



**Exxaro Resources Limited**  
Environmental, social and governance report  
for the year ended 31 December 2025

**exxaro**  
POWERING POSSIBILITY

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#### Connect with us

We encourage and welcome feedback on our reporting suite from our stakeholders. Please send any comments or suggestions to:

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Read more online at [www.exxaro.com](http://www.exxaro.com) under the investors tab

Read more in this report

The PDF of this report is hyperlinked. Click on a web or page reference for easy navigation.

#### Material themes

- Building sustainable communities
- Enabling a thriving workforce
- Principled governance
- Responsible environmental stewardship
- Adapting to a changing context
- Driving business resilience
- Executing our strategy

#### Strategic objectives

- Transition at speed and scale
- Make our coal, metals and energy businesses thrive
- Empower people to create impact
- Be carbon neutral by 2050
- Become a catalyst for economic growth and environmental stewardship

#### Defining short, medium and long term



#### Reporting suite

We are committed to transparent reporting and publish an annual reporting suite detailing our performance. Our 2025 reporting suite was published on 29 April 2026.



These reports and other supplementary reports are available [online](#) and should be read together for a complete understanding of our business and performance.

# About this report

This environmental, social and governance (ESG) report presents Exxaro’s progress, performance and priorities in delivering sustainable value. It highlights our key impacts, achievements and future focus areas as we advance our ESG commitments.

## Reporting theme

### Accelerating our strategy to become a diversified natural resources champion

We are pleased to present our 2025 ESG report, which showcases how we are accelerating our strategy by delivering on our ESG commitments.

We are committed to decarbonisation, responsible production and inclusive socio-economic development. For us, an impactful transition benefits our people and communities, especially the most vulnerable. This shapes how we diversify our business, invest in our host communities, create opportunities and contribute to an inclusive future.

Our refined leadership structure strengthens accountability, agility and responsiveness as we continue to deliver sustainable growth and meaningful impact.

## Reporting scope and boundary

This report covers material information for the year 1 January 2025 to 31 December 2025 (the 2025 financial year) and includes:

- Financial and non-financial ESG information of our wholly owned and joint operations in South Africa
- Material information and safety incidents about the Cennergi group of companies (Cennergi)
- Limited information on operations where we:
  - Do not have management control but hold significant equity interest, namely Black Mountain, Richards Bay Coal Terminal Proprietary Limited and Sishen Iron Ore Company Proprietary Limited, or
  - Have joint control, being Mafube Coal Proprietary Limited joint venture (JV) and the Moranbah South project (joint operation)

## Assurance

We apply a combined assurance model to support the integrity of information used in decision making and external reporting.

### Internal assurance

The executive committee, various departmental heads and board sub-committees review this report before submission to the board for review and approval.

Year-end data for the group and BUs is assured by our internal audit function during the annual audit process, overseen by the board and audit committee.


### External assurance

KPMG Inc. provides assurance on select sections and data in this report, including 16 strategic sustainability key performance indicators (KPIs), marked as reasonable assurance (RA).

 Refer to the [assurance report](#) (page 175) for details.

## How we determine information to disclose

Our double materiality process guides the information included in our reporting suite by identifying issues that influence enterprise value (financial materiality) and those that affect the environment, communities and society (impact materiality). As these priorities can evolve, we review them annually to ensure our reporting remains current.

 Detailed information about our materiality determination process can be found in the [integrated report](#) (page 46).

 Information on ESG-related [material matters](#) is on page 7.

## Frameworks, guidelines and regulations informing our ESG disclosure and approach

Integrated Reporting Framework

Companies Act, 2008 (Act 71 of 2008), as amended (Companies Act)

International Financial Reporting Standards (IFRS®) Accounting Standards\*

JSE Limited (JSE) Listings Requirements and Debt and Specialist Securities Listings Requirements

Department of Trade, Industry and Competition (dtic) Broad-based Black Economic Empowerment (B-BBEE) Codes of Good Practice

The effective parts of the Broad-based Socio-economic Empowerment Charter for the Mining and Minerals Industry 2018 (Mining Charter III)

King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)\*\*

South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition (SAMREC Code)

In accordance with Global Reporting Initiative standards

United Nations Global Compact (UNGC)

Sustainability Accounting Standards Board\*\*\*

Task Force on Climate-related Financial Disclosures (TCFD) recommendations\*\*\*

\* As issued by the International Accounting Standards Board.

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\*\*\* This falls under the custodianship of the IFRS Foundation®.

## We support the IFRS Sustainability Disclosure Standards developed by the International Sustainability Standards Board (ISSB)

Exxaro complies with all applicable legislation and financial reporting frameworks while monitoring developments in sustainability reporting. We support the voluntary adoption of IFRS S1 and IFRS S2, effective from 1 January 2024, which promote consistent and transparent disclosure of sustainability-related risks and opportunities. We engage with industry bodies and monitor government discussions on the implications of these standards for South African businesses.

We acknowledge the TCFD’s integration into the ISSB’s oversight and support the ISSB and Global Reporting Initiative collaboration to promote aligned and complementary reporting standards. In 2025, our key focus was operationalising our decarbonisation roadmap in line with our broader sustainability commitments.

 Refer to [responding to a changing climate](#) (page 28) for details.


## King V adoption

Exxaro continues to uphold the principles of sound corporate governance and ethical leadership as articulated in the King IV report. Following the release of King V, the company has commenced a structured transition process to align with the updated principles and recommended practices. This includes conducting a comprehensive gap analysis to assess alignment between King IV and King V, with a specific focus on identifying any areas requiring enhancement or refinement. The board, supported by its committees, is overseeing this process to ensure that governance practices remain robust, relevant and future-fit. In parallel, Exxaro is reviewing its governance disclosures to ensure continued transparency and alignment with evolving reporting expectations under King V. The outcomes of this process will inform a phased implementation approach, with progress to be reported in future integrated reports.

# Our business

Exxaro is a South African JSE-listed company that is becoming a diversified natural resources champion, with coal as our core commodity and an established energy solutions business. Listed almost two decades ago, we have deep roots in mining and a track record of operational excellence.

With a market capitalisation of R61.2 billion (2024: R55.2 billion) and a substantial asset base, we are well positioned to deliver meaningful returns to our shareholders and create value for all our stakeholders in the short, medium and long term.

 For detailed information on our group structure, refer to the 2025 [annual financial statements](#).

## Sustainable Growth and Impact strategy

We are creating a resilient, sustainable and impactful business that is diversifying while catalysing economic growth, principled governance, environmental stewardship and positive change. Our strategic objectives enable the successful execution of our strategy.



Transition at speed and scale



Make our coal, metals and energy businesses thrive



Empower people to create impact



Be carbon neutral by 2050



Become a catalyst for economic growth and environmental stewardship

## A snapshot of where we are going and how we will get there

### Purpose

**Powering better lives in Africa and beyond** means we aim to provide resources (people, metals, coal, energy and capital) critical to ensuring a responsible energy transition towards a low-carbon future.

### Vision

**Resources powering a clean world** means we strive to have a positive impact on the environment and communities we serve while responsibly maximising the value of our coal assets.

### Values

Our success lies in the strength of our culture and values, which strengthen our resilience and ensure we deliver stakeholder value.

#### Our values are:

- Empowered to grow and contribute
- Committed to excellence
- Teamwork
- Honest responsibility

## How we create value

Exxaro responsibly explores, develops and operates mineral and renewable energy resources that power sustainable growth and support South Africa's transition to a low-carbon economy. Through our coal, metals and energy solutions businesses, we create enduring value for our stakeholders while advancing environmental stewardship, social inclusion and principled governance across the resource lifecycle.

### Explore

We identify and evaluate new metals and renewable energy opportunities that align with our Sustainable Growth and Impact strategy. Geological mapping, feasibility studies and renewable resource assessments guide responsible investment decisions.

### Develop

We invest in projects that strengthen energy security and local resilience. Each development is underpinned by rigorous environmental and social assessments. Recent milestones include the Lephalale solar farm and Karreebosch windfarm projects.

### Operate

We manage our mining and renewable energy assets safely, efficiently and responsibly to deliver stable production and reliable energy supply. Our operations include five coal mines with two wind and solar facilities under construction.

### Market and deliver


We supply coal and renewable energy to domestic and international markets, supporting South Africa's just energy transition. We deliver coal to customers through Richards Bay Coal Terminal Proprietary Limited, while our renewable energy projects supply power to our coal mine (Grootegeluk), to the grid.

### Rehabilitate and repurpose

We restore and repurpose mined land and infrastructure to sustain biodiversity and community livelihoods. Rehabilitation is integrated throughout the mining lifecycle supported by biodiversity management, concurrent land restoration and post-mining development planning.

## The outcomes we create

We are committed to creating value for our stakeholders, including our people, communities, suppliers, customers, governments and the financial community including our shareholders.

 Read page 13 regarding [our stakeholder engagement](#).

## Our assets

Our diversified asset portfolio comprises interests primarily in thermal coal (where we are among the top three South African coal producers), a growing energy solutions business and equity-accounted investments in iron ore and zinc, (among other base metals).

### Coal and metals business

This business includes coal operations and equity stakes in iron ore and zinc. In Europe, we operate a marketing and logistics company based in Switzerland, while in Australia, we participate in the Moranbah South project through a joint operation with Anglo Coal Grosvenor Proprietary Limited.

We are expanding into manganese, copper and other energy transition metals to strengthen our contribution to a sustainable future and enhance stakeholder value. At the same time, our coal assets remain a key differentiator and central to the value we create.

Highlights	
We invested R2.3 billion in sustaining our coal business this year (2024: R2.1 billion).	We own the largest high-quality Coal Reserves remaining in South Africa, providing a platform for the country's current and future energy landscape.
Grootegeluk is one of the largest integrated mining and beneficiation operations globally, running the largest coal beneficiation complex and the only producing mine in the coal-rich Waterberg, adjacent to Eskom's Matimba and Medupi power stations.	
We agreed to acquire a portfolio of high-quality manganese assets in May 2025, with the transaction concluded in 2026.	
Post-year end, we signed a new long-term coal supply agreement with Eskom, securing the continued supply of coal from our Matla mine to the Matla power station.	



Read the consolidated Mineral Resources and Mineral Reserves report for detailed disclosure on our minerals business and its performance this year.

### Energy solutions business

Supporting our decarbonisation and diversification goals, Exxaro's energy solutions business operates through our wholly owned subsidiary, Cennergi Holdings Proprietary Limited.

The business continues to build a pipeline of opportunities for Exxaro and external offtakers.

Our energy solutions business underpins our ambition of a 1 600MW energy portfolio by 2030, supplying energy to our coal and future energy transition metals operations, and external customers, including mines and large industrial companies.

Highlights	
Cennergi reached financial close on the 140MW Karreebosch windfarm project this year, which will contribute 112MW net capacity to our renewable energy generation.	The Lephalale solar plant (LSP), commissioned in December 2025, is delivering green electrons to Grootegeluk, reducing the operation's carbon footprint and electricity costs.
Cennergi's operating wind asset project financing of R3.7 billion (2024: R4.1 billion) will mature and be fully settled by the end of 2031. Cennergi's assets under construction project financing will be fully settled by the end of 2046.	



Read decarbonising our operations (page 23 to 26) for details.



# 1 Managing ESG

## Why this matters

Mining and energy operations have environmental and social impacts that require responsible management to protect long-term value, sustain community trust and maintain a strong social licence to operate.

A robust ESG approach helps Exxaro reduce emissions, manage climate risks, strengthen governance and create meaningful socio-economic benefits. It also enables us to meet the rising expectations of investors, regulators and other stakeholders.

By integrating ESG into strategy and performance, Exxaro enhances resilience, competitiveness and credibility as we transition towards a low-carbon future.



**In this chapter, we unpack how we manage ESG, including:**

- [Page 5](#) How we build a resilient and sustainable business by integrating ESG into our Sustainable Growth and Impact strategy
- [Page 9](#) How we govern and manage ESG
- [Page 13](#) How we engage with our stakeholders to better understand their legitimate needs and expectations
- [Page 16](#) The mechanisms we use to measure our progress against delivering on our ESG commitments

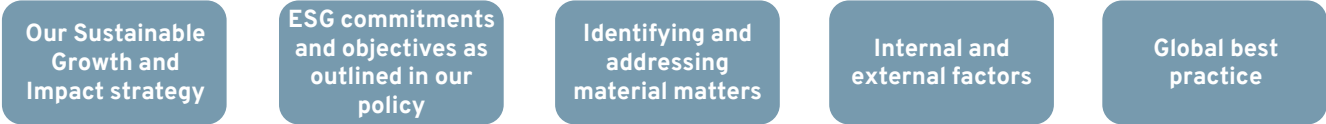
## Significant milestones on our ESG journey over the past five years

	2020	2021	2022	2023	2024	2025
<b>Environment</b>	<ul style="list-style-type: none"> <li>Acquired a controlling interest in Cennergi</li> </ul>	<ul style="list-style-type: none"> <li>Optimised operations to run more efficiently to target scope 1 and 2 emissions reduction</li> </ul>	<ul style="list-style-type: none"> <li>Implemented short-term incentive (STI) scheme KPIs to track water and energy targets</li> </ul>	<ul style="list-style-type: none"> <li>Launched the Lephalale solar project to reduce our emissions and add to self-generated capacity</li> </ul>	<ul style="list-style-type: none"> <li>Developed our decarbonisation roadmap and plan</li> </ul>	<ul style="list-style-type: none"> <li>Approved and implemented our decarbonisation roadmap</li> <li>Commissioned the LSP at Grootegeluk (68MW)</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>Launched initiatives for people with disabilities and inclusive culture</li> </ul>	<ul style="list-style-type: none"> <li>Launched the employee wellness programme (EWP)</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the Social Impact strategy</li> </ul>	<ul style="list-style-type: none"> <li>Embedded an intentional stakeholder engagement approach</li> </ul>	<ul style="list-style-type: none"> <li>Launched our Ibandla Men's Forum as part of gender equity initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Launched our new One Voice Safety strategy</li> <li>Launched our diversity, equity and inclusion (DEI) e-learning programme</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Board effectiveness initiatives, including a redesign of our board committees and its composition</li> </ul>	<ul style="list-style-type: none"> <li>Leadership DEI capacity building</li> </ul>	<ul style="list-style-type: none"> <li>Established an ESG committee and portfolio management office (PMO)</li> </ul>	<ul style="list-style-type: none"> <li>Incorporated ESG objectives with key steps into our Sustainable Growth and Impact strategy</li> </ul>	<ul style="list-style-type: none"> <li>Enabled DEI governance structures</li> </ul>	<ul style="list-style-type: none"> <li>Approval of Exxaro's policy framework</li> <li>Amended our greenhouse gas (GHG) accounting policy to strengthen scope 1, 2 and 3 reporting alignment</li> </ul>

# How we embed ESG

Executing our Sustainable Growth and Impact strategy enables us to embed ESG in everything we do. This is guided by Exxaro’s draft ESG policy, which includes our ESG objectives aligned to our strategy.

Our approach to ESG is informed and guided by:



## Sustainable Growth and Impact strategy

Our strategy takes an integrated, multi-stakeholder approach to building a resilient and sustainable future for the business. We aim to achieve this by transforming our operations and evolving into a diversified natural resources group. In doing so, we carefully consider our broader impacts and key ESG and compliance issues, which informed the development of our draft ESG policy.

### Strategic objectives that support the execution of our strategy



**Transition at speed and scale**

We implement disciplined capital allocation aligned to our ambition of becoming a diversified natural resources champion while driving a positive energy transition and creating social impact. We will leverage our innovative organisational intelligence and take our people along as we focus on building a diversified natural resources portfolio.



**Make our coal, metals and energy businesses thrive\***

We enhance focus on our core delivery areas of coal, metals and energy by expanding our footprint, simplifying our portfolio through targeted divestments of non-core assets and maintaining strong operational and digital excellence.



**Empower people to create impact**

We empower people to create impact and we contribute towards sustainable livelihoods while ensuring our people have the requisite capabilities, skills, mindset and passion to do their best work, a core anchor in achieving our purpose.



**Be carbon neutral by 2050**

Through focused portfolio decarbonisation and supporting initiatives, we continue to power positive social, economic and environmental impact.



**Become a catalyst for economic growth and environmental stewardship**

We aim to positively impact our ecosystem during and after our operations in coal, metals and energy, contribute to community projects and build thriving, sustainable businesses through our social impact programmes. These programmes aim to drive lasting, scalable socio-economic upliftment and prosperity, independent of our presence and involvement.

### Strategic enablers that support decisive strategy execution

#### Data and technology

We use data, analytics and technology to advance innovation and drive efficiencies, productivity and targeted improvements across our business. This supports a low-carbon future and unlocks long-term competitiveness and strategic value.

#### Skills and talent development

We focus on building talent while fostering workforce capability to drive successful delivery against our strategy. To ensure sustainable long-term resilience, we provide relevant skills development programmes to our people. We also offer bursaries and internships to nurture and create a resilient talent pipeline.


#### Partnerships

Partnerships with our stakeholders, including suppliers and industry players, are central to our success. Partnerships foster collaboration and provide a positive platform to facilitate growth, innovation and broad-based impact.

#### Capital allocation

Our disciplined capital allocation framework guides our investment decisions, anchoring our investment criteria. This is essential for financial robustness, effective risk management and continued prudent strategic investment execution.

\* Formerly referred to as “Make our minerals and energy businesses thrive”.

 More information on our Sustainable Growth and Impact strategy can be found in our [integrated report](#) (page 16).

To ensure we effectively respond to ESG matters and improve our performance, we conducted a baseline assessment and gap analysis of our ESG projects and initiatives through our ESG PMO. The PMO also developed an ESG KPI template for consideration and application by project managers to facilitate the integration of ESG metrics during project development and implementation.

## How we embed ESG continued

### ESG commitments and objectives

Our draft ESG policy sets out the principles that inform our approach to ESG matters and describes our commitment to sustainability and maintaining sound governance procedures. The policy aligns with global standards, stakeholder expectations and business priorities, enabling agile responses to emerging trends, regulatory shifts and operating context changes. We expect the draft policy to be approved by the executive committee in 2026.













Our commitment	Objectives to achieve this	Aligned to our Sustainable Growth and Impact strategy
<p><b>Environmental stewardship</b></p> <p>We are committed to protecting and conserving our environment for sustainable use by future generations. We identify significant impacts, implement measures to mitigate or minimise these and maintain systems to address non-conformances where they arise.</p> <p>As a responsible business, we recognise that our ability to operate in the future depends on how effectively we manage environmental impacts across the value chain. We also acknowledge our role in addressing global challenges, such as climate change, and are adapting the way we operate to support an inclusive transition.</p>	<p><b>Decarbonisation and resilience</b></p> <p>Implement cross-cutting measures to decrease carbon emissions from our operations and build on adaptation and resilience</p>	
	<p><b>Air quality</b></p> <p>Reduce air pollution, including dust fallout, PM<sub>10</sub> and PM<sub>2.5</sub></p>	
	<p><b>Rehabilitation programme</b></p> <p>Undertake rehabilitation programmes to ensure a positive social impact legacy and develop long-term closure strategies</p>	
	<p><b>Biodiversity management</b></p> <p>Protect and conserve biodiversity within our area of influence through the implementation of management plans and initiatives that promote and enhance biological diversity</p>	
	<p><b>Energy and water management</b></p> <p>Set water and energy targets aligned to our national benchmarks, industry standards and site objectives, allowing for future resilience of the business, environment and communities</p>	
	<p><b>Waste management</b></p> <p>Minimise our environmental impact by promoting waste management hierarchy and transforming waste streams into opportunities for a circular economy model</p>	
	<p><b>Strategic partnerships</b></p> <p>Partner with various stakeholders to enable the successful delivery and broader positive impact of our ESG objectives</p>	
<p><b>Social impact</b></p> <p>We recognise that our long-term success is intrinsically linked to the wellbeing of our employees, contractors and host communities. By fostering a safe, inclusive and equitable working environment, and by investing in local economic development, we strengthen our social licence to operate and contribute to South Africa's transformation goals.</p> <p>We strive to empower people to reach their potential, support sustainable livelihoods and build resilient communities that can contribute meaningfully to society and a thriving economy beyond the life of our mining operations.</p>	<p><b>Health and safety</b></p> <p>Power zero harm through a risk-based mindset and boost our employees' and host communities' quality of life through integrated health and wellness programmes</p>	
	<p><b>Social impact</b></p> <p>Contribute towards social cohesion and sustainable community development</p>	
	<p><b>Human rights</b></p> <p>Respect and uphold human rights policy provisions for all people in Exxaro's sphere of influence, ie where we have the ability to effect investments and developments</p>	
	<p><b>DEI</b></p> <p>Be the industry leader in diversity and inclusion, developing capabilities and leaders, achieving compliance and fostering inclusion</p>	
	<p><b>Land management</b></p> <p>Leverage Exxaro's land assets to support emerging farmers and create sustainable post-mining economies</p>	
	<p><b>Partnerships and funding</b></p> <p>Use Exxaro's capabilities and resources to attract partners and create impact at scale</p>	
<p><b>Governance</b></p> <p>We embed ESG considerations into our governance systems and ensure that our decisions are guided by integrity, fairness and compliance with applicable laws, regulations and global best practice standards. This enables us to create enduring value and maintain legitimacy as a responsible corporate citizen.</p> <p>Effective leadership, sound risk management and transparent accountability structures are essential to maintaining the confidence of our stakeholders.</p>	<p><b>King IV and TCFD</b></p> <p>Align the organisation's governance and disclosure practices with the principles of King IV and the climate-related reporting framework of the TCFD to promote transparency, accountability and responsible decision making</p>	
	<p><b>Ethical practices and anti-bribery and corruption</b></p> <p>Foster an ethical culture that promotes integrity, implements safeguards to mitigate bribery, corruption and conflicts of interest, and is supported by clear policies, accountable leadership and effective mechanisms for reporting and addressing misconduct</p>	
	<p><b>Governance frameworks</b></p> <p>Establish clear governance structures, policies and oversight mechanisms that define roles, responsibilities and decision-making authority across the organisation</p>	
	<p><b>Capital allocation framework</b></p> <p>Ensure that capital investment decisions are disciplined, transparent and aligned with long-term value creation, sustainability objectives and prudent financial stewardship</p>	
	<p><b>Compliance and risk management</b></p> <p>Identify, assess and manage legal, regulatory and operational risks through clear compliance processes and integrated risk management practices</p>	
	<p><b>Board composition</b></p> <p>Maintain a diverse, independent and suitably skilled board capable of providing effective oversight, strategic guidance and balanced decision making</p>	

## Materiality









Materiality considerations serve as a crucial guide for our reporting and ESG practices. The matters we deem material are those that significantly influence our ability to create and sustain value for Exxaro, our stakeholders and the natural environment. We use the impact materiality lens to guide the information relevant for our ESG reporting. Our strategic objectives and enterprise risk management (ERM) framework enable us to respond to these matters.

The 2025 review identified 25 material matters, grouped into seven overarching themes.

This report has detailed information about the following matters and themes (summarised in our integrated report):

 <p><b>Building sustainable communities</b></p> <p>Maintaining our social licence to operate depends on the strength of our relationships with host communities. We aim to foster mutually beneficial relationships with them, and invest in local development and sustainable job creation. As we diversify our business and contribute to the transition to a low-carbon economy, we are committed to ensuring our communities' long-term sustainability.</p>	<p><b>Material matters</b> Page 77 to 97 </p> <p><b>Integrated report, social and relationship capital</b> </p> <ul style="list-style-type: none"> <li>• Social licence to operate</li> <li>• Upholding human rights<sup>^</sup></li> <li>• Sustainable job and business creation</li> <li>• Supporting an impactful transition to a low-carbon economy<sup>^</sup></li> </ul>
 <p><b>Enabling a thriving workforce</b></p> <p>Our employees are central to our business, driving our strategy and enabling our performance. We ensure a safe working environment, promote health and wellness, and maintain labour relations based on open communication and respect. Employee attraction and retention are vital to our growth and sustainability. Developing employees' skills and creating an inclusive workplace empowers employees to grow and contribute to our business.</p>	<p><b>Material matters</b> Page 57 to 76 </p> <p><b>Integrated report, human capital</b> </p> <ul style="list-style-type: none"> <li>• Health, safety and wellness</li> <li>• Employee attraction, retention, development and DEI<sup>^</sup></li> <li>• Labour relations</li> </ul>
 <p><b>Principled governance</b></p> <p>We uphold good corporate governance principles to build stakeholder trust, enhance our reputation as a responsible corporate citizen and boost our resilience in a changing environment.</p>	<p><b>Material matters</b> Page 98 to 173 </p> <p><b>Integrated report, governance</b> </p> <ul style="list-style-type: none"> <li>• Transparency, ethics and integrity</li> <li>• Embedding ESG</li> <li>• Legal, regulatory, risk and compliance excellence</li> </ul>
 <p><b>Responsible environmental stewardship</b></p> <p>We are responsible stewards of the natural resources upon which our operations and communities rely. Not only do we aim to mitigate and manage our negative impact on natural resources, we also contribute to enhancing ecosystem resilience. Our goal is to ensure a sustainable future for our employees, communities and the planet.</p>	<p><b>Material matters</b> Page 21 to 54 </p> <p><b>Integrated report, natural capital</b> </p> <ul style="list-style-type: none"> <li>• Carbon emissions reduction and impact of climate change</li> <li>• Water stewardship</li> <li>• Waste and pollution management</li> <li>• Biodiversity and rehabilitation management</li> <li>• Environmental incidents</li> </ul>

We provide detailed disclosure of the following themes and matters in the integrated report (summarised in this report):

 <p><b>Adapting to a changing context</b></p> <p>We operate in a dynamic environment, shaped by social, political and economic issues. Globally, we are exposed to fluctuations in commodity prices, which impact the revenue generated from our resources. We are also affected by South African country risks, including policy uncertainty, inflation, stagnant economic growth, and infrastructure and service delivery challenges. To remain resilient, we must respond to these factors with agility while anticipating the future.</p>	<p><b>Material matters</b> Page 8 </p> <p><b>Integrated report, operating context</b> </p> <ul style="list-style-type: none"> <li>• Macro-economic and geopolitical environment</li> <li>• South African infrastructure and service delivery challenges<sup>^</sup></li> <li>• Commodity price fluctuations</li> </ul>
 <p><b>Driving business resilience</b></p> <p>Business resilience supports the execution of our strategy. We reinforce our resilience through solid financial performance, supply chain management, effective capital allocation, responsiveness to logistical impediments, and private-public partnerships. Our innovation mindset and adoption of emerging technologies mean that we increasingly face cybersecurity risks. Cybersecurity measures are essential to mitigate these risks and protect our data assets.</p>	<p><b>Material matters</b></p> <p><b>Integrated report, intellectual capital</b> </p> <ul style="list-style-type: none"> <li>• Strong financial performance and capital excellence<sup>^</sup></li> <li>• Logistical impediments</li> <li>• Supply chain management</li> <li>• Innovation and digitalisation</li> <li>• Cybersecurity*</li> </ul>
 <p><b>Executing our strategy</b></p> <p>Climate change presents significant risks for organisations that do not adapt. Furthermore, the transition to a low-carbon economy brings opportunities for organisations to evolve their business models. Our response includes diversifying our assets, growing our energy solutions business and optimising our coal portfolio by disposing of non-core assets.</p>	<p><b>Material matters</b> Page 23 </p> <p><b>Integrated report, our strategy</b> </p> <ul style="list-style-type: none"> <li>• Diversify responsibly into energy transition metals while optimising our coal business<sup>^</sup></li> <li>• Build a leading energy solutions business</li> </ul>

<sup>^</sup> Matter renamed or expanded.  
<sup>\*</sup> New matter.

## How we embed ESG continued

### External drivers influencing our ESG practices

#### Global, local and industry drivers

Stakeholders assess a company’s success through a broader lens, looking beyond financial performance to its environmental impact, social responsibility and governance standards. Several forces are driving this shift:

- Investors increasingly consider ESG factors in investment decisions
- Customers prefer products that are ethically sourced and sustainably produced
- Employees seek employers whose values align with their own
- Governments are tightening ESG regulations and compliance expectations

To remain sustainable in the long term, companies must respond effectively to all three ESG dimensions. Expectations for transparent and comparable reporting continue to rise due to:

- Greater due diligence requirements across jurisdictions
- Increasing regulatory pressure for more rigorous disclosures
- Converging global reporting standards that require consistency
- A demand for transparency and comparability from investors and other stakeholders to support decision making

Furthermore, the global transition towards a low-carbon economy is fuelling ongoing demand for energy transition metals such as copper and manganese, which are crucial across the renewable energy value chain. Manganese, in particular, is gaining significance given its importance for steel-making and green infrastructure.

### How we are responding

#### Adopting global best practice

We have a draft ESG policy, as well as procedures, strategies and frameworks that guide and support our approach to ESG management and performance.

Our adoption of TCFD recommendations – which are the foundation of the IFRS S2 standards – and aligning our reporting and business processes accordingly continues as we explore options to adopt IFRS S1 and S2. Our Climate Change Response strategy also aligns with TCFD recommendations.



Exxaro’s climate change position statement unpacks our journey to be carbon neutral by 2050, while our Climate Change Response strategy explains how we aim to achieve this and our efforts to build portfolio resilience in line with our Sustainable Growth and Impact strategy. Our response strategy and position statement will be updated in 2026 to reflect changes made to our decarbonisation roadmap and to consider new developments in climate change reporting regulations. We are developing our climate transition action plan, which will be completed in 2026.

Supporting the Taskforce on Nature-related Financial Disclosures (TNFD) will enable us to better identify and manage nature-related risks. In 2025, we assessed TNFD requirements and conducted a review of our existing TCFD to confirm alignment on both disclosure frameworks. We plan to initiate implementation through a biodiversity footprint assessment as a foundational step.



Exxaro was the main sponsor at the South African Climate Summit, and contributed to the development of South Africa’s position at the UN Climate Change Conference of the Parties (COP30). The South African Climate Summit focuses on accelerating the country’s just energy transition and meeting the COP30 goals.



We are a signatory to the UNGC Active level and support the 10 universal sustainability principles.



Exxaro has participated in the Carbon Disclosure Project (CDP) climate change and water programmes since 2008 and 2010 respectively.



Our executive remuneration includes material ESG targets for water and energy efficiency. Our group STI and long-term incentive (LTI) schemes incentivise delivery against key financial, operational and ESG goals aligned to approved annual business plans.

- 📄 [Targets and performance, page 16](#)
- 📄 [Remuneration, page 161](#)



### Contributing to the UN Sustainable Development Goals (SDGs)

Exxaro voluntarily endorses the 17 UN SDGs. We also participate in South Africa’s National Business Initiative to align the SDGs with the country’s National Development Plan and implement leading practices to uphold the most material SDGs so that our business leaves a lasting positive impact.

The SDGs that Exxaro materially impacts are highlighted in colour.

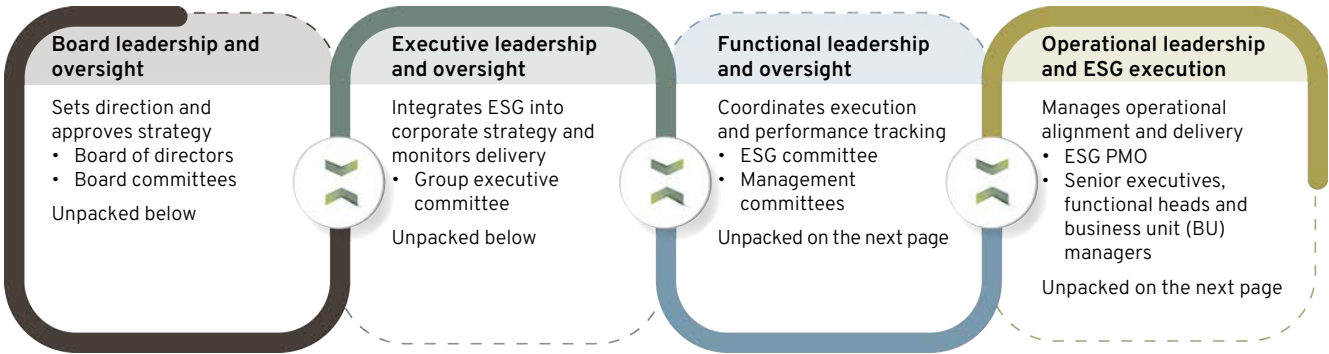
- 📄 We have set targets aligned with the SDGs for our [Social Impact strategy](#) (page 77).

# ESG governance and risk

Robust ESG governance and risk management enable Exxaro to integrate sustainability into every aspect of our business. Clear accountability structures, defined oversight responsibilities and disciplined risk processes ensure we implement ESG priorities consistently and that risks are identified, assessed and managed across all operations.

## ESG governance structure and accountability

Exxaro works to integrate and embed ESG into the organisation through a tiered governance structure that ensures effective execution and accountability across the business. Oversight of sustainability matters is anchored at board level, supported by dedicated committees and management structures that drive effective execution and accountability across the business.



### Board leadership and oversight

#### Board of directors

The board has ultimate responsibility for overseeing Exxaro's ESG direction setting, performance and the management of sustainability-related risks and opportunities.

- Provides ethical leadership and oversight of ESG performance
- Approves ESG strategy, sets performance levels and monitors progress

The board distributes ESG oversight to board committees with defined ESG mandates.

#### Social, ethics and responsibility committee (SERC)

- Oversees implementation of Exxaro's ESG framework and policies
- Monitors environmental and social performance, stakeholder trust, ethics and community impact
- Ensures compliance with statutory duties and best practice in health, safety and environmental management
- Governs stakeholder and ethics management, human rights, labour relations and community development
- Approves the group's decarbonisation strategy

#### Risk and business resilience (RBR) committee

- Oversees ERM, including ESG and climate-related risks
- Monitors environmental and climate impacts from a risk and business resilience perspective
- Oversees regulatory compliance

#### Audit committee

- Ensures combined assurance coverage of ESG data and disclosures
- Oversees the integrity of non-financial reporting as well as IT and data governance

#### Remuneration committee

- Aligns ESG performance metrics with executive incentive measures
- Oversees fair and responsible pay practices, including equity and inclusion in reward outcomes

#### Investment committee

- Considers ESG-related factors in investment decisions, including decarbonisation and climate change risks
- Evaluates resource-efficiency and sustainability impacts of capital allocation

#### Logistics committee

- Considers energy, water, waste and pollution in logistics planning

#### Nomination committee

- Oversees board composition, diversity and succession planning

While accountability sits with the board, the responsibility for managing and monitoring risk and impact is delegated to management, with defined indicators and targets to measure and assess performance.

### Executive leadership and oversight

#### Group executive committee

- Develops and executes ESG-integrated group strategy within the risk appetite approved by the board
- Defines ESG material issues and strategic responses to meet approved performance targets
- Oversees ESG KPIs, risk management and stakeholder relationships
- Reviews the effectiveness of internal controls, risk management and ESG reporting arrangements
- Guides stakeholder engagement and ensures sustainable business performance
- Drives implementation through the ESG committee

Management committees report on ESG performance, measurement and improvements.

## ESG governance and risk continued



## Operational leadership and ESG execution

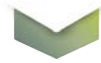
### ESG portfolio management office

- Coordinates the implementation of ESG-aligned programmes and initiatives across BUs
- Monitors delivery of ESG projects and investment portfolios against approved KPIs and budgets
- Consolidates performance data for reporting to the ESG steering and executive committees
- Ensures alignment of ESG-related projects with strategic priorities and ERM processes
- Supports combined assurance through project governance, financial oversight and reporting discipline

To ensure the PMO's success and management of multi-stakeholder organisational change, we align the right resources and necessary skills sets, which include project management, risk management, systems and assurance, financial management and internal ESG experts.

### Management's ESG roles and responsibilities

Executive and leadership	Senior management	ESG responsibilities
CEO	Group manager: internal audit	<ul style="list-style-type: none"> <li>• Enable the adoption of leading practices across the organisation</li> <li>• Provide accountability for the company's ESG strategy and performance</li> <li>• Embed ESG principles into corporate strategy, culture and decision making, ensuring alignment with long-term business objectives</li> <li>• Champion the company's climate change and sustainability commitments</li> <li>• Oversee effective risk management, including identification and mitigation of ESG-related risks and opportunities</li> <li>• Foster a culture of ethical leadership, transparency and accountability across the organisation</li> <li>• Support and enable the board in fulfilling its responsibilities for ESG matters</li> <li>• Internal audit: provide assurance, offer valuable insights, promote operational efficiency and enhance governance</li> </ul>
Finance director (FD)	Group managers: finance, strategic finance and treasury, taxation, legal and compliance, risk, investor relations	<ul style="list-style-type: none"> <li>• Ensure legislative and regulatory financial compliance</li> <li>• Balance growth and risk through effective financial risk management and capital allocation</li> <li>• Build and maintain long-term trust relationships with stakeholders</li> </ul>
Executive head: coal	General managers: Grootegeluk complex, Matla, Belfast, Leeuwpán; and FD: coal	Embed sustainable mining practices into our way of working by: <ul style="list-style-type: none"> <li>• Reducing scope 1 and 2 emissions, improving business resilience to climate change impacts and increasing our adaptive capacity</li> <li>• Ensuring water and energy efficiency at operations</li> <li>• Operating mine concurrent rehabilitation</li> <li>• Maintaining and exceeding our social licence to operate</li> <li>• Maintaining world-class health and safety standards while striving for zero harm</li> </ul>
Executive head: energy	Head: growth, CEO: Cennergi and chief financial officer: Cennergi	<ul style="list-style-type: none"> <li>• Engage in energy operations and investments to create sustainable impact and contribute to decarbonisation</li> </ul>



Executive head: metals	Group manager: value engineering and optimisation	<ul style="list-style-type: none"> <li>Engage in metals operations and investments</li> <li>Drive value effective business integration</li> <li>Optimise operations within the metals division</li> <li>Unlock efficiencies and enhance long-term sustainability</li> <li>Ensure metals operations comply with all ESG standards, policies and regulatory requirements</li> <li>Drive the implementation of sustainable mining and processing practices to minimise environmental impact, including water use, waste and emissions</li> <li>Support the company's climate change strategy</li> <li>Promote safe, healthy and inclusive workplaces</li> </ul>
Executive head: strategy and business development	Group managers: strategy and development, business development manager, technical and integration manager	<ul style="list-style-type: none"> <li>Execute the strategy by growing and diversifying our portfolio responsibly</li> <li>Coordinate strategy execution throughout the business</li> <li>Enable strategic resilience</li> <li>Minerals pre-investment committee manages metals mergers and acquisitions (M&amp;A)</li> <li>Provide a central strategy compass and roadmap towards Exxaro's future</li> </ul>
Executive head: technical services	Group managers: mineral asset management, information management, projects, technology, technology investment review; and general manager: technical support and optimisation	<ul style="list-style-type: none"> <li>Increase asset productivity through state-of-the-art technology</li> <li>Maximise the value of our mineral assets</li> <li>Implement IT governance measures and ensure security of information and systems</li> <li>Leverage sourcing and partnerships</li> </ul>
Executive head: sustainability	Group managers: integrated environment, social impact, security, health and safety  Managers: mine closure and Ferroland, climate change and ESG	<ul style="list-style-type: none"> <li>Lead environmental stewardship and oversee the process to acquire and maintain our licence to operate (current and future)</li> <li>Ensure reduction of climate-related risks and achieve carbon neutrality by 2050 through decarbonising operations, tracking emissions, reducing climate-related risks, strategic partnerships and collaboration, and reducing value chain emissions</li> <li>Promote a positive legacy through rehabilitation best practice and mine closure</li> <li>Implement programmes to achieve and maintain zero harm and zero fatalities, as well as improving employee and community health and wellbeing</li> <li>Implement the Social Impact strategy (education, SMME development and land use management for sustainable community livelihoods)</li> <li>Use Exxaro's land to create social impact</li> </ul>
Executive head: people and performance	Managers: performance and culture, organisational design and remuneration, employee relations and compliance	<ul style="list-style-type: none"> <li>Embed the DEI strategy</li> <li>Implement the remuneration policy and responsible labour practices</li> <li>Build and maintain stakeholder engagement</li> <li>Drive responsible performance practices</li> </ul>
Executive head: commercial	Group manager: marketing and logistics; and group manager: supply chain management	<ul style="list-style-type: none"> <li>Ensure supply chain and logistics operations comply with all ESG policies, standards and applicable regulations</li> <li>Promote responsible and ethical sourcing, including supplier due diligence, labour standards and anti-corruption practices across the supply chain</li> <li>Drive sustainable logistics strategies, focusing on optimising transportation and distribution networks</li> <li>Integrate ESG considerations into supplier selection, contracting and performance management, encouraging continuous improvement and accountability</li> <li>Strengthen supply chain resilience and risk management</li> <li>Leverage sourcing and partnerships</li> <li>Caring for our employees, contractors and the communities we operate in</li> <li>Drive effective governance and entrench business resilience</li> </ul>
Group company secretary, governance and ethics	Company secretaries, senior specialist: governance, chief ethics officer	<ul style="list-style-type: none"> <li>Provide the board and management with corporate governance guidance</li> <li>Ensure compliance with corporate regulatory affairs and national and international best practices</li> <li>Maintain status as a custodian of governance information</li> <li>Preserve the business's integrity and protect its reputation in providing a compliance and regulatory compass</li> <li>Embed and maintain a culture of ethics and integrity</li> <li>Drive effective governance and entrench business resilience</li> </ul>



**BU management teams**

- Embed ESG practices into daily operations
- Monitor site-level performance and escalate emerging risks

**Technical working groups**

- Provide subject matter expertise (eg decarbonisation, water, social performance, health and safety)

The policies supporting our ESG focus are referenced throughout this report.

All reports submitted to our board, its committees and executive committee require management to reflect on strategy and financial implications, and provide directors with a risk analysis of major risks applicable to the matter and its ESG implications. This approach highlights the importance of ESG in everything we do.

## ESG governance and risk continued

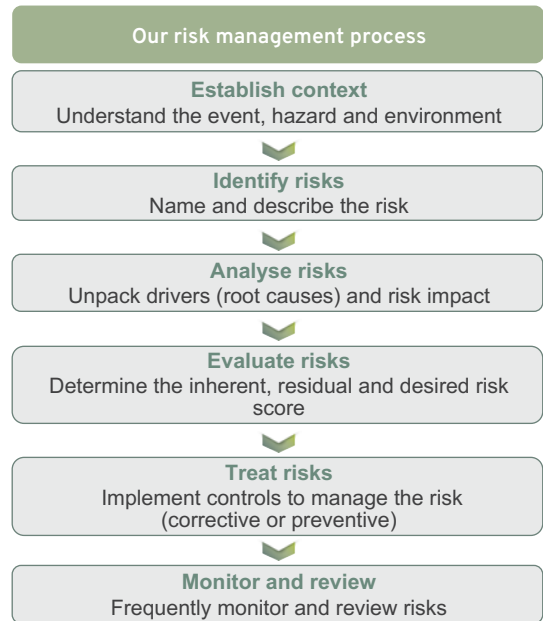
### Integrated risk management

Exxaro's ERM framework provides a structured, integrated approach to identifying, assessing and managing risks that could affect value creation. We conduct risk assessments at all levels of the organisation and consider ESG-related risks across the group as part of our ERM approach.

The ERM process, aligned with ISO 31000 and King IV, combines top-down and bottom-up assessments to ensure that emerging and site-level risks are escalated to the appropriate governance level and that strategic risks translate into operational action.

- The board defines the group's risk appetite and tolerance levels and oversees risk management through the RBR committee
- The group company secretary, governance and ethics enables implementation of the ERM framework across all operations, supported by the executive committee, ESG committee and PMO
- Line management remains accountable for executing risk controls, embedding ESG considerations into daily decisions and maintaining compliance with internal policies and regulatory standards

By embedding ESG factors into our ERM framework, we ensure that emerging sustainability trends, such as regulatory changes, community relations and stakeholder expectations are proactively identified and integrated into strategic planning.



# Our stakeholder engagement

We prioritise transparent, meaningful engagement to ensure stakeholder perspectives and needs inform our decisions. This deepens trust and reflects our core values of accountability and inclusivity.

17  **Contributing to SDG 17**

**Our sustainable development and business success are built on mutually beneficial stakeholder relationships. By collaborating with stakeholders, we leverage opportunities, mitigate risks and respond to issues facing our business in a responsible and effective manner.**

**PARTNERSHIPS FOR THE GOALS**

## Our approach to engagement

We have a stakeholder management policy and engagement procedure that outline our strategy-led, outcomes-based approach, enabling us to build and maintain intentional and meaningful relationships. Our policy sets out the importance of these relationships and provides guidance on how they should be managed to effectively address stakeholder concerns, mitigate risks, unlock opportunities and support the achievement of our strategic objectives. We monitor the effectiveness of engagement and quality of relationships through periodic surveys, feedback platforms and the outcomes of key interactions.

Exxaro's board and executive committee are responsible for stakeholder management and engagement.

## Stakeholder universe

We continuously review our stakeholders to understand the mutual influence between their expectations and our ability to execute our strategy, manage ESG priorities and respond to key risks. We group stakeholders into four broad categories, with engagement objectives and focus areas for each stakeholder.



On the next page, we unpack each key stakeholder, why we engage with them and focus areas for the current and future financial years.



The board's annual stakeholder days were successfully held in Lephalale in November 2025, featuring high-level engagement with the DMPR regional manager, Limpopo premier Dr Phophi Ramathuba and the members of the executive council for education, health, and sport, arts and culture. While government leadership provided largely positive feedback regarding Exxaro's performance, community representatives raised ongoing concerns regarding procurement and employment opportunities.

Stakeholder	Description	Why we engage	2025 focus areas	2026 focus areas	Read more
<b>Government</b>	National, provincial and local government bodies that shape policy direction, socio-economic priorities and the broader operating environment in which Exxaro functions.	We share strategic developments, collaborate on socio-economic and policy matters, support national development priorities, engage government on business resilience, ESG performance and community/environmental commitments.	<ul style="list-style-type: none"> <li>Engaging with the DMPR* on social and labour plan (SLP) initiatives, the manganese acquisition announced in May 2025 and the Leeuwan section 189</li> <li>Aligning social impact initiatives with government development priorities</li> <li>Participating in G20 and Business Leadership South Africa B20 engagements</li> <li>Participated in investment conferences in Limpopo and Mpumalanga</li> <li>Hosting the Limpopo Premier and her delegates at Exxaro's Lephalale stakeholder engagement day with our SERC</li> <li>Supported grade 12 results announcements in Limpopo and Mpumalanga and DMPR Minister's Back to School campaign</li> <li>Initiated a potential strategic partnership with UN Women, aiming to leverage Exxaro's ESD programme to advance women's empowerment significantly. This was kicked off after Exxaro was invited to join the South African delegation as a business representative in support of the Department of Women, Youth and Persons with Disability at the 69th meeting of the United Nation's Commission on the Status of Women in March 2025</li> <li>Providing valuable business input at a Cooperative Governance Human Settlement and Traditional Affairs ministerial roundtable, directly shaping the review of the white paper on local government and strengthening its role as a key partner in local economic development and infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Continued implementation of our Sustainable Growth and Impact strategy and Social Impact strategy</li> <li>Continue to build relationships that enable inputs into policy development, the securing of licences and authorisations and execution of strategic projects</li> <li>Promoting Exxaro's strategic objectives among government stakeholders and their alignment to the national development agenda</li> <li>Keep government informed of strategic developments</li> <li>Collaborate to find solutions for socio-economic challenges</li> <li>Partner in mutually beneficial projects</li> <li>Invest in South Africa's socio-economic development</li> <li>Demonstrate our ESG performance and how Exxaro responds to ever-increasing demands, responsible environmental management and community commitments through improved communication</li> <li>Engage the DMPR on overdue SLP projects</li> <li>Engaging with Transnet on logistics solutions through Richards Bay Coal Terminal to improve performance on the Coal Line and directly to improve the performance of rail services from the Waterberg</li> </ul>	<a href="#">Empowering people and communities (page 55 to 97)</a>
<b>Regulators</b>	Specialised regulatory authorities responsible for enforcing mining, environmental, water, safety and other compliance requirements across Exxaro's operations.	We maintain constructive compliance relationships, engage on licensing, mine closure and environmental requirements, align on regulatory expectations and ensure transparent reporting and assurance.	<ul style="list-style-type: none"> <li>Engaging with the Department of Water and Sanitation (DWS) and Department of Forestry, Fisheries and the Environment (DFFE) on climate change, water and closure issues</li> <li>Engaging with the DMPR, DWS on Matla mining rights and water use licence (WUL) renewal</li> <li>Providing air quality management and compliance information</li> <li>Engaging regulators on air quality regulations and broader air quality requirements</li> <li>Collaborating on atmospheric data needs</li> <li>Communicating environmental management to regulators</li> <li>Engaging with regulators at Exxaro's CEO sustainability summit</li> </ul>	<ul style="list-style-type: none"> <li>Regular engagement on water, mine closure and licensing matters</li> <li>Engaging on climate change and air quality compliance requirements and developments</li> <li>Communicating our environmental performance and stewardship approach</li> </ul>	<a href="#">Our environmental stewardship (page 21)</a> <a href="#">Empowering people and communities (page 55)</a>
<b>Employees</b>	7 637 employees and 14 300 contractors for Exxaro and Cennergi.	We communicate progress, co-create solutions, strengthen culture and inclusion, support change, develop capabilities and provide platforms for feedback and employee voices.	<ul style="list-style-type: none"> <li>Engaging through workshops, dialogue and leadership sessions (CEO roadshows, culture live sessions, BU sessions) and employee surveys with follow-up action plans</li> <li>Advancing DEI through anti-racial charter actions, disability forums, women's empowerment, men's forums, gender-based violence (GBV) and LGBTQIA+ awareness</li> <li>Supporting employees through organisational changes and reinforcing a high-performance culture</li> <li>Strengthening health, safety and mental wellbeing through safety engagements, awareness campaigns and wellness initiatives</li> <li>Providing communication about strategic business changes and their impact on employees</li> </ul>	<ul style="list-style-type: none"> <li>Continued leadership visibility and employee engagement</li> <li>Continued focus on culture development and our DEI journey</li> <li>Talent, skills and capability growth</li> <li>Providing fair rewards, incentives and progression pathways</li> <li>Health, safety and employee wellbeing</li> <li>Communicating our strategy and social impact performance</li> </ul>	<a href="#">Engaging our employees (page 65)</a>
<b>Labour unions</b>	Recognised labour unions that represent employees' interests and participate in collective bargaining and workplace forums.	We aim to promote fair labour practices, workplace stability and constructive dialogue through transparent engagement, formal structures and collaborative problem solving.	<ul style="list-style-type: none"> <li>Implement issues that emanated from the 2024 wage negotiations</li> <li>Concluded Recognition Agreement with HOSPERSA at Ferroland Grondtrust</li> </ul>	<ul style="list-style-type: none"> <li>We will continue transparent engagement on performance and transformation</li> <li>Engage unions on logistics-related operational impacts</li> <li>Manage union recognition processes</li> <li>Strengthen constructive labour relations and union capability building</li> <li>Continue to implement multi-year wage agreements</li> </ul>	<a href="#">Engaging our employees (page 65)</a>
<b>Communities</b>	Communities living in and around our operations who are affected by Exxaro's activities and rely on the company for social, economic and developmental opportunities.	We aim to build trusting relationships, share information about our strategy and purpose, respond to community needs, co-create solutions, support socio-economic upliftment and uphold Exxaro's social licence.	<ul style="list-style-type: none"> <li>Delivering SLP commitments across skills and infrastructure</li> <li>Leveraging land for socio-economic value</li> <li>Planning future SLPs with communities and government</li> <li>Improving SLP delivery to meet expectations</li> <li>Funding community development, ESD, corporate social investment (CSI) and youth programmes</li> </ul>	<ul style="list-style-type: none"> <li>Our focus remains on strengthening social impact ecosystems to enable Exxaro to continue delivering on our SLP, ESD, youth initiatives and infrastructure commitments</li> <li>Improving community consultation for social impact-aligned SLP planning and enhancing SLP delivery</li> <li>Maintaining constructive and stable community relationships</li> </ul>	<a href="#">Empowering our communities (page 77)</a>
<b>Investors</b>	Existing and potential shareholders, investment analysts and other capital providers with current and future interest in Exxaro's operational, financial and ESG performance, and long-term value creation.	We proactively and consistently engage to build trust through transparency, provide clarity on our sustainable growth and impact strategy, capital allocation and long-term value creation to support fair valuation of the business. We also engage to gather investor insights and feedback to sharpen our strategy.	<ul style="list-style-type: none"> <li>Reaffirming Exxaro's Sustainable Growth and Impact strategy</li> <li>Proactively engaged investors during leadership transition, affirming that the transition was managed through established governance processes</li> <li>Communicating the accelerated prudent delivery of our diversification strategy, announcing the acquisition of select manganese assets from Ntsimbintle Holdings and OMH and the growth of our energy solutions business Cennergi through strategic acquisitions</li> <li>Announced the review of our capital allocation framework following manganese acquisition and the removal of the R12 billion to R15 billion cash buffer</li> <li>Proactively engaged shareholders during the board's governance roadshow and gathered insights and feedback on Exxaro's remuneration package</li> </ul>	<ul style="list-style-type: none"> <li>Drive communication on integration and value realisation from our manganese assets and energy acquisitions</li> <li>Articulate the opportunities presented by Exxaro as we are becoming a diversified natural resources champion with a strong coal base, a growing energy solutions business and a globally significant manganese producer</li> <li>Maintain our proactive engagement approach with investors domestically and internationally and enhance transparency and the quality of our disclosure</li> </ul>	<a href="#">Benchmarking our performance (page 19), remuneration report (page 151)</a> <a href="#">Integrated report: Chairman's statement (page 8), our strategy (page 16)</a>
<b>Customers</b>	We have domestic and offshore customers in Europe, Asia and other markets. Eskom remains the largest customer of our coal sales.	We aim to understand their requirements, strengthen relationships, collaborate on market trends and environmental priorities, and support operational and supply performance.	<ul style="list-style-type: none"> <li>Engagement on environmental issues, scope 3, trends and opportunities</li> <li>Addressing customer concerns through improved service performance</li> <li>Ensuring consistent, reliable product supply and responsive service</li> <li>Communicating societal, environmental and climate commitments</li> </ul>	<ul style="list-style-type: none"> <li>Customer engagement and insight gathering</li> <li>Strengthening long-term customer relationships</li> <li>Understanding customer requirements and partnerships</li> <li>Ongoing engagement on environmental issues, scope 3, trends and opportunities</li> <li>Addressing customer concerns through improved service performance</li> <li>Ensuring quality and reliability of product supply</li> <li>Communicating Exxaro's societal, environmental and climate commitments</li> </ul>	<a href="#">Integrated report: Manufactured capital (page 101)</a>
<b>Suppliers</b>	Exxaro partners who render services and supply goods to execute strategic, transformational, ESG, and security and localisation of supply objectives at our operations.	We work and collaborate to improve performance, manage risks, ensure compliance, drive innovation projects and partner on business priorities, such as cost efficiency, sustainability and ethical practices.	<ul style="list-style-type: none"> <li>Strategic engagement with suppliers on cost, transformation, supply security, risk and decarbonisation</li> <li>Communicating the local procurement strategy and progress</li> <li>Educating suppliers on accessing business and funding opportunities</li> <li>Securing supplier commitments to local economic development</li> <li>Engaging suppliers on preferential, local and green procurement expectations</li> </ul>	<ul style="list-style-type: none"> <li>Continued focus on ensuring security of supply to support business continuity and performance</li> <li>Engaging on contract management adherence and governance</li> <li>Joint priorities on achieving safety, transformational procurement, ethical sourcing and environmental compliance goals</li> <li>Collaborate for continuous improvement</li> <li>Encourage and support supplier led innovations, proof of concepts and co-developments</li> <li>Co-ownership of total cost optimisation and value creation beyond price</li> <li>Partnering on local economic development and performance objectives</li> </ul>	<a href="#">Driving supply chain sustainability (page 91)</a>

\* In August 2024, the Department of Mineral Resources and Energy (DMRE) was reorganised, with mineral and petroleum resources functions transferred to the Department of Mineral and Petroleum Resources (DMPR).

# How we measure our progress and impact

ESG performance is a key indicator of a company’s management, sustainability and risk profile. Stakeholders use it to guide investment and lending decisions, assessing Exxaro’s ESG risk exposure and management relative to peers.

## ESG KPIs

Our ESG KPIs reflect our ongoing drive to operate responsibly and measure how effectively we are progressing against our strategic ambitions and sustainability commitments. These indicators are shaped by our integrated ERM framework, which highlights the issues most critical to our business. Oversight remains strong, with the board and executive committee reviewing performance quarterly to ensure we stay on course and deliver meaningful outcomes.

To maintain the credibility of our disclosures, selected KPIs undergo independent assurance through our combined assurance process. This strengthens the reliability of our reporting and supports transparent disclosure of the value we create, protect or diminish across our six capitals and key performance areas.

## Environment-related KPIs



### Natural capital

	Carbon intensity (scope 1 tCO <sub>2</sub> e/total kilotonnes mined (kTTM))	Carbon intensity (scope 2 tCO <sub>2</sub> e/kTTM)	Water intensity (kL/tonne run of mine (RoM))	Physical rehabilitation (actual versus budget)	Reportable environmental incidents
<b>Target</b>	Actual for previous year less 0.25%	Actual for previous year less 0.25%	0.15 to 0.18kL/tonne RoM	0% deviation from budget	0 level 2 0 level 3
<b>2025</b>	10% increase	17% increase	0.145kL/tonne RoM <sup>RA</sup>	5% deviation from budget	0 level 2s <sup>RA</sup> 0 level 3s <sup>RA</sup>
<b>2024</b>	3.4% increase	10.8% reduction	0.142kL/tonne RoM	0% deviation from budget	0 level 2 0 level 3
<b>2023</b>	> 5% reduction	> 5% reduction	0.105kL/tonne RoM	Between 0% to 25% deviation from budget	1 level 2 0 level 3
<b>Aligned to our Sustainable Growth and Impact strategic objectives</b>					

## Social-related KPIs



### Human and social relationship capitals

	Number of fatalities	LTIFR*	LTIs*	Occupational health diseases	OHIFR* reported
<b>Limit</b>	0	0.05	7	0	0.13
<b>2025</b>	0 <sup>RA</sup>	0.04 <sup>RA</sup>	7 <sup>RA</sup>	40 <sup>RA</sup>	0.22 <sup>RA</sup>
<b>2024</b>	0	0.06	10	23	0.14
<b>2023</b>	0	0.07	11	23	0.15
<b>Aligned to our Sustainable Growth and Impact strategic objectives</b>					

<sup>RA</sup> Reasonable assurance provided.

\* Lost-time injury frequency rate (LTIFR), lost-time injuries (LTIs) and occupational health incident frequency rate (OHIFR).

	Employees who received HIV awareness	Employees who were counselled and voluntarily tested for HIV	HIV prevalence rate compared to country prevalence rate
<b>Target</b>	95%	95%	Less than the country prevalence rate
<b>2025</b>	98%	97%	1% compared to 12% less than the country prevalence rate
<b>2024</b>	99.12%	94.3%	1% vs 12% less than the country prevalence rate
<b>2023</b>	92.92%	69%	1% to 10% less than the country prevalence rate
<b>Aligned to our Sustainable Growth and Impact strategic objectives</b>			

	Black ownership at group level	B-BBEE level	People with disability representation
Target	30%	Level 3	1.50%
2025	47.10%	Level 2	1.70%
2024	47.10%	Level 2	1.69%
2023	47.10%	Level 2	1.69%
<b>Aligned to our Sustainable Growth and Impact strategic objectives</b>			

	Top management	Senior management	Middle management	Junior management
<b>Historically disadvantaged person (HDP) representation</b>				
Target	50%	60%	60%	70%
2025	25%	79%	87.6%	85.6%
2024	50.00%	73.65%	77.46%	79.06%
2023	50.00%	73.33%	83.44%	82.31%
<b>Women representation</b>				
Target	20%	25%	25%	30%
2025	25%	37.9%	47.8%	36.3%
2024	25.00%	36.26%	45.64%	35.42%
2023	25.00%	30.67%	45.31%	34.03%
<b>Aligned to our Sustainable Growth and Impact strategic objectives</b>				

	Skills provision (% of appointment of employees within)	Scarcity skills retention (% turnover)	Skills development expenditure*	Human resources development spend as % of payroll – Mining Charter III
Target	60%	5%	3.1%	5%
2025	81.70 <sup>RA</sup>	3.71 <sup>RA</sup>	5.82%	5.31%
2024**	72.8%	3.6%	3.5%	5%
2023	73.66%	4.5%	3.16%	5.04%
<b>Aligned to our Sustainable Growth and Impact strategic objectives</b>				

<sup>RA</sup> Reasonable assurance provided.

\* On learning programmes in the learning programme matrix for black people as a percentage of leviable amount – B-BBEE.

\*\* The operational effectiveness process completed in 2024 resulted in the decrease compared to the 2023 statistics.

	Enterprise development	Supplier development	Socio-economic development	Time variance from plan	Cost variance from plan
<b>% of net profit after tax (NPAT)</b>			<b>Project delivery measure – local economic development projects per SLP</b>		
Target	1%	2%	1%	Within 10% deviation	Within 10% deviation
2025	1.00%	1.15%	1.00%	12% behind schedule	2% under budget
2024	1.00%	1.57%	1.00%	14% behind schedule	48% under schedule
2023	0.74%	0.88%	0.58%	18% behind schedule	44% under schedule
<b>Aligned to our Sustainable Growth and Impact strategic objectives</b>					

## How we measure our progress and impact continued

### Governance-related KPIs



#### Financial, intellectual, social and relationship capitals

Fraud and corruption/ asset destruction		System availability (Core P1 and enterprise resource planning solutions)	Information management projects	
			Cost overrun	Time overrun
Target	0%	97%	10% over budget	10% behind schedule
2025	0%	99.82%	48% under spent	25% behind schedule
2024	0%	99.68%	41% under spent	29% behind schedule
2023	0%	98.66%	73% under spent	22% behind schedule
Aligned to our Sustainable Growth and Impact strategic objectives				

Environmental liability provisions*		Stoppage directives (includes directives in terms of NWA, NEMA and MPRDA***)	Stoppage directives (includes section 54(1)(a) and (1)(b) in terms of MHSA***)
Commercial and captive operations**			
Target	Between 80% and 100%	0	0
2025	Between 80% and 100%	0 <sup>RA</sup>	1 <sup>RA</sup>
2024	Between 50% and 80%	0	0
2023	Between 50% and 80%	0	4
Aligned to our Sustainable Growth and Impact strategic objectives			

<sup>RA</sup> Reasonable assurance provided.

\* Includes environmental authorisation, integrated WUL, water management licence, atmospheric emissions licence, environmental impact assessment, record of decision and reporting. Regarding performance, there are scheduled and budgeted projects to address areas of non-compliance.

\*\* The KPI measures against unscheduled costs, which are not currently regulated. In terms of scheduled costs, Exxaro remains compliant between 80% and 100%. The shortfall relates to the combination of unscheduled closure costs against the guarantee and trust fund balance.






\*\*\* Mine Health and Safety Act, 1996 (Act 29 of 1996) (MHSA), National Water Act, 1998 (Act 36 of 1998) (NWA), National Environmental Management Act, 1998 (Act 107 of 1998) (NEMA) and Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002) (MPRDA).

Valid authorisations			Compliance to valid licences/authorisations <sup>#</sup>	
	Current operations	Projects	Current operations	Projects
Target	100%	100%	100%	100%
2025	100%	100%	98.1%	100%
2024	100%	100%	97%	100%
2023	100%	100%	97%	100%
Aligned to our Sustainable Growth and Impact strategic objectives				

<sup>#</sup> Includes environmental authorisation, integrated WUL, water management licence, atmospheric emissions licence, environmental impact assessment, record of decision and reporting. Regarding performance, there are scheduled and budgeted projects to address areas of non-compliance.

## Benchmarking our performance

We compare our ESG performance with leading global peers to understand how we measure up to investor expectations. Independent ratings agencies review our performance using publicly accessible sources such as reports, websites and media coverage, applying their own assessment criteria. To strengthen the quality and clarity of our reporting, we actively engage with these agencies and focus on transparent, stakeholder-friendly disclosure. Through this approach, we continue to achieve ESG ratings that outperform many of our industry counterparts.

<p>FTSE Russell's ESG scores help investors assess a company's exposure to and management of ESG issues. The index measures our ESG risks and impact across themes relevant to the mining sector.</p>	<p><b>3.9/5 overall ESG score</b></p>	<p>Over the past seven years, we have consistently achieved good scores, demonstrating our commitment to improving our performance. Despite the slight decrease in 2025, we remain ranked in the top quartile of global performers in the basic resources supersector.</p>	
<p>MSCI ESG Ratings assess and compare companies' ESG performance across industries, helping investors integrate ESG factors into decisions and identify sustainable opportunities.</p>	<p><b>A rating</b></p>	<p>Exxaro remains one of the top performers among our peers' ESG reports.</p> <p>Areas of disclosure improvement include our high exposure to safety risks, environmental liabilities and an inadequate anti-corruption policy.</p>	
<p>By supplying comprehensive research, data and analytical tools, Institutional Shareholder Services helps investors and companies advance long-term sustainable growth.</p>	<p><b>C rating</b></p>	<p>This rating shows that we have a high transparency level, demonstrating our continued commitment to good corporate governance.</p> <p>Areas for disclosure improvement include publication and disclosure of our stance on political contributions as well as the integration of contractors into our safety management systems.</p>	
<p>The Sustainalytics ESG rating assesses a company's exposure to industry-specific risks and how effectively it manages them.</p>	<p><b>36.6 ESG risk rating</b></p>	<p>Exxaro's exposure was rated high and management was rated strong, which indicates the robustness of our ESG programmes, practices and policies.</p> <p>We regularly assess feedback from other ratings agencies to identify common assessment areas and improvement opportunities.</p>	
<p>S&amp;P Global ESG Scores evaluate companies' ESG risk management and overall sustainability, with high scores reflecting strong ESG practices.</p>	<p><b>49/100 ESG score</b></p>	<p>Our scores in the ESG and economic categories are above the industry averages. We also achieved a high data availability rating, highlighting our focus on transparency.</p>	

How we measure our progress and impact continued

## Recognition

This year, we earned multiple accolades for meeting our ESG commitments and enhancing the transparency and accuracy of our reporting.



Our placement in the 2025 EY Excellence in Integrated Reporting Awards Top 10 category reflects our commitment to integrated thinking in strategic decision making.



Our 2024 integrated report won the top 40 category at the 2025 CGISA integrated reporting awards. This award recognises Exxaro's commitment to innovation and excellence in integrated reporting.



Exxaro received five safety awards at the 2025 Coal Safe Awards – reflecting the progress we have made towards our goal of zero harm.

Read more about our [safety awards](#) on page 59.



# 2 Our environmental stewardship

The environmental operating context in South Africa is changing rapidly, reshaped by climate impacts, resource demand and evolving regulations.

For Exxaro, this context reinforces the need for proactive environmental management to ensure operational continuity, protect natural systems and support the country’s transition to a low-carbon, climate-resilient economy.



### Governance and oversight

#### Accountability and responsibility

- SERC and RBR committee provide board-level oversight
- Executive head: sustainability leads execution, supported by sustainability, technical and operational teams
- BU environmental teams execute site-specific plans and incident response

#### Regulatory compliance

- Adherence to NEMA, MPRDA, NWA, Climate Change Act, Air Quality Act and all site-specific licence conditions and rehabilitation requirements
- Preparations underway for future obligations under the Climate Change Act, including carbon budgets and GHG mitigation plans
- Annual independent liability assessments and third-party compliance verification
- Financial provisions for rehabilitation and closure independently reviewed and approved annually

#### Beyond compliance

- Voluntary participation in CDP (climate C, water B, forests B), regional air quality forums and Coaltech research, and exploring the TNFD recommendations
- Cennergi applies the Equator Principles and International Finance Corporation (IFC) Performance Standard 6 (no net loss commitment)
- Active collaboration with DFFE, DWS, Eskom industry bodies and academia on emission reduction research and biodiversity offsets
- Integrating social impact opportunities into our environmental management strategies

### Our strategic response

Our response is guided by the Sustainable Growth and Impact strategy, which embeds environmental considerations into planning, performance and long-term investment decisions. We implement responsible stewardship through a comprehensive environmental approach that includes:

- Environmental management programmes aligned to legislation, licence conditions and best practice
- A commitment to exceed minimum regulatory requirements, uphold human rights and maintain our social licence to operate
- Integrated group standards that guide environmental planning, controls and reporting
- Incident management and reporting systems that enable rapid response, corrective action and learning
- Precautionary principles, including NEMA requirements, to guide responsible environmental decision making
- Group energy management standards, GHG accounting guidance and decarbonisation-linked incentives
- STIs linked to environmental KPIs
- Monitoring networks across dust fallout, air quality, biomonitoring, and surface and groundwater
- Regular stakeholder engagement to support collaboration on socio-environmental risks and opportunities
- Independent third-party audits and annual compliance verification

Exxaro’s wheel of excellence, detailed on the next page, provides a consistent framework for environmental stewardship across the group, ensuring alignment in compliance, implementation, monitoring and reporting at every level. It enables the seamless integration of new assets and guides BUs in building essential competencies to achieve high environmental standards.

## Our environmental stewardship continued

Our environmental commitments are categorised into key focus areas, each underpinned by targeted strategies and policies:

**1 Climate change adaptation and resilience:** We are building our climate resilience by enhancing the adaptive capacity of Exxaro and communities and capitalising on strategic opportunities presented by the transition to a low-carbon economy.

**2 Energy efficiency:** Our energy and carbon management programme drives efficiencies that support the transition to a low-carbon economy.

**3 Air quality:** We manage and mitigate the negative impacts of air pollution, including dust and particulate matter (PM), emanating from our mining activities.

**4 Biodiversity:** Our low-impact, high-value approach supports ecosystem health to protect indigenous flora and fauna at our operations.

**5 Mine closure and rehabilitation:** Our mine plans consider land management, closure and concurrent rehabilitation with financial provision to ensure we honour our commitments. This, in turn, reduces long-term financial liabilities.

**6 Water security:** Our water security plan is based on efficient water consumption, reuse and recycling to protect natural resources.

**7 Waste management:** Our cradle-to-cradle approach minimises waste generation through recycling and reuse within a circular economy.



We unpack our management approach and performance on each of these topics in this chapter.

### 2025 highlights

Approved the decarbonisation roadmap and advanced site-specific climate change adaptation and resilience plans	Updated the GHG accounting policy to reflect our revised approach to carbon accounting and reporting	Established a dust fallout monitoring network at our mines-in-closure Hlobane site and upgraded the existing network at Durnacol
Expanded Cennergi's portfolio to 437MW gross assets under construction and operations, and progress made in wind and solar developments	Implemented our new mine closure and rehabilitation strategy and updated standard and KPIs across all BUs	Maintained compliance with key environmental authorisations and recorded no environmental fines, complaints or penalties (2024: none)

Successfully secured key environmental authorisations enabling the continued operations of mining activities

### Key challenges

High reliance on diesel-powered mining fleets, with limited commercial availability of low-carbon alternatives for heavy mining equipment	Dust fallout and PM exceedances, including two exceedances of the 1 200mg/m <sup>2</sup> /day industrial limit at Grootegeluk linked to ash from the adjacent Eskom ash disposal facility	Slight delays in environmental licences, amendments and authorisations that affect planning certainty and project sequencing across operations	Ongoing alignment of operations with the Climate Change Act while the draft National GHG Carbon Budget and Mitigation Plan Regulations remain pending
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### Environmental incidents

In 2025, Exxaro recorded 33 level 0 incidents (2024: 45), nine level 1 incidents (2024: seven) and zero level 2 and 3 incidents.

Refer to the [databook](#) for details of our level 1 environmental incidents.

### Managing environmental complaints

Environmental complaints can be raised during stakeholder engagements, by phone, letter, or in the complaints book at each mine entrance. These are managed by environmental teams with support from head office specialists, who ensure corrective actions are implemented and monitored. Exxaro aims to implement a sustainability management system that will streamline the reporting and management of safety, health and environment-related complaints within the next two years.



### 2026 key actions

- In 2026, we will focus on strengthening climate resilience and accelerating our decarbonisation journey. This includes:
- Scaling proven energy-saving initiatives across haulage, ventilation, compressors and conveyors
- Embedding the group energy forum to institutionalise energy management and strengthen performance oversight
- Finalising and implementing site-level climate adaptation and resilience plans
- Bringing the LSP to full operation
- Advancing research partnerships with Eskom and scientific institutions to pilot emerging emissions reduction technologies

# Decarbonising our operations

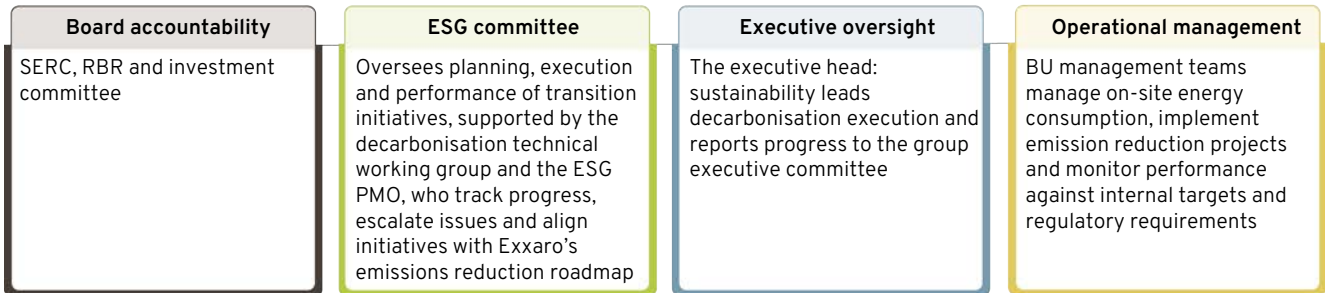
## Why this matters

The global transition to a low-carbon economy directly affects Exxaro’s long-term viability. Exxaro takes pride in the opportunities to decarbonise as we contribute to a cleaner world. At the same time, the transition presents opportunities in renewable energy, energy efficiency and energy transition metals.

Exxaro is acting decisively to reduce emissions, diversify revenue streams and build resilience to climate change.



### Governance and oversight



### Strategy and management approach

Exxaro is transitioning into a diversified metals and energy solutions business in line with our Sustainable Growth and Impact strategy. We guide this work through our Climate Change Response strategy and decarbonisation roadmap. These inform operational planning, capital allocation and long-term transition decisions.

Key elements of our approach include:

- Advancing the energy transition through our growing renewable energy portfolio and strategic investments in alternative energy technologies
- Implementing renewable energy solutions to support mining operations
- Pursuing opportunities in energy transition metals such as manganese and copper
- Embedding energy efficiency and emissions management across all BUs
- Embarking on a journey of continuous improvement, optimising our diesel consumption by implementing iterative fuel efficiency initiatives on our primary fleet
- Reducing emissions across our value chain, supported by stakeholder engagement and improved data transparency
- Managing exposure to climate-related risks by incorporating climate scenarios into planning and resilience assessments
- Aligning with global climate reporting frameworks and stakeholder expectations



Read [our business](#) for more details on our asset base (page 2).

### Embedding climate change in decision making

Our board ensures that climate considerations are incorporated into strategic and operational decision making across the group. When evaluating strategy, capital allocation and operational planning, climate-related risks and opportunities are assessed to ensure long-term sustainability in a carbon-constrained economy. This includes considering the implications of evolving policy, technology shifts, changing market demand and the physical impacts of climate change.

