



TAX TRANSPARENCY  
AND PAYMENTS  
TO GOVERNMENTS REPORT  
2024



**BRIGHTER**  
FUTURES,  
TOGETHER

## About this report

### Tax Transparency and Payments to Governments Report 2024

This report is about our approach to tax, how we conduct our tax arrangements globally and the size of tax payments and contributions to governments we made for the year ended 30 June 2024.

### Our 2024 Annual Reporting Suite



Annual Report



Sustainable Development Report



Sustainability Databook



Standards and Frameworks Reporting Index



Corporate Governance Statement



Modern Slavery Statement

**+** You can view all the documents in our Annual Reporting Suite at [www.south32.net](http://www.south32.net).

#### Disclaimer

In this report, unless otherwise noted:

- references to South32, the South32 Group, the Group, we, us, our and similar expressions refer to South32 Limited, its subsidiaries and operated joint ventures.
- 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.
- The basis of financial information presented in this report is noted adjacent to the information.

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 of our Annual Report 2024. The definitions of individual non-IFRS terms used in the report are set out in the glossary on page 30.

**Cover:** A learner miner at South Africa Manganese.

**Right:** A local farmer from Maputo province in Mozambique.

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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.



# 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.

## 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**.



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.

**+ Learn more about our strategy in our Annual Report at [www.south32.net](http://www.south32.net).**

**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 at [www.south32.net](http://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.

### Together

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](http://www.south32.net).**

# OPERATING TRANSPARENTLY AND ETHICALLY

Our values of care, trust, togetherness and excellence shape the way we behave and the choices we make in relation to all aspects of tax.

Publishing an annual Tax Transparency and Payments to Governments Report allows us to demonstrate our commitment to ethical business practices and responsible governance. By openly disclosing our financial information, mineral development contracts and compliance with tax regulations, we demonstrate accountability and seek to foster trust with stakeholders.

In the year ended 30 June 2024 the Group paid US\$620.7 million in taxes and royalties, which is in line with the tax rates and jurisdictions in which we operate. The Group had an Underlying effective tax rate (ETR) of 38.8 per cent. Further details of our current year tax payments are included on page 12.

We manage tax in accordance with our purpose and values, applying a consistent approach across all jurisdictions.

Our Board and Chief Executive Officer (CEO), as part of an annual review of tax governance, continue to affirm the following principles of our approach to tax in all jurisdictions:

- Complying with all applicable laws, regulations, disclosure requirements, the accurate payment of taxes and timely lodgement of returns;
- Building and maintaining constructive relationships with revenue authorities, government bodies and all other relevant parties;

- Making decisions at an appropriate level, supported by comprehensive documentation;
- Confirming technical filing positions include robust risk assessment with appropriate risk mitigation activities (for example, professional opinions, appropriate disclosure);
- Supporting tax positions taken with evidence, so they can be substantiated if reviewed by a revenue authority;
- Immediate voluntary reporting of any detected errors/omissions to all relevant revenue authorities; and
- Complying with all our Group and tax specific controls and maintaining evidence of their operation.

We support initiatives that require companies to publicly share relevant data. We provide information on a country-by-country and project-by-project basis, meeting the requirements of the tax transparency measures set out in the Basis of Preparation (refer to page 29), which includes the comprehensive requirements of the Global Reporting Initiative Tax Standard (GRI 207) and full country-by-country reporting.

Some of these measurements are voluntary, providing tax transparency beyond the mandatory legislative requirements applicable to our business.

We proudly support the Extractive Industry Transparency Initiative (EITI).

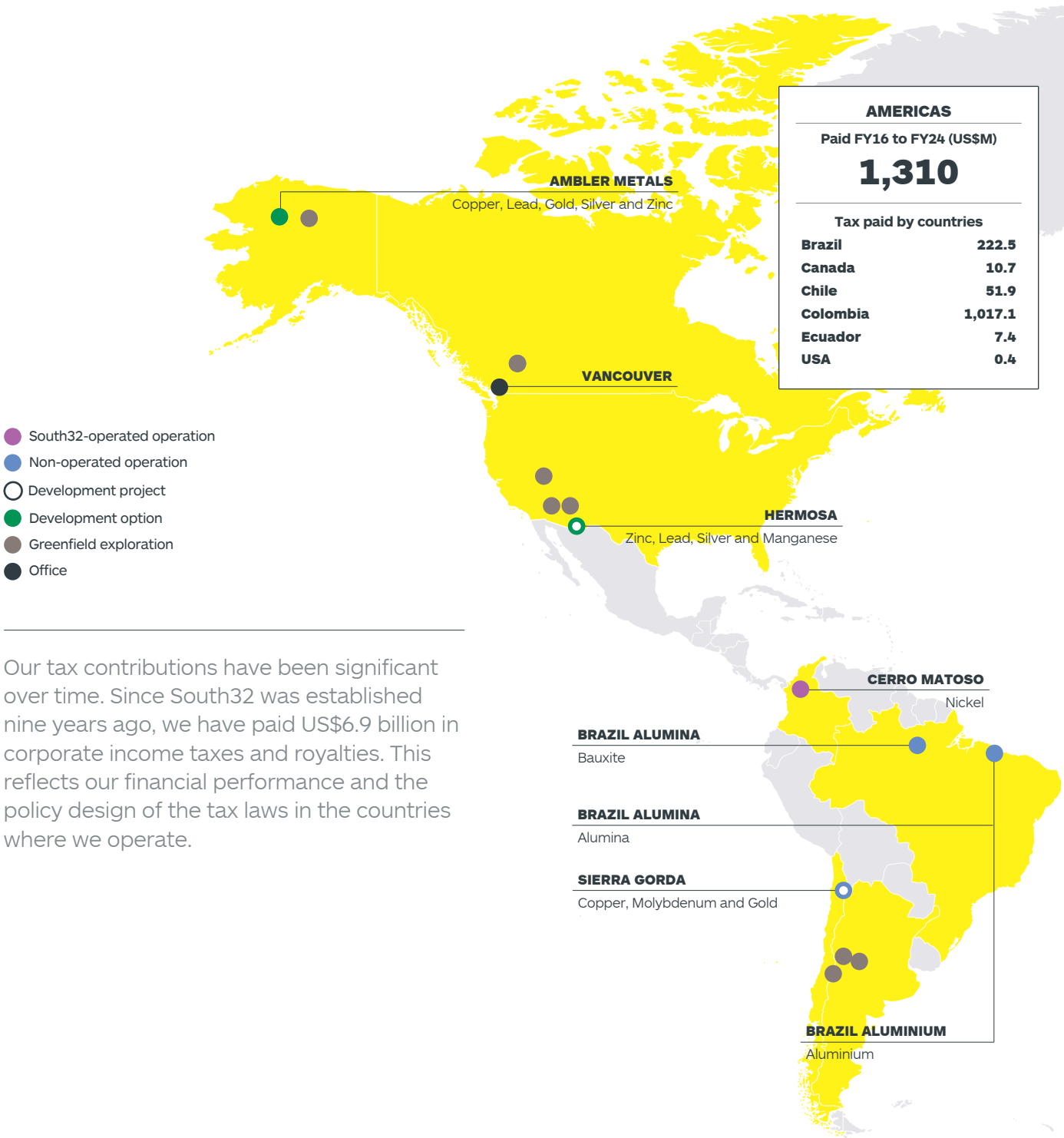
Through our participation in EITI, we disclose all relevant tax payments made to governments, facilitating transparency in our financial contribution. We also provide a financial contribution to the EITI through our membership of the ICMM. This membership supports the EITI's ongoing activities of promoting open and accountable management of mineral resource wealth. The EITI has recently confirmed South32 meets all its expectations of supporting companies.

Details on how we comply with EITI expectations and GRI 207 are provided on page 11.

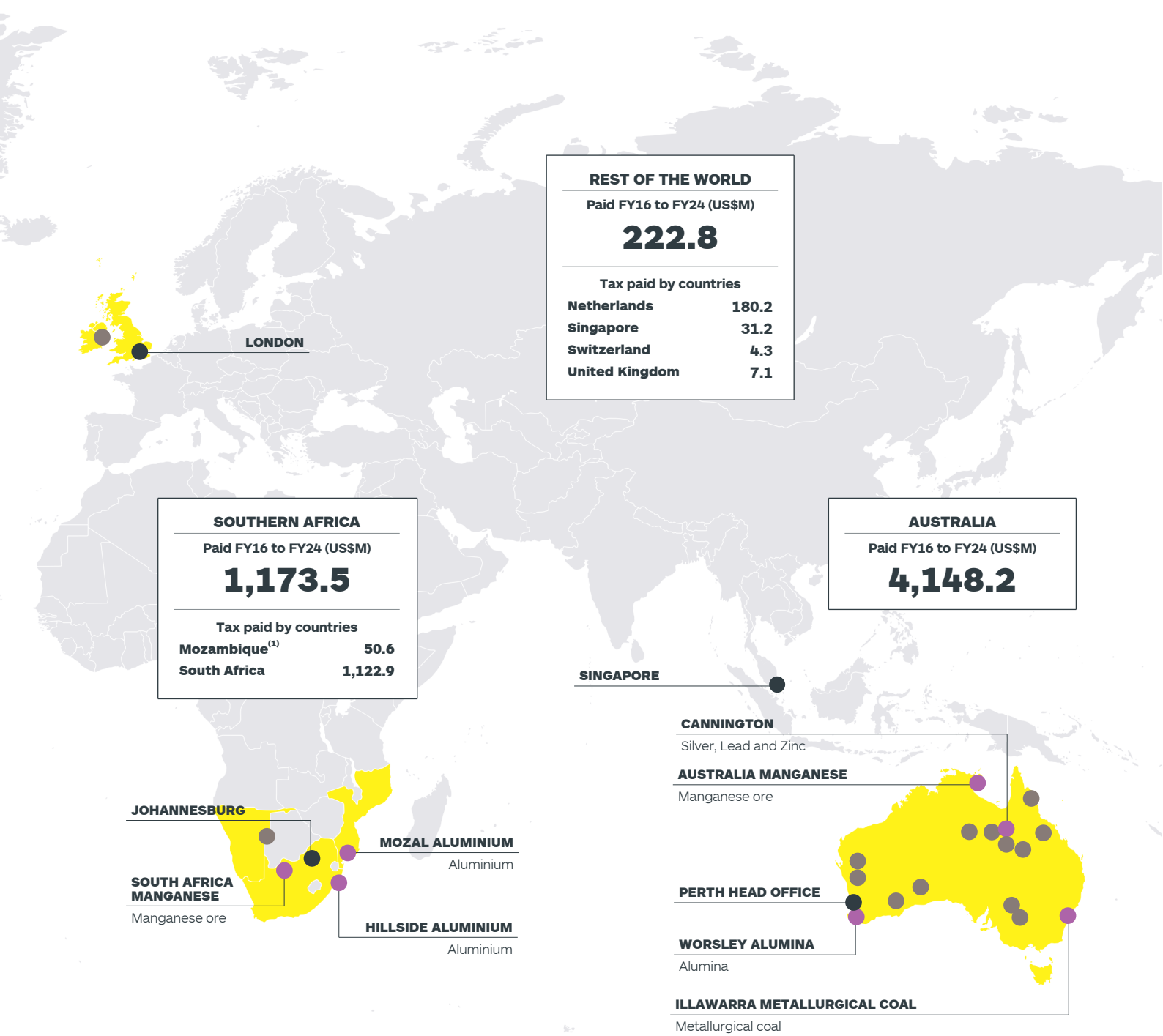
A description of technical terms used in this report and information regarding the approach adopted in compiling the data presented can be found in the Basis of Preparation and the Glossary (refer to pages 29 and 30). We have also included extensive footnotes with explanations/reconciliations to help readers understand how the numbers quoted in this report reconcile to our Annual Report 2024.

