

FY24 US$M	Lease liabilities	Other interest bearing liabilities	Total interest bearing liabilities
At the beginning of the year	**674**	**1,067**	**1,741**
Cash movements:			
Proceeds from interest bearing liabilities	**–**	**200**	**200**
Repayment of interest bearing liabilities[1]	**(54)**	**(355)**	**(409)**
Interest paid	**(53)**	**(59)**	**(112)**
Non-cash movements:			
Interest expense	**53**	**59**	**112**
Net increase/(decrease) of interest bearing liabilities	**72**	**–**	**72**
Reclassified as held for sale[2]	**(20)**	**–**	**(20)**
Exchange rate variations	**–**	**(18)**	**(18)**
At the end of the year	**672**	**894**	**1,566**

(1) Excludes US$1 million of repayments of liabilities classified as held for sale. Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) Refer to note 30 Assets and liabilities held for sale and discontinued operations.

17. Interest bearing liabilities continued

FY23 US$M	Lease liabilities	Other interest bearing liabilities	Total interest bearing liabilities
At the beginning of the year	650	1,177	1,827
Cash movements:			
Repayment of interest bearing liabilities	(46)	(87)	(133)
Interest paid	(52)	(57)	(109)
Non-cash movements:			
Interest expense	52	59	111
Net increase/(decrease) of interest bearing liabilities[1]	93	(41)	52
Exchange rate variations	(23)	16	(7)
At the end of the year	674	1,067	1,741

(1) The non-cash decrease in other interest bearing liabilities relates an agreement with a subsidiary of Seriti Resources Holdings Pty Ltd (Seriti) to settle the vendor loan facility, previously recognised within other financial assets, against the related rehabilitation fund liability. Both facilities were originally provided to Seriti as part of the divestment of South Africa Energy Coal.

18. Net finance income/(costs)

US$M	FY24	FY23 Restated[1]
Finance income		
Interest on loans to equity accounted investments	**178**	160
Other interest income	**44**	60
Total finance income	**222**	220
Finance costs		
Interest on borrowings	**(65)**	(68)
Interest on lease liabilities	**(52)**	(52)
Discounting on provisions and other liabilities	**(125)**	(84)
Change in discount rate on closure and rehabilitation provisions	**3**	–
Net interest expense on post-retirement employee benefits	**(2)**	(3)
Exchange rate variations on net debt	**8**	9
Total finance costs	**(233)**	(198)
Net finance income/(costs)	**(11)**	22

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.

19. Financial assets and financial liabilities

The following table presents the financial assets and liabilities by class at their carrying amounts:

FY24 US$M	Note	Held at FVTPL	Designated as FVOCI	Amortised cost	Total
Financial assets					
Cash and cash equivalents	16	**–**	**–**	**842**	**842**
Trade and other receivables[1]	9	**120**	**–**	**403**	**523**
Other financial assets:					
Derivative contracts		**1**	**–**	**–**	**1**
Total current financial assets		**121**	**–**	**1,245**	**1,366**
Trade and other receivables[1]	9	**–**	**–**	**1,951**	**1,951**
Other financial assets:					
Investments in equity instruments designated as FVOCI		**–**	**89**	**–**	**89**
Total non-current financial assets		**–**	**89**	**1,951**	**2,040**
Total financial assets		**121**	**89**	**3,196**	**3,406**
Financial liabilities					
Trade and other payables[2]	14	**3**	**–**	**782**	**785**
Interest bearing liabilities	17	**–**	**–**	**223**	**223**
Total current financial liabilities		**3**	**–**	**1,005**	**1,008**
Interest bearing liabilities	17	**–**	**–**	**1,343**	**1,343**
Other financial liabilities:					
Contingent consideration payable		**17**	**–**	**–**	**17**
Total non-current financial liabilities[2]		**17**	**–**	**1,343**	**1,360**
Total financial liabilities		**20**	**–**	**2,348**	**2,368**

(1) Excludes current input taxes of US$111 million and non-current input and other taxes of US$132 million included in other receivables. Refer to note 9 Trade and other receivables.
(2) Excludes current input taxes of US$20 million and non-current input and other taxes of US$1 million included in other creditors. Refer to note 14 Trade and other payables.

FY23 US$M	Note	Held at FVTPL	Designated as FVOCI	Amortised cost	Total
Financial assets					
Cash and cash equivalents	16	–	–	1,258	1,258
Trade and other receivables[1]	9	105	–	532	637
Other financial assets:					
Derivative contracts		1	–	–	1
Total current financial assets		106	–	1,790	1,896
Trade and other receivables[1]	9	–	–	1,802	1,802
Other financial assets:					
Investments in equity instruments designated as FVOCI		–	108	–	108
Contingent consideration receivable		10	–	–	10
Total non-current financial assets		10	108	1,802	1,920
Total financial assets		116	108	3,592	3,816
Financial liabilities					
Trade and other payables[2]	14	6	–	962	968
Interest bearing liabilities	17	–	–	365	365
Total current financial liabilities		6	–	1,327	1,333
Trade and other payables[2]	14	–	–	18	18
Interest bearing liabilities	17	–	–	1,376	1,376
Other financial liabilities:					
Contingent consideration payable		37	–	–	37
Total non-current financial liabilities		37	–	1,394	1,431
Total financial liabilities		43	–	2,721	2,764

(1) Excludes current input taxes of US$141 million and non-current input and other taxes of US$121 million included in other receivables. Refer to note 9 Trade and other receivables.
(2) Excludes current input taxes of US$17 million and non-current input and other taxes of US$1 million included in other creditors. Refer to note 14 Trade and other payables.

For certain investments in equity instruments, the Group has made an irrevocable election to present fair value changes in other comprehensive income and are therefore designated as FVOCI. Dividends received from these investments are recognised as other income in the Consolidated income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial assets and liabilities are otherwise held at FVTPL or amortised cost based on the business model for managing the financial asset or liabilities and the contractual terms of the cash flows.

19. Financial assets and financial liabilities continued

(a) Fair value measurement

The carrying values of the Group's financial assets and liabilities measured at amortised cost are equal to or approximate their respective fair values, except for senior unsecured notes, which have a fair value of US$636 million (FY23: US$617 million), and lease liabilities, for which a fair value has not been determined. The fair value of the Group's senior unsecured notes is estimated based on quoted market prices at the reporting date and are classified as Level 1 on the fair value hierarchy as shown below.

For financial assets and liabilities measured at fair value, the Group uses quoted marked prices in active markets for identical assets where available. Where no price information is available from a quoted market source, alternative market mechanisms or recent comparable transactions, the fair value is estimated based on the Group's views on relevant future prices, net of valuation allowances to accommodate liquidity, modelling, credit and other risks implicit in such estimates.

The following table shows the Group's financial assets and liabilities carried at fair value with reference to the nature of valuation inputs used:

Level 1 Valuation is based on unadjusted quoted prices in active markets for identical financial assets and liabilities.

Level 2 Valuation is based on inputs (other than quoted prices included in Level 1) that are observable for the financial asset or liability, either directly (i.e. as unquoted prices) or indirectly (i.e. derived from prices).

Level 3 Valuation includes inputs that are not based on observable market data.

FY24 US$M	Level 1	Level 2	Level 3	Total
Financial assets and liabilities				
Trade and other receivables	**–**	**120**	**–**	**120**
Trade and other payables	**–**	**(3)**	**–**	**(3)**
Derivative contract assets	**1**	**–**	**–**	**1**
Investments in equity instruments designated as FVOCI	**80**	**–**	**9**	**89**
Contingent consideration payable	**–**	**–**	**(17)**	**(17)**
Total	**81**	**117**	**(8)**	**190**

FY23 US$M	Level 1	Level 2	Level 3	Total
Financial assets and liabilities				
Trade and other receivables	–	105	–	105
Trade and other payables	–	(6)	–	(6)
Derivative contract assets	1	–	–	1
Investments in equity instruments designated as FVOCI	101	–	7	108
Contingent consideration receivable	–	–	10	10
Contingent consideration payable	–	–	(37)	(37)
Total	102	99	(20)	181

The following table shows the movements in the Group's Level 3 financial assets and liabilities:

US$M	FY24	FY23
At the beginning of the year	**(20)**	(45)
Addition of financial assets	**1**	15
Reclassification of financial asset from level 3 to level 2[(1)]	**–**	(39)
Unrealised gains recognised in the Consolidated income statement[(2)]	**10**	47
Unrealised gains recognised in the Consolidated statement of comprehensive income[(3)]	**1**	2
At the end of the year	**(8)**	(20)

(1) The valuation of the vendor loan facility provided to Seriti as part of the Group's divestment of South Africa Energy Coal no longer included inputs that were based on unobservable market data. This financial asset was settled in FY23 through an agreement with the vendor to offset this facility against the related rehabilitation fund liability, recognised within unsecured other interest bearing liabilities. Refer to note 17 Interest bearing liabilities.
(2) Recognised in expenses excluding finance costs in the Consolidated income statement.
(3) Recognised in the financial assets reserve in the Consolidated statement of comprehensive income.

19. Financial assets and financial liabilities continued

(b) Financial risk management objectives and policies

The Group is exposed to market, liquidity and credit risk. These risks are managed in accordance with the Group's portfolio risk management strategy which supports the delivery of the Group's financial targets while protecting its future financial security and flexibility by taking advantage of the natural diversification of the Group's operations and activities. Deterministic analysis across a range of operational, commodity price and foreign exchange rate scenarios is used to measure the aggregate impact of financial risks and the potential impact on financial targets.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, foreign currency risk and other price risk, such as commodity price risk.

The Group's activities expose it to market risks associated with movements in interest rates, foreign currencies and commodity prices. The Group predominantly manages currency impacts, input costs and commodity prices on a floating or index basis. This strategy gives rise to a risk of variability in earnings, which is continually assessed under our deterministic analysis.

In executing the Group's strategy, financial instruments may be employed for risk mitigation purposes within a strict Board of Directors approved mandate, or to align the total Group exposure to the relevant index target in the case of commodity sales, operating costs or debt issuance.

Interest rate risk

The Group has the following exposure to interest rate risk:

US$M	FY24	FY23
Financial assets		
Cash and cash equivalents	**788**	1,218
Trade and other receivables	**28**	153
Financial liabilities		
Interest bearing liabilities	**(138)**	(286)
Net exposure	**678**	1,085

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on that portion of financial assets and liabilities affected. With all other variables held constant, the Group's profit/(loss) after tax would increase/(decrease) as follows:

	Impact on profit/(loss) after tax	
US$M	FY24	FY23
Increase of 100 basis points	**5**	8
Decrease of 100 basis points	**(5)**	(8)

The sensitivity analysis assumes that the change in interest rates is effective from the beginning of the year and the fixed/floating mix and balances are constant over the year. However, interest rates and the profile of the Group's financial assets and liabilities may not remain constant over the coming year and therefore such sensitivity analysis should be used with care.

Foreign currency risk

The Group's potential currency exposures comprise:

- Translational exposure in respect of non-functional currency monetary items; and
- Transactional exposure in respect of non-functional currency expenditure and revenues.

The functional currency of the Group's operations is primarily the US dollar. Certain operating and capital expenditure is incurred by operations in currencies other than their functional currency. To a lesser extent, certain sales revenue is earned in currencies other than the functional currency of the operation, and certain exchange control restrictions may require funds to be maintained in currencies other than the operations functional currency. When required, the Group may enter into forward exchange contracts.

The following table shows the principal foreign currency risk arising from financial assets and liabilities by currency of denomination:

US$M	FY24	FY23
Australian dollar	**(779)**	(946)
Brazilian real	**(52)**	(103)
Colombian peso	**(8)**	(70)
South African rand	**16**	74

19. Financial assets and financial liabilities continued

(b) Financial risk management objectives and policies continued

(i) Market risk continued

Foreign currency risk continued

Based on the Group's net financial assets and liabilities as at 30 June, a weakening of the US dollar against the currencies as illustrated in the table below, with all other variables held constant, would increase/(decrease) the Group's profit/(loss) after tax, as follows:

	Impact on profit/(loss) after tax	
US$M	FY24	FY23
10% strengthening in Australian dollar	**(55)**	(67)
10% strengthening in Brazilian real	**(5)**	(10)
10% strengthening in Colombian peso	**(1)**	(7)
10% strengthening in South African rand	**2**	7

The Group's other comprehensive income is not exposed to any significant fluctuations as a result of foreign exchange risk arising from financial assets and liabilities.

Commodity price risk

Contracts for the sale and physical delivery of commodities are executed whenever possible on a pricing basis intended to achieve a relevant index target. Where pricing terms deviate from the index, the Group may choose to use derivative commodity contracts to realise the index price. Contracts for the physical delivery of commodities are not typically financial instruments and are not recognised on the Consolidated balance sheet.

Provisionally priced commodity sales and purchases contracts

Provisionally priced sales or purchases contracts are those for which price finalisation, referenced to the relevant index, is outstanding at the reporting date. Provisional pricing mechanisms embedded within these sales and purchases arrangements have the character of a commodity derivative and are carried at FVTPL as part of trade receivables or trade creditors. Fair value movements on provisionally priced sale contracts are disclosed as other revenue in the Group's segment results, refer to note 4(b) Segment results. The Group's exposure at 30 June 2024 to the impact of movements in commodity prices on provisionally invoiced sale and purchase volumes was predominantly around nickel, silver, lead, zinc, aluminium and alumina.

The Group had 4.3kt of nickel, 1.8Moz of silver, 19.2kt of lead, 9.7kt of zinc, 11.2kt of aluminium and 25.8kt of alumina exposure at 30 June 2024 (FY23: 3.7kt of nickel, 2.6Moz of silver, 24.4kt of lead, 5.4kt of zinc, 30.0kt of metallurgical coal, 10.0kt of aluminium and 31.5kt of alumina) that was provisionally priced. The final price of these sales or purchases will be determined during the first half of FY25. A 10 per cent change in the realised price of these commodities, with all other factors held constant, would increase or decrease profit/(loss) after tax by US$19 million (FY23: US$19 million). The relationship between commodity prices and foreign currencies is complex and foreign exchange rates and commodity prices may move concurrently in response to market conditions. These sensitivities should therefore be used with care.

(ii) Liquidity risk

The Group's liquidity risk arises from the possibility that it may not be able to settle or meet its obligations as they fall due. Operational, capital and regulatory requirements are considered in the management of liquidity risk, in conjunction with short and long-term forecast information.

In line with the Group's policy on counterparty credit exposure, the Group only uses counterparties of a high credit standing for the investment of any excess cash.

The entities in the Group are funded by a combination of cash generated by the Group's operations, working capital facilities and intercompany loans provided by the Group. Intercompany loans may be funded by a combination of cash, short and long-term debt. Details of the Group's major standby arrangement are as follows:

FY24 US$M	Available	Used	Unused
Revolving credit facility[(1)]	**1,400**	**–**	**1,400**

(1) The Group has an undrawn revolving credit facility which expires in December 2028, with the size of the facility in the final year reducing to US$1,300 million.

19. Financial assets and financial liabilities continued

(b) Financial risk management objectives and policies continued

(ii) Liquidity risk continued

Maturity profile of financial liabilities

The maturity profiles of financial liabilities, based on the contractual amounts, are as follows:

FY24 US$M	Carrying amount	Total	On demand or less than 1 year	1 to 5 years	More than 5 years
Trade and other payables[1]	**785**	**785**	**784**	**1**	**–**
Senior unsecured notes	**692**	**944**	**30**	**122**	**792**
Lease liabilities	**672**	**1,104**	**111**	**337**	**656**
Other interest bearing liabilities	**202**	**205**	**165**	**40**	**–**
Other financial liabilities - contingent consideration payable	**17**	**22**	**–**	**22**	**–**
Total	**2,368**	**3,060**	**1,090**	**522**	**1,448**

(1) Excludes current input taxes of US$20 million and non-current input and other taxes of US$1 million included in other creditors. Refer to note 14 Trade and other payables.

FY23 US$M	Carrying amount	Total	On demand or less than 1 year	1 to 5 years	More than 5 years
Trade and other payables[1]	986	986	968	–	18
Senior unsecured notes	690	974	30	122	822
Lease liabilities	674	1,148	102	331	715
Other interest bearing liabilities	377	383	315	68	–
Other financial liabilities - contingent consideration payable	37	48	–	48	–
Total	2,764	3,539	1,415	569	1,555

(1) Excludes current input taxes of US$17 million and non-current input and other taxes of US$1 million included in other creditors. Refer to note 14 Trade and other payables.

(iii) Credit risk

Credit risk management

The Group has credit risk management policies in place covering the credit analysis, approvals and monitoring of counterparty exposures. As part of these processes the ongoing creditworthiness of counterparties is regularly assessed. Credit limits are established for customers and reviewed annually or with the release of new information materially impacting the customer's creditworthiness.

Mitigation methods are defined and implemented for higher-risk counterparties to protect revenues, with more than half of the Group's sales of physical commodities occurring via secured payment terms including prepayments, letters of credit, guarantees and other risk mitigation instruments. Mitigation methods include credit exposure management and overdue accounts monitoring. In addition, leading key risk indicators are actively monitored for all customers to identify any emerging risks.

There are no material concentrations of credit risk, either with individual counterparties or groups of counterparties, by industry or geography. The carrying amounts of financial assets represent the maximum credit exposure.

Expected credit losses

Impairment allowances are based on a forward-looking expected credit loss model. For trade receivables, the Group uses the simplified approach to recognise impairments based on the lifetime expected credit loss. For other receivables, the Group applies the general approach and recognises impairments based on a 12-month expected credit loss.

Exposures are grouped by external credit rating and security options and an expected credit loss rate is calculated accordingly. Where applicable, actual credit loss experience is also taken into account. For remaining receivables without an external credit rating or security option, a rating of BB (S&P Global Ratings) is used, on the basis that there is no support that it is investment grade, nor is there any evidence of default.

Shareholder loan receivable from Sierra Gorda

Purchased credit-impaired financial assets are initially recognised at fair value. They are subsequently measured at amortised cost using the credit-adjusted effective interest method, less an allowance for changes in lifetime expected credit losses since initial recognition. The credit-adjusted effective interest rate is determined at initial recognition and not amended for subsequent changes to lifetime expected credit losses since acquisition. Changes in lifetime expected credit losses are recognised as impairment and reversals of impairment of financials assets.