Transition planning is integrated into operational plans and annual budgeting processes, where energy consumption, emissions performance and resilience requirements are assessed alongside financial and production metrics. Climate scenarios and emerging climate trends inform these reviews to support decisions that strengthen business resilience and maintain competitiveness.

To strengthen consistency in how we assess climate-related impacts across projects, the ESG PMO is embedding ESG performance considerations into early project design and feasibility assessments. This will support project managers in identifying, baselining and tracking relevant energy, emissions, water and waste indicators from inception. This ensures that projects, including those progressed through strategic partnerships and memoranda of understanding (MoUs), contribute meaningfully to our decarbonisation and sustainability ambitions.

## Decarbonising our operations continued

### Integrating climate change into our business strategy

Our Sustainable Growth and Impact strategy guides how we respond to the energy transition and position Exxaro for long-term resilience. The strategy recognises the need to balance energy security, economic development and environmental responsibility as global and domestic systems move toward a lower-carbon future.

In line with our purpose of powering better lives in Africa and beyond, our approach focuses on two strategic imperatives:

Energy transition	<ul style="list-style-type: none"> <li>• The coal and energy solutions businesses continue to play a central role in supporting South Africa's energy security</li> <li>• Coal operations are responsibly optimised to extract remaining value while managing emissions and avoiding stranded assets</li> <li>• The business is being repositioned to capture opportunities in renewable energy and energy transition metals</li> </ul>
Impactful transition	<ul style="list-style-type: none"> <li>• The transition is designed to benefit workers, communities and value chain partners</li> <li>• Socio-economic resilience and regional sustainability are considered in portfolio and capital decisions</li> <li>• Engagement with stakeholders supports shared development outcomes in host regions</li> </ul>

We use scenario analysis to test resilience against risks and opportunities, aligning with TCFD and ISSB recommendations. This includes lower-carbon pathways at 2°C or below, carbon pricing impacts and enhanced physical risk management.

The analysis informed our Climate Change Response strategy, which aligns with the TCFD recommendations and provides a structured approach for the delivery of our strategic outcomes, including decarbonising our operations, scaling renewable energy, diversifying into energy transition metals and enabling an inclusive transition that protects livelihoods while preparing the business to be carbon neutral by 2050.

### Managing climate change-related risks

Climate-related risks and opportunities are integrated into our existing ERM processes and decision making. We are responding to climate-related risks and opportunities by implementing our Sustainable Growth and Impact strategy, Climate Change Response strategy and decarbonisation roadmap.

We conducted a detailed climate change scenario analysis in 2019 and 2020 and a water security study in 2025 to identify these risks and determine their relative significance.

In 2025, we began developing site-specific climate change adaptation and resilience plans to enhance operational resilience against climate risks. These plans will further identify the physical risks for each BU by creating adaptation pathways and identifying technological innovations to mitigate identified risks.



More detail regarding these risks is unpacked in the [2020 Climate Change Response strategy report](#) (investor tab under integrated reports 2020) and [2020 climate change position statement](#) (sustainability tab).

Our top climate-related risks, as summarised below, remain relevant to our context.

- Physical risks are linked to changing climate patterns that may affect operational resilience. 100% of our assets are vulnerable to physical risks
- Transition risks relate primarily to regulatory changes, carbon pricing and market shifts as South Africa moves to a low-carbon economy. 100% of our assets are vulnerable to transition risks

#### Transition risks

##### Credit and insurance risk

Increased cost or reduced availability of capital due to lenders and insurers reassessing climate exposure

##### Carbon pricing risk

Financial exposure from rising carbon taxes and regulatory costs in a low-carbon economy

##### Market risk

Shifts in commodity demand and pricing as global markets favour lower-carbon alternatives

##### Reputational risk

Stakeholder pressure and loss of social licence from perceived slow transition pace

#### Physical risks

##### Water security risk

Chronic water scarcity or acute shortages impacting operational continuity

##### Risk of heatwaves at our operations

Extreme heat reducing workforce productivity and equipment efficiency

##### Risk of drought

Prolonged dry periods affecting water supply and dust management

##### Risk of extreme rainfall days

Intense storms causing flooding, infrastructure damage and operational disruptions

We also participate in policy and industry engagements to keep abreast of regulatory developments that could impact our operational planning and capital allocation.

### Regulatory landscape developments

The draft National Greenhouse Gas Carbon Budget and Mitigation Plan Regulations were released and Exxaro is awaiting the group's carbon budget allocation from the DFFE. The carbon tax rate increased to R236 per tonne CO<sub>2</sub>e in 2025. Our carbon tax liability for 2025 is R4.6 million. From 2026, the basic tax-free allowance is proposed to reduce from 60% to 50%, with incremental reductions of approximately 2.5 percentage points per year until 2030.

The carbon offset allowance for combustion emissions is expected to increase to 25% in 2026, providing a mechanism to mitigate a portion of carbon tax costs through qualifying offset projects. When mandatory carbon budgets are implemented, the existing 5% carbon budget allowance under the Carbon Tax Act will be phased out. Alignment between the carbon budget regulations, carbon tax and sectoral emissions targets remains an area of ongoing policy engagement and analysis.



## Our decarbonisation approach

### Our ambition

Carbon emissions	Renewable energy	Diversification
<ul style="list-style-type: none"> <li>Achieve carbon neutrality by 2050 through renewables, efficiency and offsets</li> <li>Reduce scope 1 and 2 emissions by 40% by 2030 and 75% by 2040 (from a 2022 baseline)</li> <li>Explore scope 3 emission reduction opportunities across the value chain</li> </ul>	<ul style="list-style-type: none"> <li>Grow the energy business to 1 600MW (net) by 2030</li> <li>Reach 100% renewable energy consumption across operations by 2050</li> </ul>	<ul style="list-style-type: none"> <li>Increase renewable energy contribution</li> </ul>

Delivery of these targets is supported by the commissioning of the LSP, which was completed in December 2025 and is expected to reduce scope 2 emissions by approximately 25% and total scope 1 and 2 emissions by 17% once at steady-state operation. In December 2025, the solar PV plant reached full generating capacity and supplied early electrons to Grootegeluk mine. Grid code testing will be completed in the first half of 2026. Additional renewable energy deployments at Mpumalanga operations and ongoing energy efficiency interventions support progress toward the 2030 reduction target.

### Our decarbonisation strategy

We leverage five interconnected pillars to balance emission reduction, feasibility and social impact:

Action area	Outcome	Focus areas
<b>Assets reconfiguration</b>	Reduce scope 1 and 2 emissions through operational efficiency and technology upgrades	<ul style="list-style-type: none"> <li>Renewable energy integration</li> <li>Fleet and haulage optimisation</li> <li>Energy management systems</li> </ul>
<b>Portfolio diversification</b>	Transition the portfolio towards resilient metals and renewable energy	<ul style="list-style-type: none"> <li>Dispose of non-core assets</li> <li>Diversify towards metals required for the just energy transition and renewable energy</li> </ul>
<b>Conscious scope 3 reduction</b>	Work with value chain partners to reduce downstream emissions while supporting national energy needs	<ul style="list-style-type: none"> <li>Strategic partnerships with customers and logistics providers</li> </ul>
<b>Carbon offset</b>	Use credible offsets where emissions are unavoidable	<ul style="list-style-type: none"> <li>Nature-based solutions</li> <li>Regional renewable energy support</li> </ul>
<b>Impactful transition</b>	Ensure workers, suppliers and vulnerable communities are supported through the transition	<ul style="list-style-type: none"> <li>Skills development and livelihood resilience</li> </ul>

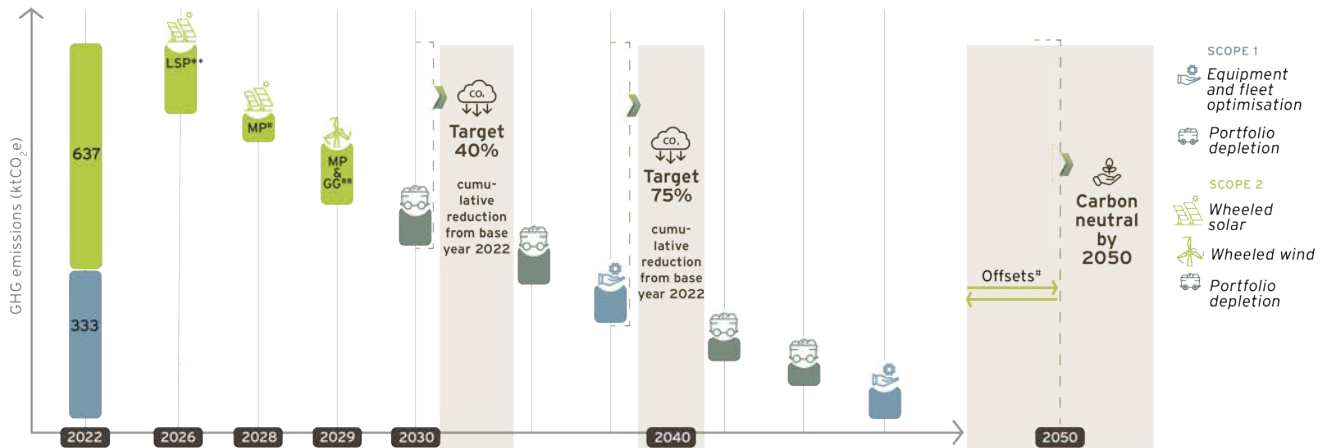
### Our decarbonisation roadmap

Our approach to carbon neutrality prioritises practical, scalable interventions that balance technology readiness, operational feasibility and funding availability over time. Exxaro's decarbonisation roadmap, approved in March 2025, details our short, medium and long-term milestones and investment decisions to reduce emissions and achieve carbon neutrality by 2050. The roadmap will be reviewed periodically to reflect new developments, changing market conditions and portfolio acquisitions or divestments.

#### Guiding principles

- The roadmap applies to current coal operations, assuming assets continue to be mined until depletion (life of mine (LoM))
- Grootegeluk is prioritised for scope 1 decarbonisation due to its diesel profile
- Leeuwan will not integrate renewable energy
- Mafube remains baselined at 50% in line with ownership structure

#### Decarbonising today to secure a sustainable tomorrow



\* Carbon offsets (nature-based and renewable) will be implemented to reach carbon neutrality by 2050.  
 \*\* LSP (wheeled solar at Grootegeluk).  
 # Wheeled solar in Mpumalanga (Belfast, Mafube and Matla).  
 ## Wheeled wind in Belfast, Mafube, Matla and Grootegeluk.

## Decarbonising our operations continued

### Executing our decarbonisation roadmap

The roadmap directs BUs on how to plan operations, integrate renewable energy and implement efficiency measures to reduce scope 1 and 2 emissions. We prioritise high-impact efficiency projects through collaboration between our engineering teams and various stakeholders.

We classify our emissions as follows:

- Scope 1: Direct emissions from activities at our operations, including diesel, petrol, gas, explosives, limestone use and fugitive methane
- Scope 2: Indirect emissions from purchased electricity supplied by Eskom
- Scope 3: Indirect emissions from value chain activities, including the use of our coal by customers and other upstream and downstream activities

### Decreasing scope 1 emissions

We reduce our diesel consumption through a phased fleet optimisation programme centred on hybrid technologies and fleet electrification.

At Grootegeluk, which accounts for 61% of total group diesel emissions, we are implementing optimisation solutions that address the logistics and equipment factors that drive lower-carbon intensity through:

- Digital mine planning and visualisation
- Fleet allocation and dispatch optimisation
- Truck speed optimisation and payload management
- Reducing shovel and truck cycle variability
- Haul road condition improvements
- Eliminating out-of-cycle waste

In 2025, we completed a desktop decarbonisation technology study that assessed fleet optimisation solutions and identified options with business case potential.

Going forward, technology selection will be based on site-specific operating data and alignment with industry OEM development pathways. Implementation will be integrated into each business unit's rebuild or replacement cycle, taking into account technology readiness and governance requirements.

Timeframe	Key initiatives
2026 to 2030	<ul style="list-style-type: none"> <li>• Implement engine idling reduction initiatives to improve operational efficiency</li> <li>• Expand trolley assist systems to reduce diesel use</li> <li>• Initiate electrification through pilot implementations of electric drills, electric truck proof of concept and truck battery electric vehicle conversion</li> </ul>
2031 to 2040	<ul style="list-style-type: none"> <li>• Increase deployment of electric drills</li> <li>• Introduce electric dozers to replace diesel models</li> <li>• Expand trolley assist systems across eligible sites</li> </ul>
2041 to 2050	<ul style="list-style-type: none"> <li>• Full-scale deployment of truck battery electric vehicle conversion across operations</li> <li>• Complete fleet electrification and transition to a fully decarbonised mining fleet</li> </ul>

Quick wins also include energy and water efficiency programmes (linked to performance incentives), and honing our compliance focus on the pollution prevention plans for operations.

### Reducing scope 2 emissions

We are reducing coal-based electricity consumption by integrating renewable energy solutions across our operations. Our approach includes on-site solar generation where feasible, with solar photovoltaic (PV) projects at Tshikondeni and Grootegeluk, as well as wheeled renewable power solutions.

Timeframe	Description
2026: Initial solar energy replacement	The LSP at Grootegeluk is supplying renewable electricity to replace a portion of coal-fired power use. Full commercial operations (68MW) is expected in 2026. The plant was commissioned in December 2025 and will contribute to a 25% reduction in scope 2 emissions at the mine.
2027: Multi-site wheeled solar energy	Wheeled solar (approximately 50MW) is planned across multiple sites, including Matla, Belfast and Mafube, reducing reliance on grid-supplied coal-based power.
2029: Multi-site wheeled wind energy	Additional wheeled wind capacity (approximately 120MW) planned for Matla, Belfast, Mafube and Grootegeluk to further reduce scope 2 emissions.

The LSP and future investments in decarbonising Exxaro's mining operations represent a systematic and responsible approach to the energy transition without introducing additional risks to South Africa's electricity generation.

#### Case study

### Diversifying into energy transition metals

In May 2025, Exxaro announced the acquisition of select manganese assets in the Kalahari Manganese Field in the Northern Cape. Manganese is essential in steel-making and is increasingly important in battery and renewable energy technologies, making it a key mineral in South Africa's industrial and energy transition.

The acquisition strengthens the resilience of our portfolio and supports our ambition to grow revenue from energy transition metals. It also ensures that these strategic assets remain under South African stewardship, supporting continuity for employees and host communities.

#### Strategic benefits

- Diversifies earnings and reduces reliance on coal-based revenues
- Positions Exxaro in a mineral with long-term demand linked to global decarbonisation
- Enables deployment of Exxaro's bulk mining, logistics and stakeholder partnership capabilities to drive responsible value creation

The acquisition, concluded post-year end, aligns directly with our Sustainable Growth and Impact strategy by diversifying earnings, reducing reliance on coal and positioning the business to participate in long-term growth markets linked to the global energy transition.

### Limiting scope 3 emissions

While reducing our direct scope 1 and 2 emissions remains a priority, most of our total emissions footprint sits in scope 3. Indirect emissions occur when the coal we sell is further processed or combusted by our customers and are the largest contributor to our total GHG footprint. Addressing these emissions requires coordinated action across the value chain, particularly with large partners whose operational activities are closely linked to our products.

We are pursuing strategic partnerships with key value chain stakeholders to support shared decarbonisation ambitions, improve data transparency and explore lower-carbon pathways. These partnerships are formalised through MoUs that commit parties to jointly identify and implement emissions reduction initiatives.

In 2025, we signed an MoU with Eskom to explore opportunities to address and improve transparency around value chain emissions, identify opportunities to reduce them and contribute to an impactful transition in South Africa. This includes collaboration on inbound and outbound logistics, green procurement practices and research into lower-carbon technologies. We also support lower-carbon development through our transition metals portfolio and the growth of our energy solutions business.

We are reviewing our scope 3 calculation methodologies and will develop and publish a methodology report that outlines how we quantify and disclose scope 3 emissions.

#### Scope 3 partnership reduction objectives

##### Carbon emissions reduction

- Identify opportunities to reduce scope 1, 2 and 3 emissions across shared operations
- Support operational efficiency improvements
- Support industry and government efforts to develop low-carbon technologies such as carbon capture and storage, which are critical for the removal of carbon emissions

##### Impactful transition

- Support reskilling and capacity building
- Encourage job creation in growing and transition industries
- Work collaboratively to mitigate socio-economic impacts of decarbonisation
- Aligning our portfolio towards low-carbon transition metals

We report on our energy and carbon data in terms of the GHG Protocol and participate in the CDP climate change and water programmes.

### Carbon offset and nature-based solutions

We adopt nature-based solutions that enable biodiversity protection and restoration, positively contribute to our broader social impact and include benefits such as carbon offsetting and credits.

- At Hlobane, afforestation and rehabilitation activities contribute to carbon absorption while creating work opportunities for local people involved in planting and maintaining vegetation
- At Grootegeluk and Leeuwpans mines, we are conducting Spekboom planting trials to assess survival rates and sequestration potential in different conditions

Additional carbon offset opportunities across our operations are being assessed and will be guided by the carbon offset strategy. Work to establish a clear, evidence-based approach for quantifying and verifying sequestration from nature-based projects is still to be developed and will form part of the next phase of implementation.

We follow a leadership-driven process and provide decarbonisation training to enable employee participation.



#### 2026 key actions

Our focus for 2026 is to consolidate progress made during the year and integrate newly acquired assets into our operational model and corporate culture. This includes:

- Finalising climate change adaptation and resilience plans for all BUs and defining practical adaptation pathways
- Developing new technical capabilities specific to manganese production and renewable energy
- Advancing the roll-out of ESG KPIs in early project feasibility and planning stages through the ESG PMO
- Balancing strategic capital allocation between maintenance of existing operations and growth investments



# Responding to a changing climate

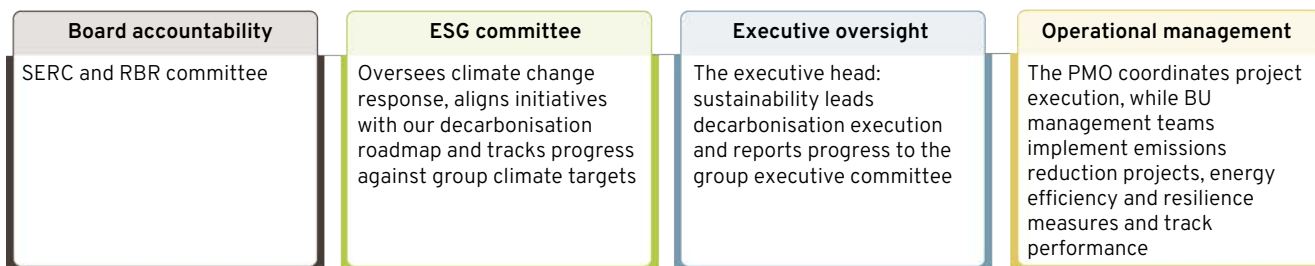
## Why this matters

As a mining and energy business, we are exposed to physical and transition risks that affect our operating costs, production stability and long-term competitiveness. At the same time, the transition to a low-carbon economy presents opportunities to improve efficiency, invest in renewable energy and contribute to South Africa's energy transition.

Building resilience to climate change supports our commitment to secure long-term business continuity, protect our environment and communities and align with pressing global climate goals.



### Governance and oversight



## Strategy and management approach

We take an integrated approach to climate change that addresses both emissions reduction and the need to strengthen the resilience of our operations and communities. Our Climate Change Response strategy and decarbonisation roadmap guide our planning as we prepare for more variable climate conditions.

Key elements of our approach include:

- Integrating climate-related risks into adaptation and resilience plans across our operations
- Embedding energy efficiency, emissions reduction and climate awareness across all BUs
- Increasing renewable energy through the LSP and Cennerg's wind assets
- Monitoring and reporting on scope 1, 2 and 3 emissions and improving accounting methodologies, data quality and transparency
- Compliance to climate legislation and policies
- Implementation of ISSB, Global Reporting Initiative, national climate reporting and carbon tax requirements
- Participating in CDP programmes to benchmark performance and inform disclosure practices
- Supporting research and innovation to advance decarbonisation and contribute to climate policy development
- Engaging in collaboration and partnerships to explore value chain emission reduction opportunities and empower communities for an impactful transition

## Climate adaptation and resilience plans

We are strengthening our ability to anticipate and respond to the physical impacts of climate change, such as extreme heat, drought and severe weather. As we refine our understanding at a site level, we will use climate data and predictive tools to assess how changing climate conditions may affect our operations, communities and value chain partners. This will enable us to strengthen resilience measures in areas such as water management, infrastructure design, land rehabilitation and emergency response.

The Climate Change Response strategy will be updated and we are currently developing BU adaptation and resilience plans. This ensures that our strategic direction reflects site-level insight and remains aligned with our Sustainable Growth and Impact strategy.

The Climate Change Act came into effect in 2024 and draft regulations on carbon budgets and mitigation plans were released in 2025. We are assessing the implications of these developments to align our compliance, resilience planning, reporting and governance practices with national requirements.

## Reducing emissions

A key part of our climate response is reducing the GHG emissions associated with our operations and value chain.

- Our [emissions reduction initiatives](#) (page 26) are supported by our efforts in [optimising energy efficiency](#) (page 33) and implementing cleaner energy sources at our operations.



### Pollution prevention plan

We submit an annual pollution prevention plan report to the DFFE, outlining initiatives to reduce diesel consumption and associated scope 1 emissions at our operations. The 2025 reporting year marks the final PPP cycle and from 2026 we will transition to the mandatory carbon budget and GHG mitigation plan system, pending finalisation of the National GHG Carbon Budget and Mitigation Plan Regulations.

Project	Implementation	Achieved reduction				Anticipated reduction	Total
		2021	2022	2023	2024	2025	Total
Grootegeluk in-pit crushing and conveying project	Ongoing	6 948	7 723	8 773	7 363	<b>6 050</b>	36 857
Road management and improvement	Ongoing	3 517	5 975	1 891	848	<b>684</b>	12 915
Pantograph utilisation optimisation	2021	2 199	2 337	1 359	2 689	<b>3 561</b>	12 145
Out-of-cycle time reduction	2021	(2 170)	624	398	(5 905)	<b>1 604</b>	(5 449)
Autonomous drilling	2021	47	50	52	220	<b>193</b>	562
<b>Total</b>		<b>10 541</b>	<b>16 709</b>	<b>12 473</b>	<b>5 215</b>	<b>12 092</b>	<b>57 030</b>

Assumptions used to estimate anticipated GHG emission reduction: electrical and diesel conversion factors, and the project scope, are consistent.

Exxaro's actual carbon emission reductions from 2021 to 2024 were 44 938tCO<sub>2</sub>e. This is 10% lower than the originally projected savings of 49 786tCO<sub>2</sub>e. The shortfall is largely attributed to lower-than-anticipated savings from certain projects, where actual performance did not meet initial estimates. Despite this, the reductions we achieved represent a significant contribution towards Exxaro's climate goals and highlight the importance of timely implementation and accurate forecasting for future initiatives.

### Research, innovation and partnerships

We collaborate across sectors to support South Africa's transition to a low-carbon economy. These partnerships enable research, knowledge sharing and regional socio-economic development linked to climate mitigation and resilience.

MoUs and strategic partnerships	Supporting climate dialogue	Leveraging climate data and modelling
Our MoU with Eskom supports work to explore opportunities to reduce emissions in the power value chain and contribute to an impactful transition. We also collaborate with the Agricultural Research Council to advance sustainable land use management and socio-economic development linked to land rehabilitation and secondary agriculture. In addition, our memorandum of understanding with the Council for Geoscience supports research into carbon capture, utilisation and storage technologies that could contribute to emissions reduction in South Africa and across the value chain.	We participate in national and global climate discussions, including COP, where we engage with government, industry and civil society on mitigation, adaptation and resilience. These forums help align our work with national priorities and international climate commitments while strengthening collaboration across sectors.	Climate-related data and predictive modelling are used to assess the potential impacts of extreme weather on our operations, communities and value chain partners. This work helps identify where adaptation measures may be needed most and informs our climate adaptation and resilience planning.

### Supporting research and development

We collaborate with research institutions, industry bodies and government stakeholders to expand climate knowledge, test emerging technologies and support sustainable development outcomes linked to the energy transition.

Focus area	Partners	Purpose	Outcomes
Climate science, adaptation and planning	<ul style="list-style-type: none"> <li>Wits Global Change Institute</li> <li>Unisa</li> </ul>	Strengthen climate change understanding and support adaptation planning, policy analysis and decision making	<ul style="list-style-type: none"> <li>Climate adaptation pathways</li> <li>Climate governance research</li> <li>Community engagement on climate impacts</li> </ul>
Low-carbon technologies and operational solutions	<ul style="list-style-type: none"> <li>University of Pretoria (Energy, Water and Food)</li> <li>Council for Geoscience</li> </ul>	Develop and test technologies that support energy efficiency and emissions reduction within mining and energy value chains	<ul style="list-style-type: none"> <li>Energy efficiency toolkits</li> <li>Belt and drive optimisation research</li> <li>Exploration of carbon capture, utilisation and storage solutions</li> </ul>
Shaping transition pathways	<ul style="list-style-type: none"> <li>Industry Task Team on Climate Change</li> <li>National Business Initiative</li> <li>Minerals Council South Africa</li> <li>Energy Council of South Africa</li> <li>Business Unity South Africa/Business Leadership South Africa</li> <li>Government and community networks</li> </ul>	Align with national climate priorities, contribute to policy discussions and support coordinated transition planning	<ul style="list-style-type: none"> <li>Input to national climate dialogues</li> <li>Participation in multi-stakeholder reference groups</li> <li>Regional air quality and water management initiatives</li> </ul>

## Responding to a changing climate *continued*

### Education and awareness

Awareness and training are central to strengthening climate resilience in our business and communities. These initiatives support behaviour change and reinforce our ability to respond to the impacts of climate change over time.

#### Employee awareness and training

We run climate change awareness and training programmes that cover carbon pricing, carbon tax, adaptation, carbon budgets and mitigation from global, national and business perspectives. Climate change masterclasses have been delivered over the past four years and will continue into 2026 and beyond.

We piloted a carbon footprint calculator mobile app in 2023 to help employees track and assess their emissions. While uptake was limited due to privacy considerations, we are exploring tools that can support employees to understand and reduce their carbon emissions in a secure and practical way.

#### Community awareness and education

For the past five years, we have delivered community climate awareness campaigns focused on the environmental and health impacts of climate change. These programmes form part of our Social Impact strategy and support resilience in communities linked to our operations. Future campaigns will place greater emphasis on practical approaches to adaptation and improving access to renewable energy solutions.

### Monitoring, measuring and reporting on our performance

We monitor energy and carbon performance across our operations to support informed decision making and continuous improvement. Our reporting practices align with recognised standards and national regulatory requirements.

#### Internal monitoring and performance management

We track monthly energy and carbon data at all BUs and monitor progress against our carbon intensity target.

We monitor scope 1, 2 and 3 emissions annually using the operational control accounting approach. We also track carbon and energy performance through our STI scheme at group and BU levels, which informs reward outcomes for employees and executives.

We are investigating data solutions that provide real-time feedback on carbon performance. These systems will support quicker response to emerging risks or opportunities to reduce emissions.

To improve the accuracy of emissions quantification and reporting, we are conducting a study to develop tier 3 production emission factors for Exxaro's coal characteristics and reviewing our scope 3 quantification methodologies.

#### Regulatory alignment and reporting standards

We align our climate reporting, emissions accounting and compliance activities with the Climate Change Act, the National Environmental Management: Air Quality Act, the Carbon Tax Act and the DFFE's GHG reporting regulations. Our emissions are measured and reported in line with the GHG Protocol's Corporate Accounting and Reporting Standard. Our GHG data is submitted annually to the DFFE in line with regulatory requirements.

We also participate in recognised external disclosure frameworks to support transparency and comparability. We have reported to the CDP climate change programme since 2008, providing information on our energy consumption, emissions and carbon performance at BU and group levels. We also participate in the CDP water programme and the supplier engagement programme to assess water security and supply chain risks in the context of climate change. These disclosures are subject to external assurance to support confidence in our reporting.



[Annual scope 1, 2 and 3 emissions data](#) is available on page 31.

### Case study

## Capturing opportunities in green energy

**Exxaro is making substantial investments in renewable energy, as demonstrated through the commencement of construction on Cennergi's 140MW Karreebosch windfarm in partnership with G7 Renewable Energies.**

The project will supply clean electricity to Northam Platinum's operations through a 20-year power purchase agreement, with power wheeled through the national grid. Karreebosch marks a major step in scaling our renewable energy portfolio and advancing South Africa's decarbonisation ambitions and the transition to a cleaner, more resilient energy system.

#### Strategic significance

- Adds 112MW of net renewable energy capacity to Cennergi's portfolio, increasing total managed capacity to 437MW gross
- Progresses our ambition to reach 1 600MW net of renewable energy capacity by 2030

#### Community impact

- Expected to create over 1 000 construction jobs and 17 permanent operational roles, driving local employment and skills development
- Community development programmes planned in Sutherland, Laingsburg and Matjiesfontein will focus on education, early childhood development (ECD), skills training and healthcare

The Karreebosch windfarm reached financial close in February 2025 and has an expected construction period of 24 months. The project supports decarbonisation and diversification as set out in our Sustainable Growth and Impact strategy and demonstrates our commitment to delivering reliable and sustainable energy solutions.



## 2025 performance

### Improving energy efficiency

To enhance our performance, we completed a decarbonisation technology study that assessed fleet optimisation opportunities and is guiding the next phase of implementation planning.

The 14% increase in carbon intensity compared to 2024 is due to the decrease in annual RoM total tonnes mined (TTM) and the increase in Eskom’s grid emission factor to 1.08tCO<sub>2</sub>e/MWh (2024: 1.04tCO<sub>2</sub>e/MWh). Our year-to-date carbon intensity is below the 2025 target of 4.83tCO<sub>2</sub>e/TTM.

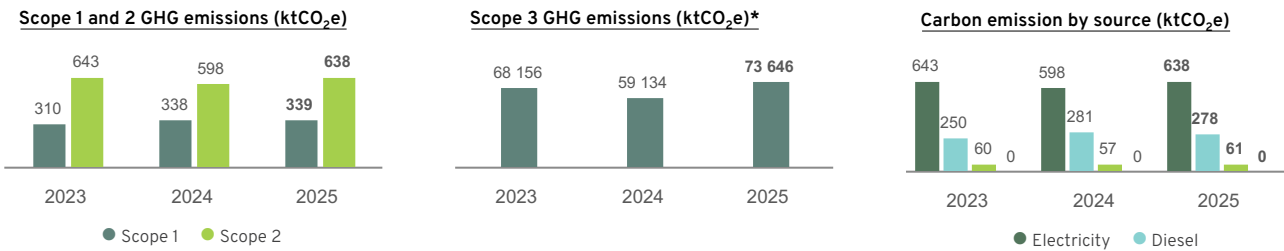
### Emissions performance

metric	2025	2024	2023
Total carbon intensity (tCO <sub>2</sub> e/ktTM) <sup>RA</sup>	4.71	4.12	4.41
Scope 1 emissions* (tCO <sub>2</sub> e/ktTM) <sup>RA</sup>	1.64	1.49	1.41
Scope 2 emissions* (tCO <sub>2</sub> e/ktTM) <sup>RA</sup>	3.07	2.63	2.96

\* Only the operating mines’ carbon emissions were taken into account for the intensity calculations. This excludes the ConneXion, Durnacol, Hlobane, FerroAlloys, Tshikondeni and Ferroland Manketti.

<sup>RA</sup> Reasonable assurance provided.

### Absolute emissions for all operations



\* Scope 3 emissions for 2023 and 2024 include domestic sales. 2025 also includes exports of 14 780ktCO<sub>2</sub>e.  
 \*\* Source proportion.

Refer to the [databook](#) for more detail on our scope 1, 2 and 3 GHG emissions.

### Advancing climate adaptation

<b>Total spend on direct and indirect climate adaptation and mitigation efforts</b> R1.1 million	<b>Supporting research and development in climate change</b> R0.3 million	<b>Carbon tax liability</b> R4.6 million for production-related emissions, ie fugitive methane emissions associated with the coal seams (2024: R3.3 million)	<b>CDP scores</b> C for climate B for water security
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For more information on our CDP performance, please refer to [www.cdp.net](http://www.cdp.net) and the [databook](#).

<b>Monitoring, reporting and disclosure</b> In 2025, we amended our GHG accounting policy to confirm the operational control boundary for emissions reporting. This means we report emissions only from operations under Exxaro’s management control, excluding joint ventures such as Mafube. Our scope 3 accounting approach was also updated in line with the GHG Protocol. To ensure consistent and transparent disclosure, we assume that all coal sold annually is ultimately combusted and report this under scope 3 category 11 (use of sold product). We also submitted the revised CDP questionnaire covering climate change, water and biodiversity for 2025. These disclosures are externally assured each year.	<b>Climate adaptation and resilience</b> The board approved our decarbonisation roadmap in March 2025. The roadmap provides a detailed pathway towards being carbon neutral by 2050. We have started developing climate change adaptation and resilience plans for each BU. These plans will identify site-specific climate risks, define adaptation pathways and consider technological solutions to support operational continuity. The plans are expected to be finalised in the first quarter of 2026.	<b>Carbon offset strategy</b> We are developing a strategy to identify appropriate offset solutions, including nature-based carbon offset projects and to guide our participation in the carbon market. The strategy will outline the role of carbon offsets within our broader decarbonisation approach and define the principles that shape project selection and engagement.
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**Value chain collaboration**

Addressing scope 3 emissions remains a shared priority across the power value chain. In 2025, we signed an MoU with Eskom to explore opportunities to jointly measure, manage and reduce scope 1, 2 and 3 emissions and other air pollutants.

The partnership focuses on identifying technology and operational interventions, supporting workforce transition opportunities, and strengthening transparent reporting to ensure accountability in advancing South Africa’s climate transition. In addition, we collaborate with the Council of Geoscience on carbon capture, utilisation and storage for decarbonisation and the advancement of the impactful energy transition.

**Participating in climate action dialogue**


We participated in New York Climate Week, where discussions focused on policy developments, energy transition pathways, decarbonisation technologies, nature-based solutions and climate resilience. These insights inform our climate planning and support our approach to adaptation at site level.

We also sponsored and contributed to the South African Climate Summit to advance national dialogue on COP30 outcomes, climate transition and collaborating with industry, government and civil society on shared resilience and decarbonisation priorities.

## Responding to a changing climate continued

### Expanding renewable capacity

- Cennergi's portfolio expanded to 437MW gross of assets under construction and operations in 2025, with a technology mix of wind and solar assets
- The LSP, undergoing grid compliance testing, is set to offset 25% of Grootegeluk's scope 2 emissions
- The Karreebosch windfarm is advancing in the construction phase and will supply 140MW of clean electricity once operational
- Refurbishment of the 1MW Tshikondeni solar PV system was completed in the second half of 2025
- Planning for solar PV installation at Manketti is ongoing, with the RFQ expected in the first half of 2026



**2026**  
key actions

In 2026, our focus will be to advance site-based resilience planning, strengthen emissions reporting methodology and enhance data credibility across the value chain. This includes:

- Developing and implementing climate adaptation and resilience plans for each BU
- Developing and implementing prioritised energy efficiency roadmaps for each operation
- Reviewing and refining scope 3 calculation methodologies
- Reviewing tier 3 emission factors to improve accuracy of production-related emissions data
- Finalising our carbon offset strategy and identifying viable offset solutions

#### Case study

### Delivering our flagship solar project

**The LSP is Exxaro's first large-scale solar energy facility developed to supply clean electricity directly to the Grootegeluk mining complex. The project reflects a major step in our decarbonisation roadmap that increases our energy security and reduces scope 2 emissions.**

Located on Exxaro-owned land near the mine, the LSP will generate approximately 176GWh of renewable electricity each year once fully operational. This is expected to meet around 30% of Grootegeluk's electricity demand and reduce the mine's scope 2 emissions by approximately 25%. The project is owned by Cennergi and will supply energy under a long-term power supply agreement. Development of the project commenced in 2021, with construction starting in 2023 and the plant being commissioned in December 2025. Full commercial operation is expected in the first half of 2026, with green electrons already being delivered to Grootegeluk.

The LSP has also created socio-economic benefits for the Lephalale community. Local contractors and suppliers were prioritised during construction, supporting jobs and skills development linked to South Africa's growing renewable energy sector. As the facility becomes operational, ongoing maintenance and operational roles will continue to provide local economic opportunities.

The project marks the start of Exxaro's broader clean energy journey. Future phases are planned to explore storage solutions and additional renewable capacity to further increase the share of clean energy powering our operations.

#### Key outcomes

<b>Decreased emissions</b>	<b>Increased energy security</b>
<b>Cost efficiency over time</b>	<b>Local economic development</b>



# Optimising energy efficiency

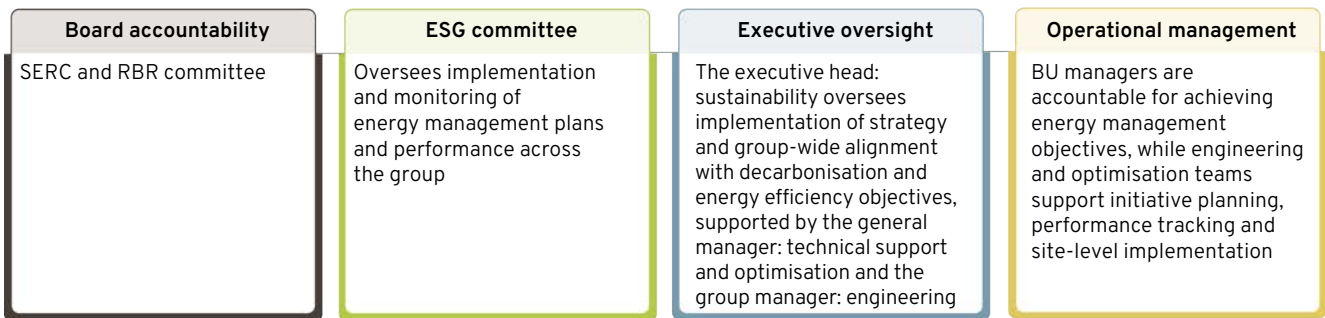
## Why this matters

Improving energy efficiency reduces diesel and electricity consumption, lowering emissions while strengthening cost competitiveness and operational resilience. It is a critical enabler of a secure, sustainable energy future for our employees, host communities and customers.

Our structured approach to reducing energy consumption aligns with our Climate Change Response commitments and Sustainable Growth and Impact strategy.



### Governance and oversight



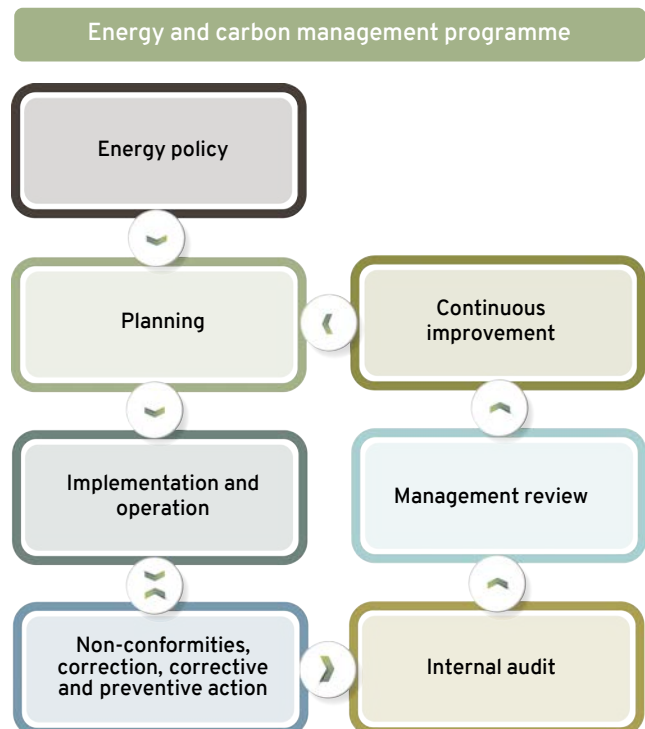
### Strategy and management approach

We manage energy performance through our energy and carbon management programme, supported by a group energy efficiency and management standard that clarifies responsibilities and standardises processes across our operations. This framework guides how we identify, plan and implement initiatives that reduce diesel and electricity consumption and improve energy intensity performance at each BU.

Key elements of our approach include:

- Monitoring, measuring and reporting energy performance using defined intensity targets and enhanced data systems
- Implementing diesel and electrical efficiency initiatives that optimise plant throughput and reduce energy use across operations
- Leveraging technology, including smart metering, predictive analytics and machine-learning tools, to improve accuracy, visibility and decision making
- Creating awareness and building capability through targeted training, professional development and operational forums that drive energy-saving behaviour
- Ensuring alignment with relevant regulations, management standards and national energy efficiency requirements

Energy and carbon management is governed by internally developed standards and frameworks:



## Optimising energy efficiency continued

### Reducing consumption

We reduce diesel and electricity use by optimising plant performance and improving the efficiency of our mobile fleet and fixed infrastructure. High diesel reliance in the mining fleet remains a core driver of emissions, informing our focus on operational efficiency, payload management and targeted fuel-saving interventions.

Collaboration between engineering, sustainability, technology and innovation teams ensures that opportunities are identified, tested and embedded to lower overall consumption.



Read page 26 for more detail on our [diesel and electricity reduction initiatives](#).

### Monitoring, measuring and reporting

We set energy intensity targets for each BU through annual current-state assessments and opportunity scoping reviews that inform site-specific efficiency goals. These targets form part of the group STI scheme and guide operational focus across the year.

We track energy performance monthly against a baseline calculated from prior year consumption and production data. This provides a steady-state reference that enables each BU to identify deviations, implement corrective measures and optimise the ratio of energy consumed to tonnes handled.

Our KPIs for energy efficiency are:

- Diesel energy intensity: total diesel energy consumed relative to total RoM material from plant and waste
- Electrical energy intensity: total electrical energy consumed relative to total RoM material from plant and waste

Under the energy management programme, progress on our operational initiatives, which are geared towards improving our efficiencies, are tracked and monitored towards supporting Exxaro's goal of improving operational efficiencies and supporting our decarbonisation objective of achieving carbon neutrality by 2050.

We benchmark our performance against other mining houses and recognised standards to maintain best practice and ensure readiness for evolving regulatory requirements, including ISSB-aligned disclosures. We also contribute to national benchmarking processes through the DMPPR's review of the National Energy Efficiency Strategy to 2030.

### Innovation and technology

Exxaro leverages data-driven technology to support real-time visibility, accurate reporting and informed decision making to help BUs achieve their energy intensity targets.

We optimise energy management across our operations by:

- Using dashboards and digital platforms to provide periodic insights that guide fuel and electricity practices
- Deploying FuelActive's fuel pick-up technology in pilot applications to support cleaner fuel delivery and enable more efficient engine performance
- Using Grootegeluk's analytical tool that links plant production throughput with electrical energy per module, allowing for enhanced monitoring and management of energy intensity across the plant
- Integrating advanced sensors, analytical tools and process control systems to track plant-level energy intensity and identify optimisation opportunities
- Expanding smart metering across plants and mining areas to improve measurement accuracy and transparency
- Implementing variable speed drives, which are a key energy efficiency intervention in Exxaro's underground mining operations, particularly for conveyor systems and ventilation fans, which are among the largest consumers of electrical energy

Many low-carbon technologies for heavy mining equipment remain pre-commercial, making digital optimisation and data-driven decision making essential for managing operational constraints.

### Awareness, education and training

We build internal capability to support effective energy management across our operations:

- Our people and performance, business improvement and information management teams reinforce a culture of accountability through targeted awareness and engagement initiatives
- Engineering teams promote responsible energy use across BUs and lead operational efficiency practices
- Specialist training, including certified energy management and carbon audit programmes, strengthens technical competence and enables employees to apply energy efficiency principles in their daily work

Monthly forums at each BU further support behavioural change by sharing performance insights and maintaining focus on energy intensity goals.

#### Case study

### Developing a decarbonisation pathway for Grootegeluk

Grootegeluk completed a detailed group technology concept study in 2025 to identify credible, cost-effective ways to reduce diesel and electricity intensity at one of our most energy-intensive operations. The study produced a sequenced decarbonisation pathway that supports near-term efficiency gains and prepares the site for future low-carbon technologies.

#### What the study delivered

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Identification of proven efficiency opportunities, including payload optimisation, cycle variability management, idle reduction and enhanced plant controls</li> </ul> | <ul style="list-style-type: none"> <li>• Assessment of emerging technologies such as trolley assist expansion and battery electric haulage readiness</li> </ul>     |
| <ul style="list-style-type: none"> <li>• A prioritised set of behavioural, process and technology interventions to reduce diesel use and electrical intensity</li> </ul>  | <ul style="list-style-type: none"> <li>• Clear sequencing of near-term, medium-term and long-term measures, with quantified energy and emissions impacts</li> </ul> |

The study provides Grootegeluk with a credible, evidence-based plan to reduce energy intensity while maintaining operational stability. By identifying early wins and phasing in more complex technologies appropriately, the pathway strengthens decision making and directs resources to initiatives with the greatest impact. The digital backbone underpinning the work embeds consistent measurement and verification, enabling disciplined execution and transparent reporting.

Together, these elements position Grootegeluk to deliver sustained efficiency improvements and contribute meaningfully to Exxaro's longer-term decarbonisation goals.

### 2025 performance\*

Electricity and diesel consumption	2025	Year-on-year change (%)	2024**	Year-on-year change (%)	2023
Electricity (MWh)	562 366	(1.19)	569 129	(3.69)	590 931
RoM (kt)	180 489	(9.18)	198 742	4.43	190 311
Electrical energy intensity (MWh/kt)	3.116	8.95	2.86	(8.04)	3.11
Diesel (kl)	94 832	1.91	93 051	11.27	83 629
Diesel energy intensity (l/t)	0.525	12.42	0.467	6.38	0.439

\* Performance includes 100%-owned operational mines only.

\*\* 2024 figures were restated to exclude Mafube JV.



Refer to the [databook](#) for more details on our electricity, diesel, RoM and intensities.

Our primary energy sources remained split between electricity, which accounted for 36.61% (2024: 37%), and diesel at 63.39% (2024: 63%). Overall energy consumption increased by 0.71% to 5 529 435GJ (2024: 5 488 093GJ).

Electrical energy intensity increased by 8.95% (2024: 8.04% decrease), while diesel energy intensity increased by 12.42% (2024: 6.38% increase). The group’s energy intensity performance of 30.761GJ/kt outperformed our 2025 target of 32.589GJ/kt.

The Mpumalanga BUs, including Belfast, Matla and Leeuwan, met their STI energy intensity targets in 2025. Grootegeluk mine achieved an energy intensity performance of 41.551GJ/kt compared to its target of 39.255GJ/kt.

### Improving our energy efficiency management

#### Energy management standardisation

We strengthened the consistency and credibility of energy management across the group through the introduction of our group energy efficiency and management standard and its supporting energy initiatives tracking, reporting and monitoring guidelines. These tools establish a unified approach for planning, measuring and verifying efficiency initiatives across all operations.

The new guidelines set mandatory minimum requirements for the lifecycle management of energy and decarbonisation initiatives, including registration, baselining, measurement and verification, reporting and assurance. This replaces the previously fragmented site-level processes that tracked progress inconsistently across BUs.

#### Strengthening monitoring, verification and reporting

We require all BU energy reduction initiatives to be registered with traceable baselines and supported by documented measurement and verification plans. This ensures that savings claims are evidence-based, measurable and auditable. Standardised KPIs and reporting templates enable consistent performance tracking across operations, while the strengthened evidence base improves confidence in disclosed energy and emissions reductions and supports independent verification.

This approach enables informed investment decisions, faster replication of proven interventions and better readiness for evolving reporting requirements.

#### Group energy forum

We established the forum to strengthen coordination of energy management and provide a structured platform for our sustainability, engineering, technology and innovation teams. The forum helps teams align on priorities, share performance insights and resolve cross-functional challenges. This integration ensures that our energy-related decisions reflect operational realities and strategic requirements.

#### Internal energy management masterclass

To build capability across operational teams, we introduced an internal energy management masterclass. The programme equips employees with practical skills to identify, assess and implement energy reduction opportunities within their areas of responsibility.



#### LSP

The plant is supplying renewable electricity directly to Grootegeluk. Construction progressed into a commissioning phase in late 2025. When fully operational, the plant will displace around 30% of Grootegeluk’s grid consumption and reduce scope 2 emissions by an estimated 25%. We expect full commercial operation in the first half of 2026.



#### 2026 key actions

Our focus for 2026 is to embed the new group energy efficiency and management standard into our culture and BU operations. This includes:

- Implementing the standard and supporting measurement and verification templates, reporting rules and dashboarding tools across all BUs
- Expanding proven optimisation initiatives, including haulage efficiency, variable speed drives and ventilation optimisation, to achieve sustained fuel and electricity savings
- Strengthening data quality and verification through consistent baselining, standardised KPIs and formal assurance processes

# Protecting air quality

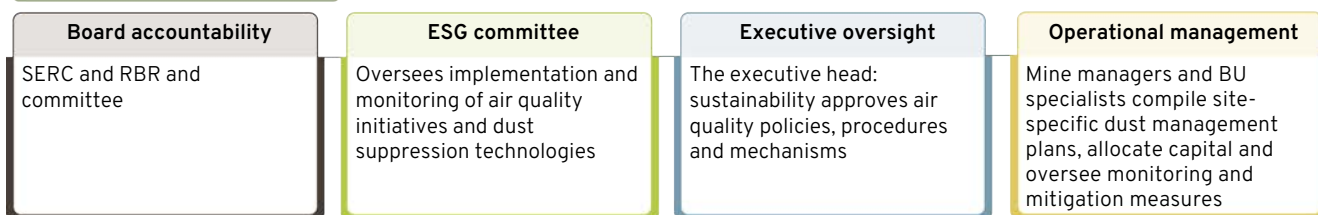
## Why this matters

Mining activities such as drilling, blasting, hauling and materials handling can release dust and gaseous emissions that affect air quality and pose health and environmental risks to employees, host communities and surrounding ecosystems. Regulators and communities expect us to maintain air quality within prescribed limits and respond proactively to potential exceedances.

Strong air quality management supports our Climate Change Response and Sustainable Growth and Impact strategies by promoting safe, compliant and responsible operations.



### Governance and oversight



## Strategy and management approach

We manage air quality through a proactive, risk-based approach that prioritises prevention, monitoring and continuous improvement across all operations. Our aim is to limit pollution from dust fallout, ensure compliance with regulations and use technology to enhance control, performance and reporting.

Key elements of our approach include:

- Implementing and maintaining site-specific dust management plans across all BUs in alignment with the National Dust Control Regulations
- Maintaining continuous dust and particulate monitoring, supported by weather data and dispersion modelling to track performance
- Applying targeted dust suppression and road maintenance interventions to reduce emissions
- Expanding real-time monitoring and automated systems to improve responsiveness
- Conducting awareness and training programmes for employees and communities
- Collaborating with government, industry research partners and service providers to enhance regional air quality management



Cennergi's windfarms are exempt from monitoring, measuring and reporting as they do not create dust and air pollution. However, water trucks are used for dust suppression during biannual road maintenance works.

## Prevention and mitigation

Our air quality management measures focus on progressively reducing the occupational emissions associated with open-pit mining, which include dust and PM, sulphur oxides and nitrogen oxides. If not adequately managed, these can have a negative impact on ambient air quality, which in turn impacts the health of people and local ecosystems.

Our dust suppression and control measures are designed around health, safety and environmental considerations, and include:

- Applying environmentally friendly chemical and wet suppression to unpaved roads and open areas
- Managing vehicle speeds and drop heights to reduce particulate generation
- Controlling fugitive dust by stabilising haul road surfaces and applying surface-binding agents to exposed soil
- Vegetating stockpiles and overburden areas
- Planting trees at Belfast to serve as a natural windbreak
- Scheduling blasting in accordance with prevailing wind conditions

We intensify our dust management efforts during the dry winter months given the proximity of some operations to residential areas.

We are implementing environmentally friendly wet suppression technologies to limit chemical use and optimise water use. Matla introduced an automated fogging system with continuous real-time dust monitoring, while Leeuwpaan uses Suppress-It as its primary dust suppression solution.



### Monitoring, measuring and reporting

We monitor air quality through an extensive network of dust fallout buckets and meteorological stations across all operations. We also have PM<sub>10</sub> sensors at Grootegeluk. These systems provide baseline data, support dispersion modelling and enable real-time reporting to internal and external stakeholders.

BUs follow defined procedures for measurement, mitigation and reporting, including response protocols for exceedances. We submit quantitative data to the National Atmospheric Emissions Inventory System in line with the National Environmental Management: Air Quality Act. We review results quarterly to identify trends and prioritise areas needing intervention.

Exxaro also contributes data to government monitoring in the highly industrialised Highveld and Waterberg-Bojanala areas, helping track cumulative regional impacts. We are actively aligning with the upcoming regulations for implementing and enforcing priority area air quality management plans for these regions, which propose expanded monitoring requirements, stricter compliance measures and measurable reduction targets for identified industries, including mining.

We regularly evaluate and expand dust management plans and monitoring networks to maintain 100% coverage across all operations and improve data granularity.

### Technology and innovation

Advanced monitoring technology underpins real-time emissions monitoring. The multi-pollutant ambient monitoring station at Grootegeluk (Manketti game reserve) provides continuous real-time measurement of a wide range of emissions, including PM<sub>10</sub>, PM<sub>2.5</sub> and sulphur dioxide (SO<sub>2</sub>). Additionally, a low-cost station at Elandsbosch farm measures SO<sub>2</sub> and hydrogen sulphide (H<sub>2</sub>S).

The system enables faster operational response and contributes to collective research and management efforts in the Waterberg-Bojanala priority area. Service-level agreements ensure regular calibration, maintenance and data integrity.

### Awareness and education

We conduct awareness campaigns in host communities and across operations to promote an understanding of air quality impacts and dust mitigation practices. We host feedback sessions to promote responsible behaviour among employees and contractors, and give communities the opportunity to review monitoring results and discuss local interventions.

### Stakeholder collaboration and continuous improvement

We collaborate with the Coaltech Research Association, the National Association for Clean Air and various government departments to advance national air quality standards, align with evolving regulatory expectations and improve emission quantification methods, particularly for dust from discard dumps.

Engagement with service providers encourages the testing and adoption of innovative technologies through pilot projects.

In addition, we continue to engage local suppliers through our ESD programme to build long-term capacity in dust suppression and environmental management. The Lubocon Dust Suppression Project JV, which grew through our ESD programme, remains an example of how collaboration with local partners can combine environmental stewardship with socio-economic development.

#### Case study

### Partnering with Eskom to improve air quality

In April 2025, we signed an MoU with Eskom to collaborate on research and projects that address air quality challenges and reduce carbon emissions. The partnership builds on our shared commitment to operational sustainability, environmental stewardship and national air quality objectives.

#### Project benefits

Identifying and testing alternative, cost-effective technologies to reduce SO<sub>2</sub> and particulate emissions associated with power generation and coal supply.

Early work includes the joint assessment of flue gas desulphurisation technologies for Eskom's Medupi power station, as well as opportunities to improve emission controls and data monitoring across the coal value chain.

Initiatives support compliance with future national emission standards and help mitigate cumulative air quality impacts in the Waterberg-Bojanala and Highveld priority areas.

Through this collaboration, we aim to strengthen technical knowledge and support innovation in emission reduction technologies. The partnership also reflects our commitment to transparent data sharing and stakeholder engagement to ensure measurable progress in air quality management. By aligning research and operational expertise, Exxaro and Eskom are working to advance sustainable solutions that protect communities, sustain energy security and promote responsible resource use.



## Protecting air quality continued

### 2025 performance

#### Dust fallout

			Highest recorded		
			2025	2024	2023
	Maximum allowance	Limits			
Non-residential dust fallout exceedances	Two exceedances per BU per year (not occurring in sequential months)	1 200mg/m <sup>2</sup> /day	<b>2 (Grootegeluk) 1 (Leeuwpan)</b>	1 (Matla) 2 (Belfast)	1 (Matla)
Residential dust fallout exceedances	Two exceedances per BU per year (not occurring in sequential months)	600mg/m <sup>2</sup> /day	<b>0</b>	0	2 (Matla)

Monitoring and mitigation measures remained effective during 2025. Overall performance remained within regulated limits, with two isolated exceedances at Grootegeluk in March and August, and one exceedance at Leeuwpan in September. These exceedances were observed as a result of land clearing activities occurring in close proximity to the sampling bucket position. The incidents were investigated and no consecutive exceedances occurred.

#### Other pollutants

Pollutant	2025		
	SO <sub>2</sub> (ppb)	PM <sub>2.5</sub> (µg/m <sup>3</sup> )	PM <sub>10</sub> (µg/m <sup>3</sup> )
Annual National Ambient Air Quality Standards limits (24-hour)	<b>48</b>	<b>40</b>	<b>75</b>
Annual average (24-hour)	<b>13.48</b>	<b>4</b>	<b>24.47</b>

The source of these emissions is Exxaro's mining operations, including material handling, haulage activities and associated operational processes. We monitor ambient air quality impacts at locations within operational and nearby residential environments. We calculate the emissions using continuous, real-time ambient air quality monitoring in line with South Africa's National Ambient Air Quality Standards, using US Environmental Protection Agency and EU-approved analysers and low-cost electrochemical sensors.

#### Improving air quality management

##### Air quality compliance

- Dust management plans aligned with the draft National Dust Control Regulations were developed for all operations and will be finalised once the updated legislation is published

##### Enhancing monitoring

- We established a dust fallout monitoring network at our mine in closure, Hlobane and upgraded the existing network at Durnacol mine
- Grootegeluk maintained its ambient air multi-pollutant monitor and we are in the process of acquiring monitors for Matla, Belfast and Leeuwpan

##### Installing weather stations

- Weather stations have been installed at Grootegeluk, Matla, Leeuwpan and Belfast, supporting data collection for dispersion modelling and trend analysis

##### Technology and innovation

- Matla implemented a Conveyor Belt Automated Transfer-Point fogging dust suppression system and continuous real-time monitoring
- Leeuwpan is using Suppress-It, a chemical dust suppression solution that reduces both dust levels and water use

##### Awareness and training

- The KwaZulu-Natal mines in closure implemented the Build to Beat Pollution initiative as a community outreach campaign targeting schools in host communities near the Durnacol and Hlobane areas. The campaign aimed to promote environmental stewardship and awareness of pollution-related challenges through interactive participation
- Belfast mine advanced a community-based environmental engagement through the Belfast Rusoord harbour project. The project focused on tree planting and environmental stewardship

##### Collaborating with partners

- We signed a memorandum of understanding with Eskom to develop cost-effective technologies for reducing SO<sub>2</sub> emissions
- We also participated in the Highveld and Waterberg-Bojanala priority area air quality management plans to support regional emission reduction efforts



#### 2026 key actions

Our focus for 2026 is to embed the improvements made during 2025, enhance regulatory readiness and expand real-time monitoring and awareness initiatives across our operations and host communities. This includes:

- Expanding continuous dust fallout monitoring across all operational and closure sites
- Installing additional PM<sub>10</sub> monitors at Belfast, Leeuwpan and Matla to enhance particulate measurement and inform targeted mitigation strategies
- Reviewing dust monitoring networks at all operations undergoing pit expansion
- Finalising and implementing dust management plans once the revised National Dust Control Regulations are published
- Expanding air quality awareness and education programmes for employees, contractors and communities

# Conserving ecosystems and biodiversity

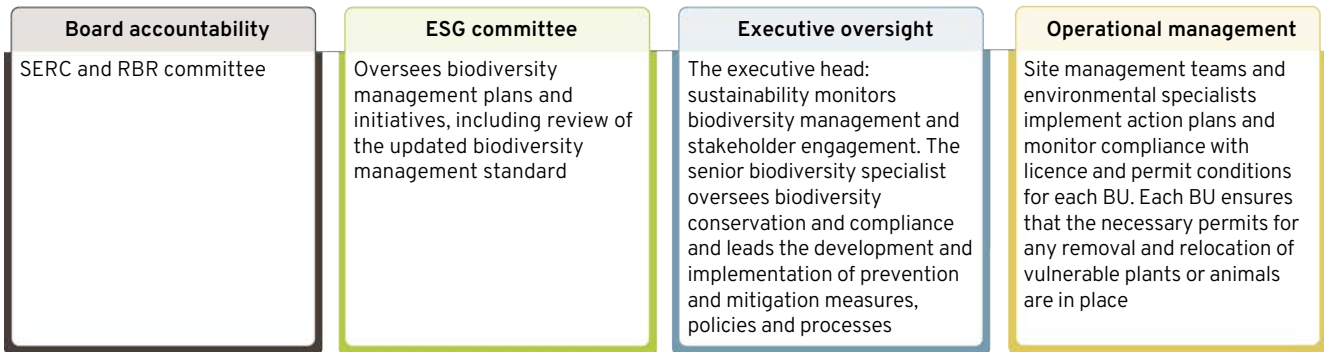
## Why this matters

Mining and windfarm operations can alter habitats, disturb ecosystems and affect species diversity. As such, responsible biodiversity management supports the natural resources that sustain our operations, surrounding communities and native flora and fauna.

By integrating biodiversity considerations into planning, operations and rehabilitation, we strengthen climate resilience and contribute to sustainable land use in line with our Sustainable Growth and Impact strategy.



### Governance and oversight



### Strategy and management approach

We apply a holistic approach to conserving biodiversity that prioritises prevention, restoration and continuous improvement to strengthen ecosystem resilience within our operating footprints. Our strategy aligns with the National Environmental Management: Biodiversity Act, supported by site-specific biodiversity management plans that guide implementation and monitoring. These plans are informed by specialist studies, ecological assessments and continuous collaboration with conservation partners.

Key elements of our approach include:

- Conducting baseline impact assessments, ongoing ecological monitoring and research to strengthen conservation outcomes
- Aligning our group biodiversity management standard with evolving biodiversity reporting and risk management frameworks
- Integrating biodiversity considerations into mine planning, operations and closure
- Managing invasive alien plants and restoring indigenous vegetation to improve habitat quality
- Conserving wetlands, pans and catchments through ongoing rehabilitation and offset projects to protect critical habitats, support local water resources and sustain biodiversity
- Protecting vulnerable and protected species by implementing conservation programmes across our operations
- Contributing to Exxaro’s social impact goals through local job creation and training opportunities
- Partnering with communities, conservation agencies and academic institutions to support shared biodiversity objectives
- Providing awareness, education and training on biodiversity management for employees and local communities



Cennergi manages biodiversity through an environmental management programme. This approach aligns with the Equator Principles and the IFC’s Performance Standard 6 (IFC PS6) guidelines on biodiversity conservation and sustainable management of living natural resources.

Cennergi’s biodiversity monitoring and mitigation plan aims to achieve no net loss of biodiversity.

## Conserving ecosystems and biodiversity continued

### Monitoring, measuring and reporting

Each operation maintains a detailed biodiversity plan that defines inspection, auditing and biomonitoring procedures, with biodiversity KPIs tracked across BUs to ensure we honour our commitments.

Regular biomonitoring ensures mining activities do not negatively affect surrounding ecosystems. We employ external service providers to conduct regular aquatic, terrestrial habitat and wetland health monitoring as part of our WULs and environmental impact assessment conditions for Grootegeluk, Belfast, Matla, Leeuwpan, Tshikondeni and Thabametsi. This includes evaluating the physical and chemical characteristics of an ecosystem during both wet and dry seasons to capture variations.

Results from samples sent to independent labs for analysis inform management actions to improve wetlands and aquatic systems outcomes. We track subsequent initiatives to ensure improved compliance and ecosystems health.

Exxaro's operations go beyond regulatory biodiversity monitoring requirements:

Operation	Voluntary monitoring activities
<b>Grootegeluk</b>	Grootegeluk (through the Manketti game reserve) monitors cheetah and leopard population for a comprehensive understanding of population dynamics and informing the development of effective human-wildlife management strategies.
<b>Belfast</b>	Biannual monitoring of wetlands, vegetation and fauna in the sensitive Klein-Komati River headwaters (exceeding WUL recommendations).
<b>Matla</b>	Biannual aquatic, flora, fauna and wetland monitoring, including African grass owl ( <i>Tyto capensis</i> ) population surveys within the mining rights area.
<b>Tshikondeni</b>	Soil health and vegetation recovery assessments to evaluate post-mining rehabilitation success.
<b>Mines in closure (Hlobane and Durnacol)</b>	Voluntary monitoring of sensitive aquatic systems to assess long-term ecosystem recovery.

### Indigenous revegetation and nature-based solutions

We enhance biodiversity and improve land stability by planting indigenous trees and shrubs across suitable operational and rehabilitated areas. These initiatives contribute to climate resilience by promoting soil health, carbon sequestration and ecological recovery on post-mining landscapes.

### Invasive alien plant eradication

We aim to restore ecological balance by identifying, removing and controlling invasive alien species that threaten indigenous vegetation and disrupt water systems. All BUs have invasive species management plans, which aim to:

- Limit the spread and regrowth of invasive species that degrade soil and water quality
- Reduce habitat fragmentation, soil erosion and the displacement of indigenous flora and fauna
- Maintain healthy ecological function through ongoing rehabilitation and conservation initiatives



Since 2016, two full-time local SMMEs have successfully managed Cennergi's invasive alien plant control programme. These partnerships continue to support local employment while maintaining healthy vegetation around the windfarms.

### Wetland rehabilitation and pan research

#### Waterberg (Limpopo)

##### Grootegeluk pan rehabilitation and offset project

Ahead of mining activities, we have constructed six seasonal pans at Grootegeluk, using clay and biological material from natural pans within the mine impacted area. The project aims to maintain species diversity that would otherwise have been lost. A five-year monitoring programme, initiated in 2022, assesses the ecological recovery of these recreated systems and their potential integration into long-term rehabilitation and offset initiatives. Monitoring shows that biodiversity levels in the new pans are aligning with those of the source systems.

#### Mpumalanga

##### Belfast wetland rehabilitation

Belfast mine updated its wetland rehabilitation programme, incorporating smaller wetland systems within the mine's boundary to expand the restored area.

##### Leeuwpan wetland interventions

We maintain a wetland offset strategy to prevent net loss of functional wetland areas around Leeuwpan mine. The strategy was updated in 2024 to include revised rehabilitation measures, and implementation of selected recommendations started in 2025.

### Awareness and education

Exxaro builds environmental awareness and strengthens biodiversity skills among employees, contractors and local communities through training, upskilling and educational campaigns.

At community level, we empower locally based companies to conduct invasive alien plant eradication across our sites. Participants receive training, equipment and capacity building support. This approach promotes environmental stewardship while creating local employment and business opportunities. We also partner with local schools to support environmental protection initiatives, including clean-up campaigns such as a wetland clean-up conducted in collaboration with a local school in Delmas.

### Stakeholder collaboration

In addition to local communities, we collaborate with a range of stakeholders to support biodiversity research and monitoring, species conservation, wetland rehabilitation and alien plant eradication. Key relationships include:

- NGOs and conservation programme partners, as described on the page below
- National regulatory bodies, such as the DFFE and DWS
- Regional government departments, including the:
  - Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs
  - Limpopo Department of Economic Development, Environment and Tourism
  - Tourism and parks agencies in the Eastern Cape and Mpumalanga



## Conservation programmes

Our mining right areas overlap sensitive environments that are home to threatened and protected species listed on the International Union for Conservation of Nature Red List and the National Environmental Management: Biodiversity Act protected species list. We take steps to protect these species and participate in various conservation programmes that align with regional biodiversity needs.

### Waterberg (Limpopo)

Grootegeluk

#### Manketti game reserve

The 22 000ha game reserve serves as a critical conservation buffer around Grootegeluk mine, balancing mining activities with ecological stewardship. The reserve supports diverse wildlife and protects indigenous trees. It provides safe habitat for more than 200 bird species and three vulture species.

#### Rhino rangeland extension project

Manketti has initiated a project to strengthen genetic diversity in isolated white rhino populations through translocation from our game farm in South Africa into a protected area within a national park in Mozambique.

#### Free-roaming cheetah tracking

A three-year cheetah monitoring project, conducted with the Cheetah Outreach Trust and the Endangered Wildlife Trust (EWT), is enhancing understanding of free-roaming cheetah populations in the region. Using camera traps, satellite-linked collars and scat analysis, the study tracks cheetah movement, behaviour and prey patterns to inform coexistence strategies between wildlife and human land use.

#### Leopard density study

To further reduce potential human-wildlife conflict near Grootegeluk, we are conducting a three-year leopard density study in partnership with the Sustainable Conservation initiative. Eighty camera traps have been deployed across the study area and are monitored on an eight-week cycle to inform wildlife management and promote coexistence with surrounding communities.

### Mpumalanga

Matla and Belfast

#### African grass owl protection

Exxaro partners with the EWT and Digby Wells Environmental on biannual monitoring of African grass owls. Now in its second year of wet and dry-season surveys, results confirm active nesting and breeding, demonstrating that the area remains suitable habitat for this vulnerable species. The project supports long-term species protection by maintaining open grassland habitat within the Matla mining right area.

#### Dullstroom Birds of Prey Centre



Read the [case study](#) on page 44 for details.



### Eastern Cape

Cenergi

#### Preventing bird and bat fatalities

Cenergi's bat curtailment programme at Amakhala Emoyeni windfarm aims to reduce fatalities through proactive monitoring and adaptive turbine management. Operations are reduced or halted during low wind speeds when collisions are more likely, demonstrating our commitment to biodiversity alongside renewable energy generation. The programme also monitors fatalities in line with the South African bird and bat wind energy guidelines. We employ local carcass search teams to track fatalities and compile their findings in semi-annual reports, which are submitted to relevant authorities including BirdLife Africa, the EWT and the DFFE. We also appointed EkoVler Environmental Management to conduct live bat monitoring at Tsitsikamma community windfarm effective from February 2025 to February 2026.

#### Biodiversity offset: Cape vulture management

Cenergi and AE01 support the EWT's Limpopo Cape vulture nestling rescue and rehabilitation initiative to offset residual biodiversity impacts from Cape vulture fatalities in line with IFC PS6.



Read the [case study](#) on page 44 for details.

#### The Greater Kromme Stewardship initiative

The initiative helps landowners legally protect ecologically sensitive areas through the declaration of nature reserves and conservation servitudes. Since its launch seven years ago, 11 new protected areas have been declared, with four more in progress. The initiative has been widely recognised for securing more priority conservation land in the Kouga region than any other independent conservation body in the past 50 years.

## Conserving ecosystems and biodiversity continued

### 2025 performance

#### Advancing nature-based solutions

- Matla donated 100 trees to the DFFE’s One Million Trees initiative in 2025. The donated saplings were planted at a community centre in Secunda
- An indigenous forest of 100 trees planted in 2023 near the new Mine 1 shaft at Matla continues to mature, serving as a wind break that improves air quality and provides habitat for local fauna
- The Spekboom trees planted at Leeuwpán within the rehabilitated sites continue to grow and thrive under the careful care and maintenance of the Leeuwpán team
- In 2025, Belfast planted 20 additional trees at a local old age home during Arbour Month, bringing the total to 40. The initiative supports the environment, the local community and future generations



Matla employees and community members at the One Million Trees planting ceremony in Secunda

#### Eradicating alien plants

We cleared invasive alien plant species across 949ha of land in 2025, a 4.33% increase compared to the prior year, especially for Tshikondeni. This shows an improvement in the indigenous vegetation regrowth within the cleared area. However, resourcing constraints delayed alien invasive species eradication activities at Belfast, Grootegeluk and Leeuwpán. This was resolved with a new service contract that increased staffing for Belfast to meet the required scope of work and by appointing alien invasive control contractors for Grootegeluk.

We also updated Belfast, Tshikondeni and Leeuwpán’s alien invasive plant species management plans in accordance with section 76 of the National Environmental Management: Biodiversity Act. Plans for Grootegeluk and Matla remain current and aligned with regulatory and ecological requirements.

Eradication commenced at Grootegeluk and Tshikondeni in April and June respectively, with both sites undertaking phased clearing activities.

Land cleared of invader plants (ha)	2025	2024	2023
<b>Limpopo</b>			
Grootegeluk	3	0	0
Tshikondeni	912	0	1 430
<b>Mpumalanga</b>			
Belfast	30	52	29
Leeuwpán	0	94	77
Matla	4	32	102
<b>Total</b>	<b>949</b>	<b>178</b>	<b>1 638</b>

#### Invasive plant eradication programme

	Belfast	Leeuwpán	Matla	Grootegeluk	Tshikondeni
Stage 1: Development of invader species management plan	✓	✓	✓	✓	✓
Stage 2: Physical implementation (removal of invader species)	✓	✓	✓	✓	✓
Stage 3: Maintenance (eradication of invaders on site)	→	→	→	→	→

✓ Completed → Ongoing

#### Wetland rehabilitation and pan research

Grootegeluk	Belfast	Leeuwpán
We began implementing additional mitigation measures this year to improve the Present Ecological State of natural seasonal pans identified in the offset area. The first phase of this work was completed, with the remaining interventions scheduled for 2026.	We completed the update of the phase 2 rehabilitation plan, with implementation planned for 2026. As part of the plan, we developed a long-term wetland management and maintenance plan to ensure interventions remain functional and effective after rehabilitation.	We implemented revised rehabilitation measures according to the mine’s revised rehabilitation strategy and updated the alien invasive plant management plan.

## Improving biodiversity management

### Conservation

The rhino rangeland extension project experienced delays due to the permitting process. However, we received the required translocation permits and the project is ready to progress to the next phase following the rainy season. The rhinos are ready for translocation pending favourable weather conditions for transportation. Rhino conservation remains a core focus for Exxaro.

In 2025, Manketti donated a rhino cow and calf to a local private game reserve to further support conservation efforts.

**Since 2020, Exxaro has contributed R5 million annually to rhino conservation.**



### Aligning with global and national frameworks

We initiated the update of our group biodiversity management standard in 2025 to align with global and national best practice, as well as Exxaro's operational requirements. The revised standard is undergoing internal review and is scheduled for formal roll-out across all BUs in 2026.

In parallel, and as part of our commitment to biodiversity conservation, we are preparing to adopt the TNFD framework. As a first step, this will include undertaking a biodiversity footprint assessment, alongside a review and alignment of our existing TCFD disclosures. The foundational work established through TCFD will support the deeper integration of biodiversity considerations into our broader sustainability reporting.

### Awareness and education

#### Employees

We prioritised on-the-job training for employees during 2025, with environmental specialists and interns directly involved in technical biodiversity work at our operations.

#### Communities

During 2025, we celebrated World Wetlands Day at a school in Delmas, where grade 10 learners were introduced to the importance of wetland protection.

Exxaro also celebrated Biodiversity Day across operations, using social media and videos across BUs to showcase our ongoing work to protect and restore ecosystems within our areas of influence.