An independent audit report which provides assurance on total payments made by country and level of government and total payments to government by project has been provided by KPMG (refer to page 31).

# INCOME TAX AND ROYALTY PAYMENTS SINCE FY16



Our tax contributions have been significant over time. Since South32 was established nine years ago, we have paid US\$6.9 billion in corporate income taxes and royalties. This reflects our financial performance and the policy design of the tax laws in the countries where we operate.



<b>REST OF THE WORLD</b>	
Paid FY16 to FY24 (US\$M)	
<b>222.8</b>	
Tax paid by countries	
Netherlands	180.2
Singapore	31.2
Switzerland	4.3
United Kingdom	7.1

<b>SOUTHERN AFRICA</b>	
Paid FY16 to FY24 (US\$M)	
<b>1,173.5</b>	
Tax paid by countries	
Mozambique <sup>(1)</sup>	50.6
South Africa	1,122.9

<b>AUSTRALIA</b>	
Paid FY16 to FY24 (US\$M)	
<b>4,148.2</b>	

**JOHANNESBURG**

**SOUTH AFRICA MANGANESE**  
Manganese ore

**MOZAL ALUMINIUM**  
Aluminium

**HILLSIDE ALUMINIUM**  
Aluminium

**SINGAPORE**

**CANNINGTON**

Silver, Lead and Zinc

**AUSTRALIA MANGANESE**

Manganese ore

**PERTH HEAD OFFICE**

**WORSLEY ALUMINA**

Alumina

**ILLAWARRA METALLURGICAL COAL**

Metallurgical coal

(1) We have also paid dividends of US\$39 million to the Mozambique Government since FY17.

**Our history of tax contributions**

# BUILDING ON A HISTORY OF TRANSPARENCY

We have paid corporate income tax of US\$4,159 million and royalties of \$2,696 million since FY16.

Our tax contributions follow the tax rules and rates of the countries where we operate and our financial results which are influenced by fluctuations in commodity prices and production performance. Income tax is levied on profits, such that higher commodity prices usually result in higher profits and higher income tax payments. Our payment of royalties reflects the design of laws in jurisdictions where we operate and includes royalties levied on material produced, based on the value of sales or linked to profits.

We use Underlying earnings as a key measure in assessing the performance of our business. Underlying earnings excludes revenue and expense items that do not reflect the performance or outcome of our operations. Underlying earnings is calculated as Underlying earnings before interest and tax (EBIT) less Underlying net financing (revenue)/costs less Underlying income tax expense.

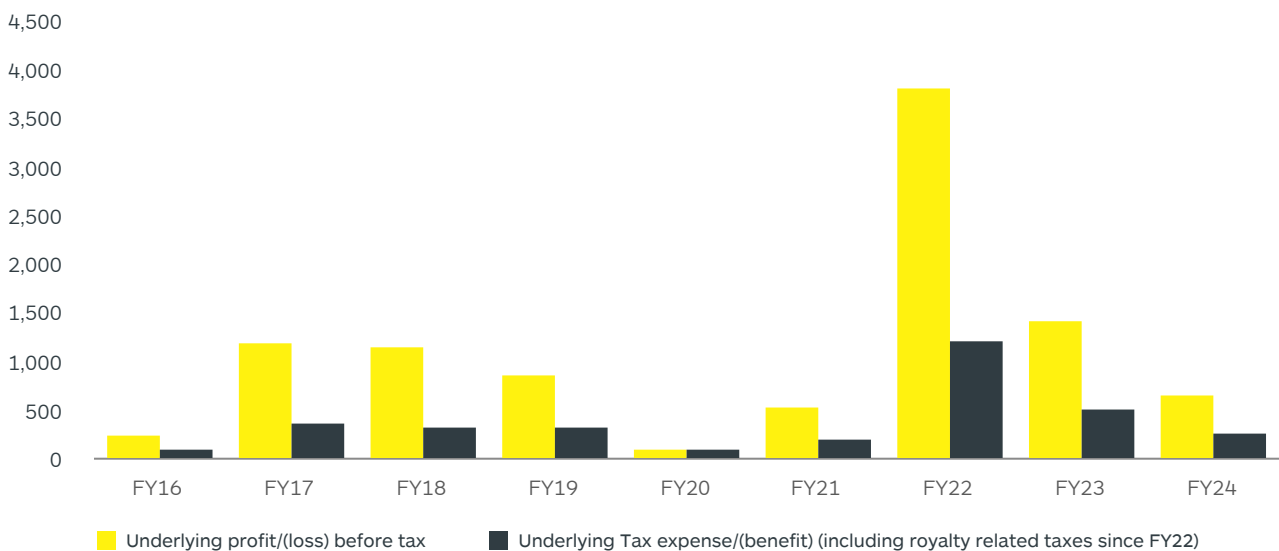
Our tax contributions are also influenced by the stage each of our projects are at within the mining lifecycle. Our projects are long-term investments and therefore our tax contributions will typically be at their greatest during income-producing production activity, while tax losses will typically arise from upfront investment required in exploration, development and construction phases.

Our Underlying earnings and Underlying ETR have included our manganese operations and the Sierra Gorda copper mine's results on a proportionally consolidated basis since FY22.

The chart below shows the trend in our underlying financial performance and tax expense (including royalty related taxes). As the countries we operate in have varying tax rates, our Underlying ETR is largely influenced by the geographic distribution of the Group's profit.

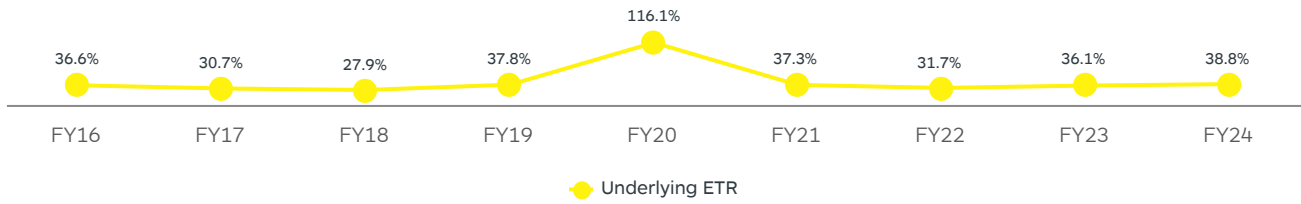
When commodity prices are lower and our profit margins are compressed, permanent differences make our Underlying ETR higher.

**Trends in Underlying profit and tax expense (US millions)**



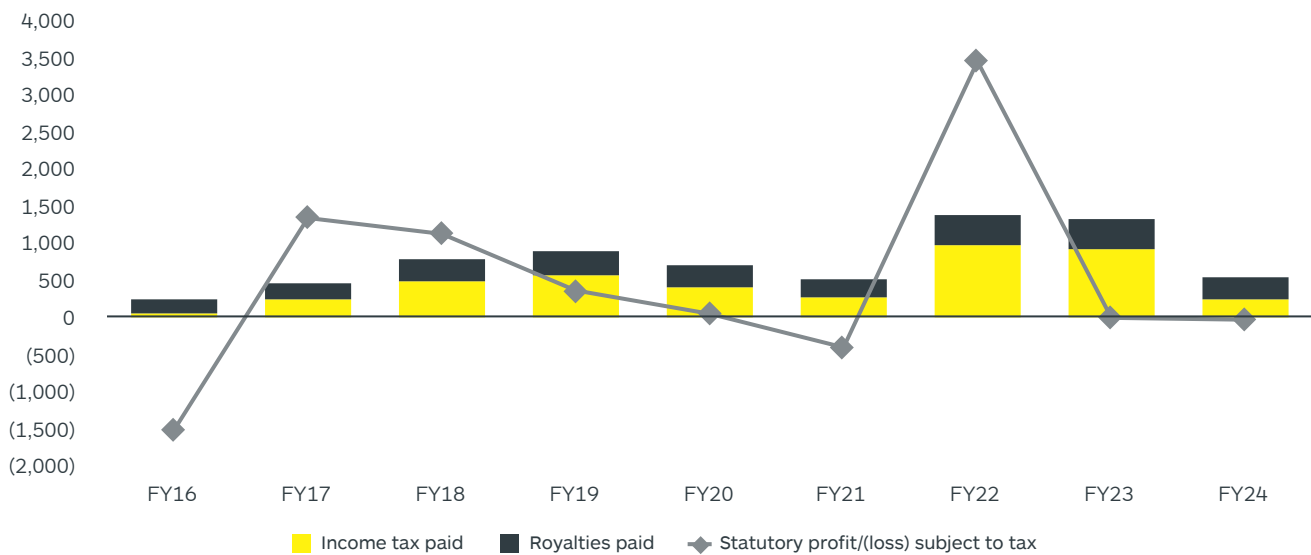


### Trends in Underlying ETR



Underlying ETR was greater than Underlying profit in FY20 as the benefit of losses from our former South African Energy Coal operation was not recognised as the losses were not expected to be recouped under South32 ownership.

### Income tax and royalties paid and statutory profit/(loss) since FY16 (US\$M)



Our statutory profits include earnings adjustments (one-off items such as profit from divestments, impairments and foreign exchange) that drive differences to Underlying ETR and tax payments. The statutory losses can include impairment charges which are treated as non-deductible for tax purposes. For example, FY24 includes an impairment reversal relating to the sale of Illawarra Metallurgical Coal (IMC) and impairment charges relating to Worsley Alumina and Cerro Matoso.

The Group's statutory results report our interest in the manganese operations and Sierra Gorda on an equity accounted basis, as well as our non-material equity accounted investments in the Mineração Rio do Norte (MRN) bauxite mine in Brazil and Port Kembla Coal Terminal (PKCT) in New South Wales, Australia. Profits from equity accounted investments are reflected in the Group's statutory results on an after-tax basis.

# MANAGING TAX IN ACCORDANCE WITH OUR PURPOSE AND VALUES

All tax-related decisions are made on a consistent basis across all jurisdictions.

## Tax governance

We only allow tax decisions to be made by the Board, CEO, Chief Financial Officer and Vice President Tax and Treasury. We have globally consistent authority levels required for tax decisions and approvals. These authorities are based on risk assessments which are consistent with broader business approvals and the risk tolerance levels applied to other decisions in our business.

These authorities are captured in our internal tax management framework (which is applicable to all tax employees) and our internal tax standard (which is applicable to all employees).

Tax governance and the processes and controls in place to manage our tax risks have been designed considering best practice and are in line with the Australian Taxation Office (ATO) Tax Risk Management and Governance Review Guide, United Kingdom (UK) Senior Accounting Officer guidance and the UK Regulations regarding tax strategy reporting requirements. The operation of these governance processes and controls is contemporaneously evidenced, reviewed annually by our Tax Governance team and subject to independent review at least every three years. Our tax affairs are also subject to scrutiny by tax authorities and our external auditors as part of normal local compliance and reporting processes.

We employ appropriately qualified and experienced tax personnel so our tax affairs are identified, assessed, documented, controlled and reported in a timely manner, and utilise external advisors to support our team on technical filing positions or in the interpretation of specific points of law.

All employees, including members of our global Tax team receive training on our Code of Business Conduct (Code) which is based on our values and sets the standard for our behaviour. We also make available EthicsPoint, a 24/7 independent external platform for employees, contractors and the community to anonymously report concerns regarding potential breaches of our Code, including tax-related matters. A copy of our Code can be found at [www.south32.net](http://www.south32.net).

## Dealings with tax authorities, including disputes

We are open and transparent in our dealings with tax authorities and engage in a manner which is consistent with our values and our Code.

Given the geographic scope of our operations and uncertainty regarding the application of complex tax laws, there will occasionally be disagreements with tax authorities over the amount of taxes to be paid.