The Group's investment in the Sierra Gorda operation is represented by the carrying value of an equity accounted investment of US$94 million (FY23: US$101 million), and the carrying value of a purchased credit-impaired receivable of US$1,814 million (FY23: US$1,711 million) classified as a loan to an equity accounted investment within trade and other receivables on the Consolidated balance sheet.

19. Financial assets and financial liabilities continued

(b) Financial risk management objectives and policies continued

(iii) Credit risk continued

Shareholder loan receivable from Sierra Gorda continued

The loan has a contractual interest rate of eight per cent and the repayment of the loan by the Sierra Gorda operation is dependent on its financial performance. At 30 June 2024, the Group updated its estimated timing of the loan repayments and as a result recognised an impairment of US$29 million (FY23: impairment of US$71 million) which is included in expenses excluding finance costs in the Consolidated income statement. The net present value of the expected future cash flows of the loan was determined as US$1,814 million (FY23: US$1,711 million) using a measurement methodology consistent with a Level 3 fair value based on the inputs in the valuation technique.

The following table shows the movement in the carrying amount of this receivable:

US$M	FY24	FY23
At the beginning of the year	**1,711**	1,648
Interest accrued	**159**	148
Net impairment	**(29)**	(71)
Repayment of accrued interest	**(27)**	(14)
At the end of the year	**1,814**	1,711

The future loan repayments were informed by a production profile and costs based on management's planning processes. Refer to the Mineral Resources and Ore Reserves section of note 2(c) for further information on the estimates which underpin the production profile.

An effective interest rate of nine per cent, as determined on the date of acquisition, was applied to discount the future loan repayments.

Determining the net present value requires management to make certain key estimates, assumptions and judgements, which are consistent with those outlined in note 13 Impairment of non-financial assets.

The net present value of the expected future cash flows of the loan is most sensitive to the Group's copper price assumption, with a range of US$4.18/lb - US$4.45/lb used, in real terms. The following table illustrates the sensitivity of the net present value of the loan to a reasonable possible change in the copper price assumption, based on changing this assumption by 10 per cent while holding all other variables constant.

FY24			Impact on profit/(loss) after tax	
US$M	Face value	Carrying value	Favourable	Unfavourable
Trade and other receivables				
Loans to equity accounted investments	**2,283**	**1,814**	**79**	**(129)**

(c) Capital management

The Group allocates capital in line with its strategy and capital management framework. The Group's priorities for cash flow are to:

- Maintain safe and reliable operations and an investment grade credit rating through the cycle;
- Distribute to shareholders a minimum of 40 per cent of Underlying earnings attributable to equity holders of South32 Limited as dividends following each six-month reporting period; and
- Maximise total shareholder returns through other alternatives including special dividends, share buy-backs and high return investment opportunities which compete for capital.

20. Share capital

	FY24		FY23	
	Shares	US$M	Shares	US$M
Share capital				
At the beginning of the year	**4,545,413,695**	**13,251**	4,628,431,584	13,469
Shares bought back and cancelled	**(16,155,127)**	**(35)**	(83,017,889)	(218)
At the end of the year	**4,529,258,568**	**13,216**	4,545,413,695	13,251
Treasury shares				
At the beginning of the year	**(17,263,473)**	**(51)**	(11,467,507)	(32)
Purchase of shares by ESOP Trusts	**(4,345,048)**	**(11)**	(11,676,773)	(33)
Employee share awards vested	**5,921,057**	**19**	5,880,807	14
At the end of the year	**(15,687,464)**	**(43)**	(17,263,473)	(51)

Shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Incremental costs directly attributable to the issuance of shares, net of any income tax effects, are recognised as a deduction from equity.

Notes to financial statements – Other notes

21. Auditor's remuneration

The auditor of the Group is KPMG.

US$'000	FY24	FY23
Fees payable to the Group's auditor for assurance services		
Audit and review of financial statements	**4,446**	4,207
Other assurance services(1)	**823**	705
Total auditor's remuneration	**5,269**	4,912

(1) Primarily comprises assurance services in respect of the Group's sustainability and tax reporting.

22. Employee share ownership plans

At 30 June 2024, the Group had the following employee share ownership plans:

Awards granted to lead team members(1)	
Long-term Incentive Plan(2)	FY21, FY22, FY23, FY24
Deferred Short-Term Incentive Plan(3)	FY22, FY23
Executive Transitional Award Plan(2)	FY22, FY24
Management Share Plan(4)	FY21

(1) Awards granted on 4 December 2020, 6 December 2021, 8 December 2022 and 4 December 2023.
(2) Awards subject to performance and service conditions.
(3) Awards subject to service conditions only.
(4) During FY21, Jason Economidis, as acting Chief Operating Officer, participated in the Management Share Plan and not the Long-Term Incentive Plan.

Awards granted to eligible employees(1)	
Management Share Plan(2)	FY21, FY22, FY23, FY24
AllShare Plan(3)	2021, 2022, 2023

(1) Awards granted on 4 December 2020, 7 December 2020, 6 May 2021, 6 December 2021, 9 May 2022, 8 December 2022, 15 May 2023, 4 December 2023 and 7 May 2024.
(2) Awards subject to performance and service conditions.
(3) Awards subject to service conditions only.

All awards take the form of rights to receive one share in South32 Limited for each right granted, subject to performance and/or service conditions being met. Performance conditions include total shareholder return relative to peer groups and, for FY23 and FY24 Long-Term Incentive Plan and Management Share Plan awards, climate change and portfolio management performance hurdles. Further information on the vesting conditions of performance rights granted in FY24 is disclosed in the Remuneration Report. A portion of the 2021, 2022 and 2023 AllShare Plan awards (participants located in Colombia and Mozambique) take the form of rights to receive a cash payment equivalent to the value of South32 Limited shares at the time of payment. Employees in Africa are granted rights on the JSE and all other employees are granted rights on the ASX.

Awards do not confer any dividend or voting rights until they convert into shares at vesting. In addition, the awards do not confer any rights to participate in a share issue, however, there is discretion under the plans to adjust the awards in response to a variation in South32 Limited's share capital.

The AllShare JSE plan is eligible to receive a payment equal to the dividend amount that would have been earned on the underlying shares awarded to those participants (Dividend Equivalent Payment). The Dividend Equivalent Payment is made to participants once the underlying shares are issued or transferred to them. No Dividend Equivalent Payment is made in respect of awards that have lapsed or have been forfeited. No other awards are eligible for a Dividend Equivalent Payment.

22. Employee share ownership plans continued

(a) Description of share-based payment arrangements

(i) Recurring share-based payment plans

The awards listed below are subject to the general conditions noted above and may be granted annually subject to approval by shareholders at the annual general meeting for awards to the Chief Executive Officer and by the Board of Directors for all other awards.

FY21, FY22, FY23 and FY24 Long-Term Incentive Plan

The Long-Term Incentive Plan is the Group's long-term incentive plan for Lead Team members.

Awards have a four-year performance period from 1 July 2020 to 30 June 2024, 1 July 2021 to 30 June 2025, 1 July 2022 to 30 June 2026 and 1 July 2023 to 30 June 2027 respectively.

The FY21 Long-Term Incentive Plan award granted to the Chief Executive Officer is subject to a specific vesting cap imposed by the Board of Directors. For other Lead Team members, the Board of Directors retains the discretion to apply a vesting cap to limit the value of the rights which may vest in the ordinary course.

FY22 and FY23 Deferred Short-Term Incentive Plan

The Deferred Short-Term Incentive Plan is the Group's short-term incentive plan for Lead Team members. Awards vest in August 2024 and August 2025 respectively, provided participants remain employed by the Group.

FY21, FY22, FY23 and FY24 Management Share Plan

The Management Share Plan is the Group's long-term incentive plan for eligible employees below the Lead Team. The Management Share Plan comprises two elements:

- Retention rights vesting in August 2024, August 2025 and August 2026 provided participants remain employed by the Group; and
- Performance rights vesting in August 2024, August 2025, August 2026 and August 2027 subject to performance conditions and provided participants remain employed by the Group.

For the FY21 Management Share Plan awards, the Board of Directors retains the discretion to apply a vesting cap to limit the value of the rights which may vest in the ordinary course.

2021, 2022 and 2023 AllShare Plan

The AllShare Plan is the Group's employee share plan for employees not eligible to participate in the other employee share plans. Awards to the value of at least US$1,250 per employee are granted annually. Awards will vest provided participants remain employed by the Group. The vesting period depends on the participants' location at the grant date:

- Participants in Africa: August 2024, August 2025 and August 2026; and
- Participants elsewhere: August 2024 and August 2025.

(ii) Transitional share-based payment plans

The awards listed below are subject to the general conditions noted above and are either one-off or will not be granted on an ongoing basis.

FY22 and FY24 Executive Transitional Award Plan

The Executive Transitional Award Plan is a one-off grant made to Lead Team members in recognition of their adjustment from the Management Share Plan (three year retention rights and four year performance rights) to the four year plan at the Group. Awards have a three year performance period from 1 July 2021 to 30 June 2024 and 1 July 2023 to 30 June 2026 respectively.

(b) Employee Share Ownership Plan Trusts

The South32 Limited Employee Incentive Plans Trust (the Australian Trust) and the South32 South African AllShare Trust (the South African Trust) are discretionary trusts for the benefit of employees of South32 Limited and its subsidiaries.

The trustee for the Australian Trust (CPU Share Plans Pty Ltd) is an independent company, resident in Australia. The trustees for the South African Trust are made up of employer and employee representatives per the Broad-Based Black Economic Empowerment (B-BBEE) requirements under South African law. The Trusts use funds provided by South32 Limited and/or its subsidiaries to acquire shares to enable awards to be made or satisfied under the Group employee share ownership plans.

The shares may be acquired by purchase in the market or by subscription at not less than nominal value.

22. Employee share ownership plans continued

(c) Measurement of fair values

The fair value at grant date of equity-settled share awards is charged to the Consolidated income statement, net of tax, over the period for which the benefits of employee services are expected to be derived. The corresponding accrued employee entitlement is recorded in the employee share awards reserve.

Where awards are forfeited because non-market based vesting conditions are not satisfied, the expense previously recognised is proportionally reversed. If awards do not vest due to a market performance condition not being met, the expense is recognised in full, and the share awards reserve is released to retained earnings. Where shares in South32 Limited are acquired by on-market purchases prior to settling the vested entitlement, the cost of the acquired shares is carried as treasury shares and deducted from equity. Where awards are satisfied by delivery of acquired shares, any difference between their acquisition cost and the cumulative remuneration expense recognised is charged directly to retained earnings, net of tax.

The fair value of market-based performance rights is measured using a Monte Carlo methodology. This model considers the following:

- Expected life of the award;
- Current market price of the underlying shares;
- Expected volatility (of the individual company and of each peer group);
- Expected dividends;
- Risk-free interest rate; and
- Market based performance hurdles.

The fair value of retention and other non-market-based performance rights is measured using a Black Scholes methodology. This model considers the following:

- Expected life of the award;
- Current market price of the underlying shares;
- Expected volatility;
- Expected dividends; and
- Risk-free interest rate.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payments plans were as follows:

FY24	Fair value at grant date (US$)	Share price at grant date (US$)	Expected volatility (%)	Expected life (in years)	Risk-free interest rate based on government bonds (%)
Recurring plans					
FY24 Long-Term Incentive Plan	**1.03**	**2.08**	**30**	**4**	**4.14**
FY23 Deferred Short-Term Incentive Plan	**1.92**	**2.08**	**30**	**2**	**4.36**
FY24 Management Share Plan - Retention rights	**1.80 - 1.81**	**2.07 - 2.08**	**30**	**3**	**4.25 - 8.26**
FY24 Management Share Plan - Performance rights	**1.03 - 1.04**	**2.07 - 2.08**	**30**	**4**	**4.14 - 8.38**
2023 AllShare Plan	**1.92 - 2.07**	**2.07 - 2.08**	**30**	**3 - 4**	**4.36 - 8.26**
Transitional plan					
FY24 Executive Transitional Award Plan	**0.80**	**2.08**	**30**	**3**	**4.25**

FY23	Fair value at grant date (US$)	Share price at grant date (US$)	Expected volatility (%)	Expected life (in years)	Risk-free interest rate based on government bonds (%)
Recurring plans					
FY23 Long-Term Incentive Plan	1.74	2.76	35	4	3.14
FY22 Deferred Short-Term Incentive Plan	2.68	2.76	35	2	3.09
FY23 Management Share Plan - Retention rights	2.59 - 2.63	2.76 - 2.85	35	3	3.12 - 8.32
FY23 Management Share Plan - Performance rights	1.74 - 1.77	2.76 - 2.85	35	4	3.14 - 8.85
2022 AllShare Plan	2.68 - 2.90	2.76 - 2.85	35	2 - 3	3.09 - 8.32

The fair value at grant date, expected life, and risk-free interest rates shown represent the ranges based on the amounts of rights granted on the ASX or the JSE during the year, and the variations in offer terms and grant dates of each plan where applicable. Expected volatility is based on the historical South32 Limited share price volatility at the grant date. The risk-free interest rate and expected volatility does not materially impact service-based awards.

22. Employee share ownership plans continued

(d) Reconciliation of outstanding share awards

None of the awards listed below have an exercise price or are exercisable at 30 June 2024.

FY24 Number of rights	Rights at beginning of the year	Granted during the year	Vested during the year	Forfeited during the year	Lapsed during the year	Rights at end of the year
Recurring plans						
FY20 Long-Term Incentive Plan	**4,333,282**	**–**	**–**	**–**	**(4,333,282)**	**–**
FY21 Long-Term Incentive Plan	**6,283,436**	**–**	**–**	**–**	**–**	**6,283,436**
FY22 Long-Term Incentive Plan	**3,430,278**	**–**	**–**	**–**	**–**	**3,430,278**
FY23 Long-Term Incentive Plan	**2,494,503**	**–**	**–**	**–**	**–**	**2,494,503**
FY24 Long-Term Incentive Plan	**–**	**3,129,136**	**–**	**–**	**–**	**3,129,136**
FY21 Deferred Short-Term Incentive Plan	**728,990**	**–**	**(728,990)**	**–**	**–**	**–**
FY22 Deferred Short-Term Incentive Plan	**949,257**	**–**	**–**	**–**	**–**	**949,257**
FY23 Deferred Short-Term Incentive Plan	**–**	**1,082,738**	**–**	**–**	**–**	**1,082,738**
FY20 Management Share Plan - Performance Rights	**4,900,613**	**–**	**–**	**(19,558)**	**(4,881,055)**	**–**
FY21 Management Share Plan - Retention Rights[1]	**2,481,374**	**12,376**	**(2,468,943)**	**(24,807)**	**–**	**–**
FY21 Management Share Plan - Performance Rights[1]	**6,935,622**	**168,061**	**–**	**(490,803)**	**–**	**6,612,880**
FY22 Management Share Plan - Retention Rights[1]	**2,031,578**	**78,771**	**(226,952)**	**(185,816)**	**–**	**1,697,581**
FY22 Management Share Plan - Performance Rights[1]	**3,308,316**	**131,867**	**–**	**(364,786)**	**–**	**3,075,397**
FY23 Management Share Plan - Retention Rights[1]	**1,829,892**	**53,434**	**(59,969)**	**(182,357)**	**–**	**1,641,000**
FY23 Management Share Plan - Performance Rights[1]	**3,072,258**	**89,578**	**–**	**(331,234)**	**–**	**2,830,602**
FY24 Management Share Plan - Retention Rights	**–**	**2,416,246**	**(24,117)**	**(195,834)**	**–**	**2,196,295**
FY24 Management Share Plan - Performance Rights	**–**	**4,050,195**	**–**	**(338,256)**	**–**	**3,711,939**
2020 AllShare Plan[1]	**2,287,200**	**7,200**	**(2,276,000)**	**(18,400)**	**–**	**–**
2021 AllShare Plan[1]	**3,987,720**	**7,420**	**(2,423,690)**	**(78,440)**	**–**	**1,493,010**
2022 AllShare Plan[1]	**4,416,880**	**7,800**	**(69,680)**	**(241,800)**	**–**	**4,113,200**
2023 AllShare Plan	**–**	**5,671,200**	**(42,600)**	**(182,400)**	**–**	**5,446,200**
Transitional plans						
FY21 Executive Transitional Award Plan	**154,702**	**–**	**(154,702)**	**–**	**–**	**–**
FY22 Executive Transitional Award Plan	**195,128**	**–**	**–**	**–**	**–**	**195,128**
FY24 Executive Transitional Award Plan	**–**	**85,559**	**–**	**–**	**–**	**85,559**
FY20 Management Transitional Award Plan	**74,918**	**–**	**–**	**–**	**(74,918)**	**–**
Total awards	**53,895,947**	**16,991,581**	**(8,475,643)**	**(2,654,491)**	**(9,289,255)**	**50,468,139**

(1) Retrospective grants related to prior year plans.

23. Contingent assets and liabilities

Contingent assets and liabilities not otherwise provided for in the consolidated financial statements are as follows:

US$M	FY24	FY23
Actual or potential litigation	**342**	519
Total contingent liabilities	**342**	519
Actual or potential litigation	**102**	143
Total contingent assets	**102**	143

Actual or potential litigation liabilities primarily relate to numerous tax assessments or matters relating to transactions in prior years in Colombia and Brazil.

Actual or potential litigation assets primarily relate to potential recovery of pre-closing tax liabilities in respect of the Sierra Gorda acquisition.

The Group's operations are subject to complex legislative regimes, including various environmental laws and regulations. From time to time there may be legal and regulatory claims, or potential claims, that have arisen in the course of business against entities in the Group. The Group only recognises amounts as liabilities when they are probable, or as contingencies when they are possible, and only where a reliable estimate can be made. The Group is not aware of any non-compliance or potential claims that are unrecognised, or have not been disclosed, which are expected to result in a material financial impact. Such disclosures are adjusted as new information develops or circumstances change.

The Group has entered into various counter-indemnities for bank and performance guarantees related to its own future performance which are in the normal course of business. Additionally, the Group has provided indemnities against certain liabilities as part of agreements for the disposal of business operations. Having taken appropriate legal advice, the Group believes that a material liability arising from the indemnities provided is remote.