### Protecting bird and bat species

CENNERGI

#### Amakhala Emoyeni windfarm

- Since operations began in 2016, 51 priority bird species fatalities have been recorded
- During 2025, one Cape vulture (2024: six) and two blue crane (2024: one) wind turbine fatalities were recorded, along with one immature Martial eagle fatality (2024: none)
- One secretarybird fatality was recorded (2024: one)
- The bat fatality threshold was not exceeded for the monitoring period and, as a result, no bat curtailment was conducted during the year

#### Tsitsikamma community windfarm

- No Red List bird species mortalities were recorded in 2025 (2024: none). However, 10 priority bird species fatalities occurred, including one species of conservation concern (yellow-billed duck, regionally near threatened). Four jackal buzzard turbine collisions mortalities were reported, with the latest mortality representing the 45th mortality record of this species at Tsitsikamma community windfarm
- We are collaborating with an Avifauna specialist to conduct satellite-tracking of multiple jackal buzzards to better understand collision risks and inform mitigation measures
- Cennerggi appointed an external service provider to conduct a 12-month live bat monitoring programme aimed at assessing mitigation needs and proposing additional measures if required



Our [databook](#) includes information on regional and global classifications of endangered, threatened and vulnerable species fatalities.



2026  
key actions

Our focus for 2026 is to consolidate biodiversity management plans for each BU and align operational implementation with updated reporting requirements. This includes:

- Rolling out the revised group biodiversity management standard and updating operational procedures accordingly
- Commencing our rescue and relocation programme ahead of pit advances at Grootegeluk
- Implementing phase 2 wetland rehabilitation interventions at Belfast, guided by the updated rehabilitation management and maintenance plan
- Completing soil and vegetation assessments at Tshikondeni to inform ongoing post-closure land restoration

## Conserving ecosystems and biodiversity *continued*

### Case study

#### Releasing raptors to the wilderness

**Belfast mine partners with the Dullstroom Birds of Prey Centre to support the rehabilitation and soft release of injured raptors back into the wild.**

Through this collaboration, Belfast has designated a protected release site within its conservation area, equipped with nesting boxes and safe perching zones to help birds regain natural behaviours before full release.

#### Project benefits

##### Supporting species recovery

Rehabilitated raptors, including spotted eagle owls and barn owls, are given the opportunity to return to natural habitats and re-establish stable populations

##### Creating safe release environments

The soft release site provides a secure transition space where birds can adjust, hunt and roost independently before full release

##### Strengthening conservation partnerships

Collaboration with an established conservation organisation ensures specialist care, community awareness and long-term ecological stewardship

##### Creating awareness

The programme raises awareness among local communities and visiting learners, highlighting the ecological importance of raptors in maintaining balanced ecosystems



Since establishing the partnership, 32 birds of prey have been successfully released into the Belfast conservation area.

### Case study

#### Offsetting impacts on Cape vultures through conservation partnerships

**Canergeri supports the EWT's Limpopo Cape vulture nestling rescue and rehabilitation initiative as a biodiversity offset to address residual impacts on Cape vultures associated with turbine and powerline collisions. While mitigation measures have been in place since 2017, including a Cape vulture food management programme, additional action is required to achieve no net biodiversity loss.**

Since mid-2025, Amakhala Emoyeni windfarm has supported the initiative to address recorded and predicted project-related biodiversity impacts over its lifespan. The programme rescues, rehabilitates and releases Cape vulture nestlings from the Manoutsa breeding colony in Limpopo, one of South Africa's most significant Cape vulture strongholds. It targets the offset of approximately eight vulture fatalities per year over an 11-year period, addressing the 15 fatalities recorded to date and those anticipated in future.

Rehabilitated nestlings are reintroduced into the wild with post-release support to improve survival rates. The initiative also creates local employment through a dedicated, community-based Cape vulture ranger, strengthening conservation capacity at a local level. The EWT monitors implementation and reports on outcomes semi-annually, supporting transparent tracking of biodiversity performance.



#### Programme outcomes include:

Strengthening Cape vulture populations in a priority conservation area

Alignment with international biodiversity standards and no net loss commitments

Improved chick survival rates through targeted rescue and rehabilitation

Local employment and skills development linked to conservation monitoring

# Integrating mine closure and rehabilitation

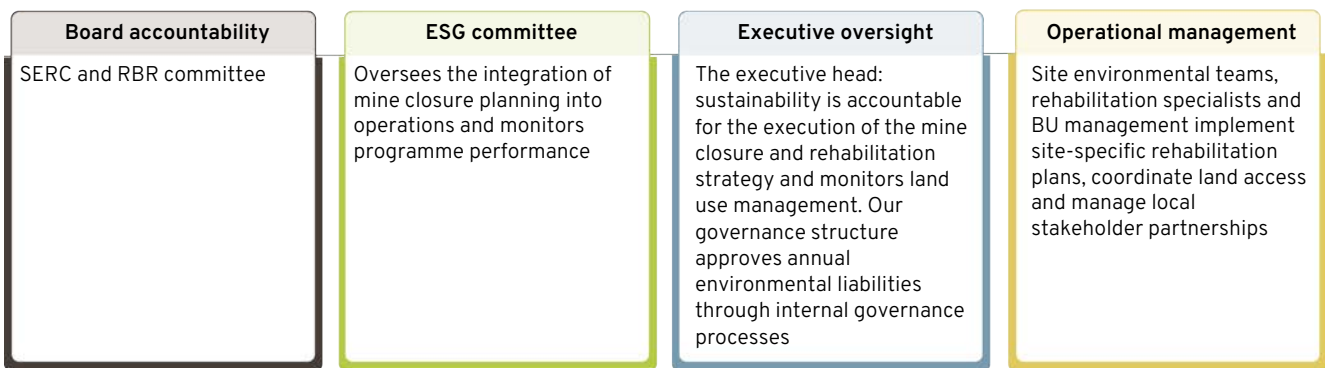
## Why this matters

Our integrated closure planning and concurrent rehabilitation are essential to fulfilling Exxaro’s environmental, social and financial responsibilities. Effective rehabilitation reduces long-term liabilities, protects ecosystems and supports sustainable land use that benefits employees, communities and future economic activity.

This work directly contributes to our Sustainable Growth and Impact strategy by integrating responsible land management into operational planning and enabling lasting value beyond mining.



### Governance and oversight



### Strategy and management approach

Our mine closure and rehabilitation plans integrate land management with ongoing operational planning, aiming to minimise closure costs and optimise sustainable post-mining land use. Exxaro’s mine closure and rehabilitation policy, strategy and management standard define clear roles, responsibilities and metrics for consistent application across all BUs.

Key elements of our approach include:

- Developing and regularly reviewing mine-specific closure plans
- Proactively managing environmental effects to limit residual liabilities, particularly in relation to water quality, water retention and soil health
- Protecting rehabilitated areas from water ingress and other environmental risks
- Establishing financial provisions for all operational and closure sites, supported by annual assessments by sustainability, finance and independent specialists
- Updating and approving closure liabilities through structured internal governance processes
- Complying with all relevant legislation, including section 24P of the NEMA and MPRDA requirements
- Engaging with communities and regulators to align closure outcomes with future land use and post-mining economy opportunities

### Closure and rehabilitation strategic objectives

- Embedding concurrent rehabilitation and mine closure into daily operations at all BUs
- Aligning with rehabilitation standards that promote sustainable post-mining land uses, including vegetation suitable for carbon sequestration
- Setting specific, measurable targets for concurrent and continuous rehabilitation
- Building accountability within operational management KPIs
- Provisioning for closure costs in line with regulatory requirements
- Lowering the environmental financial liability associated with mine closure

## Integrating mine closure and rehabilitation *continued*

### Integrated stages of mining and mine closure planning

We integrate land and liability management throughout the mining lifecycle to optimise social impact, stakeholder engagement and final land use after mine closure. Incorporating closure and rehabilitation planning into daily operations minimises final closure costs for each BU.

<p><b>Monitoring, measuring and reporting</b></p>	<p>We apply a structured monitoring and reporting process to track rehabilitation progress and environmental liabilities across all BUs. Operations submit monthly reports on concurrent rehabilitation KPIs in line with the updated mine closure and rehabilitation standard, supported by advanced systems that consolidate data on rehabilitation volumes and liabilities. Regular environmental management programme assessments provide insight into performance and inform amendments to rehabilitation plans and closure objectives.</p>
<p><b>Post-mining land use</b></p> <hr/> <p><b>Long-term agricultural leases</b></p> <hr/> <p><b>Donations and community upliftment</b></p> <hr/> <p><b>Infrastructure and assets</b></p>	<p>We manage Exxaro-owned land to support future operations, biodiversity offsets and sustainable post-mining economic opportunities. Land parcels are allocated for long-term agricultural use, community upliftment or operational protection.</p> <p>We actively manage operational land to prevent land grabs and safeguard access for future mining and rehabilitation activities.</p> <p>We support emerging farmers with funding, mechanisation, inputs and training delivered through three-year contracts with an external service provider through the minerals succession programme (MSP). Land under lease is used for diversified agriculture, including maize, soybean and livestock farming. Internal and external audits assess the success of land transfers.</p> <p><b>Available land for emerging farmers and communities:</b></p> <ul style="list-style-type: none"> <li>• <b>Mpumalanga</b> <ul style="list-style-type: none"> <li>• Strathrae: 6 474 ha (seven farmers on 4 495ha for crop and cattle farming)</li> <li>• Sheepmore: 740ha (two farmers on 740ha for cattle farming)</li> </ul> </li> <li>• <b>KwaZulu-Natal</b> <ul style="list-style-type: none"> <li>• Durnacol: 1 090ha (110ha leased to one female farmer for cultivation)</li> </ul> </li> <li>• <b>Limpopo</b> <ul style="list-style-type: none"> <li>• Lephalale: 296ha (112ha leased to three entities for intensive vegetable farming)</li> </ul> </li> </ul> <hr/> <p>Where appropriate, we donate land to achieve social impact or transfer it to government for redistribution. We support local government resettlement processes and livelihood restoration initiatives such as the Phumlani agri-village.</p> <hr/> <p>We assess existing infrastructure such as power lines, water pipes, buildings and dams to determine whether it can support sustainable post-mining land use. Infrastructure with long-term value is retained and incorporated into final closure environmental management plans and transferred to appropriate entities for ongoing management.</p> <p>Redundant but serviceable assets, including vehicles and furniture, are also retained where they can support social impact programmes and are transferred to suitable partners for use.</p>
<p><b>Financial provisioning</b></p>	<p>We conduct annual reviews of mine closure and rehabilitation obligations, updating plans and cost estimates based on environmental management programme assessments. These reviews ensure that financial provisions for concurrent and final rehabilitation are up to date and reflect operational conditions. Financial provisions for rehabilitation costs and effective mine closure are calculated in terms of Government Notice R1147 (GNR1147) regulations.</p> <p>Independent auditors provide additional assurance through biannual site visits, document reviews and environmental liability audits. Their assessments identify optimisation opportunities that can reduce long-term closure costs.</p> <p>Exxaro's environmental rehabilitation fund, supported by bank guarantees, addresses any financial provision shortfalls. We manage the fund using asset-liability modelling to ensure that investment growth aligns with projected liability profiles. An external specialist supports the trustees by advising on appropriate investment structures. Current implementation includes income-focused instruments benchmarked against cash and treasury rates, inflation-linked growth products and equity-based investments where volatility is actively managed through portfolio adjustments.</p>



An external consultant reviews Cennergi's financial provisions for facility closure and rehabilitation every three years. Cennergi reviews and adjusts cost estimates for concurrent and final closure rehabilitation programmes as needed.



<p><b>Community resilience</b></p>	<p>We support community resilience throughout the closure process by aligning our approach with Exxaro's Social Impact strategy and SLP commitments. This ensures that socio-economic activity remains viable beyond mining and that communities are equipped to participate in post-closure opportunities.</p> <p>Key elements of our approach include:</p> <ul style="list-style-type: none"> <li>• Preparing host communities for post-closure land use by developing skills for commercial, agricultural and infrastructure-related activities</li> <li>• Supporting local job creation through programmes such as the MSP, which provide employment linked to rehabilitation and agricultural initiatives</li> <li>• Implementing communication plans that keep communities informed about closure timelines, impacts and opportunities</li> <li>• Engaging communities, government bodies and NGOs to ensure closure expectations are understood and to support a responsible, liability-free transition</li> <li>• Prioritising community safety, health and long-term wellbeing throughout the closure process</li> </ul>
<p><b>Employee development</b></p>	<p>We focus on preparing employees for the transition beyond active mining by:</p> <ul style="list-style-type: none"> <li>• Providing portable skills training, mentorship and agricultural training to support alternative employment options</li> <li>• Delivering specialised training that enables employees to implement and manage mine closure plans effectively</li> <li>• Using structured communication plans to ensure employees understand closure timelines, requirements and opportunities available during the transition</li> </ul>
<p><b>Mining plan</b></p>	<p>Concurrent rehabilitation is fully integrated into operational planning and tracking to support consistent progress across all sites.</p> <p>Each BU maintains a five-year conceptual concurrent rehabilitation plan that sets measurable targets, outlines schedules and includes the associated budgets. These plans help prevent backlogs that could increase rehabilitation liabilities and ensure that managers can implement rehabilitation strategies without cash flow constraints.</p>
<p><b>Safety and risk control</b></p>	<p>Health and safety at mines undergoing closure is as important as at operational sites and the same standards, policies and procedures apply across all operations. Closure environments can present heightened security risks and safeguarding of infrastructure and assets is essential to protect people, maintain compliance and prevent environmental harm. We monitor these risks closely and implement appropriate controls to ensure safe and orderly closure activities.</p>
<p><b>Environmental stewardship</b></p>	<p>We rehabilitate Exxaro's disturbed footprint, including buildings, roads and mining areas, in line with approved environmental management programmes and the final land use plan. This rehabilitation includes ongoing monitoring and maintenance to support long-term ecological stability.</p> <p>Our biodiversity and conservation activities focus on maintaining harmony between operations and the natural environment, such as at Manketti game reserve. Biodiversity management plans guide invasive alien plant control and the enhancement of sensitive ecosystems to meet environmental licence conditions. Removing invasive species improves water quality, vegetation cover, runoff and the health of indigenous vegetation, strengthening the ecological resilience of rehabilitated areas.</p>

## Stakeholder engagement

We engage a broad range of interested and affected parties to ensure that closure planning supports socio-economic continuity and helps create the conditions for responsible, liability-free closure.

Our approach includes:

- Identifying stakeholder needs and expectations to guide closure practices
- Working with host communities to build skills for commercial and infrastructure-related activities after closure
- Aligning closure planning with community expectations and SLP commitments
- Engaging communities, government and NGOs throughout the closure process to ensure transparency and shared understanding
- Collaborating with partners such as SE Holdings to support post-mining economic initiatives, including new engagements in KwaZulu-Natal and agricultural projects in Limpopo and Mpumalanga
- Supporting government through compliance with reporting requirements and participation in regulatory engagements
- Working with the Minerals Council to provide inputs on related legislation and policy development
- Drawing on guidance and benchmarking from Coaltech and the Land Rehabilitation Society of Southern Africa, including participation in its annual conference
- Assisting BUs to achieve liability-free closure within appropriate timeframes

## Integrating mine closure and rehabilitation continued

### 2025 performance

	2025	2024	2023
Land rehabilitated (ha)	2 639	2 325**	2 132
Land disturbed (ha)	9 739	9 002**	11 028
Operational guarantees (Rm)	3 504	3 552	3 552
Unscheduled closure costs (Rm)	9 191	8 773	9 327
Returns on Exxaro and Matla rehabilitation trust funds including fair value adjustments (Rm)	408.1	240	244
Active closure sites*	3	4	4

\* Tshikondeni, Durnacol and Hlobane.

\*\* Restated: The definition of land disturbed and land rehabilitated was changed in a new management standard during 2025, which resulted in the statement of these figures.



Refer to the [databook](#) for historic data related to the table above.

Rehabilitated land increased by 313.8ha due to Belfast and Matla rehabilitated areas being signed off. An overall increase of 739ha in land disturbed compared to 2024 is due to additional areas mined.

### Improving our mine closure and rehabilitation management

#### Roll-out of new strategy

The board approved Exxaro's new mine closure and rehabilitation strategy in early 2025 and implemented the updated standard and KPIs across all BUs. All BUs now submit monthly KPI reports that give clear visibility of progress and movements in closure liabilities. Rehabilitation schedules align with mine plans and performance is reviewed consistently across operations.

BU teams are updating their closure liabilities and developing concurrent rehabilitation plans for implementation. While monthly liability updates are not yet in place, the KPI reporting process already provides insight into liability trends.

#### Durnacol\*\*

Rehabilitation of discard dump 7 remains underway. Completion, originally scheduled for September 2025, has moved to March 2026 due to inclement weather, design changes and long-haul distances from borrow pits. The contractor has deployed additional equipment to mitigate delays. Rehabilitation activities for dump 3 are scheduled to begin in the first quarter of 2026, following completion of the adjudication process to appoint a contractor.

The water treatment plant at Durnacol performed efficiently, with the new reverse osmosis system increasing clean water production and improving effluent quality. The improved water treatment results strengthened relationships with affected stakeholders and authorities. Communication with surrounding communities also improved, with monthly meetings held to discuss rehabilitation progress and job opportunities linked to the site. These projects support poverty alleviation through local employment for general workers.

#### Grootegeluk^

The rehabilitation design process for Grootegeluk dumps 4 and 5 progressed during the year, with draft plans presented to the DWS for review. The DWS provided detailed feedback and the required changes are being incorporated into final designs that meet regulatory requirements and environmental best practice.

#### Fripp\*

Engagements to transfer the box cut liabilities to the mining right holder progressed during the year and a final decision is still pending. The Fripp closure plan is complete, with further actions dependent on the outcome of these engagements.

#### Zwartkops\*

An external consultant is developing the Zwartkops closure plan and the report was scheduled for completion in January 2026.

#### Tshikondeni\*\*

Rehabilitation at Tshikondeni advanced, with construction of the stormwater management infrastructure still in progress. The project could not be completed in September due to onboarding delays and was then scheduled for completion by March 2026.

#### Hlobane\*\*

An external party expressed interest in re-mining the Hlobane dumps and has signed a contract, with work scheduled to begin in the first quarter of 2026. This initiative is expected to create local employment opportunities and reduce long-term liabilities for the mine.

^ Active mine

\* Inactive site

\*\* Closed mine



#### 2026 key actions

Our focus for 2026 is to strengthen the implementation of concurrent rehabilitation and advance sustainable post-mining land use across all BUs. This includes:

- Starting the pilot project at Tshikondeni and Lephalale to determine suitable vegetation for carbon sequestration
- Finalising concurrent rehabilitation plans as BUs complete their updated closure liability assessments
- Enforcing and monitoring concurrent rehabilitation to drive measurable reductions in closure liabilities
- Progressing rehabilitation projects on Durnacol discard dumps, focusing on improving land stability, water management and long-term ecological recovery

# Improving water security

## Why this matters

Our operations span large geographical areas that face increasing water scarcity and climate variability, which heighten operational and environmental risks. Responsible water management is therefore a business necessity and a social obligation.

By improving water efficiency, protecting quality and maintaining the integrity of natural water systems, we ensure compliance with regulations and uphold our commitment to be a responsible steward of valuable shared resources.



### Governance and oversight



### Strategy and management approach

Our integrated water management across the mining lifecycle is supported by our group water policy and water management standard. These guide how each operation plans water use, manages withdrawal and discharge, maintains water systems and prepares for closure. Site-specific water management plans translate these requirements into operational controls, monitoring and improvement actions.

Key elements of our approach include:

- Reducing freshwater intake by increasing reuse, recycling and alternative water sources in line with the National Water Resource Strategy
- Maintaining and upgrading water treatment infrastructure to ensure effluent meets quality requirements
- Providing suitable barriers for our dirty water facilities to prevent groundwater contamination
- Monitoring surface water, groundwater and discharge against licence conditions and catchment limits
- Using risk assessments to identify and mitigate water-related operational and environmental risks
- Collaborating with external stakeholders to support sustainable mine water management and community water access



Cennergi's wind and solar farms use licensed boreholes and rainwater. Facility site managers, supported by the head: corporate and social responsibility, oversee policy implementation and practice at wind and solar energy facilities.

### Compliance and risk management

If not effectively managed, water-related risks can lead to production stoppages, financial loss and non-compliance with water authorisations. This can affect our licence to operate, increase competition for scarce resources and undermine our biodiversity efforts.

We mitigate these risks through water conservation and demand management, contamination prevention and treatment processes that ensure water discharged to the environment meets required standards. We apply water-related risk assessments, stormwater controls, water balance simulations and measures to secure operational and potable water supply. To strengthen resilience, we incorporate climate analytics, including South African Weather Services outlooks, into operational planning and decision making.

Our approach aligns with the NWA, the MPRDA, NEMA regulations and WULs. We also align with voluntary water reporting standards and are working towards full alignment with the Global Industry Standard on Tailings Management.

### Monitoring, measuring and reporting

We track water use, reuse and discharge across all operations and report performance in line with the CDP water programme. We use a centralised system to consolidate data, and our water accounting methods compare consumption and quality against WULs, efficiency targets and internal benchmarks. We retain full records to support regulatory and internal compliance audits.

Water intensity and recycling metrics form part of our group STI scheme, reinforcing accountability for efficient water use in line with our Climate Change Response and Sustainable Growth and Impact strategies.

## Improving water security continued

### Tailings and dam management

Our tailings management system prioritises the safe operation, monitoring and decommissioning of tailings dams through a comprehensive, risk-based system aligned with recognised good practice. The facilities are fully equipped with operators and an engineer of record as part of the continuous drive to ensure regulatory compliance and safe management.

Our dams contain either clean or polluted water. Under South African dam safety legislation, a dam is classified as a safety risk if its wall height exceeds 5m and its storage capacity exceeds 50 000m<sup>3</sup>. Safety risk dams are assigned a category (I, II or III) based on their potential hazard, with category III indicating the highest risk level. The DWS determines these classifications.

Regular assessments, structural inspections and maintenance programmes are in place to ensure dam integrity and compliance with licence conditions. Emergency preparedness and response plans for the dams are in place and aligned with the NWA and regulations regarding the safety of dams, supported by DWS best practice guidelines. The plans are actively tested to ensure they are fit for purpose.

Our dams with safety risk classifications are as follows:

	Category I	Category II
<b>Grootegeluk</b>	-	Cyclic ponds
<b>Tshikondeni</b>	Unwa Dam	-
<b>Leeuwpán</b>	-	Witklip Dam
<b>Matla</b>	-	Brine ponds
<b>Durnacol</b>	Durnacol Dam No 4	Durnacol Dam No 7 Langley Dam No 2 Langley Dam No 3

Exxaro has no category III dams.

### Technology and innovation

We explore and implement innovative solutions that improve water management across our operations.

At Grootegeluk, a recycling project involving a desilting plant, upgraded channels and the refurbished Oliphantskop Dam increases water reuse within beneficiation processes, reducing the volume of water lost to the pit and supporting long-term water security. Approval for expanding the storage capacity will allow further development of an additional buffer dam to further enhance process water recovery for reuse.

We use internal shadow pricing to support water-related planning and decision making. The shadow price reflects the minimum cost of producing water from alternative sources such as reverse osmosis and is adjusted using the Aqueduct Water Risk Atlas to account for physical, chemical and regulatory risks at each location. This approach helps assess the true cost of water and guides more resilient operational and capital planning.

### Stakeholder collaboration

Engagements with local water boards, municipalities and communities support shared water planning, infrastructure maintenance and responsible resource use. These partnerships ensure that operational water decisions align with regional priorities and community needs.

Exxaro also participates in industry forums and regulatory engagements to contribute to national water stewardship efforts.

Through the Coaltech research initiative, we work with other mining companies and academic institutions on projects that strengthen mine water management practices, inform mine closure planning and guide appropriate final land use.

#### Case study

### Optimising water use and storage

At our Belfast operation, we were able to switch off the reverse osmosis plant in 2025 as we recycled all stored water either from pollution control facilities or mining voids. This enabled us to start the wet season at the end of 2025 with sufficient storage to allow for capturing all polluted runoff with minimal risk of spillage and keep our mining areas dry for safety purposes.

We will proactively manage our storage facilities and reduce any pressure on the system with the reverse osmosis plant on site.

We also investigated back-up supply through geophysical target areas and potential borehole abstraction should a drought event materialise.



2025 performance

Water reuse and recycling

Total water consumption (water withdrawals less water discharged) increased by 3.6%. The deterioration was mainly attributed to a lower recycling achieved in 2025.

Consumption (ML)	2025	2024	2023
<b>Total water withdrawal</b>	<b>10 385</b>	10 342	8 744
Surface water	7 825	7 776	5 834
Groundwater	1 051	1 149	1 487
Third-party water	1 509	1 417	1 423
<b>Total water discharged</b>	<b>(737)</b>	(1 033)	(1 314)
Surface water	(737)	(1 033)	(1 314)
<b>Total water consumption</b>	<b>9 648</b>	9 309	7 430

Our water recycling decreased this year by 6%, with an overall recycling ratio of 44% (2024: 50%). The lower performance is attributed to flooding conditions during the first quarter of 2025 at Grootegeluk.

Recycling ratio (%)	Target	2025	2024	2023
Grootegeluk		44	51	57
Belfast		26	40	62
Leeuwpan (estimated)		30	30	30
Matla		44	46	51
<b>Total group</b>	38	<b>44</b>	50	56

Our water recycling target (defined as the total water recycled divided by total water used including recycled water) is substantially higher than the coal industry average of 6%, as outlined in the national water use efficiency benchmarks of the DWS.

Water conservation

Our water intensity deteriorated by 1.9% (2024: -35%) to 145L/t RoM due to conditions mentioned above.

In 2025, we further lowered our water intensity target to 175L/t RoM from 180L/t RoM in 2024. Although our water intensity target is well below the coal industry average of 380L/t RoM, it aligns with our site-specific norms and supports our strategy to reduce water intake and increase water conservation and reclamation.

	Target (L/t)	Water intensity (L/t)			Water consumption (m³)		
		2025	2024	2023	2025	2024	2023
<b>Limpopo</b>							
Grootegeluk	170	154	146	104	7 979 374	7 524 410	5 802 577
Tshikondeni	70 800kL	n/a	n/a	n/a	57 693	83 736	71 295
<b>Mpumalanga</b>							
Belfast	210	93	143	54	376 037	560 024	170 324
Leeuwpan	55	54	36	29	202 634	138 221	140 051
Matla	210	155	169	206	1 021 845	991 015	1 235 167
<b>Gauteng</b>							
FerroAlloys	15 000kL	n/a	n/a	n/a	9 860	10 567	9 841
<b>KwaZulu-Natal</b>							
Hlobane	390kL	n/a	n/a	n/a	248	291	408
<b>Total group</b>	175	<b>145</b>	142	105	<b>9 647 691</b>	9 308 265	7 429 662

Building climate change resilience

Following a 2024 water security study, which assessed climate-related risks to water supply and quality at each operation, we appointed EY to develop an adaptation strategy for the group that is expected to be completed in 2026.

These measures are designed to strengthen resilience, safeguard infrastructure and protect catchment health under changing climatic conditions.

Potential first phase objectives identified to improve resilience include:

- Updating water balance simulations with expected climate change variability
- A wet season preparedness programme
- A review of operational rules on storage facilities
- Monthly reporting of seasonal outlook changes to the coal executive committee



2026 key actions

- Develop Exxaro's climate change adaptation strategy
- Update Exxaro's water strategy and management standard



# Managing waste responsibly

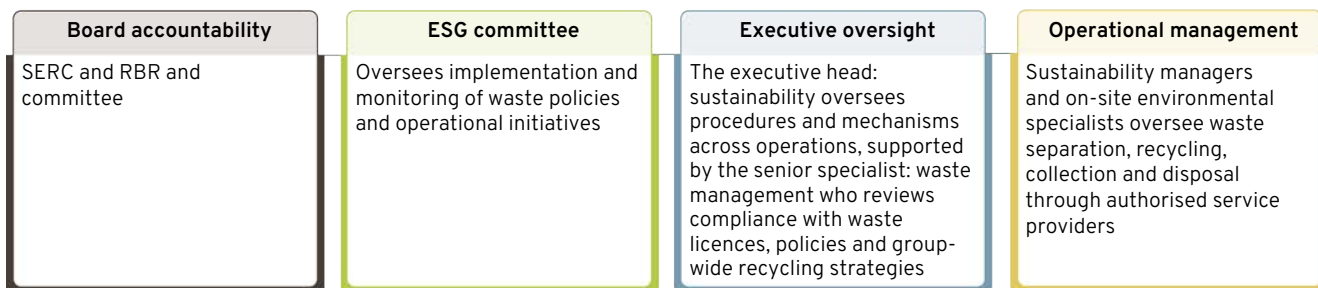
## Why this matters

Mining processes generate a range of waste streams that can impact the environment and surrounding communities. If not managed responsibly, waste can contaminate soil and water, create health and safety risks and undermine our social and environmental licence to operate. Regulators and stakeholders expect compliance with waste management legislation, as well as efforts to move towards circular economy practices within and beyond our operations.

Through responsible resource use and environmental stewardship, we advance long-term operational resilience and support shared value creation.



### Governance and oversight



## Strategy and management approach

We follow a cradle-to-cradle approach that prioritises waste prevention, reduction, reuse and recycling before disposal. Our management system is guided by the National Environmental Management: Waste Act, 2008, and the principles of a circular economy that seek to extract value from waste materials.

Key elements of our approach include:

- Managing general, hazardous and mining waste according to Exxaro policy commitments, environmental standards and regulatory requirements
- Prioritising waste prevention, reuse and recycling to minimise landfill disposal
- Monitoring and reporting waste generation, recycling and disposal volumes
- Integrating waste reduction into SLPs to support enterprise development
- Embedding waste management in employee induction and training programmes
- Engaging in partnerships to ensure alignment with emerging legislation, advance waste research and support local enterprise development

## Waste management streams

### General waste

General waste includes recyclable domestic and industrial materials such as plastics, paper, scrap metal, rubber products and conveyor belts. Waste is separated at source and collected by authorised service providers for recycling or safe disposal.

Our target is to divert 80% to 85% of recyclable waste from landfill by 2025. BUs receive rebates from recycling scrap materials and several operations (including Belfast, Grootegeluk and Matla) maintain salvage yards for sorting and temporary storage before collection.

### Hazardous waste

Hazardous waste, including contaminated soil, used oil, hydrocarbons and medical waste, is separated from general waste and handled by licensed service providers. Sites generating more than 20kg/day are registered on the South African Waste Information System. Medical waste from Matla and Grootegeluk clinics is managed in line with healthcare and environmental standards.



Cennergi's construction, operation and maintenance contractors are responsible for waste management at wind and solar energy facilities. The facility site manager supported by the head: corporate and social responsibility oversee policy implementation and practice at the wind energy and solar facilities.



Waste generated at Cennergi's facilities includes general waste, solar waste, oil rags and used oil. Cennergi implements waste separation at source to increase recycling where possible and minimise waste sent to landfill.

**E-waste**

The National Policy for the Management of Waste Electrical and Electronic Equipment establishes a framework for managing the end-of-life stage of electrical and electronic products in South Africa. It promotes prevention, minimisation, reuse and recycling in line with the National Waste Management Strategy 2020, and supports the transition to a circular economy through Extended Producer Responsibility regulations.

In line with this policy direction, Exxaro will conduct a group-wide assessment to identify, quantify and define the baseline of e-waste across operations. The study will guide collaboration with authorities and industry partners to explore beneficiation opportunities and align Exxaro’s Corporate Waste Management Standard with the framework.

**Mineral and rock waste**

Our open-pit mining operations use strip-mining methods that generate waste rock and overburden. These materials are temporarily or permanently stored on approved facilities within the mining right area and are progressively used for landform reconstruction and rehabilitation of mined-out areas. The volumes and footprints of shale, subsoil and topsoil stockpiles are routinely measured to inform rehabilitation planning and compliance reporting.

Inert waste such as construction and demolition debris is separated at source where feasible and either recycled or disposed of safely by authorised service providers. At Grootegeluk mine, this material is stored on site in an authorised building rubble facility.

**Monitoring, measuring and reporting**

Internal and external audits verify compliance with our waste management licences conditions and commitments, and track licence renewal cycles.

All operations report monthly on waste generation, recycling and disposal volumes, as required by National Waste Information Regulations and the Environmental Management System. We consolidate waste data to track performance and ensure compliance. To align with best practice, we monitor waste management performance through KPIs aligned with the JSE/FTSE and ESG indices.

We are in the process of procuring an integrated sustainability information software solution to enhance data quality, trend analysis and performance tracking. The system will support environmental, health, safety and ESG functions across the group, enabling data integration and ensuring alignment with global sustainability frameworks.

**Waste tyre management**

We also collate data on our waste tyre stockpiles at BUs in support of the national drive to reliably quantify waste tyre data. On 2 June 2025, the DFFE withdrew the Industry Waste Tyre Management Plan prepared by the Council for Scientific and Industrial Research, citing misalignment with current sector realities and policy intent. The withdrawal will enable a focused review to ensure that the final plan is implementable, transparent and responsive to operational and governance complexities in the sector.

Despite the withdrawal, Exxaro continues to strengthen data accuracy, assess processing technology options and support the development of a sustainable national model for waste tyre management.

**Research, innovation and partnerships**

We collaborate with the Minerals Council South Africa, the Waste Management Bureau and the Council for Scientific and Industrial Research to advance sustainable waste management and circular economy solutions. Research includes energy recovery from tyre-derived fuel, pyrolysis, crumbing and material recycling. We also pilot recycling initiatives across our operations to connect research outcomes with practical implementation.

We integrate recycling initiatives into our SLPs to empower local communities through training and skills development. At Belfast, recyclable waste is sold to local recyclers, who benefit from lower financial and environmental costs by using fewer raw materials, water and energy in their production processes. A black youth-owned company, contracted by Exxaro, employs community members to sort and collect these recyclable materials.

In partnership with the Lephalale local municipality and Impact Catalyst, we are developing integrated waste management solutions that support local economic development. These initiatives are focusing on solutions to professionalise waste pickers, beneficiate coal fly ash, establish material recovery facilities and raise community awareness on sustainable waste practices.

**Case study**

**Driving waste awareness and recycling at Matla**

**In August 2025, Matla launched a site-wide waste management clean-up and recycling awareness campaign to improve housekeeping and strengthen the culture of responsible waste handling. The initiative formed part of Matla’s ongoing environmental stewardship drive and its commitment to continuous improvement in waste minimisation.**

**Campaign benefits**

**Strengthened waste management practices**

A multidisciplinary team worked together to remove litter and improve waste segregation at source, encouraging ownership of environmental performance across departments.

**Improved recycling access and participation**

The environmental department installed new recycling stations in key operational areas, making segregation more accessible and boosting employee participation in recycling activities.

**Increased awareness and shared responsibility**

Awareness sessions and mass meetings reinforced the importance of proper waste disposal and recycling, fostering collaboration and pride in maintaining a cleaner, safer and more sustainable workplace.



Through initiatives such as these, Matla continues to embed environmental responsibility in daily operations while supporting Exxaro’s Sustainable Growth and Impact strategy.

## Managing waste responsibly continued

### 2025 performance

Indicator (t)	2025	2024	2023
Hazardous waste sent to landfill	4 189	2 662	3 186
Hazardous waste recycled (oil)	511	546	555
General (non-mineral) waste recycled	2 434	2 457	2 703
General waste to landfill	953	969	1 027
Total general waste generated	3 443	3 374	3 621
Waste rock generated (m <sup>3</sup> )	86 158 854	73 138 314	103 529 750
Single-use plastic (see CDP report)	4	2	Not recorded

We improved waste management trends this year compared to 2024. We did this by enhancing waste separation and conducting employee awareness initiatives. Our general waste generation decreased by 1.1% and we diverted 71.9% of recyclable waste from landfill. Due to an increase in our mining fleet (haul trucks and light duty vehicles), we recorded an increase in coal residue material at Grootegeluk's fleet wash bay. This resulted in an increase of hazardous waste generation by 43%.



Cennergi did not report any waste grievances, fines or penalties during the year.

### Improving waste management

#### Waste management plans

##### Waste classification and downstream value creation

In line with the Waste Classification and Management Regulations, 2013, Exxaro completed the identification and classification of waste streams across all active and inactive mines. The appointed service provider is now mapping downstream value creation opportunities for each waste stream to enable BUs, including those in closure, to participate in circular economy initiatives. We are also defining environmentally responsible disposal methods for residual waste that cannot be diverted from landfill.

At Grootegeluk, a waste classification study undertaken in early 2025 analysed carbonaceous waste accumulated at silt traps. This material, previously disposed of as hazardous due to potential hydrocarbon content, was confirmed as non-hazardous waste. We will be submitting a formal application for declassification to the authorities, enabling the mine to reduce hazardous waste volumes.

We renewed waste management licences for Matla and Grootegeluk this year for 10 and 15 years respectively, confirming full regulatory compliance.

#### Partnerships and innovation

##### Repurposing mine and power station waste

In April 2025, Exxaro and Eskom signed an MoU to develop technology-based solutions for shared waste management challenges. The partnership focuses on reducing brine from the Matla water treatment plant and fly ash from Matla power station by repurposing these byproducts into an engineered paste for mine backfilling and construction use. The initiative aims to reduce environmental impact, support circular economy practices and strengthen research collaboration between the business partners. Stakeholders, including Eskom's ash beneficiation unit and local communities, will contribute to innovation, job creation and skills development.

##### Mineral beneficiation research

Exxaro is supporting Mintek's research into extracting rare earth and critical minerals from coal fly ash and discards. The collaboration explores alternative uses of coal while advancing environmental stewardship and mineral beneficiation innovation.

#### Recycling initiatives

##### Belfast salvage yard

Belfast submitted a proposal to design and construct a centralised salvage yard to improve the storage and sorting of spares, scrap metal, used oil and pallets. The facility will strengthen on-site control of recyclable waste and increase the volume of materials diverted from landfill.

##### Office waste recycling

Exxaro appointed a waste management service provider to improve general waste recycling at our corporate office. The contract includes waste sorting, collection by approved recyclers, data tracking and analysis and verification of regulatory compliance. This structured approach supports consistent waste reporting and responsible recycling across the group. The corporate office was able to divert 67% of recyclable waste from landfill (2024: 65%).

#### Awareness and education

##### Belfast waste champions

Mixing of general and hazardous waste remains a challenge despite ongoing awareness initiatives. To strengthen waste separation at source, Belfast introduced trained "waste champions" who act as on-site ambassadors for the mine's Integrated Waste Management Standard Operating Procedure. The champions promote proper segregation practices, support compliance in their work areas and help reduce environmental risk by improving overall waste management performance.



### 2026 key actions

In 2026, our focus will be to strengthen circular economy initiatives, improve data accuracy through digital systems and expand recycling capacity across operations. This includes:

- Progressing the brine and fly-ash repurposing research under the Eskom MoU
- Finalising the implementation of integrated ESG software for waste tracking
- Establishing a baseline of e-waste across the group
- Scaling up waste beneficiation projects, including coal ash and e-waste recovery
- Enhancing collaboration with local recyclers and SMEs to increase socio-economic value

# 3 Empowering people and communities

South Africa faces deep socio-economic pressures, including persistent unemployment, inequality and increasing strain on public services. These realities shape expectations for mining companies to foster safe, inclusive workplaces and contribute meaningfully to community wellbeing and economic resilience.

For Exxaro, strong social performance underpins labour stability, trusted relationships and long-term business sustainability.



## Governance and oversight

### Accountability and responsibility

- SERC and RBR committees provide board-level oversight
- The executive head: people and performance leads strategy execution for talent, DEI and employee relations
- The executive head: sustainability oversees safety, community development, land use management and ESD delivery
- BU teams and people and performance, safety, community and supply chain managers execute site-level initiatives and grievance response

### Regulatory compliance

- Full adherence to Mining Charter III, B-BBEE Act, Labour Relations Act, Employment Equity Act 55 of 1998 (EEA), MHSA, Basic Conditions of Employment Act 75 of 1997 (BCEA), SLPs and MPRDA post-mining requirements
- Annual independent audits for SLP delivery, B-BBEE verification and Mining Charter compliance
- Financial provisions and reporting for ESD and community development aligned with national requirements

### Beyond compliance

- Endorsement of UNGC, SDGs, International Labour Organization (ILO) core conventions, Minerals Council Human Rights Framework and the UN Guiding Principles (UNGPs)
- Active participation in Minerals Council South Africa, Business Unity South Africa, CEO Initiative on Youth Employment and Presidential Climate Commission
- Partnerships with local and provincial government, labour unions, development finance institutions, NGOs and industry forums, strengthening collaborative delivery, impact and compliance

## Our strategic response

Our response is guided by the Sustainable Growth and Impact strategy, which focuses on empowering people through safety, wellbeing, capability development and equity, and on catalysing socio-economic development that endures beyond mining. Human rights and ethical conduct guide how we conduct our business.

Our people and social impact strategies are underpinned by strong governance and policy frameworks, ensuring responsible conduct and long-term sustainability. Our people practices are guided by:

1

### Our people strategy

We are building a people-fit organisation by developing capability, strengthening wellbeing and creating a safe, inclusive and high-performance culture.

2

### Safety strategy

We advance safety excellence through the One Voice Safety strategy and zero-tolerance rules, embedding visible leadership, behavioural maturity and technology to achieve zero harm.

3

### Integrated health and wellness strategy

We promote employee resilience through proactive health programmes, disease awareness, mental wellness support and partnerships that strengthen public health outcomes.

4

### DEI strategy

We drive organisational transformation through anti-racism commitments, inclusive leadership, disability inclusion and targeted actions to improve representation and workplace experience.

5

### Talent management strategy

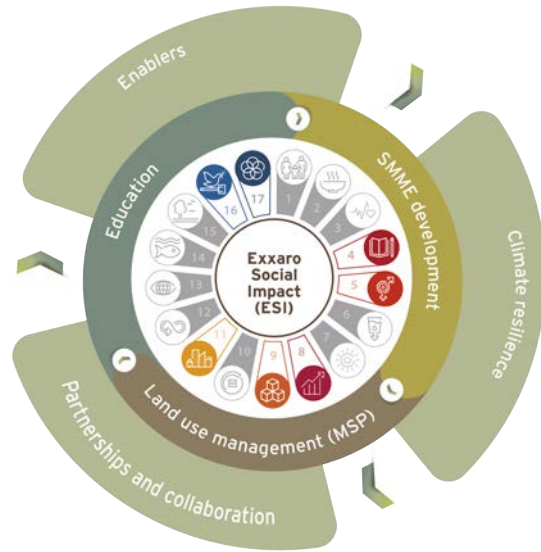
We develop a future-fit workforce by expanding digital learning, strengthening technical and leadership capability, embedding individual development plans and building robust succession pipelines for critical and scarce-skills roles.

## Empowering people and communities continued

### Our Social Impact strategy

Our social impact management approach focuses on addressing the root causes of socio-economic vulnerability in host communities. It takes a long-term, systemic approach that creates multidimensional benefits, guided by three focus areas (detailed in the infographic on the right). These interventions deliver integrated ESG outcomes by supporting climate-resilient livelihoods, reducing poverty, strengthening community health and enabling sustainable economic participation.

Partnerships with credible institutions and transparent funding mechanisms ensure the Social Impact strategy maintains integrity and scalability.



### 2025 highlights

Achieved three consecutive years without a fatality as of August 2025, maintaining continued fatality-free progress	Received recognition at the Coal Safe 2025 Awards for excellence in safety, health, environmental management and community development	Strengthened health and wellness delivery through major awareness events and public health initiatives	Proactively addressed matters arising from wage negotiations, with unions engaging in a constructive and cooperative manner
Expanded digital learning platforms and rolled out group-wide individual development plans dashboard to enhance capability development	Surpassed R1 billion in approved grants and loan funding through the ESD programme since its inception in 2018	Maintained B-BBEE level 2 status, supported by preferential procurement performance of 26.35 out of 29 points	Invested R14.30 million in ECD practitioner training, assessment, the registration of the centres and child development programmes (2024: R25.02 million)

### Key challenges

Three high-potential incidents and seven LTIs recorded in 2025, resulting in an LTIFR of 0.04 against the target of 0.05	An increase in occupational disease cases from 23 to 40, with TB remaining the most prevalent condition
Delays in delivering certain SLP projects due to partner and implementing agent capacity constraints	Community expectations that exceed available resources, increasing pressure on project delivery and stakeholder relationships
Four incidents of community unrest across all BUs (2024: four)	Seven injuries incurred by employees at our operations (2024: 10)
One case of alleged discrimination or related grievances filed (2024: two)	Three cases of sexual harassment reported (2024: two)

### 2026 key actions

In 2026, we will deepen our social impact by developing health partnerships and accelerating capability development across the value chain. This includes:

- Expanding community health screenings for HIV, TB and non-communicable diseases in partnership with the SANAC Private Sector Forum
- Formalising an MoU with the Mpumalanga Department of Health to advance women’s health, HIV and TB prevention and management
- Rolling out a group-wide skills audit to identify critical roles, critical skills and proficiency levels for all employees
- Establishing career frameworks and progression pathways for every role to enable internal mobility and strengthen succession pipelines
- Implementing the talent mobility and growth strategy to build critical and future skills, and support career development
- Leveraging financial and non-financial support to augment Aga Setshaba NPC commitments and advance the MSP

# Prioritising safety

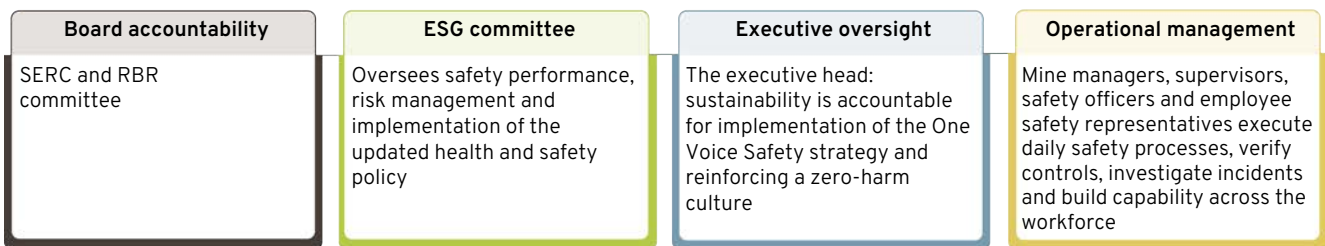
## Why this matters

Mining operations are inherently high risk and unsafe practices can lead to injuries, fatalities, production losses, regulatory penalties and reputational harm. Our employees, regulators, communities and investors expect Exxaro to maintain a safe workplace anchored in leadership accountability, behavioural discipline and continuous improvement.

Safety is a critical element of our licence to operate that protects our people, operational resilience and long-term value creation.



### Governance and oversight



### Strategy and management approach

Exxaro's safety management system translates our safety goal of zero harm across operations into practical standards and behaviours that protect employees and contractors. Guided by our One Voice Safety strategy, we integrate proactive risk management, structured processes, leadership-driven initiatives and technology to embed consistent, high-performance safety practices throughout Exxaro.

Key elements of our approach include:

- Enforcing a zero-tolerance approach to unsafe working practices through consistent adherence to our zero-tolerance rules
- Proactively identifying and mitigating risks with robust controls to prevent incidents
- Maintaining comprehensive safety systems and standards, including compliance with the MHSWA, Occupational Health and Safety Act 85 of 1993 and DMPR safety regulations
- Strengthening our safety culture through communication, training and visible felt leadership (VFL)
- Leveraging technology to enhance monitoring, reporting and hazard detection
- Collaborating with regulators, industry peers and organised labour to advance shared learning and promote continuous improvement in safety practices

The CEO safety summit in April 2025 marked the launch of the One Voice Safety strategy, designed to unify how safety is communicated and practised across the business. The strategy simplifies messaging, aligns leadership engagement and embeds consistent safety behaviours at every site.

We rolled out the strategy through BU activations, toolbox talks and safety indabas, where employees explored the strategy's pillars and behavioural expectations.

Read the [case study](#) on page 60 for details.

We also introduced zero-tolerance rules to define safe conduct and prohibit unsafe practices, alongside fatal risk protocols to manage the 10 most critical risks across operations. Together, these initiatives establish a shared safety language and strengthen collective accountability for zero harm.

## ONE VOICE STRATEGY



## Prioritising safety *continued*

### Preventing and mitigating safety incidents


Our fatal risk protocols and zero-tolerance rules address the most critical safety risks across our operations and define the mandatory standards, controls and behaviours required to prevent fatalities and high-potential incidents (HPIs).

The fatal risk protocols cover the 10 highest risks in our mining and energy operations, including ground and slope stability, transportation, machinery, electricity, fire, explosives and working at heights. The zero-tolerance rules complement these protocols by outlining the non-negotiable actions every employee must follow to ensure safe conduct in high-risk environments. We encourage our employees to exercise their right to stop work when conditions are unsafe.

Site management teams are accountable for verifying controls through high-risk task verifications, while our BU management teams investigate all incidents. An independently chaired group-level committee oversees the investigation of any fatalities or high-potential incidents to ensure impartiality and accountability.

We review our safety improvement plans and targets annually to assess the relevance and effectiveness of our safety programmes and controls. We also embed lessons from incident investigations across operations to strengthen prevention and ensure continuous improvement.

We align our safety practices with internationally recognised safety management standards. Grootegeluk, Matla and Leeuwpan maintained ISO 45001 certification, and Belfast proudly achieved ISO certification in 2025.



Cennergi's windfarms comply with the Occupational Health and Safety Act and the LSP with the Occupational Health and Safety Act and MSHA. Cennergi's head of operations reports safety incident investigation findings to the facilities' steering committees and company boards. Site managers and health and safety representatives conduct investigations following reports from contractors. LTIs and medical treatment cases are immediately reported to the group health and safety department.

### Leadership accountability and culture

We drive accountability through leadership-led engagements, transparent communication and ongoing recognition of safety excellence across BUs.

Our annual CEO safety summit focuses on critical safety, wellness and mental health issues, empowering employees and leaders to collaborate on practical solutions that strengthen operational safety. Frontline teams participate in panel discussions that address key safety challenges and promote shared ownership of performance outcomes.

Leadership safety days further reinforce leadership's commitment to zero harm by creating space for open, critical safety conversations through field engagements. These engagements help align management priorities with workforce realities and build trust through direct, on-site interaction.

We strengthen leadership capability through targeted training programmes that cover risk management, legal liability and leadership in safety. These initiatives equip leaders with the competence and confidence to guide behaviour and embed a zero-harm mindset across all operations.


### Awareness, communication and training

We promote safety awareness through ongoing dialogue and training, targeted campaigns and transparent communication across all operations. Our goal is to embed a common safety language that guides behaviour and decision making at every level.

Group-wide initiatives such as safety stand downs, toolbox talks, BU safety indabas and mass meetings help us share lessons from incidents, reinforce consistent safety messages and drive accountability. We integrate safety themes into toolbox talks and site briefings to translate learnings into practical improvements.

We build safety competence through structured training and ongoing development, ensuring that all employees and contractors are authorised and declared competent before starting work. Training covers core risk areas and includes on-the-job and induction training, line supervisor safety management, safety representative training and mini-hazard identification and risk assessment (HIRA) courses.

Safety campaigns throughout the year encourage employees to take responsibility for their own safety and that of their colleagues, promoting proactive intervention when unsafe practices are observed.



Cennergi's annual safety indabas enhance safety practices, promoting collective responsibility and continuous improvement.

### Technology and innovation

We use bespoke apps to improve safety awareness. Employees can easily identify hazards and report unsafe behaviours, conditions and potential risks using our near miss reporting app and mini-HIRA tools. Management engages with employees in the field and captures their VFLs using the app, which helps the organisation analyse leading indicators.

The integration of digital tools streamlines access to safety processes and procedures, supports consistent implementation of safety standards and fosters behavioural accountability across all BUs.

### Stakeholder collaboration

We collaborate with industry partners, regulators and organised labour to promote shared learning, strengthen compliance and drive collective action towards zero harm. These partnerships enable knowledge exchange, benchmarking and consistent safety standards across the mining industry. Key collaborations and engagements include:


Minerals Council South Africa	Participating in initiatives such as Khumbul'ekhaya, which promotes CEO-led safety leadership and industry-wide efforts to reduce fatalities
Mining Industry Occupational Safety and Health	Implementation of leading practices in key risk areas including falls of ground, transport and machinery safety
MSHA	Aligning with national safety milestones and ongoing contributions to industry safety forums
Government and regulators	Engaging with national and provincial government departments, local municipalities and regulators to support compliance, incident reporting and joint safety campaigns
Contractors and business	Collaborating to align expectations, strengthen incident prevention measures and embed shared accountability for safety performance

## 2025 performance

	Target	Exxaro			CENNERGI		
		2025	2024	2023	2025	2024	2023
Fatalities	0	0	0	0	0	0	0
HPIs		3	1	4	1	0	0
LTIs		7	10	11	1	0	0
LTIFR	0.05	0.04	0.06	0.07			

Exxaro maintained strong safety performance in 2025, achieving an LTIFR of 0.04, which was below the annual limit of 0.05 and an improvement on the 2024 rate of 0.06. We recorded seven LTIs and three HPIs (2024: 10 and one respectively). The HPIs occurred at Matla mine and were linked to trackless mobile machinery and working at heights, and at the LSP, where a heavy-duty vehicle tipped over.

Inspectors issued one section 54(1)(b) stoppage during the year (2024: zero stoppages).



Cennergi maintained a zero-fatality incident rate but recorded one LTI at LSP in 2025. An employee carrying PV panels stepped into an unmarked trench and twisted his knee. Lessons learnt from the incident include ensuring that, before executing their daily responsibilities, management, supervisors and employees are competent in conducting, understanding and applying relevant risk assessments to effectively identify and control hazards.


Tsitsikamma and Amakhala Emoyeni scored 99% during quarterly external compliance audits, and Karreebosch scored 98%. For Karreebosch, Concor and Goldwind Africa scored 97% and 99%, respectively.

## Safety achievements and industry recognition

<p><b>Group</b> 40 consecutive months fatality free as at 31 December 2025</p>	<p><b>Grootegeluk</b> 13 years fatality free</p>	<p>The Coal Safe 2025 Awards recognised the Exxaro group as a fatality-free business with more than 10 000 employees. Recognition included:</p>	
<p><b>Belfast</b> Three years fatality free</p>	<p><b>Leeuwpan</b> 35 years fatality free</p>	<p><b>Grootegeluk</b> 12 006 fatality-free production shifts</p>	<p><b>Matla</b> 12 345 fatality-free production shifts</p>
<p><b>Matla</b> Eight years fatality free</p>	<p><b>Mines in closure</b> 15 years fatality free</p>	<p><b>Belfast</b> Zero LTIs</p>	<p><b>Leeuwpan</b> 33 024 fatality-free production shifts</p>
<p><b>FerroAlloys</b> 28 years fatality free</p>	<p><b>Cennergi</b> Nine years fatality free</p>		

## Improving our safety management

<p><b>Continuous governance improvement</b></p> <p>The board approved a standalone health and safety policy in 2025 that strengthens accountability and clarifies responsibilities across all operations. The policy replaces the combined safety and sustainable development policy and reinforces that safety is a non-negotiable part of daily work. It reflects Exxaro’s commitment to achieving zero harm and embedding a culture of care and responsibility across the organisation.</p>	<p><b>Leadership safety day</b></p> <p>The annual leadership safety day, held on 24 October 2025 under the theme #NotInMyName: Khetha Ukuphepha, focused on reinforcing VFL and shared accountability. Executive committee members visited BUs to lead critical safety engagements and strengthen commitment to zero harm across all teams.</p>
<p><b>Technology upgrades</b></p> <p>We launched our upgraded VFL app in September 2025 to enhance leadership visibility and accountability. The app is now available to all D-level employees and contractor site managers, supporting real-time engagement and reporting. By providing actionable insights and helping analyse leading indicators, the app drives proactive risk management and reinforces our commitment to achieving zero harm.</p>	<p><b>Industry collaboration</b></p> <p>Exxaro established a tripartite alliance with industry peers, organised labour and regulators including the DMPR and the Minerals Council South Africa. The alliance promotes open dialogue, shared accountability and collective action to improve safety outcomes across the mining industry.</p>



**2026 key actions**

Our focus for 2026 is to deepen the socialisation of the One Voice Safety strategy across all operations and contractor networks. This includes:

- Hosting the 2026 CEO safety summit under the theme “Powering safety with One Voice”
- Reviewing and updating fatal risk protocols and implementing critical controls
- Developing and implementing a health and safety capability framework across the group

**Case study**

**Uniting employees and leadership under a shared safety culture**

**The roll-out of the One Voice Safety strategy brought Exxaro’s safety vision to life across Matla, Leeuwpan, Grootegeluk, Belfast and our mines in closure in KwaZulu-Natal.**

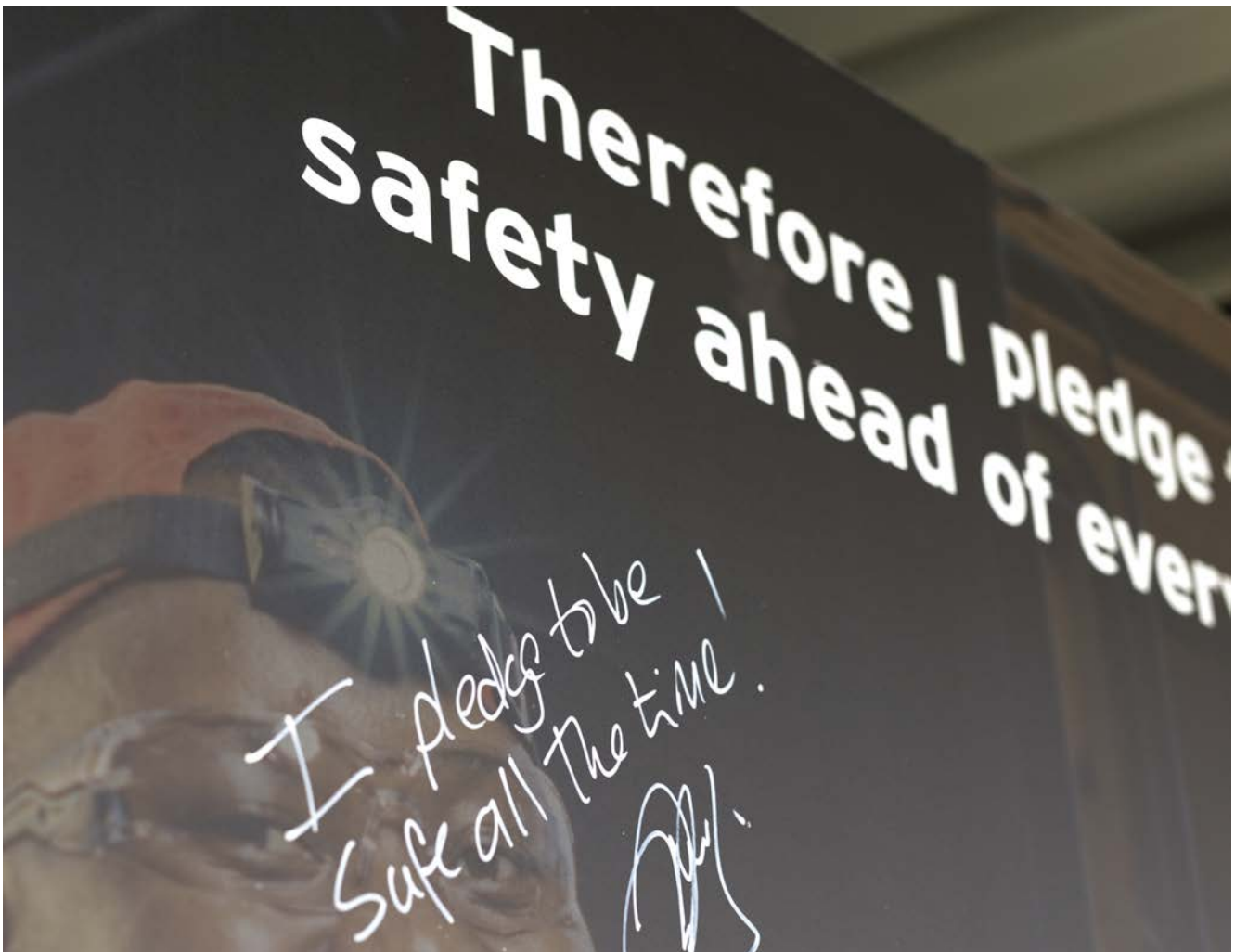
Each safety indaba created space for reflection, dialogue and shared accountability, strengthening alignment between employees, leadership, unions and stakeholders around the goal of zero harm.

The strategy’s WINAS pillars translate the One Voice priorities into practical behaviours that define how safety is lived across the organisation:

One Voice strategy	Key takeaway
Streamlined communication	<b>W</b> We talk about safety in one voice because we are One Exxaro
Incredible leadership	<b>I</b> I am a leader. Safety starts with me
Leading safe practices	<b>N</b> No HIRA, no work
Fair play	<b>A</b> A zero-tolerance approach will save my life
Learning organisation	<b>S</b> Safety training is for life

Each pillar represents a simple, memorable commitment that reinforces Exxaro’s culture of care, accountability and vigilance. The indabas demonstrated that safety is not about compliance. It is a shared value that connects every employee through consistent actions and a collective responsibility to ensure that every colleague returns home safely, every day.

**One Voice. One Exxaro. Safety Always, All the Way.**



# Promoting health and wellness

## Why this matters

Mining environments expose employees to occupational health risks such as dust, noise and fatigue, while broader social and economic pressures influence mental wellbeing. Stakeholders expect Exxaro to provide safe, healthy and supportive workplaces.

Effective health and wellness management enhances workforce productivity and resilience, advancing our strategic objective of empowering people to create impact.



### Governance and oversight



## Strategy and management approach

We follow a preventive, employee-centred approach to health and wellness. Guided by our integrated health and wellness strategy, we identify and address occupational, non-occupational and mental health risks to reduce their causes and impacts on our people and business. Our approach combines medical screening and surveillance, wellness promotion and psychosocial support, delivered through on-site health services, awareness campaigns, testing drives and targeted behavioural interventions.

Key elements of our approach include:

- Ensuring compliance with national occupational health legislation, including the MHSA and the BCEA
- Aligning wellness initiatives with national and provincial health priorities and global World Health Organization guidelines
- Reducing occupational exposures through dust suppression, noise mitigation and routine occupational health surveillance
- Providing integrated wellness programmes that support physical, mental and social wellbeing
- Delivering counselling and support services through our EWP
- Strengthening mental health awareness through targeted campaigns, training and access to on-site therapists



### Prevent

Prioritising early intervention by running awareness campaigns, on-site screening days, health testing drives and wellness initiatives. These programmes help identify risks early and encourage healthier lifestyle choices across the workforce.

### Diagnose

Strengthening medical surveillance by expanding BU-level clinical testing for chronic conditions, heart disease and cancer risk. This includes specialised diagnostics, such as DNA-based screening, for employees from middle management upward.

### Manage

Improving long-term health management by ensuring all employees with occupational and non-occupational health risks are enrolled in disease management programmes and receive ongoing monitoring, treatment guidance and follow-up care.

### Support

Enhancing employee wellbeing through psychosocial and practical support services, including counselling and trauma debriefing, on-site therapists, virtual mental health masterclasses, internal awareness campaigns and access to financial counselling.

## Promoting health and wellness continued

### Employee wellness programme

We provide access to external counselling services and targeted interventions to support employees across the group. We have also reviewed our wellness strategy to ensure that it comprehensively addresses all key areas required within the framework and effectively responds to the diverse needs of our employees.

The revised strategy takes into account emerging workplace challenges, aligns with organisational values and strengthens our commitment to supporting employees' physical, psychological and financial wellbeing.

We create awareness through LetsConnect, screensavers, LCD displays, the intranet and SMS updates that share EWP contact details. We include EWP access in induction processes and fit-for-work assessments to ensure employees understand how to seek assistance.

Mental health remains an important part of the EWP. We offer mental health masterclasses and sessions at BUs to equip our employees with self-diagnosis techniques and practical coping strategies. On-site therapists are available at all BUs.

Bayport Financial Services complements this offering with debt counselling, restructuring, financial rehabilitation and financial management training for employees facing hardship.

### Proactive wellbeing tools and services

We apply proactive measures to promote healthy lifestyles and reduce the risk of preventable illnesses. We use real-time monitoring devices during wellness campaigns to assess blood pressure, blood sugar, fatigue and stress levels, giving employees immediate insight into their health status. Dieticians provide personalised guidance based on these results, helping employees understand their risks early and make informed changes that support long-term wellbeing.

Our wellness coordinators engage regularly with BU teams to identify emerging issues and ensure interventions are timely and targeted.

### Occupational and non-occupational diseases


Monitoring occupational and non-occupational (lifestyle) diseases helps us track trends, identify emerging health risks and guide preventive action. Our surveillance covers communicable illnesses, such as occupational TB, and non-communicable conditions linked to dust, noise and lifestyle factors.

#### Communicable diseases

Occupational diseases	TB and hepatitis B contracted at work
Non-occupational diseases	Cholera, malaria, typhoid, influenza and sexually transmitted infections

#### Non-communicable diseases

Occupational diseases	Noise-induced hearing loss (NIHL), pneumoconiosis, silicosis, chronic obstructive airway disease and occupational asthma
Non-occupational diseases	Diabetes, hypertension and cardiovascular ailments



Occupational health talks addressed common health concerns and best practices for wellbeing on site. These initiatives equip contractors and employees with the knowledge and tools to proactively manage their health, contributing to a resilient and more productive workforce at Cennergis operations.

### Stakeholder collaboration

We work with a broad network of stakeholders to strengthen occupational and public health outcomes, extend screening capacity and align our practices with industry and national priorities.

Our key collaborations include:

Employees	Partnering with employees through awareness, screening and wellness initiatives that support the prevention, diagnosis and management of occupational and non-occupational health risks
Mine Health and Safety Council	Engaging across all BUs to assess progress against the new occupational health milestones announced in 2024, ensuring alignment with industry standards and continuous improvement in health and hygiene performance
Minerals Council South Africa	Sharing information, participating in occupational health forums and contributing to industry initiatives focused on noise reduction, dust management and occupational hygiene. Performance is tracked through the council's health and hygiene dashboard
National and provincial Department of Health (DoH)	Collaborating to strengthen public health programmes, including TB and HIV screening, awareness campaigns, access to chronic medication and improving continuity of care for employees

## 2025 performance

### EWP

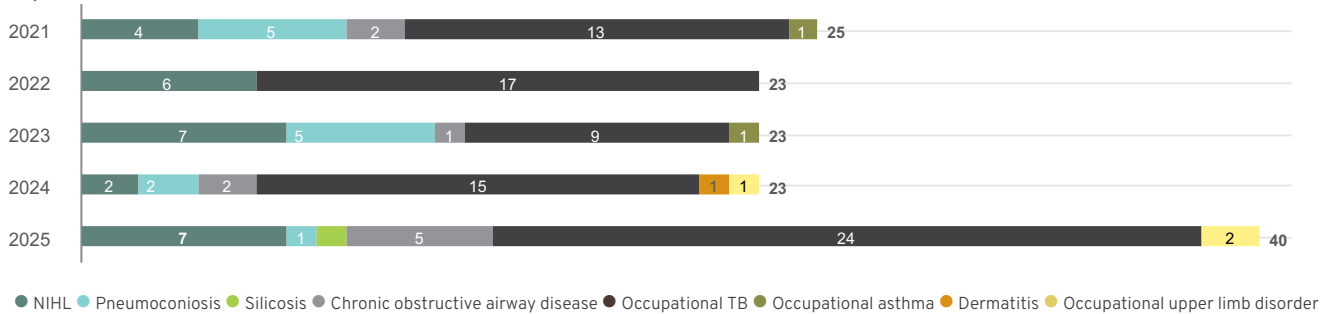
	2025	2024	2023
Utilisation rate (%)	7.5	7.8	8.9
Proactive Health Solutions benchmark (%)	6	5.3	6.4
Cases managed	3 678	3 785	6 350
Individual cases	525	541	716
Individuals in group trauma debriefing sessions	842	615	578
Individuals in group information sessions	2 311	3 781	5 056

- The majority of employees who utilised EWP services are women (30 to 39 years old) (2024: men 20 to 49 years old)
- Depression is the leading cause of mental health issues (2024: depression)
- Preferred services are on site and face-to-face (2024: on-site and face-to-face counselling)
- 159 employees have relationship-related challenges (2024: 191)

### Occupational diseases

In 2025, we recorded 40 occupational disease cases (2024: 23), resulting in an OHFR of 0.22 (2024: 0.14) against the target of 0.13.

#### Reported number of cases



### NIHL

#### Mining industry target

No employee's standard threshold shift should exceed 25dB from baseline when averaged at 2 000Hz, 3 000Hz and 4 000Hz in one or both ears.

#### Risk mitigation measures

Our hearing conservation programme helps limit NIHL through engineering controls, improved monitoring and targeted awareness.

BUs implement the following risk mitigation measures:

- Integrating modified digital noise sensors at Belfast with the SCADA system, enabling real-time noise monitoring from the control room
- Removing all machinery emitting noise levels above 107dB(A)
- Deploying new technologies to identify and communicate noise risks, including a noise camera at Belfast and a "visualise noise robot" at Grootegeluk that provides visual warnings to reinforce hearing protection
- Providing moulded and customised hearing protection for engineering and plant employees at Belfast and Grootegeluk to ensure proper fit and improved effectiveness
- Implementing continuous real-time monitoring of airborne pollutants, noise and thermal stress at Grootegeluk, which operates under high-temperature conditions

We conduct regular checks and tests to ensure hearing protection and controls remain effective, and reinforce awareness of workplace noise risks and protective measures through induction sessions across all BUs.

### Silicosis

#### Mining industry target

- No new silicosis cases among individuals not exposed to mining dust before December 2008, using current diagnostic techniques
- 95% of respirable crystalline silica measurements below 0.05mg/m<sup>3</sup>, based on individual readings rather than averages

#### Risk mitigation measures

BUs maintain exposure levels below the industry milestone and ensuring controls remain effective through routine assessments and occupational hygiene surveillance.

We have not recorded silicosis cases since 2019. Dust control remains a priority across operations, with continued improvement in dust suppression, housekeeping and real-time particulate monitoring.

### Pneumoconiosis

#### Mining industry target:

- No new cases of pneumoconiosis among individuals not exposed to mining dust before December 2008, based on current diagnostic techniques
- 95% of exposure measurements for coal workers' pneumoconiosis below 1.5mg/m<sup>3</sup> (<5% crystalline silica), using individual readings rather than averages

#### Risk mitigation measures

Exxaro maintains a low incidence of pneumoconiosis due to targeted interventions when over-exposures are identified. BUs implement corrective measures that include:

- Reviewing ventilation systems and dust suppression controls
- Strengthening maintenance on equipment that influences dust levels, including air-conditioner functionality and door seals
- Applying leading practices, such as conveyor belt dust fogger systems and real-time underground dust monitoring

These actions support alignment with the MHSC milestones and maintain performance below industry thresholds.

## Promoting health and wellness continued

### Non-occupational diseases

We identified 30 new diabetes cases (2024: 39) and 148 hypertensive employees and contractors (2024: 122).

### HIV/Aids and TB

#### Mining industry target:

- Employees and contractors should receive annual HIV/Aids counselling and testing with eligible employees linked to an antiretroviral treatment programme (as per the National Strategic Plan)
- At or below the national TB incidence rate

We report against the industry TB and HIV targets on the Minerals Council's Masoyise dashboard.

HIV/Aids awareness (employees and contractors)	2025	2024	2023
Attended counselling sessions	13 257	14 143	18 419
Total tested (voluntary)	13 008	13 459	12 597
% tested	98	94.33	68.39
Employees tested positive	82	189	236
Enrolled as at December 2025 (cumulative)	1 576	1 548	2 123
Received antiretroviral treatment	1 576	1 548	4 815

We integrate HIV/Aids awareness into our medical inductions, with dedicated campaigns encouraging voluntary counselling and testing. Healthcare centres provide employees with medication that supports early treatment and better health outcomes.



Our focus for 2026 is to expand health screening in host communities, strengthen mental health support and formalise key public-health partnerships. This includes:

- Expanding community screenings for HIV, TB and non-communicable diseases in host communities through the SANAC Private Sector Forum
- Further extending psychologist and counsellor hours at high-demand sites to improve access to mental health support
- Finalising an MoU with the KwaZulu-Natal DoH to enhance joint efforts in HIV, TB and women's health initiatives and inclusive access to care

## Improving our health and wellness management

### Roll-out of the updated wellness programme

In 2025, all BUs formally adopted Exxaro's updated wellness programme, which was integrated into daily operations to strengthen health, wellbeing and productivity. BU engagements with wellness coordinators informed the roll-out, ensuring that the programme reflects site-specific needs and supports consistent group-wide implementation.

We also advanced our health agenda under the prevent, diagnose and manage framework through key wellness initiatives, including TB and flu campaigns, mental health and cancer masterclasses, cancer screenings, World Aids Day activities, wellness and sports events, the peer educator and fatigue management programmes, and mobile community health outreach.

### Strengthening mental health and on-site support

Demand for psychological support increased during the year, prompting several BUs, including Grootegeluk, to extend the operating hours of on-site therapists. The additional capacity improved access to counselling, boosted participation and strengthened referral pathways for employees requiring continued care.

### Advancing data-driven health monitoring

All BUs use continuous real-time health and hygiene monitoring systems integrated with the SCADA platform, enabling more accurate tracking of occupational health risks and data-driven decision making. Belfast began the first phase of wearable health device distribution, with a dietician providing personalised guidance based on real-time health indicators.

### Community health screenings

We strengthened our proactive health management approach by supporting our host communities through targeted partnerships and outreach initiatives. Working with the SANAC Private Sector Forum, we continued our community health screening programme in Limpopo and Mpumalanga. The co-funded initiative reached 11 136 community members in 2025 and is set to expand to mine closure communities in 2026.

Under our MoU with the Limpopo and Mpumalanga DoH, we also advanced several public health initiatives. These included medical circumcision campaigns, donations of HIV-related materials, rural health outreach efforts, community mammogram services and awareness campaigns on GBV, breast cancer and mental health. Additional activities included oral health campaigns, participation in the Waterberg executive mayor's integrated health screening initiative and ongoing "taking service to the community" programmes.

### Case study

## Wellness events and awareness programmes

Rising lifestyle health risks and the need for stronger mental health support highlighted the importance of preventive healthcare across our operations. Throughout the year, we organised wellness events and awareness programmes to promote early detection, build health literacy and strengthen employee and community wellbeing. We combined education, targeted screenings and accessible support services to reinforce our commitment to creating a healthier and more resilient workforce.

#### Exxaro Race for Health

More than 7 000 runners participated, promoting physical fitness and strengthening community involvement.

#### Cancer awareness campaigns

All BUs ran October campaigns aligned with the wellness calendar, reinforcing early detection and proactive health management.

#### Health awareness masterclasses

Sessions focused on mental health and cancer, encouraging informed decision making and a culture of openness.

#### Financial wellness outreach

Social media campaigns expanded access to financial literacy tools for employees and community members.

#### Preventive health interventions

In partnership with the DoH, 1 009 male medical circumcisions were facilitated as part of broader public health efforts.