When a dispute arises, we actively engage with tax authorities regarding how the law is being applied and to seek to identify and resolve any disagreements on a timely basis. At times, it will be appropriate for those matters to be resolved or clarified through legal proceedings.

For example, the Colombian National Mining Agency (ANM) and the Comptroller General's Office (Comptroller) are seeking to re-calculate Cerro Matoso's royalties and we have disputed both their claims. The disputes with ANM and the Comptroller are the subject of legal proceedings, both within Colombia and through international arbitration proceedings. We recently received a favourable decision from the International Centre for Settlement of Investment Disputes of retrospective Colombian royalty claims.

## Tax incentives

We give consideration to tax incentives and concessions offered by countries where we are eligible and have genuine business activity. We believe tax incentives are useful where they support a specific investment or challenge, such as the transition to a low-carbon future. Where we access tax incentives or concessions, we comply with regulatory requirements.

For example, our Singaporean marketing activities are taxed at five per cent under an incentive granted by the Singapore Government. This is one of a range of incentives which is legislated and open to all taxpayers in Singapore that can demonstrate significant contributions to the economy and meet the ongoing quantitative and qualitative criteria. Trading profits from our Singapore marketing activities relating to Australian sourced commodities are also included in full in our Australian income tax return and subject to tax in Australia.

Our tax incentive will expire on 30 June 2026 and, having regard to the new base erosion and profit shifting (BEPS) Pillar Two global minimum tax rules, we will not be seeking an extension such that the standard corporate income tax rate of Singapore will be applicable from 1 July 2026.

**Organisation for Economic Co-operation and Development's (OECD) BEPS project**

We continue to monitor the OECD BEPS project in all countries in which we operate.

Pillar One measures currently apply only to multinational enterprises that have a global turnover exceeding GBP 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 us given our annual turnover exceeds the GBP 750 million threshold. The Australian Government has committed to enacting the rules having recently released draft legislation, which when enacted will apply to income years commencing from 1 January 2024. Other jurisdictions in which we operate have either announced their intention to implement or have enacted Pillar Two legislation.

**International related party dealings**

As a globally diversified mining and metals company, we have operations and support functions located in many countries. This operating model results in cross border intra-group transactions including dividends, sales and purchases of commodities, and financing and service arrangements. We prepare documentation to support the understanding and pricing of these transactions, provide this documentation to tax authorities and have independent expert advice confirming the transactions are completed on an arm's length basis. Additional quantitative information relating to the FY24 income year is included from page 22.

We have non-operating offshore companies incorporated in the British Virgin Islands and Jersey. These entities only hold investments, they do not trade, or make any trading profit. These entities provide no tax benefit to us as they are Australian or UK tax residents. This means any taxable income of the companies is subject to tax in accordance with the tax legislation of Australia or the UK. We will continue to hold these non-operating offshore companies while the tax or commercial costs required to rationalise these entities is excessive.

**Tax policy consultation**

We recognise the importance of transparency and accountability in tax matters and seek input from various stakeholders, including tax authorities, government agencies, industry exports, and civil society organisations.

We engage in local and international tax policy and reform to contribute to the development of sustainable and effective tax systems. We do this through participation in industry associations of which we are members.

By actively engaging in dialogue and consultation, we aim to align our tax policies with international best practices.

**Stakeholder engagement**

We actively engage with a diverse range of stakeholders, including local governments and industry partners. We participate in consultations with civil society and the EITI through the ICMM.

We remain committed to continuously improving our tax policies through meaningful consultation and collaboration with stakeholders.

Further information on broader stakeholder engagement can be found in our Sustainable Development Report 2024 and Sustainability Databook 2024 at [www.south32.net](http://www.south32.net).



# OUR COMMITMENT TO DISCLOSURE OF ALL GOVERNMENT MINERAL DEVELOPMENT CONTRACTS

We disclose all contracts with governments and support the public disclosure of contracts and licences for the exploration and development of minerals and other natural resources as outlined in the EITI standard.

While all our exploration and most of our mineral developments are in jurisdictions that issue licences pursuant to public legislation, including Sierra Gorda and MRN, we have two mineral development contracts with governments. These are publicly available, and details of the contracts are below, including links to the documents.

## List of mineral development contracts

South32 project	Contract name	South32 entities	South32 ownership interest in project	Host Government	Contract term	Link to publicly available document
Cerro Matoso – Nickel Project	Contract 051-96	Cerro Matoso S.A.	99.9%	Colombia	To 2044	Yes - <a href="#">Contract 051</a>
Worsley Alumina Refinery (including Boddington Bauxite Mine)	Alumina Refinery (Worsley) Agreement Act 1973	South32 Aluminium (Worsley) Pty Ltd South32 Aluminium (RAA) Pty Ltd	86%	State of Western Australia	To 2046	Yes - <a href="#">Worsley contract</a>

Our non-extractive aluminium operation in Mozambique (Mozal Aluminium) operates under an investment project agreement (IPA) with the Government of the Republic of Mozambique. The contract is not for mineral development and is not publicly available. The Decree that approves the project and IPA is publicly available and can be found [here](#).

All other mining and exploration activity is conducted under licenses issued under public legislation and subject to published and consistently applied law.

Further information on beneficial ownership can be found in our Sustainability Databook 2024 and in the shareholder information section of our Annual Report 2024 at [www.south32.net](http://www.south32.net).

## EITI expectations

The table below demonstrates South32's compliance with EITI's expectations, and GRI 207.

EITI expectations	South32
Publish support for the EITI and its objectives of the EITI Association.	Refer to page 3
Make comprehensive disclosures in accordance with the EITI Standard in all EITI implementing countries where the company or its controlled subsidiaries operate. Publicly disclose a list of controlled subsidiaries operating in the oil, gas or mining sectors in EITI implementing countries.	We disclose information in all jurisdictions where we operate. We publish our controlled subsidiaries list in our Annual Report 2024 on our website
Publicly disclose taxes and payments to governments at a project-level in line with the EITI Standard in all non-EITI implementing countries where the company operates unless disclosure is not feasible.	Refer to Tables 1 and 2 on pages 14 to 16
Disclose volumes received and payments made if buying oil, gas and minerals from governments.	No such purchases are made
Publicly disclose audited financial statements, or the main items (i.e. balance sheet, profit/loss statement, cash flows) where financial statements are not available.	Audited financial statements are included in our Annual Report 2024
Publicly declare and publish support for beneficial ownership transparency and publicly disclose beneficial owners in line with the EITI Standard, recognising that listed companies will disclose the name of the stock exchange(s), include a link(s) to stock exchange filings where they are listed.	Refer to the shareholder information section in our Annual Report 2024 and all our stock exchange releases are available in the investor centre on our website
Engage in rigorous due diligence processes and publish an anti-corruption policy setting out how the company manages corruption risk.	Our Anti-Bribery and Corruption Policy and Program details are available in our Sustainable Development Report 2024. We obtain the beneficial ownership data when we engage with third parties.
Publicly declare and publish support for governments' efforts to publicly disclose contracts and licenses that govern the exploration and exploitation of oil, gas and minerals in line with the EITI Standard, and contribute to public disclosure of contracts and licenses in EITI implementing countries consistent with government procedures.	Refer to page 10
Publish a commitment and/or policy on gender diversity in the oil, gas or mining sectors and support reporting by EITI implementing countries under the EITI Standard by disclosing employment in the sectors disaggregated by gender.	Our inclusion and diversity details are available in our Sustainable Development Report 2024 and Sustainability Databook 2024

## GRI 207 compliance

GRI 207: Tax	South32
207-1: Approach to tax	Refer to pages 8 to 9
207-2: Tax governance, control and risk management	Refer to pages 3, 8 and 9
207-3: Stakeholder engagement and management concerns related to tax	Refer to page 9
207-4: Country-by-country reporting requires reporting of financial, economic and tax-related information for each jurisdiction in which the organisation operates	Refer to Table 8 on page 21

# OUR FY24 PAYMENTS AT A GLANCE



**378**

**Underlying earnings (US\$ million)**  
FY23: 916



**38.8**

**Underlying ETR (per cent)**  
FY23: 36.1



**205**

**Statutory loss (US\$ million)**  
FY23: 173 loss



**-150.0**

**Statutory ETR (per cent)**  
FY23: -1,169

## Current year summary

For the year ended 30 June 2024, the Group paid US\$620.7 million in taxes and royalties (2023: US\$1,470.4 million).

The decrease in tax payments is attributable to the decrease in profitability and revenue of our operations. Our financial performance is reflective of broadly weaker commodity prices compared to the prior year and lower production volumes, predominately at IMC due to planned longwall moves and at Australia Manganese due to Tropical Cyclone Megan.

Our profits are directly tied to the price at which our commodities can be sold and our tax contributions will be directly impacted by periods of challenging economic conditions.

Due to timing differences between the recognition of profits and the payment of tax (often occurring in the following year), the decrease in profits experienced this year will continue to have an impact on next year's contribution.

The reduction in tax payments also reflects a one-off payment made during FY23 by an acquired entity. We are seeking to recover the tax from the vendor of the company as it is attributable to the pre-acquisition period.

Our Underlying earnings of US\$378 million<sup>(2)</sup> and Underlying ETR of 38.8 per cent is largely influenced by the geographic distribution of the Group's profit and tax rates of the countries where we operate.

Our Statutory loss of US\$205 million and Statutory ETR of -150 per cent include earnings adjustments and significant one-off items. The key adjustments for FY24 are explained further on a country-by-country basis in the following highlights. The negative ETR is reflective of certain countries recording a tax expense, while the Group has an overall statutory loss.

### Australia

All of our Australian operations are in a mature production phase, contributing to Australian Underlying profit of US\$492 million in FY24 and resulting in corporate income tax and royalty payments of US\$326 million.

The statutory loss includes a non-cash impairment expense of US\$554 million (US\$388 million post-tax) relating to the Worsley Alumina operation.

In the Northern Territory, royalties payable by our Australia Manganese operation is based on a net profit regime and is therefore considered an income tax for accounting purposes.

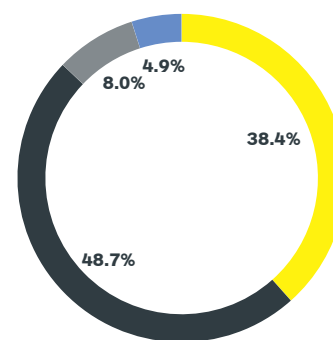
Corporate income tax payments relating to Australia Manganese are nil in FY24 due to suspended operations following Tropical Cyclone Megan. The tax impact of financial losses relating to suspended operations has been excluded from Underlying earnings.

In February 2024, we announced the divestment of IMC<sup>(3)</sup> and our 50 per cent interest in Eagle Downs Metallurgical Coal (Eagle Downs)<sup>(4)</sup>.

As a result of the IMC transaction, a non-cash impairment reversal of US\$197 million (US\$139 million post-tax benefit) has been recorded. There is no cash tax impact from the transaction.

The divestment of our 50 per cent interest in Eagle Downs results in revenue losses and reduces tax payable in FY25.

### FY24 total government payments borne by type



- Corporate income tax
- Royalties (including royalty related taxes)
- Employer payroll taxes
- Other

(2) Underlying earnings attributable to equity holders of South32 Limited (US\$380 million earning) and non-controlling interests (US\$2 million loss).

(3) Refer to market release dated 29 February 2024 at [www.south32.net](http://www.south32.net).

(4) Refer to media release dated 12 February 2024 at [www.south32.net](http://www.south32.net).

### Colombia

Our Cerro Matoso open cut mine in northern Colombia is a significant producer of ferronickel. We have contributed US\$104 million in corporate income tax and royalties this year.