24. Subsidiaries

The Group's material subsidiaries are as follows:

Material subsidiaries	Country of incorporation	Principal activity	Effective interest % FY24	Effective interest % FY23
African Metals (Pty) Ltd	South Africa	Investment holding company	**100**	100
Cerro Matoso S.A.	Colombia	Integrated laterite ferronickel mining and smelting complex	**99.9**	99.9
Dendrobium Coal Pty Ltd[1]	Australia	Metallurgical coal mine	**100**	100
Endeavour Coal Pty Limited[1]	Australia	Metallurgical coal mine	**100**	100
Hillside Aluminium (Pty) Ltd	South Africa	Aluminium smelter	**100**	100
Illawarra Coal Holdings Pty Ltd[1]	Australia	Investment holding company	**100**	100
Illawarra Services Proprietary Limited[1]	Australia	Coal washery, rail and road transportation	**100**	100
South32 Aluminium (Holdings) Pty Ltd	Australia	Investment holding company	**100**	100
South32 Aluminium (RAA) Pty Ltd	Australia	Interest in a joint operation	**100**	100
South32 Aluminium (Worsley) Pty Ltd	Australia	Interest in a joint operation	**100**	100
South32 Cannington Proprietary Limited	Australia	Silver, lead and zinc mine	**100**	100
South32 Eagle Downs Pty Ltd[1]	Australia	Interest in a joint operation	**100**	100
South32 Finance 1 B.V.	Netherlands	Financing company	**100**	100
South32 Finance 2 B.V.	Netherlands	Financing company	**100**	100
South32 Group Operations Pty Ltd	Australia	Administrative, management and support services	**100**	100
South32 Hermosa Inc.	United States	Base metals exploration and development project	**100**	100
South32 Investment 1 B.V.	Netherlands	Interest in a joint operation	**100**	100
South32 Marketing Pte. Ltd.	Singapore	Sales, marketing and distribution	**100**	100
South32 Minerals SA	Brazil	Interest in a joint operation	**100**	100
South32 SA Investments Limited	United Kingdom	Investment holding company	**100**	100
South32 Sierra Gorda SpA	Chile	Investment holding company	**100**	100
South32 Treasury Limited	Australia	Financing company	**100**	100
South32 USA Exploration Inc.	United States	Exploration	**100**	100

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.

25. Equity accounted investments

The Group's material interests in equity accounted investments are as follows:

			Ownership interest %	
Material joint ventures	Country of incorporation	Principal activity	FY24	FY23
Australia Manganese(1)(2)	Australia	Manganese ore mine	**60**	60
South Africa Manganese(1)(3)	South Africa	Manganese ore mines	**60**	60
Manganese Marketing(1)(4)	Singapore	Sales, marketing and distribution	**60**	60
Sierra Gorda(1)(5)	Chile	Copper mine	**45**	45

(1) Joint control is contractually achieved as joint venture parties unanimously consent on decisions over the joint venture's relevant activities.
(2) Australia Manganese consists of an investment in GEMCO.
(3) The Group holds a 60 per cent interest in Samancor Holdings (Pty) Ltd (Samancor). Samancor indirectly owns 74 per cent of Hotazel Manganese Mines (Pty) Ltd (HMM), which gives the Group its indirect ownership interest of 44.4 per cent. The remaining 26 per cent of HMM is owned by B-BBEE entities, of which 17 per cent of the interests were acquired using vendor finance with the loans repayable via distributions attributable to these parties, pro rata to their share in HMM. Until these loans are repaid, the Group's interest in HMM is accounted for at 54.6 per cent.
(4) Manganese Marketing consists of an investment in Samancor Marketing Pte Ltd.
(5) Sierra Gorda consists of an investment in Sierra Gorda Sociedad Contractual Minera.

A reconciliation of the carrying amount of the equity accounted investments is set out below:

US$M	FY24	FY23
At the beginning of the year	**499**	470
Share of profit/(loss)(1)	**(60)**	246
Share of other comprehensive income	**–**	6
Dividends received	**(90)**	(223)
Investments	**53**	–
Reclassified as held for sale(2)	**(6)**	–
At the end of the year	**396**	499

(1) Includes share of profit/(loss) relating to discontinued operations of US$(1) million (FY23: US$5 million). Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) Refer to note 30 Assets and liabilities held for sale and discontinued operations.

Carrying amount of equity accounted investments US$M	FY24	FY23
Australia Manganese	**29**	95
South Africa Manganese	**189**	173
Manganese Marketing	**64**	72
Sierra Gorda	**94**	101
Individually immaterial(1)	**20**	58
Total	**396**	499

(1) Individually immaterial consists of an investment in Mineração Rio do Norte (33 per cent) in FY24 and consists of investments in Mineração Rio do Norte (33 per cent) and Port Kembla Coal Terminal Ltd (16.7 per cent) in FY23.

Share of profit/(loss) of equity accounted investments US$M	FY24	FY23 Restated(1)
Australia Manganese	**(44)**	120
South Africa Manganese	**15**	36
Manganese Marketing	**6**	8
Sierra Gorda	**(6)**	71
Individually immaterial(2)	**(30)**	6
Total	**(59)**	241

(1) Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) Individually immaterial consists of an investment in Mineração Rio do Norte (33 per cent).

25. Equity accounted investments continued

The following table summarises the financial information relating to each material equity accounted investment:

FY24 US$M	Joint ventures			
	Australia Manganese[(1)]	South Africa Manganese[(1)]	Manganese Marketing	Sierra Gorda
Reconciliation of the carrying amount of equity accounted investments				
Current assets	**271**	**255**	**125**	**584**
Non-current assets	**792**	**567**	**67**	**4,688**
Current liabilities	**(118)**	**(129)**	**(86)**	**(769)**
Non-current liabilities	**(897)**	**(268)**	**–**	**(4,295)**
Net assets - 100%	**48**	**425**	**106**	**208**
Net assets - the Group's share	**29**	**189**	**64**	**94**
Carrying amount of equity accounted investments	**29**	**189**	**64**	**94**
Reconciliation of share of profit/(loss) of equity accounted investments				
Revenue - 100%	**649**	**515**	**1,318**	**1,438**
Profit/(loss) after tax - 100%	**(73)**	**27**	**10**	**(13)**
Profit/(loss) after tax - the Group's share	**(44)**	**15**	**6**	**(6)**
Share of profit/(loss) of equity accounted investments	**(44)**	**15**	**6**	**(6)**
Other balances of equity accounted investments presented on a 100% basis				
Cash and cash equivalents[(2)]	**–**	**43**	**–**	**160**
Current financial liabilities (excluding trade and other payables and provisions)	**(9)**	**(29)**	**–**	**(426)**
Non-current financial liabilities (excluding trade and other payables and provisions)	**(290)**	**(9)**	**–**	**(4,156)**
Depreciation and amortisation	**(195)**	**(32)**	**(5)**	**(294)**
Interest income	**5**	**5**	**5**	**6**
Interest expense	**(58)**	**(36)**	**–**	**(421)**
Income tax (expense)/benefit (excluding royalty related tax)	**6**	**(14)**	**(3)**	**1**
Royalty related tax (expense)/benefit	**(19)**	**–**	**–**	**(19)**

(1) The financial information presented includes sales and purchases between Australia Manganese and South Africa Manganese, and Manganese Marketing.
(2) South Africa Manganese cash and cash equivalents include US$43 million, on a 100 per cent basis, which is restricted by legal or contractual arrangements.

FY23 US$M	Joint ventures			
	Australia Manganese[(1)]	South Africa Manganese[(1)]	Manganese Marketing	Sierra Gorda
Reconciliation of the carrying amount of equity accounted investments				
Current assets	351	231	187	590
Non-current assets	837	514	75	4,437
Current liabilities	(235)	(94)	(141)	(322)
Non-current liabilities	(794)	(255)	–	(4,481)
Net assets - 100%	159	396	121	224
Net assets - the Group's share	95	173	72	101
Carrying amount of equity accounted investments	95	173	72	101
Reconciliation of share of profit/(loss) of equity accounted investments				
Revenue - 100%	1,028	512	1,706	1,521
Profit/(loss) after tax - 100%	200	64	13	158
Profit/(loss) after tax - the Group's share	120	36	8	71
Share of profit/(loss) of equity accounted investments	120	36	8	71
Other balances of equity accounted investments presented on a 100% basis				
Cash and cash equivalents[(2)]	–	32	–	180
Current financial liabilities (excluding trade and other payables and provisions)	(9)	–	–	(23)
Non-current financial liabilities (excluding trade and other payables and provisions)	(263)	(8)	–	(4,331)
Depreciation and amortisation	(167)	(32)	(5)	(314)
Interest income	4	9	4	3
Interest expense	(39)	(11)	–	(385)
Income tax (expense)/benefit (excluding royalty related tax)	(127)	(37)	(3)	(62)
Royalty related tax (expense)/benefit	(72)	–	–	(27)

(1) The financial information presented includes sales and purchases between Australia Manganese and South Africa Manganese, and Manganese Marketing.
(2) South Africa Manganese cash and cash equivalents include US$32 million, on a 100 per cent basis, which is restricted by legal or contractual arrangements.

The Group uses the term 'equity accounted investments' to refer to associates and joint ventures collectively.

The Group's share of contingent liabilities and capital expenditure commitments of material equity accounted investments as at 30 June 2024 was US$1 million (FY23: US$3 million) and US$75 million (FY23: US$58 million) respectively.

26. Interest in joint operations

The Group's material interests in joint operations are as follows:

Material joint operations	Country of operation	Principal activity	Effective Interest %	
			FY24	FY23
Ambler Metals	United States	Base metals exploration and development options	**50**	50
Brazil Alumina	Brazil	Integrated bauxite mine and alumina refinery	**36**	36
Brazil Aluminium	Brazil	Aluminium smelter	**40**	40
Eagle Downs Metallurgical Coal(1)	Australia	Metallurgical coal exploration and development option	**50**	50
Mozal Aluminium(2)	Mozambique	Aluminium smelter	**63.7**	63.7
Worsley Alumina(2)	Australia	Integrated bauxite mine and alumina refinery	**86**	86

(1) In February 2024, the Group announced its decision to enter into a binding agreement to sell its 50 per cent interest in Eagle Downs Metallurgical Coal and the sale completed on 12 August 2024. Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) While the Group holds a greater than 50 per cent interest in Worsley Alumina and Mozal Aluminium, participants jointly approve certain matters and are entitled to receive their share of output from the arrangement.

The consolidated financial statements of the Group include its share of the assets and liabilities, and revenue and expenses arising jointly or otherwise from those operations and its revenue derived from the sale of its share of the output from the joint operation. All such amounts are measured in accordance with the terms of each arrangement, which are usually in proportion to the Group's interest in the joint operation.

The assets in these joint operations are restricted to the extent that they are only available to be used by the joint operation itself and not by other operations of the Group. For certain joint operations, the Group has also either pledged, mortgaged or provided a cross charge to joint operation partners over assets within the joint operation.

27. Key management personnel

(a) Key management personnel compensation

US$'000	FY24	FY23
Short-term employee benefits	**6,460**	5,419
Post-employment benefits	**146**	128
Other long-term benefits	**277**	276
Share-based payments	**4,087**	4,246
Total	**10,970**	10,069

(b) Transactions with key management personnel

There were no transactions with key management personnel during the year ended 30 June 2024 (FY23: US$nil).

(c) Loans to key management personnel

There were no loans with any key management personnel as at 30 June 2024 (FY23: US$nil).

(d) Transactions with key management personnel related entities

There were no transactions with entities controlled or jointly controlled by key management personnel and there were no outstanding amounts with those entities as at 30 June 2024 (FY23: US$nil).

28. Related party transactions

(a) Parent entity

The ultimate parent entity of the Group is South32 Limited, which is domiciled and incorporated in Australia.

(b) Subsidiaries, joint ventures and associates

The interests in subsidiaries, joint ventures and associates are disclosed in note 24 Subsidiaries and note 25 Equity accounted investments.

(c) Key management personnel

The compensation of, and loans to, key management personnel are disclosed in note 27 Key management personnel.

(d) Pension and other post-retirement obligations

The Group operates or participates in a number of defined benefit pension and medical plans throughout the world. The funding of the schemes complies with local regulations. The assets of the schemes are generally held separate from those of the Group and are administered by trustees or management boards.

At 30 June 2024, the Group had post-retirement defined benefit pension net liabilities recognised on the Consolidated balance sheet of US$12,816 thousand (FY23: US$16,042 thousand), including amounts classified as held for sale. The net liabilities consist of defined benefit pension obligations of US$51,916 thousand (FY23: US$60,657 thousand) and defined benefit pension scheme assets with a fair value of US$39,100 thousand (FY23: US$44,615 thousand).

At 30 June 2024, the Group had post-retirement defined benefit medical scheme liabilities recognised on the Consolidated balance sheet of US$16,723 thousand (FY23: 16,593 thousand). The post-retirement medical scheme is unfunded.

Total contributions to these plans by the Group during the year were US$3,466 thousand (FY23: US$4,003 thousand).

(e) Transactions with related parties

Transactions with related parties US$'000	Joint ventures		Associates[1]	
	FY24	FY23	FY24	FY23
Sales of goods and services	**228,277**	271,141	**4,294**	3,863
Purchases of goods and services[2]	**50,873**	531	**189,348**	163,096
Interest income	**178,435**	160,288	**–**	–
Dividend income	**90,000**	223,468	**–**	–
Interest expense	**12,022**	14,977	**–**	–
Increase/(decrease) in short-term financing arrangements	**(177,478)**	(47,726)	**–**	–
Increase/(decrease) in loans with related parties	**114,482**	113,587	**(6,838)**	(9,117)

Outstanding balances with related parties US$'000	Joint ventures		Associates[1]	
	FY24	FY23	FY24	FY23
Trade and sundry amounts owing to related parties[2]	**52,776**	928	**28,939**	18,393
Other amounts owing to related parties[3]	**137,891**	286,804	**–**	–
Other amounts owing from related parties[4]	**28,565**	–	**–**	–
Trade and sundry amounts owing from related parties	**29,127**	29,993	**380**	312
Loan amounts owing from related parties[5][6][7]	**1,978,235**	1,863,753	**33,464**	40,302

(1) Includes transactions and outstanding balances related to both continuing and discontinued operations. Refer to note 30 Assets and liabilities held for sale and discontinued operations.
(2) Includes amounts related to the Group's captive insurance program provided to Australia Manganese. Refer to note 4(b)(ii) Significant items.
(3) Relates to the Group's cash management program on behalf of its equity accounted investments. Amounts are repayable at call, and interest is charged based on the three-month Chicago Mercantile Exchange Term Secured Overnight Financing Rate (CME Term SOFR) plus a margin of 0.21 per cent and the one-month Johannesburg Interbank Average Rate (JIBAR).
(4) Relates to the Group's cash management program on behalf of its equity accounted investments. Amounts are repayable at call, and interest is charged based on the one-month JIBAR plus a margin of 1.65 per cent.
(5) Includes an interest free loan owing from Australia Manganese, which is repayable by 2 January 2026. The terms of the loan were revised in June 2024, prior to which interest was paid based on the three-month CME Term SOFR plus a margin of 3.26 per cent.
(6) Includes a purchased credit-impaired loan owing from Sierra Gorda, which has a face value of US$2,283 million (FY23: US$2,185 million) and incurs interest at a contractual rate of eight per cent per annum. The loan is repayable by 15 December 2024, subject to review and agreement between the joint venture parties. Refer to note 19 Financial assets and financial liabilities.
(7) Includes an interest free loan owing from Port Kembla Coal Terminal which is repayable by 30 June 2030.

Sales to, and purchases from, related parties are transactions at market prices and on commercial terms, or under terms and prices that are no less favourable to the Group than those arranged with third parties.

Outstanding balances at year end are unsecured and settlement mostly occurs in cash.

South32 Limited has guaranteed its equivalent 45 per cent share of the repayment of a US$700 million revolving credit facility entered into by Sierra Gorda. At the end of the year, the facility was drawn down by US$400 million (FY23: US$400 million). The facility extends to 30 September 2024.

A subsidiary of the Group has guaranteed its equivalent 33 per cent share of the repayment of loan facilities totalling US$240 million entered into by Mineração Rio do Norte, with maturities ranging from April 2025 to June 2025. At the end of the year, a total of US$150 million was drawn from these facilities (FY23: nil).

No other guarantees are provided for or have been received from any related party.

29. Parent entity information

(a) Summary financial information

The individual financial statements for the parent entity, South32 Limited, show the following aggregate amounts:

US$M	FY24	FY23
Result of parent entity		
Profit/(loss) after tax for the year	**(163)**	(995)
Total comprehensive income/(loss)	**(163)**	(995)
Financial position of parent entity at year end		
Current assets	**375**	445
Current liabilities	**(402)**	(1,375)
Total assets	**12,303**	12,056
Total liabilities	**(1,982)**	(1,383)
Net assets	**10,321**	10,673
Total equity of the parent entity		
Share capital	**13,216**	13,251
Treasury shares	**(39)**	(47)
Other reserves	**38**	32
Profit reserve[1]	**3,653**	3,816
Accumulated losses	**(6,547)**	(6,379)
Total equity	**10,321**	10,673

(1) Prior year profits, net of dividends paid, have been appropriated to a profit reserve for future dividend payments.

(b) Parent company guarantees

The parent entity and South32 SA Investments Ltd have jointly and severally, fully and unconditionally guaranteed the payment of the principal and premium, if any, and interest, including certain additional amounts that may be payable in respect of the US$700 million of unsecured notes issued by South32 Treasury Ltd, a 100 per cent owned finance subsidiary of the parent entity, refer to note 17 Interest bearing liabilities. The parent entity and South32 SA Investments Ltd have guaranteed the payment of such amounts when they become due and payable, whether on an interest payment date, at the stated maturity of the notes, by declaration or acceleration, call for redemption or otherwise.

The parent entity has also guaranteed a US commercial paper program and a Group revolving credit facility of US$1,400 million. Both the US commercial paper program and the revolving credit facility are undrawn as at 30 June 2024, refer to note 19 Financial assets and financial liabilities for further details.

The parent entity is party to a Deed of Support with the effect that the Company guarantees debts in respect of South32 Group Operations Pty Ltd.

30. Assets and liabilities held for sale and discontinued operations

Non-current assets and disposal groups (inclusive of directly associated liabilities) are classified as held for sale if their carrying amount is highly probable to be recovered through sale rather than through continuing use, and are available for immediate sale in their present condition.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is classified as held for sale. When an operation is classified as discontinued, the comparative financial results are restated as if the operation had been discontinued from the start of the comparative period.