#### Wellness days across operations

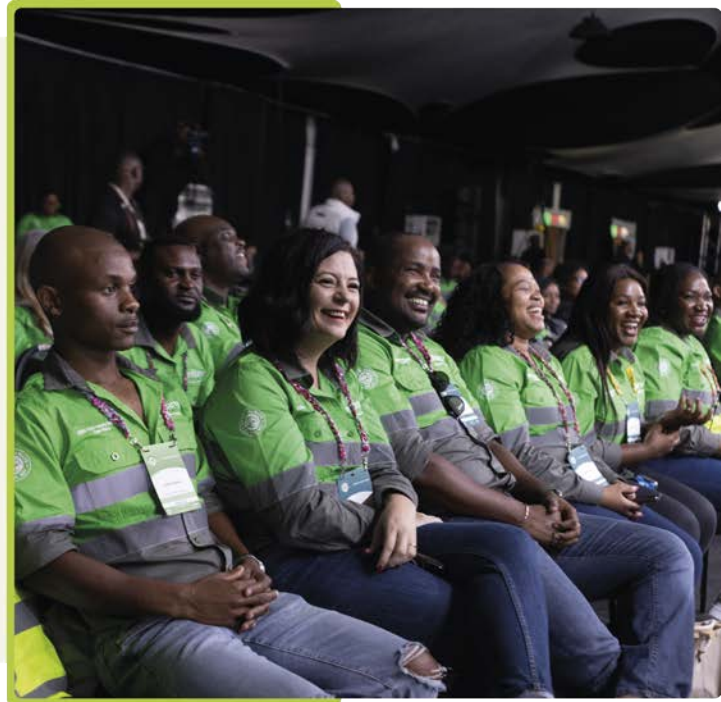
Screening for lifestyle diseases, with guidance on nutrition, physical activity and early risk identification.

# Engaging our employees

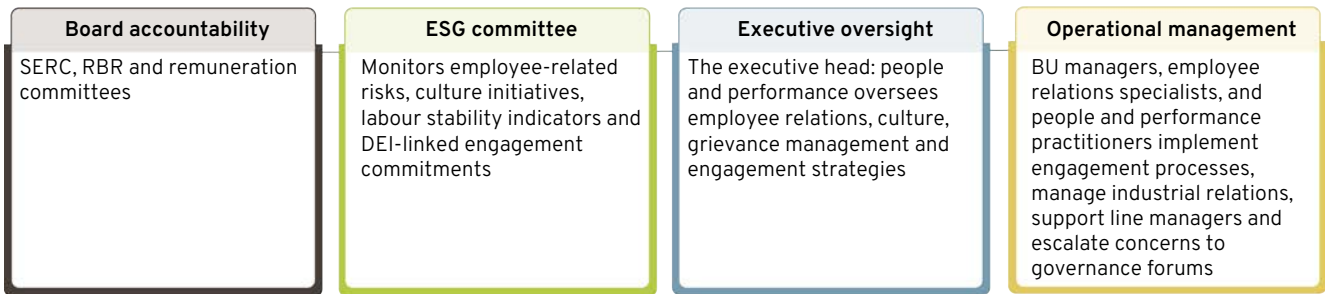
## Why this matters

Employee engagement at Exxaro extends beyond formal communication and survey mechanisms. Meaningful employee engagement strengthens trust, promotes collaboration and supports a workplace culture where employees feel respected and able to contribute to organisational performance. Our employees and contractors expect transparent communication, constructive relationships and fair processes that protect wellbeing and dignity.

Effective engagement supports Exxaro’s strategic objectives by improving productivity, strengthening organisational culture and promoting a safe, inclusive and high-performance environment.



### Governance and oversight




### Strategy and management approach

We promote an engaged, values-driven workforce through an approach that supports open communication, constructive labour relations and a consistent employee experience across our operations. Our management systems emphasise fairness, dignity, inclusion and respect, guided by our values and regulatory obligations. Exxaro’s people strategy, supported by our performance achievement system, strengthens organisational culture and enables effective delivery of our targets.

Key elements of our approach include:

- Maintaining open communication through established engagement forums and organisational dialogues
- Applying clear procedures to identify, address and resolve employee concerns
- Embedding values-led behaviour through leadership role-modelling and cultural programmes
- Actively promoting DEI to advance meaningful transformation across the business
- Strengthening workplace culture through training, awareness and coaching
- Ensuring fair labour practices in line with South African legislation, including the Labour Relations Act, the EEA, the BCEA and the MHSA, as well as B-BBEE requirements
- Using employee insights to improve organisational processes and support change journeys

 Cennergi’s human resources framework aligns with Exxaro’s policies and procedures, ensuring consistent practices across the group. Where specific guidelines are absent, Exxaro’s established policies and procedures serve as the benchmark.



**1 A culture for a diversified tomorrow** Cultivating a culture of inclusion and innovation for a diversified Exxaro with new traditions and unprecedented success

**2 Wellness and safety first** Nurturing a workplace where our employee experience aligns with our intent of empowering employees, enhancing wellness, ensuring zero harm and powering better lives

**3 Unearthing potential, empowering excellence** Prospecting potential, energising and investing in our people to deliver sustained Exxaro excellence

**4 Continuous access to top talent** Igniting our future by attracting, retaining and empowering top talent in shaping tomorrow’s mining and energy legacy

**5 Foundational enabler** Enabling operational excellence through optimised, fit-for-purpose policies and processes

## Engaging our employees *continued*

### Embedding culture and leadership as ESG enablers

Exxaro recognises that the successful execution of our ESG commitments depends not only on governance, systems and controls, but also on leadership behaviour, organisational culture and employee ownership.

We improved our approach to culture and leadership enablement this year to support ESG delivery by focusing on psychological safety, inclusive leadership, ethical decision making and employee voice. These efforts aim to ensure that ESG is experienced consistently across all operations as “how we work”, rather than as a standalone compliance requirement.

Through leadership-led dialogue platforms, inclusion forums and culture activation initiatives, Exxaro creates structured opportunities for employees to engage with ESG priorities, contribute ideas and participate in shaping a values-driven, human-centred organisation aligned to the Sustainable Growth and Impact strategy.

### Driving a values-led culture

Our organisational culture is central to how we work and deliver value. Our culture themes translate Exxaro’s purpose and values into everyday behaviour, strengthening collaboration, ethical conduct and shared accountability across our operations. They support consistent employee behaviour and guide how we engage with internal and external stakeholders.

<b>Responsible</b>	Acting ethically and treating others with dignity to foster a safe, healthy workplace
<b>Ownership</b>	Contributing to performance and innovation by working together
<b>Diverse</b>	Harnessing individual strengths to achieve exceptional outcomes
<b>Open and connected</b>	Achieving excellence through collaboration and shared accountability
<b>Adaptable</b>	Responding to change with agility and a willingness to learn

Exxaro conducts regular culture and engagement surveys as a structured listening mechanism to understand employee experience, track organisational health and inform leadership action. We conduct full culture and engagement surveys on a cyclical basis, supplemented by targeted pulse surveys during periods of transition or focused change.


Insights gathered through these survey processes inform targeted leadership interventions, organisational improvements and culture enablement initiatives across the group. This year, we developed a roadmap that outlines a multi-phase journey to embed a unifying culture that supports high performance, leadership excellence and long-term organisational sustainability.

The purpose of this journey will be to:

- Co-create a shared cultural foundation across the executive committee and BUs
- Socialise and model the culture so it becomes part of everyday behaviours
- Embed the culture into leadership practices and people processes
- Sustain and evolve the culture through rituals, measurement and storytelling

The aspirational culture journey positions Exxaro to:

- Strengthen leadership accountability and behavioural consistency
- Build a unified organisational identity across BUs and functions
- Improve trust, engagement and collaboration
- Enhance alignment between culture, strategy and performance

 Read more on [page 69](#).

### Building a diverse and inclusive workplace

We are committed to creating a workplace where everyone is treated with dignity and has fair access to opportunities. Our DEI strategy, aligned with Exxaro’s values and the UNGC principles, guides our efforts to remove systemic barriers, build diverse representation and foster an environment where differences are respected. This strategy also shapes our employee relations framework and disability policy to ensure equal access to recruitment, training and development. Regularly reviewing the strategy for relevance and effectiveness is an important part of our ongoing improvement efforts.

Central to this approach is our anti-racism charter. Grounded in the principles of our code of conduct, the charter affirms zero tolerance for racist behaviour and reinforces awareness, solidarity and respect across our operations and host communities.

Our DEI approach includes:

- Inclusive recruitment and hiring processes that support a diverse talent pool
- Mentoring and leadership initiatives that support employees from marginalised backgrounds
- Employee resource groups that promote connection and shared learning
- Fair and transparent grievance processes
- Regular audits to identify and address inequities
- Training programmes that challenge bias and discriminatory behaviour
- Partnerships with labour unions, government bodies and institutions to support transformation
- Access to employee assistance programmes that provide counselling for mental health, trauma and harassment

### Our DEI framework

#### Strategic priorities

- Gender equity
- LGBTQIA+ equity
- Racial equity
- Disability competence
- An inclusive workplace culture
- Promoting inclusivity in external interactions


#### Guiding principles

- Promoting an environment of respect for all
- Building trust as a foundation for collaboration
- Establish processes free from prejudice
- Zero tolerance for discrimination and harassment
- Promotion of DEI throughout the organisation

#### The strategy enables us to:

- Create an environment built on trust and respect
- Recognise DEI as a business enabler
- Foster a workplace where employees thrive
- Implement policies and procedures aligned with South African legislation

Our employee assistance programme complements these efforts by providing confidential support for mental health, GBV and stigmatisation.



Cennergi’s employment equity committee oversees the implementation of the employment equity plan while guiding and monitoring transformation and skills development. The committee reviews recruitment processes, addresses deviations in equity performance and ensures the availability of technical skills to meet transformation goals. The government’s independent power producer office monitors Cennergi’s equity-category employment under the Renewable Energy Independent Power Producer Procurement Programme, including opportunities secured for South African citizens and local communities.

### Employee relations

We promote constructive and respectful employee relations by aligning our policies and procedures with best labour practices and South African legislation. Our approach emphasises fairness, integrity and due respect when managing individual and collective employee concerns.

Established engagement structures facilitate regular communication across our operations, ensuring employees are informed about organisational priorities such as health, wellness, safety, operational changes and financial performance. These channels provide valuable insights that guide process improvements, strengthen workplace climate and support organisational change.

To build capability and ensure consistent application of employee relations practices, we provide targeted training and workshops for employee relations managers and line managers. This supports early resolution of concerns, reinforces shared accountability and promotes a healthy and collaborative workplace.

We also conduct culture and engagement surveys every second year at our corporate centre and BUs to track progress against our DEI strategy, leadership effectiveness and the integration of key culture themes.

Annual participation in the [Top Employers Institute survey](#) (page 69) further demonstrates our commitment to benchmarking people practices against global standards and identifying opportunities for improvement.

### Trade union engagement

Relationships with organised labour are based on trust, productive engagement and clear communication. We maintain strong working relationships with trade unions through formal structures and ongoing dialogue. As part of our capacity building efforts, we engage unions on organisational priorities, support their training needs and equip shop stewards to participate effectively in wage negotiations and organisational processes.

### Monitoring, measuring and reporting

We monitor employee-related performance through established systems that track compliance, representation and people development outcomes across the group. Our monitoring processes ensure alignment with South African labour legislation, the Mining Charter and internal transformation objectives.

Key indicators include:

- Black ownership at group level
- Representation of people with disabilities
- People development spend as a percentage of payroll
- HDP representation across top, senior, middle and junior management levels
- Women representation across management bands

We review these indicators regularly to identify progress, address gaps and inform targeted interventions. Findings support compliance reporting and enable continuous improvement in line with Exxaro’s people strategy and transformation commitments.

## 2025 performance

### Our workforce

	2025		2024		2023	
	Number	% of total workforce	Number	% of total workforce	Number	% of total workforce
<b>Exxaro</b>						
Permanent employees	6 742	32	6 966	31	6 797	33
Contractors	14 555	68	15 300	69	13 868	67.0
<b>Total employees</b>	<b>21 297</b>	<b>100</b>	<b>22 266</b>		<b>20 665</b>	
<b>Cennergi</b>						
Permanent employees	45	3.6	31	6	35	20
Contractors	1 216	96.4	520	94	143	80
<b>Total employees</b>	<b>1 261</b>	<b>100</b>	<b>551</b>		<b>178</b>	

Wind turbines are operated and maintained under contract by Nordex at Amakhala Emoyeni and by Vestas South Africa at Tsitsikamma. Cennergi and these contractors use sub-contractors for maintenance work, employing 56 people at Amakhala Emoyeni (2024: 55) and 45 at Tsitsikamma (2024: 37).

The 68MW LSP was constructed under contract by Elsewedy and Edison, employing 677 people throughout the year. The 140MW Karreebosch windfarm is also under construction, with the main contractors being Goldwind and Concor, with 438 employees on site at year end.

Workforce numbers remained consistent year on year, reflecting stable operational activity and continued investment in developing internal talent. Our permanent workforce, contractor base and Cennergi teams together provide the capacity and specialised skills needed to sustain production and support long-term organisational performance.

## Engaging our employees continued

### Improving our employee relations management

#### Leadership capability

In 2025, we strengthened leadership capability to foster an inclusive, respectful and psychologically safe workplace.

New programmes introduced during the year include:

- **Crucial conversations for mastering dialogue**, which equips leaders and employees with skills to navigate difficult discussions, resolve disagreements and transform conflict into collaboration
- **Team effectiveness diagnostic tools** that enhance self-awareness, deepen empathy and help leaders understand the diverse motivations and perspectives within their teams

These interventions support purposeful engagement and improve interpersonal capability.

#### DEI e-learning programme

Our DEI e-learning programme, launched in 2025, provides accessible and practical learning content to help employees build inclusive behaviours.

The programme includes:

- Courses on harassment and bullying
- Content on diversity of thought, generational differences and respectful communication
- Practical strategies to create and sustain an inclusive work environment
- Tools that strengthen allyship, empathy and interpersonal understanding

The modules are available to all employees and can be completed at their own pace.

### Advancing equity and transformation

#### Employment equity

Our employment equity and skills development measures support Exxaro's transformation objectives and contribute to South Africa's broader goal of building a non-racial and inclusive economy. Each BU and employer monitors progress against its approved employment equity plan, supported by targeted people development initiatives and affirmative action measures.

We have met our employment equity targets for the past seven years in line with Mining Charter III requirements.

Steady progress continues across all management levels, and we achieved most of our set targets. The updated five-year employment equity plans, aligned with our DEI strategy, position us to strengthen compliance and deepen transformation across the organisation.

#### B-BBEE

Exxaro was certified as a level 2 B-BBEE contributor (2024: level 2), maintaining our position as one of South Africa's leading black-empowered mining and energy companies. Work to maintain our B-BBEE performance is ongoing, including enhanced learning and development marketing aimed at underrepresented groups and the continued absorption of learners into permanent roles.

Employment equity Management category	Black male employees		All female employees		HDP <sup>1</sup>		Mining Charter III targets (%)	
	Number	%	Number	%	Number	%	HDP	Women
Top management	–	–	1	25	1	25	50	20
Senior management	36	41	33	37.9	69	79.3	60	25
Middle management	300	39.8	360	47.8	660	87.6	60	25
Junior management	1 204	49.3	887	36.3	2 091	85.6	70	30

<sup>1</sup> Includes white female employees.



Cennergi's employment equity plan complies with legislation and the Department of Employment and Labour Codes of Good Practice. Independent power producers must submit proof of meeting job creation obligations quarterly to the Department of Electricity and Energy, with underperformance potentially leading to contract termination. This process ensures bidders are genuinely committed to enterprise development objectives.

Cennergi's employment equity plan was updated in 2024. Equity categories, with contractual commitments, encompass employment secured for South African citizens and local communities. Hiring commitments are:

- Amakhala Emoyeni: 97% South African citizens (77% black and 64% from local communities)
- Tsitsikamma community windfarm: 80% South African citizens (50% black and 20% from local communities)
- LSP: 80% South African citizens (60% black and 40% from local communities)
- Karreebosch: 65% South African citizens (27% black and 8% from local communities) during construction

Cennergi consistently meets job creation targets and did not incur contract termination points or penalties from the Department of Electricity and Energy in 2025.

#### People with disabilities

People with disabilities represent 1.7% of our workforce (2024: 1.7%) and this is expected to increase to 3% by 2030. In 2025, we socialised our updated people with disabilities policy and began reviewing additional policies to strengthen support for people with disabilities across the business. As part of this process, we established forums to promote inclusion and regularly monitored action plans to identify gaps and guide future initiatives. The outcomes of our environmental accessibility assessment informed these efforts.

A dedicated workstream within our DEI strategy continues to drive initiatives that build an accessible and disability-confident workplace. In 2025, we focused on raising disability awareness and strengthening leaders' ability to recognise and manage their own and their teams' unconscious bias.

#### 2025 highlights

Recruiting 73 young graduates into our internship programme, with 42 full-time bursars	Rolling out our leaders toolkit for people with disabilities
Enhancing workplace accessibility	Finalising a fair and equitable process for the provision of reasonable accommodation
Assisting employees and their families to claim available tax benefits	Conducting a disabilities awareness campaign, highlighting 30 bursars living with disability and 11 interns living with disability

### Building an engaged, inclusive and values-driven culture

In 2025, Exxaro placed increased emphasis on enabling authentic dialogue, trust and inclusion through facilitated conversations, leadership storytelling and employee-led forums. This included the launch of our employee value proposition to promote talent acquisition and retention.

#### Case study

### Creating safe spaces for inclusion and wellbeing

In 2025, Exxaro introduced the Ibandla Men’s Forum as part of our DEI and belonging agenda. The forum creates a structured, psychologically safe space for men across the organisation to engage in open conversations on mental health, identity, relationships, ethical leadership and wellbeing.

The initiative acknowledges that men often face unique social and emotional pressures that influence their wellbeing, behaviour and relationships at work. By addressing these challenges openly, Ibandla supports healthier individuals, stronger teams and a more inclusive organisational culture.

The forum is fully endorsed by Exxaro’s leadership and aligns with the group’s values of empowered contribution, teamwork, excellence and responsible behaviour. Since its launch, Ibandla has hosted facilitated sessions across operations, receiving strong participation and positive feedback.

The initiative has also drawn interest from peer organisations seeking guidance, reinforcing Exxaro’s position as a leader in inclusive culture practices within the mining sector.



### Top Employers Institute survey

We have continued to improve our performance year on year and were once again recognised as a Top Employer in 2025. We surpassed the certification threshold by 24.4% (2024: 18.39%) and achieved an overall score of 89.40%, up from 83.39% in the previous year – a 6.01% improvement from our last participation.

This certification reflects our performance across several themes:

<b>Business strategy</b> 100% (2024: 100%)	<b>Learning</b> 100% (2024: 86.67%)	<b>People strategy</b> 100% (2024: 96.67%)
<b>Purpose and values</b> 100% (2024: 71.43%)	<b>Creating a positive work environment</b> 100% (2024: 92.38%)	<b>Ethics and integrity</b> 100% (2024: 84.62%)

### Culture and engagement surveys

In 2025, during a period of organisational transition, Exxaro introduced a targeted culture pulse survey to assess employee sentiment and test progress against themes identified in our 2023 culture survey, which serves as the baseline for employee sentiment and cultural integration across the group. The pulse survey achieved a participation rate of 24% and feedback from employees indicated that:

- Employee pride remains a strong foundation of the culture
- Communication gaps are creating uncertainty
- Psychological safety needs strengthening
- Listening must be more intentional and action-oriented

The results did not yet reflect the desired improvement across all focus areas identified in the 2023 survey and highlighted priority areas requiring focused leadership attention.



In response, we undertook a structured process to develop action plans across all BUs and conceptualised a [culture reset roadmap](#) (page 66).

Structured leadership action plans were implemented in 2025, with clear ownership, timeframes and accountability mechanisms to address the issues raised. These plans support our broader objective of strengthening leadership effectiveness, psychological safety and employee experience as ESG enablers.

To support transparent tracking of progress, a follow-up pulse survey will be conducted in February 2026. A full culture and engagement survey is planned for the third quarter of 2026 to assess progress since the 2023 baseline and enable deeper analysis of long-term cultural trends.

By the end of 2026, Exxaro aims to embed a culture reinforced through systems, role-modelled by leaders and sustained through rituals and measurement, setting the stage for a refreshed roadmap for 2027 to 2028.

### Employee value proposition

Exxaro introduced our employee value proposition this year to support our talent attraction and retention efforts. The employee value proposition covers six pillars that reflect the Exxaro possibility promise:

<b>1. A purpose-driven culture</b> with leaders who nurture the contribution of their people	<b>2. An inclusive workplace</b> where all employees belong
<b>3. A company that cares about the environment</b> through our sustainability efforts	<b>4. A career destination</b> that invests in the development of Exxaro’s employees
<b>5. A caring culture</b> that supports holistic wellbeing	<b>6. Flexible and competitive</b> remuneration and benefits

We also introduced structured focus groups across the business to reflect employee experiences and identify potential areas of improvement.

## Engaging our employees continued

### Trade union representation

In 2025, 5 221 employees were represented by affiliated trade unions recognised by Exxaro (2024: 5 483).

Long-term wage agreements concluded in December 2024 continued to be implemented during the year, supporting labour stability across all operations. Ongoing collaboration with organised labour remains central to maintaining constructive relationships and ensuring consistent application of the agreed provisions.

	Number of employees	
	2025	2024
AMCU	643	692
FAWU	19	25
NUM	4 358	4 419
Solidarity	201	247
<b>Total</b>	<b>5 221</b>	<b>5 483</b>

### Workplace harassment

Our workplace harassment policy outlines Exxaro's zero-tolerance approach to sexual and racial harassment and is aligned with national codes of good practice on preventing and eliminating workplace harassment. The policy ensures that unacceptable behaviours are addressed promptly and do not undermine inclusion or employee wellbeing.

In 2025, three cases of harassment were reported (2024: two). We investigated and finalised all cases and took appropriate disciplinary action, including the dismissal of perpetrators.

### Eliminating discrimination and resolving grievances

We are committed to an inclusive workplace grounded in equal opportunity, dignity and respect. Training and support for managers and supervisors help ensure consistent and fair management of grievances.

In 2025, one case of alleged discrimination or grievances was filed (2024: two).



We discuss our approach to child and forced labour, working hours, minimum wage and labour standards under [embedding human rights in our business](#) (page 95).

## Strengthening workforce wellbeing and sustainability

### Share ownership

GreenShare, our employee share ownership plan (ESOP), provides dividend-based benefits to employees who do not participate in a management share scheme. Eligible employees receive a cash payment equivalent to the dividends on 560 Exxaro shares, minus dividend tax, without capital appreciation rights.

In 2025, each GreenShare beneficiary received R7 656.32 (2024: R10 653.44).

	Number of active beneficiaries	Number of units	Payment before tax R	Payment after tax R
June 2025	6 433	3 602 480	31 197 476	24 957 981
November 2025	6 237	3 492 720	29 443 629	23 554 903

### Housing

Our housing strategy supports long-term sustainability and compliance with Mining Charter III, including the transition away from hostel accommodation after 2025. The strategy promotes home ownership and provides housing or living-out allowances for bargaining unit employees.

In 2025, 2 329 permanent employees received a housing allowance to assist them with mortgage repayments (2024: 2 351). Capital assistance of R125 000 was paid to 103 employees (2024: 116) to improve their affordability and support home ownership.

Converted hostels remain underutilised, with 18 employees living in these units in 2025 (2024: 33). Lower occupancy may reflect increased uptake of home ownership or alternative accommodation supported through the living-out allowance.

We paid a living-out allowance to 3 580 employees (2024: 3 546). This allowance is paid to the bargaining unit employees who are residing in rental accommodation.

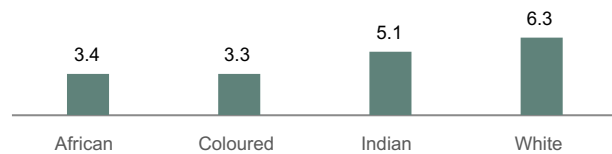
### Employee turnover

The turnover rate for 2025 was 3.7%, reflecting abscondment, death, incapacity, dismissal, resignation and retirement (2024: 3.6%).



Refer to the [databook](#) for more detail.

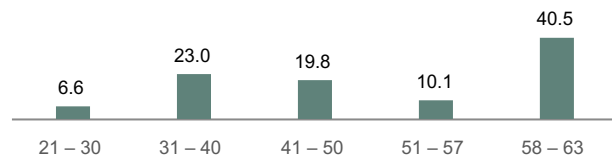
#### Turnover by ethnicity (%)



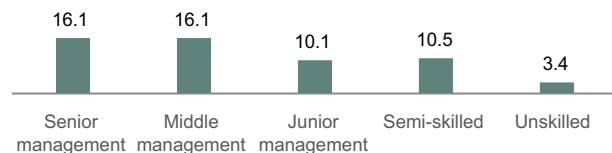
#### Turnover by gender (%)



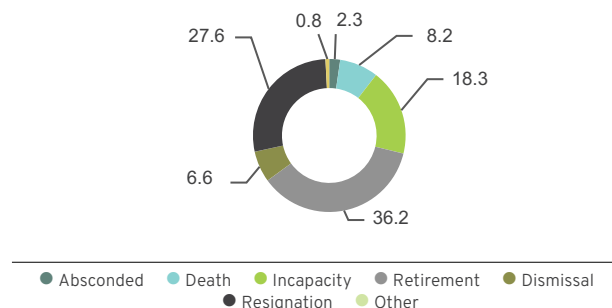
#### Turnover by age group (%)



#### Turnover by category (%)



#### Reasons for termination (%)



## 2026 key actions

- In 2026, our focus includes:
- Progressing on our culture journey
  - Identifying and managing scarce and critical skills
  - Employee wellbeing
  - Building on stakeholder relationships as we proceed into wage negotiations for 2027

# Developing future-ready talent

## Why this matters

The minerals and energy sectors face persistent skills shortages and rapidly changing capability requirements, making effective talent management essential to securing the skills we need for operational excellence and future growth. Our employees expect clear career pathways, equitable access to development and support in building professional capabilities.

Investing in talent and leadership capacity strengthens our resilience and ensures we remain competitive and well positioned to deliver on our Sustainable Growth and Impact strategy.



### Governance and oversight

#### Board accountability

SERC, RBR and investment committees

#### ESG committee

Oversees talent management priorities, monitors performance against strategic objectives and ensures alignment with DEI and social impact commitments

#### Executive oversight

The executive head: people and performance sets the strategic direction for talent management, workforce capability, leadership development, DEI integration and organisational culture. This is supported by our newly established talent review committee

#### Operational management


Line managers, BU management teams and the people and performance department implement talent management processes, support career development, manage recruitment and mobility workflows and coordinate learning and development programmes

## Strategy and management approach

Our talent strategy supports a capable, engaged and representative workforce that can adapt to evolving business needs. We focus on strengthening our talent pipelines, developing future capabilities and ensuring that employees have fair access to opportunities for growth and advancement. Our approach integrates workforce planning, employee experience and transformation to support long-term performance.

Key elements of our approach include:

- Attracting and retaining critical and scarce skills
- Improving recruitment processes and internal mobility
- Developing technical, digital and behavioural capabilities
- Implementing structured workforce and succession planning processes
- Advancing employment equity and DEI priorities
- Ensuring compliance with statutory workplace skills planning and Mining Charter requirements
- Monitoring talent performance through annual KPIs, dashboards and regular review processes



CENNERGI prioritises internal recruitment of high-potential employees to retain talent and grow management expertise. Employees receive STIs based on individual and company performance. Line managers conduct performance appraisals twice a year to determine training and development needs.



**1 Unearthing potential, empowering xxcellence** Recognising and developing unique talents, skills and competencies that Exxaro employees possess to break down barriers and limitations. Allowing employees to reach their full potential and achieve individual and business goals.

**2 Continuous access to top talent** Fuelling our future by attracting, retaining and empowering top talent to thrive and succeed in today's competitive business landscape and grow more effectively, achieving Exxaro's goals in the process.

**3 Enabling leaders** Enabling values-based leadership to create an environment based on opportunities that allows individuals to grow, develop and thrive in their careers, enhancing their overall performance and driving innovative thinking, positive behaviour and productivity.

## Developing future-ready talent continued

### Foundational enablers

- Operational excellence and insights enabled by optimised, fit-for-purpose policies and processes
- Digging deep to skill up by building scarce and critical skills
- People analytics and insights to enable data-led decision making
- Fair labour practices, robust employee relations and labour and community stability

### Talent attraction and retention

Achieving our current and future business objectives depends on recruiting and retaining the best talent. We attract and retain individuals who are capable, values-driven and aligned with our purpose. This requires a strong employer brand and culture, coupled with competitive remuneration and access to development opportunities. This is further reinforced by maintaining a compelling employee value proposition to support our talent attraction and retention efforts.

### Attracting talent

We use a combination of digital and partnership-driven channels to broaden access to skilled candidates across priority talent segments. This includes:

- Advertising opportunities across online platforms and targeted digital sourcing channels
- Engaging with universities through career fairs and collaboration with disability units at accredited institutions
- Using our applicant tracking system to support transparent role advertising, application tracking and real-time visibility of recruitment activity across BUs

### Employee agility

We prioritise internal mobility to support growth, retain institutional knowledge and foster development. Employees may apply for opportunities without requiring line-manager approval, supporting a culture of empowerment and greater access to career pathways.

We regularly refine our internal processes to support an agile employee experience. Policy improvements have clarified progression pathways, strengthened alignment with SLP commitments and streamlined performance and succession processes.

### Learning and development

We spend above the required threshold for training and development under the Skills Development Levies Act. Our learning and development approach focuses on building the skills required to meet emerging operational demands, technology shifts and new capability requirements linked to Exxaro's business transition. Training programmes are refreshed through collaboration between our people and performance and digital value chain teams, who monitor technological developments to keep learning content current.

Employees have access to a wide range of learning modalities, including classroom-based programmes, e-learning, simulators, virtual reality, webinars and masterclasses. Accredited short courses and formal studies build competencies in areas such as automation, neuroscience, data analytics, change management and digital business strategy.

### Digital learning

Technology broadens access to learning and supports development. Digital platforms, which are accessed through Exxaro's MyNexxt platform, enable employees to engage with learning content at their own pace and pursue career growth opportunities. Our capability system tool, called ulwaXXi, is a vital step in our digital transformation and automation journey.



Read the [performance](#) section (page 73) for details.

### Adult education and training

Adult education and training equips employees with the skills needed to achieve National Qualification Framework level 1 (equivalent to grade 9). This supports functional literacy, safety communication and access to further training and career progression.

We also offer portable skills programmes in welding, plumbing and civils to address broader entry-level development needs and build foundational competencies that support progression into higher-level roles.

### Leadership and succession management

A strong leadership pipeline is critical to maintaining a diverse and future-fit workforce. Our programmes develop leadership behaviours, technical competencies and professional readiness, preparing employees to step into future roles that respond to a changing metals and energy environment.

#### Leadership and future-focused capabilities

Our leadership development pathways equip employees for new technologies, evolving operating models and emerging leadership demands. This includes structured leadership programmes, accredited management studies and targeted initiatives that support progression into critical and scarce-skills roles.

These programmes are complemented by accredited short courses, formal studies and occupational qualifications that support readiness for opportunities linked to renewable energy, digitalisation and the broader transition in our sector. Our leadership programmes are delivered in partnership with accredited business schools.

#### Technical and professional skills pipeline

We are building a strong pipeline of critical skills, with a focus on sector-wide shortages in science, technology, engineering and mathematics fields. We identify and support full-time students in priority disciplines, including engineering, data science, information technology, geology and business support services, with a deliberate emphasis on candidates from our host communities.

#### Professional in training (PIT) programme

Our three-year PIT programme serves as a core pipeline for technical and leadership talent. The programme blends academic learning with structured workplace exposure, supported by mentors and technical coaches who guide participants through rotations across operational and functional areas. Leadership development prepares graduates for future roles and professional registration. New learners are enrolled with the Mining Qualifications Authority (MQA) and for leadership capability development, they form part of Exxaro leadership development programmes which are accredited with the Institute of Higher Learning and Development.

### DEI

We advance our DEI strategy by creating development and employment opportunities for marginalised groups, including women, people with disabilities and students from our host communities. These efforts strengthen future talent supply and support long-term employment equity objectives.

### Employment equity and representation

We prioritise the development and progression of employment equity candidates, with a focus on black people, women and people living with disabilities. Vacancies at all levels are considered through this lens and succession planning structures prepare black employees and women for advancement into critical and leadership roles.

### People with disabilities

We continue to strengthen inclusion for people with disabilities through targeted education and empowerment interventions. Holistic support is integrated across our DEI and disability strategies, improving access to learning, development and career opportunities.



### Women in mining

Women remain a priority talent segment across the organisation. Our BUs strengthen inclusion through women in mining committees and leadership initiatives that promote professional growth and safe working environments.

Our approach to growing the women in mining pipeline includes:

Fast-tracking, mentorship and executive coaching	Gender mainstreaming and sexual harassment awareness
Career-planning support for young women in our communities through programmes such as Edumap	Increasing representation of black women in feeder schemes and talent pathways through employment equity plans
Access to leadership development through the women in mining and women in leadership forums	Progression into technical and leadership roles through the PIT programme and other empowerment initiatives

These interventions support retention and progression of women across engineering, mining and professional disciplines.

### Strategic partnerships

We collaborate with employees, communities, industry bodies, training authorities and programme partners to strengthen our talent pipeline, expand access to skills development opportunities and support national socio-economic priorities such as youth employment.

We work with sector-focused institutions to support capability development and ensure alignment with industry standards and regulatory requirements. Key partnerships include:

Minerals Council Education Advisory Committee	Collaboration on skills development and regulatory matters affecting the mining sector
MQA	Driving mining-related skills development through accredited programmes and sectoral learning pathways
Colliery Training College	Providing engineering and mining-related training in Mpumalanga
Youth development programmes	Creating employment opportunities for youth in our host communities by enabling practical work experience
Employees and community members	Building local capabilities and strengthening future talent supply through shared development initiatives

### 2025 performance

People development training expenditure	2025	2024	2023
Total training (Rm)	399	402	358
Total training (% of total payroll)	5.82	6.75	6.22
Training of black people (Rm)	364	363	318
Black people trained (% of total payroll)	5.31	6.08	5.54

<b>Building Exxaro's capability</b> <b>R399 million</b> invested in training and development (2024: R402 million or 6.75% of payroll)	<b>Developing core operational skills</b> <b>R174 million</b> directed to functional and technical training (2024: R200 million)	<b>Growing the future talent pipeline</b> <b>R180 million</b> for bursaries, learnerships, internships and professional programmes (2024: R173 million)	<b>Preparing employees for leadership roles</b> <b>R5 million</b> invested in leadership and management development (2024: R11 million)
<b>Average hours of employee training by gender</b> 214 hours for male employees 274 hours for female employees		<b>Average hours of employee training by employee category</b> 1 636 hours for middle management 840 hours for senior management	

## Developing future-ready talent continued

### Improving our talent management

#### Succession planning

We introduced a reimagined succession planning framework in 2025 to elevate the maturity and consistency of our leadership pipeline processes. The new framework integrates succession analytics, providing greater alignment between employee aspirations and organisational requirements, and creating a strong talent bench of future-ready successors. Talent reviews in 2025 improved visibility of bench strength and development needs for certain critical roles, strengthening succession readiness and targeted development planning.

To reinforce governance and provide strategic oversight, we established the Exxaro talent review committee, a sub-committee of the executive committee. The talent review committee endorses talent mobility decisions and validates succession progress for our leadership and emerging talent. We implemented several talent movements in line with the committee's recommendations.

We also introduced a new promotions policy, which ensures Exxaro's promotional decisions are aligned to our talent, transformation and succession strategies. The policy formalises in-role promotions and enhances the transparency and fairness of progression opportunities across the business.

#### Individual development plans

In July 2025, we introduced a group-wide individual development plan dashboard to ensure that employees have a development plan in place. BU-specific dashboards are now embedded across the group, supporting consistent monitoring of employee development. Although implementing tailored plans for all employees, including blue-collar workers, presented challenges, our learning and development practitioners worked closely with BUs to ensure that individual development plans reflect role-specific development needs rather than safety compliance alone.

During the year, 27.27% of total female employees and 48.90% of total male employees received performance and career development reviews in line with their plans. Furthermore, 82.94% of total middle management employees and 64.95% of total senior management employees received performance and career development reviews.

#### Talent access

As part of our employer branding and attraction strategy, we optimised our LinkedIn Life Tabs to create a dynamic and authentic digital space that highlights our culture, values and employee experience.

The refreshed platform provides prospective candidates with a clearer view of life at Exxaro, including our commitment to DEI, sustainability and community impact. Curated content and employee storytelling strengthen candidate engagement and position Exxaro as an employer of choice aligned with our long-term vision.

#### Mentorship programme

Mentorship training began at Matla and Grootegeluk, equipping mentors with the skills to guide colleagues and support mentees in taking ownership of their development. The initial roll-out has been well received, with strong participation and engagement.

Building on this progress, mentorship training will roll out across the business in 2026. This phased approach ensures sustainable integration of mentoring practices, strengthens talent pipelines and supports knowledge transfer across the organisation.

#### ulwaXXi platform

ulwaXXi, launched in August 2025, advances our digital transformation journey by replacing manual bursary and external training processes with an SAP-enabled integrated workflow.

Named after the isiZulu word for "knowledge", it improves accuracy, turnaround times and transparency, streamlining undergraduate and postgraduate bursary applications and external training requests.

#### Digital learning

We expanded our digital learning ecosystem to strengthen learning and support the development of core and critical skills. New platforms, including Bookboon, EduMine and the eXXsight Academy, were introduced alongside existing resources such as Udemy and LinkedIn Learning. To increase utilisation, we host masterclasses and share digital collateral that highlights available content and encourages employees to upskill and reskill in line with emerging capability requirements.

### Talent attraction and retention

External recruitment remains focused on bringing in scarce and critical skills, particularly in senior roles where targeted appointments support transformation priorities.

#### Middle management (Paterson D band)

- 22 external candidates appointed (2024: 52), of whom 21 are black people and 52% black women
- 124 internal appointments (2024: 115), comprising 87% black people and 42% black women

#### Senior management (Paterson E band)

- 4 external black candidates appointed (2024: five), of whom 25% are black women
- 84% of internal appointments were black candidates (2024: 86%)

#### Talent bench

D band bench: 17.8%<sup>RA</sup> (2024: 23.8%)  
 E band bench: 32.6%<sup>RA</sup> (2024: 27.9%)  
 B-BBEE bursary element: 0.13% (2024: 0.69%)

Changes in organisational structures and the leadership landscape, new roles created and the revised succession framework and approach affected our talent bench movements.

<sup>RA</sup> Reasonable assurance provided.

Succession planning and leadership development strengthen our internal pipeline, with internal promotions demonstrating the depth of our talent bench within the organisation. In 2025, we received 2 325 applications for internal growth opportunities at Paterson DL band and higher, compared to 3 646 in 2024. The higher volumes of job applications in 2024 are attributed to the organisational effectiveness project.



## Learning and development

### Digital learning

Courses and number of interventions	2025	2024
<b>ESG and risk</b>		
Climate change	7	35
Anti-bribery and anti-corruption	7 741	727
Confidentiality	191	103
DEI courses such as workplace harassment	38	612
Exxaro Leadership Way	0	15
Risk management framework	64	20
Implicit and unconscious bias	118	61
<b>Performance</b>		
Performance management	29	37
<b>Information technology and cyber</b>		
Cybersecurity	3 395	146
Microsoft Office	74	144
Adapt to 4IR	71	126
Managing innovation	0	3
<b>Management</b>		
Beyond budgeting management thinking	3	33

#### Progress across key digital platforms included:

480 employees registered for open-source online courses (LinkedIn, Udemy, Coursera), with 35% utilisation (2024: 108 registrations; 8% utilisation)

3 638 training interventions completed on the voluntary MyNexxt e-learning platform (2024: 6 788)

115 072 compliance-related courses completed through MyNexxt (2024: 99 395)

Powering Knowledge achieved 91% utilisation among youth development participants (2024: 94%)

### Adult education and training

Participation in adult education and training remains low due to workforce demographics, but there is ongoing demand for portable skills training.

	2025	2024	2023
Investment (Rm)	0.49	0.97	0.95
Employees enrolled	1	1	0
Community members enrolled	8	61	125

### Portable skills

Exxaro promotes a culture of continuous learning to unlock potential, ignite innovation and build a sustainable future for our business and communities.

To support this, we offer portable skills programmes in welding, plumbing and civil to address broader entry-level development needs and build foundational competencies that support progression into higher-level roles.

	2025	2024	2023
Investment (Rm)	8	9	6
Employees enrolled	57	136	139
Community members enrolled	503	659	391
Trade tests completed	116	49	28

### Leadership and succession development

144 employees completed leadership programmes

(2024: 102)

123 employees enrolled in management development programmes

(2024: 153)

22 employees took part in the UCT Graduate School of Business Women in Leadership programme

(2024: 52)

Leadership programmes	Occupational level	Number of employees	
		2025	2024
Leading programme	E band	0	0
Leadership in connected	Paterson DM/DU band	27	18
Essential leadership	DL level	43	33
Launchpad leadership	below Paterson DL	52	19
Nano sessions	Paterson C band	0	32
Women in leadership		22	52

These programmes are complemented by accredited short courses, formal studies and occupational qualifications that support readiness for opportunities linked to renewable energy, digitalisation and the broader transition in our sector.

Our learning strategy remains an important enabler of capability development and succession planning for specialist and management roles.

Formal studies	Total enrolled	Black people	Black women
Postgraduate <sup>1</sup>	39	37	27
Undergraduate <sup>1</sup>	21	21	10
New skills short courses <sup>2</sup>	6	5	2

<sup>1</sup> South African universities.

<sup>2</sup> South African and international universities.

### Mentorship programme

We had 80 employees who participated this year, of whom 62% were black people and 52% black women. This compares to 17 participants in 2024 (88% black people and 47% black women). There was no mentorship training in 2024 due to operational effectiveness process.

Women represented 56% of employees in mentorship training in 2025 (2024: 47%).

## Developing future-ready talent continued

### Technical and professional skills pipeline

80 full-time bursars in engineering and mining disciplines  
(2024: 56)

R10.8 million invested in bursaries to help address engineering skills shortages  
(2024: R9.3 million)

32 full-time tertiary bursaries awarded to Edumap graduates and youth from Exxaro's communities  
(2024: 21)

32 full-time tertiary bursaries awarded to Edumap graduates and youth from Exxaro's communities  
(2024: 21)

In 2025, we introduced the EduMine platform to provide mining experience using Exxaro technologies, prepare learners and employees for future operational needs, and potential merger and acquisition activities. Since the launch, 17 participants have enrolled, 11 have completed their courses and six are still in progress.

Feeder schemes	In training	Black people	Black women
Engineering learners	157	150	59
Miner learners	349	348	153
Operator learners	557	553	297
Internships	130	130	73
Business administration learners	94	94	70

### Professionals in training programme

2025 enhancements include:

- Implementing a digital onboarding handbook and digitised pre-onboarding process
- Introducing a structured onboarding process for coaches
- Developing an interview support guide for bursars entering the PIT pipeline

Although interview simulations were ultimately not required, the guide will be shared with the broader bursary cohort.

	2025	2024
PIT programme graduates in the talent pipeline	76	82
Candidacy	4	4
Bursars	167	163
Bursars for people living with disabilities	30	32
Percentage of black South Africans	98%	94%
<b>Total programme cost</b>	<b>R77 million</b>	R64 million

### DEI

#### Women in mining

	2025	2024
Female employees in the workforce	35%	33%
Female PIT graduates	71%	65%
Black female full-time bursars in engineering and mining disciplines*	52%	61%
Women in learnership and internship feeder schemes	50%	52%
Number of black women sponsored at Technical and Vocational Educational Training (TVET) colleges for access to formal learnerships	51	20

\* South Africans at local universities.

### People with disabilities

	2025	2024
Black South Africans with disabilities supported at local tertiary institutions (full-time studies)	30 (53% women)	30 (50% women)
Internships for people with disabilities appointed (all black people)	14 (43% women)	3 (67% women)



In accordance with its aim to further the objectives of diversity and inclusion in the energy sector, Cennergi recruited 10 new employees in 2025, of which 30% were female (30% black women) and 70% were male (50% black men).

### Employment equity and representation.

#### Youth employment development partnerships

**SME.TAX** has supported youth employment and skills development since 2024 by recruiting 50 participants for a two-year programme ending in April 2026. Success is measured by participants securing employment or launching cooperatives, contributing to small business development. The programme enables participants to move into employment or entrepreneurial ventures. Three learners found permanent employment and four are establishing their own businesses. The remaining 43 learners will be completing the programme in April 2026 and thereafter will be assisted in finding permanent employment.

**Lularides** trains youths in motorcycle operation, equipping them with learner's licences and delivery driver certifications. Most trainees are placed as delivery drivers with companies such as Mr D in Centurion, Soweto, Middelburg, Witbank and Secunda. 148 participants completed motorcycle training in 2025.

Edumap College provides a 12-month bridging programme for matriculants from disadvantaged communities who demonstrate academic potential but do not yet meet university entrance requirements. The programme focuses on improving their maths and physical science results to enable access to institutions of higher learning. Since 2019, Edumap College has supported 110 students to improve their matric results. Building on this, students who completed the Edumap programme have been sponsored by Exxaro to further their studies, with 33 students enrolled since 2022.

Exxaro supports 32 active bursars through this initiative. Of these, 20 students who improved their results in 2025 and met university admission requirements are being considered for bursaries.



#### 2026 key actions

Our focus for 2026 is to strengthen talent mobility and deepen organisational capability by introducing group-wide skills insights and structured development pathways. This includes:

- Rolling out a skills audit initiative to identify scarce and critical roles, critical skills and proficiency levels
- Further embedding the talent mobility and growth strategy, supported by a unified mobility policy
- Introducing structured mobility programmes, including lateral transfers, stretch assignments, secondments, job shadowing and new roles
- Expanding mentorship training to all BUs, with full programme implementation from mid-2026
- Formalising the PIT coach onboarding process to strengthen programme support, capability development and quality of guidance for all participants

# Empowering our communities

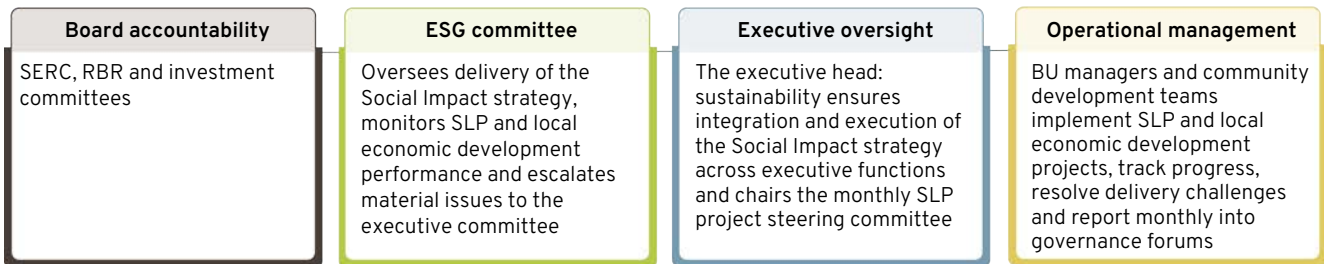
## Why this matters

Strong, resilient host communities are essential to socio-economic stability, sustaining Exxaro's licence to operate and aligning with South Africa's national development goals. Communities and government expect meaningful action to address unemployment, education gaps and limited economic opportunities.

By investing in development programmes that build skills, strengthen education and improve access to essential infrastructure, we become a catalyst for economic growth and contribute to more inclusive, sustainable post-mining economies.



### Governance and oversight



### Strategy and management approach

We empower communities as part of delivering on our Social Impact strategy, which goes beyond statutory SLP and B-BBEE requirements to address long-term socio-economic challenges in our host communities. The strategy strengthens education systems, supports sustainable livelihoods and enables economic participation.

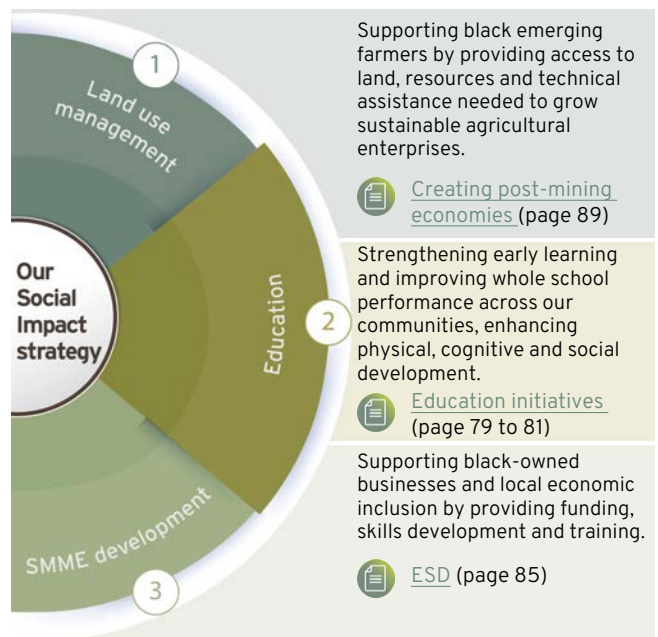
Key elements of our approach include:

- Implementing large-scale programmes that target systemic issues such as early learning, youth employability and local economic development
- Ensuring compliance with B-BBEE codes, Mining Charter III SLP requirements and MPRDA regulations through structured planning, governance and reporting
- Monitoring and measuring programme effectiveness through regular performance reviews and impact assessments
- Deepening collaboration with municipalities, NGOs and delivery partners to strengthen implementation and support shared development priorities
- Enhancing delivery through capacitated BUs, improved oversight mechanisms and cross-functional alignment with the Sustainable Growth and Impact strategy

**CENNERGI** Amakhala Emoyeni and Tsitsikamma promote education and skills development, social welfare, healthcare, general administration and enterprise development. The socio-economic development and enterprise development commitments for Karreebosch and LSP are only applicable during the operation phase.

### Our Social Impact strategy

This strategy enables us to strengthen livelihoods during mining and support sustainable opportunities in the post-mining economy. This approach is complemented by discretionary expenditure and collaboration that enhance the reach, quality and coordination of development programmes. We aim to create lasting social impact that extends beyond regulatory requirements through the following three pillars:



## Empowering our communities continued

Our Social Impact strategy is implemented through:

### Key principles

- A market-based approach that integrates social, environmental and economic outcomes
- Long-term planning, aligned to the life of operations and incorporating post-mining livelihoods
- Designing for scalable projects that will enable multiplier effects within host communities
- Optimisation of existing resources and partnerships to maximise social and economic impact

The value we deliver is supported by:

### Strategic enablers

- Funding structures to ensure effective allocation of resources through zero interest loans, community-focused donations and sponsorships
- Inclusive planning processes developed in consultation with communities and government, aligned with municipal integrated development plans and Exxaro's SLP commitments
- Localised project management to drive improvement in SLP delivery, leveraging intellectual capital for lasting social impact

## Social impact funding

Our funding structures support compliance requirements and broader, value-adding community investments. The following mechanisms provide a stable and diversified funding base for socio-economic development projects across our mining and energy operations:

### Compliance and regulated contributions

<b>ESD programme</b>	Funded through a self-sustainable loan fund aligned to 3% of Exxaro's NPAT as required by the B-BBEE codes, supporting black-owned suppliers (2% in Exxaro's supply chain) and enterprises (1% outside the supply chain). There is also grant funding to support micro and survivalist enterprises
<b>Socio-economic development initiatives</b>	Supported by 1% of NPAT as required by the B-BBEE codes, designated expenditure by the Exxaro Aga Setshaba NPC, funding discretionary projects, as well as donations to charitable organisations
<b>Amakhala Emoyeni Community Fund Trust and Tsitsikamma Community Windfarm Trust</b>	Allocates 2.1% of windfarm revenue to socio-economic development (1.5%) upliftment and enterprise development (0.6%) projects within a 50km radius

### Community dividend structures

<b>Exxaro Aga Setshaba NPC</b>	Receives dividends from a 5% shareholding in Eyesizwe (30.81% Exxaro BEE shareholder). Funds are allocated to community development initiatives
<b>Amakhala Bedford and Cookhouse Trusts</b>	Represents the 5% community shareholding in the Amakhala Project Company (2.5% each)

### Discretionary impact enablers

<b>Exxaro Mountain Bike Academy</b>	Annual funding supports youth by enabling them to complete schooling and develop skills for employment opportunities in sports and related fields
<b>Concessional land leases</b>	Emerging farmers gain access to rehabilitated or surplus mining land, enabling agricultural and commercial ventures
<b>Land packages</b>	Local governments and SMMEs receive land packages for human settlements, agricultural projects and community infrastructure



Cennergi directs community development funding through the Amakhala Emoyeni Community Fund Trust and Tsitsikamma Community Windfarm Trust, with additional projects outside a 50km radius of the windfarms funded through a CSI budget. The LSP committed 0.1% of total construction and operational costs to skills development, 0.1% to supplier development and 1.5% of revenue to enterprise and socio-economic development initiatives with local communities and municipalities. Karreebosch committed 1% of NPAT to enterprise development, 1% of NPAT to socio-economic development and 2% of NPAT to supplier development.

## Stakeholder collaboration

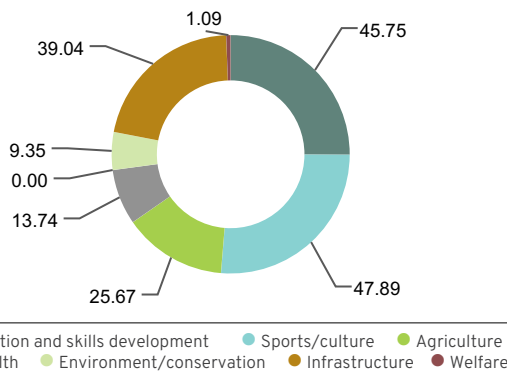
Our inclusive approach enables Exxaro to design development programmes that reflect community priorities, address systemic challenges and deliver measurable impact. We build strong partnerships that strengthen SLP delivery and support shared value creation across our host communities.

<b>Communities</b>	We identify their needs, co-design projects and expand opportunities through local forums and proactive engagement
<b>Government</b>	We comply with regulatory requirements and align SLP and social impact initiatives with DMPP, DoE, DoH, dtic, municipal IDPs and provincial development priorities
<b>Development finance institutions</b>	Collaborate on socio-economic development and unlock co-funding opportunities
<b>Programme partners</b>	We deliver social impact programmes such as education, skills development, agricultural and ESD with partners such as Cotlands, Citizen Leaderlab and SE Holdings
<b>Industry bodies</b>	We facilitate knowledge exchange, influence policy and support coordinated sector-wide impact through the Minerals Council South Africa

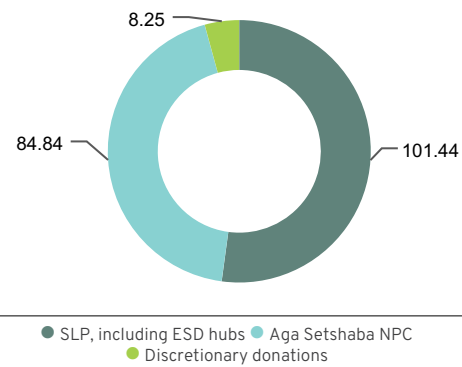
## 2025 performance

	2025	2024	2023
Social investment projects for socio-economic development (SLPs and CSI) (excluding R10.52 million ESD programmes)	<b>R182.54 million</b>	R161.79 million	R86.91 million
Combined investment by Exxaro and Cennergi in socio-economic and ESD programmes	<b>R224.23 million</b>	R187.29 million	R223.51 million
CSI (excluding ESD programmes)	<b>R93.09 million</b>	R117.87 million	R71.95 million
Number of community members benefited	<b>64 694</b>	71 525	41 867
SLP project investment (excluding R10.52 million ESD investment)	<b>R90.92 million</b>	R43.91 million	R14.96 million
Jobs created through SLPs	<b>139</b>	51	29
Cennergi's investment in socio-economic development initiatives, including education, welfare, agriculture development and health	<b>R29.7 million</b>	R27.9 million	R25.3 million

**Social investment projects in local economic development excluding ESD financial support and Cennergi (R182.54 million) (Rm)**



**Investment structure spend to support social investment projects, including ESD and Cennergi (R194.53 million) (Rm)**



**CENNERGI** The Renewable Energy Independent Power Producer Procurement Programme expenditure activities at our energy solutions business performed strongly, despite the intensity of quarterly expenditure targets to maintain and fulfil licence to operate conditions. This business is required to spend 2.1% of quarterly revenue on socio-economic development (1.5%) and enterprise development (0.6%) activities in communities affected by its operations. For private offtake facilities, Karreebosch is required to spend 4% of NPAT on socio-economic development (1%), enterprise development (1%) and supplier development (2%), and the LSP is required to spend 1.5% of revenue on socio-economic development (0.9%), enterprise development (0.6%) and 0.1% of total operational cost value on supplier development.

### SLPs, Renewable Energy Independent Power Producer Procurement Programme and CSI performance

We spent R101.44 million on SLPs (2024: R43.91 million)	64 694 people benefited from SLPs (2024: 140 000)	SLP projects that are still underway potentially benefiting 144 176 people (2024: 123 425)
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#### Multi-stakeholder partnerships

We strengthened our collaborative approach by forming new multi-stakeholder partnerships to address systemic challenges:

- In Lephalale, our partnership with the Minerals Council South Africa has enabled strategic multi-stakeholder engagements with the Lephalale TVET College, the Department of Higher Education and Training, the MQA and Eskom to improve training infrastructure and programmes. We are finalising an MoU to support critical skills development and enhance youth employability
- In Emalahleni, we are participating in a multi-stakeholder collaboration with mining companies in the region, the local municipality and the DWS. By aligning SLP commitments, the partners are supporting the water infrastructure refurbishment to improve access to clean water and support long-term environmental resilience

#### Long-term learning support

We strengthen the sustainability of our education initiatives by improving the infrastructure that supports teaching and learning. To support our education Wi-Fi project, we expanded digital access across 46 schools and community sites. To enable educators to integrate digital tools into their lessons, 20 schools received mobile computer labs equipped with laptops and basic teaching technology.

To secure long-term connectivity, we engaged telecommunications providers to explore sustainable support models. These engagements did not deliver the commitments required because many providers have existing service-level agreements and we are assessing alternative options to maintain digital access for schools and communities.

Implementation of our current five-year SLPs continued across BUs, with several key projects in Lephalale, Matla and Belfast completed during the year. However, we experienced some delays in implementing SLPs, including municipal capacity constraints, long lead times for sourcing specialised equipment and limited local supplier capacity in technical skills and financial resilience.

## Empowering our communities continued

Through targeted ESD funding and mentoring, we provided additional financial support to small enterprises to help them meet contractual obligations.

Grootegeeluk			
Completed	Nelsonskop Primary School hall and classrooms	ECD centre	ESD programme
	We completed the handover of the new Martina Kekana school hall, four additional classrooms and external upgrades at Nelsonskop costing R23 million, recognising that overcrowding in Lephalale schools remains a challenge. The infrastructure unlocked community and district access to a multi-purpose hall with potential income generation for the school's sustainability.	The Lephalale fully fledged ECD hub of excellence was completed and handed over to Cotlands. This hub provides support to 44 ECD centres. The centre will ultimately be handed over to the DoE.	The Lephalale ESD programme supports and strengthens local entrepreneurs' capabilities.
<b>2025 spend</b>	<b>R1.03 million</b>	<b>R4.83 million</b>	<b>R8.63 million</b>
<b>2024 spend</b>	R11.36 million	R0.72 million	R0.45 million
<b>Beneficiaries</b>	1 700 learners with 56 jobs created	2 528	140

Projects underway	Grootegeeluk			Thabametsi
	Marapong sport, arts and culture precinct	Marapong potable water pipeline	Waste management	Sewer rehabilitation at Thabametsi's Paarl sewer project
	The precinct and the Thusong skills development centre are on track for completion in 2026.  Both projects will support community development through improved access to training and recreational facilities in Lephalale.	Exxaro completed phase 1 of the project in 2021. The municipality is undertaking phase 2, which aims to deliver water to the Marapong Township. A new contractor will be appointed to ensure the project is completed in 2026. Continued to support the municipality with the engineering design services costs.	With development underway, we are integrating waste pickers into the formal system and creating SMME opportunities in recycling and related value chains in Lephalale.	As part of our 2020 to 2024 SLPs, we completed sustainable sanitation infrastructure to support improved health and hygiene for the surrounding community. The refurbishment of the Paarl sewer system improves sanitation and environmental management.
<b>2025 spend</b>	<b>R41.85 million</b>	<b>R0.28 million</b>	<b>R1.11 million</b>	<b>R18.87 million</b>
<b>2024 spend</b>	R12.39 million	R0.79 million	R2.4 million	R0.29 million
<b>Beneficiaries</b>	36 227 (21 720 youth)		30 745	26 228

Completed	Belfast	Matia
	Road rehabilitation phase 2	Road infrastructure and Thubelihle substation
	The project will improve mobility, safety and access for community members and local businesses	We completed road infrastructure works, including the Ekungenei road rehabilitation
<b>2025 spend</b>	<b>R5.36 million</b>	<b>R11.59 million</b>
<b>2024 spend</b>	R4.87 million	R0.25 million
<b>Beneficiaries</b>	47 240	13 270

Projects underway	Leeuwpan		Matla	
	ESD programme	Leeuwpan borehole rehabilitation	Matla Bonginhlaha School phase 4	Cofimvaba sheep shearing
	The programme provides targeted training to 15 SMMEs to strengthen their business capabilities and support local economic development.	In collaboration with the local municipality, this project aims to improve community water access. Exxaro procured and delivered the equipment. The municipality is responsible for installation to rehabilitate the borehole infrastructure. Completion was delayed to the first quarter of 2026.	Matla is supporting the construction of a new grade R classroom block that includes four classrooms, a centralised ablution facility, a dedicated playground, a gatehouse with a refuse area and a walkway. The project also involves the demolition and safe removal of an existing asbestos structure. The total cost of this project will be R19.27 million.	The project will benefit the community of Xeni and surrounding villages of Cofimvaba in the Eastern Cape. Approximately 20 to 60 jobs will be created for the local community. A total of 10 000 sheep will be sheared during the shearing season. The planned completion date was delayed due to a number of developmental challenges. The project is expected to be completed at the end of 2026.
<b>2025 spend</b>	<b>R1.89 million</b>	<b>R0.45 million</b>	<b>R2.71 million</b>	<b>R1.45 million</b>
<b>2024 spend</b>	R1.86 million	R0.77 million	R0.00	R0.00
<b>Beneficiaries</b>	9	44 727	1 378	200

Tshikondeni (mine in closure)		
Projects underway	Irrigation	Improved access to water
	As part of our 2023 to 2027 SLP: <ul style="list-style-type: none"> <li>• Eight farmers received irrigation systems and borehole infrastructure, along with training and supply contracts that improved market access</li> </ul>	As part of our 2018 to 2022 SLP: <ul style="list-style-type: none"> <li>• Four surrounding communities will have access to reliable water once the water project is completed in 2026</li> </ul>
Accrued 2026 value	<b>R16.06 million</b>	<b>R27.89 million</b>
Beneficiaries	<b>8</b>	<b>2 132</b>

### Community education and economic development

We have shifted our education and early learning support from once-off infrastructure interventions to programmes that strengthen the capabilities of practitioners, centres and learners. Through this approach, we aim to improve the quality and sustainability of early learning outcomes in our host communities. Changes we implemented include:

- Expanding practitioner training
- Supporting ECD centres through the registration process
- Improving digital access for educators and learners

Exxaro invested R45.75 million (2024: 85.83 million) in community education to benefit 35 093 learners (2024: 27 000 learners).

Projects underway	School infrastructure and resources	Whole school development programmes	ECD	Skills development
	We continued phase 4 of the construction of the grade R block at Bonginhlanhla School in eMalahleni.	The programmes we support include: <ul style="list-style-type: none"> <li>• Academic programmes and school resourcing</li> <li>• Extracurricular support</li> <li>• Health programmes</li> </ul>	Our ECD support focuses on practitioner training, assessment, registration of the centres and child development programmes.	This investment targets research, development and university chairs.
2025 spend	<b>R2.71 million</b>	<b>R33.91 million</b>	<b>R14.30 million</b>	<b>R7.54 million</b>
2024 spend	R11.36 million	R45.65 million	R25.02 million	R3.81 million

### ECD support and development

**We allocate 70% of our education investment towards ECD**

Our investment in ECD is a direct response to closing gaps that we identified across 199 ECD centres in Nkangala. These gaps include funding, infrastructure and practitioner capability that still affect the quality and sustainability of early learning provision. Our investment also supports the priorities set out in South Africa’s 2030 ECD Strategy and the National Development Plan.

While implementation was initially planned for 2025, the programme will start in 2026 to allow for better alignment with operational priorities and resource planning. In 2026, the focus will be on ECD registration, infrastructure support and teacher development and training in Mpumalanga.

**In 2025, we supported 44 ECD centres in Lephalale and nine in Eastern Cape**

We supported 53 ECD centres across the Eastern Cape and Lephalale through early learning programmes and practitioner training in 2025. Our partnership with Cotlands in Lephalale provides comprehensive support to registered centres and strengthened early learning outcomes.

In 2025, 31 ECD practitioners (three in Lephalale and 28 at Cennergi) completed an accredited NQF level 4 qualification and 96 participated in relevant training programmes, expanding the reach of our capacity building efforts.

#### Case study

### Addressing barriers to learning through vision and hearing support

In 2025, we strengthened early learning outcomes by pairing our ECD programmes with essential health services through our visual and audiology programme. The programme provided screening and treatment for young learners to help identify conditions that may hinder classroom participation and learning.



<b>Vision support</b>	We tested 1 413 children for vision and provided 58 learners with prescription glasses. Since 2019, we have tested 16 964 children and issued 445 glasses.
<b>Audiology support</b>	We tested 719 children for hearing, provided 16 hearing aids and performed ear wax removal for 38 children. Cumulatively, 1 383 children have been tested and 20 hearing aids issued.

Through this programme, we address health-related barriers that affect learning and support improved educational outcomes in our host communities.

## Empowering our communities continued

### Exxaro Aga Setshaba NPC and Exxaro Chairman's Fund contributions

We met the B-BBEE dtic requirement to invest 1% of NPAT in socio-economic development, supported by contributions from Exxaro Aga Setshaba NPC and discretionary donations. Exxaro Aga Setshaba NPC contributed R84.84 million (2024: R96 million) benefiting 56 769 community members (2024: 72 106). In education, the NPC spent R36 million (2024: R55 million) for academic camps, health and ECD support programmes. Aga Setshaba delivered the following high-impact initiatives through various partnerships:

Completed	Academic camps	Health	Bursaries	Hope for the Blind
	We supported grade 12 learners to attend academic camps in Mpumalanga (Belfast, Leeuwanpan and Delmas).	We partnered with Vision 4 Change to roll out eye-testing and audiology programme in KwaZulu-Natal (Hlobane and Durnacol).	Ruta Sechaba: In 2025, we awarded 12 grade 8 bursaries. Unfortunately, one learner lost their bursary due to academic performance. We thus have a total of 51 instead of 52 learners in grade 9 to 11.  Edumap bridging programme: We supported 20 learners with bursaries to improve their grade 12 marks.	Our donation helped procure vision impairment equipment and surgeries for people in Limpopo.
<b>2025 spend</b>	<b>R2.05 million</b>	<b>R0.78 million</b>	<b>R9.3 million</b>	<b>R9.4 million</b>
<b>Beneficiaries</b>	<b>1 985 learners</b>	<b>2 037 learners</b>	<b>71 learners</b>	



### Cennergis's socio-economic and enterprise development programmes

#### Tsitsikamma

Invested **R12.5 million** in host communities (2024: R12.3 million) reaching more than 10 000 (2024: 2 423) **people** and **creating 140** (2024: 104) **jobs**

Completed	ECD support	Teacher stipends	Bursary support	Internet connectivity
	<ul style="list-style-type: none"> <li>We provided resources to six crèches (2024: six), benefiting 185 children (2024: 185)</li> <li>We created 34 jobs (2024: 26) for practitioners and cooks with NQF level 2 training</li> </ul>	We funded monthly stipends for 10 school governing body teachers (2024: nine) and two information and communication technology tutors (2024: three) at Qhayiyalethu FET School, Paul Sauer High School, Kareedouw and Loerie Primary Schools in the Eastern Cape.	Through bursaries coordinated by Masinyusane, we supported 19 students (2024: 10).	In partnership with Herotel, we provided free internet for 654 AmaMfengu households (2024: 654 households) to access procurement platforms, SMME funding and other opportunities.
<b>2025 spend</b>	<b>R1.9 million</b>	<b>R0.4 million</b>	<b>R2.1 million</b>	<b>R0.04 million</b>
<b>2024 spend</b>	R1.60 million	R0.92 million	R1.40 million	R0.04 million

Completed	Community hall renovations	Grade 12 learner accommodation	Youth jobs and literacy programme	Youth skills development programme
	Our renovation of Wittekleibos community hall created 10 temporary jobs (2024: 10) and empowered nine local SMMEs (2024: two).	We provided accommodation for 54 grade 12 learners (2024: 87) from Qhayiyalethu High School at Paul Sauer High School hostel and funded monthly stipends for nine school governing body teachers (2024: three).	We hired and trained 17 unemployed youth (2024: 17) to teach 277 learners (2024: 181) to read and write, in partnership with Masinyusane Development Organisation.	We trained 19 youth (2024: 10) in various skills such as millwright, chef, cattle farming, sewing, livestock, cabin crew, forklift operator, etc.
<b>2025 spend</b>	<b>R0.4 million</b>	<b>R1.7 million</b>	<b>R0.1 million</b>	<b>R0.7 million</b>
<b>2024 spend</b>	R0.40 million	R1.50 million	R0.66 million	R0.54 million

Completed	NNT women poultry expansion	Wittekleibos vegetable garden initiatives	Training for women over 40 years old in cosmetic production	SMME soap and detergent manufacturing training
	We funded the operational costs and construction of a second poultry house, enabling expansion from 1 620 to 4 000 egg layers.	These initiatives supported vegetable gardens through farm audits, market access and sourcing external funds in partnership with SE Holdings.	We supported training of 10 women in cosmetic and personal care manufacturing in partnership with The Hope Factory and Chemical Industries Education and Training Authority (CHIETA).	Through collaboration with the CHIETA and SAICA's Hope Factory, we trained 10 local SMMEs (2024: 10) in soap and detergent manufacturing.
<b>2025 spend</b>	<b>R2.2 million</b>	<b>R0.4 million</b>	<b>R0.6 million</b>	<b>R0.1 million</b>
<b>2024 spend</b>	R1.40 million	R0.89 million	R0 million	R0.73 million

Case study

### Strengthening education outcomes in the Tsitsikamma region

Khayiyalethu FET, a no-fee quintile 3 high school in Kareedouw, serves learners from some of the most socio-economically constrained communities in the Tsitsikamma region. Persistent challenges, including educator shortages, high employee turnover, overcrowded classrooms and limited subject offerings, put pressure on academic performance and learner retention.

Since adopting the school in 2017, the Tsitsikamma Community Windfarm Trust has provided targeted, long-term support to strengthen education outcomes. Investments have focused on critical educator posts, learner development, infrastructure upgrades and grade 12 support, including accommodation at the nearby Paul Sauer High School hostel.

Between 2023 and 2025, R5.3 million was invested to stabilise the learning environment and improve access to quality teaching. This sustained intervention has driven a marked improvement in academic performance and learner progression.

**Programme outcomes include:**

Matric pass rates improved from 41% in 2023 to 65% in 2024, reaching 96% in 2025

Stabilised teaching capacity and expanded subject offerings, including maths and physical sciences

Improved access to grade 12 learner accommodation through hostel support



Case study

### Empowering women through enterprise development

Through the Amakhala Emoyeni Community Fund Trust and CHIETA's Cosmetic and Personal Care Products Manufacturing Programme, Lindelwa Mboya progressed from trainee to business owner, establishing a small-scale manufacturing enterprise supplying detergents and personal care products.

The programme provided targeted skills development, mentorship and business support, enabling Lindelwa to launch a compliant operation with SABS-tested products sold through multiple retail outlets. Lindelwa's enterprise has created employment for local youth and contributes to economic activity in a rural area with limited opportunities.

Beyond business growth, Lindelwa supports community initiatives and mentors aspiring entrepreneurs, showcasing how focused enterprise development can enable sustainable livelihoods and strengthen host communities.

**Key highlights**

Employing three local youth, supporting income generation in a rural community

Strengthening local enterprise development through skills transfer, mentorship and reinvestment in community initiatives



## Empowering our communities continued

### Amakhala Emoyeni

We invested **R17.2 million** (2024: R15.5 million) in host communities, reaching more than **5 000 people** (2024: 263) and **creating 188 jobs** (2024: 64).

Completed	Bursaries	Pilot training	School refurbishment	Teacher and admin stipends
	Bursaries supported 14 students (2024: 14) from Cookhouse, Bedford, Adelaide and Somerset East to acquire scarce skills at South African universities and TVET colleges.	We empowered Khazimla Gongqa to attend a two-year pilot training programme at the Madiba Bay School of Flight in Walmer, Gqeberha.	We refurbished ablution facilities at Witmos Primary School and installed a beta view fence at Visrivier Primary School, creating 17 jobs (2024: four), benefiting 264 learners (2024: 246).	Stipends supported 10 school governing body teachers (2024: one assistant teacher, two administrative clerks), creating 12 temporary jobs (2024: four) and benefiting over 1 600 learners (2024: over 1 000).
<b>2025 spend</b>	<b>R1.3 million</b>	<b>R30 000</b>	<b>R1.7 million</b>	<b>R0.5 million</b>
<b>2024 spend</b>	R2.70 million	R0.25 million	R0.46 million	R0.22 million

Completed	Youth literacy programme	ECD renovation	School vegetable gardens	Wheelchair support
	The programme hired and trained 13 (2024: 10) previously unemployed youth to teach learners from Msobomvu Primary School and local ECD centres to read and write in partnership with Masinyusane.	We renovated Nyarha ECD centre in Bedford, creating six temporary jobs, benefiting one local SMME and 66 children.	We established vegetable gardens at four schools (2024: four), benefiting 1 961 learners (2024: 1 142).	We purchased wheelchairs for six beneficiaries (2024: 14) in Bedford, Cookhouse and Somerset East.
<b>2025 spend</b>	<b>R0.5 million</b>	<b>R0.3 million</b>	<b>R0.3 million</b>	<b>R0.1 million</b>
<b>2024 spend</b>	R0.45 million		R0.22 million	R0.17 million

Completed	Soup kitchen construction	Farmworkers' house renovations	Cancer screening support	Victim support centres
	We constructed a soup kitchen container for the Lixhase Women Cooperative benefiting 60 elderly beneficiaries (2024: 60).	We renovated four farmworkers' houses at Alstonfield, Penderry and Varkenskuil farms, creating 38 jobs.	We supported mammogram screening for 138 women aged 40 and above across our four host communities to promote early breast cancer detection, led by Dr Unathi Siggoza from Somerset East.	We supported the construction of plinths and rainwater tanks for Somerset East and Cookhouse victim support centres.
<b>2025 spend</b>	<b>R30 000</b>	<b>R2.8 million</b>	<b>R0.2 million</b>	<b>R0.3 million</b>
<b>2024 spend</b>	R0.27 million	R0.96 million		R2.10 million

Completed	Livestock farm support	Soap and detergent training	SMME support	Cosmetic production training
	Our support of Laphumikwezi livestock farm benefited 10 beneficiaries (2024: 10).	In collaboration with CHIETA, we trained 16 local SMMEs (2024: 16) from Adelaide, Bedford, Cookhouse and Somerset East in soap and detergent manufacturing by Chemin.	We supported seven catering, security, waste recycling and general trading SMMEs in partnership with SAICA Enterprise Development.	In collaboration with CHIETA and The Hope Factory, we trained 10 women older than 40 from Adelaide, Bedford, Cookhouse and Somerset East in cosmetic manufacturing.
<b>2025 spend</b>	<b>R0.5 million</b>	<b>R0.3 million</b>	<b>R1.4 million</b>	<b>R0.4 million</b>
<b>2024 spend</b>	R0.69 million	R0.52 million	R0.71 million	

Completed	Ikamva-Lethu poultry project	Sakhubuntu vegetable farm	Oyingelosi Trading
	Eight farmers (2024: two) benefited from our support of Adelaide's Ikamva-Lethu poultry project through farm audits, market access and external funding. Farmers also received extra grant funding of R0.4 million from Exxaro Aga Setshaba NPC to procure around 2 000 chicks.	We supported a farming project in Cookhouse, creating 36 temporary jobs and benefiting 100 people (2024: 100). The project also received an extra grant of R1.7 million from Exxaro Aga Setshaba NPC.	By assisting a small waste management service business in Cookhouse, we created eight permanent jobs.
<b>2025 spend</b>	<b>R0.7 million</b>	<b>R0.7 million</b>	<b>R0.1 million</b>
<b>2024 spend</b>	R0.21 million	R0.89 million	



### 2026 key actions

In 2026, we will focus on ensuring that ECD centres are adequately resourced and that practitioners are equipped to deliver quality early learning. This includes:

- Registering 30 ECD centres to meet DoE requirements and enable access to subsidies
- Strengthening whole school development through targeted support for exit grades
- Expanding bursary opportunities and pathways to higher education for learners in host communities
- Advancing vocational and TVET partnerships in Lephalale to support skills development
- Exploring opportunities to use company-owned land for community development and food security initiatives

# Enabling enterprise and supplier development

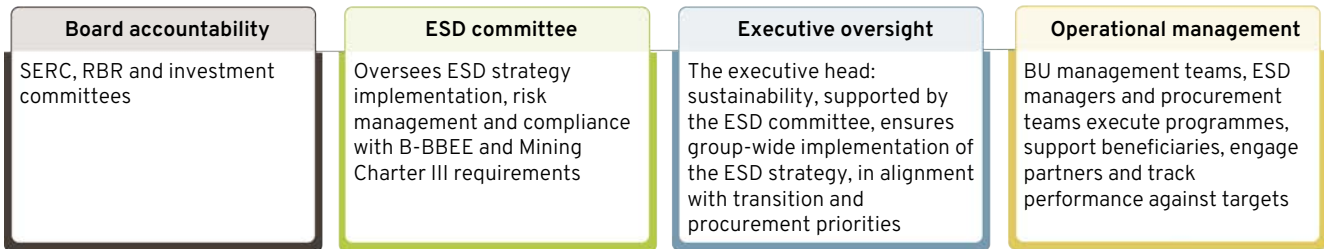
## Why this matters

ESD is central to strengthening inclusive economic growth in our host communities. Stakeholders expect us to enable opportunities for small businesses, create jobs and support meaningful participation in regional value chains. Effective ESD also strengthens supply chain resilience and supports the transformation objectives that underpin our social licence to operate.