The statutory loss includes a non-cash impairment expense US\$264 million (US\$248 million post-tax) in relation to Cerro Matoso.

In November 2023, the Colombian Constitutional Court annulled the law change that made royalties non-deductible for income tax from 1 January 2023. Accordingly, in FY24 we have reversed the US\$23 million tax expense related to non-deductible royalties incurred during the period January 2023 to June 2023.

### Brazil

We continue to hold a 33 per cent interest in the MRN mine and 36 per cent share of the Alumina refinery in north-eastern Brazil.

We also hold a 40 per cent interest in the non-operated Alumar Aluminium smelter, which was restarted in FY22 after being in care and maintenance since 2015.

In FY24 we have paid US\$6 million in corporate income tax and royalties. This includes US\$3 million of withholding tax on intra-group interest payments.

### South Africa

We have two operations in South Africa, South Africa Manganese and Hillside Aluminium.

Our manganese operation includes two mines located in the Kalahari Basin and the Metalloys manganese alloy smelter, which was placed on care and maintenance in FY20. The manganese mines are a part of the Hotazel Manganese Mines (HMM) consortium of which we hold a 44.4 per cent interest.

In June 2024, we entered into a binding agreement to divest the Metalloys manganese alloy smelter<sup>(4)</sup>, which is subject to the satisfaction of certain conditions.

In FY24 our South African operations have statutory earnings of US\$158 million and contributed US\$44 million in corporate income tax and royalties.

### Mozambique

We continue to hold a 63.7 per cent interest in Mozal Aluminium which is the second largest Aluminium smelter in the southern hemisphere (behind our Hillside smelter in South Africa).

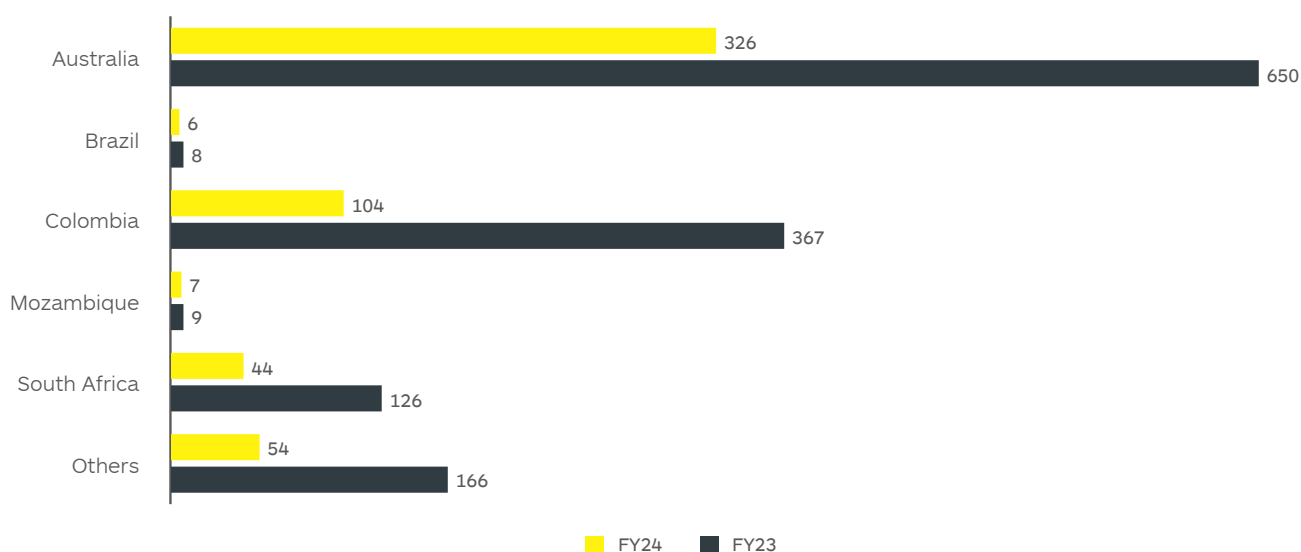
In FY24, we paid US\$7 million of royalties. Mozal Aluminium also paid US\$6 million of dividends directly to the Mozambique Government.

### International

Our global tax payments are aligned to the countries where we operate. We also pay corporate income tax in the Netherlands on interest income that is received by our Dutch subsidiaries, relating to the long-term funding of our Sierra Gorda operation. During FY24 we paid US\$39 million in Dutch corporate income tax.

Further details about our operations are included in the Annual Report 2024.

FY24 and FY23 income tax and royalties paid (US\$M)



(5) Refer to media release dated 13 June 2024 at [www.south32.net](http://www.south32.net).

## Total payments made by country and level of government

Table 1 Total payments made by country and level of government for the year ended 30 June 2024 (by country of tax residence)

US\$M <sup>(6)</sup>	Corporate income tax	Royalty related tax	Royalties
<b>Argentina</b>			
Government of Argentina	-	-	-
<b>Argentina: Total</b>	-	-	-
<b>Australia</b>			
Government of Australia	140.3	-	7.5
Government of Northern Territory	-	49.5	-
State of New South Wales	-	-	79.0
State of Queensland	-	-	28.0
State of Western Australia	-	-	22.0
Townsville City Council	-	-	-
<b>Australia: Total</b>	140.3	49.5	136.5
<b>Brazil</b>			
Government of Brazil	2.6 <sup>(9)</sup>	-	0.3
State of Maranhão	-	-	-
State of Para	-	-	1.0
Municipality of São Luis	-	-	-
Municipality of Oriximiná	-	-	0.7
Municipality of Terra Santa	-	-	1.2
<b>Brazil: Total</b>	2.6	-	3.2
<b>Canada</b>			
Government of Canada	0.1	-	-
<b>Canada: Total</b>	0.1	-	-
<b>Chile</b>			
Government of Chile	6.7	1.4	-
<b>Chile: Total</b>	6.7	1.4	-
<b>Colombia</b>			
Government of Colombia	2.0 <sup>(10)</sup>	-	102.0
Municipality of Montelibano	-	-	-
Municipality of Planeta Rica	-	-	-
<b>Colombia: Total</b>	2.0	-	102.0
<b>Ecuador</b>			
Government of Ecuador <sup>(11)</sup>	2.4	-	-
<b>Ecuador: Total</b>	2.4	-	-
<b>Mozambique</b>			
Government of Mozambique	-	-	6.9
<b>Mozambique: Total</b>	-	-	6.9
<b>Netherlands</b>			
Government of Netherlands	39.3	-	-
<b>Netherlands: Total</b>	39.3	-	-
<b>Singapore</b>			
Government of Singapore	5.6	-	-
<b>Singapore: Total</b>	5.6	-	-
<b>South Africa</b>			
Government of South Africa	41.0	-	2.7
<b>South Africa: Total</b>	41.0	-	2.7
<b>United Kingdom</b>			
Government of United Kingdom	(1.5)	-	-
<b>United Kingdom: Total</b>	(1.5)	-	-
<b>United States of America</b>			
Government of United States of America	-	-	-
State of Alaska	-	-	-
State of Arizona	-	-	-
State of Delaware	-	-	-
Santa Cruz County	-	-	-
<b>United States of America: Total</b>	-	-	-
<b>Total taxes paid<sup>(12)</sup></b>	238.5	50.9	251.3

(6) Payments reported are based on the portion of the total payment that relates to South32's ownership.

(7) These taxes are deducted by the Company from employees' remuneration and remitted to revenue authorities on the employees' behalf.

(8) Net transaction taxes refunded include Goods and Services Tax (GST), Value Added Tax (VAT) and fuel tax credits. Refer to the Glossary of terms on page 30.

(9) Includes US\$2.5 million withholding tax for intra-group interest.

(10) Includes corporate income tax refund of US\$32 million related to the CY23 income tax return and US\$5 million related to withholding tax for intra-group service charges and intra-group interest.

(11) Withholding tax deducted for royalty payments received from unrelated parties.

(12) Refer to page 20 for a reconciliation of corporate income tax paid to the income tax (paid)/received as shown in the Consolidated Cash Flow Statement of our 2024 Annual Report.



License fees	Payments to governments for UK Regulation purposes	Employer payroll taxes	Other taxes and payments	Total government payments borne	Employee payroll taxes (not borne) <sup>(7)</sup>	Net transaction taxes paid/(refunded) <sup>(8)</sup>
-	-	-	-	-	-	0.2
-	-	-	-	-	-	0.2
0.1	<b>147.9</b>	0.6	5.1	<b>153.6</b>	168.8	(147.4)
0.1	<b>49.6</b>	4.3	0.7	<b>54.6</b>	-	-
0.1	<b>79.1</b>	9.2	2.8	<b>91.1</b>	-	-
0.3	<b>28.3</b>	3.9	1.0	<b>33.2</b>	-	-
0.6	<b>22.6</b>	13.7	0.9	<b>37.2</b>	-	-
-	-	-	0.1	<b>0.1</b>	-	-
1.2	<b>327.5</b>	31.7	10.6	<b>369.8</b>	168.8	(147.4)
-	<b>2.9</b>	14.0	10.3	<b>27.2</b>	4.3	9.5
-	-	-	-	-	-	10.0
-	<b>1.0</b>	-	2.2	<b>3.2</b>	-	2.4
-	-	-	0.1	<b>0.1</b>	-	6.3
-	<b>0.7</b>	-	1.5	<b>2.2</b>	-	-
-	<b>1.2</b>	-	0.1	<b>1.3</b>	-	-
-	<b>5.8</b>	14.0	14.2	<b>34.0</b>	4.3	28.2
-	<b>0.1</b>	-	-	<b>0.1</b>	1.9	(0.1)
-	<b>0.1</b>	-	-	<b>0.1</b>	1.9	(0.1)
-	<b>8.1</b>	0.3	0.4	<b>8.8</b>	13.2	(69.1)
-	<b>8.1</b>	0.3	0.4	<b>8.8</b>	13.2	(69.1)
0.5	<b>104.5</b>	-	0.8	<b>105.3</b>	5.0	(22.6)
-	-	-	0.9	<b>0.9</b>	-	0.3
-	-	-	-	-	-	0.2
0.5	<b>104.5</b>	-	1.7	<b>106.2</b>	5.0	(22.1)
-	<b>2.4</b>	-	-	<b>2.4</b>	-	-
-	<b>2.4</b>	-	-	<b>2.4</b>	-	-
-	<b>6.9</b>	-	-	<b>6.9</b>	4.6	(2.4)
-	<b>6.9</b>	-	-	<b>6.9</b>	4.6	(2.4)
-	<b>39.3</b>	-	-	<b>39.3</b>	-	(0.1)
-	<b>39.3</b>	-	-	<b>39.3</b>	-	(0.1)
-	<b>5.6</b>	-	-	<b>5.6</b>	-	-
-	<b>5.6</b>	-	-	<b>5.6</b>	-	-
-	<b>43.7</b>	1.7	1.2	<b>46.6</b>	28.3	(201.0)
-	<b>43.7</b>	1.7	1.2	<b>46.6</b>	28.3	(201.0)
-	<b>(1.5)</b>	-	0.1	<b>(1.4)</b>	1.3	(0.1)
-	<b>(1.5)</b>	-	0.1	<b>(1.4)</b>	1.3	(0.1)
-	-	1.6	-	<b>1.6</b>	5.2	-
-	-	0.1	-	<b>0.1</b>	0.1	-
-	-	-	-	-	0.6	-
-	-	-	0.5	<b>0.5</b>	-	-
-	-	-	0.2	<b>0.2</b>	-	-
-	-	1.7	0.7	<b>2.4</b>	5.9	-
1.7	<b>542.4</b>	49.4	28.9	<b>620.7</b>	233.3	(413.9)