Amounts classified as held for sale are summarised by disposal group as follows:

US$M	FY24
Assets held for sale	
Illawarra Metallurgical Coal	**1,794**
Eagle Downs Metallurgical Coal	**31**
Total assets held for sale	**1,825**
Liabilities directly associated with assets held for sale	
Illawarra Metallurgical Coal	**558**
Eagle Downs Metallurgical Coal	**15**
Total liabilities directly associated with assets held for sale	**573**

Illawarra Metallurgical Coal

In February 2024, the Group announced its decision to enter into a binding agreement for the sale of its shareholding in Illawarra Metallurgical Coal to an entity owned by Golden Energy and Resources Pte Ltd (GEAR) and M Resources Pty Ltd (M Resources) for an upfront and deferred cash consideration of US$1,300 million plus contingent price-linked consideration of up to US$350 million, subject to customary working capital, net debt and capital expenditure adjustments. The transaction is expected to complete on 29 August 2024.

Illawarra Metallurgical Coal is classified as held for sale and is presented separately on the Group's FY24 Consolidated balance sheet. The disposal group represents the entire Illawarra Metallurgical Coal segment, which comprises Illawarra Coal Holdings Pty Ltd and its subsidiaries, a 16.7 per cent interest in the Port Kembla Coal Terminal, and certain associated external contractual arrangements held by South32 Marketing Pte Ltd which will be novated to Illawarra Metallurgical Coal on completion.

As a result of the reclassification, the Group assessed the recoverable value of the Illawarra Metallurgical Coal CGU and recognised a pre-tax impairment reversal of US$197 million, refer to note 13 Impairment of non-financial assets.

Illawarra Metallurgical Coal owns and operates the Appin and Dendrobium metallurgical coal mines, and West Cliff and Dendrobium coal preparation plants in New South Wales, Australia. As a separate major component of the Group, Illawarra Metallurgical Coal has also been presented as a discontinued operation in the Group's Consolidated income statement.

The results of the discontinued operation are as follows:

US$M	FY24	FY23
Revenue:		
Group production	**1,224**	1,643
Third party products and services	**237**	140
	1,461	1,783
Other income	**10**	2
Expenses excluding finance costs	**(832)**	(1,126)
Share of profit/(loss) of equity accounted investments	**(1)**	5
Profit/(loss) from a discontinued operation	**638**	664
Finance income	**2**	2
Finance costs	**(12)**	(9)
Net finance income/(costs)	**(10)**	(7)
Profit/(loss) before tax from a discontinued operation	**628**	657
Income tax (expense)/benefit	**(193)**	(212)
Profit/(loss) for the year from a discontinued operation	**435**	445
Total comprehensive income/(loss) from a discontinued operation attributable to the equity holders of South32 Limited	**435**	445
Basic earnings/(loss) per share (cents)	**9.6**	9.7
Diluted earnings/(loss) per share (cents)	**9.6**	9.7

30. Assets and liabilities held for sale and discontinued operations continued

Illawarra Metallurgical Coal continued

The cash flows from discontinued operations are as follows:

US$M	FY24	FY23
Net cash flows from operating activities	**358**	654
Net cash flows from investment activities	**(345)**	(257)
Net cash flows from financing activities	**(5)**	(6)

The major classes of assets and liabilities classified as held for sale are as follows:

US$M	FY24
Assets	
Trade and other receivables	**164**
Inventories	**109**
Property, plant and equipment	**1,502**
Equity accounted investments	**6**
Other assets	**13**
Total assets held for sale	**1,794**
Liabilities	
Trade and other payables	**249**
Interest bearing liabilities	**30**
Provisions	**268**
Deferred tax liabilities	**11**
Total liabilities directly associated with assets held for sale	**558**
Net assets of disposal group classified as held for sale	**1,236**

Eagle Downs Metallurgical Coal

In February 2024, the Group announced its decision to enter into a binding agreement to sell its 50 per cent interest in Eagle Downs Metallurgical Coal to a subsidiary of Stanmore Resources Limited. The sale completed on 12 August 2024 for consideration comprising US$15 million cash paid at completion, a contingent payment of US$20 million subject to the project reaching metallurgical coal production of 100,000 tonnes, and a price-linked royalty of up to US$100 million.

Eagle Downs Metallurgical Coal is classified as held for sale and is presented separately on the Group's FY24 Consolidated balance sheet. As a result of the reclassification, the Group assessed the recoverable amount of its interest in Eagle Downs Metallurgical Coal and recognised a pre-tax impairment reversal of US$17 million, refer to note 13 Impairment of non-financial assets. Eagle Downs Metallurgical Coal is not considered a separate major component of the Group and therefore is not classified as a discontinued operation, with its results remaining within continuing operations in the Group's Consolidated income statement.

The major classes of assets and liabilities classified as held for sale are as follows:

US$M	FY24
Assets	
Property, plant and equipment	**31**
Total assets held for sale	**31**
Liabilities	
Interest bearing liabilities	**8**
Provisions	**7**
Total liabilities directly associated with assets held for sale	**15**
Net assets of disposal group classified as held for sale	**16**

31. Subsequent events

Capital management

On 29 August 2024, the Directors resolved to pay a fully-franked final dividend of US 3.1 cents per share (US$140 million) in respect of the 2024 financial year. The dividends will be paid on 17 October 2024. The dividends have not been provided for in the consolidated financial statements and will be recognised in the 2025 financial year.

On 29 August 2024, the Directors resolved to allocate US$200 million to its on-market share buy-back program, commencing from the completion of the sale of Illawarra Metallurgical Coal and to be returned to shareholders by 12 September 2025.

No other matters or circumstances have arisen since the end of the year that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

Consolidated entity disclosure statement

as at 30 June 2024

The following table provides a list of all entities included in the Group's consolidated financial statements, prepared in accordance with the requirements of Section 295(3A) of the Corporations Act. The ownership interest is only disclosed for those entities which are a body corporate, representing the direct and indirect percentage share capital owned by the Company.

Entity name	Legal structure	Country of incorporation	Country of tax residency	Ownership interest %[1]
African Metals (Pty) Ltd	Body Corporate	South Africa	South Africa	**100**
Aluminium Beneficiation Initiative (NPC)	Body Corporate	South Africa	South Africa	**50**
Aluminium Management Company of Mozambique (Pty) Limited	Body Corporate	South Africa	South Africa	**66**
Ambler Metals LLC	Body Corporate	United States	United States	**50**
Bare Trusts[2]	Trust	N/A	Australia	**N/A**
BHP Billiton Aluminium South Africa Trust	Trust	N/A	South Africa	**N/A**
BHP Billiton Community Development Trust	Trust	N/A	South Africa	**N/A**
BHP Billiton Community Support Trust	Trust	N/A	South Africa	**N/A**
BHP Billiton Education Trust	Trust	N/A	South Africa	**N/A**
Billiton Insurance Mutual Trust	Trust	N/A	South Africa	**N/A**
Cerro Matoso S.A.	Body Corporate	Colombia	Colombia	**99.9**
Conicol BVI Limited	Body Corporate	British Virgin Islands	Australia	**100**
Dendrobium Coal Pty Ltd	Body Corporate	Australia	Australia	**100**
Dendrobium Community Enhancement Program	Trust	N/A	Australia	**N/A**
Dendrobium Community Enhancement Program Pty Ltd[3]	Body Corporate	Australia	Australia	**100**
Eagle Downs Coal Management Pty Ltd	Body Corporate	Australia	Australia	**100**
Endeavour Coal Pty Limited	Body Corporate	Australia	Australia	**100**
Fundación cerro matoso	Body Corporate	Colombia	Colombia	**100**
Fundación educativa de montelíbano	Body Corporate	Colombia	Colombia	**100**
Fundación panzenú	Body Corporate	Colombia	Colombia	**100**
Gengro (Pty) Ltd	Body Corporate	South Africa	South Africa	**100**
Hillside Aluminium (Pty) Ltd	Body Corporate	South Africa	South Africa	**100**
Illawarra Coal Community Partnerships Program	Trust	N/A	Australia	**N/A**
Illawarra Coal Community Partnerships Programme Pty Limited[3]	Body Corporate	Australia	Australia	**100**
Illawarra Coal Holdings Pty Ltd	Body Corporate	Australia	Australia	**100**
Illawarra Services Proprietary Limited	Body Corporate	Australia	Australia	**100**
Micawber 501 (Proprietary) Limited	Body Corporate	South Africa	South Africa	**100**
Minera Sud Argentina S.A.	Body Corporate	Argentina	Argentina	**50.1**
Mozal Community Development Trust	Trust	N/A	Mozambique	**N/A**
Mozal SA	Body Corporate	Mozambique	Mozambique	**63.7**
South32 (BMSA) Pty Ltd	Body Corporate	Australia	Australia	**100**
South32 (BVI) Limited	Body Corporate	British Virgin Islands	Australia	**100**
South32 Africa (Pty) Ltd	Body Corporate	South Africa	South Africa	**100**
South32 Aluminium (Holdings) Pty Ltd	Body Corporate	Australia	Australia	**100**
South32 Aluminium (RAA) Pty Ltd[4]	Body Corporate	Australia	Australia	**100**
South32 Aluminium (Worsley) Pty Ltd[4]	Body Corporate	Australia	Australia	**100**
South32 Aluminium SA (Pty) Ltd	Body Corporate	South Africa	South Africa	**100**
South32 Americas Inc.	Body Corporate	United States	United States	**100**
South32 Argentina Holdings Pty Ltd	Body Corporate	Australia	Australia	**100**
South32 Arizona (Holdings) Pty Ltd	Body Corporate	Australia	Australia	**100**
South32 Australia Investment 3 Pty Ltd	Body Corporate	Australia	Australia	**100**
South32 Base Metals Ireland Limited	Body Corporate	Ireland	Ireland	**100**
South32 Canada Inc.	Body Corporate	Canada	Canada	**100**
South32 Cannington Proprietary Limited	Body Corporate	Australia	Australia	**100**
South32 Chile Copper Holdings Pty Ltd	Body Corporate	Australia	Australia	**100**
South32 Eagle Downs Pty Ltd	Body Corporate	Australia	Australia	**100**
South32 Energy SAS ESP	Body Corporate	Colombia	Colombia	**100**
South32 Exploracion S.A.S.	Body Corporate	Colombia	Colombia	**100**

Entity name	Legal structure	Country of incorporation	Country of tax residency	Ownership interest %[1]
South32 Finance 1 B.V.	Body Corporate	Netherlands	Netherlands	**100**
South32 Finance 2 B.V.	Body Corporate	Netherlands	Netherlands	**100**
South32 Finance South Africa Limited	Body Corporate	British Virgin Islands	United Kingdom	**100**
South32 Freight Australia Pty Ltd	Body Corporate	Australia	Australia	**100**
South32 Gas S.A.S. E.S.P.	Body Corporate	Colombia	Colombia	**100**
South32 Group (BVI) Limited	Body Corporate	British Virgin Islands	Australia	**100**
South32 Group Operations Pty Ltd	Body Corporate	Australia	Australia	**100**
South32 Hermosa Inc.	Body Corporate	United States	United States	**100**
South32 Holding 1 SpA	Body Corporate	Chile	Chile	**100**
South32 Holding 2 SpA	Body Corporate	Chile	Chile	**100**
South32 International Investment Holdings Proprietary Limited	Body Corporate	Australia	Australia	**100**
South32 International Investment Proprietary Limited	Body Corporate	Australia	Australia	**100**
South32 Investment 1 B.V.[5]	Body Corporate	Netherlands	Netherlands	**100**
South32 Jersey Limited	Body Corporate	Jersey	Australia	**100**
South32 Limited	Body Corporate	Australia	Australia	**100**
South32 Limited Employee Incentive Plans Trust	Trust	N/A	Australia	**N/A**
South32 Marketing Pte. Ltd.	Body Corporate	Singapore	Singapore	**100**
South32 Minerals SA	Body Corporate	Brazil	Brazil	**100**
South32 North America Projects ULC	Body Corporate	Canada	Canada	**100**
South32 Properties (Pty) Ltd	Body Corporate	South Africa	South Africa	**100**
South32 Royalty Investments Pty Ltd	Body Corporate	Australia	Australia	**100**
South32 SA Finance (Pty) Ltd	Body Corporate	South Africa	South Africa	**100**
South32 SA Holdings Ltd	Body Corporate	South Africa	South Africa	**100**
South32 SA Investments Limited	Body Corporate	United Kingdom	United Kingdom	**100**
South32 SA Ltd	Body Corporate	South Africa	South Africa	**100**
South32 SA Manganese Holdings (Pty) Ltd	Body Corporate	South Africa	South Africa	**100**
South32 Sierra Gorda SpA	Body Corporate	Chile	Chile	**100**
South32 South African AllShare Trust	Trust	N/A	South Africa	**N/A**
South32 Sweden Exploration AB	Body Corporate	Sweden	Sweden	**100**
South32 Treasury (USA) Limited	Body Corporate	Australia	Australia	**100**
South32 Treasury Limited	Body Corporate	Australia	Australia	**100**
South32 USA Exploration Inc.[6]	Body Corporate	United States	United States	**100**
South32 Worsley Alumina Pty Ltd	Body Corporate	Australia	Australia	**86**
Southern Abatis Pte Ltd	Body Corporate	Singapore	Australia	**100**
Taragon Valley Pty Limited	Body Corporate	Australia	Australia	**100**

(1) The ownership interest percentage has been rounded to one decimal place.
(2) Bare trusts represent a series of trust deeds that were established to hold assets on behalf of a subsidiary within the Group.
(3) Trustee of a trust which is consolidated in the consolidated financial statements.
(4) Participant in the South32 Worsley Alumina Pty Ltd joint operation which is included in the consolidated financial statements.
(5) Participant in the Mozal SA and Aluminium Management Company of Mozambique (Pty) Limited joint operations which are included in the consolidated financial statements.
(6) Participant in the Ambler Metals LLC joint operation which is included in the consolidated financial statements.

Directors' declaration

In accordance with a resolution of the Directors of the Company, we state that:

1. In the opinion of the Directors:
   (a) The consolidated financial statements and notes that are set out on pages 110 to 167 of the Annual Report are in accordance with the Corporations Act, including:
      (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
      (ii) Complying with Australian Accounting Standards and Corporations Regulations 2001.

   (b) The consolidated entity disclosure statement set out on pages 168 to 169 of the Annual Report, as required by Section 295(3A) of the Corporations Act, is true and correct.
   (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

4. The Directors have been given the declarations required by Section 295A of the Corporations Act from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2024.
5. The Directors draw attention to note 2 to the financial statements on page 115 which includes a statement of compliance with International Financial Reporting Standards Accounting Standards.

Signed in accordance with a resolution of the Board of Directors.

Karen Wood
Chair

Graham Kerr
Chief Executive Officer and Managing Director

Dated 29 August 2024

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To the Directors of South32 Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of South32 Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Graham Hogg
Partner

Perth
29 August 2024

KPMG

Independent auditor's report

To the shareholders of South32 Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of South32 Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group****'s* financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated balance sheet as at 30 June 2024;
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated cash flow statement for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards* and *International Standards on Auditing*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Asset valuation;
- Closure and rehabilitation provision; and
- Sale of Illawarra Metallurgical Coal.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Independent Auditor's Report

Asset valuation (Property, plant & equipment US$6,503m, Intangible assets US$221m, Equity accounted investments US$396m, and Net impairment of non-financial assets from continuing operations US$801m)

Refer to Note 13 *Impairment of non-financial assets* and Note 5 *Expenses excluding finance costs* to the Financial Report

The key audit matter

The assessment of the existence of impairment or reversal indicators and the Group's impairment testing of Cash Generating Units (CGU) and Areas of Interest (AOI), where required, was a key audit matter. This is due to the size of property, plant and equipment, intangible assets and equity accounted investments, and the sensitivity of valuations to certain assumptions.

The Group had previously impaired the carrying value of several CGUs to equate to their recoverable amount, as required by accounting standards. Combined with the volatility in both commodity and foreign exchange markets, this increases the sensitivity of the current carrying values of these CGUs to potential impairment or reversal.

The Group has recorded an impairment charge of $554m (pre-tax) in the Worsley Alumina CGU and of $264m (pre-tax) in the Cerro Matoso CGU resulting from identification of an impairment indicator.

This further increased our audit effort in this key audit area.

The Group uses discounted cash flow (DCF) models to perform their assessment of impairment or reversal indicators and fair value less cost of disposal for impairment testing, where required.

The Group's models use life of operation and project plans, approved budgets, and a range of external sources as inputs to the assumptions. Modelling using forward-looking assumptions tends to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us to address the objectivity of inputs and their consistent application.

We focused on the significant forward-looking assumptions the Group applied in their models, including:

- Forecast commodity prices and foreign exchange rates – the current economic climate has resulted in significant volatility in forecast commodity prices across the Group. The Group's models are sensitive to small changes in these price assumptions, as well as changes to foreign exchange rates.
- Forecast operating cash flows, production volumes, capital expenditure and reserve and resource estimates – these are determined by the Group based on historical performance adjusted for expected changes or plans for development, including consideration of regulatory approvals. This drives additional audit effort specific to the feasibility of the forecasts and consistency with the Group's strategy.
- Discount rates – these are complicated in nature and vary according to the conditions and environment the CGUs are subject to from time to time.
- Carbon price – the Group incorporates carbon price assumptions in its modelling based on enacted local schemes and assumptions of longer-term pricing and timing in the jurisdictions they operate and transact in.

We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.