This contributes directly to our Sustainable Growth and Impact strategy by empowering communities to build sustainable livelihoods beyond mining and supporting an energy transition grounded in economic diversification.



### Governance and oversight



### Strategy and management approach

Our ESD approach is guided by our updated strategy, as shown in the graphic alongside. We focus on developing black-owned, black women-owned and black youth-owned enterprises through financial and non-financial support, improved market access and targeted capability building programmes.

Key elements of our approach include:

- Providing grants, loans and co-funding to support SMME growth and long-term financial sustainability
- Delivering needs-based non-financial support through ESD hubs and digital platforms
- Developing a diverse supplier pipeline aligned with BU localisation plans
- Strengthening governance, compliance and performance monitoring
- Leveraging partnerships to expand access to markets, technology and blended capital

This enables scalable SMMEs, supports green economy participation and advances transformation while reinforcing supply chain resilience. Strong governance, performance monitoring and ecosystem partnerships ensure that ESD delivers meaningful and sustainable economic outcomes.

### Our ESD strategic priorities

In 2025, we evolved our ESD strategy to account for the strategic changes implemented across Exxaro since the original strategy was approved in 2018. The updated approach shifts the programme from a compliance-driven model to a more integrated, impact-focused framework. This includes a stronger emphasis on developing high-growth and green economy enterprises, strengthening local economic participation and building a future-ready supplier ecosystem.

The revised strategy also provides a clearer distinction between national and local beneficiary outcomes, sharper governance mechanisms and an enhanced measurement framework. These changes improve accountability, clarify performance expectations and ensure that ESD is positioned as a strategic lever supporting an impactful transition.



## Enabling enterprise and supplier development continued

### Delivering socio-economic impact and supporting an impactful transition

Our ESD programme supports SMMEs with programmes that enable them to grow and create socio-economic impact. Growth is measured through access to new markets, an increase in owned assets and better management of the business. Socio-economic impact is measured through job retention and creation, as well as increase in turnover and contribution to the tax base. By developing enterprises that are competitive and resilient, we help diversify regional economies, reduce dependency on mining and stimulate job creation.

### Catalysing high-growth and green economy enterprises

We prioritise supporting enterprises that focus on clean technology, innovation, circular business models and other sectors that align with Exxaro's broader decarbonisation commitments and transition pathway.

### Leveraging strategic partnerships and circular collaboration

Our partnerships help unlock markets, provide access to technology, enable blended capital solutions and strengthen compliance readiness for SMMEs. They also extend the reach and impact of ESD interventions, particularly in regions where collaboration helps address barriers to market access, supplier readiness and local economic participation.

Exxaro collaborates with a range of stakeholders, including development finance institutions, provincial and national development agencies, original equipment manufacturers, peer corporates and other ecosystem partners. We also participate in ecosystem development forums, where beneficiaries and partners collaborate, share knowledge and develop market access opportunities.

### Building a future-ready supplier ecosystem

We are creating opportunities for black-owned, black women-owned and black youth-owned suppliers and supporting them to become long-term participants in Exxaro's value chain. We do this through:

- Developing our pipeline of suppliers in priority ownership categories (high-growth potential black-owned, black women-owned and black youth-owned enterprises) through our ESD hubs
- Preferential procurement mechanisms, including bid evaluation criteria, preferential contracting, set-asides, fair price adjustments, sub-contracting and B-BBEE premiums
- Our supplier readiness programme, which prepares enterprises for participation in Exxaro's procurement processes
- Aligning with the BUs to ensure that the ESD hub pipelines and development programmes match upcoming procurement opportunities
- Ensuring suppliers are equipped to meet compliance, quality and cost requirements to compete sustainably in the market

This approach emphasises diversity, future readiness and competitiveness to strengthen supply chain resilience and align local supplier development with Exxaro's operational needs.

### Embedding governance and beyond compliance excellence

Our initiatives align with Exxaro's B-BBEE obligations and are guided by the dtic's B-BBEE Act and codes, the Department of Small Business Development's SMMEs and Co-operatives Funding Policy (April 2023) and the Preferential Procurement Policy Framework Act. Exxaro's ESD programmes not only contribute to our B-BBEE score but also exceed the minimum standards set by local, provincial and national government.

### Funding and financial support mechanisms

Our funding suite is structured to balance impact, sustainability and compliance. Each mechanism supports enterprises at different stages of maturity and contributes to a financially sustainable ESD programme.

The funding suite supports the shift towards a greater reliance on zero interest loans and co-funding to maintain a self-sustaining programme. This enables us to match financial support to enterprise maturity and risk profile.

Grants	Recognise 100% of the contributed amount for B-BBEE compliance but require full annual refinancing. They are used primarily for micro-enterprises selected through structured processes such as the pitch for funding programme, or in exceptional cases where a combined grant and loan solution is appropriate.
Zero interest loans	Provide scalable support for qualifying enterprises assessed through the ESD funding framework. Only 70% of the loan value is recognised for compliance, but the programme is designed to be self-sustaining through repayments. Continued repayments reduce reliance on new budget allocations and support Exxaro's broader B-BBEE performance. We actively manage the loan book to ensure it remains within acceptable risk levels and contributes to long-term programme sustainability.
Co-funding	By partnering with development finance institutions and other industry collaborators, we expand the reach of the programme and reduce loan book risk. Co-funding does not carry direct compliance recognition but plays a key role in enabling blended capital solutions.
Early payment	Exxaro settles SMME vendor invoices well within the prescribed 15 working days, significantly ahead of standard payment terms, thereby enhancing cash flow and helping these businesses thrive.

### Non-financial support and capability development

Non-financial support strengthens enterprise capability and enhances long-term competitiveness. Our non-financial offering includes:

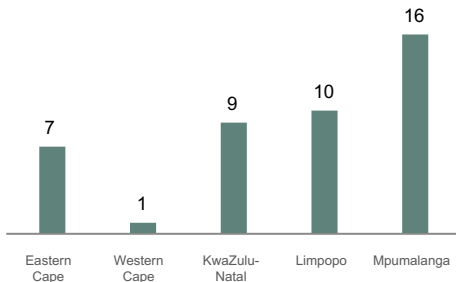
- Gap assessments to identify enterprise development needs
- Supplier pre-development
- Accredited training and development delivered through e-learning or in-person channels
- Mentorship and networks enabled through business linkages
- Business services such as access to templates, agreements and operational tools
- Shared infrastructure accessible through ESD hubs

The ESD hubs provide multi-year incubation and capacity building programmes tailored to enterprise maturity, including financial management training, compliance readiness support, bookkeeping mentorship and technical guidance. These interventions help enterprises build the technical, financial and operational capabilities they need to operate competitively and sustainably.

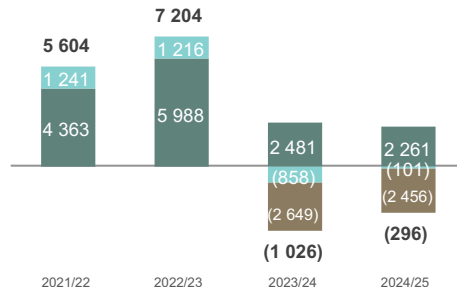
## 2025 performance

	2025	2024	2023
<b>Approved spend (Rm)</b>	<b>85.6</b>	169.8	111.3
<b>Jobs retained (number)</b>	<b>979</b>	286.0	355.0
<b>Beneficiaries (number)</b>			
Qualifying small enterprises (QSEs) and exempt micro-enterprises (EMEs)	<b>43</b>	58	14
Youth-owned	<b>20</b>	22	1
Women-owned	<b>19</b>	21	9

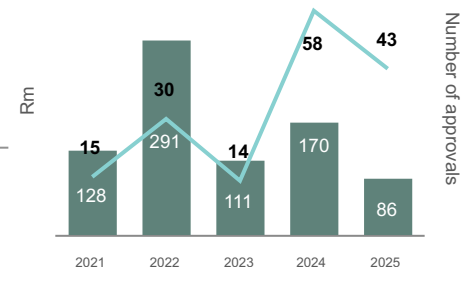
### Provincial spread of supported QSEs and EMEs (total: 43)



### ESD programme beneficiaries



### ESD approvals per year



## Funding and financial support

We strengthened the governance and oversight of our ESD loan book to ensure it remains within acceptable risk levels. This included refining screening processes during funding windows, aligning loan decisions with the ESD funding framework and enhancing monitoring of repayment trends. We also implemented enhanced loan recovery measures such as cession and litigation, in line with the National Credit Act.

Demand for financial support continues to exceed available budget, particularly in communities where Exxaro is the only sizeable company and expectations for assistance are high. This reinforces the importance of maintaining a self-sustaining loan book supported by repayments.

As at the end of December 2025, funding approvals totalled R85.58 million.

<b>Loans advanced</b> R76.34 million (2024: R117.28 million)	<b>Settled loans</b> R24.29 million (2024: R88.70 million)
<b>Loan repayments</b> R118.15 million (2024: R84.69 million)	<b>Outstanding loan book</b> R328.85 million (2024: R378.14 million)

Early payment support increased by 40% in 2025, with R0.07 billion disbursed to 549 SMMEs (2024: R0.05 billion to 478). This included 339 EMEs and 210 QSEs, reflecting year-on-year increases of 13% and 18% respectively. The programme exceeds B-BBEE requirements by providing critical liquidity for small enterprises.

Our total SMME spend reached R1.87 billion, comprising R0.92 billion to EMEs and R0.95 billion to QSEs.

## Non-financial support

We expanded several non-financial support programmes to strengthen the capability and competitiveness of SMMEs in our development pipeline.

### Supplier readiness

This new programme was introduced to equip aspiring contractors with the capabilities required to respond successfully to requests for tenders, and improve compliance with relevant legislation.

Rolled out across all BUs, the programme is designed to improve supplier preparedness and strengthen the pipeline of enterprises ready to participate in our value chain.

### Contractor management and development

To broaden our impact, we successfully appointed YIEDI as our implementation partner for the expanded version of this programme, which was rolled out in 2025 with an initial cohort of 18 beneficiaries. The programme provides targeted support to first-time contractors through training, gap assessments, business operations improvement and progress monitoring.

### Financial excellence

In partnership with SAICA, this programme has supported 87 SMMEs over its first three cohorts, creating 102 new jobs, securing new contracts for 16 SMMEs, while 17 expanded their market share and four accessed loan funding to support growth.

The fourth cohort started in 2025, extending support to a new group of entrepreneurs. The programme remains an important lever in improving financial discipline, operational efficiency and long-term sustainability for SMMEs.

### Pitch for funding

In partnership with the Small Enterprise Development and Finance Agency, we provided 29 small enterprises with grant funding of R250 000 each to strengthen their business growth (2024: 27).

We implemented the programme in nine host communities in 2025 (2024: nine).

Now in its second year, the pitch for funding programme supports micro and survivalist SMMEs that are not yet ready for loan financing but show potential for growth with early-stage support.

## Enabling enterprise and supplier development continued

### ESD portal enhancements

We expanded the functionality and use of the digitised ESD supplier portal in 2025, which is central to improving transparency, efficiency and accessibility across the programme. The portal enables SMMEs to submit and track applications for financial and non-financial support, while providing access to a structured development pathway.

The platform offers a range of digital tools including:

- Business plan templates and agreements
- Online gap assessments
- E-learning modules through a voucher-based model
- Beneficiary forums and collaboration platforms
- Visibility of grant and loan options

Increased use of the portal enhanced monitoring, reduced administrative turnaround times and improved the consistency of support delivered across hubs.



### 2026 key actions

During 2026, we will focus on implementing initiatives that drive the updated strategic objectives outlined in the ESD strategic priorities. These initiatives include:

- Continue managing the ESD loan book within acceptable risk levels
- Implementing a purchase order loan fund in the first half of 2026
- Embedding an ecosystem-based approach for SMME development
- Explore the development of suppliers in strategic goods/services
- Aligning ESD hubs more closely with BU localisation plans
- Improving processes, systems and technology to strengthen data quality and operational efficiency
- Exploring additional support mechanisms for programme graduates, including opportunities to foster “pay it forward” mentoring

### Case study

## Scaling local enterprise through strategic partnership

### Maake Mining Services accelerated its growth through a three-year contract at Exxaro’s Grootegeluk mine, supported by targeted ESD funding that strengthened local employment and skills development.

Founded on more than 20 years of industry experience, Maake Mining Services began full operations in 2022 with a focus on safety, quality and community impact. A breakthrough came in August 2024 when the company secured a three-year contract at Grootegeluk to manage cyclic ponds and Dam 5, support loading and hauling activities, and maintain key infrastructure.

To support delivery, the company received R30 million in ESD funding from Exxaro in two tranches during 2024. The funding enabled investment in new machinery, strengthening operational capacity and improving production performance. Structured to align with cash flow, the loan model allowed the business to generate revenue before commencing repayments, supporting financial sustainability.

Since securing the contract, the company has matured operationally, strengthened safety standards and expanded its workforce.

### Impact highlights

- R30 million in ESD funding unlocked fleet expansion and increased production capacity
- 76 jobs created, with 67% of employees drawn from local communities
- Improved operational reliability and production delivery beyond allocated volumes
- Advanced local skills development and supplier capacity within the mining value chain



# Creating post-mining economies

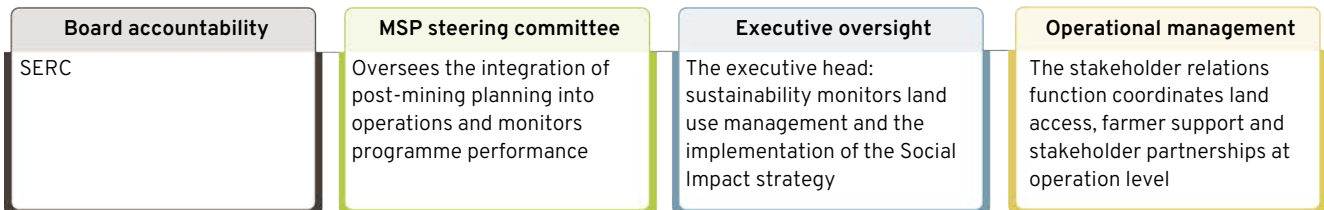
## Why this matters

Many of our operations are located in rural areas where economic activity outside of mining is limited and unemployment, particularly among youth, is high. Without deliberate intervention, mine closure can intensify social vulnerability and erode local livelihoods.

Through the MSP, we convert rehabilitated or unused mining land into productive agricultural assets that support enterprise development and sustainable income generation, contributing to an impactful transition, inclusive growth and long-term community wellbeing.



### Governance and oversight

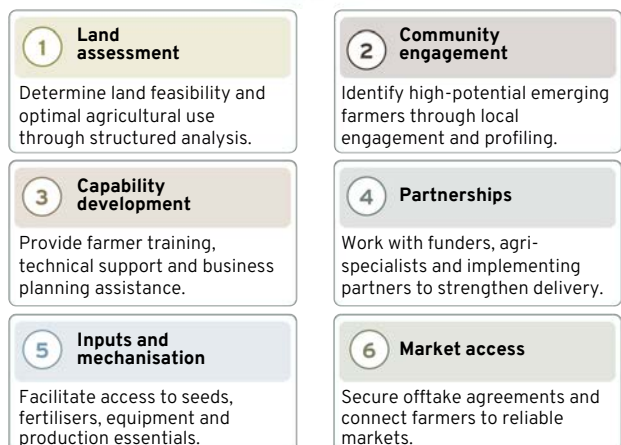


### Strategy and management approach

We aim to effectively develop emerging black farmers, transforming them from subsistence to commercial farmers by enabling access to land, resources and market opportunities. Our partnership-focused approach enables Exxaro to provide structured support that positions participants for long-term success within the agricultural value chain.

Key elements of our approach include:

- Integrating post-mining agricultural opportunities through community engagement and land use analysis
- Identifying, assessing and profiling emerging farmers to determine suitability for participation
- Establishing partnerships that provide technical, financial and operational assistance across the farming lifecycle
- Developing business plans, financial models and production best practice training, strengthened by ongoing mentorship
- Securing land leases, partnerships with development finance institutions, agri-specialists and product offtakers to ensure market access and compliance
- Monitoring and measuring performance indicators such as land under management, yield and revenue increases, jobs created, training delivered and farmer independence



## Creating post-mining economies continued

### Holistic development and support

We strengthen post-mining economic resilience by providing integrated support that enables emerging farmers to operate independent, commercially viable agri-enterprises. We provide farmers with tailored support that covers foundational and advanced requirements across the agricultural value chain. This includes access to rehabilitated or unused mining land, essential inputs and mechanisation, and technical guidance on crop and livestock production. Farmers receive training in production best practices, compliance readiness (including Global GAP and other requirements) and enterprise management. We also help farmers develop business plans, financial models and funding applications.

### Development partnerships

We work with development finance institutions to raise funding for farmers, secure land leases and facilitate access to resources. In addition, partnerships with agri-specialists and offtake partners help ensure that participating farmers can meet market standards and secure reliable buyers. These collaborations enhance the MSP's reach and enable farmers to progress from inception to commercial maturity.

### Monitoring, measuring and reporting

We track several indicators to ensure that our interventions deliver community benefits and progress farmers towards independence. Key measures include:

- Total land under management and in use or to be used by emerging farmers
- Increase in yields (crop farming)
- Increase in revenue generated by farmers (crop and cattle farming)
- Jobs created and retained (seasonal and permanent)
- Number of farmers trained
- Number of sustainable farmers who can operate independently and deliver on their offtake agreements

We also track funding deployed through Exxaro's instruments and additional capital leveraged from development finance institutions.

## 2025 performance

Province	Type of farming	Number of projects		Number of farmers	
		2025	2024	2025	2024
Limpopo	Crops	4	4	13	230
Mpumalanga	Livestock, grain, fruit and poultry	13	13	31	32
Gauteng	Essential oils	1	1	1	1
KwaZulu-Natal	Livestock, grain, forestry and essential oils	15	15	90	297
Western Cape	Honey	1	1	1	1
Eastern Cape	Livestock	2	2	2	101
<b>Total</b>		<b>36</b>	<b>36</b>	<b>138</b>	<b>662</b>

Due to capacity and funding challenges, the number of farmers receiving support through the MSP decreased compared to last year. We are exploring alternative funding sources for farmers currently not receiving support. However, farmers who graduate from the MSP will be replaced from the pool of farmers that has been scoped and baselined. The number of supported farmers will therefore always be at least 138.

### Improving our post-mining economies management

#### Programme scope and reach

The MSP has 10 662.5ha under management. At year end, we supported 138 farmers across 36 projects in six provinces (2024: 662 farmers).

- 54% female farmers (2024: 4%)
- 23% youth farmers (2024: 23%)

#### Access to support, resources and funding

- No funding was provided for the MSP from Exxaro in 2025. The focus was on using funds that were approved and disbursed in 2024\*
- Additional funding leveraged: R47 million (2024: R15 million)

#### Agricultural performance

- 10 farmers planted tomatoes on 33ha with a yield of 383t
- One farmer grew stoned fruit on 12ha of land with a yield of 23t
- Two farmers harvested 6 430t of maize from 1 090ha
- One farmer harvested 952t of soya beans from 379ha
- One farmer with 2.4ha harvested 173t of vegetables

We did not enter into new leases during 2025, as the focus for the year was on deepening the quality and effectiveness of support within existing projects. This deliberate consolidation enables stronger engagement, deeper farmer capacity building and greater impact at farm level.

Additional projects will be introduced as current participants mature through the programme and demonstrate readiness for graduation.

In 2025, farmers made gradual progress toward greater independence through training, mentorship and production support. Several projects, however, required additional assistance.

Farmers used the additional funding for soil preparation and input costs.

Crop performance was impacted by adverse climate conditions and late planting in 2025, leading many farmers to fall short of expected yields. The reduced harvest volumes also influenced seasonal job creation, which depends heavily on cropping cycles. Several farmers will require additional technical and financial support in the next planting season, particularly where loans were tied to current season output.

\* The funding includes the technical, non-financial support provided to the farmers.



### 2026 key actions

Our focus for 2026 is to strengthen agricultural resilience, secure additional funding partnerships and pilot alternative post-mining land uses. We aim to do this by:

- Expanding the ecosystem of partners to complement the MSP capabilities
- Implementing a beekeeping project in Belfast
- Welcoming new graduates into the MSP

# Driving supply chain sustainability

## Why this matters

Exxaro's supply chain plays a central role in advancing economic inclusion, strengthening host communities, supporting national transformation priorities and environmental objectives.

Through intentional green procurement, and preferential and local procurement, we help unlock opportunities for emerging businesses, contribute to sustainable livelihoods and responsible sourcing in line with our Sustainable Growth and Impact strategy.



### Governance and oversight

#### Board accountability

SERC, RBR and investment committees

#### Executive oversight

The executive head: commercial implements policies and guidelines for the execution of the supply chain strategy in support of the sustainable growth and impact objectives

#### Operational management

The group manager: supply chain management leads and aligns execution of the procurement mandate to achieve SMME and ESG objectives

### Strategy and management approach

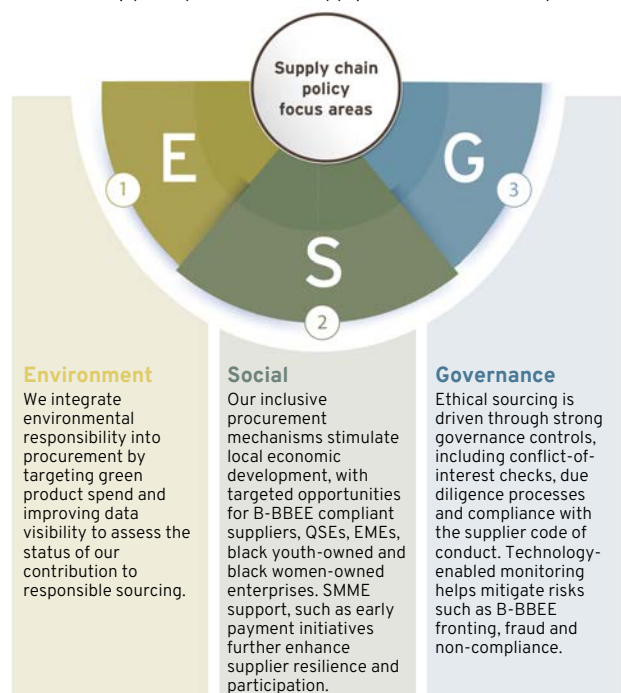
Our supply chain management strategy sets out how we apply strong governance, ethical standards and transformation priorities across our procurement activities. The strategy is supported by our supply chain source-to-pay and sustainability policies and aligns with the requirements of the B-BBEE Act, Mining Charter III and our SLP commitments.

Key elements of our approach include:

- Developing and refining policies that go beyond compliance and integrate ESG imperatives into our procurement practices
- Advancing local economic development by enabling greater participation of historically disadvantaged suppliers, with a specific emphasis on enterprises owned by black youth, people living with disabilities and black women
- Strengthening supplier onboarding, monitoring and due diligence processes to reinforce ethical sourcing and reduce exposure to supply chain risks
- Monitoring, measuring and reporting procurement performance against our targets for preferred groups
- Maintaining a fair, equitable and transparent procurement process, grounded in strong governance and controls
- Working with regulators, industry partners and community stakeholders to advance shared value within the supply chain

### Supply chain policy focus areas

We demonstrate our sensitivity to the environmental and socio-economic challenges facing South Africa by incorporating sustainability principles into our supply chain. This is underpinned by:



## Driving supply chain sustainability continued

### Preferential procurement

We prioritise procurement from B-BBEE compliant suppliers, with a particular emphasis on black women, youth and people living with disabilities. Our procurement targets include directing 12% of spend to black women-owned companies and 13% of total procurement spend to local SMMEs from host communities.

We support inclusive procurement by:

- Earmarking portions of procurement spend for qualifying supplier groups
- Promoting local procurement through sub-contracting
- Encouraging local hiring by suppliers where skills are needed

We also recognise that smaller suppliers often face cash flow constraints, which is why we offer preferential payment terms and early settlement of invoices. In exceptionally compelling cases, we provide advance payments or relax bank guarantee requirements to help SMMEs deliver on their contracts.



Cennergi monitors its procurement share from B-BBEE suppliers, QSEs, EMEs and women-owned vendors against commitments and targeted percentages in the implementation agreement between Cennergi and the Department of Electricity and Energy:

- Tsitsikamma community windfarm and Amakhala Emoyeni have set procurement goals of 60% total procurement from B-BBEE suppliers, 10% from QSEs and EMEs, and 5% and 2.5% respectively from women-owned vendors
- The LSP has set procurement goals of 40% from B-BBEE suppliers, 10% from QSEs and EMEs, 3% from women-owned vendors and 3% from youth-owned vendors
- Karreebosch, Goldwind and Concor have set combined procurement goals of 63.07% from B-BBEE suppliers, 25.89% from black enterprise, 18.51% from QSEs and EMEs, and 7.24% from women-owned vendors

### Ethical procurement

We promote ethical and sustainable sourcing by aligning our policies and controls to ensure that all suppliers meet Exxaro's governance standards and commit to our supplier code of conduct and conflict of interest guidelines. Our processes focus on:

- Using technology-enabled screening and due diligence to identify conflicts of interest and mitigate risk of exposure to B-BBEE fronting or fraud
- Incorporating ethical requirements into the vendor onboarding process
- Hosting ethics moments at various levels of supply chain

### Green procurement practices

We incorporate green procurement targets into our supply chain performance to reduce our carbon footprint and support Exxaro's environmental commitments.

### Stakeholder collaboration

We work with a range of partners to advance inclusive, ethical and supply chain sustainability practices. Collaboration supports shared learning, strengthens governance and enables broader socio-economic impact across our value chain.

Our key stakeholders include:

- Suppliers
- Applicable government and regulatory authorities
- Local communities

### Case study

## Empowering community enterprises through targeted SMME support

**Noku Resources Proprietary Limited is a 100% black woman-owned enterprise founded in Rietspruit, Mpumalanga. After completing Exxaro's business development programmes, the company transitioned from a dormant entity into a viable supplier in the mining sector. Exxaro's structured ESD support has since enabled the business to scale, secure contracts and build long-term capability.**

Noku Resources became operational after Nokulunga Dlamini completed Exxaro's Sunrise Community of Practice programme in 2020, followed by incubation support funded through our SLP. These interventions strengthened the company's governance, financial management and service delivery skills, enabling Noku to secure a five-year industrial cleaning contract at Matla mine as well as a dust suppression sub-contract at Seriti Power's New Largo mine.

To further enhance operational capacity, Exxaro approved a zero interest ESD loan of R1.19 million in 2025 for the purchase of a 20 000-litre water bowser. This investment reduced reliance on leased equipment, supported contract execution and helped sustain 39 jobs filled entirely by local community members.

With a more resilient business model, Noku Resources is now expanding its services into logistics and conveyor maintenance, with projected turnover expected to exceed R10 million by 2026. Exxaro will continue to provide targeted non-financial support, including mentorship and financial management guidance, to reinforce sustainable growth.

### 2025 performance on local procurement

Local vendors accounted for 14.6% of our total procurement spend, representing R1 795 million directed to businesses in host communities. This supported more than 511 local vendors, including 389 local SMMEs, who received R1 307 million in procurement spend.

	2025	2024	2023
Procurement spend directed to local SMMEs	<b>R1.3 billion</b>	R 1.2 billion	R1.4 billion
Number of local SMMEs supported through procurement spend	<b>389</b>	392	341
Value of local contracts awarded	<b>R1.4 billion</b>	R1.2 billion	R1.9 billion
Number of local vendors awarded contracts	<b>70</b>	38	31

**B-BBEE preferential procurement**

Preferential procurement contributed a score of 26.8 out of 29 points towards our current achievement of B-BBEE level 2 recognition. This contribution is complemented by a 0.6% improvement on spend with EME and QSE.

**Women and youth procurement spend**

Exxaro achieved a procurement spend of 19% from black women-owned businesses, against the target of 15%. Procurement spend from youth-owned businesses was 13%, against the target of 5%.



Cennergi met its preferential procurement targets for 2025 and did not incur any termination points.

**Green procurement**

Exxaro achieved 6.4% on overall green procurement performance against the target of 2%. The following measurement categories contributed to this outcome:

- 7.27% resource efficient procurement (2024: 1.15%)
- 3.41% energy efficient procurement (2024: 0.92%)
- 1.57% environmentally preferable procurement (2024: 0.48%)
- 10.11% reverse logistics (2024: 6.40%)

**Ethical procurement**

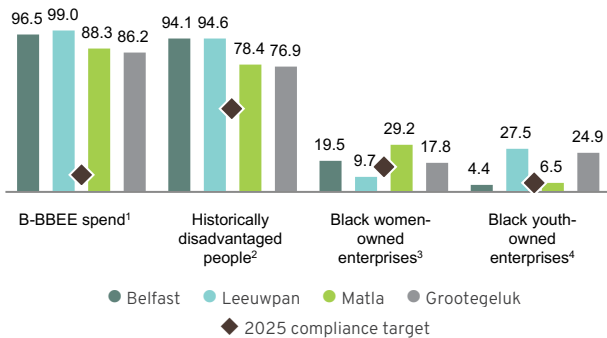
We enhanced our anti-corruption and transparency practices by:

- Hosting a Supplier Ethixx Day, reinforcing ethical conduct and transparency
- Updating the supplier code of conduct to align with industry best practice and King IV
- B-BBEE fronting checks and reviews

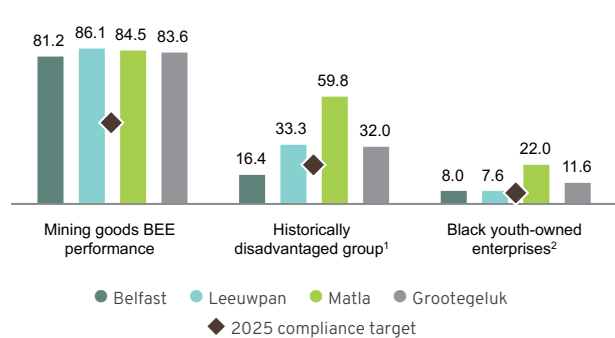
### Mining Charter III

As a mining right holder, Exxaro measures our inclusive procurement by assessing our performance against Mining Charter III for procuring mining goods and services from designated groups. Exxaro maintained the achievement of our target of 40 points (2024: 40) on the Mining Charter III in 2025.

Mining Charter III – services procurement performance (%)




Mining Charter III – goods procurement performance (%)



<sup>1</sup> Procurement from entities with more than 25% black ownership and at least level 4 on the B-BBEE scorecard.  
<sup>2</sup> Procurement from entities with HDP as majority owners.  
<sup>3</sup> Procurement from entities with black women as majority owners.  
<sup>4</sup> Procurement from entities with black youth as majority owners.

<sup>1</sup> Procurement from entities with HDP as majority owners.  
<sup>2</sup> Procurement from entities with black youth as majority owners.



**2026 key actions**

Our focus for 2026 is to increase effectiveness of procurement practices and contributions through targeted initiatives, including:

- Improving alignment of procurement processes with ethics and conflict of interest policies
- Improving procurement with our local communities suppliers
- Conducting physical on-site verifications of supplier references
- Conducting conflict of interest reviews with current vendors
- Sustaining early detection of B-BBEE fronting
- Engaging effectively with stakeholders

# Embedding human rights in our business

## Why this matters

Our operations and value chain intersect with employees, contractors and communities, where impacts on safety, equality and access to essential services can arise. We strive to embed human rights as the foundation of the standards applied across our business to prevent harm and promote dignity.

Upholding these rights strengthens our social licence to operate, ensures compliance with national and global frameworks and supports resilient, equitable communities.



### Governance and oversight



### Strategy and management approach

We manage human rights through a proactive and structured approach that integrates strong governance, due diligence and consistent implementation across operations. Our human rights policy guides expected behaviours and aims to prevent adverse impacts, promote dignity and fairness, and strengthen the systems that safeguard people throughout our operations and value chain.

Key elements of our approach include:

- Embedding human rights risk assessments into ESG due diligence
- Ensuring contractor and supplier standards cover labour rights, safety and fair treatment
- Training employees and contractors on human rights awareness
- Providing secure whistleblower channels through the fraud and ethics hotline
- Maintaining grievance mechanisms that are accessible to employees, contractors and communities
- Collaborating with NGOs, regulators and industry partners on best practice
- Reviewing human rights processes and policies to support continual improvement
- Encouraging open communication between employees and supervisors

We align our human rights approach with the following guidance:

Organisation	What it means for Exxaro
South African Constitution, BCEA and Labour Relations Act	Foundation for labour rights, fair treatment and legal compliance
Minerals Council South Africa Human Rights Framework	Sector-specific guidance for managing human rights in mining operations
UNGPs on Business and Human Rights	Standard for due diligence, prevention of harm and remedy where impacts occur
ILO Declaration on Fundamental Principles and Rights at Work	Protects freedom of association, fair working conditions and prohibition of child or forced labour
OECD Guidelines for Multinational Enterprises	Responsible business conduct expectations across global value chains
UN Global Compact Principles	Alignment with principles on human rights, labour, environment and anti-corruption



Cennergi ensures human rights considerations are adequately managed and addressed through human resources policies and a code of conduct and grievance procedure aligned with South African human rights legislation. Cennergi is also committed to the IFC's Performance Standard 2 on labour and working conditions, which requires companies to treat their employees fairly, provide safe and healthy working conditions, avoid using child or forced labour and identify related risks in their primary supply chain.

## Review and due diligence

We conduct regular reviews to identify, prevent and mitigate actual and potential human rights impacts across our operations and communities. In addition, we review our governance processes, policies and operating practices for compliance with national regulations and international standards, accompanied by actionable recommendations, as well as internal standards and supporting documentation to integrate human rights and help to prevent our involvement in any adverse human rights impacts.

Following our due diligence conducted in 2024, the following key areas have been identified for improvement:

- Aligning policies with Exxaro's evolving organisational structure and operational processes
- Developing a formal communication plan to ensure all stakeholders, including suppliers, fully understand Exxaro's human rights commitments and grievance procedures
- Enhancing the supplier code of conduct to formalise and align grievance mechanisms across all operations
- Expanding Exxaro's policy commitment on child labour to include broader children's rights

We conduct annual independent compliance audits at all BUs, covering environmental management, water use, air quality, SLPs, health and safety, with oversight from the combined assurance forum.

We encourage all stakeholders to report suspected fraud, corruption or human rights violations to our anonymous fraud and ethics hotline. Employees can also report human rights violations to supervisors, line managers and the people and performance department.

## Prevention and mitigation

As we embed human rights practices within our business and business conduct, we invest in and develop areas within our sphere of influence for the benefit of our stakeholders.

These focus areas include:

### Governance and ethics

Our board oversees human rights considerations through its broader governance mandate, which includes economic transformation, fraud and corruption prevention, public health and safety, consumer protection, community development and environmental stewardship. All litigation matters are reported on giving consideration to possible ESG and human rights impacts. This oversight ensures Exxaro remains ethical and compliant.

We prioritise the protection of human rights across our value chain by working with contractors and suppliers that demonstrate responsible conduct, as defined in our updated supplier code of conduct. The new supplier code of conduct (available on our [website](#)), approved in November 2025, confirms Exxaro's commitment to protect and uphold human rights and our requirement that suppliers and business partners comply with our policy, failing which it will be considered a material breach, which may lead to termination.

Ethical culture is reinforced through our mining with morals programme, which raises awareness of expected conduct and encourages employees to speak up when they see misconduct or potential human rights concerns.

Robust governance structures, including board policy approval, oversight by two board committees and an internal escalation process for complaints are in place.

[Fraud and ethics hotline](#) (page 104)

### Respect for all communities

Exxaro recognises that communities have the fundamental right to access essential services and to live in safe and healthy environments. Our approach includes:

- Respecting the cultural values of host communities, including traditional authorities
- Supporting community self-sufficiency, sustainability and the protection of health, safety and the natural environment
- Providing appropriate mitigation where communities may be affected by noise, air pollution or hazardous materials
- Following the DMPR's mine community resettlement guidelines when resettlement is required
- Applying the IFC's Performance Standard 5 and the Minerals Council's Human Rights Framework for non-mining-related resettlements to ensure ethical and equitable outcomes

[Empowering our communities](#) (page 77)

### Children's rights

Exxaro supports the rights of children to access quality education and to be treated in a manner appropriate to their age. Our approach includes:

- Prioritising human capital development in our social investment strategy, with a focus on ECD, whole school development, skills development and agricultural and entrepreneurial skills
- Designing ECD programmes that help children become school-ready and able to thrive
- Improving school infrastructure through our Grootegeluk and Matla SLPs to create conducive learning environments
- Identifying infrastructure needs through stakeholder engagement to promote equal access to education for learners and teachers





### Environmental management and conservation

We safeguard the environment and support community resilience by planning early for mine closure and prioritising rehabilitation throughout the mining lifecycle. Our approach includes:

- Supporting black emerging farmers through the MSP programme
- Providing funding, market access, inputs, machinery and training to help farmers commercialise their businesses
- Creating secondary economic activity in areas where Exxaro, previously Kumba and Iscor, has operated
- Aligning closure and rehabilitation practices with our commitments to responsible mining, decarbonisation and climate change mitigation

[Integrating mine closure and rehabilitation](#) (page 45)

## Embedding human rights in our business continued

<p><b>Equal opportunities, non-discrimination and transformation</b></p>	<p>Exxaro's DEI strategy:</p> <ul style="list-style-type: none"> <li>• Supports employees' human rights by preventing discrimination, harassment and racism</li> <li>• Aligns with the National Gender Policy Framework and the UN Convention on the Elimination of All Forms of Discrimination against Women</li> </ul> <p>We train leaders and employees on gender equity and identity, LGBTQIA+ inclusion, racial equity, disability competence and inclusive culture to promote fairness and respectful conduct.</p> <p> <a href="#">Our DEI strategy</a> (page 64)</p>
<p><b>Human rights in the workplace</b></p>	<p>We uphold internationally recognised labour rights in all workplaces. This includes:</p> <ul style="list-style-type: none"> <li>• Prohibiting forced or compulsory labour</li> <li>• Adhering to the legal minimum age of 18 and ILO child labour conventions</li> <li>• Supporting legitimate apprenticeships, internships and similar programmes in line with applicable laws</li> <li>• Enforcing reasonable working hours, leave and holidays that safeguard physical and mental health</li> <li>• Applying transparent disciplinary and grievance mechanisms that ensure fair treatment</li> </ul> <p> <a href="#">Engaging our employees</a> (page 65)</p>
<p><b>Freedom of association and the right to collective bargaining</b></p>	<p>Exxaro respects every employee's right to form or join a labour union without fear of reprisal, intimidation or harassment. We foster constructive dialogue with legally recognised union representatives freely chosen by our employees. We engage in good faith to build trust, support collective bargaining and maintain positive labour relations.</p> <p> <a href="#">Trade union representation</a> (page 70)</p>
<p><b>Safety and health in the work environment</b></p>	<p>We maintain the highest safety standards and work towards zero harm across all operations. Our approach is supported by rigorous management systems, protocols and programmes that promote safe and healthy working conditions.</p> <p> <a href="#">Prioritising safety</a> (page 57) and <a href="#">promoting health and wellness</a> (page 61)</p>
<p><b>Security</b></p>	<p>When protest action affects our operations, we are guided by the Regulation of Gatherings Act, 1993 (Act 205 of 1993), our stakeholder management and human rights policies and our security strategy, aligned with the Voluntary Principles on Security and Human Rights. All of our operations implement a human rights and security approach consistent with these voluntary principles.</p> <p>We also give ongoing training for employees on human rights principles:</p> <ul style="list-style-type: none"> <li>• Induction programmes educate employees about human rights and our position against discrimination</li> <li>• We train security personnel in human rights aspects relevant to each operation</li> <li>• Refresher courses include human rights</li> </ul>

### Stakeholder collaboration

Open communication and transparent engagement are essential for identifying and addressing human rights concerns. To support this, we provide several channels for stakeholders to raise concerns and take all grievances seriously. We investigate and address complaints appropriately.

Key collaborations and engagements include:

<p><b>Communities</b></p>	<p>Using stakeholder engagement forums to discuss issues directly and build positive relationships with our communities</p>
<p><b>Employees</b></p>	<p>Engaging employees on labour rights, fair treatment and ethical conduct through induction, training and awareness programmes, alongside participation in community-centred initiatives such as food garden projects</p>
<p><b>Suppliers</b></p>	<p>Working with suppliers to promote responsible business practices and uphold human rights expectations across the supply chain</p>
<p><b>Government and regulators</b></p>	<p>Engaging with national and provincial departments and regulators, including the DMPR, DoH and DoE, to support compliance with regulations that protect community and employee rights</p>
<p><b>Industry alliances</b></p>	<p>Collaborating through the Minerals Council to promote responsible practices and address shared human rights concerns within the mining sector</p>
<p><b>Research and education institutions</b></p>	<p>Partnering with universities on research and community empowerment initiatives that support local development and sustainable natural resource management</p>

## 2025 performance

	2025	2024	2023
Human rights grievances lodged against Exxaro	<b>None</b>	None	None
Employees participating in DEI courses such as workplace harassment and diversity and inclusion	<b>38</b>	136	196
Fraud and ethics allegations reported	<b>291</b>	252	191
Allegations reported via the fraud and ethics hotline	<b>275</b>	220	164
Percentage of allegations resulting in disciplinary inquiries	<b>5%</b>	4%	23%
Disciplinary hearings concluded	<b>14</b>	5	22
Cases brought before the Council of Conciliation, Mediation and Arbitration (CCMA)	<b>6</b>	4	2

In total, 19 disciplinary inquiries were recommended, 14 were concluded and five did not take place due to employee resignations. Of the 14 disciplinary hearings concluded in 2025 (2024: five), 14 ended with a verdict of guilty (2024: four), while zero resulted in a not-guilty verdict (2024: one).

With regard to CCMA cases, the Commissioner decided in favour of Exxaro once (2024: twice) and there was no instance where the matter was resolved through a mutual agreement (2024: none). Five other matters lodged with the CCMA in 2025 are still outstanding.

### Improving our human rights management

We invested R60 million in initiatives that support human rights in 2025, demonstrating Exxaro’s commitment to go beyond regulatory compliance in promoting sustainable development across our host communities. These investments focused on education, essential services, agriculture and health.

<b>Strengthening education and child development</b>	<b>Improving access to essential services</b>
<ul style="list-style-type: none"> <li>• We completed and handed over a new school hall and five classrooms at Nelsonskop Primary School in Lephalale, reducing overcrowding and supporting the right to quality education</li> <li>• Our ECD centres supported 2 955 children, helping ensure school readiness and age-appropriate development</li> <li>• Our investment in teacher development advanced, with 31 teachers qualified for accredited training and an additional 96 participating in relevant training programmes</li> <li>• Our ongoing visual and audiology programme delivered critical health screening for 2 037 learners in KwaZulu-Natal (Hlobane and Durnacol). Of these, 58 got prescribed spectacles and 16 hearing aids. Wax removal was done for 38 learners</li> </ul>	<ul style="list-style-type: none"> <li>• In Lephalale, our refurbishment of the sewer plant improved public health and restored dignity for approximately 144 000 residents</li> <li>• Our teams constructed two water purification plants in water-scarce Tshikondeni, using sand extraction technology. Final commissioning awaits the replacement of an out-of-service transformer required for the power connection</li> <li>• Refurbishing the substation in the Thuthukani township of eMalahleni improved electricity reliability for surrounding communities</li> <li>• The new access road we developed in Belfast strengthened mobility and supported local economic activity</li> <li>• At Leeuwpan, our support for the borehole resuscitation project included procuring all required material on time, while slower-than-planned municipal installation extended the overall project timeline</li> </ul>
<b>Agricultural and economic development</b>	<b>Strategic partnerships and capacity building</b>
<ul style="list-style-type: none"> <li>• We strengthened food security and local livelihoods through agricultural and entrepreneurial training programmes</li> <li>• We supported sustainable community development through initiatives that promote self-sufficiency and enhance economic resilience</li> </ul>	<ul style="list-style-type: none"> <li>• We signed an MoU with the Limpopo DoE to enhance the quality of our educational initiatives, improve delivery efficiency and ensure investments align with provincial priorities</li> <li>• Through a Minerals Council-facilitated process, Exxaro, the MQA, Eskom and the Department of Higher Education established a collaborative initiative to strengthen the Lephalale TVET College’s training capability and improve graduate employability</li> </ul>

**2026**  
key actions

Our focus for 2026 is to scale up human capital development through targeted ECD support, whole school development and strategic education infrastructure. We will be partnering with various stakeholders to implement ECD by:

- Establishing 30 ECD centres (age three to five years) in Mpumalanga for teacher development and training, infrastructure support and registration of the centres
- Implementing ECD foundation phase (age six to nine years) across our BUs through numeracy, literacy and science teacher development and resourcing
- Improving critical subjects in high schools through academic camps and maths programmes
- Advancing digital equity through comprehensive educational programmes, fostering digital inclusion by providing essential technology education
- Capacitating identified TVET colleges in partnership with the MQA

# 4 Prioritising good governance

Robust governance underpins value creation at Exxaro. Aligned with our theme, accelerating our strategy to become a diversified natural resources champion, we uphold strong governance practices to enable sustainable growth and maintain stakeholder confidence. This section highlights our commitment to responsible business practices that support strategic execution and future readiness.



## Governance and oversight

### Accountability and responsibility

Exxaro's board provides ethical and effective leadership as the focal point of governance in the group. It holds ultimate accountability for performance and affairs, while balancing the legitimate interests of the group and our material stakeholders to deliver positive societal and environmental impact.

### Regulatory compliance

Our governance approach complies with national legislation, including the Companies Act, Financial Markets Act, JSE Listings Requirements, SAMREC Code and King IV.

### Beyond compliance


King IV advances good governance through transparent leadership, sound decision making and a focus on sustainability. Sustainable development is an ethical and economic imperative that balances current economic and social needs with those of future generations. As a responsible corporate citizen, Exxaro integrates stakeholder needs and expectations through our Sustainable Growth and Impact strategy.

## Our strategic response

Our governance approach supports Exxaro's Sustainable Growth and Impact strategy. We outline how our governance structures enables value creation in the short, medium and long term.

Our corporate governance reporting is structured under four King IV governance outcomes: ethical culture; performance and value creation; adequate and effective control; and trust, good reputation and legitimacy.

Exxaro's corporate governance is guided by principles that help the board fulfil its responsibilities to the company, group and stakeholders. These principles support the achievement of King IV governance outcomes and enable ethical, effective and accountable leadership that advances Exxaro's purpose of powering better lives in Africa and beyond.

 In line with King IV's recommendation to apply and explain good governance, we include our detailed King IV application register on our website as well as in our [databook](#), setting out each principle with the steps taken, policies and processes.

 [Board composition](#) (page 114)

## Board key matters in focus

### Strategic direction, risk and performance

Exxaro's Sustainable Growth and Impact strategy requires robust governance to ensure disciplined capital allocation, long-term value creation and responsible stewardship of stakeholder interests.


Through active board oversight and clear decision-making frameworks, the group reshaped our portfolio by divesting from non-core assets while directing capital towards priority growth areas. These decisions reflect a governance approach that integrates strategic foresight, risk management and ESG considerations, repositioning Exxaro for resilience, sustainability and relevance in a transitioning economy.


 [How we embed ESG](#) (page 5)

Sustained value creation relies on addressing material social and environmental challenges. Accordingly, our strategy is reviewed annually and submitted to the board for approval.

Following a two-day strategy session (themed "positioning Exxaro to lead") with the management team in June 2025, the board reaffirmed the Sustainable Growth and Impact strategy. The ESG framework continues to shape how this strategy is viewed and monitored.

The strategy development and review process follows a risk and opportunity assessment, including emerging risks and material sustainability issues. Our strategic performance management dashboard enables visibility of strategy execution. KPIs are cascaded from the board through sub-committees to facilitate strategic and timely discussions.

 Read our [ESG governance and risk](#) (page 12) for details about our ERM approach.

 Our [integrated report](#) (page 41 to 53) includes detailed information about our top strategic risks for the year.

## 2025 key highlights

### Management transition

Shareholders were informed on 6 February 2025 of Dr Nombasa Tsengwa's resignation, in terms of paragraph 6.71(b) of the JSE Listings Requirements. A targeted selection process resulted in the board appointing Ben Magara as incoming CEO, effective 1 April 2025. Ben stepped down as an independent non-executive director, succeeding the acting CEO, Riaan Koppeschaar, who continues as FD.

In August 2025, the CEO announced changes to the group management structure to support Exxaro's growing and diversified portfolio, strengthen business stability and enhance agility, collaboration and responsive decision making. The new structure also enables accelerated execution of the Sustainable Growth and Impact strategy.

The new structure included three new appointments namely: executive head: coal, executive head: sustainability (designate) and executive head: commercial.

### Governance roadshow

As part of our ongoing investor engagement initiatives, the chairman of Exxaro's board, together with the chairs of the remuneration, RBR and investment committees held Exxaro's 2025 governance roadshow from 29 to 30 September 2025, engaging investors in Cape Town and Johannesburg. This year's roadshow included BlackRock, one of Exxaro's offshore shareholders. At the time of the roadshow, the represented organisations had a cumulative holding of 79.76% in Exxaro shares.

Shareholder discussions focused on seven key themes, with remuneration, CEO/leader transition, strategy and capital allocation, and B-BBEE structure post-2027, leading the discussion.

Progress on Exxaro's vertical and horizontal wage gaps was also discussed, along with the potential impact of the recently promulgated legislative disclosure requirements. The company is confident that work in this area is well advanced and will consider commencing disclosure on the wage gap.

## Key challenges

### Coal mine dust class action


As reported previously, a coal mine dust class action litigation was initiated against Exxaro on 23 November 2023. The action involves mineworkers who contracted pneumoconiosis caused by exposure to coal mine dust at various Exxaro mines and dependents of deceased mineworkers whose deaths are likely attributable to the disease.








Exxaro completed the Rule 35 discovery process for documents received from the claimants and appointed independent administrative, medical, occupational hygiene and legal experts to support the assessment. Exxaro is defending the certification application and will continue to act in accordance with legal advice.




Exxaro is committed to health and safety, and on the SERC's recommendation, the board approved the revised health and safety policy. Management continues to identify health and safety risks and implement appropriate preventive measures, including medical surveillance programmes and occupational hygiene programmes, to reduce the risk of occupational health diseases across our operations.





# Addressing material matters

The table below outlines the board’s quarterly progress in addressing our material themes to achieve our governance outcomes.

 Exxaro’s board provides attention to the [material themes](#) (page 7) throughout the year. These include:

-  Building sustainable communities
-  Responsible environmental stewardship
-  Executing our strategy
-  Enabling a thriving workforce
-  Adapting to a changing context
-  Principled governance
-  Driving business resilience

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Material theme
<b>Board engagement</b>	<ul style="list-style-type: none"> <li>First quarter board meeting</li> <li>Approval of year-end results</li> </ul>	<ul style="list-style-type: none"> <li>Second quarter board meeting</li> <li>Annual strategy sessions with executive and management: Positioning Exxaro to lead; Sustainable Growth and Impact strategy</li> </ul>	<ul style="list-style-type: none"> <li>Third quarter board meeting</li> <li>Approval of half-year results</li> </ul>	<ul style="list-style-type: none"> <li>Fourth quarter board meeting</li> <li>Budget review</li> </ul>	
<b>Stakeholder engagement</b>	<ul style="list-style-type: none"> <li>Approved and presented the 2024 financial results, demonstrating resilience in a dynamic industry and reinforcing value creation for stakeholders</li> <li>Approved a dividend of R8.66 per share</li> </ul>	<ul style="list-style-type: none"> <li>New CEO’s engagements with investors, unions and major stakeholders</li> <li>AGM: shareholder election of audit committee and SERC members, auditor appointment, and approval of the remuneration policy and implementation through the non-binding advisory vote</li> </ul>	<ul style="list-style-type: none"> <li>Approved and presented the 2025 interim results, confirming a robust performance and strong financial results</li> <li>Approved a dividend of R8.43 per share</li> <li>Engaged with shareholders and investors during the 2025 governance roadshow</li> <li>Initiated two projects to unify shareholders with unclaimed dividends</li> </ul>	<ul style="list-style-type: none"> <li>Held a two-day investor roadshow</li> </ul>	
<b>Board performance</b>	<ul style="list-style-type: none"> <li>Reviewed directors’ declarations of interests</li> <li>Reviewed board and committee performance evaluations from 2024</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed board and committee composition for size, tenure, adequacy, compliance and skills</li> <li>Reviewed performance against DEI targets</li> <li>Noted the light-touch review of non-executive director remuneration benchmarking</li> <li>Reviewed the structure and composition of subsidiary boards in line with a group governance framework</li> </ul>		<ul style="list-style-type: none"> <li>Reviewed the post-2027 BEE structure, considering the promulgation of the draft Minerals Bill that may impact the structure</li> <li>Reviewed non-executive director independence categorisation</li> <li>Conducted internal board performance evaluation interviews</li> <li>Evaluated the performance of the FD and group company secretary, governance and ethics</li> <li>Commenced the board committee performance evaluations</li> <li>Reviewed directors’ declarations of interests</li> </ul>	

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Material theme
<b>Continuous development of the board</b>		Governance session: <ul style="list-style-type: none"> <li>• Geopolitical landscape</li> <li>• JSE debt and specialist security listings requirements</li> <li>• Takeover defence manual and Exxaro's defence strategy</li> </ul>	Governance session: <ul style="list-style-type: none"> <li>• JSE simplification project</li> <li>• Introduction to King V</li> <li>• Ethics at Exxaro, including AI</li> <li>• Exxaro compliance universe</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewed the rehabilitation provisions</li> </ul>	
<b>Safety</b>	<ul style="list-style-type: none"> <li>• All meetings commence with a safety moment, monitoring the frequency of safety incidents and occupational health incidents within the organisation and industry</li> </ul>	<ul style="list-style-type: none"> <li>• CEO safety summit</li> <li>• Launch of Exxaro's strengthened One Voice Safety strategy</li> </ul>		<ul style="list-style-type: none"> <li>• Conducted leadership safety days at all sites to ensure VFL</li> <li>• Achieved an LTI-free year at flagship mine, Grootegeluk</li> <li>• Belfast was recognised as the "most improved mine" for safety by the Mine Health and Safety Industry platform</li> </ul>	
<b>Ethics</b>	<ul style="list-style-type: none"> <li>• Monitored, through SERC, the progress of initiatives under the ethics implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>• Monitored conflicts of interest reporting and compliance with the gifts and entertainment policy</li> <li>• Appointed a chief ethics officer</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented an ethics moment at the beginning of all formal meetings</li> <li>• Hosted a successful Supplier Ethixx Day</li> <li>• Launched the supplier Ethixx pledge</li> </ul>	<ul style="list-style-type: none"> <li>• Noted the review of the ethics strategy and key strategic objectives</li> </ul>	
<b>Risk</b>	<ul style="list-style-type: none"> <li>• Approved the delegation of authority</li> <li>• Approved, through the audit committee, the combined assurance model and proposed audit focus areas for 2025</li> </ul>	<ul style="list-style-type: none"> <li>• Considered, together with the audit committee, whether there was any material or reportable risk within the company</li> </ul>	<ul style="list-style-type: none"> <li>• Through the RBR committee, considered the strategic and tactical risk profiles, the interconnectedness of risks and key risk indicators</li> <li>• Monitored, through the RBR committee, strategic litigation matters</li> <li>• Monitored, through the RBR committee, information management, including public-to-private cloud migration and data integrity post migration</li> <li>• Monitored the 2025 cybersecurity roadmap and programme initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• The risk committee noted five emerging risks, emphasising the importance of addressing AI</li> <li>• Key material matters identified through the comprehensive research and prioritisation process are included in the 2025 ESG and integrated report</li> </ul>	

## Addressing material matters continued

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Material theme
<b>Growth performance</b>	<ul style="list-style-type: none"> <li>Approved the due diligence and bilateral engagement for a manganese investment</li> <li>Approved the replacement of 48 Grootegeluk motor control centres over five years at R530 million</li> <li>Approved the Resource and Reserve statement</li> <li>Approved the Cennergi Holdings and G7 Renewable Energies 20-year power purchase agreement for wind power supply from the 140MW Karreebosch windfarm to Northam Platinum</li> </ul>	<ul style="list-style-type: none"> <li>Approved the transformational acquisition of manganese assets for R11.6 billion from Ntsimbintle Holdings and OMH</li> <li>Approved the capital release of funds for the Grootegeluk truck and shovel strategies of R9.3 billion and R2.7 billion, respectively</li> <li>Approved the Leeuwan turnaround plan, subject to relevant regulatory requirements</li> <li>Supported coal life extension projects</li> <li>Reviewed, through the logistics committee, execution of the logistics strategy and focus areas</li> </ul>	<ul style="list-style-type: none"> <li>Energy and metals pipelines are reviewed quarterly by the investment committee</li> </ul>	<ul style="list-style-type: none"> <li>Approved the divestment of FerroAlloys, supporting a strong coal base, growing energy solutions and growth ambitions in energy transition metals</li> <li>Approved the acquisition of majority interests in two fully operational renewable energy assets: the 138MW Gouda windfarm and the 75MW Sishen solar facility</li> <li>Approved the procurement of 100% of Acciona Energy SA's issued share capital and an 80% stake in Acciona Energy SA's operations and maintenance</li> </ul>	
<b>Environmental sustainability</b>	<ul style="list-style-type: none"> <li>Committed to developing a comprehensive decarbonisation plan to achieve carbon neutrality by 2050 as part of Exxaro's Sustainable Growth and Impact strategy</li> <li>Approved, through SERC, sustainable impact targets for 2025</li> </ul>	<ul style="list-style-type: none"> <li>Signed an MoU with Eskom to collaborate on strategic initiatives, research and projects in air quality and the inclusive transition</li> <li>Reviewed offset plans, including an initiative to rescue Cape vulture nestlings</li> </ul>	<ul style="list-style-type: none"> <li>Noted the progress on the decarbonisation plan and roadmap</li> </ul>	<ul style="list-style-type: none"> <li>Monitored the performance of the Amakhala Emoyeni and Tsitsikamma community windfarms, noting consistent compliance with economic development obligations over the past five years and no termination points</li> <li>Noted no significant environmental incidents at the three windfarms or the LSP</li> </ul>	
<b>Social sustainability</b>	<ul style="list-style-type: none"> <li>Handed over new classrooms and a school hall valued at R7 million at Nelsonskop Primary School in Limpopo as part of ongoing host community upliftment</li> <li>Considered the coal mine dust class action litigation matter filed in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Considered, through SERC, the occupational health management report</li> </ul>		<ul style="list-style-type: none"> <li>SERC held stakeholder engagement days in Modimolle and Lephalale, Limpopo</li> </ul>	

# Adopting good governance principles

In line with King IV's recommendation to apply and explain good governance practices, Exxaro's corporate governance reporting is structured under the four desired King IV governance outcomes.

We demonstrate our alignment with King IV principles and the regulatory requirements that ensure ethical leadership, accountability and transparency.

Good governance underpins our ethical culture, safeguards human rights and supports our sustainable growth while we transition to a low-carbon world.



## Ethical culture

We aspire to promote a workplace culture that prioritises ethical behaviour across Exxaro and empowers our people to apply an ethical lens in daily decision making and actions.

### Exxaro's ethical commitment

In 2025, Exxaro reviewed the ethics strategy and implementation plan to evaluate continued relevance and effectiveness. The review aimed to confirm that the ethics strategy remains fit for purpose in supporting Exxaro's goal of becoming a diversified natural resources champion while fostering a sustainable, resilient and trusted organisational culture. A new strategy was subsequently adopted.

The new strategy reinforces Exxaro's commitment to embedding ethical conduct as a core organisational value. It reflects a culture where ethical considerations guide daily decision making and where employees are empowered and accountable to act with integrity at all levels of the business.

This renewed focus recognises that diversification, growth and increased organisational complexity require a strong, values-driven culture underpinned by ethical decision making.

### Ethics governance

The board sets the ethical tone for Exxaro, ensuring that the company operates as a responsible corporate citizen. Through its commitment to ethical and effective leadership, the board fosters a strong ethical culture and positions ethical conduct as the foundation for the group's operations and stakeholder value creation. This commitment is embedded through the group's code of ethics, supporting policies and comprehensive culture programmes.

Exxaro's code of ethics promotes values such as trust, integrity and fairness, guiding our interactions within the company and with stakeholders. As a responsible corporate citizen, the board acts decisively when ethical principles are breached by ensuring that appropriate sanctions and remedial actions are applied consistently while providing clear, strategic direction to management to support long-term sustainable value for shareholders and society.

Ethical conduct is a shared responsibility. Employees are accountable for safeguarding trust and confidence and for doing the right thing, whether required by law or policy or when no one is watching. Sound judgement, integrity and the courage to act in accordance with our values are non-negotiable.

Our management ethics committee ensures that high ethical standards are maintained in Exxaro's business conduct. It is responsible for evaluating all instances of alleged misconduct, including fraud, extortion, bribery, corruption, potential conflicts of interest, violations of the code of ethics and related ethics matters. The committee also oversees anti-fraud and anti-bribery initiatives as part of a comprehensive fraud prevention programme, ensuring compliance with both local and international laws and regulations.

### Our values

To support Exxaro's vision of becoming a diversified natural resources champion that creates value for all stakeholders through exceptional people and superior processes, Exxaro's business conduct and that of our employees must be characterised by the following fundamental values:

- Empowered to grow and contribute, enabling every individual to make a meaningful impact
- Committed to excellence, delivering the highest quality of work through continuous improvement
- Teamwork, fostering collaboration and collective success
- Honest responsibility, acting with integrity and consistently doing the right thing

### OECD recommendations on ethical behaviour

Exxaro applies the OECD recommendations on ethical behaviour through a risk-based due diligence framework covering suppliers, customers, employees and business partners. This framework supports the identification, prevention and mitigation of ethical, legal and human rights risks and reinforces responsible business conduct across the group's operations and value chain.

## Ethical culture continued

### Ethics management framework

A successful ethics management framework comprises four key elements: ethical leadership; governance structures that set the strategy and policies guiding the organisation's ethical performance; personnel and structures responsible for managing and implementing the organisation's ethics initiatives; and independent assurance, such as internal audit evaluations.

At Exxaro, the board monitors the group's ethical culture through reporting structures, including two board committees (SERC and audit), a management ethics committee, the internal audit function, head of internal audit and our newly appointed chief ethics officer.

Guided by the ethics management strategy, the chief ethics officer is responsible for ensuring that there are appropriate systems, processes and controls to support and sustain integrity across the group. An ethics implementation framework outlines 18 interventions to address three focal areas: ethical culture; governance structures and frameworks; and ethics-related risk mitigation.

These efforts reinforce "The Exxaro Way" – a living set of shared values, beliefs and practices that guide how we do things.

### Ethics training and awareness

Exxaro's first intervention in fostering an ethical culture is a targeted ethics training plan that provides tailored awareness and capacity building for employees at all levels. This includes an ethics onboarding module for new joiners, everyday ethics training for all employees and guidance for leaders to demonstrate ethical intent in their decisions and show empathy in their conduct to build legitimacy with stakeholders.

"Mining with morals" training continued in 2025, deepening employees' understanding of ethical decision making and reinforcing a strong speak-up culture across the organisation using interactive case studies. Conflicts of interest awareness also featured prominently on the 2025 agenda, with mandatory training conducted across all sites. This was supported by a digital conflict of interest register and management system, along with a comprehensive review of the conflict of interest policy to ensure alignment with the applicable legal, regulatory and ethical governance standards. Similarly, management and logging of gifts and benefits continued to promote transparency and prevent potential conflicts.

Ethics awareness extends beyond our organisation to our valued stakeholders. On 30 September 2025, Exxaro hosted the inaugural Supplier Ethixx Day under the theme "Ethical partnerships for lasting impact" to engage suppliers on ethical conduct. We believe this is a milestone in our shared journey towards ethical relationships, responsible sourcing and sustainable partnerships.

The Supplier Ethixx Day provided a platform for collaboration, reflection and commitment to the values that define Exxaro's supply chain. At the end of the event, management and suppliers signed a pledge to work 'The Exxaro Way,' reinforcing a shared commitment to building a supply chain founded on ethical conduct.

### Fraud and ethics hotline

We encourage employees and stakeholders to report suspected fraud, corruption or human rights violations through our fraud and ethics hotline. The hotline is independently managed, with clear escalation protocols in place.

To maintain the hotline's integrity, we protect the interests of disclosing parties as far as possible.

#### Exxaro fraud and ethics hotline

Free call: 0800 203 3579

Email: [exxaro@tip-offs.com](mailto:exxaro@tip-offs.com)

Website: [www.tip-offs.com](http://www.tip-offs.com)

### Board charter and nominations

Our board charter regulates the parameters within which the board operates and ensures that good corporate governance principles are applied in all dealings in respect of the company and group.

The board charter and directors' nomination and appointment policy require that board members are individuals of calibre, integrity and credibility, possessing the requisite skills and experience.

The nomination committee ensures continuity of directorships and is responsible for conducting independent background checks on all proposed candidates, including assessments for potential conflicts of interest, prior to recommending appointment to the board.

The board charter was reviewed and approved in the fourth quarter of 2025.

### Family code of conduct

We developed a family code of conduct that sets out 10 principles to clearly define acceptable behaviour encouraged at Exxaro and unacceptable behaviour that we will not tolerate.

Employees are encouraged to speak out on issues of discrimination, harassment and poor leadership without fear of reprisal.

### Honesty boxes

Honesty boxes are an additional communication channel for employees to share innovative ideas or unresolved matters of concern that have not been addressed through the existing conflict resolution mechanisms. Formal feedback is provided to individuals who request it, and concerns raised anonymously are addressed through site-specific communication channels.

### Avoiding conflicts of interest

In terms of the Companies Act and King IV, directors and prescribed officers have a duty to disclose actual (direct and indirect) conflicts of personal financial interest, or perceived conflicts of interest, including those of related parties. The conflict of interest policy also requires annual declarations from all group employees.

The management of conflicts of interest is addressed through:

- A conflict of interest policy
- A conflict of interest digital register and management system
- A declaration of interest agenda item at the beginning of each formal board, executive, or management meeting
- The inclusion of a summary of Exxaro's conflict of interest disclosure requirements, prohibitions and the definition of related persons in all board and committee packs
- Recusal of any director or attendee who declares a conflict of interest or a personal financial interest for the duration of the relevant matter being considered
- Confirmation by a director or prescribed officer to the group company secretary, governance and ethics, to indicate a personal financial interest in a matter to be decided through written resolution

Exxaro's electronic platform facilitates annual reporting and workflow approvals, and provides an auditable communication trail for disclosures by directors and employees. This is supplemented by a gifts and benefits register and a director trade register and approval process.



[Conflicts of interest policy and register](#) (reflecting material disclosures in line with the JSE Debt and Specialist Securities Listings Requirements) (our business tab under governance)

## Supplier code of conduct

Exxaro's supplier code of conduct assists in selecting suppliers who operate in line with our values. The code communicates our mandatory selection standards to prospective suppliers and promotes commitment to ethical conduct, including respecting human rights.

[Embedding human rights in our business](#) (page 94)

As part of the vetting process, suppliers must disclose details of shareholders, directors and other associates who are current or former employees in compliance with the conflicts of interest policy. Supplier companies connected to any person with a conflict of interest may be red-listed for doing business with Exxaro.

Employees who evaluate requests for proposals or recommend contract awards must declare that they have neither an interest in nor a close relationship with the supplier that may be construed as a conflict of interest.

Supply chain management and vendor risk are further examined through technology-enabled screening, due diligence analysis and audits to identify business relationships and connections that could potentially expose the organisation to conflicts of interest or reputational risk.

[Supplier code of conduct](#) (supplier tab)

## Supplier conduct

Our standard operational and capital-related expenditure terms and conditions with suppliers contain specific provisions around sanctions, corrupt practices, fraud and prohibited practices in respect of local and international legislation, including the UN and EU, which are considered material to the relevant agreement.

[Driving supply chain sustainability](#) (page 91)

Exxaro has established action guidelines to address instances where suppliers and service providers are adversely mentioned in the media or where Exxaro becomes aware that a supplier is under investigation or involved in actual or alleged conduct that may bring Exxaro into disrepute. Where a supplier providing critical services is formally charged, Exxaro may issue a holding statement and continue with the existing contractual arrangements, subject to ongoing risk assessment, but will not enter into any new contracts with the supplier.

## Political contributions

Exxaro has a formal policy on political funding. In support of a transparent and effective multi-party democracy, any political donations are directed through the Independent Electoral Commission and in accordance with the national general election cycle. Political donations are approved by the board.

We donate using a 60:40 ratio, where 60% of the funds are allocated to S18A-registered non-governmental organisations conducting citizen voter education initiatives and 40% of the funds are allocated to the Multi-party Democracy Fund governed by the Political Party Funding Act. The last donation was made 2024.

## Anti-bribery and anti-corruption

The board has expressed a zero-tolerance stance on bribery and corruption and approved the group-wide anti-bribery and anti-corruption policy.

To support the board, the SERC is responsible for overseeing the group's ethical performance, including the detection of and response to fraud and corruption. The RBR and audit committees oversee risks, including controls and fraud risks. The SERC receives quarterly reports on forensic investigation statistics and progress on initiatives under the fraud prevention and anti-bribery and corruption programme.

[SERC report](#) (page 143)

## Monetary loss from unethical behaviour

The board is satisfied that the group has not suffered any monetary loss from legal proceedings (including fines) associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or violations of other related industry laws or regulations.

**Exxaro Supplier Ethics**

**Ethical partnerships for lasting impact**

We believe that how we conduct ourselves is fundamental to achieving excellence. Our behaviour influences not only the value we deliver to suppliers and business partners but also our ability to meet regulatory obligations and international commitments.

Beyond our values, we follow a defined set of behaviours known as *The Exxaro Way*. These guide how we work, collaborate, and lead with integrity. We expect our suppliers and business partners to uphold the same standards by:

- Acting ethically and with integrity in all business dealings;
- Aligning with the King Reports on Corporate Governance by avoiding and disclosing any conflicts of interest;
- Maintaining lawful, transparent interactions in support of Exxaro's zero tolerance for theft, bribery, corruption and fraud;
- Respecting and upholding the dignity, rights and freedoms of all individuals; and
- Reporting unethical behaviour wherever it occurs.

Together, we pledge to foster ethical, responsible, and sustainable business practices that create a lasting and positive impact. As a supplier, we affirm our commitment to Exxaro's Ethics Supplier Pledge and agree to act in accordance with its principles in all our business conducted with and on behalf of Exxaro.

# Performance and value creation

## Strategic direction

King IV articulates the board's responsibility, which is to steer an organisation strategically in line with its core purpose and values by approving and monitoring informed short, medium and long-term strategies while considering sustainability-related impacts, risk and opportunities.

The board sets Exxaro's short, medium and long-term strategic direction through our Sustainable Growth and Impact strategy. This enables sustainable value creation through the approval of a capital allocation model and budget, as well as setting and monitoring performance and culture expectations and a group governance framework.

The board supports King IV strategy-setting principles through an iterative process. Before executive management presents the strategy to the board, iterative strategy workshops – which follow a bottom-up process – and board governance sessions ensure input is appropriately integrated into the group strategy.

During our annual strategy review process, management demonstrates how sustainability and ESG objectives are integrated into the Sustainable Growth and Impact strategy, including status and progress in our context.

Our integrated medium to long-term decarbonisation roadmap to achieve carbon neutrality by 2050 underwent an independent peer review to confirm its credibility and implementation readiness.


During the year, the board reviewed and was satisfied with the key macro-economic indicators and assumptions used to compile the 2026 budget.

 [Our decarbonisation roadmap](#) (page 25)

## Performance monitoring

As part of integrated strategic performance monitoring, prioritised KPIs align with the Sustainable Growth and Impact strategy. This provides forward-looking insights and monitors the execution of our strategy for the board, board committees and group executive committee, in line with our tiered governance approach.

We use a strategic performance monitoring dashboard to report on the achievement of these KPIs, which are cascaded to the various board committees to ensure focused oversight and accountability. For more on our performance, see:

 Performance against our strategy ([integrated report](#), page 21)

 [How we measure our progress and impact](#) (page 16)

## Performance targets to support our climate change response

To strengthen GHG mitigation and business resilience efforts, we included water and energy intensity targets in the group-wide incentive scheme (GIS) in 2022. Total carbon emissions and energy intensity are also included in Exxaro's strategic performance monitoring dashboard.