## Total payments to government by project

Table 2 Total payments to government by project for the year ended 30 June 2024

US\$M <sup>(13)</sup>	Corporate income tax	Royalty related taxes	Royalties	License fees	Payments to governments for UK Regulation purposes	Employer payroll taxes	Other taxes and payments	Total government payments borne	Employee payroll taxes (not borne) <sup>(14)</sup>	Net transaction taxes paid/(refunded) <sup>(15)</sup>
Cannington - Australia	59.3	–	28.0	0.2	<b>87.5</b>	3.9	0.8	<b>92.2</b>	19.8	(0.4)
Illawarra Metallurgical Coal - Australia	84.3	–	79.0	0.1	<b>163.4</b>	9.2	3.0	<b>175.6</b>	50.7	(39.2)
Worsley Alumina - Australia	16.0	–	22.0	0.6	<b>38.6</b>	8.3	4.4	<b>51.3</b>	41.1	(81.4)
Eagle Downs Metallurgical Coal - Australia	(4.6)	–	–	0.1	<b>(4.5)</b>	–	0.4	<b>(4.1)</b>	0.1	(0.9)
Cerro Matoso - Colombia	2.0	–	102.0	0.5	<b>104.5</b>	–	1.7	<b>106.2</b>	5.0	(22.1)
Hermosa - USA	–	–	–	–	<b>–</b>	1.6	0.7	<b>2.3</b>	5.5	–
<b>Total extractive project related payments - Subsidiaries</b>	<b>157.0</b>	<b>–</b>	<b>231.0</b>	<b>1.5</b>	<b>389.5</b>	<b>23.0</b>	<b>11.0</b>	<b>423.5</b>	<b>122.2</b>	<b>(144.0)</b>
<b>Equity accounted investments</b>										
Australia Manganese - Australia	4.1	49.5	7.5	0.1	<b>61.2</b>	4.3	1.5	<b>67.0</b>	22.6	(25.3)
South Africa Manganese - South Africa	0.1	–	2.7	–	<b>2.8</b>	–	0.1	<b>2.9</b>	9.0	(29.2)
MRN - Brazil	0.1	–	3.2	–	<b>3.3</b>	5.8	7.9	<b>17.0</b>	2.2	2.8
Sierra Gorda - Chile	6.7(16)	1.4	–	–	<b>8.1</b>	–	0.4	<b>8.5</b>	13.2	(69.8)
<b>Total extractive project related payments including equity accounted investments</b>	<b>168.0</b>	<b>50.9</b>	<b>244.4</b>	<b>1.6</b>	<b>464.9</b>	<b>33.1</b>	<b>20.9</b>	<b>518.9</b>	<b>169.2</b>	<b>(265.5)</b>
Non-extractive project related payments	70.5	–	6.9	0.1	<b>77.5</b>	16.3	8.0	<b>101.8</b>	64.1	(148.4)
<b>Total taxes paid<sup>(17)</sup></b>	<b>238.5</b>	<b>50.9</b>	<b>251.3</b>	<b>1.7</b>	<b>542.4</b>	<b>49.4</b>	<b>28.9</b>	<b>620.7</b>	<b>233.3</b>	<b>(413.9)</b>

(13) Payments reported are the portion of the total payment that relates to South32's ownership.

(14) These taxes are deducted by the Company from employees' remuneration and remitted to revenue authorities and on the employees' behalf.

(15) Net transaction taxes refunded include GST, VAT and fuel tax credits. Refer to the Glossary of terms on page 30.

(16) Includes interest withholding tax paid to the Chilean Government of US\$1.1 million.

(17) Refer to page 20 for a reconciliation of corporate income tax paid to the income tax (paid)/received as shown in the Consolidated Cash Flow Statement of our 2024 Annual Report.

## Our underlying income tax expense and underlying effective tax rate

We use Underlying earnings as a key measure in assessing the performance of our business. Underlying earnings excludes revenue and expense items that do not reflect the performance or outcome of our operations. Underlying earnings is calculated as Underlying earnings before interest and tax (EBIT) less Underlying net financing (revenue)/costs less Underlying income tax expense. In the Group's broader Annual Reporting Suite, the Group's Underlying financial results includes our material equity accounted investments on a proportionally consolidated basis. The table below has also been prepared on this basis.

Table 3 Underlying tax expense and Underlying ETR for the year ended 30 June 2024

	South32	Argentina	Australia	Brazil	Canada	Chile	Colombia	Ireland	Mozambique	Netherlands	Singapore	South Africa	United Kingdom	United States
	US\$M	30%	30%	34%	27%	27%	35%	13%	0%	26%	5%	27%	25%(19)	21%
Underlying EBIT (profit)/loss	(886)	3	(682)	132	1	(152)	(28)	2	54	–	(109)	(148)	(6)	47
Less: Underlying net financing (revenue)/costs	249	–	190	34	–	182	21	–	6	(168)	(19)	15	(13)	1
Less: Equity accounted investments loss <sup>(20)</sup>	31	–	–	31	–	–	–	–	–	–	–	–	–	–
<b>Underlying (profit)/loss before tax</b>	<b>(668)</b>	<b>3</b>	<b>(492)</b>	<b>135</b>	<b>1</b>	<b>30</b>	<b>(7)</b>	<b>2</b>	<b>60</b>	<b>(168)</b>	<b>(128)</b>	<b>(133)</b>	<b>(19)</b>	<b>48</b>
Income tax at 30 per cent	204	(1)	148	(40)	–	(9)	2	(1)	(18)	50	40	41	6	(14)
Tax rate differential on non-Australian income	(23)	–	–	(5)	–	1	1	–	18	(7)	(30)	(4)	(1)	4
Tax on sales attributable to Australia	17	–	17	–	–	–	–	–	–	–	–	–	–	–
Tax on other income attributable to Australia	7	–	7	–	–	–	–	–	–	–	–	–	–	–
Withholding tax	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Non-recognition of future tax benefits <sup>(21)</sup>	23	–	9	–	–	–	–	–	–	–	–	4	–	10
Prior year under/over	1	–	2	–	–	–	–	–	–	–	(1)	–	–	–
Non-deductible exploration expenditure	–	1	–	–	–	(1)	–	–	–	–	–	–	–	–
Prior year Colombian royalty expenses <sup>(22)</sup>	(23)	–	–	–	–	–	(23)	–	–	–	–	–	–	–
Permanent differences	17	–	13	–	–	–	1	–	–	–	(1)	2	2	–
<b>Underlying income tax expense/ (benefit)</b>	<b>223</b>	<b>–</b>	<b>196</b>	<b>(45)</b>	<b>–</b>	<b>(9)</b>	<b>(19)</b>	<b>(1)</b>	<b>–</b>	<b>43</b>	<b>8</b>	<b>43</b>	<b>7</b>	<b>–</b>
<b>Royalty-related taxation (net of income tax benefit)</b>	<b>36</b>	<b>–</b>	<b>27</b>	<b>–</b>	<b>–</b>	<b>9</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Underlying taxation expense</b>	<b>259</b>	<b>–</b>	<b>223</b>	<b>(45)</b>	<b>–</b>	<b>–</b>	<b>(19)</b>	<b>(1)</b>	<b>–</b>	<b>43</b>	<b>8</b>	<b>43</b>	<b>7</b>	<b>–</b>
<i>Underlying effective tax rate including Royalty-related taxation</i>	<b>38.8%</b>	0%	45%	33%	0%	0%	(271%)	50%	0%	26%	6%	32%	37%	0%
<i>Underlying effective tax rate excluding Royalty-related taxation</i>	<b>33.4%</b>	0%	40%	33%	0%	30%	(271%)	50%	0%	26%	6%	32%	37%	0%
Underlying profit before tax	(668)													
Underlying income tax expense	223													
Royalty-related taxation (net of income tax benefit)	36													
<b>Underlying profit after tax</b>	<b>(409)</b>													
Add: Equity accounted investments profit	31													
<b>Underlying Earnings</b>	<b>(378)</b>													

As the countries we operate in have varying tax rates our Underlying ETR is largely influenced by the geographic distribution of the Group's profit.

For the year ended 30 June 2024, Mozal Aluminium paid US\$17 million of royalties and dividends to the Mozambique Government.

(19) The UK income tax rate increased from 19 per cent to 25 per cent in financial year beginning 1 April 2023.

(20) Refer to pages 24 to 28 for information regarding our extractive equity accounted investments.

(21) Largely relates to de-recognition of future rehabilitation deferred tax assets and exploration expenditure.

(22) Reversal of non-deductible royalty expense incurred during FY23.

## Our income tax expense and effective tax rate

The table below presents a reconciliation of our statutory profit and income tax expense for the year ended 30 June 2024. The country ETRs are different from the country statutory tax rates due to non-deductible expenses and the impact of foreign exchange movements on tax balances.

**Table 4 Reconciliation of statutory profit to income tax expense and current tax payable for the year ended 30 June 2024**

	South32	Argentina	Australia	Brazil	Canada
	US\$M	30%	30%	34%	27%
(Profit)/loss before tax	<b>118</b>	4	(37)	191	1
Less: (Profit)/loss on equity accounted investments	<b>60</b>	-	44	31	-
<b>(Profit)/loss subject to tax</b>	<b>58</b>	4	(81)	160	1
Income tax on (profit)/loss at 30 per cent	<b>(18)</b>	(1)	23	(48)	-
Tax rate differential on non-Australian income	<b>(33)</b>	-	-	(7)	-
Tax on sales income attributable to Australia	<b>17</b>	-	17	-	-
Tax on other income attributable to Australia	<b>12</b>	-	12	-	-
Withholding tax	<b>-</b>	-	-	-	-
Non-recognition of future tax benefits	<b>14</b>	1	-	-	-
Non-deductible impairment charge	<b>-</b>	-	-	-	-
Future tax benefits not recognised on impairments	<b>77</b>	-	1	-	-
Prior year under/over	<b>10</b>	-	12	-	-
Exchange variations and other translation adjustments	<b>20</b>	-	-	26	-
Prior year Colombian royalty expenses <sup>(24)</sup>	<b>(23)</b>	-	-	-	-
Permanent differences	<b>11</b>	-	7	-	-
<b>Income tax expense/(benefit)</b>	<b>87</b>	-	72	(29)	-
<i>Temporary differences</i>					
Depreciation	<b>1</b>	-	(54)	(9)	-
Closure and rehabilitation	<b>14</b>	-	49	1	-
Non-tax-depreciable FV adjustments, revaluations & mineral rights	<b>96</b>	-	87	-	-
Finance leases	<b>22</b>	-	22	-	-
Income tax losses	<b>25</b>	-	-	39	-
Brazil tax deferral Incentives	<b>9</b>	-	-	9	-
Provisions	<b>4</b>	-	4	-	-
Other <sup>(25)</sup>	<b>(45)</b>	-	(41)	(11)	-
Temporary differences movement	<b>126</b>	-	67	29	-
<b>Current income tax payable</b>	<b>213</b>	-	139	-	-
<b>Effective tax rate</b>	<b>-150%</b> <sup>(26)</sup>	0%	89%	18%	0%
<b>Cash effective tax rate</b>	<b>-367%</b>	0%	172% <sup>(27)</sup>	0% <sup>(28)</sup>	0%

(23) The UK income tax rate increased from 19 per cent to 25 per cent in financial year beginning 1 April 2023.

(24) Reversal of non-deductible royalty expense incurred during FY23.

(25) Australia Other temporary difference movements relate to unrealised foreign exchange gains/losses and prepayments. Brazil Other temporary difference movements relate to the unwinding of temporary differences recognised on indirect tax assets from prior years. South Africa Other temporary difference movements relate to the unwinding of timing differences on accrued expense recognised in prior years.

(26) The Group's ETR is high primarily due to limited tax benefit being recognised in relation to the non-cash impairment of Cerro Matoso.