How the matter was addressed in our audit

Our procedures included:

- We considered the appropriateness of the fair value less cost of disposal method applied by the Group to perform the annual test for impairment against the requirements of the accounting standards.
- On a sample basis, we assessed the integrity and consistency of the models used for impairment testing and assessment of impairment or reversal indicators, including the accuracy of the underlying formulas and consistency of modelling to the prior year.
- We assessed the Group's view of the indicators leading to impairment testing for the Worsley Alumina and Cerro Matoso CGUs. We recalculated the impairment charge and compared to the amounts recognised.
- We compared the forecast operating cash flows, production volumes, capital expenditure and reserve and resource estimates contained in the models to the life of operation plans incorporated in the approved budgets and study estimates incorporated in project plans. We assessed the accuracy of the Group's previous forecasts to assist with this assessment.
- We considered the sensitivity of the models by varying key assumptions, such as forecast commodity prices, foreign exchange rates, costs of production and discount rates, within a reasonably possible range. We did this to identify those CGUs at higher risk of impairment or reversal and to focus our further procedures.
- We assessed the scope, objectivity, and competence of the Group's internal experts responsible for preparation of key resource and reserve estimates and compared these estimates to those incorporated in the life of operation and project plans where applicable.
- We assessed the preparation of key resource and reserve estimates against key requirements of the JORC code, including testing controls over the appointment of Competent Person and assessed declarations made.
- We challenged the Group's significant forecast operating cash flow, capital expenditure and production volume assumptions. We compared key events to the Board approved plan and strategy. We applied increased scepticism to forecasts in the areas where previous forecasts were not achieved. We compared key forecast expenditure to published studies of industry trends and expectations and considered differences for the Group's operations. We used our knowledge of the Group, their past performance, business and customers, and our industry experience.
- Working with our valuation specialists, and considering the risk factors specific to the Group, we compared the discount rates to publicly available market data. We also compared forecast foreign exchange rates to published views of market commentators.
- Working with our valuation specialists, and considering the risk factors specific to the Group, we compared forecast commodity prices to published views of market commentators on future trends.
- We involved our sustainability specialists and inquired of key members of the Group's climate team on their progress of climate-related strategy. We compared those areas identified by the Group having an impact on asset valuation to our knowledge of their industry and business. We tested key climate-related assumptions incorporated into the financial modelling of carbon pricing assumptions against locally enacted country specific schemes and longer term published industry views.
- We assessed the disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

Closure and rehabilitation provision (US$1,938m)

Refer to Note 15 *Provisions* to the Financial Report.

The key audit matter

Closure and rehabilitation provisioning was a key audit matter due to the size of the provision and the judgement involved in determining the provision estimates across multiple sites the Group operates.

Closure and rehabilitation activities are governed by Group policies based on legal and regulatory requirements, which differ across the multiple jurisdictions.

We focused on the following assumptions the Group applied in determining the provisions using their closure and rehabilitation plans:

- Nature and extent of activities required at sites, including the magnitude of disturbance and possible contamination, which are inherently challenging to assess.
- Timing of when closure and rehabilitation will take place, which increases estimation uncertainty given the unique nature of each site and long timeframes involved.
- Forecast cost estimates incorporating historical experience, which may not be a reliable predictor of such costs particularly in an inflationary economy, and risk adjustments. The Group engages external experts periodically to assist in their determination of these estimates.
- Economic assumptions, including country specific discount rates, which are complicated in nature.

How the matter was addressed in our audit

Our procedures included:

- We compared the basis for recognition and measurement of the closure and rehabilitation provision for consistency with environmental and regulatory requirements and criteria in the accounting standards.
- We evaluated the methodology applied by the Company's expert in determining the nature and extent of closure and rehabilitation activities by comparison to industry practice.
- We evaluated key assumptions used in the closure and rehabilitation provision, relevant to the jurisdictions of the sites the Group operates, by:
  - Comparing the nature and extent of activities costed to a sample of the Group's closure and rehabilitation plans and relevant regulatory requirements.
  - Comparing the timing of closure and rehabilitation activities to the Group's resources and reserve estimates and the expected production profile contained in the life of operation plans.
  - Assessing the scope, objectivity and competence of the Group's internal and external experts to provide closure and rehabilitation cost estimates.
  - Comparing a sample of cost estimates of the activities, incorporating allowance for uncertainties, to historical experience and underlying documentation, the Group's external expert estimates, and our knowledge of the Group and its industry.
  - Working with our valuation specialists, comparing country specific discount rate assumptions to market observable data, including risk free rates.
- We assessed the disclosures in the Financial Report using our understanding obtained from our testing against the requirements of the accounting standard.

KPMG

Independent Auditor's Report

Sale of Illawarra Metallurgical Coal (US$1,794m assets and US$558m liabilities and Impairment reversal of non-financial assets from discontinued operations US$197m)

Refer to Note 30 *Assets and liabilities held for sale and a discontinued operation* to the Financial Report and Note 13 *Impairment of non-financial assets*

The key audit matter	How the matter was addressed in our audit
In February 2024, the Group announced an agreement to sell its shareholding in Illawarra Metallurgical Coal (IMC). Several regulatory and third-party approvals needed to be satisfied prior to completion of the sale. As at balance date these had yet to be satisfied. The financial results of IMC are presented as a discontinued operation and its assets and liabilities are presented as held for sale in the Financial Report. The sale is considered a key audit matter due to the: • Financial significance of IMC to the Group. • Judgement applied by the Group in the identification of the disposal group held for sale and the presentation of its results as a discontinued operation. • Judgement involved in determining the impairment reversal recognised related to the cash generating unit. • Judgement to determine the value of the deferred and contingent consideration.	Our procedures included: • We examined the relevant transaction documents to understand the terms and conditions of the sale. • We obtained an understanding of the process for identifying net assets expected to be disposed of. This included walk-through of the process with the Group's respective business and finance teams to check our understanding of the approach and procedures adopted. • We assessed the Group's classification of assets and liabilities recognised as Assets Held for Sale by reconciling balances to underlying records, inspecting required adjustments as stipulated within the share sale agreement and comparing to the requirements of the accounting standards. • We assessed the Group's view of the transaction as an indicator leading to impairment reversal testing for the IMC CGU. We recalculated the impairment reversal charge and compared to the amounts recognised. • We tested key inputs and forward-looking assumptions used in the determination of the fair value of the deferred and contingent consideration to management's production plan and forecast commodity prices to published views of market commentators. • Using our tax specialists, we evaluated the associated tax implications against the requirements of the tax legislation. • We assessed the integrity and accuracy of the calculated profit from the discontinued operation, including impairment reversal of non-financial assets, against the amount recorded and disclosed by the Group. • We assessed the disclosures in the Financial Report using our understanding obtained from our testing against the requirements of the accounting standard.

KPMG

Independent Auditor's Report

Other Information

Other Information is financial and non-financial information in South32's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with Australian Accounting Standards and the *Corporations Regulations 2001*;
- Implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error; and
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards and International Standards on Auditing* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: *https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf*. This description forms part of our Auditor's Report. These responsibilities also apply to our audit performed in accordance with International Standards on Auditing.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration report of South32 Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 87 to 108 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Graham Hogg
Partner

Perth
29 August 2024

RESOURCES AND RESERVES

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As required by Chapter 5 of the Australian Securities Exchange (ASX) Listing Rules, we report Mineral Resources and Ore Reserves (including Coal Resources and Coal Reserves) in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

In this report, information relating to Mineral Resources and Ore Reserves is based on, and fairly represents, information and supporting documentation prepared by our Competent Persons listed on page 179.

A Competent Person is defined in the JORC Code. They must have a minimum of five years of relevant experience in the style of mineralisation or type of deposit under consideration and the activity being undertaken. Each of our Competent Persons involved in the preparation of information relating to Mineral Resources and Ore Reserves in this report meet those requirements.

Each of our Competent Persons have given consent to the inclusion of the information relating to Mineral Resources and Ore Reserves in this report in the form and context in which it appears and have approved the inclusion of the Mineral Resources and Ore Reserves statement as a whole in this report. You can find more details on each of their professional affiliations, employer and areas of accountability on page 179. Unless we state otherwise, all Competent Persons listed are full-time employees at South32, or at one of our related entities.

We report Mineral Resources and Ore Reserves in 100 per cent terms and represent estimates as at 30 June 2024, except for Eagle Downs. The Coal Resource for Eagle Downs is provided as at 12 August 2024, to align with the date on which completion of the sale occurred. A comparison between 30 June 2024 and 12 August 2024 (for Eagle Downs) is provided on page 186. South32 notes that the Coal Resources for Eagle Downs are provided as at 12 August 2024 and therefore include a portion of FY25. Accordingly, there will be no further update provided on the Coal Resources for Eagle Downs in the FY25 Annual Report. Our Mineral Resource estimations include Measured and Indicated Mineral Resources which, after the application of all modifying factors, and development of a mine plan, have been classified as Ore Reserves.

We report all quantities as dry metric tonnes, unless stated otherwise.

At a glance - Resources and Reserves (as at 30 June 2024)

Operations, development projects and options	Total Ore/Coal Reserve (Mt)	Reserve Life Years(1)	Total Mineral/ Coal Resource (Mt)
Worsley Alumina	199	12	1,080
Brazil Alumina (MRN)	41	3.6	503
Sierra Gorda	782	16	1,870
Cannington	11	5.0	80
Hermosa			
Taylor	65	19	153
Clark			55
Peake			3.3
Ambler			
Arctic			43
Bornite			148
Cerro Matoso	29	8.0	300
Australia Manganese	52	5.0	138
South Africa Manganese(2)	93	46	200
Illawarra Metallurgical Coal(2)(3)	97	21	1,170
Eagle Downs(4)			-

(1) Scheduled extraction period in years for the total Ore Reserves in the approved Life of Operation Plan.
(2) Reserve life for South Africa Manganese and Illawarra Metallurgical Coal is reported as the life of scheduled Coal/ Ore Reserves for Wessels and Bulli respectively. The Reserve life for each of the remaining operations is stated in the detailed disclosures that follow.
(3) Coal Reserves in this table are presented as Marketable Coal Reserves. Process recoveries are reported in the detailed disclosures that follow for each coal operation.
(4) Coal Resources estimate reported as at 12 August 2024.

It is important to note that Mineral Resources and Ore Reserves are estimations, not precise calculations. We have rounded tonnes and grade information to reflect the relative uncertainty of the estimate, which is why minor computational differences may be present in the totals.

Our long-range forecasts are the basis for the commodity prices and exchange rates used to estimate the economic viability of Ore Reserves. Our planning processes consider the impacts of climate change on our Ore Reserves estimates, including assessments of operating costs and the impact of extreme weather events on the expectation of economic extraction.

Our Ore Reserves are within existing permitted mining tenements. Our mineral leases are of sufficient duration, or convey a legal right to renew the tenure, to enable all Ore Reserves on the leased properties to be mined in accordance with the current production schedules. These Ore Reserves may include areas where additional regulatory approvals are required, and we expect that such approvals will be obtained within the timeframe needed for the current production schedule.Our expectation is that while future approval conditions may be more onerous than current operating conditions, they would be reasonable, scientifically based and aligned with prevailing legislation.

Our governance arrangements and internal controls

We have internal standards and governance arrangements that cover regulatory requirements for public reporting. To facilitate correct and accurate public reporting with respect to Mineral Resources and Ore Reserves, our governance processes are managed by the Resource and Reserve Governance function in coordination with the Company Secretariat function.

Our comprehensive review and audit program is aimed at assuring our Mineral Resource and Ore Reserve estimates. This includes:

- Annual review of Mineral Resources and Ore Reserves declarations and reports;
- Annual review of reconciliation performance metrics for operating mines;
- Periodic internal mine planning and Ore Reserve audits; and
- Independent audits of Exploration Results, Mineral Resources or Ore Reserves that are new or have materially changed.

In FY24, we undertook four independent assurance audits of Mineral Resource or Ore Reserve estimates and two internal mine planning and Ore Reserve assurance audits. The frequency and scope of the audits are generally a function of the perceived risks and uncertainties associated with a particular Mineral Resource and Ore Reserve.

The accompanying tables, on pages 180 to 186, outline our Mineral/Coal Resources and Ore/Coal Reserves holdings.

Our exploration, research and development

Our operations carry out exploration, research and development necessary to support our activities. Our brownfield exploration activities target the delineation and categorisation of mineral deposits connected or adjacent to our existing operations. Our greenfield exploration activities focus on the discovery and delineation of opportunities outside of our operational footprint, with a bias to base metals.

During FY24 we continued to expand our global exploration footprint. We funded greenfield exploration in Australia, Argentina, Ireland, Canada and the United States of America. Our exploration expenditure for FY24 was US$89 million (FY23: US$107 million) of which US$36 million related to brownfield and US$53 million related to greenfield (FY23: US$36 million and US$71 million respectively).

Competent Persons

Mineral Resources

Worsley Alumina: P Soodi Shoar, MAusIMM

Brazil Alumina:
Mineração Rio Do Norte (MRN): R Aglinskas, MAusIMM, employed by MRN

Sierra Gorda: O Cortez, MAusIMM, employed by Sierra Gorda S.C.M.;
Ian Glacken, FAusIMM (CP), employed by Snowden Optiro

Cannington: S Bowman, MAusIMM

Hermosa:
Taylor, Clark and Peake: P Garretson, MAusIMM

Ambler Metals Joint Venture:
Arctic: M Job, FAusIMM, employed by Cube Consulting
Bornite: S Khosrowshahi, MAusIMM (CP), employed by WSP
T Fouet, MAusIMM (CP)

Cerro Matoso: Ian Glacken, FAusIMM (CP), employed by Snowden Optiro

Australia Manganese:
Groote Eylandt Mining Company (GEMCO): J Harvey, MAusIMM

South Africa Manganese:
Wessels and Mamatwan: J Harvey, MAusIMM

Ore Reserves

Worsley Alumina: U Sandilands, MAusIMM

Brazil Alumina:
MRN: L Diniz Costa, MAusIMM, employed by LHD Mineral Consultancy

Sierra Gorda: Paola Villagran, Registered member of Chilean Mining Commission., employed by Sierra Gorda S.C.M.

Cannington: R Muller, MAusIMM

Hermosa:
Taylor: P Garretson, MAusIMM

Cerro Matoso: N Monterroza, MAusIMM

Australia Manganese:
GEMCO: C Dekker, MAusIMM

South Africa Manganese:
Wessels and Mamatwan: D Takalani, SAIMM, employed by Consulting Evolution Mining

Coal Resources

Illawarra Metallurgical Coal:
Bulli and Wongawilli: M Krejci, MAusIMM

Eagle Downs: M Blaik, MAusIMM, employed by JB Mining Services

Coal Reserves

Illawarra Metallurgical Coal:
Bulli and Wongawilli: M Rose, MAusIMM

Resources and Reserves continued

Accompanying tables

Alumina

Mineral Resources

As at 30 June 2024		Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Mineral Resources			South32 Interest	As at 30 June 2023 Total Mineral Resources		
Deposit[1]	Material Type	Mt	% $A.Al_2O_3$	% $R.SiO_2$	Mt	% $A.Al_2O_3$	% $R.SiO_2$	Mt	% $A.Al_2O_3$	% $R.SiO_2$	Mt	% $A.Al_2O_3$	% $R.SiO_2$	%	Mt	% $A.Al_2O_3$	% $R.SiO_2$
Worsley	Laterite	287	28.6	1.6	412	29.1	2.1	377	28.4	2.1	1,080	28.7	1.9	86	1,100	28.6	1.9
MRN[2][3]	MRN Washed	465	47.4	5.3	3.6	48.9	2.5	34	47.3	5.2	503	47.4	5.2	33	448	49.6	4.2

Ore Reserves

As at 30 June 2024		Proved Ore Reserves			Probable Ore Reserves			Total Ore Reserves			Reserve Life	South32 Interest	As at 30 June 2023 Total Ore Reserves			Reserve Life
Deposit[1][6]	Ore Type	Mt	% $A.Al_2O_3$	% $R.SiO_2$	Mt	% $A.Al_2O_3$	% $R.SiO_2$	Mt	% $A.Al_2O_3$	% $R.SiO_2$	Years	%	Mt	% $A.Al_2O_3$	% $R.SiO_2$	Years
Worsley[4][7]	Laterite	168	28.2	1.6	31	28.0	1.6	199	28.2	1.6	12	86	217	28.1	1.6	13
MRN[2][5]	MRN Washed	38	48.9	4.9	2.9	49.0	4.9	41	48.9	4.9	3.6	33	39	48.7	4.8	4.0

(1) Cut-off grade

	Mineral Resources	Ore Reserves
Worsley	Variable ranging from 22-25% $A.Al_2O_3$, ≤3% $R.SiO_2$ for mineralised material and ≥28% $A.Al_2O_3$, ≤3-5% $R.SiO_2$ for blend material and ≥1m thickness	Variable ranging from 22.5-29% $A.Al_2O_3$, <3-5% $R.SiO_2$ and variable thickness ≥1-2m
MRN	$A.Al_2O_3$ ≥35% and mass recovery ≥50%, for all reported plateaus	Economic cut-off of US$>0 (considering revenue and all cost assumptions); and $R.SiO_2$ <6.5%.