 [Responding to a changing climate](#) (page 28)

## Business continuity and crisis management

The RBR committee plays a key role in assessing and reviewing the group's business resilience programme and ensuring that appropriate measures are in place for business recovery. The committee is responsible for driving the company's resilience agenda, ensuring that our business continuity strategies align with best practice and regulatory requirements.

Exxaro is committed to building organisational resilience. By maintaining a strong business resilience programme aligned with our ERM programme, we protect stakeholder interests and ensure that we can continue to deliver on our commitments, regardless of challenges.

We continuously review and update our business resilience framework to ensure alignment with best practice and governance standards. The company regularly evaluates the effectiveness of the business resilience programme, making improvements when required.

In November 2025, the RBR committee recommended the crisis management policy to the board for approval.


## Strategy-aligned internal reporting

Internal reporting requires management to detail the outcomes of proposed recommendations to the board.

## Transparency

The board is committed to clear and comprehensive financial reporting and disclosure, as well as constructive shareholder engagement, including transparency of activities and performance. It ensures that reports issued by the company enable stakeholders to make informed assessments of the group's performance and our short, medium and long-term prospects.

## Assurance

 Refer to the [assurance report](#) (page 175) for details on assurance of key sustainability information.

## Creating value for our stakeholders

 For information on how Exxaro created value for our stakeholders, including government, employees, communities, investors and customers, refer to [our stakeholder engagement](#) (page 13).

# Adequate and effective control

## Group governance framework

A robust governance framework enables the execution of governance responsibilities at all levels of the organisation.

The group governance framework applies to Exxaro Resources Limited and all our subsidiaries, including entities where Exxaro exercises control. It guides the application of governance practices at group, subsidiary and operational levels, ensuring that governance arrangements align with Exxaro’s values and risk profile.

This framework is fit for purpose for Exxaro as a South African listed group with significant and geographically diverse operations. It supports Exxaro’s listing on the JSE by explaining how the group board executes its direction and oversight responsibilities, and what it expects from subsidiary boards.

The framework establishes the minimum group-wide governance requirements each entity must comply with to ensure that the group meets Exxaro’s governance obligations. Each entity’s board is responsible for discharging its fiduciary duties at the individual entity level. Achieving the intended outcomes of the group governance framework requires appropriate governance structures and behavioural and cultural alignment across the group.

Exxaro’s governance approach is grounded in accountability, transparency, fairness and responsibility, reflecting the group’s commitment to ethical leadership and sustainable value creation. It is informed by King IV and international best practice and adopts an integrated approach that balances compliance obligations with performance objectives.

Management reviewed the group governance framework, which is scheduled for submission to the board for approval in 2026.

## Delegation of authority

The delegation of authority policy and framework define the limits of authority designated to specific positions of responsibility in the company and the group’s management structure. They also define commitments and transactions that may include capital amounts approved by individuals on our behalf. Final approval of commitments and transactions outlined in the policy must always be made by parties with designated authority.

In 2025, the group’s delegation of authority policy and framework were reviewed through consultations with executive heads and key stakeholders across the group. These engagements assessed current delegations and accountabilities, with feedback used to refine authority levels, clarify responsibilities under the new management structure and align the framework with Exxaro’s governance principles and operating model.

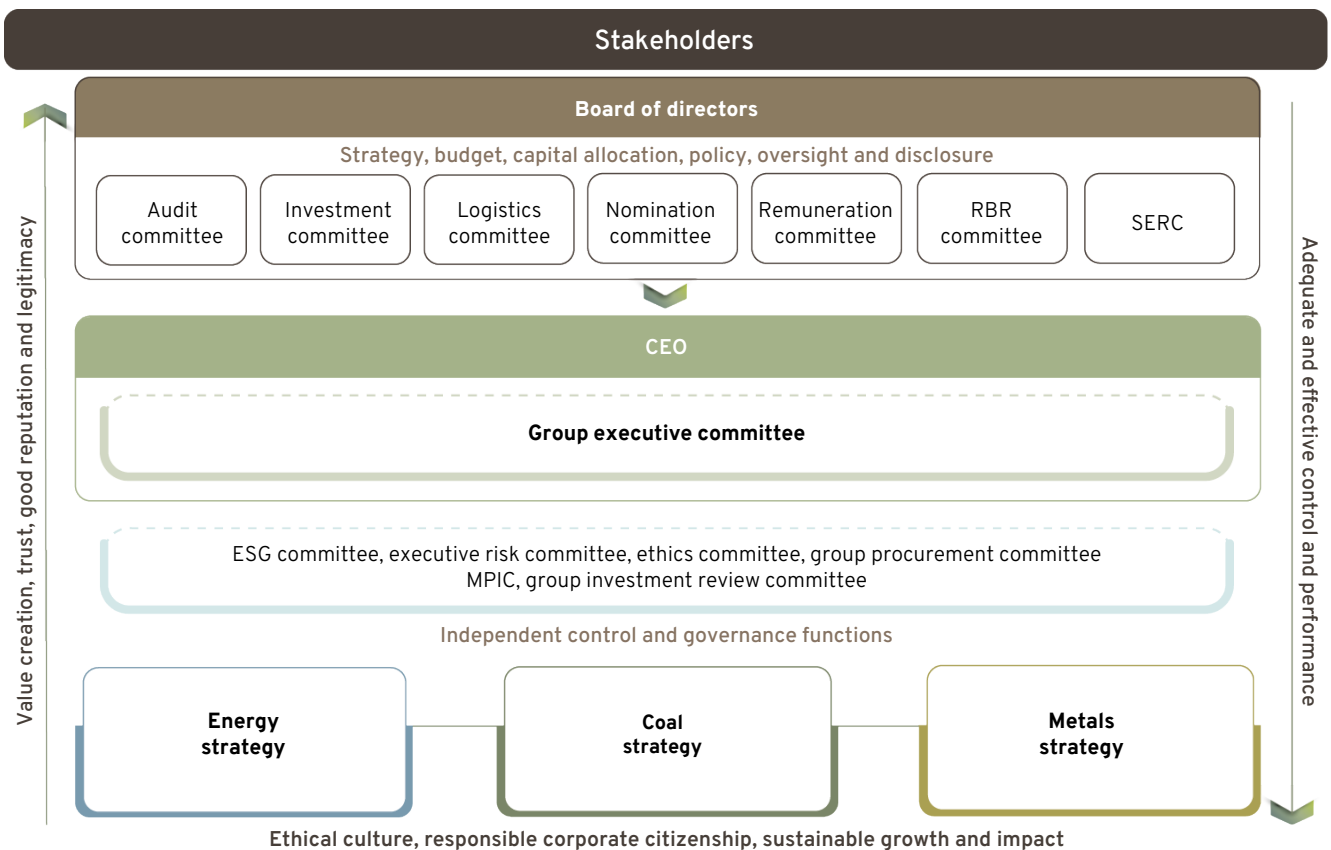
In November 2025, following the recommendation of the RBR committee, the board approved the revised delegation of authority policy and framework.

The board is satisfied that the delegations in place contribute to role clarity and the effective exercise of authority and responsibilities.

## Board’s access to information

The board charter guides directors and executive management on the information to be shared with the board. The onus remains on each director to advise the chairperson and/or CEO should they believe that the information provided is insufficient for informed decision making.

The board has unrestricted access to all company employees, information, records, documents and property. A process to guide directors is provided should they require access. The board, in carrying out its tasks, may obtain outside or other independent professional advice it considers necessary, with the board charter setting out the required protocols for such requests.



## Adequate and effective control continued

### Board committees

Exxaro's corporate governance structure supports our ability to create value in the short, medium and long term. Through this structure, the board exercises effective control and safeguards the organisation's reputation and legitimacy. Good corporate governance is the responsibility of our board, executive management, senior management and all employees.

Board committees enhance efficiency by providing focused expertise on specific areas, allowing the board to address a broader range of issues. When used effectively, committees enhance the objectivity of the board's judgement. To facilitate the execution of its functions, the board delegates activities to board committees through formal terms of reference.

The board retains full and effective control of business and company affairs and does not assume management functions, which remain the responsibility of the executive directors, prescribed officers and other senior management.

<b>Audit committee*</b>	To fulfil the statutory functions set out in section 94 of the Companies Act and assist the board with independent oversight of the quality and integrity of, among others, the company's financial statements
<b>Investment committee**</b>	To monitor and report to the board on material acquisition, merger, investment or disposal opportunities and related ongoing material transactions within the scope of the energy and metals businesses
<b>Logistics committee**</b>	To develop long-term logistics solutions to access international markets for coal and metals, and identify medium-term solutions and alternatives to mitigate rail capacity risk
<b>Nomination committee**</b>	To assist the board with director recruitment in fulfilment of the nomination process, oversee the board's effectiveness evaluation process and evaluate the adequacy and efficiency of the group governance structure and practices
<b>Remuneration committee**</b>	To ensure the group remunerates fairly, responsibly and transparently and to ensure compliance with the JSE Listings Requirements and related reporting obligations
<b>RBR committee**</b>	To ensure that risk management strengthens the company's ability to achieve strategic objectives by providing annual assurance of business resilience in a changing environment, enabling the company to deliver on its objectives, survive and prosper
<b>SERC*</b>	To advise the board on the fulfilment of the statutory duties set out in regulation 43 of the Companies Act, oversee the company's significant impacts on the economy, environment, society and broader public interest, and ensure negative impacts are effectively mitigated

\* Appointed by shareholders.  
 \*\* Appointed by the board.


Chairpersons	Terms of reference	Board confirmation
The chairpersons of the board committees consult regularly to collaborate on areas of shared responsibility, activity and interest across the different committees.	The board approved its committees' terms of reference and annual work plans in November 2025 and the 2026 key focus areas in the first quarter of 2026.	The board confirms that it is satisfied that the board committees executed their roles and responsibilities. In this regard, the board confirms that the audit committee executed the responsibilities set out in paragraph 5.7(h) of the JSE Listings Requirements.

 [Board committee reports](#) (from page 124)

## Subsidiary companies

The board recognises the statutory and fiduciary duties of directors of subsidiary companies. Directors must always act in the best interest of the subsidiary company, irrespective of their nomination by the company in its capacity as the holding company. If a conflict arises between a director's duties to a subsidiary company and the interests of the holding company, the director's duties to the subsidiary company prevail.

The group governance framework mitigates potential tension between the holding company and subsidiary boards. Subsidiary directors must adhere to the framework and adopted group policies. However, this does not absolve them from exercising their fiduciary duties. Directors who breach their fiduciary duties may be held liable under section 77 of the Companies Act. This responsibility is clearly articulated to all our subsidiary directors.

 Ownership structure ([integrated report](#), page 13)

## Group-wide control functions

The group control and oversight functions are responsible for providing enterprise-wide oversight of operational management and integrated reporting. Our group control and oversight functions include:

- Governance and reporting
- Corporate secretariat
- Risk management
- Compliance management
- Legal
- Strategy
- Internal audit and assurance
- Finance (as it relates to financial compliance and tax)

The board is responsible for overseeing the effectiveness of these oversight functions and ensuring an effective internal control environment within the group.

## Integrated ERM

The board plays a proactive role in overseeing our ERM processes, ensuring that risks which could impact our strategic objectives are carefully monitored and managed. Our strategic risk register is regularly updated to accurately reflect Exxaro's current risk exposures and to outline the mitigation actions taken to address identified risks. The strategic risk profile, which outlines the group's key risks – along with Cennergi's top risks – is reported quarterly to the RBR committee and the board.

We continuously review and update our ERM framework to ensure it remains aligned with evolving governance standards and regulatory requirements. The company regularly evaluates the framework's effectiveness, making improvements where necessary.

## Technology and information management

The board governs technology and information management to support the organisation in setting and achieving its strategic objectives.

The board mandated the RBR committee to oversee Exxaro's information management strategy, including governance, the integration of the improvement programme's direction and objectives, and alignment with the enterprise business strategy, governance framework and risk management.

In addition to the RBR committee's oversight, the audit committee is responsible for ensuring adequate information management governance.

Our governance structures are supported by key ICT policies that guide the use, management and security of technology across the organisation. The board reviewed and approved the acceptable use of ICT systems and services policy and security policy to ensure they remain aligned with current regulatory requirements, risk considerations and evolving operational needs.

## Information management risks

Information management risks and mitigation measures are monitored continuously, including assessment of emerging risks, and reported to the RBR committee quarterly.

Cybersecurity remains a material risk in the organisation due to the rapidly changing threat landscape. We enhanced our cybersecurity posture through targeted improvement initiatives, and the enterprise information management risk register was reviewed and refreshed to ensure emerging cyber and technology risks are actively managed. Several cybersecurity awareness campaigns were held across the organisation to reinforce employee awareness and encourage safer digital behaviours, recognising that informed employees are a critical line of defence against cyber threats.

## Information management disaster recovery

Disaster recovery preparedness remains a priority. Continuous testing is conducted to ensure that critical systems and services can be effectively restored in the event of failure, thereby enhancing organisational resilience and continuity.

## Beyond compliance culture

The group is committed to:

<b>Maintaining high standards of integrity, professionalism and ethical behaviour in our relationships</b>	<b>Conducting our business in adherence to statutory, supervisory and regulatory requirements</b>
<b>Complying with the letter and spirit of the law and regulations governing our conduct by ensuring the organisation acts with due skill and diligence</b>	

While we ensure compliance with relevant regulatory requirements in our jurisdictions, the law serves as a minimum standard of conduct, building a culture beyond complying with the law at all levels.

Our compliance philosophy is captured in a board-approved group compliance policy, which supports ethical and responsible corporate citizenship and seeks to create sustainable value for all stakeholders by promoting operational efficiency, growth and regulatory compliance with applicable laws. The group compliance policy was approved by the board in 2025.

The board is responsible for ensuring that the group and our employees comply with all applicable laws and regulations and considers non-compliance a key risk. Accordingly, the board delegated responsibility for managing Exxaro's compliance risks to the RBR committee.

The RBR committee is responsible for:

- Overseeing regulatory compliance risks, policies and frameworks
- Monitoring compliance with agreed policies, national and international protocols and procedures on non-financial aspects in collaboration with the SERC
- Ensuring compliance is continuously monitored and reported by management, external audit and internal audit

The FD is responsible for providing a compliance and regulatory compass to the group by promoting a culture of compliance and regularly reviewing the regulatory environment.

## Adequate and effective control continued

### Optimised combined assurance

Exxaro applies a combined assurance model, while fostering a strong ethical climate and effective compliance mechanisms.

We remain committed to continuously enhancing our combined assurance process to ensure it remains effective, adaptive and aligned with emerging risks and best practices. Through ongoing evaluation and collaboration among assurance providers, we strive to strengthen our oversight and risk management framework, fostering a culture of transparency and accountability.

The audit committee is responsible for overseeing the use of the combined assurance model to achieve the following objectives:

**1** Enabling an effective internal control environment

**2** Ensuring the integrity of information used for decision making by management, the board and its committees

**3** Supporting the integrity of external reports

### Combined assurance forum

The combined assurance model, based on the five lines of assurance, functions through the combined assurance forum. The forum coordinates assurance for our risk exposure, as identified and ranked by the risk management function and aligned to King IV recommended practices for assurance. The forum's activities and outcomes of assurance reports are presented quarterly to the audit committee.

### Combined assurance plan

The combined assurance plan's focus areas align with the group's strategic risk profile, with input from assurance providers. The plan considers the assurance level provided in giving the audit committee and board confidence regarding the effective functioning of the internal control environment. Executing the assurance plan ensures the audit committee receives the assurance required to assess the effectiveness of the risk management function and the control environment.

### Overdue and repeat findings

Exxaro uses an issue tracking management system to capture and track the status of audit findings. This enables visibility and accountability when addressing identified control weaknesses. All overdue and repeat findings are reported at each audit committee meeting.

### Internal audit

Exxaro's internal audit function is partially outsourced to the PwC consortium under the management control of Exxaro's head of internal audit. The internal audit function's responsibilities are detailed in the internal audit charter, which the audit committee reviews and approves annually. The charter informs the role and scope of work of the internal audit function.

 [Audit committee report](#) (page 125)

### Independence of audit and assurance functions


To ensure the independence of our audit and assurance functions, the following measures are in place:

- We appointed KPMG as our independent external auditor, along with its service delivery partner, AM PhakaMalele (approved by shareholders at the AGM on 15 May 2025 through a separate resolution of shareholders in terms of the JSE Listings Requirements paragraph 5.7(h)(iv))
- Under the management of Exxaro's head of internal audit, PwC and its service delivery partner, Ngubane Management Consultants Proprietary Limited, have been providing internal audit services since 1 July 2022
- In 2021, the group adopted a framework for engaging auditors to supply non-audit services. In alignment with the policy, we confirm that KPMG, in terms of its policy, does not provide advisory and tax services to its audit clients
- Our group governance framework confirms the internal audit function as an independent control function across the group
- The head of internal audit reports directly to our audit committee and is administratively overseen by the CEO

### Board statement

The board and audit committee are satisfied with the effectiveness of controls for the year ended 31 December 2025. This conclusion is supported by a formal combined assurance model, which is designed to optimise the assurance obtained from management, internal audit, external audit and other assurance providers.

The combined assurance approach enables a coordinated and integrated assessment of significant risks and controls, enhances assurance coverage and supports the integrity of the group's reporting. Based on the results of the combined assurance processes and the information presented, the board and audit committee did not identify any material breakdowns in the system of internal control during the reporting period.

 [Combined assurance for effective governance \(integrated report, page 88\)](#)

## Trust, good reputation and legitimacy

### JSE compliance certificate

The board considered the JSE compliance certificate for the reporting period, confirming the company's compliance with the JSE Listings Requirements, Debt and Specialist Securities Listings Requirements, and every disclosure requirement for continued listing on the JSE imposed in 2025. The required compliance certificate is submitted annually to the JSE through the group's sponsors.

### Integrity in reporting

The board ensures the integrity of the company's integrated report and its alignment with best practice in integrated reporting, including other reporting by the company. It also oversees the publication of our annual financial statements, ESG report, board committee reports, remuneration report and other online or printed information that complies with legal requirements and meets the legitimate and reasonable information needs of stakeholders.

### No insider dealing

The RBR committee reviewed the company's insider dealing policy in 2025 to ensure it complies with the JSE Listings Requirements, Financial Markets Act, 2012 (Act 19 of 2012) and Companies Act, and aligns with the company's code of ethics. The policy applies to directors, prescribed officers, employees and consultants.

The insider dealing committee provides guidance and clarity to employees and directors on insider trading, price-sensitive information and prohibited or closed periods.

We provide ongoing online training via the MyNexxt platform to directors, prescribed officers, employees and consultants to ensure an in-depth understanding of the policy, regulatory environment and controls.



[SENS announcements](#)

The board is satisfied that the controls in place ensure regulatory compliance.

### Sponsors

The company's lead equity and debt sponsor, Absa Bank Limited, and joint equity sponsor, Tamela Holdings Proprietary Limited, perform the continuing obligations in connection with Exxaro's listing on the JSE. The board is satisfied that the sponsors executed their mandate with due care and diligence in 2025.

### Stakeholder inclusivity

Exxaro's board applies a stakeholder-inclusive approach in accordance with King IV, supporting governance outcomes, including ethical culture, sustainable performance, effective control and organisational legitimacy.

The legitimate and reasonable needs, interests and expectations of material stakeholders are considered through structured engagement processes and monitored via prioritised stakeholder and ESG-related KPIs, which are incorporated into the group's strategic performance dashboard.

Oversight of these KPIs is delegated to the relevant board and executive committees, enabling focused monitoring, accountability and transparent disclosure of stakeholder relationship management outcomes.



[Our stakeholder engagement](#) (page 13)

### Responsible corporate citizenship

The board ensures Exxaro's strategy and conduct reflect our purpose of powering better lives in Africa and beyond, and to be a responsible corporate citizen in giving effect to our purpose.

Exxaro is an integral part of society, and, as such, the board ensures the company's efforts to be a responsible corporate citizen. This includes compliance with the South African Constitution (including the Bill of Rights), the law, leading international and national standards, and our codes of conduct and policies.

The board exercises independent judgement in overseeing management and safeguarding the interests of all stakeholders, including our shareholders. In fulfilling its stewardship role, the board seeks to instil and foster a corporate environment founded on integrity and provide management with sound guidance in pursuit of long-term stakeholder value, ensuring that the company offers sustainable value to society as a whole.

### Governance

It is the SERC's role to entrench responsible corporate citizenship as part of its focused activities. The committee's roles and responsibilities include overseeing the impact of the group's activities and outputs on our status as a responsible corporate citizen in:

- The economy: economic transformation and prevention, detection and mitigation of fraud and corruption
- Society: public health and safety, consumer protection, community development and protection of human rights

### Commitments

Fundamental to Exxaro's purpose of powering better lives in Africa and beyond is our stance that all people have inherent fundamental human rights, regardless of their differences. As such, Exxaro is committed to respecting and upholding human rights for all people within our sphere of influence, where the company has the power to effect investment and development.



[Embedding human rights in our business](#) (page 94)

Exxaro remains committed to supporting the 10 principles of the UNGC. These principles are embedded in our Sustainable Growth and Impact strategy, values, operations and stakeholder engagements, reinforcing our commitment to uphold them. Exxaro's voluntary participation in the UNGC advances the case for responsible business practices and encourages our stakeholders to do the same. It holds us accountable to a global standard as we strive to become a catalyst for economic growth and environmental stewardship.

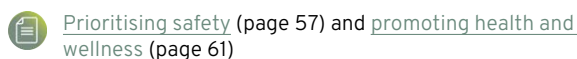


[UNGC communication on progress](#) (UNGC website)

### Health and safety

The importance of workplace safety receives focused attention at each board, board committee and executive committee meeting. This is achieved through a standing safety moment on all agendas, allowing for reflection and reporting.

In addition to the SERC's mandate, the RBR committee is responsible for reviewing health and safety risks and focuses on reported HPis and LTIs. The SERC monitors occupational health and notes the processes that may detect potential deterioration of certain organs and assist in reversing some diseases.



[Prioritising safety](#) (page 57) and [promoting health and wellness](#) (page 61)

# Our board of directors

The board provides effective ethical leadership and strategic direction while balancing the company's interests as a responsible corporate citizen with stakeholders' legitimate needs and expectations, within a framework of principled governance. We are proud to present the following board members:

### Independent non-executive director and chairman

**Mvuleni Geoffrey Qhena (60)**  
 Board chairman and independent non-executive director



**COMMITTEES:** A, B, NOM, REM, L

Director since 19 April 2021 and board chairman since 27 May 2021  
 Senior Executive Programme (jointly offered by Harvard Business School and Wits Business School), Advanced Taxation Certificate (Unisa), CA(SA), BCompt (Hons), BCompt (Unisa)  
 Other JSE-listed boards: Investec Bank Limited, Telkom SA Limited

### Executive directors

**Ben Magara (58)**  
 CEO, former independent non-executive director and investment committee chairperson



Director since 7 February 2022 and CEO from 1 April 2025  
 BSc (Hons) (Mining engineering), Advanced Management Programme (GIBS), Accelerated Development Programme (London Business School)  
 Other JSE-listed boards: WEIR Group plc

**Riaan Koppeschaar (55)**  
 FD



Executive director since July 2016  
 CA(SA), Advanced and Associate Programmes in Treasury Management (Unisa), Advanced Diploma in Taxation (Unisa), Advanced Management Programme (INSEAD), BCom (Hons) (University of Pretoria), Certificate in Theory of Accounting (University of Pretoria)  
 Other JSE-listed boards: None

### Independent non-executive directors

**Geraldine Fraser-Moleketi (65)**  
 Lead independent non-executive director



**COMMITTEES:** SER, REM, NOM

Director since 18 May 2018  
 MPA (cum laude) (University of Pretoria), Leadership Programme (Wharton), Digital Savvy Board Member Certificate (MIT Sloan School of Management), Fellow of the Institute of Politics (Harvard). Awards: DPhil honoris causa (North-West University), DPhil honoris causa (Nelson Mandela University)  
 Other JSE-listed boards: Standard Bank Group Limited, The Standard Bank of South Africa Limited, Tiger Brands Limited


**Karin Ireton (70)**  
 Independent non-executive director



**COMMITTEES:** SER, RBR

Director since 7 February 2022  
 MA (International political economy) (University of Leeds), International Programme for the Management of Sustainability (Netherlands), Environmental Impact Assessment and Management (University of Aberdeen)  
 Other JSE-listed boards: None

**Billy Mawasha (47)**  
 Independent non-executive director and chairperson of the investment committee from 1 April 2025



**COMMITTEES:** I, A, REM, NOM

Director since 7 February 2022  
 BSc (Electrical engineering), Government Certificate of Competency for Engineers, Factories (Electrical), Government Certificate of Competency for Engineers, Mines and Works (Electrical), Global Leadership and Public Policy for the 21st Century (Harvard Kennedy School), Advanced Management Programme (Kellogg School of Management), Accelerated Development Programme (London Business School), Programme for Management Development (GIBS)  
 Other JSE-listed boards: AECI Limited

### Chairperson


- A Audit committee
- B Board
- I Investment committee
- L Logistics committee
- NOM Nomination committee
- REM Remuneration committee
- RBR RBR committee
- SERC SERC

### Member

- A Audit committee
- I Investment committee
- L Logistics committee
- NOM Nomination committee
- REM Remuneration committee
- RBR RBR committee
- SERC SERC

### Independent non-executive directors continued

**Nondumiso Ketwa (55)**  
 Independent non-executive director



**COMMITTEES:** A, RBR

Director since 3 January 2023  
 CA(SA) SAICA, PGDip (Accounting) (University of KwaZulu-Natal), BAcc (University of Durban Westville), Certificate in Sustainability Leadership and Corporate Governance (London Business School)  
 Other JSE-listed boards: Alexander Forbes Group Holdings, Daimler Truck Southern Africa, Metair Investments

**Dr Phumla Mnganga (57)**  
 Independent non-executive director



**COMMITTEES:** REM, NOM, L, SER

Director since 7 February 2022  
 PhD (Entrepreneurship/entrepreneurial studies) (Wits Business School), MBL (Business management) (Unisa), BEd (University of KwaZulu-Natal), BA (University of KwaZulu-Natal)  
 Other JSE-listed boards: Adcorp Group SA, Adcorp Holdings, Altron


**Nosipho Molope (61)**  
 Independent non-executive director



**COMMITTEES:** A, SER

Appointed 3 January 2024  
 BSc (Medical sciences) (Wits), BCompt (Hons) (Unisa), CA(SA) SAICA  
 Other JSE-listed boards: Alexander Forbes Group Holdings Limited, MTN Group Limited

**Chanda Nxumalo (43)**  
 Independent non-executive director



**COMMITTEES:** A, RBR, I

Director since 1 February 2021  
 MEng (Economics and management) (University of Oxford)  
 Other JSE-listed boards: None

**Peet Snyders (65)**  
 Independent non-executive director



**COMMITTEES:** RBR, SER, I, L

Director since 1 July 2016  
 BEng (Mining) (University of Pretoria), PGDip (Marketing management) (Unisa), MCom (Business management) (University of Johannesburg), Mine Manager's Certificate of Competency (Coal and metalliferous) (Government Competency Exams)  
 Other JSE-listed boards: None

### Non-executive directors

**Isaac Malevu (52)**  
 Non-executive director



**COMMITTEES:** L, I, RBR

Director since 22 June 2021  
 BCom (Wits), PGDip (Accounting) (University of KwaZulu-Natal), CA(SA), South African Institute of Chartered Accountants member, Senior Executive Programme (London Business School)  
 Other JSE-listed boards: Industrial Development Corporation

### Board nominees for the upcoming 25th AGM

In accordance with the company's memorandum of incorporation (MoI), one-third of the non-executive directors are subject to retirement by rotation and re-election by shareholders annually. Eligible directors may offer themselves for re-election.

At the AGM, Ms Nondumiso Ketwa, Ms Chanda Nxumalo, Ms Karin Ireton and Mr Peet Snyders, are obliged to retire by rotation, age or tenure, whichever applies. Ms Karin Ireton is obliged to retire due to reaching the age of 70 years in accordance with Exxaro's MoI. Ms Nondumiso Ketwa, Ms Chanda Nxumalo, and Mr Peet Snyders indicated that they are available for re-election. The nomination committee has reviewed the composition, gender, and racial balance of the board and evaluated the independence, performance, and contribution of the directors listed above. In particular, the board considered the independence and ongoing contribution of Mr Peet Snyders, noting that his tenure will exceed nine years from 2026 and that, in accordance with King V, he may not be regarded as independent without a rigorous independence assessment being performed. This assessment, undertaken by the Institute of Directors South Africa (IoDSA), has confirmed the independence of Mr Peet Snyders.


The board will propose the following directors for re-election to shareholders at the upcoming AGM:

Re-election		Appointed
CJ Nxumalo	Independent non-executive director	1 February 2021
N Ketwa	Independent non-executive director	3 January 2023
P Snyders	Independent non-executive director	1 July 2016

## Our board of directors continued

### Board composition

Deliberate policy parameters ensure a suitable board composition and appropriate balance of power between directors to enable the board to operate effectively and in the company's best interests. Diverse capabilities and perspectives among board members are important for robust decision making.

 [Director nomination and appointment guidance note](#) (our business tab under governance)

The board strives for the appropriate size, balance of power, independence, diversity, skills, knowledge and experience to discharge its governance responsibilities objectively. The current board size of 12 is considered optimal, with room for the nomination of shareholder representatives and future refreshment.

The board charter and directors' nomination and appointment policy require that board members are individuals of calibre, integrity and credibility, possessing the requisite skills and experience.

### Changes to the board

<b>Dr Nombasa Tsengwa</b>	Resigned 5 February 2025
<b>Ben Magara</b>	Appointed CEO, 1 April 2025
<b>Zwelibanzi Mntambo</b>	Retired 15 May 2025
<b>Mandlesilo Msimang</b>	Resigned 15 September 2025

### Independence

The principles of good governance and the JSE Listings Requirements recommend holistic independence assessments using a substance-over-form approach in accordance with certain criteria. The 2025 annual assessments were based on King IV requirements and section 94(4) of the Companies Act.

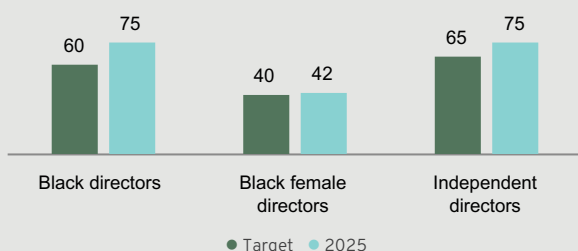
The 2025 independence assessment confirmed that members exercise objective judgement and that there is no interest, position, association or relationship, judged from the perspective of a reasonable and informed third party, likely to unduly influence or cause bias in decision making.

Directors are asked to consider their roles on other JSE-listed companies and apply Exxaro's objective formula to assess whether they are over-committed. The nomination committee's guideline is that non-executive directors should be limited to four listed entities, including Exxaro, and any chairmanship will be counted as two mandates. In the case of perceived over-commitment, the committee's policy is that a path should be agreed upon to reduce the number of boards as there would be some level of irresponsibility should this take place overnight.

Our chairman also chairs Telkom's board and is a director of Investec. As Investec is a subsidiary of a listed entity, this is in line with the nomination committee's recommendation.

As at 31 December 2025, the board consisted of nine independent non-executive directors (75%), one non-executive director and two executive directors.

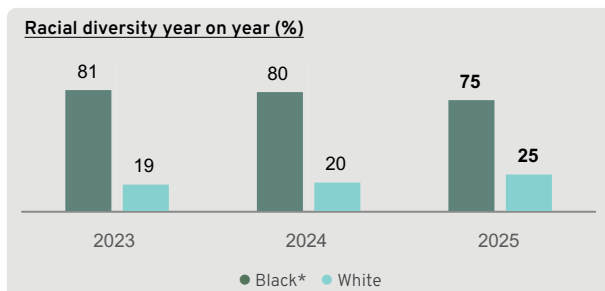
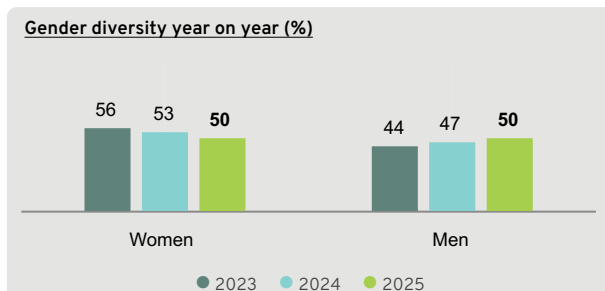
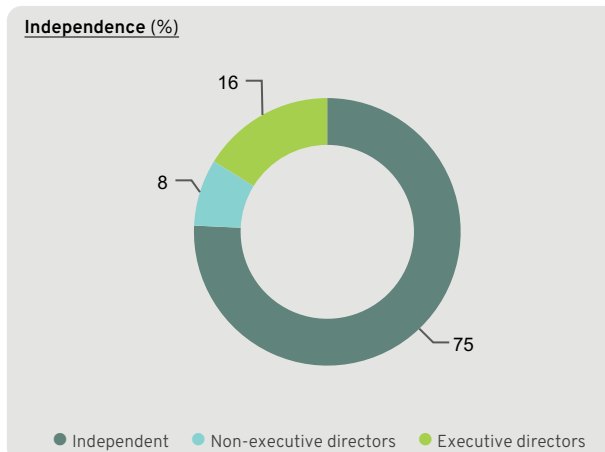
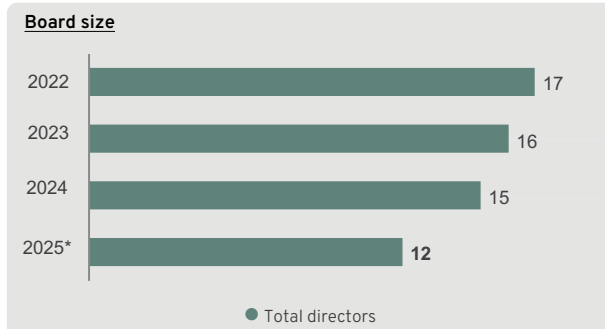
#### Diversity performance against set targets (%)



### Broader diversity

The board embraces the constitutional principles of equality, freedom and inclusion. The board diversity and inclusion policy expresses a broader definition of diversity and inclusion, with targets reflected in this report. The board promotes diversity of, among others, knowledge, skills, experience, age, gender, race, nationality and physical ability.

The progress of our board's diversity, size and independence over the past few years is shown in the graphs below as at 31 December 2025:



\* Black refers to African, coloured and Indian.

**Director tenure**

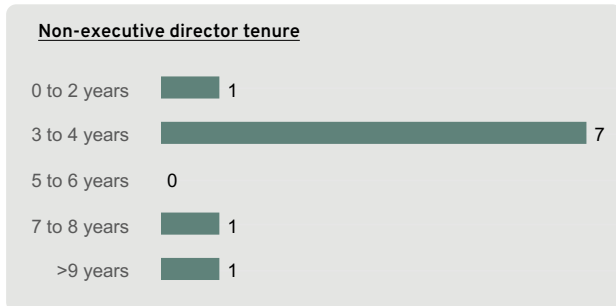
Succession planning for non-executive directors is part of the nomination committee’s ongoing planning and discussion programme, supporting inclusion and the group’s strategic focus areas.

To ensure continuity of experience and knowledge, the company’s Mol has a staggered approach to re-election of directors. Directors are selected for retirement by rotation and, following assessment by the nomination committee, may be presented to shareholders for re-election at the AGM.

In line with the recommendations of King V, non-executive directors who reach a tenure of nine years will not be classified as independent.

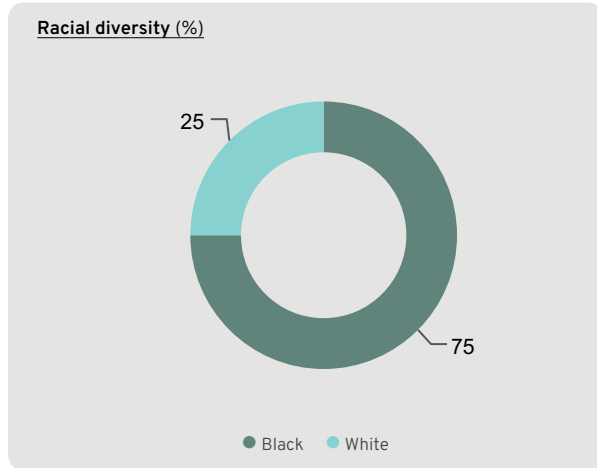
 Details about rotation, retirement and election of directors can be found in the [notice of AGM](#) and [page 113](#).

Our non-executive director tenure as at 31 December 2025 is illustrated below:



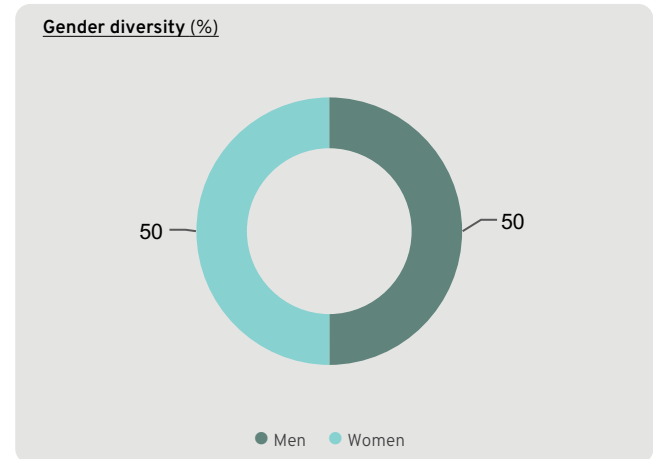
**Racial diversity**

The board consistently achieved its 50% target for racial diversity and increased its racial target to 60% black representation in 2021. As at 31 December 2025, the board achieved 75% black representation.



**Gender diversity**

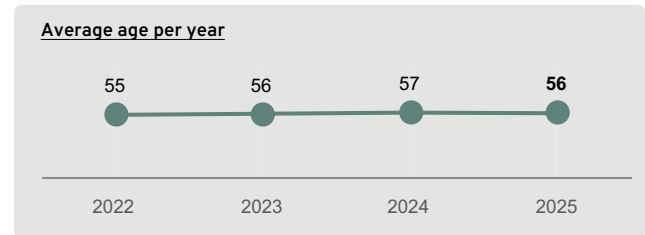
The board achieved its set target of 40% black female representation as at 31 December 2025, with 42% black female representation and 50% overall female representation.



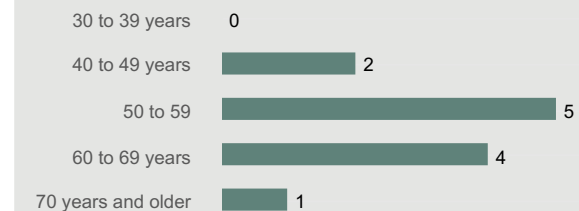
**Age diversity**

The retirement age is 63 years for executive directors and 70 years for non-executive directors. Karen Ireton turned 70 in July 2025 and is expected to retire at the 2026 AGM.

Our average board member age in 2025 was 56.4 years against a board age diversity target of 55 years.



**Age diversity**



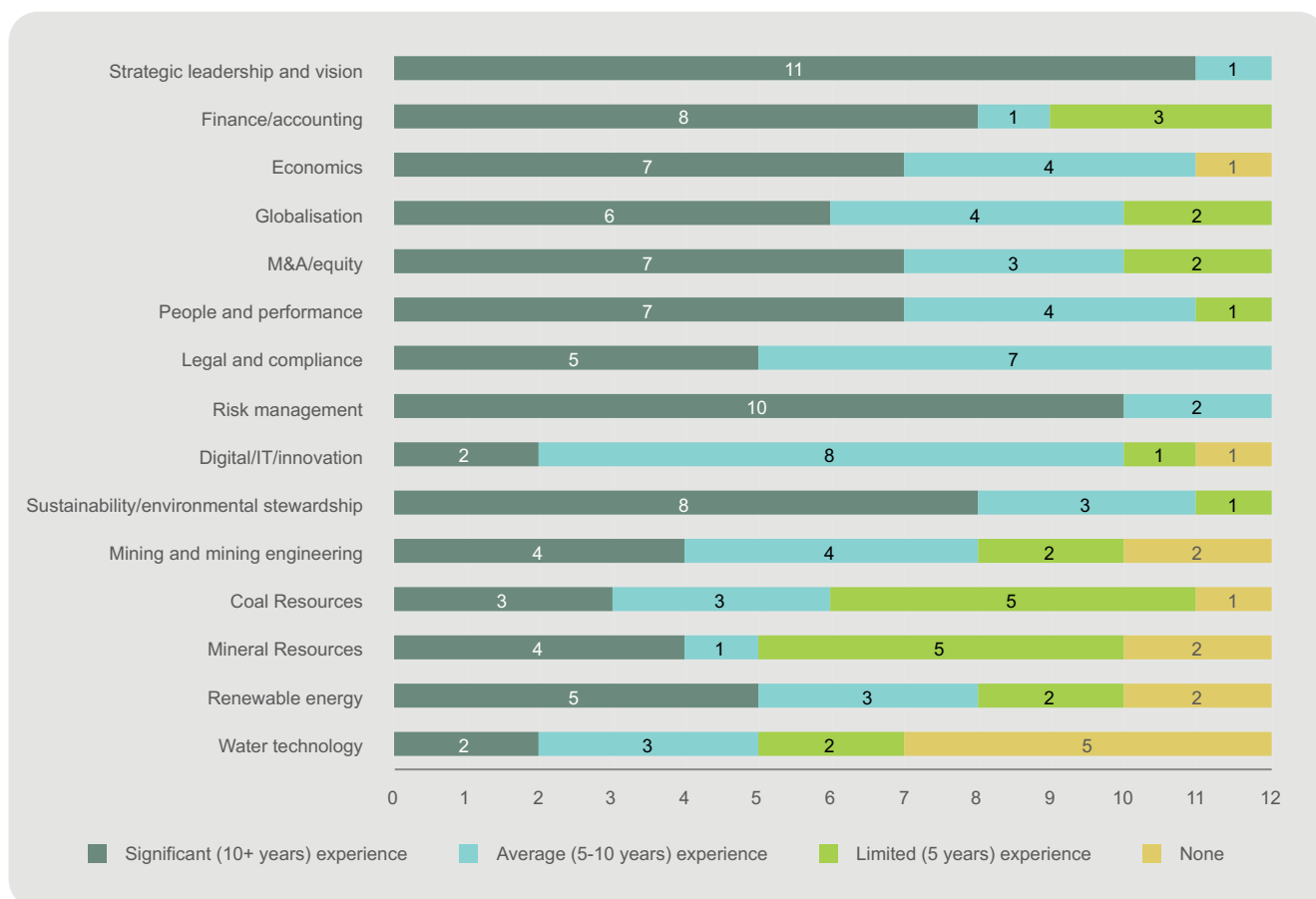
## Our board of directors continued

### Director competence and diversity in skills and experience

Our directors are carefully selected to ensure a balanced mix of expertise and experience for effective decision making on behalf of Exxaro. In accordance with King IV, directors should be knowledgeable, skilled, experienced, diverse and independent to effectively discharge their governance responsibilities.

### Diversity of skills and experience

In the third quarter of 2024, we re-evaluated and clearly defined the leadership, management and technical skills required to bolster the achievement of our strategy. New skills, including water technology, were added and will be developed over time. The matrix below indicates that, in 2025, our board displayed depth of skills, with at least two directors having significant experience in each field. Overall, the board has sufficient skills in all its key stewardship areas.



## Board leadership

Our board is led by an independent non-executive chairman, Mvuleni Geoffrey Qhena, in compliance with paragraph 5.7(d) of the JSE Listings Requirements and King IV recommended practices.

Geraldine Fraser-Moleketi continues to serve as lead independent non-executive director.

The roles of the chairperson and CEO are separate and distinct. This separation of powers and responsibilities, as set out in the board charter and group governance framework, ensures that no single person has unfettered decision-making powers and that there is an appropriate balance of power at board level.

### Roles and responsibilities of the chairperson, CEO and lead independent non-executive director

Functions	Responsibilities
<b>Chairperson</b>	<ul style="list-style-type: none"> <li>• Sets the tone for ethical culture at board level and ensures adherence to the board charter</li> <li>• Represents the board to shareholders and other stakeholders regarding the company's performance</li> <li>• Ensures the integrity and effectiveness of board governance processes</li> <li>• Manages conflicts of interest at board meetings in accordance with applicable legal requirements and best practice</li> <li>• Maintains a collegial yet arm's length relationship with board members and management</li> <li>• Ensures board decisions are executed</li> <li>• Collaborates with the group company secretary, governance and ethics to ensure the contents and order of the agenda are correct</li> <li>• Maintains regular dialogue with the CEO on operational matters and promptly consults with the board on matters of major concern</li> <li>• Facilitates board meetings to ensure discussions result in logical outcomes and that no board member dominates the discussions</li> <li>• Ensures the board has effective leadership and adequate composition to effectively fulfil its functions</li> <li>• Provides direction for an ethical and effective board and forms the link between the board, CEO and management</li> </ul>
<b>CEO</b>	<ul style="list-style-type: none"> <li>• Formulates and develops the company's short, medium and long-term strategic vision to realise its core purpose and values, considering relevant risks and opportunities that will generate satisfactory levels of value creation, as defined by King IV</li> <li>• Leads the implementation and execution of approved strategy, policies and operational plans as the chief link between management and the board while monitoring and managing the company's day-to-day operations</li> <li>• Develops and recommends business plans, policies and objectives for board consideration, accounting for business, economic and political trends that may affect the company's operations</li> <li>• Manages and ensures the timely submission of accurate reports, financial statements and consolidated budgets for board consideration</li> <li>• Oversees the company's financial management, including financial planning, cash flow and management reporting</li> <li>• Is involved in group affairs as executive committee chairperson</li> <li>• Ensures that no practices, activities or decisions by or in the group are contrary to commonly accepted good business practice, good corporate governance or professional ethics</li> <li>• Ensures key management functions are headed by individuals with the necessary competence and authority and that they are adequately resourced and performance managed</li> <li>• Sets the tone at management level by providing ethical leadership and maintaining an ethical culture conducive to attracting, retaining and motivating a diverse group of employees</li> <li>• Ensures the implementation and execution of the company's codes of conduct and ethics policies</li> </ul>
<b>Lead independent non-executive director</b>	<ul style="list-style-type: none"> <li>• Leads in the absence of the chairperson</li> <li>• Serves as adviser to the chairperson</li> <li>• Acts as intermediary between the chairperson and other directors, if necessary</li> <li>• Deals with shareholders' concerns when normal channels have failed to resolve concerns or are inappropriate</li> <li>• Strengthens board independence if the chairperson is not an independent non-executive director</li> <li>• Chairs board discussions and decision making on matters where the chairperson has a conflict of interest</li> <li>• Ensures the chairperson adheres to the rules of conduct and etiquette set out in the board charter</li> <li>• Leads the chairperson's performance appraisal if an independent service provider is not used to facilitate the process</li> </ul>

## Our board of directors continued

### Performance of our board

#### Board meeting attendance

The board held five formal meetings, two special board meetings (one of which was in-committee), a two-day strategy session and two governance sessions during the year. Attendance is calculated against the number of meetings each director was required to attend.

Members	Designation	Attendance of quarterly meetings	Attendance of special meetings
Mvuleni Geoffrey Qhena	Independent non-executive director and board chairman	5/5	5/5
Dr Nombasa Tsengwa*	CEO and executive director	0/0	0/0*
Ben Magara	Independent non-executive director; CEO from 1 April 2025	5/5	5/5
Riaan Koppeschaar	FD and executive director	4/4**	3/3**
Geraldine Fraser-Moleketi	Lead independent non-executive director	5/5	5/5
Karin Ireton	Independent non-executive director	5/5	5/5
Isaac Malevu	Non-executive director	4/5	5/5
Billy Mawasha	Independent non-executive director	5/5	5/5
Nondumiso Ketwa	Independent non-executive director	5/5	5/5
Dr Phumla Mnganga	Independent non-executive director	5/5	5/5
Nosipho Molope	Independent non-executive director	5/5	5/5
Zwelibanzi Mntambo***	Non-executive director	2/2	4/5
Mandlesilo Msimang****	Non-executive director	4/4	5/5
Chanda Nxumalo	Independent non-executive director	5/5	5/5
Peet Snyders*****	Independent non-executive director	5/5	5/5

\* Resigned on 5 February 2025.

\*\* Recused.

\*\*\* Retired on 15 May 2025.

\*\*\*\* Resigned on 15 September 2025.

\*\*\*\*\* Classified as independent until 31 December 2025.

#### Evaluation

As required by our board charter, an internal evaluation of the board's 2025 performance was undertaken in February 2026. The board is satisfied that it continues to function effectively and has depth in traditional core skill areas.

#### Conclusion

The board is satisfied that it complied with the provisions of the Companies Act and relevant laws of establishment relating to its incorporation and that the company is operating in conformity with our Mol and other relevant constitutional documents. The board is also satisfied that it fulfilled its responsibilities in accordance with its charter and King IV during the reporting period.

# Executive leadership

We maintain our conviction in Exxaro's Sustainable Growth and Impact strategy. In the year ahead, we will focus on meeting customer demand, driving safe, disciplined and efficient production, and creating value for stakeholders.

**Key**

- Executive director
- Executive committee

Name	Role	Category
Ben Magara	CEO	Executive director
Riaan Koppeschaar	FD	Executive director
Caroline Shirindza	Executive head: coal	Executive committee
Leon Groenewald	Executive head: energy	Executive committee
Mongezi Vetu	Executive head: sustainability	Executive committee
Neo Monareng	Designate executive head: sustainability	Executive committee
Johan Meyer	Executive head: metals	Executive committee
Richard Lilleike	Executive head: strategy and business development	Executive committee
Joseph Rock	Executive head: people and performance	Executive committee
Mervin Govender	Executive head: technical services	Executive committee
Fortune Ntlhoro	Executive head: commercial	Executive committee
Michelle Nana	Group company secretary, governance and ethics	Executive committee

## Executive leadership continued

### Ben Magara (58)

CEO

Appointed 1 April 2025

 See full CV in the [13 March 2025 SENS announcement](#)

### Riaan Koppeschaar (55)

FD

Appointed 1 July 2016

 See full CV on our [website](#)

### Caroline Shirindza (43)

Executive head: coal

Appointed 1 November 2025

*Degree in Mining Engineering, MBA and a Government Certificate of Competency for fiery mines*

#### Skills and experience

Caroline has a distinguished 20-year career in the coal mining industry and most recently served as vice president of operations at Secunda Collieries, responsible for five collieries producing over 32 million tonnes of coal annually and managing a workforce of approximately 8 000 employees. Caroline holds a mining engineering degree, an MBA and a Government Certificate of Competency for fiery mines, and is recognised as a leader in operational excellence, transformation and talent development.

### Leon Groenewald (59)

Executive head: energy

Appointed 1 April 2023

*CA(SA), associate member of CIMA*

#### Skills and experience

Leon joined Exxaro (then Iscor) in 1997. During this time, he occupied the following roles: manager: finance and administration (1997 to 1999); head of finance: coal (1999 to 2011); performance manager: growth (2012 to 2014); group manager: strategic investments (2015 to 2016); general manager: corporate finance (2016 to 2019); and was seconded to Exxaro's energy solutions business from 2019 to date. He was appointed as managing director of the energy business in 2023. His skills include leadership in various teams, strategic planning and execution, finance and deal making.

### Mongezi Vetri (62)

Executive head: sustainable impact

Appointed 1 April 2015 (retiring 31 July 2026)

*HDip (Metalliferous Mining and Coal Mining) (University of Johannesburg), MBL (Unisa), Advanced Management Programme (Wharton), Mine Overseer's Certificate, Mine Manager's Certificate of Competency (fiery mines)*

#### Skills and experience

Since the start of his career, Mongezi has earned extensive mining experience in the gold, platinum and coal sectors. He is a certificated professional engineer registered with the Engineering Council of South Africa. Mongezi was third in the *Sustainability* magazine's top 10 chief sustainability officers in 2022.

### Neo Monareng (44)

Designate executive head: sustainability

Appointed 1 November 2025

*MBA (GIBS), BTech (Mining Engineering) (University of Johannesburg), National Diploma (Mining Engineering)*

#### Skills and experience

Neo brings more than 20 years of mining and energy experience, most recently as general manager of Greenside and Khwezela Collieries at Thungela Resources where she oversaw both underground and opencast operations, with an excellent safety record. She is a member of the South African Colliery Managers' Association.

### Johan Meyer (57)

Executive head: metals

Appointed 1 April 2015

*BEng (Metallurgy) (University of Pretoria), MBA (University of Stellenbosch), Advanced Management Programme (INSEAD), Certified Director (IoDSA)*

#### Skills and experience

Johan started his career in production management at Iscor's Pretoria steel works. He worked at KZN Sands, headed research and development at Kumba Resources as part of the leadership team of Mineral Sands (Tronox), and was BU manager of Zincor and Exxaro corporate office. His current role focuses on delivering coal growth projects of approximately R20 billion, developing integrated Resource and Reserve LoM plans and supporting implementation of the metals strategy. He is passionate about leading people and powering better lives.

### Richard Lilleike (53)

Executive head: strategy and business development

Appointed 1 October 2023

*BSc (Eng) (University of Cape Town), MA (Business Administration) (Wits)*

#### Skills and experience

Richard has almost 30 years of engineering, consulting and investment banking experience. Having started his career working at Eskom's power stations and then at EL Bateman in project management, Richard joined Marsh McLellan as an enterprise risk consultant, consulting primarily to the mining sector globally. Richard later joined Standard Chartered Bank as a mining investment banker, eventually leading the Southern Africa M&A team, originating and executing on a range of transactions across mining and metals, oil and gas, renewable energy, industrial and agricultural sector deals across Africa.

### Joseph Rock (56)

**Executive head: people and performance**

Appointed 16 October 2023

*BA (Hons), MA (University of Essex, UK), ACA (UK), Advanced Management Programme (INSEAD)*

#### Skills and experience

Joseph is a chartered accountant with over 30 years' experience across consulting and the public and private sectors. He has spent the past 16 years holding various roles across the human capital value chain, most recently as the group head of people experience and chief operating officer for people and culture at Absa Group Limited, spanning 10 countries across Africa. He has held various board roles, including 10 years as a non-executive director of Shoprite Holdings Limited, serving four years as chair of the remuneration committee.

### Mervin Govender (54)

**Acting executive head: technical services**

Appointed 1 June 2025

*BEng (Mechanical), BEng Mining (Hons) and MEng (Mining) (University of Pretoria), MBA (University of Stellenbosch), Executive Leadership Program (University of Texas, Austin, USA)*

#### Skills and experience

Mervin is a seasoned executive with a proven track record in mining, engineering, mineral separation and smelter industries. He has strong processing, project management, maintenance and operations experience. His career started in the automotive industry in 1992 before moving into mining in 2003 as manager: capital projects and energy at Anglo American's Namakwa Sands. He joined Exxaro in 2006 following Namakwa Sands' incorporation into Exxaro Resources Limited. Mervin held the position of BU manager for Namakwa's Northern operations from 2009 to 2011. He was subsequently appointed as general manager of Exxaro's Grootegeluk complex (2011 to 2014). In 2015, Mervin joined Exxaro's head office as group manager: value engineering, restructuring the technology function to improve business efficiency, streamline structures and costs, and optimising the company's projects portfolio. In 2016, he was appointed general manager: project management, where he coordinated Exxaro's multidisciplinary mega projects portfolio to ensure performance aligned with business requirements, organisational objectives and sound project management practice.

### Fortune Ntlhoro (59)

**Executive head: commercial**

Appointed 1 November 2025

*BCom (Hons) Marketing, Human Resources and Procurement, Masters in Business Leadership (Unisa Business School of Leadership), Senior Leadership Programmes (London Business School)*

#### Skills and experience

Fortune is a seasoned commercial and supply chain leader with extensive experience spanning the mining, energy, transport, and financial sectors. With a proven track record in driving operational excellence and embedding sustainable procurement practices, Fortune brings over three decades of strategic leadership and transformation expertise. He completed an executive programme in Business Management at the Wirtschaft Akademie in Germany, as well as corporate governance and senior executive training at the London Business School. Fortune is widely recognised for his ability to build high-performing teams, foster collaborative partnerships and deliver measurable value across complex commercial environments.

### Michelle Nana (57)

**Group company secretary, governance and ethics**

Appointed 1 May 2024

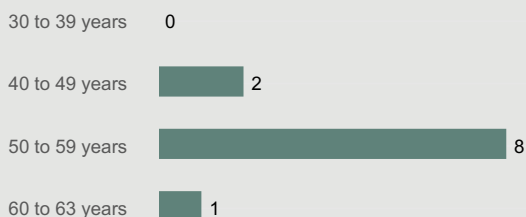
*LLB, Fellow of the Chartered Governance Institute of Southern Africa*

#### Skills and experience

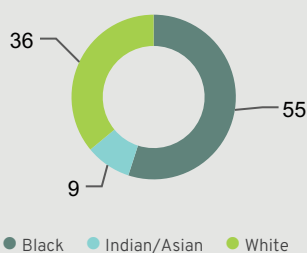
Michelle has over 30 years of company secretarial experience over multiple geographies on the continent and offshore. She is a fellow of the South African Institute of Chartered Secretaries and Administrators, and law graduate.

## Executive leadership continued

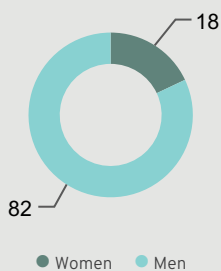
### Executive age diversity (an average age of 54.5)\*



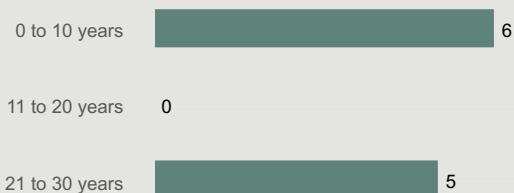
### Executive race diversity (%)



### Executive gender diversity (%)



### Executive tenure at Exxaro\*\*



\* Exxaro policy requires all employees, including executives, to retire at the age of 63.  
 \*\* The Exxaro executive team has more than 87 years of combined service since Exxaro's inception.

## Roles and responsibilities of Exxaro's executive committees

The roles and responsibilities of Exxaro's board are distinct from those of senior management as outlined in the group governance framework, board charter and delegation of authority policy and framework. This ensures transparency, confidence and mutual trust where the board can constructively challenge and guide senior management. The functions of management therefore remain the responsibility of the executive directors, prescribed officers and other members of senior management.

The executive committee assists the CEO in managing the business. It leads the implementation and execution of strategy, policies and operational planning, subject to statutory limitations and enabled by the board's delegation of authority. In carrying out its duties, the executive committee considers the King IV governance principles, the company's MoI, the committee's terms of reference, delegations of authority policy and the group governance framework.

The board is responsible for establishing the group's business objectives and targets and providing the strategic direction and control of the group's business activities.

**Group executive committee:** focuses on group operations and business.

### Management committees supporting the group executive committee

The group executive committee formed the following sub-committees to support and report to it:

- 1. ESG committee:** supports the company's ongoing commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability and other relevant public policy matters
- 2. Executive risk committee:** ensures execution of the risk strategy
- 3. Ethics committee:** established to maintain high ethical standards in the conduct of the company's business
- 4. Group procurement committee:** makes decisions on the outcome of the procurement process in respect of expenditure and consideration on approved business mandate, RFQ approach, and recommended tenderer(s) for the award of contract(s)
- 5. Mineral pre-investment committee:** operates as a preparatory and recommending body that supports informed, robust and well-governed pre-investment decision making in relation to the group's investment and divestment opportunities
- 6. Group investment review committee:** oversees the management review process for major investments and divestments

## Group executive committee performance

The group executive committee held eight scheduled and nine special meetings in 2025:

Designation	Attendance at scheduled meetings	Attendance at special meetings
CEO*	6/6	6/6
FD	7/8	9/9
Executive head: strategy and business development	8/8	9/9
Executive head: coal**	1/1	2/2
Executive head: people and performance	8/8	9/9
Executive head: strategic resilience and governance***	3/3	5/5
Executive head: sustainable impact	8/8	9/9
Executive head: sustainable impact (designate)**	1/1	2/2
Executive head: metals	7/8	8/9
Executive head: energy****	5/5	4/4
Executive head: commercial**	1/1	2/2
Executive head: technical services	7/8	7/9
Group company secretary, governance and ethics****	5/5	3/4

\* Joined 1 April 2025.

\*\* Appointed on 1 November 2025.

\*\*\* Retired on 30 May 2025.

\*\*\*\* Appointed as part of the group executive committee on 1 July 2025.

The Cennergi executive committee was dissolved in 2025 following Exxaro's management restructure.

### Group company secretary, governance and ethics

Michelle Nana was appointed group company secretary, governance and ethics, effective 1 May 2024.

The board recognises the important role the group company secretary, governance and ethics plays in establishing effective processes and systems to entrench good corporate governance in Exxaro. The group company secretary, governance and ethics' role and responsibilities include:

- Guiding directors collectively and individually in their duties, responsibilities and powers
- Making directors aware of any law relevant to the company
- Reporting any failure by the company or a director to comply with the MoI or Companies Act
- Ensuring board procedures are followed and reviewed regularly
- Ensuring compliance with applicable rules and regulations for conducting board affairs
- Facilitating induction and ongoing development programmes for directors
- Maintaining statutory records in accordance with legal requirements
- Guiding the board on the proper discharge of its responsibilities in the company's best interests
- Providing professional and independent guidance on corporate governance matters to assist the board in exercising ethical and effective leadership
- Keeping the board informed of current and new developments regarding corporate governance practice
- Fulfilling all other functions assigned to the position by the Companies Act and any other legislation
- Ensuring proper compilation and timely circulation of board papers
- Obtaining appropriate responses and feedback on specific agenda items and matters arising from earlier meetings in board deliberations
- Ensuring that the proceedings of the board, board committees and shareholder meetings are properly recorded and minutes of meetings are circulated to the directors timeously
- Assisting the nomination committee in evaluating the performance of the board, its committees and individual directors

The board evaluated the group company secretary, governance and ethics in compliance with paragraph 5.7(f) of the JSE Listings Requirements and was satisfied with her competence, qualifications and experience. The board was comfortable that she maintained an arm's length relationship with individual directors and that she was neither a director nor a public officer of the company or any of its subsidiaries.

# Committee reports

Board committees provide focused expertise and strategic oversight, enabling the board to delegate responsibilities effectively and strengthen decision making. This structure reinforces accountability, objectivity and ethical leadership, while ensuring robust oversight of sustainability, risk and ESG performance across the group.

This section details the mandates, activities and key focus areas of Exxaro's committees, reflecting their contribution to sustainable value creation and robust corporate governance.



## Focus areas at a glance

### [Audit committee report](#)

Page 125

This review reflects the committee's role in providing independent oversight of financial reporting, internal controls and risk management. It details how the committee ensured compliance with legal and regulatory frameworks, reviewed audit and assurance processes and strengthened governance through external and internal audit coordination.

### [Investment committee report](#)

Page 129

We unpack the committee's approach to evaluating and recommending key investment decisions in line with Exxaro's Sustainable Growth and Impact strategy. This section outlines how the committee reviewed metals and energy growth pipelines, assessed due diligence outcomes and monitored strategic acquisitions and divestments.

### [Logistics committee report](#)

Page 131

This report describes the committee's role in mitigating rail and infrastructure challenges that impact coal and metals exports. It explores the development of long-term logistics solutions, stakeholder engagement efforts and the monitoring of regulatory reforms affecting freight and rail capacity.

### [Nomination committee report](#)

Page 133

We unpack the committee's focus on board composition, succession planning and governance effectiveness. The report highlights how the committee reviewed the group governance framework, aligned governance with King IV principles and exceeded board diversity targets. It also covers annual performance evaluations and governance roadshows.

### [Remuneration committee report](#)

Page 136

This overview provides insight into how the committee ensures fair, transparent and responsible remuneration practices. It details key initiatives, including wage gap monitoring, incentive scheme enhancements and alignment of executive remuneration with shareholder expectations and evolving regulatory requirements.

### [RBR committee report](#)

Page 139

This report outlines the committee's role in strengthening Exxaro's risk management framework, focusing on strategic, operational, financial and regulatory risks. It explains how the committee enhanced business continuity planning, assessed crisis management protocols and integrated risk governance into decision-making processes.

### [SERC report](#)

Page 143

This review outlines the committee's mandate to oversee Exxaro's impact on public interest and corporate citizenship. It details how SERC monitors human rights practices, social impact strategies, ESG governance and sustainability-related disclosures. Key focus areas include stakeholder engagement, employment equity targets, safety performance and the development of Exxaro's decarbonisation roadmap.

# Audit committee report

## Dear shareholders,

I am pleased to present the audit committee report for the year ended 31 December 2025, as recommended by King IV, the JSE Listings Requirements and the Companies Act. This report reflects the committee’s independent role and its accountability to the board and shareholders.



**Nondumiso Ketwa**  
Audit committee chairperson

## Committee overview

### Composition

Committee members are elected by shareholders at the AGM on the board’s recommendation, through the nomination committee.

The board ensures a balance of skills and experience, focusing on financial literacy, to enable the committee to discharge its function. All committee members are independent non-executive directors.

In 2025, the committee maintained its minimum membership of four independent non-executive directors.

The board is satisfied that the committee members have the necessary academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

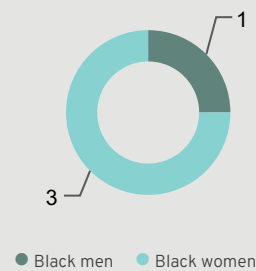
 Refer to [board of directors](#) (page 112) for members’ qualifications and experience.

Standing invitees to audit committee meetings include the CEO, FD, group manager: internal audit, group manager: risk, group finance manager, chief financial officer: coal, executive head: technical services and representatives from the external and internal auditors.

Other individuals, including members of management, external consultants and service providers, are invited to attend meetings of the committee from time to time, in consultation with the committee chairperson.

The internal and external auditors have unrestricted access to the audit committee.

### Gender and racial diversity



## Meetings

As determined by its terms of reference, the committee held five scheduled meetings and one special meeting in 2025.

Members	Designation	Attendance at scheduled meetings	Attendance at special meetings
Nondumiso Ketwa	Independent non-executive director and audit committee chairperson	5/5	1/1
Billy Mawasha	Independent non-executive director	5/5	1/1
Chanda Nxumalo	Independent non-executive director	5/5	1/1
Nosipho Molohe	Independent non-executive director	5/5	1/1

Two additional annual sessions are held separately with the independent external auditor and internal auditor, without management present, to exchange views and concerns to further strengthen the committee’s independent oversight.

## Audit committee report continued

### Role and purpose

The audit committee is an independent statutory committee, with members appointed annually by Exxaro's shareholders in compliance with section 94(2) of the Companies Act and the principles of good governance. In terms of the Companies Act, the committee has an independent role and is accountable to the board and the company's shareholders.

The committee does not assume management functions, which remain the responsibility of the executive directors, prescribed officers and other members of senior management, nor does it assume accountability for the functions performed by other board committees. In addition to the Companies Act, the committee's duties are guided by paragraphs 5.7(g) and (h) of the JSE Listings Requirements and King IV.

Areas of special focus that the committee provided oversight on included:

- Reviewed the judgement applied by management on accounting matters particularly as it relates to the carrying value of assets
- Assessed management's conclusion on going concern through review of their assessment of liquidity, the debt covenants and arrangements held with financial institutions and recommended results to the board
- Assessed accounting provisions recorded relating to environmental regulatory requirements
- Assessed the effectiveness of internal control over financial reporting (IFCs)

The committee's terms of reference govern its role and responsibilities. To assist the board, the committee plays an essential role in providing independent oversight of:

- The quality and integrity of the financial statements and related public announcements
- The integrity of the integrated reporting process and content of the integrated suite of reports
- The scope and effectiveness of the external audit process
- The external auditor's qualifications and independence
- The scope and effectiveness of the overall combined/integrated assurance process
- The efficacy of internal controls and the internal audit function
- The adequacy of the company's insurance arrangements regarding the nature of its business and insurable risks
- The integrity and efficacy of risk management processes relating specifically to internal controls and financial reporting risks, through assurance of system controls and policies in place
- Compliance with legal and regulatory requirements to the extent that these might have an impact on financial statements

### Terms of reference

The committee's terms of reference are reviewed and approved annually by the board.

The November 2025 review ensured alignment of the terms of reference with the current status of the business. As King V was implemented on 31 October 2025, any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

### Performance evaluation

While there is no regulatory requirement to conduct annual external independent performance assessments, King IV emphasises the board's responsibility to regularly evaluate its effectiveness and that of its committees. In support of effective governance outcomes, Exxaro conducts external independent board and committee performance assessments every third year.

The internal evaluation of the committee's performance and effectiveness was finalised in the first quarter of 2026. The result indicated a well-functioning committee that is able to effectively challenge management's financial assumptions, judgements and disclosures to ensure accuracy and reliability in financial reporting. Artificial intelligence implementation is highlighted as an area of focus in 2026.

The committee fulfilled its mandate during 2025 and it remains an effectively functioning and contributing arm of the board.

### 2025 focus areas

- The committee received training on rehabilitation standards
- Monitored information management to advance cybersecurity resilience through a series of strategic initiatives designed to safeguard critical assets and mitigate emerging threats
- Monitored related strategic KPIs
- Monitored Exxaro's participation in tracing shareholders with the JSE relating to unclaimed dividends
- Noted improvements in selected sustainability KPIs

### Committee statements

#### FD and finance function

The committee considered and reviewed an internal assessment of Riaan Koppeschaar's expertise and experience as FD and is satisfied that he has the appropriate competence, qualifications and experience to execute his responsibilities, including during his time as acting CEO from 4 December 2024 to 1 April 2025. The evaluation considered the appropriateness of the expertise and adequacy of resources in the finance function.

The committee is satisfied with the group's hedge effectiveness and loan covenant position applicable to each facility within the group. It considered and approved the revised dealer limits and counterparty limits for the group's treasury operations in the financial markets.

The committee reviewed the key reporting issues and significant balances for the interim and year-end reporting periods.

Following a deliberation of the base case and downside scenarios presented by management and having applied the solvency and liquidity test, the committee was satisfied to provide assurance to the board that the company and group satisfied the requirements of a going concern assessment and further recommended the approval of dividends and a share repurchase programme to the board.

#### Tax compliance status

Reports to the committee included reporting on all tax matters, such as tax audits, tax disputes with tax authorities, recognition of deferred tax assets, and the status of tax returns and payments. The committee was also apprised of global tax developments.

The committee is satisfied that the group is tax compliant.

 [Tax report](#) (investors tab)

#### Regulatory updates

The committee noted the amendments to the JSE Listings Requirements, as well as the new and revised IFRS Accounting Standards and pronouncements, and their impact on the group.

The committee considered JSE proactive monitoring and thematic reviews.

#### Annual financial statements

The committee ensured that the finance function re-evaluated its disclosures in line with the latest accounting developments. A clear focus was placed on financial reporting risks and controls presented by geopolitical macro-economic conditions, including supply chain disruptions, inflation, interest rates and market volatility.

The group and company annual financial statements for the year ended 31 December 2025 were prepared by management, reviewed by the committee and the board and audited by the independent external auditor.



The committee is satisfied that the group and company annual financial statements for the year ended 31 December 2025 comply with the relevant provisions of the Companies Act, IFRS Accounting Standards (as issued by the International Accounting Standards Board), Financial Pronouncements (as issued by the Financial Reporting Standards Council), the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee), the JSE Listings Requirements and applicable accounting policies and practices.

The committee is satisfied that the group and company annual financial statements for the year ended 31 December 2025 fairly present a balanced view of the group and company's financial position, financial performance and cash flows.

### Effectiveness of internal financial controls

Internal control confirmations are distributed to all BUs and corporate service departments for management to confirm that no additional reporting issues need to be brought to the committee's attention. This process verifies that internal controls are being followed in line with policies and governance requirements, identifies gaps or weaknesses, and holds BUs responsible for maintaining and reporting on their control environment.

During the year, the committee reviewed the system of internal financial reporting procedures with input from the independent internal and external auditors, as well as an ERM benchmarking exercise. The review considered all Exxaro entities within the consolidated group to ensure that the committee had access to all financial information to allow for effective preparation and reporting on the group and company annual financial statements for the year ended 31 December 2025. Informed by these reviews, the committee confirmed that no material findings indicated the ineffectiveness of internal financial reporting controls during 2025.

### Independent external auditor

KPMG was the independent external auditor for 2025, with its delivery partner, AM PhakaMalele. Their reappointment was approved by shareholders through a separate resolution at the AGM on 15 May 2025, in terms of paragraph 5.7(h)(iv) of the JSE Listings Requirements.

The committee oversaw the extent of services provided by the external auditor for assurance and other services.

### Assessment and recommendation

The committee evaluated the appointment of the external auditor and designated audit partner and is satisfied that KPMG meets the independence requirements outlined in section 94(8) of the Companies Act.

The committee considered the relevant information under paragraph 5.7(h)(iii) of the JSE Listings Requirements. Thus, the committee executed its responsibility to consider the suitability of the external auditor and designated individual auditor, as required by paragraphs 5.7(h)(iii), 6.36 and 6.38 and in terms of their mandate required by paragraph 6.37 of the JSE Listings Requirements.

The committee recommends KPMG, with delivery partner AM PhakaMalele, for reappointment for the ensuing year ended 31 December 2026 at the upcoming AGM on 27 May 2026 by way of a separate resolution by shareholders in terms of paragraph 5.7(h)(iv) of the JSE Listings Requirements and section 61(8) of the Companies Act.

### Independent external auditor fees

During the review period, the following fees were paid to the independent external auditor:

	2025 Rm	2024 Rm
Statutory audit fees	35	31
Non-audit service fees	2	3
<b>Total</b>	<b>37</b>	<b>34</b>

There were no changes to the policy for engaging the external auditor to provide assurance and other services. The committee considered the Revisions to the Non-Assurance Services Provisions of the Code from the International Ethics Standards Board for Accountants and the Revisions to the Non-Assurance Services Provisions of the Code from the Independent Regulatory Board for Auditors and set the threshold for assurance and other services for the external auditor at a maximum of 20% of the statutory audit fee for any given financial year. It was confirmed that KPMG, in terms of its internal policy, will not provide any advisory or tax services to its audit clients.

The committee is satisfied with the level and extent of assurance and other services rendered by the external auditor during the year. It was confirmed that KPMG and AM PhakaMalele remained independent of Exxaro.

The committee approved the external audit plan and approach for the financial year ended 31 December 2025.

### Transformation

KPMG continued to partner with AM PhakaMalele, a level 1 B-BBEE company, fulfilling Exxaro's commitment to transformation.

### Internal audit

The committee ensured that assurance provided by the internal audit function focused on the company's key risks and added value to the organisation.

The internal audit function is partially outsourced to PwC under the management control of Exxaro's group manager: internal audit. PwC partnered with a level 1 B-BBEE company, Ngubane Management Consultants Proprietary Limited, to fulfil the internal audit support function. The responsibilities of the internal audit function are detailed in an internal audit charter approved by the committee, which is reviewed and approved annually.

The main function of internal audit is to express an opinion on the effectiveness of governance, risk management and internal control systems within the group. It provides independent and objective consulting services designed to add value, maintain assurance and improve Exxaro's operations.

The committee holds management accountable for ensuring corrective measures are in place to address the control deficiencies identified by internal audit or forensic investigations. The committee will continue to monitor the efficacy of these measures.