(27) Australia ETR and cash ETR is higher than the country statutory rate due to prior year under/over and temporary differences movement.

(28) Brazil ETR and cash ETR is lower than the country statutory rate due to tax losses and foreign exchange.

(29) Colombia ETR and cash ETR is lower than the country statutory rate due to reversal of the prior year royalty expense, and non-deductible impairment expense.

(31) South Africa ETR and cash ETR is slightly higher than the country statutory rate due to the impact of de-recognition of future tax benefit.

(32) United Kingdom ETR and cash ETR is higher than the country statutory rate due to non-deductible expenses.

	Chile	Colombia	Ireland	Mozambique	Netherlands	Singapore	South Africa	United Kingdom	United States
	27%	35%	12.5%	0%	25.8%	5%	27%	25% <sup>(23)</sup>	21%
	4	257	2	63	(138)	(126)	(132)	(19)	48
	6	-	-	-	-	(6)	(15)	-	-
	(2)	257	2	63	(138)	(120)	(117)	(19)	48
	1	(77)	(1)	(19)	41	36	35	6	(14)
	-	(13)	1	19	(6)	(27)	(3)	(1)	4
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	(1)	-	-	-	-	-	4	-	10
	-	-	-	-	-	-	-	-	-
	-	76	-	-	-	-	-	-	-
	-	-	-	-	-	(1)	(1)	-	-
	-	(3)	-	-	-	-	(3)	-	-
	-	(23)	-	-	-	-	-	-	-
	-	2	-	-	(1)	(1)	2	2	-
	-	(38)	-	-	34	7	34	7	-
	-	52	-	-	-	-	12	-	-
	-	(36)	-	-	-	-	-	-	-
	-	9	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(14)	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	3	-	-	-	-	4	-	-
	-	28	-	-	-	-	2	-	-
	-	(10)	-	-	34	7	36	7	-
	0%	15%	0%	0%	25%	6%	29%	37%	0%
	0%	4% <sup>(29)</sup>	0%	0%	25%	6%	31% <sup>(31)</sup>	37% <sup>(32)</sup>	0%

## Our income tax payable and deferred tax movements

The current tax balances in the Consolidated Financial Statements of our Annual Report 2024 are presented in the table below.

Table 5 Reconciliation of current tax balances for the year ended 30 June 2024

	South32	Argentina	Australia	Brazil	Canada	Chile	Colombia	Ireland	Mozambique	Netherlands	Singapore	South Africa	United Kingdom	United States
	US\$M	30%	30%	34%	27%	27%	35%	12.5%	0%	25.8%	5%	27%	25%	21%
<b>Net opening current tax payable/ (receivable)</b>	<b>(44)</b>	–	(12)	–	–	–	(34)	–	–	2	5	(5)	–	–
Current income tax payable/ (receivable)	<b>213</b>	–	139	–	–	–	(10)	–	–	34	7	36	7	–
Payments relating to current income year	<b>(200)</b>	–	(122)	–	–	–	4	–	–	(39)	–	(36)	(7)	–
Payments relating to prior income year	<b>(23)</b>	–	(16)	–	–	–	–	–	–	–	(4)	(3)	–	–
Other movements <sup>(33)</sup>	<b>–</b>	–	2	–	–	–	(2)	–	–	–	–	–	–	–
<b>Net closing current income tax payable/ (receivable)</b>	<b>(54)</b>	–	(9)	–	–	–	(42)	–	–	(3)	8	(8)	–	–

Table 6 Reconciliation of income tax paid for the year ended 30 June 2024

	US\$M <sup>(34)</sup>
<b>Income tax paid per 2024 Annual Report and Table 5 of this report<sup>(35)</sup></b>	<b>(223)</b>
Include: Our share of payments related to Manganese equity accounted investments	<b>(8)</b>
Include: Our share of payments related to Sierra Gorda equity accounted investments	<b>(7)</b>
Include: Our share of payments related to MRN equity accounted investments	<b>–</b>
<b>Corporate Income Taxes paid per Table 1 and Table 2 of this report<sup>(36)</sup></b>	<b>(238)</b>

Table 7 Deferred tax movements for the year ended 30 June 2024

	South32	Argentina	Australia	Brazil	Canada	Chile	Colombia	Ireland	Mozambique	Netherlands	Singapore	South Africa	United Kingdom	United States
	US\$M	30%	30%	34%	27%	27%	35%	12.5%	0%	25.8%	5%	27%	25%	21%
<b>Opening deferred tax asset/ (liability)</b>	<b>180</b>	–	367	(63)	–	–	(28)	–	–	–	–	(98)	2	–
Movements through income statement	<b>126</b>	–	67	29	–	–	28	–	–	–	–	2	–	–
Other movements <sup>(37)</sup>	<b>(1)</b>	–	2	(1)	–	–	–	–	–	–	–	–	(2)	–
<b>Closing deferred tax asset/ (liability)</b>	<b>305</b>	–	436	(35)	–	–	–	–	–	–	–	(96)	–	–

(33) Other Movements in Australia relate to employee share scheme movements through equity accounts.

(34) Numbers are rounded to whole millions consistent with the presentation of numbers in the 2024 Annual Report.

(35) Refer to the Consolidated Cash Flow Statement in the 2024 Annual Report. Total income tax payments for the year of US\$223 million (rounded) is calculated as payments relating to current income year (US\$200 million) plus payments relating to prior income years (US\$24 million), and refunds relating to prior income years (US\$1 million).

(36) Refer to pages 14 to 16.

(37) Other movements relate to financial assets fair value adjustments and employee entitlement movements through equity accounts.

## 2024 Country by country information

The table below includes additional country by country information, based on the tax residency requirements of GRI 207.

**Table 8 Country by country report for the year ended 30 June 2024**

	South32	Argentina	Australia	Brazil	Canada	Chile	Colombia	Ecuador	Ireland	Mozambique	Netherlands	Singapore	South Africa	United Kingdom	United States
Unrelated party revenues <sup>(38)</sup>	<b>7,123</b>	–	819	129	–	–	7	–	–	93	1	5,659	404	10	1
Related party revenues	<b>6,961</b>	–	2,469	516	7	–	541	–	–	678	167	1,258	1,297	28	–
(Profit)/loss before tax	<b>118</b>	4	(37)	191	1	4	257	–	2	63	(138)	(126)	(132)	(19)	48
(Profit)/loss subject to tax	<b>58</b>	4	(81)	160	1	(2)	257	–	2	63	(138)	(120)	(117)	(19)	48
Income tax paid during the period	<b>224</b>	–	136	3	–	–	2	2(39)	–	–	39	4	39	(1)	–
Income tax accrued in the period	<b>213</b>	–	139	–	–	–	(10)	–	–	–	34	7	36	7	–
Tangible assets <sup>(40)</sup>	<b>9,193</b>	–	5,022	785	2	1	242	–	–	587	–	73	820	–	1,661
Number of employees (unrounded) <sup>(41)</sup>	<b>9,906</b>	–	5,012	23	23	15	949	–	–	1,036	–	81	2,577	15	175

### Our subsidiaries

A full list of our subsidiaries, their country of incorporation, tax residency, principal activity and our ownership interest can be found in our Annual Report 2024 and on our website at [www.south32.net](http://www.south32.net). The table below summarises the country of incorporation and tax residence for all Group companies at 30 June 2024. The total number of subsidiaries has increased from 63 last year to 65 in the current year due to one new subsidiary in Argentina and one new subsidiary in Australia.

**Table 9 Country of incorporation and tax residence of our subsidiaries**

Country	Number of Subsidiaries	Tax Resident of Subsidiaries
Argentina	1	1
Australia <sup>(42)</sup> (43) (44)	25	30
Brazil	1	1
British Virgin Islands <sup>(42)</sup>	4	0
Canada	2	2
Chile	3	3
Colombia	4	4
Ireland	1	1
Jersey <sup>(43)</sup>	1	0
Mozambique	1	1
Netherlands	3	3
Singapore <sup>(44)</sup>	2	1
South Africa	12	12
Sweden	1	1
United Kingdom <sup>(42)</sup>	1	2
United States	3	3
<b>Total</b>	<b>65</b>	<b>65</b>

(38) Comprising Group production revenue of US\$6,245 million (US\$5,021 million of continuing operations and US\$1,224 million of discontinued operation), Third party product and services revenue of US\$695 million (US\$458 million of continuing operations and US\$237 million of discontinued operation), Other income of US\$118 million (US\$108 million of continuing operations and US\$10 million of discontinued operation) and Finance income of US\$224 million (US\$222 million of continuing operations and US\$2 million of discontinued operation), excluding the Sierra Gorda shareholder loan interest income (US\$159 million). Refer to our Consolidated Income Statement and HFS and discontinued operation section in our 2024 Annual Report for further details regarding the nature of each type of income.

(39) Royalty withholding tax that is paid to the Ecuadorian Government.

(40) Comprising Inventories - Current assets of continuing operations (US\$985 million), Inventories - Non Current assets of continuing operations (US\$63 million), assets of discontinued operation (US\$109 million) and Property, plant & equipment of US\$8,036 million (US\$6,503 million of continuing operations and US\$1,533 million of discontinued operation). Refer to the Consolidated balance sheet section and HSF and discontinued operation section in our 2024 Annual Report for more detail.

(41) More detail about employees can be found in the Our People section of our 2024 Sustainability Databook at [www.south32.net](http://www.south32.net).

(42) Three subsidiaries incorporated in the British Virgin Islands are residents of Australia for tax purposes. The remaining subsidiary is a resident of the UK for tax purposes.

(43) The subsidiary incorporated in Jersey is a resident of Australia for tax purposes.

(44) One subsidiary incorporated in Singapore is a resident of Australia for tax purposes.

## International related party dealings

### Sales and purchases of commodities by our Singapore marketing subsidiary

We conduct our sales and purchasing activities, including marketing, logistics (shipping and freight movement) and customer credit risk management from Singapore. As a commercial hub with proximity to the markets that we trade with, Singapore is well suited to be the location for these activities. Our Singapore marketing headquarters is supported by staff in our London office.

All sales and purchase transactions between our operations and marketing office are priced in accordance with the OECD guidelines and local laws.

Table 10 South32 Singapore marketing income statement for the year ended 30 June 2024

US\$M	Group product sold to unrelated parties	Group product and raw materials sold to related parties	Third party product sold to unrelated parties	Freight services to unrelated parties	Freight services to related parties	Others	South32 Marketing
Revenue <sup>(45)(46)</sup>	4,953	1,242	512	181	16	–	<b>6,904</b>
Equity accounted investments profit	–	–	–	–	–	6	<b>6</b>
Services revenue <sup>(47)</sup>	–	–	–	–	–	7	<b>7</b>
Purchases <sup>(48)(49)</sup>	(4,784)	(1,148)	(463)	–	–	–	<b>(6,395)</b>
Freight	(89)	(76)	(13)	(183)	(14)	–	<b>(375)</b>
Service expense	–	–	–	–	–	(8)	<b>(8)</b>
Interest Income	–	–	–	–	–	16	<b>16</b>
Office related costs	–	–	–	–	–	(29)	<b>(29)</b>
<b>Profit/(loss)</b>	<b>80</b>	<b>18</b>	<b>36</b>	<b>(2)</b>	<b>2</b>	<b>(8)</b>	<b>126</b>

### Intra-group cross border charges

We charge service fees for Group management activities and other intra-group services. These services are provided on an arm's length basis.

Additionally, our captive insurance company provides insurance options to assist the Group to manage business risks. The company is incorporated and subject to tax in Singapore at the Singaporean statutory tax rate, however the company is also an Australian tax resident and subject to tax in Australia. Tax is paid in both countries.