(2) MRN Washed tonnes and grades represent the expected product based on forecast beneficiation yield.
(3) Change in Mineral Resource estimate following review of mineralised envelope.
(4) Ore delivered to Worsley alumina refinery.
(5) Ore delivered to Alumar alumina refinery.
(6) Metallurgical recovery:
Worsley 92.9%
Alumar 91.0%
(7) On 8 July 2024, the Western Australian Environmental Protection Authority (EPA) published its recommendation that the Worsley Mine Development Project may be implemented, subject to conditions. Worsley Alumina considers that several of the recommended conditions go beyond reasonable measures for managing environmental risks of the proposal based on scientific assessment and decades of operating experience and have lodged an appeal in relation to the EPA assessment report. The Competent Person does not foresee any material change to the reported Ore Reserves based on a preliminary assessment of the conditions recommended in the EPA assessment report. The EPA assessment report is available to view on *https://www.epa.wa.gov.au/*

Base Metals

Mineral Resources

As at 30 June 2024																			As at 30 June 2023			
		Measured Mineral Resources				Indicated Mineral Resources				Inferred Mineral Resources				Total Mineral Resources				South32 Interest	Total Mineral Resources			
Deposit[1]	Material Type	Mt	% TCu	g/t Au	% Mo	Mt	% TCu	g/t Au	% Mo	Mt	% TCu	g/t Au	% Mo	Mt	% TCu	g/t Au	% Mo	%	Mt	% TCu	g/t Au	% Mo
Sierra Gorda[2]	OC Sulphide	377	0.40	0.07	0.025	534	0.34	0.06	0.013	906	0.37	0.06	0.013	1,820	0.36	0.06	0.016	45	1,890	0.36	0.06	0.016
	Stockpile					51	0.28	0.05	0.013					51	0.28	0.05	0.013		-	-	-	-

As at 30 June 2024																			As at 30 June 2023			
		Measured Mineral Resources				Indicated Mineral Resources				Inferred Mineral Resources				Total Mineral Resources				South32 Interest	Total Mineral Resources			
Deposit[1]	Material Type	Mt	g/t Ag	% Pb	% Zn	Mt	g/t Ag	% Pb	% Zn	Mt	g/t Ag	% Pb	% Zn	Mt	g/t Ag	% Pb	% Zn	%	Mt	g/t Ag	% Pb	% Zn
Cannington[3]	UG Sulphide	40	165	4.81	2.91	9.8	95	2.80	2.84	3.1	57	2.08	2.52	53	146	4.27	2.88	100	48	155	4.44	2.94
	OC Sulphide	20	113	3.45	2.28	4.9	58	2.22	2.00	1.7	55	2.04	1.48	27	99	3.13	2.18		25	90	2.94	2.14

Ore Reserves

As at 30 June 2024																As at 30 June 2023				
		Proved Ore Reserves				Probable Ore Reserves				Total Ore Reserves				Reserve Life	South32 Interest	Total Mineral Resources				Reserve Life
Deposit[(1)(4)(5)(6)]	Material Type	Mt	% TCu	g/t Au	% Mo	Mt	% TCu	g/t Au	% Mo	Mt	% TCu	g/t Au	% Mo	Years	%	Mt	% TCu	g/t Au	% Mo	Years
Sierra Gorda	OC Sulphide	344	0.41	0.07	0.025	387	0.37	0.06	0.014	731	0.39	0.06	0.020	16	45	-	-	-	-	-
	Stockpile					51	0.28	0.05	0.013	51	0.28	0.05	0.013			-	-	-	-	

As at 30 June 2024																As at 30 June 2023				
		Proved Ore Reserves				Probable Ore Reserves				Total Ore Reserves				Reserve Life	South32 Interest	Total Ore Reserves				Reserve Life
Deposit[(1)(4)(6)]	Ore Type	Mt	g/t Ag	% Pb	% Zn	Mt	g/t Ag	% Pb	% Zn	Mt	g/t Ag	% Pb	% Zn	Years	%	Mt	g/t Ag	% Pb	% Zn	Years
Cannington	UG Sulphide	9.6	189	5.60	3.30	1.5	257	6.35	2.32	11	198	5.70	3.17	5.0	100	15	183	5.33	3.02	6.0

(1) Cut-off grade

	Mineral Resources	Ore Reserves
Cannington	Net smelter return in A$/t	Net smelter return in A$/t
UG Sulphide	130	145
OC Sulphide	58	
Sierra Gorda	Net smelter return in US$/t	
OC Sulphide	>0	>0
Stockpile	No cut-off grade applied	No cut-off grade applied

(2) First time reporting of Mineral Resources estimate of sulphide stockpiles.
(3) Change to Mineral Resource due to updated model methodology, price protocol and mine optimisation.
(4) Ore delivered to process plant.
(5) First time reporting of Ore Reserve estimate.
(6) Metallurgical recoveries:
Cannington 85.8% Ag, 87.6% Pb and 83% Zn
Sierra Gorda 83% TCu, 54% Mo and 47% Au

Base Metals continued

Mineral Resources

As at 30 June 2024		Measured Mineral Resources					Indicated Mineral Resources					Inferred Mineral Resources					Total Mineral Resources					South32 Interest	As at 30 June 2023 Total Mineral Resources				
Deposit[1]	Material Type	Mt	% Zn	% Pb	% Mn	g/t Ag	Mt	% Zn	% Pb	% Mn	g/t Ag	Mt	% Zn	% Pb	% Mn	g/t Ag	Mt	% Zn	% Pb	% Mn	g/t Ag	%	Mt	% Zn	% Pb	% Mn	g/t Ag
Hermosa																						100					
Taylor	UG Sulphide	41	4.22	4.25		67	83	3.38	3.91		76	28	2.96	2.97		93	153	3.53	3.83		77		153	3.53	3.83		77
Clark	UG Oxide	0.4	1.77		8.11	56	35	2.40		9.49	58	20	1.61		8.33	115	55	2.11		9.07	78		55	2.11		9.07	78

As at 30 June 2024		Measured Mineral Resources					Indicated Mineral Resources					Inferred Mineral Resources					Total Mineral Resources					South32 Interest	As at 30 June 2023 Total Mineral Resources				
Deposit[1]	Material Type	Mt	% Cu	% Zn	% Pb	g/t Ag	Mt	% Cu	% Zn	% Pb	g/t Ag	Mt	% Cu	% Zn	% Pb	g/t Ag	Mt	% Cu	% Zn	% Pb	g/t Ag	%	Mt	% Cu	% Zn	% Pb	g/t Ag
Hermosa																						100					
Peake	UG Sulphide											3.3	1.64	0.32	0.61	49	3.3	1.64	0.32	0.61	49		3.3	1.64	0.32	0.61	49

As at 30 June 2024		Measured Mineral Resources						Indicated Mineral Resources						Inferred Mineral Resources						Total Mineral Resources						South32 Interest	As at 30 June 2023 Total Mineral Resources					
Deposit[1]	Material Type	Mt	% Cu	% Zn	% Pb	g/t Ag	g/t Au	Mt	% Cu	% Zn	% Pb	g/t Ag	g/t Au	Mt	% Cu	% Zn	% Pb	g/t Ag	g/t Au	Mt	% Cu	% Zn	% Pb	g/t Ag	g/t Au	%	Mt	% Cu	% Zn	% Pb	g/t Ag	g/t Au
Ambler																										50						
Arctic[2]	OC Sulphide	24	3.14	4.35	0.77	49	0.62	15	2.84	4.46	0.84	46	0.60	3.7	1.84	3.24	0.70	39	0.40	43	2.93	4.30	0.79	47	0.59		37	3.06	4.30	0.77	47	0.60
Bornite	OC Sulphide							40	1.06					38	1.03					78	1.04						78	1.04				
	UG Sulphide													70	2.29					70	2.29						70	2.29				

Ore Reserves

As at 30 June 2024		Proved Ore Reserves				Probable Ore Reserves				Total Ore Reserves				Reserve life	South32 Interest	As at 30 June 2023 Total Mineral Resources				Reserve life
Deposit[1][3][4]	Material Type	Mt	% Zn	% Pb	g/t Ag	Mt	% Zn	% Pb	g/t Ag	Mt	% Zn	% Pb	g/t Ag	Years	%	Mt	% Zn	% Pb	g/t Ag	Years
Hermosa																				
Taylor	UG Sulphide					65	4.35	4.90	82	65	4.35	4.90	82	19	100	-	-	-	-	-

(1) Cut-off grade

	Mineral Resources Net smelter return in US$/t	Ore Reserves Net smelter return in US$/t
Taylor UG Sulphide	80	90
Clark UG Oxide	175	
Peake UG Sulphide	80	
Arctic OC Sulphide	62	
Bornite		
OC Sulphide	0.5% Cu	
UG Sulphide	1.5% Cu	

(2) Change to Mineral Resource due to additional drilling.
(3) First time reporting of Ore Reserve estimate - refer to market release "Final investment approval to develop Hermosa's Taylor deposit" dated 15 Feb 2024.
(4) Metallurgical recoveries: 85% to 92% for Pb in Pb concentrate; 75% to 92% for Zn in Zn concentrate; 52% to 83% for Ag in Pb concentrate; and 7% to 11% for Ag in Zn concentrate.

Nickel

Mineral Resources

As at 30 June 2024		Measured Mineral Resources		Indicated Mineral Resources		Inferred Mineral Resources		Total Mineral Resources		South32 Interest	As at 30 June 2023 Total Mineral Resources	
Deposit[1]	Material Type	Mt	% Ni	Mt	% Ni	Mt	% Ni	Mt	% Ni	%	Mt	% Ni
Cerro Matoso	Laterite	116	0.9	129	0.8	9.0	0.8	254	0.9	99.9	263	0.9
	Stockpile	18	1.0	28	0.8			46	0.9		53	0.9

Ore Reserves

As at 30 June 2024		Proved Ore Reserves		Probable Ore Reserves		Total Ore Reserves		Reserve Life	South32 Interest	As at 30 June 2023 Total Ore Reserves		Reserve Life
Deposit[1][2][3]	Ore Type	Mt	% Ni	Mt	% Ni	Mt	% Ni	Years	%	Mt	% Ni	Years
Cerro Matoso	Laterite	13	1.1	2.8	1.1	16	1.1	8.0	99.9	17	1.2	9.0
	Stockpile	8.1	1.1	5.1	0.9	13	1.0			16	1.0	

(1) Cut-off grade

	Mineral Resources	Ore Reserves
Laterite	0.6% Ni	0.6% Ni
Stockpile	0.6% Ni	0.6% Ni

(2) Ore delivered to process plant.
(3) Global recovery: 80%

Manganese

Mineral Resources

As at 30 June 2024		Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Mineral Resources			South32 Interest	As at 30 June 2023 Total Mineral Resources		
Deposit[1]	Material Type	Mt	% Mn	% Yield	Mt	% Mn	% Yield	Mt	% Mn	% Yield	Mt	% Mn	% Yield	%	Mt	% Mn	% Yield
Australia Manganese														60			
GEMCO	ROM[2]	66	44.8	47	39	41.0	47	21	44.3	45	126	43.5	47		127	43.6	47
	Sands[3]				12	19.8					12	19.8			13	20.0	
		Mt	% Mn	% Fe	Mt	% Mn	% Fe	Mt	% Mn	% Fe	Mt	% Mn	% Fe		Mt	% Mn	% Fe
South Africa Manganese[3]														44.4			
Wessels	Lower Body	26	42.8	12.5	13	43.9	16.3	3.5	45.2	15.1	43	43.3	13.9		46	43.4	13.6
	Upper Body	6.9	41.9	17.6	70	41.0	18.8	12	40.7	21.5	89	41.0	19.1		88	41.0	19.0
Mamatwan	M, C, N Zones	38	36.8	4.5	5.8	36.9	4.7	-	-	-	44	36.8	4.6		47	36.8	4.5
	X Zone	2.9	36.4	4.6	0.1	36.0	5.1	-	-	-	3.0	36.4	4.6		3.2	36.7	4.6
	Top Cut (balance I&O)	18	29.6	5.8	2.7	29.9	5.9	-	-	-	21	29.6	5.8		17	29.7	6.1

Ore Reserves

As at 30 June 2024		Proved Ore Reserves			Probable Ore Reserves			Total Ore Reserves			Reserve Life	South32 Interest	As at 30 June 2023 Total Ore Reserves			Reserve Life
Deposit[1][7]	Ore Type	Mt	% Mn	% Yield	Mt	% Mn	% Yield	Mt	% Mn	% Yield	Years	%	Mt	% Mn	% Yield	Years
Australia Manganese												60				
GEMCO[4][5]	ROM	20	43.2	58	26	41.4	54	46	42.2	56	5.0		42	42.6	56	4.7
	Sands				6.1	40.0	20	6.1	40.0	20			7.0	40.0	22	
		Mt	% Mn	% Fe	Mt	% Mn	% Fe	Mt	% Mn	% Fe			Mt	% Mn	% Fe	
South Africa Manganese[6]												44.4				
Wessels	Lower Body	6.0	43.2	10.4	7.2	44.1	17.6	13	43.7	14.3	46		15	43.9	13.8	41
	Upper Body	3.9	42.1	17.6	39	41.2	18.7	43	41.3	18.6			43	41.2	18.6	
Mamatwan	M, C, N Zones	23	36.0	4.4	14	36.2	4.6	37	36.1	4.5	13		41	36.6	4.6	13

(1) Cut-off grade

		Mineral Resources	Ore Reserves
GEMCO	ROM	≥35% Mn washed product.	≥36% average Mn washed product per ore mining block.
	Sands	No cut-off grade applied.	No cut-off grade applied.
Wessels		≥37.5% Mn	≥ 37.5% Mn
Mamatwan	M, C, N Zones	No cut-off grade applied.	No cut-off grade applied.
	X Zone	≥35% Mn	
	Top Cut (balance I&O)	≥28% Mn	

(2) Mineral Resource tonnes are stated as in situ, manganese grades are stated as per washed ore samples and should be read together with their respective mass recovery expressed as yield.
(3) Mineral Resource tonnes and grades are stated as in-situ.
(4) Ore Reserve tonnes are stated as delivered to process plant, manganese grades are stated as expected product and should be read together with their respective mass yields.
(5) Change to Ore Reserve due to change in assumptions to optimise ore recovery above cut-off parameters.
(6) Ore delivered to process plant.
(7) Metallurgical/Plant recoveries:
GEMCO See yield in Ore Reserves Table.
Wessels 97%
Mamatwan 93%

Metallurgical Coal

Coal Resources

As at 30 June 2024			Measured Coal Resources				Indicated Coal Resources				Inferred Coal Resources				Total Coal Resources				South32 Interest	As at 30 June 2023 Total Coal Resources			
Deposit[1]	Mining Method	Coal Type	Mt	% Ash	% VM	% S	Mt	% Ash	% VM	% S	Mt	% Ash	% VM	% S	Mt	% Ash	% VM	% S	%	Mt	% Ash	% VM	% S
Illawarra Metallurgical Coal[2]																			100				
Bulli	UG	Met/Th	173	11.4	24.0	0.36	281	12.3	23.6	0.35	303	13.4	23.0	0.35	757	12.5	23.4	0.36		769	12.5	23.5	0.36
Wongawilli	UG	Met/Th	60	29.1	23.2	0.59	224	29.8	22.2	0.57	129	30.1	22.4	0.57	413	29.8	22.4	0.57		419	29.8	22.2	0.57
Eagle Downs[3]	UG	Met	759	29.4	15.0	0.46	201	28.7	14.7	0.48	183	30.0	14.8	0.47	1,140	29.4	14.9	0.47	50	1,140	29.4	14.9	0.47

Coal Reserves

As at 30 June 2024			Proved Coal Reserves	Probable Coal Reserves	Total Coal Reserves	Proved Marketable Coal Reserves				Probable Marketable Coal Reserves				Total Marketable Coal Reserves				Reserve Life	South32 Interest	As at 30 June 2023 Total Marketable Coal Reserves				Reserve Life
Deposit[1][4][5][6]	Mining Method	Coal Type	Mt	Mt	Mt	Mt	% Ash	% VM	% S	Mt	% Ash	% VM	% S	Mt	% Ash	% VM	% S	Years	%	Mt	% Ash	% VM	% S	Years
Illawarra Metallurgical Coal																			100					
Bulli	UG	Met	14	89	103	11	8.9	24.2	0.36	75	8.9	24.7	0.35	86	8.9	24.6	0.35	21		88	8.9	24.6	0.35	23
Wongawilli	UG	Met/Th	8.0	6.9	15													8.0						8.9
	UG	Met				3.9	10.8	23.1	0.58	3.4	10.8	22.8	0.59	7.3	10.8	23.0	0.59			6.9	10.8	23.1	0.58	
	UG	Th				2.0	28.0			1.7	28.0			3.7	28.0					3.7	28.0			

(1) Cut-off grade

Coal Resources
No seam thickness cut-off applied, minimum thickness is economic.

Coal Reserves
No seam thickness cut-off applied, minimum thickness within the mine layout is economic.

(2) Coal Resource tonnes are reported on an in-situ moisture basis, Ash is reported as raw, VM and S are reported as potential product on air-dried basis.
(3) Coal Resource tonnes are reported on an in-situ moisture basis, Ash, VM and S reported as raw.
(4) Total Coal Reserves are at the moisture content when mined (6% Bulli, 8% Wongawilli), Total Marketable Coal Reserves are the tonnes of coal available at moisture content (8.5% Bulli, 15% Wongawilli Met, 6% Wongawilli Th) and air-dried qualities after the beneficiation of the Total Coal Reserves.
(5) Coal delivered to wash plant.
(6) Process recoveries:
Bulli 84%
Wongawilli 73%

Resources and Reserves continued

Metallurgical Coal

Coal Resources

As at 12 August 2024[1]																			As at 30 June 2024			
			Measured Coal Resources				Indicated Coal Resources				Inferred Coal Resources				Total Coal Resources				South32 Interest	Total Coal Resources			
Deposit	Mining Method	Coal Type	Mt	% Ash	% VM	% S	Mt	% Ash	% VM	% S	Mt	% Ash	% VM	% S	Mt	% Ash	% VM	% S	%	Mt	% Ash	% VM	% S
Eagle Downs[2]	UG	Met	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,140	29.4	14.9	0.47

(1) Coal Resource estimate for and Eagle Downs will not be included in FY25 Annual Report.
(2) Eagle Downs Assests divested from South32 on 12 August 2024

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Voting rights for shares

South32 Limited ordinary shares carry voting rights of one vote per share.

Shareholders may hold a beneficial entitlement to South32 Limited dematerialised ordinary shares, United Kingdom (UK) Depositary Interests and American Depositary Shares (ADS) through the Central Securities Depositories of Strate (Strate), CREST and the Depository Trust Company, respectively. Each share held dematerialised in Strate, or as a Depositary Interest held in CREST, entitles the holder to one vote. Each ADS is represented by five ordinary shares, with ADS voting managed by South32 Limited's ADS Depositary.

Substantial shareholders

The following table shows the substantial shareholders who, together with their associates, hold five per cent or more of the voting rights in South32 Limited, as notified to South32 Limited under the Corporations Act, as at 31 July 2024.

Name	Date notice received	Number of shares in notice	Percentage of capital in notice
BlackRock Group	8 December 2021	318,403,413	6.84
State Street Corporation	3 May 2024	273,738,762	6.04
Vanguard Group	31 January 2024	276,360,221	6.102

Distribution of shareholdings and number of shareholders

The following table shows the distribution of South32 Limited shareholders by size of shareholding and number of shareholders and shares as at 31 July 2024.

Size of holding	Number of shareholders	Number of shares	Percentage of capital
1 – 1,000	114,068	54,483,348	1.20
1,001 – 5,000	83,599	205,536,540	4.54
5,001 – 10,000	25,099	184,467,994	4.07
10,001 – 100,000	23,448	541,314,432	11.95
100,001 and over	789	3,543,456,254	78.23
Total	247,003	4,529,258,568	100.00

Distribution of rights holdings and number of rights holders

The following table shows the distribution of rights holders in South32 Limited by size of rights holding and number of rights holders and rights as at 31 July 2024.