During the period under review, the committee authorised the CEO and FD to sign the management representation letter for the interim and year-end reporting periods. Internal audit also provided an assessment to support the CEO and FD in effecting their responsibility to sign the mandatory responsibility statement in terms of the JSE responsibility statement requirement Item 14, section 5.9 of the JSE Listings Requirements, which affirms that the internal control environment can be relied on in compiling the annual financial statements.

The committee considered the status of the annual internal audit plan and the results of completed audits and is pleased with the overall performance of the internal audit function and the services provided.

## Audit committee report continued

### Internal audit plan and charter

A risk-based internal audit plan was developed in line with the internal audit methodology supported by the Institute of Internal Auditors and King IV. The committee approved the internal audit charter and internal audit plan in November 2025.

### Fraud prevention and forensic reports

The committee noted the status of:

- Forensic investigations
- The 2025 fraud prevention, anti-bribery and anti-corruption programme
- Proactive assurance training conducted in collaboration with supply chain management and the ethics office at the BUs

### Combined assurance

As required by King IV, assurance was broadened to cover all sources, including external assurance, internal audit, management oversight and regulatory inspections. The combined assurance model comprises five lines of assurance to differentiate the level of risk ownership and independence of assurance efforts by providers.

The model incorporates and optimises all assurance services and functions to enable an effective control environment and support the integrity of information used for internal decision making by management, the board and its committees, and the organisation's external reports.

An annual combined assurance plan is submitted for approval to the committee, detailing all proposed assurance activities within the group, including the level of assurance. The committee ensures alignment of the combined assurance plan with internal and external audit plans. Adopted protocols include risk acceptance, level 1 finding disclosure process and risk extension requests.

The committee's role is to review the effective establishment and operation of combined assurance within the group. To this end, the company established a combined assurance framework. The committee is satisfied that the framework coordinates all assurance functions and provides coverage for Exxaro's risk exposures as identified and ranked by Exxaro's risk management function, including optimisation of assurance functions aligned with King IV recommended assurance practices.

The committee is satisfied with the arrangements for ensuring an effective and efficient combined assurance model within the group.

### Technology and information governance

In terms of King IV, the committee exercises oversight of technology and information governance.

The committee received reports on the group's digital transformation and the impact of cyber risk on information technology performance to support strategy execution.

In line with the group policy framework, strategic policies were updated to support Exxaro's strategic direction.

Several management governance forums enhance decision making, oversight and strategic direction. Foundational policies support these structures by guiding behaviour, expectations and operations.

### Insurance coverage

Obtaining insurance coverage at competitive terms is increasingly challenging for companies with a large carbon footprint. This is a focal point for the committee. Exxaro has a separate captive insurance company registered in terms of the Insurance Act, 2017 (Act 18 of 2017) to manage short-term insurance arrangements, being Exxaro Insurance Company Limited.

A formal memorandum is submitted quarterly to the committee, setting out the main activities of the insurance company. The committee considered regulatory compliance, level of self-insurance, financial position, external audit plan for 2025, investment strategy, performance of investments, insurance renewal programme and associated costs and exclusions during the period under review. The committee also reviewed Exxaro's strategy regarding insurance coverage and self-insurance.

### Legal

The committee, together with management, reviewed legal matters that could have a reputational or material financial impact on the company, including upcoming changes to legislation.



**2026**  
focus areas

- Monitor the progress and implementation of the strategy for deploying new post-modern ERP solutions to ensure acceptable cost and risk and alignment with Exxaro's strategy
- Evaluate whether the company has incorporated digitalisation and utilisation of advanced technologies, eg AI
- Review Exxaro's future strategy on insurance cover and self-insurance, considering global resistance to thermal coal and insurance markets
- Monitor the impact of cybersecurity risks in the finance function and internal control environment
- Financial integration of manganese and energy asset acquisitions

### Confirmation

The committee is satisfied that it has discharged its responsibilities and fulfilled its mandate in accordance with its terms of reference, the Companies Act, the JSE Listings Requirements (paragraph 5.7(h) in particular) and King IV.

On behalf of the audit committee

Nondumiso Ketwa  
Audit committee chairperson

29 April 2026

# Investment committee report

## Dear shareholders,

I am pleased to present the investment committee report for the year ended 31 December 2025. This report provides an overview of how the committee works to responsibly advance our strategic objective of transitioning at speed and scale, in support of Exxaro's purpose and vision.



**Billy Mawasha**  
Investment committee chairperson

## Committee overview

### Composition

The board appoints committee members on the recommendation of the nomination committee and ensures a balanced blend of skills and experience, enabling the committee to discharge its functions.

At 31 December 2025, the committee consisted of three independent non-executive directors and one non-executive director. The board is satisfied that the committee members have the necessary experience.

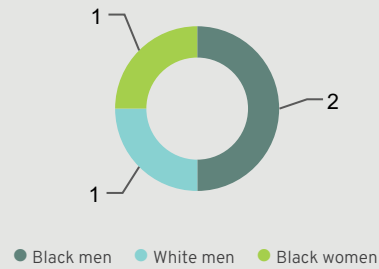
Following Ben Magara's appointment as CEO, he stepped down as chairperson and member of the committee. The board appointed Billy Mawasha as committee chairperson, effective 9 May 2025. Mandlesilo Msimang resigned as a director on 15 September 2025.

The CEO, FD, executive head: energy, executive head: coal, executive head: metals, and executive head: strategy and business development attend investment committee meetings as standing invitees. Other members of the executive team and senior managers representing areas relevant to investment committee discussions attend meetings as required.



Refer to [board of directors](#) (page 112) for members' qualifications and experience.

### Gender and racial diversity



## Meetings

The committee held four scheduled quarterly meetings and two special meetings in 2025:

Members	Designation	Attendance at scheduled meetings	Attendance at special meetings
Ben Magara*	Former independent non-executive director and committee chairperson	1/1	1/1
Billy Mawasha**	Independent non-executive director and committee chairperson	4/4	2/2
Isaac Malevu	Non-executive director	4/4	2/2
Mandlesilo Msimang***	Non-executive director	2/3	2/2
Chanda Nxumalo	Independent non-executive director	4/4	0/2
Peet Snyders****	Independent non-executive director	4/4	2/2

\* Following appointment as CEO, stepped down as member and chairperson.

\*\* Appointed member and chairperson on 9 May 2025.

\*\*\* Resigned on 15 September 2025.

\*\*\*\* Classified as independent until 31 December 2025.

## Investment committee report continued

### Role and purpose

This committee plays a key role in executing Exxaro's Sustainable Growth and Impact strategy.

The committee has an independent role where it:

- Reports to the board on material acquisition, merger, investment, or disposal opportunities
- Exercises ongoing oversight of transactions and related matters in the scope of the approved energy and metals Sustainable Growth and Impact strategy, including portfolio management of these businesses and post-investment reviews
- Reviews the strategic fit, risk profiles and outcomes of financial, technical and legal due diligence for major investments
- Ensures adherence to all Exxaro's governance processes and monitors that potential investments meet the approved hurdle rates, set from time to time, before Exxaro commits any funds

Throughout 2025, the committee received quarterly reports on the metals and energy pipelines and opportunities. The board is committed to protecting Exxaro's value, and the committee does not approve the pursuit of projects outside the approved investment criteria.

Investment opportunities are first presented to the investment committee, where a detailed review is conducted in line with board-approved criteria. After the review, the committee may then recommend the investment opportunity to the board for final approval, as was the case for the company's acquisition of the select manganese assets and the majority stakes in the two renewable energy assets.

### Terms of reference

The committee's terms of reference are reviewed and approved annually by the board. The November 2025 review ensured alignment with the current status of the business.

King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

### Conflict of interest

The committee's mandate requires that disclosures of interest are made at the time of circulating information to the committee members and before the commencement of any meeting. Any declaration and/or recusal by members as a result thereof is captured in the meeting minutes to ensure transparency.

### Performance evaluation

While there is no regulatory requirement to conduct annual external independent performance assessments, King IV emphasises the board's responsibility to regularly evaluate its effectiveness and that of its committees. In support of effective governance outcomes, Exxaro conducts external independent board and committee performance assessments every third year.

The internal evaluation of the committee's performance and effectiveness was finalised in the first quarter of 2026. The evaluation confirmed that the committee fulfilled its mandate during 2025, and it remains an effectively functioning and contributing arm of the board. Areas for continuous improvement or increased attention were added to the 2026 key focus areas.

### 2025 focus areas

- Monitored the metals and energy growth pipelines and recommended investment decisions (select manganese assets, and solar and wind energy assets) for board approval
- Considered the capital allocation framework, including market concerns regarding the appropriate level of cash retention, while ensuring sufficient capital to support Exxaro's growth aspirations
- Considered operating capital expenditures, including the replacement of 48 motor control centres in Grootegeluk
- Considered the Belfast life extension bankable feasibility study
- Noted outcomes of due diligence processes and monitored progress and prevailing market conditions regarding proposed transactions while ensuring alignment with Exxaro's strategy
- Recommended the Leeuwpan turnaround plan to the board
- Monitored progress against Exxaro's decarbonisation roadmap and the three phases for scope 2 emissions



### 2026 focus areas

- Oversight of the completion and disciplined integration of manganese and energy acquisitions to achieve operational synergies and sustainable value creation
- Review and enhancement of the group capital allocation framework to strengthen capital discipline, optimise returns and balance growth with resilience
- Evaluation of manganese, energy and coal strategies, including LoM extension and portfolio optimisation opportunities, to support long-term competitiveness and responsible resource stewardship
- Oversee divestments and acquisitions, including guidance on and recommendation of participation in transactions aligned to the group's long-term metals strategy
- Review and recommend for approval the business development framework to enhance pipeline governance, investment screening rigour and strategic execution capability
- Monitor portfolio performance, capital deployment and post-investment reviews to ensure strategic alignment, disciplined execution and value realisation
- Approval and ongoing monitoring of the group capital budget to ensure alignment with strategy, risk appetite and long-term value creation objectives
- Continue to evaluate strategic options in relation to investments in Sishen Iron Ore Company Proprietary Limited and Black Mountain Mining Proprietary Limited

### Confirmation

The committee, in carrying out its duties, has due regard for its terms of reference and the principles and recommended practices of King IV. The committee is satisfied that it has conducted its affairs and discharged its responsibilities in accordance with its terms of reference.

On behalf of the investment committee

Billy Mawasha  
Investment committee chairperson

29 April 2026

# Logistics committee report

## Dear shareholders,

I am pleased to present the logistics committee report for the year ended 31 December 2025. Established in early 2023, the committee continues to address rail logistics challenges and support Exxaro’s sustainable growth.



**Isaac Malevu**  
Logistics committee chairperson

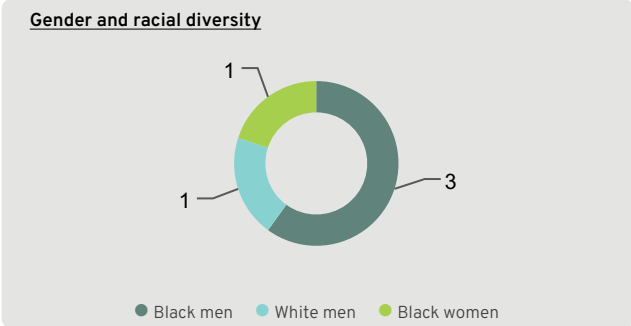
## Committee overview

### Composition

Committee members are appointed by the board on recommendation of the nomination committee to ensure a blended balance of the necessary skills and experience for the committee to successfully carry out its assigned duties and obligations. The board is satisfied that committee members have the necessary experience. At 31 December 2025, the committee comprised three independent non-executive directors and one non-executive director.

From 1 April 2025, Ben Magara stepped down as committee member. However, as CEO, he holds a standing invitation to attend the committee’s meetings.

 Refer to [board of directors](#) (page 112) for members’ qualifications and experience.



### Meetings

The committee held three scheduled meetings in 2025. The frequency of the meetings is driven by the need to discuss or report on updates that are significant or noteworthy, but no less than three times per year.

Members	Designation	Attendance at scheduled meetings
Zwelibanzi Mntambo*	Former non-executive director and logistics committee chairperson	0/1
Isaac Malevu**	Non-executive director and logistics committee chairperson	1/1
Ben Magara***	Independent non-executive director	1/1
Dr Phumla Mnganga	Independent non-executive director	3/3
Mvuleni Geoffrey Qhena	Independent non-executive director	3/3
Peet Snyders****	Independent non-executive director	3/3

\* Retired on 15 May 2025.  
 \*\* Appointed logistics committee member and chairperson on 5 June 2025.  
 \*\*\* Stepped down as member of the committee following appointment as CEO on 1 April 2025.  
 \*\*\*\* Classified as independent until 31 December 2025.

### Role and purpose

The logistics committee monitors and reports on the development of long-term solutions to secure logistics access to international markets and identifies medium-term solutions and alternatives to mitigate Transnet Freight Rail constraints, increase volumes and support the execution of Exxaro’s approved metals growth strategy.

### Terms of reference

The committee’s terms of reference are reviewed and approved annually by the board. The November 2025 review ensured alignment with the current status of the business.

King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

## Logistics committee report continued

### Performance evaluation

While there is no regulatory requirement to conduct annual external independent performance assessments, King IV emphasises the board's responsibility to regularly evaluate its effectiveness and that of its committees. In support of effective governance outcomes, Exxaro conducts external independent board and committee performance assessments every third year.

The internal evaluation of the committee's performance and effectiveness was finalised in the first quarter of 2026. The committee was described as an efficient committee, particularly as this is just the second year of its existence. Areas for increased focus include aligning the new manganese asset with the present coal business and the different logistics corridors.

The committee fulfilled its mandate during 2025, and it remains an effectively functioning and contributing arm of the board.

### 2025 focus areas

- Exxaro's logistics strategy focused on governance and regulation, third-party operations, port allocation and infrastructure upgrades in a challenging logistical environment. Pleasingly, rail reform is ongoing in South Africa, with the government assuming more responsibility
- Considered the implications of an infrastructure upgrades report
- Conducted a prefeasibility study focusing on alternative solutions to increase rail infrastructure capacity; five strategic focus areas were identified for 2025, with progress made in each area
- Strategic logistics team developed a targeted stakeholder engagement strategy to proactively align Exxaro's strategic objectives with the interests and expectations of key stakeholders, enhancing decision making and the likelihood of favourable outcomes



- Oversee the development and review of long-term logistics solutions to access international markets
- Monitor the identification and review of medium-term logistics solutions to mitigate Transnet Freight Rail risk and increase exports
- Advance power supply project requests for proposal readiness by leveraging the independent technical assessment outcome and translating outputs into a clear restoration and upgrade scope, capex baseline and concession-ready design
- Progress consortium formation through MoUs with freight players
- Deliver the critical 2026 focus by securing internal alignment and engaging key government stakeholders to position Exxaro as a credible early-stage partner
- Advance coal corridor programme participation by identifying collaboration projects and aligning with Transnet on collaboration principles and Transnet rail infrastructure management-style, customer-funded models
- Prepare for manganese integration into the logistics programme and strengthen Exxaro's positioning with Transnet and Transnet rail infrastructure management as a potential top-tier rail player

### Confirmation

The committee, in carrying out its duties, has due regard for its terms of reference and the principles and recommended practices of King IV. The board is satisfied that the committee has considered and discharged its responsibilities.

On behalf of the logistics committee

Isaac Malevu  
Logistics committee chairperson

29 April 2026

# Nomination committee report

## Dear shareholders,

During the year, the committee carried out its responsibility of reviewing the board’s composition and independence. Importantly, the committee oversaw a smooth management transition with the appointment of a new CEO.



**Mvuleni Geoffrey Qhena**  
Nomination committee chairperson

## Committee overview

### Composition

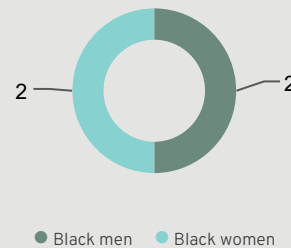
The committee benefits from cross-membership with the remuneration committee. The terms of reference require the committee to comprise at least three non-executive directors, with the majority being independent.

The board ensures committee members have a suitably balanced blend of skills and experience to enable the committee to discharge its functions.

The CEO may not be a member of this committee but is a standing invitee to meetings. Executive management may attend committee meetings if and when necessary.

Refer to [board of directors](#) (page 112) for members’ qualifications and experience.

### Gender and racial diversity



## Meetings

The committee held three scheduled meetings and two special meetings during the year. During the leadership transition, regular updates were held between the committee and board. The committee’s attendance of 100% indicates high levels of engagement and commitment by its members.

Members	Designation	Attendance at quarterly meetings	Attendance at special meetings
Mvuleni Geoffrey Qhena	Independent non-executive director and nomination committee chairperson	3/3	2/2
Geraldine Fraser-Moleketi	Lead independent non-executive director	3/3	2/2
Dr Phumla Mnganga	Independent non-executive director	3/3	2/2
Zwelibanzi Mntambo*	Non-executive director	1/1	2/2
Billy Mawasha**	Independent non-executive director	1/1	

\* Retired on 15 May 2025.  
\*\* Appointed on 5 June 2025.

## Role and purpose

In line with the JSE Listings Requirements, the committee is constituted as a committee of the board in terms of the Companies Act, the company’s Mol and King IV. The committee is governed by its board-approved terms of reference, which set out its role and responsibilities.

The main purpose of the committee is to determine and evaluate the adequacy, efficiency and appropriateness of the group governance structure, practices and processes. The committee’s areas of responsibility include:

- Reviewing the board composition and additional criteria
- Succession planning for board and senior management
- Board performance evaluation
- Board induction and training
- Oversight of group corporate governance and statutory compliance

The work of the committee was further contextualised by the launch of King V, effective from the beginning of January 2026, and the ongoing simplification of the JSE Listings Requirements, with implementation phases during January and February 2026. These developments underscored the need for agile and effective governance, as well as an appropriately skilled and composed board attuned to evolving regulatory expectations. Accordingly, these matters were incorporated as training topics during the board’s governance sessions.

## Nomination committee report continued

### Terms of reference

The committee's terms of reference are reviewed and approved annually by the board. The November 2025 review ensured alignment with the current status of the business. King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

### Performance evaluation

While there is no regulatory requirement to conduct annual external independent performance assessments, King IV emphasises the board's responsibility to regularly evaluate its effectiveness and that of its committees. In support of effective governance outcomes, Exxaro conducts external independent board and committee performance assessments every third year.

The internal evaluation of the committee's performance and effectiveness was finalised in the first quarter of 2026. The results indicated a strong and effective committee, with a requirement to strengthen Exxaro's short to medium-term board and executive succession plans.

The committee fulfilled its mandate during 2025, and it remains an effectively functioning and contributing arm of the board.

#### 2025 focus areas

- Ensured a smooth management transition by defining a clear and targeted process for the selection, vetting and appointment of a new CEO
- Ensured independent investigation processes and clear feedback from legal, communication and forensic specialists
- Reduced the board size while achieving and exceeding most board diversity and inclusion targets, and building our board skill and experience
- Recommended composition enhancements to board committees for board approval to support succession planning
- Reviewed the size, structure, diversity and independence of the board, as well as the continuous development plan for directors
- Recommended the directors' nomination and appointment policy to the board for approval

### Board diversity and inclusion

To enable the board to operate effectively and in the company's interest, deliberate policy parameters are set and careful consideration is given to achieve a suitable board composition and an appropriate balance of power between individual directors and/or groups of directors.

In keeping with good corporate governance, the board embraces the constitutional principles of equality and inclusion for all. The nomination committee enables the board's commitment to strive for a knowledgeable, skilled, experienced, diverse and independent governing body that fully discharges its role and responsibilities with objectivity and effectiveness.

The committee focused on exceeding the gender diversity and inclusion target set by the board in 2021. We recognise the need to increase the representation of people with disabilities on our board.

Regarding gender diversity, we exceeded the 40% black female director target. The committee is pleased with the progress to date and will continue to consider targets set by the board in any future appointments. No changes were made to the 2021 targets.

In addition to its own targets, the board aims to pursue the compliance targets set by the dtic regarding management and control, and to positively contribute to Exxaro's B-BBEE rating.

The table below reflects current targets and Exxaro's achievement, enabled by the committee:

Target	Previous reporting period (31 December 2024)	Actual as at 31 December 2025	Status as at 31 December 2025
Size: minimum of four and maximum of 20 members	15	12	Within target range
Race: 60% black	80%	80%	Achieved
Gender: 40% black women	47%	42%	Achieved
Age: average of 55 years	57 years	56.4 years	Ongoing
Tenure: average tenure of seven years (two years mentoring a successor), excluding executive	Four years	4.7 years	Ongoing
Appropriate diversity mix based on prevailing strategic objectives	The board focuses on the principles of a balanced governing body by guiding strategic decisions around broader diversity at board level. The range in gender, race, age, field of knowledge, skills and experience, and tenure ensures well-informed and thoughtful consideration of all board matters.		

Note: the table includes executive directors.

### Board size and composition

The number of board members should promote accountability, independence and healthy, constructive debate. In terms of the company's MoI, one-third of all non-executive directors are subject to retirement by rotation and re-election by shareholders at least once every three years, if available and eligible to stand, subject to recommendation by the nomination committee and the board.

The nomination committee is responsible for the annual consideration of director retirement and for making recommendations to the board regarding the re-election and election of directors for approval by shareholders at the AGM. In fulfilling this responsibility, the committee assesses individual director performance, meeting attendance, tenure, independence and the overall composition of the board, including diversity and succession planning.

This process supports an appropriate balance between board refreshment and continuity, enabling the introduction of new skills, experience and perspectives while retaining institutional knowledge and expertise. The committee also considers whether each director remains fit and proper to continue in office, including an assessment of independence against the criteria and indicators set out in King IV. From 1 January 2026, in line with King V, directors with a tenure exceeding nine years will no longer be classified as independent.



Changes to [the board](#) (page 112) will be presented to shareholders at our 2026 AGM.

## Nomination and appointment of directors

The committee achieved its mandate to establish and maintain a board directorship continuity programme through its recommendation to appoint Isaac Malevu as a member of the RBR committee, effective from 1 January 2025 and as a member and chairperson of the logistics committee from 5 June 2025. Further, Billy Mawasha was appointed as a member to the remuneration and nomination committees, also effective 5 June 2025.

The board director appointment process is formal and transparent, in line with the nomination and appointment policy which was reviewed and approved in 2025. Exxaro's website contains a summarised guideline of this process.



[Nomination of directors](#) (our business tab under governance)

## Governance structures

We continuously monitor the group governance structures and framework to ensure clear guidance to the group on monitoring and oversight, authority and decision making. Policies are captured to ensure Exxaro achieves its strategy.

## Induction and ongoing development of directors

The nomination committee considers the topics to be addressed at the annual board governance sessions, which provide directors with focused inputs from regulatory, strategic and economic perspectives. The directors attended two board governance sessions and engaged with subject matter experts on the geopolitical landscape, JSE requirements, the JSE simplification project, the takeover defence manual, an introduction to King V, the Exxaro compliance universe and Ethixx at Exxaro (including AI). In addition, the audit committee held a deep dive on rehabilitation provisions.

Throughout the year, our directors receive information and opinions on changes within the regulatory framework. The board has a designated reading room where topical and relevant information is shared. Directors are recommended to consider various training and development programmes to support ongoing development.

New director induction includes an introduction to management, access to all relevant company administration information, meeting management systems and processes, as well as constitutional documents, the delegation of authority framework and other policies. The induction programme includes an introduction to the company's strategy, group governance structure, operations and stakeholder engagement model, and key advisers.

## Succession planning

Succession planning for non-executive directors is iterative and part of an ongoing programme of planning and discussion by the nomination committee. Succession planning is based on the board's broader diversity and inclusion policy.

The policy is formulated using a holistic approach to diversity, with the aim of inclusion and supporting the group's strategic focus areas. In accordance with succession planning needs, filling independent non-executive director board vacancies is continuously addressed.

Given the changing context, the committee contributes to a governance enhancement programme aimed at aligning strategic changes in the group with board and board committee composition. The committee's terms of reference and mandate are reviewed annually.

The committee monitors executive leadership succession planning. Succession planning supports the building of our senior leadership and executive pipeline. In November 2025, a succession planning proposal was submitted to the committee for input prior to being presented to the board.

## Governance roadshow

The committee considered recommendations flowing from the 2025 annual board governance roadshow. The roadshow's purpose is to enable proactive engagement with our investor community to outline Exxaro's positioning on long-term value creation and leverage ESG for business resilience and sustainability.

Key themes raised by shareholders and investors that require further board consideration in 2026 will be monitored by the committee.



(page 98)

## Board performance

The committee approved the board performance evaluation process and considered the implementation of outcomes flowing from the assessments. The robust process included an independence categorisation survey, one-on-one interviews between the chairperson and each board member, an evaluation questionnaire covering the performance of the board and the seven committees, biannual declarations of interest and directors' skills assessments against a defined knowledge and experience matrix.



2026  
focus areas

- Monitor the framework for a future optimal board structure and size to support Exxaro's strategy
- Continue to oversee director induction and ongoing director development
- Monitor board and executive leadership succession planning
- Consider 2025 board internal assessment outcomes and recommend matters for continuous improvement
- Report on annual board governance roadshow outcomes and oversee matters for implementation

## Confirmation

The nomination committee, in carrying out its respective duties, duly regarded the principles and recommended practices of King IV. The committee is satisfied that it has considered and discharged its responsibilities in accordance with its terms of reference.

On behalf of the nomination committee

Mvuleni Geoffrey Qhena  
Nomination committee chairperson

29 April 2026

# Remuneration committee report

## Dear shareholders,

It gives me great pleasure to present the remuneration committee report for the year ended 31 December 2025. The committee remains committed to responsible remuneration practices that recognise Exxaro’s people as central to the company’s value creation, while balancing the interests of all stakeholders. Guided by the 2025 slogan, “Exxaro is us – we are Exxaro and together we make it work”, the committee acknowledges the collective contribution and shared accountability of Exxaro’s people, an ethos that informed its oversight of remuneration policies and outcomes.



## Committee overview

### Composition

The committee benefits from cross-membership with the nomination committee, enabling effective oversight of remuneration matters alongside broader board governance and nomination responsibilities. In accordance with its terms of reference, the committee comprises at least three non-executive directors, the majority of whom are independent, with the board chairperson serving as an ex officio member.

Committee members have a suitably balanced blend of skills and experience to enable the committee to discharge its functions. These members are selected and appointed by the board on recommendation from the nomination committee.

At the AGM in 2025, non-executive director and member of the remuneration committee, Zwelibanzi Mntambo, retired. Billy Mawasha, a standing member of the board and independent non-executive director, was appointed in Zwelibanzi’s place.

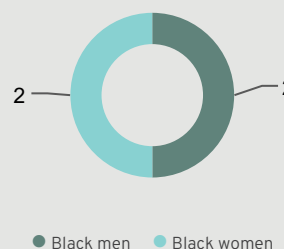
The CEO, FD and executive head: people and performance attend meetings as standing invitees to make submissions and provide information required by the committee.

### Meetings

The committee met formally five times during 2025 at four scheduled meetings and one special meeting. The committee’s attendance of 100% indicates high levels of engagement and commitment by its members.

Refer to [board of directors](#) (page 112) for members’ qualifications and experience, and more information in the [remuneration report](#) (page 147).

### Gender and racial diversity



Members	Designation	Attendance at quarterly meetings	Attendance at special meetings
Dr Phumla Mnganga	Independent non-executive director and remuneration committee chairperson	4/4	1/1
Geraldine Fraser-Moleketi	Lead independent non-executive director	4/4	1/1
Zwelibanzi Mntambo*	Non-executive director	1/1	1/1
Mvuleni Geoffrey Qhena	Independent non-executive director	4/4	1/1
Billy Mawasha**	Independent non-executive director	2/2	0/0

\* Retired on 15 May 2025.  
\*\* Appointed on 5 June 2025.

## Role and purpose

This committee's role and responsibility is to ensure the group remunerates fairly, responsibly and transparently, and that remuneration across the group is aligned to the group's strategy and governance principles. The committee ensures the continuous development, review and implementation of the remuneration philosophy and policies, and compliance with paragraph 5.7(g) of the JSE Listings Requirements and reporting obligations.

During the year, the remuneration committee oversaw management's work on key remuneration matters, including wage gap analysis, incentive scheme frameworks reviews and shareholder feedback on remuneration. The committee satisfied itself that these matters were appropriately governed, supported by independent advice where required and aligned with Exxaro's remuneration policy and regulatory requirements.

## Annual work plan

The committee's annual work plan is reviewed as and when required, and amendments must be approved by the board. The annual work plan is amended when there are changes in legislation or regulations to assist the committee in fulfilling its duties in a structured and measured manner.

## Terms of reference

The committee's terms of reference are reviewed and approved annually by the board. The November 2025 review ensured alignment with the current status of the business.

King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

## Performance evaluation

While there is no regulatory requirement to conduct annual external independent performance assessments, King IV emphasises the board's responsibility to regularly evaluate its effectiveness and that of its committees. In support of effective governance outcomes, Exxaro conducts external independent board and committee performance assessments every third year.

The internal evaluation of the committee's performance and effectiveness was finalised in the first quarter of 2026. The committee scored very high but also realises it faces a pivotal year ahead to ensure that reward practices actively support the company's transformation into a diversified metals and energy group.

The committee fulfilled its mandate during 2025, and it remains an effectively functioning and contributing arm of the board.

## 2025 focus areas

- Wage gap: Approved enhancements to the benefits framework, including employer-funded gap and funeral cover, free medical aid for category A and B employees at mines-in-closure operations, and reduced group life premiums
- STI and LTI schemes:
  - Oversaw correlation between performance outcomes, group results and reward delivery, reinforcing Exxaro's pay-for-performance principle
  - Oversaw a review of the Exxaro and Cennergi LTI schemes to ensure alignment with best practice and market trends; recommended enhancements to the LTI plan including dividend equivalents, adjusted performance conditions, standardised leaver provisions, clarified change of control treatment and incorporation of malus and clawback provisions in rules and award letters
- Deferred bonus plan (DBP): Oversaw a simplified and modernised alignment with the STI outcomes and retention
- Cennergi value appreciation rights plan (VARP) and bonus matching plan (BMP): Subsequent to the review, it was recommended to better align the design with legal and best practice definitions and to adjust the change of control provisions
- ESOP (GreenShare): The current plan lacks capital vesting, which impacts employee engagement and B-BBEE optimisation. Alternative options are being explored
- Oversaw competitive reward and pay for performance
- GIS: Guided by our key stakeholders and shareholders, we ensured allocation of 80% to business performance and 20% to individual performance. Team and individual contributions carry significant weight in the GIS
- Undertook a light-touch benchmarking review of non-executive director fees. The review considered relevant market data for comparable organisations and roles, focusing on ensuring fees remain appropriate, competitive and aligned with the time commitment and responsibilities of the role. The committee has noted slight variances and will consider them as part of its ongoing review of board and committee remuneration
- Implementation of the minimum shareholding requirement (MSR) for executives continues to strengthen alignment between leadership and shareholders. Several executives and prescribed officers have achieved or exceeded their targets ahead of schedule. The committee monitors progress to ensure continued compliance and alignment with governance best practice
- A review of business and non-executive director travel policies aimed at improving efficiency, cost control, clarity and fairness across travel practices
- Recognition standards were reviewed to ensure they remain fit for purpose and aligned with our people strategy. The revised recognition standard introduced an inclusive and strategically aligned approach to recognising contribution and performance. It embeds appreciation as a key enabler of our people strategy, supporting engagement, reinforcing desired behaviours and fostering a positive organisational culture
- Revised Exxaro disciplinary policy and code: A collaborative approach to developing the disciplinary policy and code included representatives from all BUs and took account of current best practice and opportunities for efficiencies

## Committed measures in terms of non-binding advisory votes

In terms of the JSE Listings Requirements paragraph 5.7(k), if either the remuneration policy or the implementation report or both are voted against by 25% or more of the votes exercised at the AGM, the board must invite dissenting shareholders to engage with Exxaro and provide the manner and timing of such engagement in the voting results announcement.

## Outcomes of two non-binding advisory votes at the AGM on 15 May 2025

	For	Against
Non-binding advisory vote number 1: Approval of the Exxaro remuneration policy	88.78%	11.22%
Non-binding advisory vote number 2: Endorsement of the implementation of the Exxaro remuneration policy	88.81%	11.19%

## Remuneration committee report *continued*

Although formal shareholder engagement was not required, the chairperson of the committee proactively engaged with shareholders during the 2025 governance roadshow to discuss the outcome of the remuneration policy vote and to better understand the factors contributing to the lower-than-desired level of support. Shareholder feedback informed further roundtable engagements, the outcomes of which will be considered in refining Exxaro's remuneration structures and practices.

### Governance roadshow feedback

The 2025 governance roadshow, held on 29 and 30 September 2025, was led by the board chair and the chairs of the remuneration, RBR and investment committees. Sessions were conducted with 26 institutions, representing over 80% of Exxaro's shareholding in Johannesburg and Cape Town.

Discussions highlighted shareholder confidence in Exxaro's governance and leadership transition. Remuneration remained a key topic, with discussions focusing on the alignment of incentives to Exxaro's strategy, pay transparency and disclosure readiness under the Companies Amendment Act. Through these engagements, the board reassured shareholders of the progress made on remuneration.

In line with shareholder recommendations, remuneration roundtable discussions were held with major shareholders to test proposed incentive scheme design changes, discuss long-term incentive plan (LTIP) measures and obtain pre-AGM alignment. We believe this continuous dialogue will strengthen shareholder trust and reduce the likelihood of dissenting votes.

While the majority of shareholder sentiment is positive, we acknowledge the importance of also addressing the minority concerns. These include greater transparency of peer group composition, stretching performance calibration and simplification of scheme design. This feedback has been incorporated to ensure Exxaro maintains strong shareholder support and continued confidence in its remuneration governance.

### Employee benefits update

Exxaro's benefits framework continues to evolve to support employee wellbeing and financial resilience.

In line with the group's ongoing efforts to strengthen employee financial protection and resilience, gap cover and funeral cover were approved by the committee as additional benefits aimed at broadening access to affordable risk protection. Both benefits are fully funded by the employer for all bargaining unit employees, with the funeral cover applicable to all employees except those who are members of the Mineworkers Provident Fund, as the fund already provides this benefit. To further extend financial inclusion, these benefits have been made available to management and specialist employees at preferential, reduced rates, ensuring equitable access to essential coverage across all levels of the organisation.

In addition, medical aid cover was implemented for category A and B employees working in mines-in-closure operations, fully subsidised by the employer, thereby maintaining access to quality healthcare.

Collectively, these initiatives drive Exxaro's unwavering commitment to employee wellbeing, financial security and inclusivity. They reflect a proactive approach to addressing the wage gap and strengthening the overall employee value proposition.

### Update on the two-pot retirement system

The two-pot retirement system, operational at Exxaro since 1 September 2024, aims to enhance employees' access to their retirement savings. The committee requested an update on its implementation and the number of withdrawal claims made by Exxaro employees to the Exxaro-approved retirement funds.

The necessary systems adjustments were made by the relevant funds to enable withdrawals, and member education and communication were conducted through multiple channels, including roadshows. The people and performance business partners were also upskilled to help facilitate claims.

There were no administrative challenges or systems readiness issues, which made implementation smooth, and feedback from BUs has been positive.

Employee financial wellness remains a strategic imperative for Exxaro. An increased focus on short-term withdrawals by employees poses the risk of inadequate retirement benefits. This necessitates enhanced member education, and we will continue to work with the relevant funds to reiterate that the two-pot system is intended for employees to access funds in cases of real emergency.

### Review of recognition policy and programme

The recognition policy and programme was comprehensively reviewed to improve governance alignment and embed recognition as a continuous, inclusive practice that reinforces Exxaro's values and culture. The new recognition standard replaces the former policy and provides a single, group-wide reference for both formal and informal recognition. It clearly defines categories, roles, adjudication levels and responsibilities, simplifying governance while maintaining rigour and transparency.

A comprehensive communication and change management process will support implementation to ensure awareness, understanding and adoption across BUs and functions. This will include leadership briefings, recognition champion training and employee engagement campaigns to embed the standard effectively by 2027.

### Review of non-executive director fees framework and approach

Our remuneration policy states that non-executive director fees are benchmarked every three years. However, it was agreed that a light-touch benchmark review would be conducted annually between formal benchmarking exercises.

The review confirms that most of Exxaro's current non-executive director and committee fees remain within the generally accepted market range. However, a few exceptions have emerged, which may require adjustment in the next cycle to maintain alignment with our peers.

The proposed adjustments at this stage are modest, with only a few targeted areas requiring an increase. Given the limited scope of these changes, the financial impact is expected to be manageable and in line with existing remuneration trends and budgets.



#### 2026 focus areas

- Implement the LTIP with revised performance conditions, and finalise and implement the deferred bonus scheme
- Complete the redesign of the ESOP and Cennergi LTI schemes
- Implementation of the revised STI metrics
- Review and update the MSR policy
- Develop a remuneration framework for corporate actions
- Review and implement selected enhancements to employee benefits and related policies
- Continue monitoring vertical and horizontal wage gap trends
- Align and refine the energy business incentive schemes
- Review and align the manganese business remuneration portfolio

### Confirmation

The committee confirms that remuneration is managed in strict alignment with Exxaro's remuneration principles, policy and supporting guidelines, ensuring robust governance and fair, responsible pay outcomes. The committee is confident that all commitments set for 2025 have either been fully delivered or are progressing as planned.

Dr Phumla Mnganga  
Remuneration committee chairperson

29 April 2026

# Risk and business resilience committee report

## Dear shareholders,

I am pleased to present the RBR committee report for the year ended 31 December 2025. During the year, the committee focused on enhancing Exxaro’s ability to achieve our strategic objectives, maintain our reputation as a good corporate citizen and strengthen the resilience to adapt appropriately in a changing environment.



## Committee overview

### Composition

The committee has five standing members, the majority of whom are independent non-executive directors.

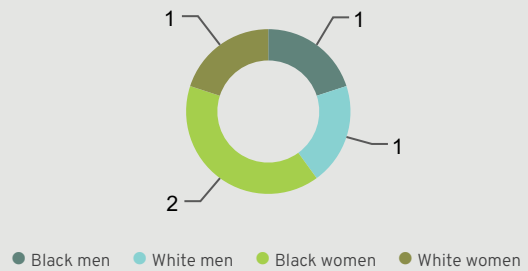
The board is satisfied that the members have a suitably balanced mix of skills and experience to enable the RBR committee to discharge its mandated functions.

Following Ben Magara’s appointment as CEO on 1 April 2025, he stepped down as a committee member but has a standing invitation to all meetings as the new CEO. To ensure adequate succession and continuity of knowledge, Isaac Malevu was appointed as a member of the committee on 5 June 2025.

Standing invitees to committee meetings include the CEO, FD, executive head: strategy and business development and group manager: risk. Other individuals, including members of management, external consultants and service providers are invited to attend the committee’s meetings from time to time in consultation with the committee chairperson.

Refer to [board of directors](#) (page 112) for members’ qualifications and experience.

### Gender and racial diversity



## Meetings

The committee held four scheduled meetings as determined by its terms of reference. The meeting attendance illustrates a high level of commitment from its members. The table below provides an overview of meeting attendance in 2025.

Members	Designation	Attendance at quarterly meetings
Peet Snyders*	Independent non-executive director and RBR committee chairperson	4/4
Karin Ireton	Independent non-executive director	4/4
Ben Magara**	Independent non-executive director	1/1
Nondumiso Ketwa	Independent non-executive director	4/4
Mandlesilo Msimang***	Non-executive director	3/3
Chanda Nxumalo	Independent non-executive director	3/4
Isaac Malevu****	Non-executive director	3/4

\* Classified as independent until 31 December 2025.  
 \*\* Stepped down as member of the committee following his appointment as CEO on 1 April 2025.  
 \*\*\* Resigned on 15 September 2025.  
 \*\*\*\* Appointed on 5 June 2025.

## Risk and business resilience committee report continued

### Role and purpose

The committee is a board committee in terms of section 72 of the Companies Act, the company's Mol and King IV.

### Risk management

The committee's primary role is to implement an effective risk management policy and plan to enhance the group's ability to achieve its strategic objectives, ensuring that risk disclosure is comprehensive, timely and relevant.

Risk management is effected by the board, management and other personnel. It is applied in strategy setting and across the group to identify potential events that may affect the organisation, manage risks within our risk appetite and provide reasonable assurance regarding the achievement of the organisation's objectives. Risk governance involves the structures and mechanisms within the organisation that guide decision making and implementation of risk management.

The committee is responsible for reviewing the ERM process, including key risks facing Exxaro and the responses to address these risks. It focuses on:

- Strategic risks
- Financial risks (technical debates on managing financial risk take place in audit committee meetings, but financial risks are part of the overall enterprise risk register, over which this committee has oversight)
- Information management risks
- Operational risks
- Regulatory compliance risks

### Business resilience

Business resilience is an organisation's ability to adapt to a changing environment to achieve its objectives, survive and prosper. Risk, incident, crisis and business continuity management are the four key elements of business resilience.

The committee's role is to oversee the appropriateness of Exxaro's crisis response plans and frameworks.

### Terms of reference

The committee's terms of reference are reviewed and approved annually by the board. The November 2025 review ensured alignment with the current status of the business.

King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee following a gap analysis.

### Performance evaluation

While there is no regulatory requirement to conduct annual external independent performance assessments, King IV emphasises the board's responsibility to regularly evaluate its effectiveness and that of its committees. In support of effective governance outcomes, Exxaro conducts external independent board and committee performance assessments every third year.

The internal evaluation of the committee's performance and effectiveness was finalised in the first quarter of 2026. The results indicate a committee that provides effective oversight to ensure the risk management framework remains robust, current and aligned with the organisational strategy and external developments. Areas for increased focus include people risk, IT risk, ESG risk and the ongoing impact of extreme weather on operations and affected communities.

The committee fulfilled its mandate during 2025, and it remains an effectively functioning and contributing arm of the board.

### 2025 focus areas

- Considered the strategic risk register, emerging risks and the interconnectedness of risks and their influence on the business
- Reviewed Exxaro's delegation of authority framework, policies, and finance and banking arrangements framework to ensure efficiency in business execution and collaboration
- Considered the group's risk appetite and risk metrics to enable early detection and response to potential threats
- Oversaw a rolling cybersecurity programme and noted the efforts to advance cybersecurity resilience through strategic initiatives designed to safeguard critical assets and mitigate emerging threats
- Oversaw material litigation matters
- Considered Exxaro's sustainability RBR report, including health performance, climate change and water security
- Remained informed of Exxaro's initiatives to reduce scope 3 emissions through the decarbonisation roadmap
- Reviewed the crisis management policy for recommendation to the board
- Reviewed Exxaro's regulation and compliance universe and level of compliance
- Confirmed the annual insurance renewal was effected on favourable terms
- Reviewed the efficiency of Exxaro's occupational health programme and compliance with legislation and industry best practice

### Enterprise risk management

The committee tests the robustness of Exxaro's risk process and its effectiveness in identifying and assessing risks that may affect the company's ability to achieve its strategic objectives. The risk register is continually assessed for alignment with the theme of positioning Exxaro to win. The key risk areas were themed in line with the strategic focus areas, and the energy business strategic risk profile was included. In addition, our benchmarking exercise confirmed that Exxaro's risk landscape aligns with the global context.

Emerging risks are uncertain and not fully predictable and are therefore closely monitored to enable the company to respond early, adapt strategy and avoid being caught off guard when these risks mature.

The committee is satisfied that the company's strategic risk profile is robust, reflects relevant risks that apply to Exxaro's industry peers and adequately covers the group's material risks.

 Risks and opportunities ([integrated report](#), page 41)

The committee reviewed and recommended to the board the group ERM framework. The purpose of the review was to:

- 1 Ensure alignment with current business objectives and the operating context
- 2 Benchmark against key governance best practices
- 3 Update roles and responsibilities concerning the risk governance structure
- 4 Review key components within the framework, including the updated risk appetite framework and the new risk principle regarding the interconnectivity of risk

Strategic policies guide operational policies. A revised group policy framework was developed and is being enhanced to provide an overarching structure for the arrangement, development and review of the group's statements, frameworks, policies, procedures, standard operating procedures and guidelines.

## Key compliance risks related to Exxaro's licence to operate

### Regulatory compliance

The group legal and compliance department conducted compliance workshops across the organisation and developed an initial overview of the consolidated regulatory universe. This overview outlines the top 10 pieces of legislation that apply to the group and assesses them using the approved risk ranking matrix.

During the period under review, Exxaro timeously submitted comments to the DMPR in respect of the Mineral Resources Development Bill, following inputs received from the group.

### Management of environmental impacts

The committee considers Exxaro's sustainable impact targets and the KPI assessment report.

The LSP, a key project toward achieving the short-term goal of reducing emissions by 40% by 2030, was monitored through Cennergi.

In October 2025, the DWS approved the renewal of Matla's WUL. This renewal confirmed that all mining operations and associated water use at Matla were fully licensed and in compliance with the provisions of the National Water Act, 1998. It reinforced the mine's commitment to responsible water management and regulatory adherence.

The group GHG policy is being finalised and will guide Exxaro's approach to carbon emissions accounting, reporting and management in line with global trends and national climate policies.

### Other licence to operate compliance matters

On 24 June 2025, Exxaro received the renewal of the waste management licence for the Matla brine ponds. This licence ensures that the Matla water treatment plant and brine ponds are operational for 10 years.

### Predictive and proactive reporting and engagement with key stakeholders based on key risks

We apply predictive and proactive reporting in Exxaro's analysis and reporting. Coal Resources and Reserves are estimated on an operational or project basis, in line with the SAMREC Code and SANS (10320):2020 edition codes for South African assets, and the JORC code (2012) for the Australian coal property.

Exxaro's annual estimation and reporting process is managed through Exxaro geosciences, LoM policies and associated reporting and estimation procedures, which are reviewed annually and updated if required. The committee reviews and recommends the Coal Resource and Reserve statement annually.

### Information technology governance to ensure the incorporation of relevant risks in enabling strategy delivery and business resilience

Management provides the committee with in-depth reports on information management strategy, operational excellence, information management governance, the information management portfolio and enterprise architecture, information management risk management and the ERP journey.

Exxaro adopted the National Institute of Standards and Technology cybersecurity framework to guide our approach to cybersecurity risk affecting systems, people, assets, data and capabilities. The framework is supported by the ISO 27001 standard, which outlines the controls and procedures needed to drive a robust cybersecurity programme.

Cybersecurity training is ongoing, and consequence management is enforced when users are in breach. The company continues to advance its cybersecurity resilience through a series of strategic initiatives designed to safeguard critical assets and mitigate emerging threats. Furthermore, the professional in training process was implemented to address information management gaps and create future talent pipelines.



Intellectual capital ([integrated report](#), page 103)

### Business resilience and business strategy compliance

The ESG policy was reviewed and approved by the relevant governance structures. The policy sets out the principles that inform our approach to ESG matters and describes our commitment to sustainability and maintaining sound governance procedures.

The committee was briefed on the decarbonisation roadmap, which is undergoing an external peer review to ensure credibility, feasibility of assumptions, gap analysis, risk management and the correct application of decarbonisation roadmap development principles.

The committee was satisfied with updates on the implementation and enforcement of the insider dealing policy, which was approved by the board.

The committee oversaw the directors' and officers' liability programme and reviewed the insurance renewal programme. This included stress testing for worst case scenarios by the International Mining Industry Underwriters and assessment of the maximum foreseeable loss at Grootegeluk.

The committee was thoroughly updated regarding the class action.

## Risk and business resilience committee report continued

### Other key matters in review

#### Strategic security

The committee receives reports detailing the crime landscape, causative factors and impacts on the company and the country.

#### B-BBEE

Exxaro achieved a B-BBEE level 2 rating, against a target of level 3.

#### South African National Aids Council

In response to the rise in occupational disease cases, Exxaro partnered with the SANAC Private Sector Forum to implement a community-wide HIV and TB screening programme across host communities in Mpumalanga.

#### Safety

Exxaro's safety improvement initiatives, monitored by and reported to the committee, included the following:

The sustainability summit held on 11 April 2025 aimed to bring together stakeholders to demonstrate Exxaro's commitment to employee health, safety and wellbeing.

Any HPI places Exxaro's strategic goal of zero fatalities at risk and impacts the achievement of zero harm. All HPIs are presented to the committee, investigated by management, and solutions are shared across the group for implementation and to test their effectiveness in eliminating repeat incidents.

As part of empowering Exxaro's health and safety representatives to be key safety, health and environmental drivers in their lines of work, the mines ran several training programmes, which included coaching and mentoring.

Leadership interventions included executive committee members communicating risk awareness messages to the broader workforce on the identified safety risks as part of demonstrating incredible leadership.



#### 2026 focus areas

- Monitor the class action served on Exxaro in November 2023 and its impacts on the group as a responsible corporate citizen, while ensuring preventive measures regarding occupational diseases are properly implemented
- Oversee the implementation of the water management plan at all Exxaro mines, including closed mines, and any plans to mitigate these, including an update to the groundwater analysis model to include climate change impact on operations and water sources
- Ensure effective plans are in place based on the impact of business disruption (plans are up to date and no significant incidents occurred that led to business disruption)
- Review Exxaro's risk appetite
- Review Exxaro's key compliance risks related to licence to operate
- Recommend appropriate predictive and proactive reporting and engagement with stakeholders (including the integrated report) based on key risks
- Oversee the implementation of the revised governance of technology and information plan, ensuring technology and information risks are appropriately incorporated to support strategy delivery and business resilience
- Oversee digital transformation, including artificial intelligence
- Review business resilience key elements to ensure business strategy compliance
- Oversee implementation of the decarbonisation plan
- Oversee the risks related to acquisitions and diversification

#### Confirmation

The committee is satisfied that it has discharged its responsibilities and fulfilled its mandate in accordance with its terms of reference, the Companies Act and King IV.

On behalf of the RBR committee

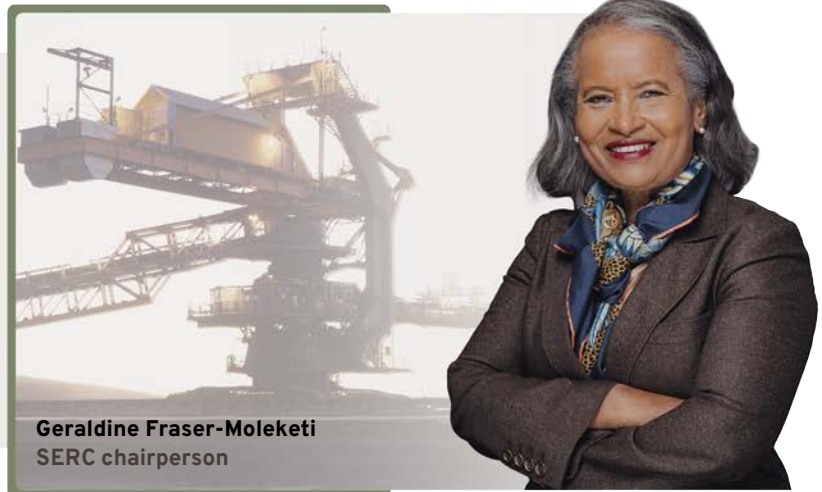
Peet Snyders  
RBR committee chairperson

29 April 2026

# Social, ethics and responsibility committee report

## Dear shareholders,

I am pleased to present the SERC report for the year ended 31 December 2025. The committee executed its statutory and board mandates by overseeing Exxaro’s impact and ethical performance, focusing on sustainable value creation and entrenching responsible corporate citizenship in the group.



**Geraldine Fraser-Moleketi**  
SERC chairperson

## Committee overview

### Composition

In terms of the company’s Mol, committee members are elected annually at the AGM by shareholders on recommendation of the board. The committee is chaired by the lead independent non-executive director, enhancing the importance and relevance of shareholder-entrusted, social, ethical and corporate responsibilities.

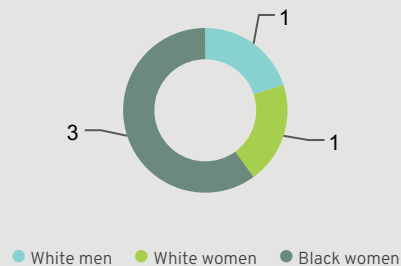
Effective 1 February 2025, the CEO and FD are no longer members of the SERC but retain standing invitations to committee meetings.

 Refer to [board of directors](#) (page 112) for members’ qualifications and experience.

In 2025, the committee comprised a majority of independent non-executive directors, as per King IV recommendations, which facilitated the application of independent judgement on committee deliberations and decisions. As per the standard committee terms, the board chairperson and all board members are welcome to attend all meetings as observers.

The executive head: people and performance and executive head: sustainable impact are standing invitees to meetings. Other individuals with specific skills and expertise are also invited to assist members in their deliberations, including the executive head: strategic resilience and governance, executive head: energy, and head: internal audit. The group company secretary, governance and ethics attends each meeting and is the committee secretary.

### Gender and racial diversity



## Meetings

Four committee meetings were held in 2025. The table below provides an overview of member designations and attendance:

Members	Designation	Attendance at quarterly meetings
Geraldine Fraser-Moleketi	Lead independent non-executive director and SERC chairperson	4/4
Karin Ireton	Independent non-executive director	4/4
Dr Phumla Mnganga	Independent non-executive director	4/4
Nosipho Molope	Independent non-executive director	2/4
Peet Snyders	Independent non-executive director	4/4
Riaan Koppeschaar	Executive director and FD	1/1*

\* Effective 1 February 2025, executive directors are not members of the SERC but hold standing invitations.

## Social, ethics and responsibility committee report continued

### Role and purpose

The committee's mandate is derived from Exxaro's commitment to proactively manage its economic, environmental and social impacts, and public interest, in addition to section 72(4) of the Companies Act, read with regulation 43, the Mol, paragraph 5.7(g) of the JSE listing requirements and King IV. The company recognises that Exxaro forms part of an interrelated community and, as such, may have positive and negative impacts on public interest and the global goal of sustainable development. The board has primarily entrusted the committee to oversee the company's impact on public interest and its ethical performance.

The committee ensures compliance with Exxaro's statutory duties and oversees that the company's purpose, values, strategy and conduct align with responsible corporate citizenship.

The committee oversees the company's ethics in business practices and its relationships with employees, other stakeholders and the natural environment. It also assists the board by monitoring the group's achievement of shared sustainability goals and overseeing stakeholder management and ethics management.

As part of its responsibility mandate, the committee has oversight of how the company impacts planet, people and prosperity.



[ESG governance and risk \(page 9\)](#)

### Terms of reference

The committee's terms of reference are reviewed and approved annually by the board. The November 2025 review ensured alignment with the current status of the business.

King V was implemented on 31 October 2025. Any changes required to align the terms of reference with King V will be presented to the committee in the first quarter of 2026.

### Performance evaluation

While there is no regulatory requirement to conduct annual external independent performance assessments, King IV emphasises the board's responsibility to regularly evaluate its effectiveness and that of its committees. In support of effective governance outcomes, Exxaro conducts external independent board and committee performance assessments every third year.

The internal evaluation of the committee's performance and effectiveness was finalised in the first quarter of 2026. The strong result indicated an effective committee that provides adequate attention to its areas of oversight. SERC acknowledged improvements in culture stemming from the commitment of top management, the CEO and group company secretary, governance and ethics collaborating with SERC and an ongoing emphasis on awareness. Supply chain remains critical to achieving socio-economic and operational goals.

The committee fulfilled its mandate during 2025 and remains an effectively functioning and contributing arm of the board.

The committee has statutory and board-mandated responsibilities to oversee the company's impact on the public interest and ethical conduct, promoting sustainable value creation across the economy, society and the natural environment, and embedding responsible corporate citizenship throughout the group.

Social impact, which is part of Exxaro's strategy, seeks to address material social and compliance matters requiring an integrated and long-term perspective, leveraging resources and collaboration. The Social Impact strategy proactively advances Exxaro's community engagement and development priorities, aligning social investment with the group's purpose and long-term value creation objective.

### 2025 focus areas

- Monitored the coal mine dust class action litigation filed against Exxaro in November 2023 to ensure our conduct aligns with being a responsible corporate citizen
- Oversaw the integration of the historic Exxaro social vehicle structures and continued to monitor performance against the Social Impact strategy
- Monitored Exxaro's human rights practices, including reporting our impact on air and water quality, and relocation of people
- Considered the decarbonisation plan and Exxaro's commitment to achieving carbon neutrality by 2050
- Oversaw progress against Exxaro's employment equity targets and the new five-year numerical targets for designated employers within the group from September 2025 to October 2030
- Oversaw progress of the ongoing culture transformation journey
- Considered the political donations policy and the social impact donations policy
- Monitored the status of forensic investigation statistics and the progress on the initiatives under the approved fraud prevention and anti-bribery and corruption programme
- Oversaw the progress made to reunify shareholders with unclaimed dividends
- Considered the benefits of an offset plan proposed by an endangered wildlife trust to rescue Cape vulture nestlings that fell or were blown off their nests
- Attended a three-day stakeholder engagement session in Lephalale where the committee interacted with the community and several centres supported by Exxaro

### Governance of ESG beyond compliance

The SERC oversaw ESG governance, acknowledging that ESG imperatives increasingly shape the future of mining and energy industries. As such, the SERC oversees management's plans to take advantage of opportunities identified for the coal, metals and energy businesses, including resource transition, linking ESG outcomes to value creation, unlocking new sources of value such as reskilling employees beyond mining services, mining responsibly and strategically for the future and decarbonising our business.

Engagements with various ESG rating agencies continue to improve our disclosure and implementation of ESG-related initiatives. In 2025, a study was commissioned to understand how Exxaro's investors and shareholders prioritised these ratings agencies and to understand which ones were prioritised when evaluating Exxaro and making investment decisions.

### Environmental

The board is committed to a low-carbon transition and supports the path to sustainability in an era of climate change. Demonstrated commitments to a low-carbon transition include Exxaro's investment in wind and solar power and preparation for a response to various global climate scenarios. The committee confirms that the company aims to be carbon neutral by 2050.



[Climate change position statement \(sustainability tab\)](#)

Each mine has a biodiversity plan aligned with the group biodiversity management standard. The plan guides how inspections, audits and biomonitoring programmes should be conducted, including mitigation or management of any impacts identified through monitoring.



All [environmental incidents](#) (page 22) and mitigation measures are reported to and monitored by the SERC. The committee monitored the implementation of the decarbonisation roadmap that reflects short, medium and long-term targets. Priority actions are essential to the success of the journey, therefore further efforts went into refining actions. The decarbonisation plan was approved in the first quarter of 2025.


## Social

The SERC oversaw the integration of Exxaro's social vehicle structures and continued to monitor performance against the Social Impact strategy.

The committee oversees the implementation of the Social Impact strategy, an integrated socio-economic development strategy in response to the dual challenges of social inequality and the systemic impacts of climate change. The Social Impact strategy is based on three pillars:

- Education (ECD and whole school development)
- MSP (land use management)
- SMME development

The committee and management continue ensuring delivery of the group's SLP commitments and ESD programmes, leading to impactful contributions towards long-term community sustainability. The committee continues to engage robustly with stakeholders and spent three days in November 2025 visiting several of the centres supported by the company.

 See the board's annual stakeholder days in [our stakeholder engagement](#) (page 13).

## Health and safety

The SERC oversaw the prioritisation of improving safety performance by approving a safety improvement plan to maintain responsible corporate citizenship.


The committee was informed of the development of a safety improvement plan, which included reviewing the five key safety focus areas and strategy. Various safety initiatives to educate and create awareness took place in pursuit of improved safety throughout the business.

In response to a rise in lifestyle diseases, Exxaro introduced health education, advanced monitoring technologies and personalised guidance on wellness initiatives with the aim of promoting health and reducing the risk of related illnesses.

Exxaro's integrated wellness approach continues to improve and is designed to support employees holistically. Management makes concerted efforts to support the emotional, financial and occupational dimensions of wellness for all employees. The committee is pleased with this approach's outcomes, impact and demonstrated results.

## Coal mine dust class action certification process

The committee monitors progress on the coal mine dust class action process.

 [Prioritising safety](#) (page 57) outlines our approach and performance, and page 99 includes more information about the [class action](#).

## DEI strategy


The SERC continued to oversee the implementation of the DEI strategy in support of Exxaro's overarching strategy as a key business value driver.

Leadership's pledge to DEI is based on the following principles:

- Promote an environment of respect for all
- Build an environment of trust
- Establish processes free from prejudices
- Zero tolerance for discrimination and harassment
- Promote DEI

Overseeing the challenges and solutions brought about by this ideal is part of the committee's joint accountability model.


 [Engaging our employees](#) (page 65)

 Exxaro launched an employee engagement and [culture survey](#) (page 69) in 2023 as part of the DEI journey. The committee has noted the progress, positive insights and key areas for improvement. A further culture pulse survey will be sequenced in March 2026, followed by a full culture survey in October 2026.

## DEI strategic priorities

Our strategic priorities continue to drive the group's DEI-enabling initiatives. Key objectives include:

- Promoting an aspirational vision for the Exxaro brand on national and international platforms through strategic partnerships that advance diversity and inclusion to stakeholders
- Promoting a diverse and inclusive workforce through our actions, practices and behaviours, contributing to a racism-free workplace. This is supported by the launch of our anti-racism charter
- Remaining committed to our goal of being a catalyst in accelerating our focus on enhancing Exxaro's business purpose and stakeholder value creation
- Increasing women's representation in management and specialist roles. We made noticeable progress, with representation at 46% (2024: 38%) against the 2025 target of 50%
- Creating an accessible environment for all, supported by the implementation of a workplace accessibility plan from an environmental assessment audit that identifies potential barriers for people living with disabilities

 See our [website](#) under careers for more on our DEI journey.

## Recognition

Exxaro is a signatory to the UN's Women Empowerment Principles, which prioritise gender equality, full and productive employment, and decent work for all.

## People and performance

The committee scrutinised the people strategy and human capital levers in support of the five strategic objectives.

Achieving the Sustainable Growth and Impact strategy relies on properly executing the people strategy. The committee is therefore responsible for assuring the company's standing regarding the ILO Protocol on decent work and working conditions, and the educational development of employees.

The committee oversaw progress against employment equity targets, with a focus on key Exxaro considerations flowing from the amendments to the EEA.

The committee was informed of the changes to the EEA and reviewed the key considerations for Exxaro in view of the amendments.

## Stakeholder engagement

The committee continued to engage the eight key stakeholder groupings in terms of the key account management approach.

Exxaro has an approved stakeholder management policy in which establishing and maintaining strong, trusting and collaborative stakeholder relationships is equally beneficial for all stakeholders.

The policy confirms Exxaro's key account management approach to stakeholder management. The committee supports the principle that managing social and ethics risks requires meaningful engagement with key stakeholders, as identified in the committee's terms of reference.

Management conducted various stakeholder engagement initiatives in line with the Sustainable Growth and Impact strategy.

Relationship building remains a key outcome of the stakeholder engagement strategy in redressing the plight of poor people in communities surrounding Exxaro's operations.

 [Our stakeholder engagement](#) (page 13)

## Social, ethics and responsibility committee report continued

The committee reviewed the implementation of the anti-bribery and anti-corruption programme, including the roll-out of the conflicts of interest programme, to ensure an ethical culture.

As guided by OECD recommendations, the company has an anti-bribery and anti-corruption policy, and adopted adequate internal controls, ethics and compliance programmes and measures to prevent and detect bribery.

Based on the board-approved statement of strategic ethical intent, the committee oversees the implementation of the ethics management strategy and plan. Throughout the year and through the management ethics committee, measures were assessed and adapted for continued effectiveness and to mitigate the risk of becoming complicit in bribery, bribe solicitation, small facilitation payments and extortion.



Building an [ethical culture](#) under this committee's oversight is captured in more detail on page 103.



### 2026 focus areas

- Continue to monitor the coal mine dust class action litigation filed against Exxaro in November 2023 to ensure our conduct aligns with being a responsible corporate citizen
- Monitor the progress on the decarbonisation roadmap to support Exxaro's strategy to decarbonise and build resilience to the impacts of climate change
- Monitor and review ongoing anti-bribery and anti-corruption programme implementation, ensuring an ethical culture, respect for human rights and the effectiveness of whistleblowing mechanisms
- Continue to oversee the implementation of the DEI strategy, including the ESD programme, in support of the overall Exxaro strategy as a key business value driver
- Ensure stakeholder engagement sessions occur within the communities that Exxaro and its subsidiaries operate
- Oversee sustainability-related disclosures in line with IFRS Sustainability Disclosure Standards
- Continue to oversee the implementation of employment equity plans as approved in 2025
- Continue to oversee the refresh of Exxaro's culture transformation journey
- Continue embedding action plans from the culture and engagement surveys
- Monitor the implementation of the ethics strategy which seeks to embed ethics across Exxaro

### Confirmation

The SERC is pleased to confirm that, in carrying out its duties, it regarded King IV principles and recommended practices, and discharged its responsibilities in accordance with its terms of reference and the Companies Act. Beyond mere compliance, the committee is also satisfied that it has fulfilled its non-statutory mandate and that there are no material instances of non-compliance to disclose. If any material non-compliance existed, it was duly considered during the year in review.

On behalf of the committee

Geraldine Fraser-Moleketi  
SERC chairperson

29 April 2026

# Remuneration report

In a dynamic business environment, Exxaro remains committed to fostering a performance-driven culture that supports the delivery of our strategy and aligns the interests of employees, executives and shareholders.

The remuneration committee ensures that the company's remuneration framework promotes fair and responsible reward practices while attracting, motivating and retaining the talent required to deliver sustainable long-term value for our shareholders and broader stakeholders.



We unpack our approach and performance in this report through the following lenses:

## [Remuneration at a glance](#)

Page 148 and 149

This section describes our approach to remuneration and some of our remuneration policy principles.

## **1** [Section 1: Message from the remuneration committee chairperson](#)

Page 150 to 153

Dr Phumla Mnganga's message outlines key focus areas and shareholder engagement for the year under review.

## **2** [Section 2: Remuneration policy](#)

Page 154 to 164

We unpack our remuneration policy, including our approach to fair and responsible remuneration, guaranteed pay, benefits, variable pay and recognition and addressing the wage gap.

## **3** [Section 3: Implementation report](#)

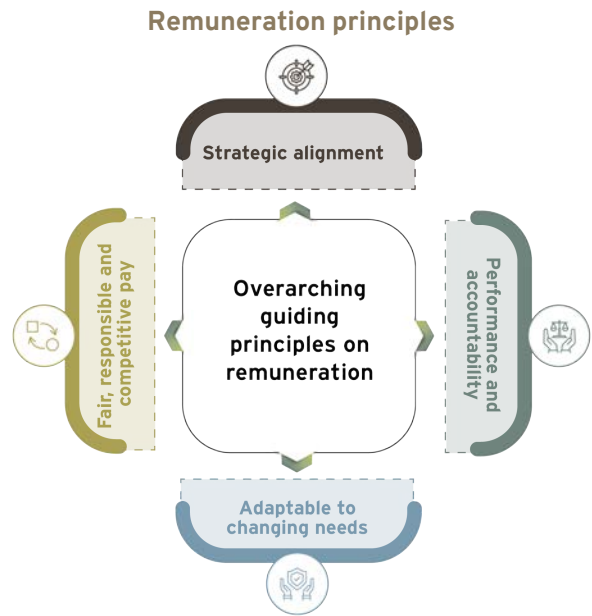
Page 165 to 173

This section reflects the remuneration policy's implementation and remuneration paid to executive directors and prescribed officers, including STI and LTI payments, vesting outcomes and single-figure remuneration.

# Remuneration at a glance

## Remuneration philosophy statement

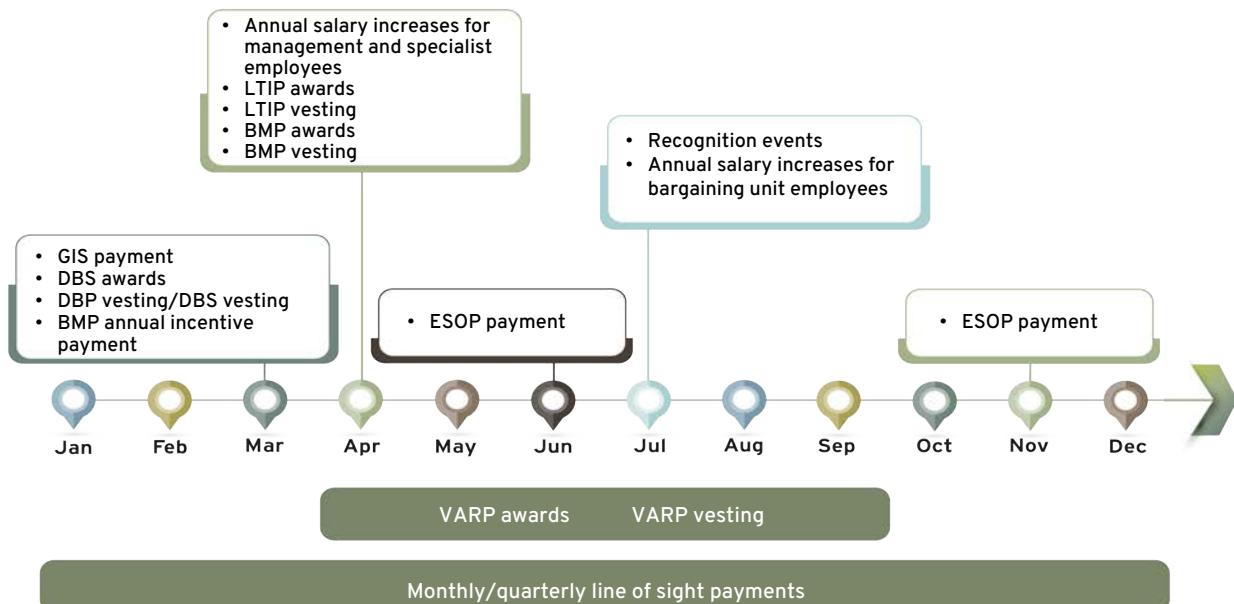
We strive to attract, inspire and retain the best talent to achieve our Sustainable Growth and Impact strategy and create sustainable stakeholder value.



## Reward framework

Element	Purpose	Who benefits	How it is applied
<b>Guaranteed pay</b>	Ensures market competitiveness and fairness while facilitating the attraction and retention of talent	All employees	Benchmarked against peers using a lead-lag approach. Our guaranteed pay lags the market at executive director and prescribed officer levels
<b>Benefits</b>	Provides for future security, protection and wellness	All employees	Includes retirement planning, risk benefits, medical aid and wellness programmes, etc
<b>STI</b>	Supports annual performance objectives delivery and retention of talent	All employees	Based on business (operational, financial and ESG) targets and individual performance
<b>LTI</b>	Supports the longer-term delivery of the group's key strategic objectives and ensures the alignment of management and shareholder interests as well as the retention of talent	Middle management and above employees	<u>Exxaro LTI</u> Based on business performance (financial and ESG) over a three-year period <u>Cennergi LTI</u> Based on business performance conditions
<b>ESOP</b>	Fosters a sense of participation in the company's success by aligning employee and shareholder interests	Junior management and below employees	Paid twice a year as an amount equivalent to the dividend paid on 560 Exxaro shares
<b>Recognition</b>	Celebrates exceptional contributions, fosters a culture of appreciation and honours loyalty	All employees	Formal recognition events and long-service awards

## Policy application



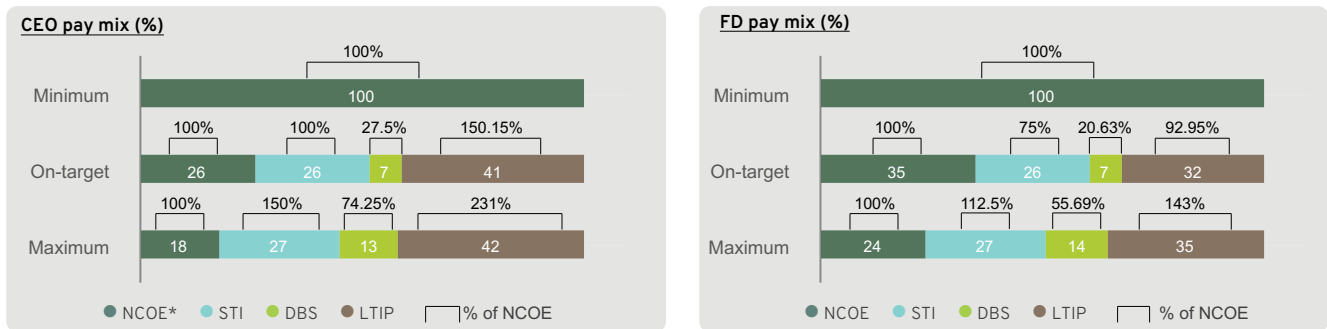
### Policy changes

During 2025, we made a number of refinements to our remuneration policy. From 1 January 2026, these changes are intended to further strengthen the alignment between executive remuneration, long-term value creation and shareholder interests.

Introduction of the deferred bonus scheme (DBS)	The DBS structure simplifies the previous matching share arrangement by removing the requirement for employee co-investment and introducing a deferral mechanism that is directly linked to the outcome of the GIS.
Refinement of the LTIP performance measures	The ESG performance measure, FTSE Russell Index, was replaced with operationally measurable sustainability targets, including decarbonisation and rehabilitation performance measures. In addition, refinements were made to the total shareholder return (TSR) peer group and return on capital employed (ROCE) performance measures.
Strengthening of malus and clawback provisions	The malus and clawback policy was updated to strengthen governance oversight of incentive outcomes and extends the scope of the policy to a broader group of participants across the company's variable remuneration schemes.
Application of MSR to the CEO	The remuneration committee exercised its discretion under the MSR policy to align the CEO's MSR with the CEO's three-year fixed-term contract. The requirement will therefore apply on a proportionate basis during the contractual period. This arrangement is intended as an interim measure pending the broader MSR policy review planned for 2026.
Enhancement of annual leave benefits	As part of Exxaro's employee value proposition, annual leave for management and specialist employees will increase from 15 to 17 working days with effect from 2026. The enhancement has been incorporated within the overall remuneration framework and funded as part of the annual remuneration allocation process.

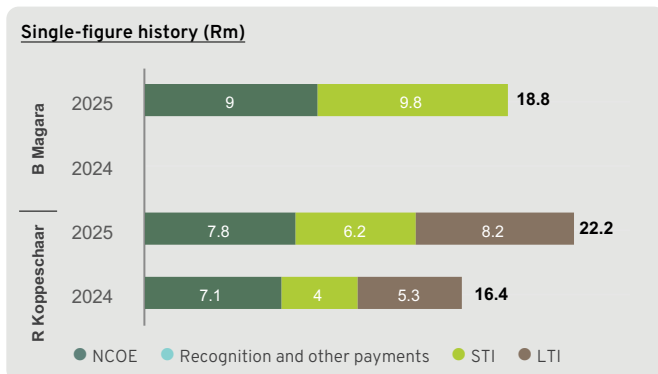
### Pay outcomes

#### Range and composition of total remuneration scenarios for CEO and FD

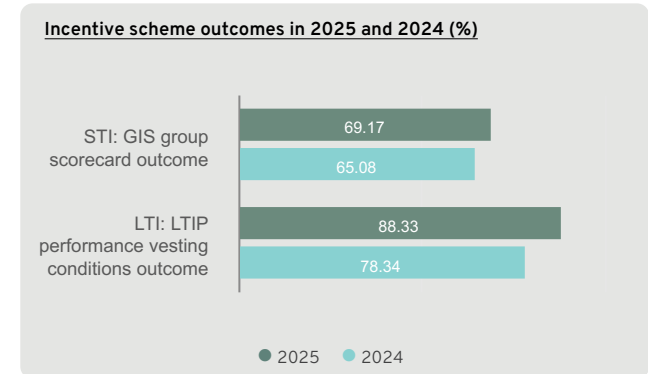


\* Notional cost of employment.