Table 11 Intra-group cross border charges by country for the year ended 30 June 2024

US\$M	Service provider						Service recipient
	Australia	Canada	Chile	Singapore	South Africa	United Kingdom	Expenses
Australia	–	6	5	1	10	1	<b>(23)</b>
Brazil	1	–	–	–	–	–	<b>(1)</b>
Colombia	12	–	–	–	2	–	<b>(14)</b>
Mozambique	4	–	–	–	7	–	<b>(11)</b>
Singapore	4	–	–	–	–	5	<b>(9)</b>
South Africa	20	–	–	–	–	1	<b>(21)</b>
United States	4	1	–	–	1	–	<b>(6)</b>
<b>Service provider revenue</b>	<b>45</b>	<b>7</b>	<b>5</b>	<b>1</b>	<b>20</b>	<b>7</b>	<b>(85)</b>

(45) Group product and third-party product revenue includes recoupment of freight costs, at cost.

(46) Group product sold to related parties of US\$1,242 million is comprised of alumina sales to Hillside Aluminium (US\$497 million) and Mozal Aluminium (US\$193 million) and raw materials sales to Worsley Alumina (US\$195 million), Hillside Aluminium (US\$233 million) and Mozal Aluminium (US\$124 million).

(47) Services income relates to services provided to our Singaporean Manganese marketing company.

(48) Group product sold to unrelated parties is purchased from related parties in Australia (US\$1,845 million), Brazil (US\$457 million), Colombia (US\$541 million), Mozambique (US\$678 million), South Africa (US\$1,265 million), and stock adjustment from Worsley Alumina (US\$– million), Hillside Aluminium (US\$2 million), Mozal Aluminium (US\$– million), totalling US\$4,784 million.

(49) Group product sold to related parties purchases is comprised of alumina purchases from Worsley Alumina (US\$601 million) and Brazil Alumina (US\$58 million) and raw materials purchased from unrelated parties (US\$489 million), totalling purchases of US\$1,148 million.



### **Intra-group cross border financing**

Our companies, located in various countries, place funds on deposit with one of our UK companies. There are also funding arrangements between one of our UK companies and some of our operating companies. These financing arrangements are provided at relevant market rates and the interest income is assessed and associated tax paid in the jurisdiction of the lending company. The associated interest withholding taxes are also paid in the jurisdictions of the borrowing company.

**Table 12 Intra-group cross border interest charges by country for the year ended 30 June 2024**

	US\$M
Australia	<b>22</b>
Brazil	<b>24</b>
Colombia	<b>16</b>
Netherlands	<b>(7)</b>
Singapore	<b>(16)</b>
South Africa	<b>(12)</b>
<b>Interest income/(expenses)</b>	<b>27</b>

In the year ended 30 June 2024, our two Dutch subsidiaries accrued interest income of US\$159 million relating to the long-term funding provided to Sierra Gorda. This interest income has been subject to tax in the Netherlands at the rate of 25.8 per cent and is also included in full in our Australian tax return and subject to the tax in Australia. We inherited this capital structure comprising both common equity and shareholder loans as part of our acquisition of Sierra Gorda.

## Our equity accounted investments

Our 2024 Group Underlying earnings includes our manganese operations and Sierra Gorda on a proportionally consolidated basis. Our 2024 Group statutory results reflect our manganese operations, Sierra Gorda, MRN and PKCT<sup>(50)</sup> as equity accounted investments. This means the post-tax (profit)/loss from each operation is recorded in the Group's overall (profit)/loss before tax. The value of the equity accounted investments in each operation is held as an asset on the balance sheet, at its cost, plus post-acquisition accumulated (profit)/loss after tax.

**Table 13 Equity accounted investment companies**

	Country of incorporation	Country of tax residency	Principal Activity	Ownership interest %
Groote Eylandt Mining Company Pty Ltd	Australia	Australia	Manganese mine	60.0
Hotazel Manganese Mines Proprietary Limited	South Africa	South Africa	Manganese mine	54.6
Samancor Holdings Proprietary Limited	South Africa	South Africa	Holding company	60.0
Samancor Manganese Proprietary Limited	South Africa	South Africa	Holding company	60.0
Samancor Marketing Pte. Ltd.	Singapore	Singapore	Sales, Marketing and Distribution of manganese	60.0
Terra Nominees Proprietary Limited	South Africa	South Africa	Holding company	60.0
Sierra Gorda Sociedad Contractual Minera (SCM)	Chile	Chile	Copper mine	45.0
Port Kembla Coal Terminal Limited	Australia	Australia	Coal export handling	16.7
Mineração Rio do Norte S.A.	Brazil	Brazil	Bauxite mine	33.0

## Manganese

We have a 60 per cent ownership interest in all our equity accounted manganese operations, except South Africa Manganese Ore in which we hold a 54.6 per cent effective interest. The manganese tax balances included in the tables below are presented on a 100 per cent ownership basis.

Our Singaporean manganese actives are taxed at 10 per cent under an incentive granted by the Singapore government. This tax incentive expired on 30 June 2024.

## Income tax expense

**Table 14 Reconciliation of manganese statutory profit to income tax expense and current income tax payable for the year ended 30 June 2024**

	Manganese US\$M	Australia 30%	Singapore 10%	South Africa 27%
<b>(Profit)/loss subject to tax</b>	<b>(10)</b>	61	(21)	(50)
Income tax on profit at 30 per cent	<b>3</b>	(18)	6	15
Tax rate differential on non-Australian income	<b>(5)</b>	-	(4)	(1)
Exchange variations and other translation adjustments	<b>(4)</b>	(3)	-	(1)
Non-recognition of future tax benefits	<b>14</b>	14	-	-
Prior year under/over	<b>2</b>	-	1	1
Permanent differences	<b>1</b>	1	-	-
<b>Income tax expense/(benefit)</b>	<b>11</b>	(6)	3	14
Royalty related tax	<b>19</b>	19	-	-
<b>Total tax expense</b>	<b>30</b>	13	3	14
<i>Temporary differences</i>				
Depreciation	<b>1</b>	6	-	(5)
Closure and rehabilitation	<b>6</b>	4	-	2
Royalty tax	<b>(2)</b>	(2)	-	-
Other	<b>(3)</b>	(4)	-	1
<b>Income tax and royalty tax payable</b>	<b>32</b>	17	3	12
<b>Effective tax rate excluding royalties<sup>(51)</sup></b>	<b>110%</b>	10%	14%	28%
<b>Cash effective tax rate excluding royalties<sup>(52)</sup></b>	<b>150%</b>	0%	14%	24%

(50) PKCT is being sold as part of the divestment of IMC.

(51) Total tax expenses less royalty related tax divided by (profit)/loss subject to tax.

(52) Current income tax payable less royalty related taxes divided by (profit)/loss subject to tax.

## Income tax payable and deferred tax movements

Table 15 Reconciliation of manganese current tax balances for the year ended 30 June 2024

	Manganese	Australia	Singapore	South Africa
	US\$M	30%	10%	27%
<b>Income Tax</b>				
<b>Opening current tax payable/(receivable)</b>	<b>2</b>	8	2	(8)
Current income tax payable/(receivable)	<b>14</b>	(1)	3	12
Payments relating to current income years	<b>(3)</b>	-	-	(3)
Payments relating to prior income years	<b>(10)</b>	(7)	(3)	-
<b>Closing income tax payable/(receivable)</b>	<b>3</b>	-	2	1
<b>Royalty Related Income Tax</b>				
<b>Opening royalty tax payable</b>	<b>45</b>	45	-	-
Current royalty tax payable	<b>18</b>	18	-	-
Payments relating to current and prior income years	<b>(82)</b>	(82)	-	-
<b>Closing royalty tax payable/(receivable)</b>	<b>(19)</b>	(19)	-	-

Table 16 Deferred tax movements for the year ended 30 June 2024

	Manganese	Australia	Singapore	South Africa
	US\$M	30%	10%	27%
<b>Opening deferred tax liability</b>	<b>(19)</b>	(7)	-	(12)
Movements through the income statement	<b>2</b>	4	-	(2)
Other movements	<b>-</b>	-	-	-
<b>Closing deferred tax liability</b>	<b>(17)</b>	(3)	-	(14)

Our manganese operations conduct sales and purchasing activities, including marketing, logistics (shipping and freight movement) and customer credit risk management from Singapore. Being a commercial hub with proximity to the markets that we trade with, Singapore is well suited as the location for these activities.

All sales and purchase transactions between our manganese operations and marketing office are priced in accordance with the OECD guidelines and local laws.

Table 17 Manganese Singapore marketing income statement for the year ended 30 June 2024

US\$M	Group product sold to unrelated parties	Other	Manganese Marketing
Revenue	1,318	-	<b>1,318</b>
Purchases <sup>(53)</sup>	(1,126)	-	<b>(1,126)</b>
Freight purchases	(169)	-	<b>(169)</b>
Service expense	-	(7)	<b>(7)</b>
Interest income	-	5	<b>5</b>
Office related costs	-	-	<b>-</b>
<b>Profit</b>	<b>23</b>	<b>(2)</b>	<b>21</b>

(53) Purchases of US\$1,126 million are from related parties in Australia (US\$625 million), South Africa (US\$501 million).

## Our equity accounted investments continued

### Intra-group cross border charges

Our manganese operations are charged service fees for Group management activities and other intra-group services. These services are subject to tax in both the service provider's and the service recipient's tax jurisdictions.

**Table 18 Manganese intra-group cross border charges by country for the year ended 30 June 2024**

Service recipient	US\$M	Service provider			Service recipient
		Australia	South Africa	United Kingdom	Expenses
Australia - Manganese		–	1	–	<b>(1)</b>
Singapore - Manganese		–	–	–	<b>–</b>
South Africa - Manganese		16	–	–	<b>(16)</b>
<b>Service Provider Revenue</b>		<b>16</b>	<b>1</b>	<b>–</b>	<b>(17)</b>

Our manganese companies, located in various countries, placed funds on deposit with one of our UK companies. These financing arrangements are provided at relevant market rates and the interest income is assessed and associated tax paid in the jurisdiction of the lending company.

**Table 19 Manganese intra-group cross border interest charges by country for the year ended 30 June 2024**

	US\$M
South Africa - Manganese	<b>1</b>
Singapore - Manganese	<b>5</b>
<b>Interest income</b>	<b>6</b>

## Sierra Gorda

We have a 45 per cent interest in Sierra Gorda. The Sierra Gorda tax balances included in the tables below are presented on a 100 per cent ownership basis.

### Income tax expenses

Table 20 Reconciliation of Sierra Gorda statutory profit to income tax expense and current income tax payable for the year ended 30 June 2024

	Chile US\$M <sup>(54)</sup>
<b>(Profit)/loss subject to tax</b>	<b>(439)</b>
Income tax on profit at 30 per cent	<b>132</b>
Tax rate differential on non-Australian income	<b>(13)</b>
Permanent differences	<b>13</b>
<b>Income tax expense</b>	<b>132</b>
Royalty related tax and other taxes	<b>19</b>
<b>Total tax expense</b>	<b>151</b>
<i>Temporary Differences</i>	
Income tax losses recouped	<b>(132)</b>
<b>Current income tax/royalty related tax payable</b>	<b>19</b>
<b>Effective tax rate excluding royalties<sup>(55)</sup></b>	<b>30.1%</b>
<b>Cash effective tax rate excluding royalties<sup>(56)</sup></b>	<b>0%<sup>(57)</sup></b>

Table 21 Reconciliation of Sierra Gorda current tax balances for the year ended 30 June 2024

	Chile US\$M
<b>Income Tax</b>	
<b>Opening current tax payable</b>	-
Current income tax payable	-
Payments relating to current and prior income years	-
<b>Closing income tax payable</b>	-
<b>Royalty Related and Other Income Tax</b>	
<b>Opening royalty and other tax payable</b>	<b>3</b>
Current royalty and other tax payable	<b>19</b>
Payments relating to current and prior income years	<b>(16)</b>
Other movements	<b>(2)</b>
<b>Closing royalty tax payable</b>	<b>4</b>

Table 22 Deferred tax movements for the for the year ended 30 June 2024

	Chile US\$M
<b>Opening deferred tax asset</b>	<b>1,066</b>
<b>Movements through income statement</b>	<b>(132)</b>
Other movement	<b>2</b>
<b>Closing deferred tax asset</b>	<b>936</b>

Sierra Gorda did not make sales to or purchases from South32's subsidiaries, other than a US\$4 million payment made to South32 Limited in relation to a parent company guarantee. There are no service fee charges for Group management activities or other intra-group services charged to Sierra Gorda in the year ended 30 June 2024.