Size of holding	Number of rights holders	Number of rights	Percentage of rights on issue
0 - 1,000	1,000	599,680	1.26
1,001 - 5,000	6,090	7,853,775	16.48
5,001 - 10,000	7	52,572	0.11
10,001 - 100,000	103	5,252,446	11.02
100,001 and over	68	33,890,232	71.13
Total	7,268	47,648,705	100.00

Twenty largest shareholders in South32 Limited

The following table sets out the 20 largest shareholders of ordinary shares listed on the South32 Limited share register and the details of their shareholding as at 31 July 2024.

Name		Number of fully paid shares	Percentage of capital
1	HSBC Custody Nominees (Australia) Limited	1,136,707,884	25.10
2	J P Morgan Nominees Australia Pty Limited	918,427,450	20.28
3	Citicorp Nominees Pty Ltd	421,347,684	9.30
4	South Africa Control A/C\C	316,660,868	6.99
5	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	110,014,206	2.43
6	Citicorp Nominees Pty Limited <Citibank Ny Adr Dep A/C>	82,102,155	1.81
7	National Nominees Limited	76,428,547	1.69
8	Computershare Clearing Pty Ltd <Ccnl Di A/C>	55,416,224	1.22
9	BNP Paribas Noms Pty Ltd	47,816,948	1.06
10	HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	32,689,685	0.72
11	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	19,813,190	0.44
12	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	16,740,792	0.37
13	Cpu Share Plans Pty Ltd <S32 Asp Unallocated A/C>	14,936,429	0.33
14	BNP Paribas Nominees Pty Ltd <Clearstream>	9,483,433	0.21
15	Netwealth Investments Limited <Wrap Services A/C>	9,142,788	0.20
16	HSBC Custody Nominees (Australia) Limited	8,114,733	0.18
17	HSBC Custody Nominees (Australia) Limited - A/C 2	7,163,555	0.16
18	UBS Nominees Pty Ltd	6,503,121	0.14
19	Prudential Nominees Pty Ltd	6,000,000	0.13
20	Merrill Lynch (Australia) Nominees Pty Limited	5,913,643	0.13
Total		3,301,423,335	72.89

Restricted and escrowed securities

As at 31 July 2024, South32 Limited does not have any restricted securities or securities subject to voluntary escrow on issue.

Shareholders with less than a marketable parcel

As at 31 July 2024, there were 12,793 shareholders on the Australian South32 Limited register holding less than a marketable parcel (A$500) based on the closing market price of A$$3.07.

On-market purchases of South32 Limited securities for employee incentive plans

The Group purchased South32 Limited ordinary shares on-market through the Company's employee share plan trusts for the purposes of the South32 Equity Incentive Plans.

During FY24, 4,300,000 shares were purchased on-market for the Australian ESOP Trust. The average price at which the shares were purchased was A$3.39.

No shares were purchased for the South African ESOP Trust during FY24.

In addition, 45,048 shares were purchased on-market and immediately distributed to Canadian based employees on vesting of rights. The average price at which the shares were purchased was A$3.47.

Dividend policy

Our dividend policy is determined by the Board at its discretion. Our priorities for cash flow are to maintain safe and reliable operations and an investment grade credit rating through the cycle.

Our current dividend policy is that South32 Limited intends to distribute a minimum of 40 per cent of Underlying earnings as ordinary dividends to our shareholders following each six-month reporting period. South32 Limited intends to distribute dividends with the maximum practicable franking credits for the purposes of the Australian dividend imputation system.

Dividend determination and payment

Our dividends are determined in United States (US) dollars.

Dividends for shareholders of South32 Limited on the Australian register are paid by direct credit into shareholders' nominated bank account in Australian dollars, UK pounds sterling, New Zealand dollars or US dollars, provided direct credit details and currency election information is submitted no later than close of business on the dividend record date as stated in the relevant Australian Securities Exchange (ASX) announcement.

Dividends for shareholders of South32 Limited on the South African branch register and UK Depositary Interest holders are paid by direct credit in South African rand and UK pounds sterling, respectively.

Refer to the Investors section at *www.south32.net* for further information about dividends.

Capital management program[1]

In February 2024, to manage our financial position and retain the right balance of flexibility, efficiency and prudence, we cancelled our on-market share buy-back, which was due to expire on 1 March 2024. The on-market share buy-back was initially announced on 27 March 2017 and purchasing commenced on 19 April 2017. Between the commencement of purchasing under the on-market share buy-back on 19 April 2017 and 30 June 2024, South32 Limited purchased a total of 794.5 million shares, which represented 15 per cent of share capital at the commencement of the program. The total consideration paid for the shares bought back up to 30 June 2024 was US$1.7 billion.

During the year ended 30 June 2024, South32 Limited purchased 16 million shares under the on-market share buy-back, which represented two per cent of share capital at the beginning of the financial year. Total consideration paid for these shares was US$35 million. The shares have no par value. The shares purchased by South32 Limited under the on-market share buy-back have been cancelled.

(1) Numbers in this section are subject to rounding.

As at 30 June 2024, we have returned a total of US$2.3 billion to our shareholders under our capital management program, comprising US$1.7 billion via our on-market share buy-back and special dividends of US$154 million (paid in 2018), US$85 million (paid in 2019), US$53.5 million (paid in 2020), US$93 million (paid in 2021) and US$139 million (paid in 2022).

On 29 August 2024, we announced our intention to allocate US$200 million through our ongoing capital management program, to be returned to shareholders via an on-market share buy-back, commencing from completion of the sale of Illawarra Metallurgical Coal. This will take returns under our capital management program to US$2.5 billion, with the US$200 million increase in the program to be returned to shareholders by 12 September 2025.

Annual General Meeting (AGM)

Our 2024 AGM is scheduled to be held on Thursday 24 October 2024 at 12.00pm (midday) Australian Western Standard Time as a hybrid meeting, providing shareholders with the opportunity to attend physically or online. If it becomes necessary or appropriate to make alternative or supplementary arrangements, we will provide an update. Further details regarding the AGM will be made available in September 2024, and shareholders are encouraged to monitor securities exchange releases and *www.south32.net* for information and updates.

Addresses delivered at the AGM, together with the results of voting, will be provided to all stock exchanges where we are listed and will be available at *www.south32.net*.

Stock exchanges

As at 31 July 2024, South32 Limited has a primary listing on the ASX, a secondary listing on the Johannesburg Stock Exchange and is admitted to listing in the equity shares (international commercial companies secondary listing) category of the Official List in the UK and its ordinary shares are traded on the London Stock Exchange. South32 Limited also has a Level 1 American Depositary Receipts (ADR) program, which trades in the US over-the-counter market.

Shareholder enquiries

Shareholders can access their current holding details as well as their transaction history, view dividend statements and payments made, download statements and documents, change their address, update their communication preferences and banking details, and check their tax details online via Computershare's Investor Centre at *www.computershare.com*.

Alternatively, refer to the following contacts:

Share registries

Australia

Computershare Investor Services Pty Limited
Yarra Falls 452 Johnston Street
Abbotsford Victoria 3067
Australia

Telephone (Australia):	1800 019 953
Telephone (International):	+61 3 9415 4169
Facsimile:	+61 3 9473 2500

South Africa

Computershare Investor Services (Pty) Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank 2196
South Africa

Telephone:	+27 11 373 0033
Facsimile:	+27 11 688 5217

Email enquiries:
web.queries@computershare.co.za

Holders of shares dematerialised into Strate should contact their Central Securities Depository Participant or stockbroker.

United Kingdom

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZZ
United Kingdom

Telephone:	+44 370 873 5884
Facsimile:	+44 370 703 6101

Email enquiries:
web.queries@computershare.co.uk

ADR

ADR holders should deal directly with Citibank Shareholder Services.

Citibank Shareholder Services
PO Box 43077 Providence
Rhode Island 02940-3077

Telephone:	+1 877 248 4237
	(+1-877-CITIADR) (toll-free within US)
	+1 781 575 4555 (outside of US)
Facsimile:	+1 201 324 3284

Email enquiries:
citibank@shareholders-online.com
Website: *www.citi.com/dr*

Branches

In accordance with DTR 4.1.11R(5), South32 Limited, through various subsidiaries, has established branches in different jurisdictions in which the business operates.

Registered office

South32 Limited's Registered Office is Level 35, 108 St Georges Terrace, Perth WA 6000, Australia.

Information regarding South32's other office locations is included in the Corporate directory on page 199.

Electronic communications

Shareholders are encouraged to access all South32 communications electronically. Shareholders that wish to receive electronic communications can update their preferences online or by contacting the relevant Computershare Investor Centre. Refer to the Investors section at *www.south32.net* for further details on how to receive shareholder communications.

Glossary of terms and abbreviations

AASB
Australian Accounting Standards Board.

Adjusted return on invested capital (ROIC)
Calculated as Underlying EBIT, adjusted for uncontrollable and one-off impacts in the current financial year, less the discount on rehabilitation provisions included in net finance cost, tax effected by the Group's prior period Underlying effective tax rate (ETR) including our material equity accounted investments on a proportional consolidated basis, divided by the sum of fixed assets (excluding any rehabilitation assets, the impairment reversal of Brazil Aluminium, and unproductive capital) and inventories. Underlying EBIT is adjusted by excluding the current period impacts of foreign currency on revenue and cost, and commodity prices on revenue and associated price-linked costs, less the discount on rehabilitation provisions included in net finance cost, and tax effected by the Group's prior period Underlying effective tax rate.

AGM
Annual General Meeting.

Alumina
Aluminium oxide (Al_2O_3). Alumina is produced from bauxite in the Bayer refining process. It's then converted (reduced) in an electrolysis cell to produce aluminium metal.

American Depositary Receipts (ADR)
An ADR is a security that represents shares of non-U.S. companies that are held by a U.S. depositary bank outside the United States.

AO
Officer of the Order of Australia.

Ash
Inorganic material remaining after combustion of coal.

ASX
ASX Limited or Australian Securities Exchange.

ASX Listing Rules
The rules governing the listing of an entity and the quotation of its securities on the ASX.

ASX Listing Rules (Chapter 5)
This chapter of the ASX Listing Rules sets out additional reporting and disclosure requirements for mining entities, oil and gas entities, and other entities reporting on mining and oil and gas activities.

Australian Securities and Investments Commission (ASIC)
The independent Australian Government body that is Australia's integrated corporate, markets, financial services and consumer credit regulator.

Baseline water stress
The ratio of total annual water withdrawals to total available renewable surface and groundwater supplies, accounting for upstream consumptive use. Higher values indicate more competition among users. The values and definition of baseline water stress have been derived from World Resources Institute (WRI) Aqueduct 4.0: Updated Decision-Relevant Global Water.

Bauxite
Principal commercial ore of aluminium.

B-BBEE
Broad-Based Black Economic Empowerment.

Beneficiation
The process of physically separating ore from gangue to produce a mineral concentrate prior to subsequent processing.

BHP
BHP, formerly known as BHP Billiton, is the group of companies headed by, and including, BHP Group Ltd and BHP Group plc.

Biodiversity
Refers to the variety of life on Earth – the different animals, plants and micro-organisms, their genetic diversity and the ecosystems of which they are a part.

Black People
As defined in the *Broad-Based Black Economic Empowerment Amendment Act 2013* (South Africa), a generic term meaning Africans, Coloureds and Indians who are citizens of the Republic of South Africa by birth or descent; or who become citizens of the Republic of South Africa by naturalisation before 27 April 1994 or on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date.

Board
The Board of Directors of South32 Limited.

Brownfield
An exploration or development project located within an existing mineral province, which can share infrastructure and management with an existing operation.

Catchment
The area of land from which all surface runoff and subsurface water flows through a sequence of streams, rivers, aquifers and lakes into the sea or another outlet at a single river mouth, estuary, or delta. Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as 'watersheds' or 'basins' (or sub-basins).

CCAP
Climate Change Action Plan prepared in FY2022 which can be found in our 2022 Sustainable Development Report available at *www.south32.net*.

CEO
Chief Executive Officer.

CFO
Chief Financial Officer.

Coal Reserve
The same meaning as Ore Reserve, but specifically concerning coal.

Coal Resource
The same meaning as Mineral Resource, but specifically concerning coal.

CO_2-e
Carbon dioxide equivalent.

Coking coal
Used in the manufacture of coke, which is used in the steelmaking process by virtue of its carbonisation properties. Coking coal is a form of, and may also be referred to as, metallurgical coal.

Competent Person
A minerals industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Professional Organisation', as included in a list available on the JORC and ASX websites. These organisations have enforceable disciplinary processes, including the powers to suspend or expel a member. A Competent Person must have a minimum of five years' relevant experience in the style of mineralisation or type of deposit under consideration and in the activity that the person is undertaking (JORC Code).

Contextual water target
A contextual water target is a specific timebound target that is set to deliver an intended outcome based on the environmental and social context of the local catchment.

Contractor
A contractor is an employee of a company contracted by the employer to do work on its behalf and under its control with respect to location, work practices and application of health and safety standards.

COO
Chief Operating Officer.

Copper equivalent production
Copper equivalent production is calculated by accumulating revenue using average realised prices for all operations and dividing by the average realised price of copper.

Corporations Act
Corporations Act 2001 (Cth).

Cost, Insurance, and Freight (CIF)
A contractual term defining responsibilities and division of cost and risk between buyer and seller, in which the seller is responsible for clearing the goods for export and bears the cost of freight and insurance to the named port of destination. The buyer assumes all risks and costs for unloading the goods and clearing the goods for import. Risk passes from seller to buyer once the goods are on board the vessel at the port of shipment.

COVID-19
Coronavirus disease (COVID-19) is an infectious disease caused by the SARS-CoV-2 virus.

CTO
Chief Technical Officer.

Cut-off grade
The lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. It may be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification (JORC Code).

CYXXX
Refers to the calendar year ending 31 December 20XX, where XX is the two-digit number for the year.

Decarbonisation
Avoiding or reducing the greenhouse gas emissions associated with an activity.

Demerger
The separation of assets from BHP effected in May 2015 to create a separate entity South32 Limited, listed on the ASX, LSE and JSE.

Dewatering
Dewatering is the interception and removal of water from operational areas.

DTR
UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules. A reference to DTR followed by a number is a specific rule under the DTR.

EBIT
Earnings before interest and tax.

EBITDA
Earnings before interest, tax, depreciation and amortisation.

Effective tax rate (ETR)
Income tax expense/benefit divided by profit/loss subject to tax.

Employee
Any person in full-time, part-time or casual employment engaged by South32 on a temporary or permanent basis pursuant to a contract of service.

Employee Share Ownership Plan (ESOP) Trusts
The trusts which purchase and hold South32 Limited shares for the purpose of the South32 Equity Incentive Plans. South32 has an Australian ESOP Trust and South African ESOP Trust.

Energy coal
Used as a fuel source in electrical power generation, cement manufacture and various industrial applications. Energy coal may also be referred to as steaming or thermal coal.

Environmental incident
Any event with an impact to land, biodiversity, ecosystem services, water resources or air.

ESG
Environmental, social and governance.

EthicsPoint
A 24/7 confidential reporting hotline that is serviced by an independent provider.

Executive KMP
Lead Team members who are classified as KMP.

Exploration Results
Exploration Results include data and information generated by mineral exploration programs that might be of use to investors but which do not form part of a declaration of Mineral Resources or Ore Reserves (JORC Code).

Exploration Target
An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

External Auditor
KPMG.

Fatality
A health or safety event where an injury or occupational illness has caused the death of one or more person(s).

FAusIMM
Fellow of the Australasian Institute of Mining and Metallurgy.

FAusIMM (CP)
Fellow of the Australasian Institute of Mining and Metallurgy. Accredited Chartered Professional status of members of the AusIMM. These members have undergone an assessment of their competencies, which are maintained through continuing professional development activities.

Flotation
A method of selectively recovering minerals from finely ground ore using a froth created in water by specific reagents. In the flotation process, certain mineral particles are induced to float by becoming attached to bubbles of froth and the unwanted mineral particles sink.

Free cash flow
Free cash flow represents operating cash flows including distributions received from equity accounted investments, and after interest (paid)/received, tax (paid)/received and capital expenditure.

Free On Board (FOB)
A contractual term defining responsibilities and division of cost and risk between buyer and seller, in which the seller is responsible for clearing the goods for export and loading them on board the vessel at the named port of shipment. The buyer assumes all risks and costs for goods from this moment forward Including the cost of freight and insurance.

FX
Foreign exchange.

FYXX
Refers to the financial year ending 30 June 20XX, where XX is the two-digit number for the year.

Gearing
The ratio of (net debt/(cash)) to (net debt/(cash)) plus net assets.

GEMCO
Groote Eylandt Mining Company.

Global Reporting Initiative (GRI)
GRI is an international independent organisation that has established an international framework and standards for sustainability reporting. South32 prepares our Group-level annual Sustainable Development Report in accordance with the GRI Sustainability Reporting Standards.

Goal
The use of this term in the context of climate change in this report means an aspiration to deliver an outcome for which we have not identified a pathway for delivery, but for which efforts will be pursued towards achieving that outcome, subject to certain assumptions or conditions.

Grade
Any physical or chemical measurement of the characteristics of the material of interest in samples or product (JORC Code).

Greenfield
An exploration or development project that refers to a new venture or operation, without any association or proximity to a current operation.

Greenhouse gas (GHG) emissions
For our reporting purposes, GHG emissions are the combined anthropogenic emissions of carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6). They are measured in carbon dioxide equivalent (CO_2-e). Hydrofluorocarbons (HFCs) GHG emissions are currently not relevant for our reporting purposes.

- Scope 1 emissions - GHG emissions from our own operations, including the electricity we generate at our sites.
- Scope 2 emissions - Indirect GHG emissions from the generation of purchased electricity.
- Scope 3 emissions - GHG emissions in the value chain.

HY1 FYXX
Refers to the 6 months starting on 1 July 20XX and ending on 31 December 20XX, where XX is the two-digit number for the year.

HY2 FYXX
Refers to the 6 months starting on 1 January 20XX and ending on 30 June 20XX, where XX is the two-digit number for the year.

HMM
Hotazel Manganese Mines.

ICMM
ICMM, previously referred to as the International Council on Mining and Metals, is an international organisation that leads through collaboration to enhance the contribution of mining and metals to sustainable development. As a corporate member, South32 commits to implementing and reporting on the ICMM Mining Principles, Performance Expectations and mandatory requirements set out in the Position Statements, which define environmental, social and governance requirements.

IMC
Illawarra Metallurgical Coal.

Indicated Mineral Resource
That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence. This allows the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit (JORC Code).

Indigenous, Traditional and Tribal Peoples
We use the defined term 'Indigenous, Traditional and Tribal Peoples' as per the We use the defined term 'Indigenous, Traditional and Tribal Peoples' as per the definition and guidance set out in the Indigenous and Tribal Peoples Convention, 1989 (No. 169). We use this term inclusively to encompass the diversity of worldwide Indigenous, Traditional and Tribal Peoples, including but not limited First Nations, Native Americans, Traditional Owners, Aboriginal and Torres Strait Islander Peoples and other land connected communities. We recognise that no single definition can fully capture the diversity of Indigenous, Traditional and Tribal Peoples.

Inferred Mineral Resources
That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity (JORC Code).

Injury
An occupational injury occurs during a single work shift or a single exposure to an agent(s) causing an acute toxic effect, which can be identified by time and place resulting from direct contact with an object following an instantaneous event. Examples include cut, puncture, laceration, abrasion, fracture, bruise, contusion, chipping tooth, amputation, insect bite, electrocution, or a thermal, chemical, electrical or radiation burn. Sprain and strain injuries to muscles joints connective tissue are classified as injuries when they result from a slip, trip, fall or other similar accidents.

International Financial Reporting Standards (IFRS)
Accounting standards as issued by the IASB (International Accounting Standards Board).

JORC
Joint Ore Reserves Committee comprising representatives of The Australasian Institute of Mining and Metallurgy (AusIMM), Australian Institute of Geoscientists (AIG) and Minerals Council of Australia (MCA) as well as the Australian Securities Exchange (ASX), the Financial Services Institute of Australasia (FinSIA) and the accounting profession.

JORC Code
The Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition prepared by the JORC.

JSE
Johannesburg Stock Exchange.

Just transition
The concept of a just transition reflects the imperative of managing the social impacts, risks and opportunities of the transition to a low-carbon world. It is an approach to decarbonisation that seeks to centre the interests of those that are most affected by it, including workers, communities, and suppliers of goods and services.

KMP
Key management personnel are people who have authority and responsibility for planning, directing and controlling the activities of South32 either directly or indirectly.

Laterite
A residual soil or deposit formed by the leaching of silica from rocks under specific climatic conditions.

Leaching
The process by which a soluble metal can be economically recovered from minerals in ore by dissolution.

Lead Team
All Chief positions within South32.

Life of Operation Plan
The combination of an Optimised Base Plan and incremental opportunities available to the operation for maximising value. Mining related terms continued Marketable Coal Reserves Represents beneficiated or otherwise enhanced coal product where modifications due to mining, dilution and processing have been considered (JORC Code).

LME
London Metal Exchange.

Local procurement
Local procurement is the direct purchase of goods and services within the local communities in which South32 operates. Suppliers are deemed as local based on their proximity to our local communities, including boundaries defined by local government areas, provinces and states.

Lost time injury
The sum of work-related (fatalities + injuries that caused permanent impairment >30 per cent of body + lost time injuries). Lost time injuries include injuries that result in one or more lost work day after the day of the event.

Lost Time Injury Frequency (LTIF)
The sum of (Lost Time injuries x 1,000,000) ÷ exposure hours, for employees and contractors. This is stated in units of per million hours worked for employees and contractors. We adopt the United States Government Occupational Safety and Health Administration (OSHA) guidelines for the recording and reporting of occupational injuries and illnesses.

Low-carbon
Refers to lower levels of GHG emissions when compared to the current state. Where used in relation to South32's products or portfolio, it refers to enhancement of existing methods, practices and technologies to substantially lower the level of embodied GHG emissions as compared to the current state.

Low-carbon aluminium
Aluminium produced in a process that results in less than 4t CO_2-e Scope 1 and Scope 2 GHG emissions per tonne of aluminium.

LSE
London Stock Exchange.

LTI
Long-term incentive.

Management roles
Leadership positions filled by employees, identified either by job grading (Level 13 or higher) or by the requirements associated with their role.

Margin on third party products
Comprises Underlying EBIT on third party products and services, divided by underlying revenue on third party products and services.

Marketable Coal Reserves
Represents beneficiated or otherwise enhanced coal product where modifications due to mining, dilution and processing have been considered (JORC Code).

Material Health Exposures
Material health exposures include potential exposure to carcinogens and airborne contaminants.

Material sustainability topic
Topic that reflects a reporting organisation's significant economic, environmental, and social impacts or that substantively influences the assessments and decisions of stakeholders.

MAusIMM
Member of the Australasian Institute of Mining and Metallurgy.

MAusIMM (CP)
Accredited Chartered Professional status of members of the AusIMM. These members have undergone an assessment of their competencies, which are maintained through continuing professional development activities.

Measured Mineral Resource
That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit (JORC Code).

Metallurgical coal
A broader term than coking coal that includes all coals used in steelmaking, such as coal used for the pulverised coal injection process.

Mineral Resource
A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories (JORC Code).

Mineralisation
Any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest (JORC Code).

Modern slavery
The term modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. As defined by the *Australian Modern Slavery Act 2018* (Cth) modern slavery include eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. The worst forms of child labour means situations where children are subjected to slavery or similar practices, or engaged in hazardous work.

Modifying Factors
Considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors (JORC Code).

MRN
Mineração Rio do Norte.

Nature positive
A high-level goal and concept describing a future state of nature (e.g., biodiversity, ecosystem services and natural capital) that is greater than the current state.

Net cash
Comprises cash and cash equivalents less interest-bearing liabilities.Net debt Comprises interest bearing liabilities less cash and cash equivalents.

Net operating assets
Represents operating assets net of operating liabilities which predominantly exclude the carrying amount of non-material equity accounted investments, cash, interest bearing liabilities, tax balances and certain other financial assets and liabilities.

Net zero
Net zero greenhouse gas emissions are reached when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period.

No net loss
The impacts on biodiversity caused as a result of a development project/activities are balanced (so that no net loss remains) by rigorous application of the mitigation hierarchy:

- Avoid
- Minimise and mitigate negative impacts;
- Rehabilitate or restore affected areas; and
- Offset the residual impacts.

Non-operated joint ventures
Operations which are not wholly owned by South32 Limited or its subsidiaries and for which South32 does not manage the operation, being Brazil Alumina, Brazil Aluminium, Sierra Gorda S.C.M, Ambler Metals, Mineração Rio do Norte S.A (MRN) and Port Kembla Coal Terminal (PKCT). Details of South32's ownership interest can be found on page 56 to 66 of this report, except for Ambler Metals in which a 50 per cent interest is held and PKCT in which a 16.67 per cent interest is held.

Net smelter return
An estimate of revenue derived from the sale of products and concentrates following the application of metallurgical recoveries and deducting transport costs, treatment and refining charges, penalties and royalties. For Sierra Gorda, mining cost is also included in the calculation.

Occupational Exposure Limit (OEL)
The concentration of a substance or agent, exposure to which, according to current knowledge, should not cause adverse health effects nor cause undue discomfort to nearly all workers.

Occupational illness
An occupational illness is any abnormal condition or disorder, other than one resulting from an occupational injury, caused or aggravated by exposures to factors associated with employment. It includes acute or chronic illnesses or diseases which may be caused by inhalation, absorption, ingestion, or direct contact.

Operated joint ventures
Operations which are not wholly owned by South32 Limited or its subsidiaries and for which South32 manages the operation, being, Australia Manganese, South Africa Manganese, Mozal Aluminium, Eagle Downs Metallurgical Coal and Chita Valley. Details of South32's ownership interest can be found on page 56 to 66 of this report, except for Chita Valley in which a 50.1 per cent interest is held.

Operational GHG emissions
Scope 1 and 2 GHG emissions from our operated assets.

Operational Leadership Team
All General Managers and Managers reporting to Vice President Operations including Functional Managers such as Human Resources, Finance and Supply, etc. (limited to one per function).

Ore Reserve
The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Prefeasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified (JORC Code).

Our people
As defined in our Code of Business Conduct, our people includes South32 Directors, executive management, employees and contractor staff.

Paris Agreement
A legally binding international treaty on climate change that aims to bring all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects, with enhanced support to assist developing countries to do so.

Payable copper equivalent production (kt)
Calculated by aggregating revenues from copper, molybdenum, gold and silver, and dividing the total Revenue by the price of copper. FY24 realised prices for copper (US$3.86/lb), molybdenum (US$20.60/lb), gold (US$2,129/oz) and silver (US$24.8/oz) have been used for FY24, FY25e and FY26e. FY23 realised prices for copper (US$3.51/lb), molybdenum (US$21.28/lb), gold (US$1,821/oz) and silver (US$21.9/oz) have been used for FY23 and FY24.

Payable zinc equivalent (kt)
Calculated by aggregating revenues from payable silver, lead and zinc, and dividing the total Revenue by the price of zinc. FY24 realised prices for zinc (US$2,230/t), lead (US$2,002/t) and silver (US$24.8/oz) have been used for FY24, FY25e and FY26e. FY23 realised prices for zinc (US$2,151/t), lead (US$1,919/t) and silver (US$21.1/oz) have been used for FY23 and FY24.

Probable Ore Reserve
The economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve (JORC Code).

Proved Ore Reserve
The economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors (JORC Code).

Recordable Illnesses
The sum of work-related (fatalities + illnesses that caused permanent impairment >30 per cent of body + lost time illnesses + restricted work illnesses + medical treatment illnesses)

Recordable injuries
The sum of work-related (fatalities + injuries that caused permanent impairment >30 per cent of body + lost time injuries + restricted work injuries + medical treatment injuries).

Reserve Life
The scheduled extraction period in years for the Total Ore Reserves in the approved Life of Operation Plan.

Return on invested capital (ROIC)
Calculated as Underlying EBIT less the discount on rehabilitation provisions included in net finance costs, tax effected by the Group's Underlying effective tax rate (ETR) including our material equity accounted investments on a proportional consolidation basis, divided by the sum of fixed assets (excluding any rehabilitation assets, the impairment reversal of Brazil Aluminium, and unproductive capital) and inventories

ROM (Run of Mine product)
Product mined in the course of regular mining activities.

RPO (Recognised Professional Organisation)
Accredited organisations to which Competent Persons must belong for the purpose of preparing reports on Exploration Results, Mineral Resources and Ore Reserves for submission to the ASX (if they are not members of the AusIMM or AIG). Chilean Mining Commission is one of the RPO. (JORC Code)

SAEC
South Africa Energy Coal.

SAIMM
Member of the Southern African Institute of Mining and Metallurgy.

'Safety guarantee'
Our 'safety guarantee' is our internal approach to creating a sense of chronic unease to enhance our safety culture. Every day, we ask 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, then the challenge is to stop and ask what would need to be done differently to provide that guarantee.

Sands
Tailings produced as a by-product during beneficiation of ore.

Scope 1 emissions
GHG emissions from our own operations, including the electricity we generate at our sites.

Scope 2 emissions
Indirect GHG emissions from the generation of purchased electricity.

Scope 3 emissions
All other indirect GHG emissions not included in Scope 2 emissions that occur in our value chain.

Senior Leadership Team
Presidents and Vice Presidents reporting to members of the South32 Lead Team and the Company Secretary.

Significant hazards frequency
(The sum of significant hazards x 1,000,000) ÷ exposure hours. This is stated in units of per million hours worked for employees and contractors. A significant hazard is something that has the potential to cause harm, ill health or injury, or damage to property, plant or the environment.

SMMEs
Small, medium and micro enterprises.

Social investment
Contributions made to support communities where we operate or have an interest. Our contributions to community programs comprise direct investment (including Enterprise Development), in-kind support and administrative costs.

South32 Equity Incentive Plan
An equity incentive plan that allows the Board to make offers to employees to acquire securities in South32 Limited and to otherwise incentivise employees.

South32, South32 Group or Group
Refers to South32 Limited and its subsidiaries and operated joint ventures, unless otherwise stated.

Stockpile (SP)
An accumulation of ore or mineral built up when demand slackens or when the treatment plant or beneficiation equipment is incomplete or temporarily unable to process the mine output; any heap of material formed to create a buffer for loading or other purposes, or material dug and piled for future use.

STI
Short-term incentive.

Supply chain
The global network of suppliers that support South32's operations, development options and exploration programs through the flow of goods, services and information.

Sustainability, sustainable development, sustainably, sustainable
Our approach to sustainability aims to balance environmental, social and economic considerations in a way that creates enduring value for our stakeholders. We recognise that in many cases these considerations will be interdependent or may compete or conflict with each other. In delivering our strategy we aim to understand and balance the environmental, social and economic impacts of our business in a way that seeks to create value overall. References to sustainability (including sustainable development and sustainably) in the suite or other disclosures do not mean that there will be no adverse impact, or an absolute outcome, in any one area.

Tailings
The left-over materials that remain after the target mineral is extracted from ore.

Target
An intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions.

TSF
Tailings Storage Facility

Taskforce on Climate-Related Financial Disclosures (TCFD)
The TCFD developed a framework for climate-related financial disclosures, including a set of recommended disclosures structured around the four recommendation pillars of governance, strategy, risk management, and metrics and targets. The TCFD was disbanded in October 2023 and the International Sustainability Standards Board will monitor progress on the state of climate-related financial disclosures by companies.

Taskforce on Nature-Related Financial Disclosures (TNFD)
The TNFD has developed a framework for nature-related disclosures, including a set of disclosure recommendations structured around the four recommendation pillars of governance, strategy, risk and impact management, and metrics and targets.

TEMCO
Tasmanian Electro Metallurgical Company

Total Mineral Resources
The sum of Inferred Mineral Resources, Indicated Mineral Resources and Measured Mineral Resources.

Total Ore Reserves
The sum of Proved Ore Reserves and Probable Ore Reserves.

Total Recordable Injury Frequency (TRIF)
(The sum of recordable injuries x 1,000,000) ÷ exposure hours, for employees and contractors. This is stated in units of per million hours worked for employees and contractors. We adopt the United States Government Occupational Safety and Health Administration (OSHA) guidelines for the recording and reporting of occupational injuries and illnesses.

Total Recordable Illness Frequency (TRILF)
(The sum of recordable illnesses x 1,000,000) ÷ exposure hours, for employees and contractors. This is stated in units of per million hours worked for employees and contractors. We adopt the United States Government Occupational Safety and Health Administration (OSHA) guidelines for the recording and reporting of occupational injuries and illnesses.

Total Shareholder Return (TSR)
TSR measures the return delivered to shareholders over a certain period through the change in share price and any dividends paid. It is a measure used to compare our performance to that of relevant peer groups under the LTI.

Transformation
A national strategy in South Africa aimed at attaining national unity, promoting reconciliation through negotiated settlement and non-racism.

TSX
Toronto Stock Exchange.

Underlying earnings
Underlying earnings is profit after tax and earnings adjustment items. Earnings adjustments represent items that don't reflect our underlying operations. We believe that Underlying earnings provides useful information, but shouldn't be considered as an indication of, or an alternative to, profit or attributable profit as an indicator of operating performance.

Underlying earnings attributable to members
Underlying earnings attributable to members is profit after tax attributable to members and earnings adjustment items. Earnings adjustments represent items that don't reflect our underlying operations. We believe that Underlying earnings provides useful information, but shouldn't be considered as an indication of, or an alternative to, profit or attributable profit as an indicator of operating performance.

Underlying EBIT
Underlying EBIT is profit before net finance costs, tax and after any earnings adjustment items, impacting profit. The underlying information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis. It is not an IFRS measure of profitability, financial performance or liquidity and may be defined and used in differing ways by different entities. We believe that Underlying EBIT provides useful information, but should not be considered as an indication of, or alternative to, profit or attributable profit as an indicator of operating performance.

Underlying EBIT margin
Comprises Underlying EBIT excluding third party product EBIT, divided by underlying revenue excluding third party product revenue.

Underlying EBITDA
Underlying EBIT before underlying depreciation and amortisation.

Underlying effective tax rate (ETR)
Underlying income tax expense, including royalty related tax, divided by Underlying profit subject to tax.

UG
Underground working in which the working area is below the surface of the earth.

UN SDGs
United Nations Sustainable Development Goals.

Water scarcity
Water scarcity refers to the lack of sufficient available water to meet the water usage demands of the region. This can be from the lack of physical water and the lack of financial means to gain access to water.

Water use efficiency

Water use efficiency is calculated as the total water recycled and reused divided by the sum of total water recycled and reused and total operational inputs/withdrawal.

Yield
The percentage of material of interest that is extracted during mining and/or processing. A measure of mining or processing efficiency (JORC Code). When used in reference to the Mineral Resource estimate yield refers to the sample mass recovery following beneficiation.

Terms used in resources and reserves

A.Al_2O_3
available alumina

Ag
Silver

Au
Gold

Cu/TCu
Copper/ total copper

Fe
iron

Met
metallurgical coal

Mn
manganese

Mo
molybdenum

Ni
nickel

OC
open-cut/open-pit/opencast

Pb
lead

R.SiO_2
reactive silica

S
sulphur

Th
thermal coal

VM
Volatile Matter

Zn
zinc

Units of measure

%
percentage or per cent

A$/t
Australian dollars per tonne

CuEq
copper equivalent

dmtu
dry metric tonne unit

g/t
grams per tonne

ha
hectare

Kcal/kg
thousand calories per kilogram

kdmt
thousand dry metric tonne

kL
kilolitre

km
kilometre

koz
thousand ounces

ktpa
kilotonnes per annum

kt
kilotonnes (metric)

kW
kilowatt

kwmt
thousand wet metric tonnes

lb
pound

ML
megalitre

m
metre

Moz
million ounces

Mt
million metric tonnes

Mtpa
Million metric tonnes per annum

Mwmt
million wet metric tonnes

MW
megawatt

oz
ounce

t
Metric tonne

tpa
Metric tonnes per annum

tpd
Metric tonnes per day

tph
Metric tonnes per hour

US$B
US dollars in billions

US$/lb
US dollars per pound

US$M
US dollars in millions

US$/oz
US dollars per ounce

US$/t
US dollars per tonne

Corporate directory

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Share Registrars and Transfer Offices

Contact details for the Company's share registries in Australia, South Africa and the United Kingdom are included on page 190.

Information about the American Depositary Receipts Depositary, Transfer Agent and Registrar can also be found on page 190.

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