Sierra Gorda receives funding from our Dutch subsidiaries as outlined on page 23.

(54) The numbers in this table are the balances in Sierra Gorda S.C.M.'s statutory accounts.

(55) Total tax expense less royalty related tax divided by (profit)/loss subject to tax.

(56) Current tax payable less royalty related taxes dividend by (profit)/loss subject to tax.

(57) Sierra Gorda cash ETR is lower than the country statutory tax rate due to the utilisation of prior year losses.

## Our equity accounted investments continued

### MRN

We have a 33 per cent interest in MRN. The MRN tax balances included in the table below are presented on a 100 per cent ownership basis.

#### Income tax expenses

Table 23 Reconciliation of MRN statutory profit to income tax expense and current income tax payable for the year ended 30 June 2024

	Brazil
	US\$M
<b>(Profit)/loss subject to tax</b>	<b>280</b>
Income tax on profit at 30 per cent	<b>(84)</b>
Tax rate differential on non-Australian income	<b>(11)</b>
Permanent differences	<b>13</b>
<b>Income tax expense</b>	<b>(82)</b>
Temporary differences movement	<b>81</b>
<b>Current income tax receivable</b>	<b>(1)</b>
<b>Effective tax rate</b>	<b>29%<sup>(58)</sup></b>
<b>Cash effective tax rate</b>	<b>-%</b>

Table 24 Reconciliation of MRN current tax balances for the year ended 30 June 2024

	Brazil
	US\$M
<b>Income Tax</b>	
<b>Opening current tax payable</b>	<b>(1)</b>
Current income tax payable	<b>(1)</b>
Payments relating to current and prior income years	<b>-</b>
Other movements	<b>2</b>
<b>Closing income tax payable</b>	<b>-</b>

Table 25 Deferred tax movements for the year ended 30 June 2024

	Brazil
	US\$M
<b>Opening deferred tax asset</b>	<b>49</b>
Movements through income statement	<b>81</b>
Other movements	<b>(14)</b>
<b>Closing deferred tax asset</b>	<b>116</b>

The bauxite we acquire from MRN is used in our Brazil Alumina refinery. The alumina produced from the refinery is exported through the Alumar port and supplied to the co-located Brazil Aluminium smelter.

There are no service fee charges for Group management activities or other intra-group services charged to MRN in the year ended 30 June 2024.

(58) MRN ETR is lower than the country statutory tax rate due to the SUDAM tax deferral incentive.

## Basis of preparation for the year ended 30 June 2024

Our report discloses information that satisfies the requirements of the following transparency initiatives:

- United Kingdom's (UK) Report on Payments to Governments Regulations 2014 (UK Regulations), including the tax strategy reporting requirement;
- Chapter 10 of the European Union (EU) Accounting Directive;
- Disclosure of tax information in line with the Australian Board of Taxation's Voluntary Tax Transparency Code for increased public disclosure of tax information;
- Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, including GRI 207;
- Extractive Industries Transparency Initiative reporting; and
- ICMM Social and Economic Reporting Framework and Guidance Indicator 1.

Our report includes payments to governments made by South32 Limited and its subsidiaries for the period they form part of the South32 Limited accounting consolidated group. We have also included payments to governments made by our extractive equity accounted investments and joint ventures. We include payments to governments made by extractive equity accounted investments and joint venture operations using South32's ownership proportions.

Payments have been disclosed in US dollars in line with the South32 functional currency for consolidated accounting purposes and where relevant, payments have been translated from the applicable local currency to US dollars at the exchange rate on the date of the payment. Payments are not reported where the aggregate taxes paid to a level of government or government body do not exceed US\$0.1 million.

In accordance with requirements of UK Reports on Payments to Governments Regulations 2014 and the EU Accounting Directive, Table 2: Total payments to government by project provides an analysis of our taxes paid split by project relating to extractive operations. We have also included all payments relating to non-extractive projects to reconcile the table to other disclosures in this report. Our non-extractive projects include Hillside Aluminium (South Africa), Brazil Aluminium, Mozal Aluminium (Mozambique), our equity accounted South Africa manganese alloy smelter and companies which provide services (management, marketing or financing) or are limited to holding investments.

## Glossary of terms

### Cash Effective Tax Rate (ETR)

Current tax payable/refundable divided by profit/loss subject to tax.

### Corporate income taxes

Payments to governments (net of refunds) based on taxable profits, including withholding taxes paid on dividends, interest, royalties or other distributions of profits. Generally, these taxes are reflected in the corporate income tax returns made to government and included as income taxes in the Consolidated Income Statement.

### Effective Tax Rate (ETR)

Income tax expense/benefit divided by profit/loss subject to tax.

### Employer payroll taxes

Payments to governments in relation to South32's capacity as an employer. These taxes are calculated as a percentage of salary, wages and on-costs and are generally paid monthly.

### Extractive

Any activity involving the exploration, prospection, discovery, development, and extraction of minerals, oil, natural gas or other materials. South32's extractive operations include Cannington (Australia), Illawarra Metallurgical Coal (Australia), Worsley Alumina (Australia), Eagle Downs Metallurgical Coal (Australia), Cerro Matoso (Colombia), Hermosa Ore (USA), equity accounted Australia Manganese Ore, equity accounted South Africa Manganese Ore, equity accounted Sierra Gorda (Chile) and equity accounted MRN (Brazil).

### Fees

Payments to governments where no specific service is attached but rather levied on the initial or ongoing right to use an area for extractive activities.

### Government

Any national, regional or local authority of a country and includes any department, agency or undertaking controlled by such an authority.

### IFRS (International Financial Reporting Standards)

Accounting standards as issued by the International Accounting Standards Board (IASB).

### Net transaction taxes paid/(refunded)

South32 claims refunds of transactional taxes, for example, Goods and Services Tax (GST), Value Added Tax (VAT) and Fuel Tax paid to suppliers for in-country purchases of goods, services and fuel. South32 also collects GST/VAT in respect of certain sales.

### Non-Extractive

Any activity which does not involve the exploration, prospection, discovery, development, and extraction of minerals, oil, natural gas or other materials. South32's non-extractive operations include Hillside Aluminium (South Africa), Brazil Aluminium, Mozal Aluminium (Mozambique), equity accounted South Africa Manganese Alloy (in care and maintenance) and any companies that provide services (management, marketing or financing) or are limited to holding investments.

### 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, Mineracao Rio do Norte S.A (MRN) and Port Kemble Coal Terminal (PKCT),

### 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.

### Other taxes and Payments

Payments to governments under other legislated rules where no specific service is attached, including fringe benefits tax, property tax, stamp duty, environmental tax, wealth tax and other levies/charges.

### Payment

An amount paid whether in money or in kind.

### Permanent differences

Differences between taxable income/ loss and pre-tax statutory profit/loss. These differences arise because of certain expense or revenue items which under income tax legislation will never be included in the determination of taxable income/loss although they are recognised in the Consolidated Income Statement.

### Project

Operational activities that are governed by a single contract, licence, lease, concession or similar legal agreement and form the basis for payment of liabilities to a government. Where multiple such agreements are substantially interconnected, this is considered a single project.

### Royalties

Payment to governments in respect of revenue or production related to extraction of minerals or metals.

### Royalty related taxes

Payments to governments in respect of profits from the extraction of natural resources. Royalty related taxes are presented as income tax in the Consolidated Income Statement. Both our Australia Manganese and Sierra Gorda operations have royalty related taxes.

### Statutory profit/(Loss)

The profit/loss calculated in accordance with IFRS and presented in the Consolidated Income Statement in the South32 2024 Annual Report.

### Subsidiaries

Subsidiaries are entities controlled by the parent entity.

### South32, South32 Group or Group

Refers to South32 Limited and its controlled entities and operated joint arrangements, unless otherwise stated.

### Temporary differences

Differences between taxable income/ loss and the pre-tax statutory profit/loss. These differences arise because certain revenue or expense items are included in determination the taxable income/ loss, which does not coincide with the period in which they are recognised in the Consolidated Income Statement.

### Underlying earnings

Underlying earnings is profit after tax and earnings adjustment items. Earnings adjustments represent items that don't reflect our underlying operations, including:

- Exchange rate gains/losses on restatement of monetary items;
- Impairment losses/reversals;
- Net Gains/losses on disposal and consolidation of interests in businesses;
- 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;
- Exchange rate variations on net debt;
- Tax effect of earnings adjustments; and
- Exchange rate variations on tax balances.

A reconciliation of our Underlying earnings to our Statutory earnings can be found in our segment information section within 2024 Annual Report.

### 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.

### Underlying Effective Tax Rate (ETR)

Underlying income tax expense/benefit divided by Underlying profit/loss subject to tax.

### Underlying income tax expense

Corporate income tax incurred during the period on items included in Underlying earnings before tax. A reconciliation of our Underlying income tax expense to our statutory tax expense can be found in our 2024 Annual Report.





## Independent auditor's report

### To the Directors of South32 Limited

#### Opinion

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We have audited the **Financial Information** of the South32 Limited **Group**.

In our opinion, the accompanying Financial Information is prepared, in all material respects, in accordance with the basis of preparation described on page 29 of the South32 Tax Transparency and Payments to Governments Report 2024 (the "Report").

The **Financial information** comprises Table 1 – Total Payments Made by Country by Level of Government and Table 2 – Total Payments to Government by Project, collectively the "Tables" on pages 14 to 16 of the Report.

The **Group** consists South32 Limited and the entities it controlled at the year ended 30 June 2024.

#### Basis for opinion

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We conducted our audit in accordance with *Australian Auditing Standards*. 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 Information* section of our report.

We are independent of the Group in accordance with 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 Information in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

#### Emphasis of matter – basis of report preparation and restriction on use

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We draw attention to page 29 of the Report, which describes the basis of preparation.

The Financial Information has been prepared to assist the Directors of South32 Limited for the purpose of South32's Tax Transparency and Payments to Governments Report 2024.

As a result, the Financial Information and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Directors of South32 Limited. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Information to which it relates, to any person other than Directors of South32 Limited or for any other purpose than that for which it was prepared.

#### Other information

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Other Information is financial and non-financial information in the Report which is provided in addition to the Financial Information and the Auditor's Report. Management are responsible for the Other Information.

Our opinion on the Financial Information does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Information, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Information 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 Management for the Financial Information

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Management are responsible for:

- The preparation of the Financial Information and have determined that the basis of preparation described on page 29 of the Report is appropriate to meet the needs of the Directors for the purpose of South32's Tax Transparency and Payments to Governments Report 2024; and
- Implementing necessary internal control to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's responsibilities for the audit of the Financial Information

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Our objective is:

- To obtain reasonable assurance about whether the Financial Information 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* 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 this Financial Information.

As part of an audit in accordance with the *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of the basis of preparation described on page 29 of the Report and related disclosures made by management;
- Evaluate the overall presentation, structure and content of the Financial Information, including the disclosures; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the group Financial Information. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

**KPMG**  
Perth

29 August 2024