#### Executive director remuneration in 2025 and 2024



#### Incentive scheme outcomes



In terms of the STI: GIS outcome, our 2025 financial performance improved in terms of the cash cost per tonne and saleable tonnes targets compared to 2024. However, performance declined in terms of the group EBITDA\* targets compared to 2024. The reason for this was the unbudgeted costs incurred in order to accelerate the execution of the strategy.

In terms of the LTI: LTIP, we achieved 100% of the vesting targets on the ROCE and ESG performance conditions compared to 2024, and a higher vesting on the TSR performance condition compared to 2024.

\* Net operating profit before interest, tax, depreciation, amortisation, impairment charges or reversals, net losses, or gains on the disposal of assets and investments (including translation differences recycled to profit or loss) and corporate service fees.

# Section 1: Message from the remuneration committee chairperson

On behalf of the board, I am pleased to present Exxaro's 2025 remuneration report.



## Dear shareholders,

Remuneration outcomes for 2025 reflect a balanced view of performance. While certain financial metrics were impacted by market conditions, the group delivered important strategic, operational and leadership outcomes. The remuneration committee carefully considered this context to ensure that incentive outcomes remained fair, aligned to performance and consistent with the principle of responsible remuneration.

Team Exxaro ensured that the business remained stable during a period of uncertainty, supported by a seamless leadership transition and the continued strengthening of our leadership bench.

We further aligned our organisational structure to our strategy, enabling clearer accountability and more effective execution, while driving a culture and ethics reset across the group. Operationally, we attained exceptional safety performance and significantly increased the pace and intensity of execution of strategic priorities.

In order to ensure fair and responsible remuneration outcomes for the year, the committee considered the extent to which leadership effort, the pace of execution and organisational delivery were fully reflected in the original performance scorecards. In line with the approved remuneration policy, the committee marginally moderated the scorecard outcomes for the GIS and the Cennergi STI scheme. These measured refinements ensured that outcomes remained appropriately aligned to overall performance, while supporting the long-term interests of shareholders.

Exxaro's portfolio now spans coal operations, renewable energy through Cennergi and an expanding pipeline of transition metals. During the year, the group progressed its diversification strategy through the acquisition of select manganese assets, strengthening Exxaro's exposure to metals that support the global energy transition.

As Exxaro evolves into a more diversified mining and energy business, the remuneration committee continues to ensure that the remuneration framework remains aligned with the evolving economic drivers of the portfolio and supports the sustainable creation of long-term shareholder value.

This remuneration report is presented against this evolving operating environment and is intended to explain clearly how Exxaro's remuneration framework continues to support the group's strategy, performance and long-term sustainability.

The remuneration report is structured in three sections. The remuneration policy (section 2) sets out Exxaro's forward-looking approach to reward, including the principles, governance and frameworks that guide how remuneration is determined across the group. The implementation report (section 3) explains how this policy was applied during the 2025 financial year, including the outcomes of incentive schemes, fixed and variable pay decisions and payments made to executive directors, prescribed officers and non-executive directors.

Together, these sections are designed to provide shareholders with a transparent and comprehensive view of how remuneration outcomes for 2025 reflect both financial performance as well as the broader strategic and operational delivery of the group. This includes how the committee applied judgement to ensure that outcomes remained fair, balanced and aligned with long-term value creation.

The report also reflects the increasing importance of strong governance, fairness and sustainability considerations in remuneration design, as Exxaro continues its transition toward a more diversified and future-focused business.

A central pillar of Exxaro's remuneration philosophy is the alignment between executive reward and the long-term interests of shareholders. The group's incentive structures are designed to ensure that a significant portion of executive remuneration is variable (ie at risk), performance-based and linked to the creation of sustainable value over time. Through a combination of STIs and LTIs, share-based awards and MSR, executive leadership is directly exposed to the same value drivers as shareholders, reinforcing a strong alignment between strategic decision making, capital discipline and shareholder returns.

## Remuneration committee governance

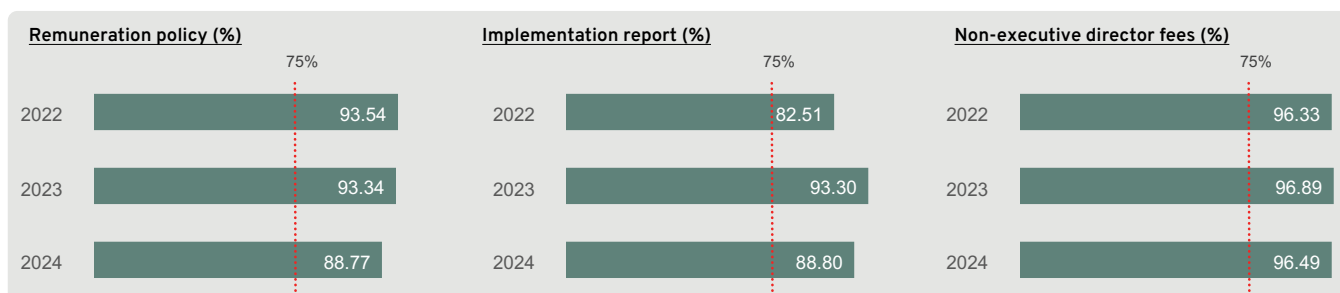
 Please see our [remuneration committee report](#) on page 136.



## Shareholder support for Exxaro’s remuneration

Over the past three years, our shareholders have consistently demonstrated strong support for Exxaro’s remuneration policy and its implementation. These voting outcomes provide an important governance indicator of confidence in the group’s remuneration framework, while also reinforcing the importance of continued engagement and refinement as Exxaro’s strategy and portfolio evolve.

Exxaro continues to receive strong shareholder support for its remuneration policy and the implementation of remuneration outcomes as well as the non-executive fees.



These voting outcomes demonstrate consistent shareholder support for the overall remuneration framework while reinforcing the importance of continued engagement and transparency.

### From roadshow to roundtables – deepening our engagement

Remuneration is always a key focus during Exxaro’s annual board governance roadshow. During 2025, however, it became clear that the time available in the traditional roadshow format was insufficient to engage meaningfully on the increasingly complex and technical aspects of remuneration incentive design, particularly in the context of Exxaro’s strategic diversification and the energy transition.

In response, we introduced a series of dedicated remuneration roundtables in November 2025. This approach was experimental for Exxaro but proved highly effective. Shareholders representing a sizeable portion of the group’s issued share capital, participated. The roundtable format allowed for deeper, more candid and more constructive engagement on topics such as incentive design, ESG measures, wage gap governance and long-term value alignment than is possible in a standard roadshow setting.

### Robust shareholder feedback

Across both the roadshow and the roundtables, shareholders expressed strong support for Exxaro’s remuneration philosophy and its emphasis on pay at risk, long-term strategic alignment and governance discipline. At the same time, they encouraged the company to continue refining incentive design to ensure that outcomes reflect what management can control and how the group’s portfolio is evolving.

The key themes raised by shareholders included the sensitivity of incentives to commodity prices, the credibility of ESG measures, the alignment of ROCE and TSR to a diversified business, the modernisation of legacy incentive structures, the integration of Cennergis schemes and the robustness of wage gap governance.

The feedback received through both the roadshow and the roundtables directly informed the refinements being made to our remuneration framework. These include adjustments to incentive performance measures, the removal of the legacy matching share scheme and the introduction of the DBS scheme, and enhancements to governance mechanisms. This iterative approach ensures that the remuneration framework continues to evolve in line with shareholder expectations and the group’s strategic direction.

Shareholder concern	Our response
STI outcomes are overly sensitive to coal prices and EBITDA volatility	We acknowledged that EBITDA, particularly when driven by coal price movements, can introduce volatility into STI outcomes that is not always aligned to management’s controllable performance. We have thoroughly reviewed the STI scorecard to rebalance the weighting between cost management and operational delivery, while retaining an appropriate link to overall financial performance.
The FTSE Russell Index lacks credibility as an ESG long-term incentive performance measure	We recognised that the FTSE Russell Index does not adequately reflect Exxaro’s sustainability priorities or its transition to a diversified mining and energy business. For 2025, as an interim measure, the weighting of this measure was reduced, with ROCE and TSR increased. In parallel, we have now developed bespoke ESG measures linked to decarbonisation, rehabilitation and low-carbon transition objectives, which replaces the FTSE Russell measure from 2026.
ROCE and TSR do not fully reflect Exxaro’s diversified portfolio	Following shareholder feedback, the committee undertook a comprehensive review of the LTIP performance measures. We believe ROCE remains an appropriate measure for a capital-intensive business. The TSR measure has also been enhanced through the introduction of a broader coal peer group and revised peer group weightings to better reflect Exxaro’s business mix and shareholder return drivers.
The DBP is outdated and misaligned with best practice	The board approved the introduction of a DBS structure to replace the DBP. The DBS framework simplifies participation and aligns deferred equity with the performance outcomes of the GIS.
The ESOP does not provide meaningful ownership or engagement	We confirmed that the ESOP is being reviewed to improve capital participation, affordability and alignment with B-BBEE and employee engagement objectives. Alternative structures will be considered in 2026.
Cennergis’s STI and LTI schemes appear misaligned with the group framework	While recognising the unique characteristics of the energy business, we will strive to ensure that Cennergis’ VARP and BMP are fully aligned to Exxaro’s remuneration philosophy and governance standards as part of the group-wide incentive redesign currently underway. This will be prioritised in 2026.
Wage gap governance and living wage credibility require stronger transparency	The committee continues to strengthen the group’s governance and analytical framework relating to fair and responsible pay. We confirmed that independent analytics are being undertaken, that the 5:5 ratio has been adopted and hope that participation in the Living Wage South Africa Network will provide a credible external benchmark. These measures are supported by enhanced benefits for lower-paid employees.

## Remuneration report: section 1 continued

Shareholders also engaged the board on the governance of non-executive director fees, including the appropriateness of Exxaro's comparator group and the positioning of fees across the board and its committees. We once again tested our peer group and believe that that they are still appropriate.



Investors were particularly focused on ensuring that non-executive director remuneration remains aligned to market practice, reflects the increasing complexity of the group and is managed within a disciplined and transparent framework. Exxaro confirmed that non-executive director fees are benchmarked against a carefully selected peer group that reflects the group's size, complexity and market capitalisation, and that fees are managed within a strict tolerance range of 80% to 120% of the market median. A light-touch update of the 2024 benchmarking exercise was undertaken during 2025 to ensure that Exxaro's fee positioning remains appropriate as market levels evolve.

This review confirmed that most board and committee member fees remained within the desired market range, while specific committee chairperson and member fees are being normalised over time where historical misalignment existed. Targeted corrective increases are applied where market movement required adjustment, particularly for the audit committee and the nominations committee, while fees for certain committees were deliberately held flat to bring them back within tolerance. Importantly, these adjustments were structured so that the overall cost of the board does not increase for 2026, reinforcing Exxaro's commitment to responsible and disciplined governance of director remuneration.

### Changes in executive leadership

A number of key employment-related changes affecting the group's executive directors and prescribed officers occurred during the reporting period. These included new appointments, contract terms, resignations, retirements and any suspensions or terminations. These movements are considered within the broader context of the group's governance and succession planning framework, ensuring continuity, stability and alignment with our long-term strategic objectives.

The group's approach to termination benefits is governed by contractual agreements, regulatory requirements and incentive scheme rules. This ensures fair and responsible treatment of executives while safeguarding shareholder interests. Termination benefits, where applicable, are aligned with market practices and company policy.

The following changes in executive leadership were made:

- Dr Nombasa Tsengwa resigned as CEO with immediate effect on 5 February 2025, bringing her tenure to an end
- Ben Magara was appointed as CEO from 1 April 2025
- A mutual separation was entered into with Kgabi Masia. His exit date was 24 April 2025
- Mervin Govender was appointed as executive head: technical services on 1 June 2025
- Tsheko Ratsheko took early retirement. His last day in service was 31 May 2025
- Caroline Shirindza joined as executive head: coal on 1 October 2025 and as prescribed officer on 1 November 2025
- Neo Monareng joined as designate executive head: sustainability on 1 November 2025
- Fortune Ntlhoro joined as executive head: commercial on 1 November 2025

### Variable pay exit arrangements

The treatment of variable pay upon termination depends on the nature of the departure:

- Resignation or dismissal for cause: unvested STIs and LTIs are forfeited
- Retrenchment or mutually agreed separation: STIs may be pro-rated based on the period worked, subject to performance conditions, while LTIs vest in accordance with the scheme rules and performance conditions
- Retirement, death or disability: STIs are typically pro-rated, whereas LTIs may vest in accordance with the plan rules and performance conditions, with provisions for pro rata vesting where applicable

### Wage gap and fair pay

Exxaro remains firmly committed to fair and responsible pay across the organisation. During 2025, the group continued to advance its wage gap journey through enhanced analytics, benchmarking and governance, supported by independent advisers. This included assessing both vertical and horizontal pay gaps, continuing to measure our 5:5 ratio and progressing the establishment of an Exxaro living wage reference.

In parallel, Exxaro strengthened the total reward offering for lower-paid employees through the introduction of employer-funded medical aid, gap cover and funeral benefits, reinforcing financial security and dignity at work while supporting a more equitable and sustainable remuneration framework across the group.

While the group is well advanced in its wage gap analysis and disclosure readiness, formal disclosure will be implemented in line with regulatory requirements once the applicable provisions are enacted

### Timing and scope of wage gap disclosure

The Companies Amendment Act introduces mandatory disclosure of wage gap metrics; however, the effective date of these provisions and the final definition of an "employee" for this purpose have not yet been promulgated. In particular, the inclusion or exclusion of learners, interns and trainees remains under consideration by government, and this classification has a material impact on vertical wage gap outcomes in a large, skills pipeline organisation such as Exxaro.

During 2025, the remuneration committee discussed this matter with shareholders and explained that the inclusion of these categories would significantly distort vertical wage gap ratios, given their developmental nature and stipend-based remuneration. In the interim, Exxaro will therefore continue not to disclose its wage gap ratios but will do so in line with legislative requirements, supported by the independent analytics and governance structures already in place. These regulatory developments and the evolving expectations around fair and responsible pay made meaningful and transparent engagement with shareholders particularly important during 2025.

### Regulatory context and shareholder accountability

In line with South African governance requirements, shareholders vote separately on the forward-looking remuneration policy and on the implementation of remuneration outcomes for the year under review. Where the remuneration policy or implementation report receives significant shareholder dissent, companies are expected to engage with shareholders, explain how their concerns have been addressed and disclose the outcomes of that engagement. These provisions reinforce the importance of transparent reporting, robust incentive design and meaningful shareholder engagement in the governance of executive remuneration.

Against this backdrop, we have deliberately strengthened both the substance and quality of our remuneration disclosures and shareholder engagement practices. We recognise that remuneration governance carries not only reputational implications but also increasing regulatory and board-level accountability. Our approach is therefore to ensure that remuneration outcomes remain clearly aligned with performance, strategy execution and the long-term interests of our shareholders.

In this context, our remuneration governance framework continues to be guided by the principles of the King IV Report on Corporate Governance for South Africa.

## King IV and shareholder approval of non-executive director fees

The governance of non-executive director remuneration is guided by the principles of King IV, which emphasise independence, fairness, transparency and the alignment of reward with the long-term interests of the company and its stakeholders. In line with these principles, Exxaro's approach to non-executive director fees is based on independent market benchmarking, disciplined fee positioning and clear shareholder oversight.

In addition, the Companies Act requires that non-executive director fees be approved by shareholders through a special resolution at least every two years. The fees proposed by the board for 2026, informed by the independent benchmarking process and the tolerance framework applied by the remuneration committee, will therefore be tabled for shareholder approval at the 2026 AGM. This ensures that shareholders retain a direct and binding say over the level and structure of non-executive director remuneration, reinforcing accountability and confidence in the governance of the board.

### 2026 focus areas


In 2026, the remuneration committee will focus on embedding the next phase of Exxaro's remuneration framework to support the group's evolving strategy and long-term value creation.

## Independent remuneration advisers

Exxaro continues to seek independent and professional advice on remuneration matters from consultants regarded by the committee as fully independent. During 2025, advisers included Vasdex Associates, Remchannel, Bowmans, 21st Century, Deloitte and Kornferry.

### Acknowledgements

On behalf of the remuneration committee, I would like to thank the executive committee and the group reward team for the extensive technical work, analysis and governance discipline applied during the year. I also thank my fellow remuneration committee members for their rigorous oversight, challenge and contribution to the evolution of Exxaro's remuneration framework during a period of significant strategic change. Finally, I thank our shareholders for their constructive engagement, which has been instrumental in shaping a remuneration approach that is fair, responsible and aligned with long-term value creation.



Dr Phumla Mnganga  
Remuneration committee chairperson

29 April 2026



### Looking ahead

- Finalise and implement the revised LTIP and DBS
- Complete the redesign of the ESOP
- Review our MSR policy
- Complete the refinement and alignment of the Cennergi schemes
- Deepen the review of STI metrics and calibration, ensuring fair and controllable performance alignment
- Roll out the new Recognition Standard
- Develop a remuneration framework for corporate actions to ensure consistent and well-governed reward outcomes
- Create a framework that balances differentiation and integration of remuneration schemes across our diversified asset portfolio

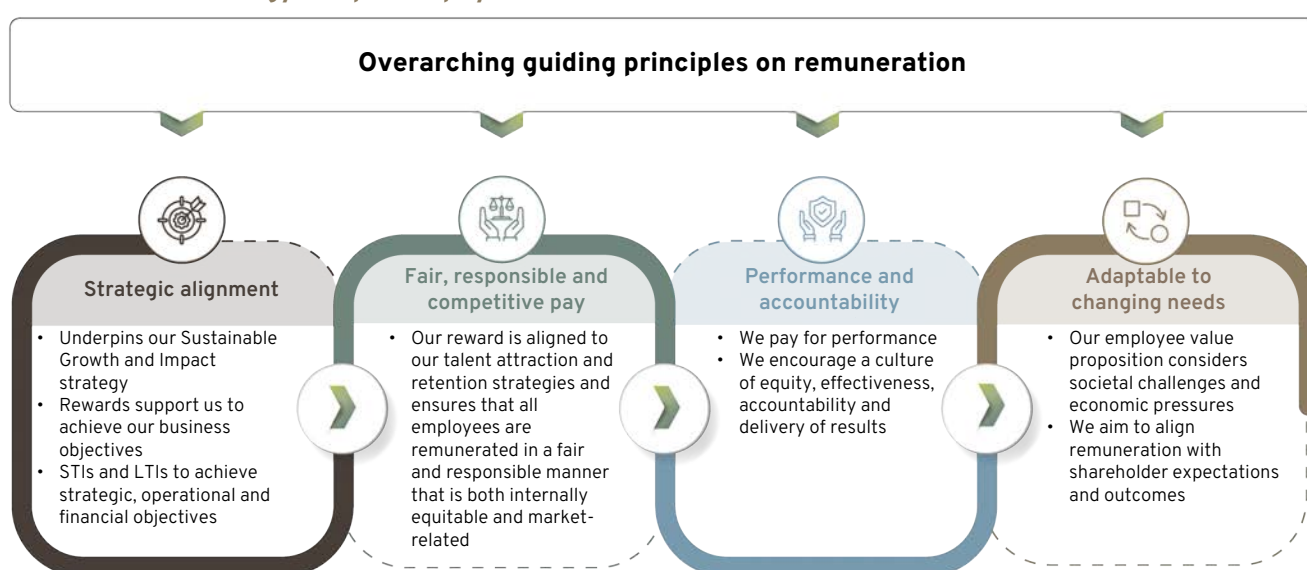
## Section 2: Remuneration policy

Our remuneration policy is underpinned by our philosophy of fostering a high-performance culture while ensuring fairness and competitiveness. The policy aims to attract, motivate and retain talent by aligning employee rewards with our strategic objectives, core values and commitment to creating lasting value for all stakeholders.

Our remuneration framework supports the delivery of sustained organisational performance across multiple dimensions. It reinforces business stability through periods of change, enables leadership continuity and bench strength, and promotes alignment between strategy, organisational structure and execution. The framework further supports the embedding of a high-performance and ethical culture, with a strong emphasis on accountability, safety and disciplined delivery of strategic priorities.

Our policy is rooted in robust governance practices and reflects our commitment to fair, equitable and responsible remuneration. It integrates ESG priorities to drive sustainable impact and aligns remuneration outcomes with both short-term performance and long-term value creation. By balancing guaranteed pay, benefits, variable pay and recognition, the policy ensures that individual contributions support Exxaro's strategic objectives, while advancing diversity, equity and inclusion as well as operational excellence.

### Remuneration strategy and philosophy



### Total reward

We recognise that people's value is more than monetary reward. Our approach therefore integrates all reward elements to create a total reward. The cornerstones of our approach are competitive reward and pay for performance. These are set out in detail on the next page.

We also emphasise recognition through the Exxaro Evergreen Awards, acknowledging individual and team delivery in meeting business goals and reinforcing behaviours aligned with Exxaro's values, culture and leadership principles.

Total reward includes guaranteed pay and variable pay, comprising STIs, LTIs and recognition schemes. Other integrated intangible reward and benefit elements include:

- A diverse, inclusive and engaging culture built on deep connections, which enables a sense of belonging that helps our people thrive
- Support for our people's professional and personal growth and development through personalised, meaningful experiences and career mobility within and beyond Exxaro
- A great workplace where the day-to-day employee lived experience aligns with our intent and supports our people's holistic wellbeing



## Fair and responsible remuneration

### Fair pay principles

We pay competitive salaries, rewarding individuals based on their skills, performance and external market positioning.

Our total reward framework is underpinned by our commitment to fair, equitable and responsible pay. By applying the principle of equal remuneration for work of equal value, we seek to eliminate discriminatory remuneration – whether direct or indirect – based on race, gender, age, disability, gender identity and expression, sexual orientation, ethnicity, cultural heritage, religion or belief.

### Approach

We review our internal pay ranges annually and apply them consistently throughout the organisation. Our commitment to fair pay is consistent with our DEI strategy, culture and desire to support, motivate and engage employees across the group.

We review our fair pay principles and their application annually.

During the annual salary review process, we review each employee's ideal comparative ratio and adjust this in line with our principles. The fair pay analysis focuses on market competitiveness, non-discrimination and performance over a three-year period. The outcome of the fair pay analysis for the 2025 financial year shows that all Exxaro employees' remuneration is aligned with our fair pay principles.

## Addressing the wage gap

### Wage gap principles

The wage gap is a crucial issue in South Africa, which is characterised by extreme inequality, poverty and unemployment. Our wage gap and fair pay principles aim to address this issue and are rooted in our values and group remuneration principles: consistent, fair, equitable and market-related remuneration.

Fair pay is foundational and an enabler for DEI, which is a strategic priority at Exxaro. It is our ethical responsibility to address inequality and wage gaps horizontally between race and gender and vertically between lower-paid employees and executives.

The following principles reflect our priorities:

- We will implement equitable and replicable pay practices across different business areas, underpinned by a strong performance culture
- We will attract and retain the scarce and critical skillsets required to support the delivery of our strategy and ensure equitable pay across the group
- We aspire to pay a living wage to all our employees – the remuneration required for an individual and their family to attain a dignified standard of living
- The wage gap will be addressed in a sustainable and economically viable manner, maintaining a competitive employee value proposition at all levels

### Wage gap statement of intent

Exxaro is committed to our purpose of powering better lives in Africa and beyond. Guided by our DEI objectives, we strive to deliver on our commitment to fair and responsible pay and effective remuneration practices, which ensure Exxaro's sustainability for all our stakeholders.

In line with our values – empowered to grow and contribute, teamwork, commitment to excellence and honest responsibility – we will demonstrate our commitment by disclosing the wage gap between our highest and lowest paid employees in the prescribed manner. To do this, we review and develop measures to ensure fair and responsible pay and comply with regulatory requirements and generally accepted remuneration practices while considering the needs and legitimate expectations of all stakeholders.

We aim to integrate stakeholder input and align with responsible industry movements as we continue our fair pay-for-performance journey.



## Wage gap future commitments

We continue strengthening Exxaro's wage gap governance and analytical capability as part of our broader fair and responsible pay agenda. Our initiatives for 2026 include:

### Enhanced wage gap analytics

We will continue to monitor both vertical and horizontal wage gap measures using the established 5:5 methodology, supported by independent analysis. These analytics enable us to monitor trends in remuneration outcomes across levels and demographic groups and support informed decision making by the remuneration committee.

### Alignment with emerging regulatory requirements

The Companies Amendment Act introduces new disclosure requirements relating to wage gap reporting. During 2026 we will continue to refine our analytical and governance framework to ensure that Exxaro remains well positioned to comply with these requirements once the final regulatory framework and implementation timelines are confirmed.

### Strengthening living wage contextual analysis

During 2025 Exxaro joined the Living Wage South Africa Network, enabling the group to participate in national research and dialogue on credible living wage benchmarks. The Network's R15 000 net monthly benchmark is currently used as an external contextual reference, rather than a formal policy threshold, recognising that further research is required to develop a consistent methodology for converting employer-funded benefits into a comparable living wage measure.

### Ongoing monitoring of total reward outcomes

We will continue to assess remuneration outcomes holistically, considering both guaranteed pay and employer-funded benefits such as medical aid, retirement contributions and other protections that form part of our total reward offering. This approach ensures that fair pay considerations reflect the full value of remuneration provided to employees.

Through these initiatives, Exxaro aims to maintain a principled, transparent and data-driven approach to fair and responsible remuneration while supporting the long-term sustainability of the group and the wellbeing of our employees.

### Governance

We remain dedicated to reducing the wage gap through our targeted projects and remuneration adjustments. We also strive to adhere to industry best practices and relevant governance codes, such as King IV.

## Remuneration policy developments

During the year, the remuneration committee reviewed several elements of Exxaro's remuneration framework to ensure continued alignment with the company's strategy, shareholder expectations and evolving governance practices.

The following key refinements were approved:

### Introduction of the DBS scheme

The committee approved the replacement of the DBP with a DBS scheme. The DBS structure simplifies the previous matching share arrangement by removing the requirement for employee co-investment and introducing a deferral mechanism that is directly linked to the outcome of the GIS. The change aligns Exxaro's incentive framework with emerging market practice and shareholder preferences for bonus deferral structures.

### Refinement of LTI performance measures

The LTIP performance conditions were refined to better reflect Exxaro's evolving portfolio and strategic priorities. The ESG measure, FTSE Russell Index, was replaced with operationally measurable sustainability targets, including decarbonisation and rehabilitation performance measures. In addition, refinements were made to the TSR peer group and ROCE calibration.

### Strengthening of malus and clawback provisions

The malus and clawback policy was updated to strengthen governance oversight of incentive outcomes. The updated policy clarifies the circumstances in which malus and clawback may be applied and extends the scope of the policy to a broader group of participants across the company's variable remuneration schemes.

### Application of the MSR to the CEO

The remuneration committee exercised its discretion under the MSR policy to align the CEO's MSR with the CEO's three-year fixed-term contract. The requirement will therefore apply on a proportionate basis during the contractual period. This arrangement is intended as an interim measure pending the broader MSR policy review planned for 2026.

### Enhancement of annual leave benefits

As part of Exxaro's employee value proposition, annual leave for management and specialist employees will increase from 15 to 17 working days with effect from 2026. This enhancement has been incorporated within the overall remuneration framework and was funded within the normal annual remuneration allocation process.

## Remuneration elements

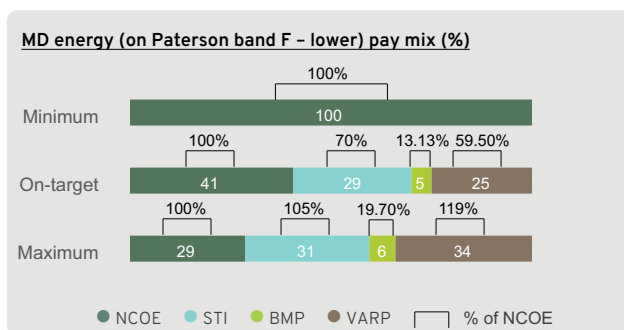
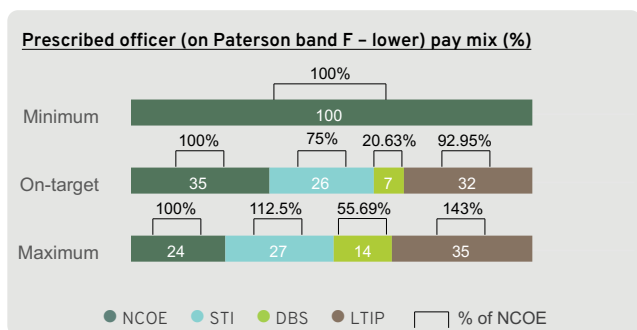
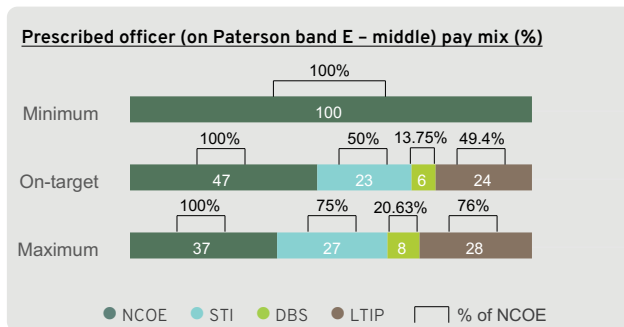
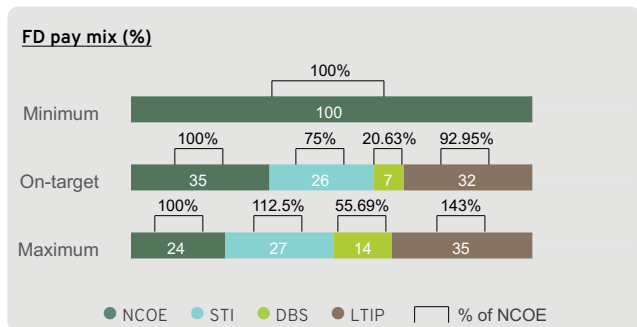
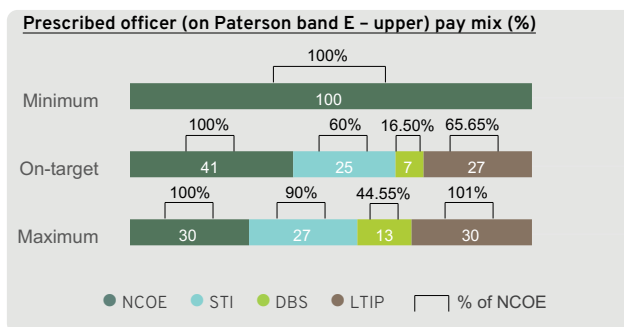
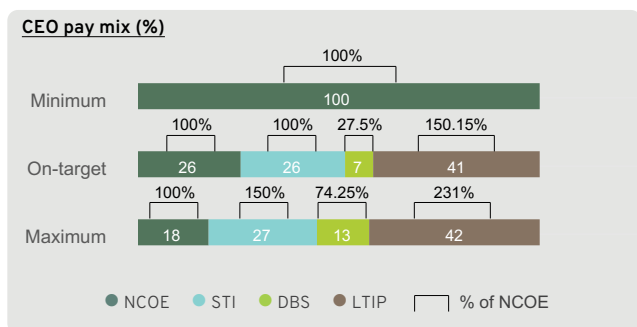
Remuneration element	Objective	Eligibility	Application
<b>Total guaranteed pay includes all guaranteed items, such as basic salary, medical aid, pension fund and guaranteed allowances</b>	To attract and retain the right mix of talent with market-related pay, reflecting the size, scope and complexity of individual roles and responsibilities	All permanent employees	<ul style="list-style-type: none"> <li>Market-related, informed by robust and regular remuneration benchmarking</li> <li>Targeted at the market median, except for roles identified as scarce, critical or strategic</li> <li>Reviews of guaranteed pay are subject to affordability and appropriate consideration of the sustainability of the group's remuneration practices</li> <li>Remuneration for employees in the bargaining unit is governed by wage agreements</li> </ul>
<b>Employee benefits and allowances</b>	To provide relevant benefits to meet employees' needs and aspirations and improve our overall employee value proposition	All permanent employees	<ul style="list-style-type: none"> <li>To provide market-related and/or market-leading employee benefits and allowances</li> <li>The provision of employee benefits and allowances is appropriately and prudently managed</li> <li>Benefits typically include retirement funds, medical aid, group life cover and leave</li> <li>Allowances are job related to ensure employees can perform their jobs effectively</li> <li>Gap cover and funeral benefits</li> </ul>
<b>STIs</b>	To drive a high-performance culture that motivates and rewards substantial achievement of short-term business and individual targets	All employees with payout levels differentiated by job grade and performance contribution	<ul style="list-style-type: none"> <li>The GIS drives financial, operational, ESG and individual performance. It is calculated as a percentage of NCOE, with threshold, target and stretch goals designed to incentivise high performance. Senior managers receive a portion of their STI through deferred shares from their participation in the DBS</li> <li>The DBS is contingent on achieving performance conditions on metrics contained in the GIS. The awards are made annually and vesting takes place after a three-year period</li> <li>The line of sight scheme drives the delivery of safe, quality production volumes aligned to monthly and quarterly performance targets</li> <li>The Cennergi STI allocation is based on achievement against the annual scorecard and individual performance</li> <li>The matching incentive, known as the BMP – following the calculation of the STI, a predetermined percentage of the STI is applied to the STI outcome to determine the value of the matching shares awarded. The bonus matching shares vest in equal tranches after 12 and 24 months. The BMP award will be settled in Exxaro shares to give participants exposure to Exxaro shares and is linked to the principle of group alignment</li> <li>Payment time frame typically one year or less, except where a portion of variable remuneration may be deferred to a later period</li> </ul>
<b>LTIs</b>	To drive sustainable, longer-term performance and encourage ownership and retention by aligning the interests of senior employees and executives to those of Exxaro and its shareholders	Middle management employees and above	<p>The Exxaro LTI scheme is made up of the LTIP scheme:</p> <ul style="list-style-type: none"> <li>Makes annual awards</li> <li>Vesting takes place after a three-year period</li> <li>LTIP is contingent on achieving performance conditions on key metrics – ROCE, TSR and ESG</li> </ul> <p>For Cennergi, the LTI scheme is made up of the VARP scheme:</p> <ul style="list-style-type: none"> <li>VARP – A once-off VARP allocation is made to participants. The vesting of the VARP allocation is subject to the achievement of predetermined performance conditions. The rights vest in tranches after years three, four and five, and participants have four years to exercise their rights after they have vested. The value settled is determined with reference to the growth in equity value of Cennergi between the allocation date and the exercise date</li> </ul>
<b>ESOP</b>	To foster a sense of participation in the company's success by aligning with shareholder outcomes	Junior management and below	Paid twice a year as an amount equivalent to the dividend paid on 560 Exxaro shares
<b>Recognition</b>	To celebrate exceptional contributions, foster a culture of appreciation and honour loyalty	All employees	For formal recognition, employees are encouraged to nominate themselves or their colleagues for acknowledgement at various levels for an award. For informal or day-to-day recognition, line managers and peers are encouraged to recognise discretionary effort without waiting for a formal recognition opportunity

## Remuneration report: section 2 continued

### Remuneration mix

The remuneration mix reflects the relative proportions of pay, represented by guaranteed and variable remuneration, meaningfully linked to job type, level of work and expected outcomes.

#### Remuneration mix for CEO, FD and prescribed officers by Paterson grade



### Guaranteed remuneration

Our policy on fixed pay is to benchmark annually using established industry remuneration surveys to the median for all employees except the strategic, scarce and critical skills, which may be benchmarked to the 75th percentile.

We consider individual performance when setting fixed pay through the annual NCOE salary review process – a “meets expectations” warrants positioning around the median of the benchmark for the job.

### Basic salary

All bargaining unit employees receive a market-related basic salary, complemented by guaranteed allowances (housing and commuting), variable allowances (shift and standby) and benefits (listed alongside).

### Benefits

All employees are entitled to the same benefits appropriate to their role and specific circumstances. Management and specialist employees can structure their remuneration within company and legislative limitations. As part of enhancing Exxaro’s employee value proposition and aligning with market practice, annual leave for management and specialist employees will increase from 15 to 17 working days with effect from 2026. The introduction of this enhanced leave benefit formed part of the annual remuneration review process. During the year, the medical, health and other benefits policies did not change. Medical aid scheme details are described alongside.

#### Retirement fund

All employees are members of one of Exxaro’s accredited retirement funds. Retirement fund contributions are determined by specific conditions of employment and for different employee levels and categories.

#### Medical aid schemes

Employees may annually choose to belong to any employer-accredited and applicable medical schemes. The employer and employee make contributions. Exxaro does not provide post-retirement medical benefits. The post-retirement benefit obligation, disclosed in the annual financial statements, recognises past practice by Eyesizwe, which was discontinued with the creation of Exxaro in November 2006.

#### Group personal accident cover

Employees are beneficiaries of a policy that provides additional cover for death, disability and dread disease through group personal cover taken out by Exxaro.

#### Employee assistance programme

As part of our wellness offering, the employee assistance programme offers wide-ranging support, including legal, financial and substance abuse assistance, among others.

## Variable pay

### Exxaro STI schemes

Our STI schemes focus on annually contributing to strategic goals and delivering on our operational and financial objectives in the shorter term. We have two STI scheme structures: the GIS for management and specialist category employees and the line of sight for other permanent employees, which are specific production schemes relevant to employees' positions.

#### GIS salient features

Participants	<ul style="list-style-type: none"> <li>All executive to middle management level employees in group or operations</li> <li>Employees in group functions or specific operations</li> <li>Applicable to employees employed for the last six months of the relevant financial year and in service on payout date</li> </ul>
Scheme metrics and frequency of payment	<ul style="list-style-type: none"> <li>Formulaically calculated cash STI</li> <li>Paid annually</li> <li>Based on target STI quantum per grade</li> <li>Adjusted for personal and business performance</li> </ul>
Apportionment	<ul style="list-style-type: none"> <li>80% to business performance (75% apportioned to financial, operational and strategic goals, and 25% to ESG goals)</li> <li>20% to individual performance (based on individual performance achievement process) rated on a five-point rating scale (excluding bargaining unit category)</li> <li>Individual performance rating translates to the portion allocated to individual performance</li> </ul>
Maximum achievable	150% of targeted STI quantum
Gatekeepers	When the personal score is below a 3.0 rating, the percentage score modifies respective business performance outcomes, further reducing the STI portion from business performance
Business scorecard	Detailed below

The business scorecards embed priorities appropriately at group and operational levels. The table below provides an overview of the goals and relative impact on the potential outcome of each business scorecard.

#### GIS business scorecard goals and weight

		Weight (%)	Drivers	Group (%)	Operation (%)
Overall structure	Financial, operational and strategic	75	EBITDA	50	0 to 50
			Cash cost per tonne	15	15 to 45
			Saleable tonnes	10	10 to 30
	ESG: safety and climate change	25	Safety	10	10
			Water intensity	7.5	7.5
			Energy intensity	7.5	7.5
Overall scorecard total			100	100	

## Remuneration report: section 2 continued

### DBS scheme

The DBS scheme forms part of Exxaro's incentive framework and supports the alignment of executive remuneration with long-term shareholder value creation.

From the 2026 remuneration cycle, the DBS scheme replaces the previous DBP. The DBP historically allowed eligible employees to voluntarily invest a portion of their after-tax GIS bonus into Exxaro shares, with the company providing matching shares after a three-year holding period. While the DBP supported share ownership and retention, the structure required employee co-investment and was dependent on the availability of post-tax cash.

Following a review of the incentive framework and engagement with institutional investors, the board approved the introduction of the DBS scheme, which replaces the DBP and simplifies the deferral structure while maintaining alignment with performance outcomes.

### Key features of the DBS scheme

Under the DBS structure:

- Participants receive their GIS bonus in two components being cash and deferred shares
- In addition, the company awards the deferred shares directly to participants
- The value of the deferred share award is calculated as a proportion of the GIS outcome
- Deferred shares vest after a three-year vesting period, subject to continued employment and applicable malus provisions
- Shares are delivered using a non-dilutionary structure, with shares purchased in the market

### Cennergi STI scheme

The Cennergi STI scheme is the BMP, which focuses on annually contributing to strategic goals and delivering on our operational and financial objectives in the shorter term.

### BMP salient features

Participants	<ul style="list-style-type: none"> <li>• All Cennergi employees</li> <li>• Applicable to employees employed for the last six months of the relevant financial year and in service on payout date</li> </ul>
Scheme metrics and frequency of payment	<ul style="list-style-type: none"> <li>• Formulaically calculated cash STI</li> <li>• Paid annually</li> <li>• Based on target STI quantum per grade</li> <li>• Adjusted for business performance, measured against approved Cennergi scorecard, and personal performance, the outcome of which will modify the STI by 0% to 150%</li> </ul>
Apportionment	<ul style="list-style-type: none"> <li>• Varies by level</li> </ul>
Maximum achievable	<ul style="list-style-type: none"> <li>• 150% of targeted STI quantum</li> </ul>
Business scorecard	<ul style="list-style-type: none"> <li>• Detailed below</li> </ul>

Because the DBS award is determined with reference to the GIS outcome, the same business and individual performance conditions that determine the GIS cash portion of the bonus also determine the value of the DBS award. Where the GIS cash portion of the bonus is reduced due to lower performance outcomes, the DBS award reduces proportionately. Where no GIS bonus is earned, no DBS award is granted.

The introduction of the DBS scheme strengthens Exxaro's remuneration framework by:

- Simplifying the previous matching share structure
- Removing the requirement for employee co-investment from after-tax income
- Improving participant liquidity
- Improving tax efficiency for both participants and the company through a pre-tax share award structure
- Aligning the incentive framework with emerging market practice and shareholder preferences for bonus deferral structures rather than matching share plans

Importantly, the DBS structure replaces the economic value previously delivered through DBP matching shares and therefore represents a structural refinement of the incentive framework and does not increase overall remuneration or cost to the company.

### Eligibility

The DBS scheme applies to employees at executive and senior management levels, consistent with the eligibility criteria previously applied under the DBP.

### BMP business scorecard goals and weight

KPIs	Weight (%)
Strategy development	10
Financial performance and internal control	10
Strategy implementation, pipeline health, new projects and services	35
Operational and construction excellence	25
People and social impact	15
Health, safety and environmental	5
<b>Scorecard total</b>	<b>100</b>

#### Matching incentive

Cennergi middle management and above employees receive an award of rights to Exxaro shares calculated as a predetermined percentage of the annual incentive. 50% of the award vests after 12 months and the remaining 50% after 24 months. Participants are not entitled to rights in respect of the shares until vesting takes place. No performance vesting conditions apply to the matching award.

#### Exxaro LTI scheme

Our LTI scheme comprises the LTIP and ESOP which align remuneration with longer-term shareholder expectations and outcomes.

We provide general share awards to participants (middle management and above) during the year in terms of the LTIP. We introduced the ESOP (GreenShare) in July 2020, which applies to employees not participating in the LTI scheme.

#### LTIP

The LTIP aligns executive remuneration with long-term shareholder value creation and supports the delivery of Exxaro's strategic priorities.

Awards are made annually and vest after a three-year performance period, subject to the achievement of predefined performance conditions.

From the 2026 LTIP award cycle, the performance conditions have been refined to better reflect Exxaro's evolving portfolio and strategic priorities.

The LTIP performance conditions and weightings are as follows:

Performance condition	Weighting (%)
ROCE	35
TSR	35
ESG	30

Performance is assessed using a sliding scale between threshold, target and stretch performance levels, with vesting outcomes determined by the remuneration committee at the end of the performance period.

### ROCE condition (35%)

ROCE remains an appropriate measure of long-term financial performance given the capital-intensive nature of Exxaro's business.

ROCE measures management's ability to generate operating profit from the capital employed in the business and reflects the efficient allocation of capital across Exxaro's portfolio.

The ROCE targets for the 2026 LTIP are:

- 17% to 50% vesting (threshold)
- 19% to 90% vesting (target)
- 22% to 100% vesting (stretch)

The ROCE performance measure is calculated as the arithmetic average of the weighted ROCE achieved over the three-year performance period.

To reflect the evolving portfolio mix, a weighted ROCE methodology is applied which considers both the overall group ROCE and the ROCE of the mining operations excluding energy investments.

ROCE component	Weighting (%)
Exxaro group ROCE	20
Exxaro group ROCE excluding energy	80

### TSR condition (35%)

The TSR measure aligns executive incentives with shareholder value creation by comparing Exxaro's TSR with relevant peer groups.

From the 2026 LTIP awards, the TSR framework has been updated to better reflect Exxaro's diversified portfolio.

The TSR peer group now comprises three components:

TSR peer group	Weighting (%)
JSE RESI 10	50
Energy peer group	20
Coal peer group	30

The coal peer group replaces the previous use of Thungela as a single comparator and includes several global coal producers to provide a broader and more representative benchmark.

Exxaro's TSR performance is assessed relative to these peer groups using a smoothed compound annual growth rate methodology over the three-year performance period.

## Remuneration report: section 2 continued

Vesting outcomes are determined as follows:

### RESI 10 portion

Performance	Vesting (%)
Below median TSR	0
Median TSR	50
Top three TSR	100

### Energy and coal peer group portions

Performance	Vesting (%)
Below average peer TSR minus 3%	0
Equal to average peer TSR plus 3%	90
Average peer TSR plus 6%	100

The average peer TSR for Coal and Energy is calculated as the average of the smoothed TSRs of the respective Coal and Energy peer group companies.

Linear vesting applies between these performance points.

### ESG condition (30%)

The ESG performance condition has been strengthened from the 2026 LTIP awards through the replacement of the FTSE Russell ESG Index with operationally measurable sustainability targets.

The ESG measure is split equally between:

ESG metric	Weighting (%)
Decarbonisation performance	50
Rehabilitation performance	50

### Decarbonisation

This measure supports Exxaro's commitment to achieving carbon neutrality by 2050, with a target to reduce scope 1 and scope 2 emissions by 40% by 2030.

The LTIP target tracks the reduction in absolute emissions relative to the 2022 baseline, reflecting the contribution of renewable energy projects and other operational decarbonisation initiatives.

Vesting is determined using a sliding scale based on the average emissions reduction achieved over the three-year performance period.

Performance	Vesting (%)
Threshold	50
Target	80
Stretch	100

### Rehabilitation

Rehabilitation performance measures the achievement of planned backfill volumes across Exxaro's opencast operations.

Concurrent rehabilitation is a key mechanism for reducing long-term environmental liabilities and forms an important component of Exxaro's responsible mining practices.

Vesting is determined using a sliding scale based on the deviation from budgeted rehabilitation targets over the performance period.

Performance	Vesting (%)
Threshold	50
Target	80
Stretch	100

### ESOP (GreenShare)

Our ESOP scheme, GreenShare, was implemented in 2020. It is broadly based on the principles of Mining Charter III and is an evergreen scheme that provides non-transferable carried interest (dividends) to qualifying employees. It is open to all permanent South African employees not participating in any management share scheme, and it does not carry risks for employees.

When dividends are declared, employees in service receive an amount equivalent to the dividend paid on 560 Exxaro shares, minus dividend withholding tax.

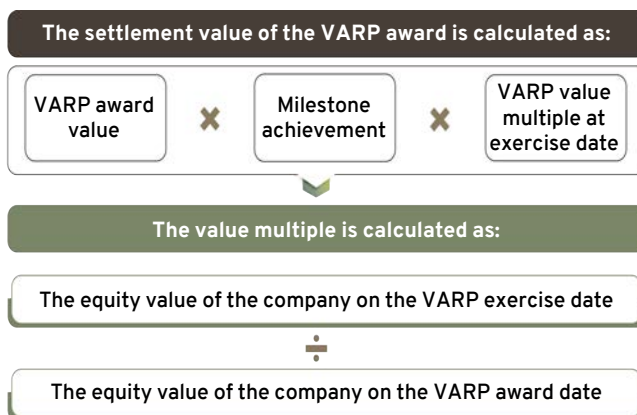
Employees remain in the scheme for the duration of their employment and do not have capital appreciation rights.

### Cennergi's LTI scheme

The Cennergi LTI offering comprises:

#### VARP

The VARP is a cash-based LTI. Participants are awarded a once-off bullet award at the start of the performance period. The award is calculated as a percentage of the participant's NCOE multiplied by an award multiple linked to the duration of the award. The award vests in three equal tranches (in years three, four and five) subject to achieving predetermined milestones. After vesting, participants have four years to exercise the award.



## VARP milestones

The 2026 to 2030 milestones will focus on achieving a targeted cumulative net MW generating capacity.

Vesting profile (MW)	2026	2027	2028	2029	2030
Threshold (30% vesting)	326	406	475	567	692
Stretch (100% vesting)	413	612	840	1 148	1 563

## Provisions for good leaver termination events and sign-on arrangements

Good leaver provisions are triggered in the event of terminations due to:

- Personal events such as retirement, ill health, disability or death in service (pro-rated vesting of awards)
- Company events such as retrenchments, voluntary severance packages and divestment of business (normal vesting of awards)

Sign-on bonuses are used to buy out a potential liability, to make good for variable pay potentially being forfeited, or one of the reasons detailed below:

- Required to bridge the gap between the salary sought and the offer presented by Exxaro
- The employee has a retention agreement with their current employer
- The employee has a service obligation with their current employer

Sign-on shares may be offered to a prospective employee. The format and terms of the award depend on the reason for the award, which could include:

- Replacement awards
- Enticement awards

All these awards would be made for strategic purposes on an exception basis and are considered a strategic tool that the committee can use if the circumstances require, rather than being part of standard or expected practice.

The committee also ensures that with these awards, it applies performance conditions and malus and clawback provisions.

## MSR

In line with global governance practices and shareholder expectations, Exxaro adopted an MSR policy in 2021. The policy encourages executive directors and prescribed officers to build and maintain a meaningful shareholding in the company in order to reinforce alignment between executive leadership and shareholder interests.

The MSR requires executives to accumulate and hold shares in Exxaro equivalent to a multiple of their NCOE. The minimum shareholding levels are as follows:

Role	MSR	Compliance period
CEO	2 x annual NCOE	Five years from the date of policy implementation (or from appointment as a prescribed officer if later)
FD	1.5 x annual NCOE	
Other prescribed officers	1 x annual NCOE	

Executives are expected to achieve the required shareholding within five years from the date of policy implementation or from appointment as a prescribed officer, whichever is later.

Shares that may count towards the MSR include:

- vested LTIP shares retained by the executive
- vested deferred shares received through incentive schemes, including the DBS scheme
- the option to purchase MSR shares with a percentage of pre-tax annual STI payments
- personal investment shares acquired with post-tax income

These provisions encourage executives to maintain a meaningful level of personal investment in the company and support long-term alignment with shareholders.

## Application of the MSR to the CEO

The current CEO is appointed on a three-year fixed-term contract, which creates a structural misalignment between the CEO's contractual tenure and the standard five-year MSR determination period.

Following consideration of this matter, the remuneration committee exercised its discretion under the MSR policy to align the determination period with the CEO's contractual term and to apply the MSR target on a proportionate basis. Accordingly, the CEO is required to accumulate a minimum shareholding equal to 120% of NCOE over the three-year contract period, reflecting the equivalent annual accumulation rate of the standard MSR requirement. This approach maintains the principle of alignment between executive leadership and shareholders while recognising the practical constraints associated with the CEO's contractual tenure.

The proportional MSR requirement is intended as an interim arrangement, pending the broader review of the MSR policy scheduled for 2026 and any future nomination committee and board determinations regarding the CEO's contractual tenure.

As part of this review, the remuneration committee will consider whether any refinements to the policy are appropriate in light of evolving governance practices and shareholder expectations.

## Remuneration report: section 2 continued

### Malus and clawback

Exxaro maintains a malus and clawback policy to reinforce accountability and strengthen the link between remuneration outcomes and responsible conduct. During 2025, the remuneration committee approved updates to the malus and clawback policy to further strengthen governance, align with evolving market practice and shareholder expectations. The updated policy expands the scope of application and clarifies the circumstances under which malus and clawback provisions may be applied.

Malus applies to unvested variable remuneration, including deferred incentives and LTI awards. Where a trigger event occurs during the vesting period, the remuneration committee may reduce or cancel the unvested portion of the award.

Clawback applies to variable remuneration that has already vested, settled or paid. Where a trigger event occurs after payment or vesting, the company may seek to recover the value of the remuneration received. Clawback will be applicable for up to 36 months from the vesting date.

As part of the policy update, the scope of the malus and clawback provisions was extended to apply to a broader group of participants, including employees participating in the DBS scheme and the LTIP, in addition to employees participating in the GIS.

Trigger events that may result in the application of malus or clawback include:

- Material financial misstatement
- Gross misconduct or serious breach of company policies
- Material failure of risk management or compliance
- Significant reputational damage to the company resulting from employee actions
- Any other circumstances where the remuneration committee determines that retention of the incentive would be inappropriate

The remuneration committee retains discretion to determine the appropriate application of malus or clawback, taking into account the circumstances of the event and principles of fairness and proportionality.

These provisions apply to remuneration outcomes disclosed in the implementation report, and any material application of malus or clawback will be disclosed to shareholders.

These enhancements strengthen accountability and reinforce the link between reward, conduct and risk outcomes, ensuring that remuneration remains aligned with the group's values and governance expectations.

### Executive contracts

The remuneration committee maintains robust governance and oversight mechanisms for executive appointments and contracts, ensuring alignment with the company's strategic priorities and governance principles.

Executive employment contracts are generally valid until the normal retirement age of 63. The notice period for the CEO is six calendar months. The notice period for the FD and prescribed officers is three calendar months. Current executive employment contracts do not have a restraint-of-trade clause but include confidentiality undertakings.

Any shares due in terms of participating in the LTIP and DBP/DBS are paid in line with the schemes' rules.

### Remuneration committee discretion

The committee retains the discretion to exercise judgement in interpreting, applying and implementing the remuneration policy to ensure fairness, alignment with business objectives and adherence to good governance principles. Discretion may be applied in exceptional circumstances or where strict adherence to the policy would result in outcomes that are misaligned with the company's values, strategy, or stakeholder expectations.

Key principles guiding the exercise of the remuneration committee's discretion include:

Fairness and equity	Ensuring that decisions are fair, consistent and equitable for all employees
Alignment with strategic objectives	Maintaining alignment between remuneration outcomes and achieving Exxaro's strategic priorities
Governance and compliance	Upholding high standards of corporate governance and compliance with applicable laws and regulations

The remuneration committee's discretionary authority may include, among others:

- Adjusting incentive payouts (short or long term) to reflect extraordinary circumstances or market conditions
- Approving deviations from policy for retention, recruitment, or other critical business needs
- Reviewing and amending performance targets or measures in response to unforeseen events

All the committee's discretionary decisions will be transparently documented and disclosed, where appropriate, to relevant stakeholders to ensure accountability and trust.

### Non-executive directors' remuneration

We conduct a comprehensive review of non-executive director fees on a three-year cycle, benchmarking against a chosen peer group. This ensures that our remuneration framework remains competitive and aligned with best practices.

Our approach positions non-executive director fees at the median of the chosen peer group, reflecting Exxaro's scale, complexity and industry standing. In years where an external benchmarking exercise is not undertaken, adjustments to non-executive director fees are aligned with the approved annual increases for management and specialist category employees.

The remuneration committee carefully evaluates and recommends non-executive director fees, which are subsequently reviewed by the board. Final approval is sought through a special resolution at the company's AGM, with implementation effective from June.

# Section 3: Implementation report

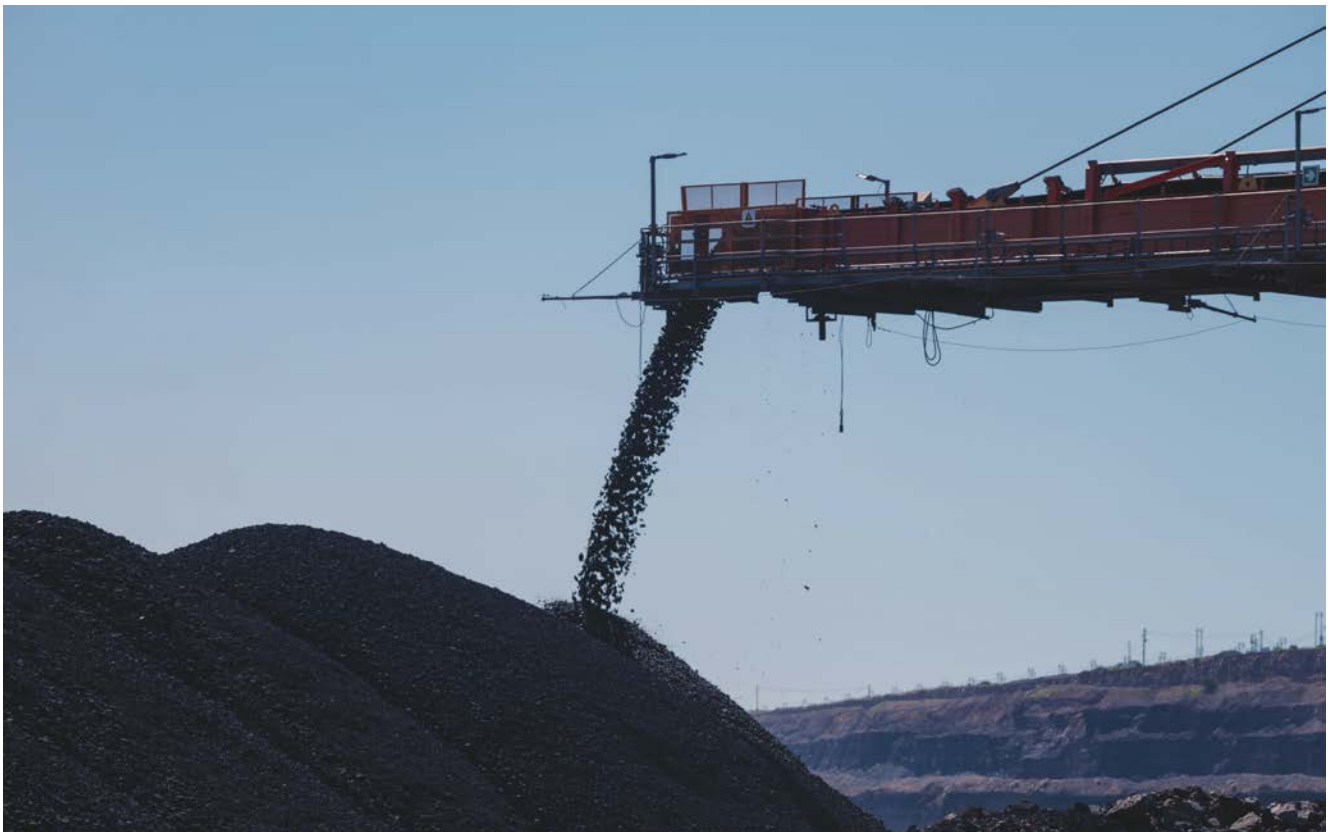
Our implementation report discloses remuneration outcomes for non-executive directors, executive directors and prescribed officers. It includes total remuneration received and a single figure for remuneration receivable (as per King IV) for the period and all constituent remuneration elements.

This section reflects the remuneration policy’s implementation and details remuneration paid to executive directors and prescribed officers for the year ended 31 December 2025. It details STI and LTI payments and vesting outcomes, with single-figure remuneration.

The approved increases for the CEO and FD are 4.47% and average increases for executive level and management and specialist level employees is 4.22%. The effective date will be 1 April 2026. The increase for bargaining unit employees is 7% effective 1 July 2026. This was in line with the remuneration policy.





## Performance contract and rating of the CEO in 2025

Individual key objectives	KPIs	Rating
Stabilise the business and rebuild trust	Rapidly execute a seamless leadership transition to ensure business stability and continuity	
	Strengthen quality leadership bench strength across the group to support sustained performance and succession	
	Deepen and expand engagement with stakeholders to strengthen trust, transparency and alignment across the business	
	Optimise the organisation structure to align with the business strategy to enable clearer accountability and effective execution	
Operational delivery	Reset the culture to promote ethical decision making, responsible leadership behaviour and organisational integrity	
	Expedite the turnaround of Leeuwpan to improve operational efficiency and performance	
	Optimise and manage group cost structures to enhance efficiency, value delivery and financial sustainability	
Diversification	Establish a Business Performance Management Systems framework that includes standards, operational principles and reporting protocols that drives a high-performance culture	
	Fast track the execution of M&A to support diversification and business growth	
Performance rating	Increase renewable energy capacity through the LSP and Karreebosch project	4.2/5



## Remuneration report: section 3 continued

### Performance contract and rating of the FD in 2025

Individual key objectives	KPIs	Rating
 <p>Transition at speed and scale</p>	<p>Ensure sufficient funding is available to grow new energy and metals business(es) aligned to the Exxaro capital allocation framework</p> <p>Support the metals and energy growth strategy as per the board mandate, corporate finance support for financial modelling, affordability analysis, financial impact, deal structuring, financial due diligence inclusive of funding model/capital raise</p>	
 <p>Make our coal, metals and energy businesses thrive</p>	<p>Achieve ROCE target of 20% in terms of LTIP sliding scale and TSR performance vs peers</p> <p>Maintain Exxaro S&amp;P global rating</p> <p>Manage and oversee the group budgeting and forecast process</p> <p>Update and drive the implementation of the Exxaro insurance company strategy to secure adequate insurance cover for Exxaro group's insurable risk at reasonable cost</p> <p>Identify areas of corporate services department cost reduction and savings across the Exxaro group</p>	
 <p>Empower people to create impact</p>	<p>Achieve and maintain zero harm</p> <p>Accurate, timely and relevant financial reporting within 7 days of month-end-closing (flash reporting)</p> <p>Deliver group consolidated financial statements, budgets and forecasting aligned with required timelines, regulations and standards</p> <p>Contribute to organisational deliverables as part of the executive committee team</p>	
 <p>Become a catalyst for economic growth and environmental stewardship</p>	<p>Achieve Mining Charter, DTI and Department of Employment and Labour employment equity targets aligned to the approved departmental plan and achieve gender representation targets for the group in core and in management levels aligned to the approved EE plan and mechanisms</p> <p>Ensure project plan is in place for unwind and/or replacement BEE structure</p> <p>Consolidate social spend vehicles under the Exxaro Aga Setshaba Trust. Spend on the Aga Setshaba Trust and ESD programme aligned to ensure at least a level 3 dtic rating</p>	
<p>Performance rating</p>		<p>4.13/5</p>



## STI group scorecard outcomes

The table below discloses business and individual performance outcomes used in determining the STI for each executive director and prescribed officer. All payments are due as per policy, and there were no deviations during the year.

### Group scorecard targets and actuals for 2025

Broad goals	Broad weight	Measurement (KPI)	KPI weight	0%	100%	150%	Actual	Outcome							
				Threshold	Target	Stretch									
Financial + operational + strategic	75%	EBITDA	50%	90%	100%	111.10%	93.80%	38%							
		Cash cost per tonne	15%	115%	100%	95%	105.80%	61%							
		Saleable tonnes	10%	90%	100%	102%	92.90%	29%							
ESG	Safety	LTIFR and zero fatalities	10%	0.050	0.050	0.025	0.0337	133%							
	Climate change								Water intensity	7.5%	0.210	0.175	0.125	0.145	130%
									Energy intensity	7.5%	33.403	32.589	30.959	30.788	150%
		100%		100%					69.17%						

### STI payments and DBS awards for executive directors and prescribed officers in 2025

Executive directors and prescribed officers	NCOE (R)	Business performance score (80%)	Individual performance score/(20%) rating factor (%)	STI target (%)	Cash (R)	DBS (R) <sup>1</sup>	Total
B Magara <sup>2</sup>	9 000 000	69.17	150	100	7 680 067	2 112 018	9 792 085
PA Koppeschaar <sup>3</sup>	7 609 728	69.17	150	75	4 870 269	1 339 324	6 209 593
Dr N Tsengwa <sup>4</sup>	1 615 212			100			
S Govender <sup>5</sup>	4 315 356	69.17	150	50/60	2 080 170	572 046	2 652 216
L Groenewald <sup>6</sup>	5 953 176	125		70	5 438 043	714 015	6 152 058
RE Lilleike	5 149 770	69.17	150	75	3 295 882	906 367	4 202 249
PK Masia <sup>4</sup>	1 875 968			75			
JG Meyer	5 429 892	69.17	115	60	2 552 074	701 820	3 253 894
NM Monareng <sup>7</sup>	766 668			60			
MH Nana	3 525 783	69.17	125	50	1 416 203	389 456	1 805 659
FM Ntlhoro <sup>7</sup>	701 582			60			
TT Ratsheko <sup>8</sup>	1 198 515	65.37	100	50	433 228		433 228
JA Rock	4 828 446	69.17	125	60	2 327 333	640 016	2 967 349
RC Shirindza <sup>7</sup>	1 302 267			75			
M Vetu	5 009 553	69.17	125	60	2 414 627	664 022	3 078 649
<b>Total prescribed officers' remuneration</b>	<b>58 281 916</b>				<b>32 507 896</b>	<b>8 039 084</b>	<b>40 546 980</b>

<sup>1</sup> The DBS is calculated as a percentage of GIS.

<sup>2</sup> Appointed as CEO on 1 April 2025.

<sup>3</sup> Acting allowance not included in NCOE for STI purposes.

<sup>4</sup> STI forfeited due to resignation/separation.

<sup>5</sup> Acting to 31 May 2025; acting allowance not included in NCOE for STI purposes; appointed permanently as prescribed officer on 1 June 2025.

<sup>6</sup> Participant in BMP; 80% company, 20% individual - weighted scorecard performance outcome. Shares awarded under the BMP scheme (calculated as a percentage of annual incentive) is reflected in the DBS column.

<sup>7</sup> Appointed on 1 November 2025 as prescribed officer; does not qualify for STI 2025.

<sup>8</sup> Acting to 31 May 2025; acting allowance not included in NCOE for STI purposes; participate in STI as a good leaver.

The remuneration committee retains limited discretion to adjust incentive outcomes in exceptional circumstances. This discretion may be exercised where the committee determines that the formulaic outcomes produced by the incentive scorecards do not appropriately reflect underlying business performance or the broader organisational contribution delivered during the year. In such circumstances, the committee may approve a supplementary discretionary adjustment to incentive outcomes, provided that:

- The adjustment is applied transparently and proportionately
- The overall incentive outcome remains aligned with company performance and shareholder interests
- The rationale for the adjustment is disclosed in the remuneration report

For the 2025 financial year, the remuneration committee considered the application of this discretion in light of exceptional organisational priorities that arose following leadership changes and the resulting need to stabilise the organisation and accelerate the execution of the Sustainable Growth and Impact strategy. These priorities were not contemplated when the STI scorecards were originally designed.

In these circumstances, the committee determined that it was appropriate to consider a once-off adjustment pool to ensure that incentive outcomes appropriately recognised the leadership contribution and organisational delivery achieved during the year.

## Remuneration report: section 3 continued

### Awards under the LTIP scheme

The table below discloses the outcomes of the 2023 conditional LTIP awards that vest in 2026.

Of the awards made in 2023, 88.33% vest in 2026. A summary of the vesting percentages by vesting condition is below:

Performance vesting conditions outcome	Weight (%)	2025 (%)
ROCE	33.33	100
TSR	33.33	65
ESG	33.34	100
<b>Overall vesting</b>		<b>88.33</b>

### For 2025

<b>ROCE</b>	ROCE achievement was 100% based on a calculated result exceeding the 22% stretch target as the arithmetic average of the three-year performance period.
<b>TSR</b>	<p>TSR achievement was 65% based on a result of 5.81% for Exxaro.</p> <p>JSE Capped Resources 10 Index (RESI 10) component (70%)</p> <ul style="list-style-type: none"> <li>• Exxaro was placed fifth (first: Harmony (78.00%); second: AngloGold Ashanti (70.46%), third: Gold Fields (60.70%); fourth: Northam Platinum (16.45%); sixth: Anglo American (3.37%); seventh: Sibanye Stillwater Limited (3.03%); eighth: Impala Platinum Hlds Ltd (2.60%); ninth: Valterra Platinum Ltd (-1.18%); 10th: Glencore (-4.23%); and 11th: Sasol Limited (-29.14%))</li> <li>• Therefore, 50% achieved for the RESI 10 component (35% for the weighted portion)</li> </ul> <p>Energy peer group and Thungela component: (30%)</p> <p>Average TSR calculated as -10.05% based on the following results:</p> <ul style="list-style-type: none"> <li>• Energy peer group: Acciona (6.41%); Brookfield (4.10%); Atlantica (-5.75%)</li> <li>• Thungela (-21.68%)</li> </ul> <p>Therefore 100% achievement for Exxaro versus the energy peer group and Thungela component (30% for the weighted portion).</p>
<b>ESG</b>	The governance component of ESG, as per the FTSE Russell ESG Index, met the lower and higher target which resulted in a 100% achievement for the 2025 portion of the awards.

## Total executive management remuneration

The total single-figure remuneration for executive directors and prescribed officers is stated in the table below to align with King IV. LTIP awards made in 2023 will vest in 2026 based on the 2025 performance conditions. The portion of the DBS is included under the STIs. The proceeds from the matched portion of the DBPs are reflected under LTIs.

### Single-figure remuneration as per King IV for 2025 and 2024

	2024	2025				Total remuneration (R)
	Total Remuneration	NCOE <sup>1</sup> (R)	Recognition and other payments <sup>1</sup> (R)	STIs (R)	LTIs (R)	
<b>Executive directors</b>						
B Magara <sup>2</sup>		9 000 000		9 792 085		18 792 085
PA Koppeschaar	16 474 590	7 790 382	2 000	6 209 593	8 194 719	22 196 694
Dr N Tsengwa <sup>3</sup>	9 567 525	1 615 212	1 102 454			2 717 666
<b>Prescribed officers</b>						
S Govender <sup>4</sup>	6 376 947	4 600 465	96 254	2 652 216	2 139 396	9 488 331
L Groenewald <sup>5</sup>	13 303 510	6 007 866	4 760	6 152 058	14 932 170	27 096 854
RE Lilleike	7 563 010	5 149 770	2 000	4 202 249	6 043 465	15 397 484
PK Masia <sup>6</sup>	5 706 621	1 875 968	9 900 770			11 776 738
JG Meyer	10 041 453	5 429 892	2 000	3 253 894	4 159 576	12 845 362
NM Monareng <sup>7</sup>		766 668				766 668
MH Nana <sup>8</sup>	5 569 724	3 525 783	2 000	1 805 659		5 333 442
FM Ntlhoro <sup>9</sup>		701 582				701 582
TT Ratsheko <sup>10</sup>	5 033 888	1 307 934	133 555	433 228	1 595 090	3 469 807
JA Rock	8 070 319	4 828 446	1 385 179	2 967 349	3 941 384	13 122 358
RC Shirindza <sup>11</sup>		1 302 267	926 836			2 229 103
M Vetli	9 197 983	5 009 553	2 000	3 078 649	5 131 675	13 221 877

<sup>1</sup> See table below for details on NCOE and recognition and other payments.

<sup>2</sup> Appointed as CEO on 1 April 2025 and stepped down as independent non-executive director.

<sup>3</sup> Resigned on 5 February 2025.

<sup>4</sup> Appointed as acting executive head: coal operations on 15 November 2024 to 31 May 2025. Appointed as executive head: technical services on 1 June 2025. Remuneration information relates to the full year (2024 and 2025).

<sup>5</sup> BMP 2025 matching incentive: R714 015 (inclusive of the total STI value) and VARP tranche 1: R14 932 170.

<sup>6</sup> Separation on 24 April 2025.

<sup>7</sup> Appointed as designate executive head: sustainability on 1 November 2025. Remuneration from November 2025.

<sup>8</sup> Appointed as group company secretary, governance and ethics on 1 May 2024. Remuneration from May 2024.

<sup>9</sup> Appointed as executive head: commercial on 1 November 2025. Remuneration from November 2025.

<sup>10</sup> Appointed as acting chief strategic resilience and governance officer on 25 September 2024. Remuneration information relates to the full year 2024. Retired on 31 May 2025.

<sup>11</sup> Appointed as executive head: coal on 1 October and prescribed officer on 1 November 2025.

All incentive schemes are performance-related and approved by the board of directors.

The LTIP reflects 88.33% of the 2023 award that will vest in 2026, based on the prevailing share price of R179 on 31 December 2025.

The committee reviewed whether any trigger events occurred during the year that would warrant the application of malus or clawback provisions. No such events were identified, and therefore no adjustments were made to incentive outcomes.

### For 2025

<b>NCOE</b>	NCOE includes leave days purchased as well as travel and acting allowances
	<b>Recognition and other payments</b>
<b>LTIFR/fatality free</b>	R2 760 for LTIFR and R2 000 for fatality free
<b>Mutual separation and notice pay</b>	Mutual separation package – PK Masia: R9 762 711
<b>Leave encashment</b>	Leave encashment amounts are included for: <ul style="list-style-type: none"> <li>• Dr N Tsengwa: R1 102 454</li> <li>• S Govender: R94 254</li> <li>• PK Masia: R136 059</li> <li>• TT Ratsheko: R131 555</li> </ul>
<b>Sign-on bonuses</b>	Sign-on bonus included for RC Shirindza R926 836
<b>Retention allowance</b>	Retention allowance included for: <ul style="list-style-type: none"> <li>• JA Rock: R1 383 179; had to be in service on 30 September 2025 to qualify for payment</li> </ul>

## Remuneration report: section 3 continued

### Non-executive directors' remuneration

The actual fees earned by non-executive directors for the financial year, as approved by shareholders at the previous AGM, are detailed below.

	2025			2024		
	Fees for services (R)	Fees for services rendered to subsidiaries <sup>1</sup> (R)	Total (R)	Fees for services (R)	Fees for services rendered to subsidiaries <sup>1</sup> (R)	Total (R)
<b>Non-executive directors</b>						
GJ Fraser-Moleketi	1 940 162		1 940 162	1 495 520		1 495 520
KM Ireton	947 951		947 951	891 534		891 534
B Magara <sup>2</sup>	306 545		306 545	1 100 503		1 100 503
IN Malevu	987 413		987 413	707 165		707 165
B Mawasha	1 273 006		1 273 006	917 671		917 671
N Medupi/Ketwa	1 244 685		1 244 685	1 147 289		1 147 289
Dr P Mnganga	1 215 519		1 215 519	1 121 908		1 121 908
VZ Mntambo <sup>3</sup>	338 430	231 645	570 075	768 756	218 535	987 291
N Molope <sup>4</sup>	969 148		969 148	913 632		913 632
MLB Msimang <sup>5</sup>	625 679		625 679	895 573		895 573
CJ Nxumalo	1 178 957		1 178 957	1 106 079		1 106 079
MG Qhena (chairman)	2 543 129		2 543 129	2 397 450		2 397 450
PCCH Snyders	1 389 021		1 389 021	1 311 845		1 311 845
<b>Total non-executive directors' remuneration</b>	<b>14 959 645</b>	<b>231 645</b>	<b>15 191 290</b>	<b>14 774 925</b>	<b>218 535</b>	<b>14 993 460</b>

<sup>1</sup> Directors' fees paid by Eyesizwe RF Proprietary Limited.

<sup>2</sup> Appointed as CEO on 1 April 2025 and stepped down as independent non-executive director.

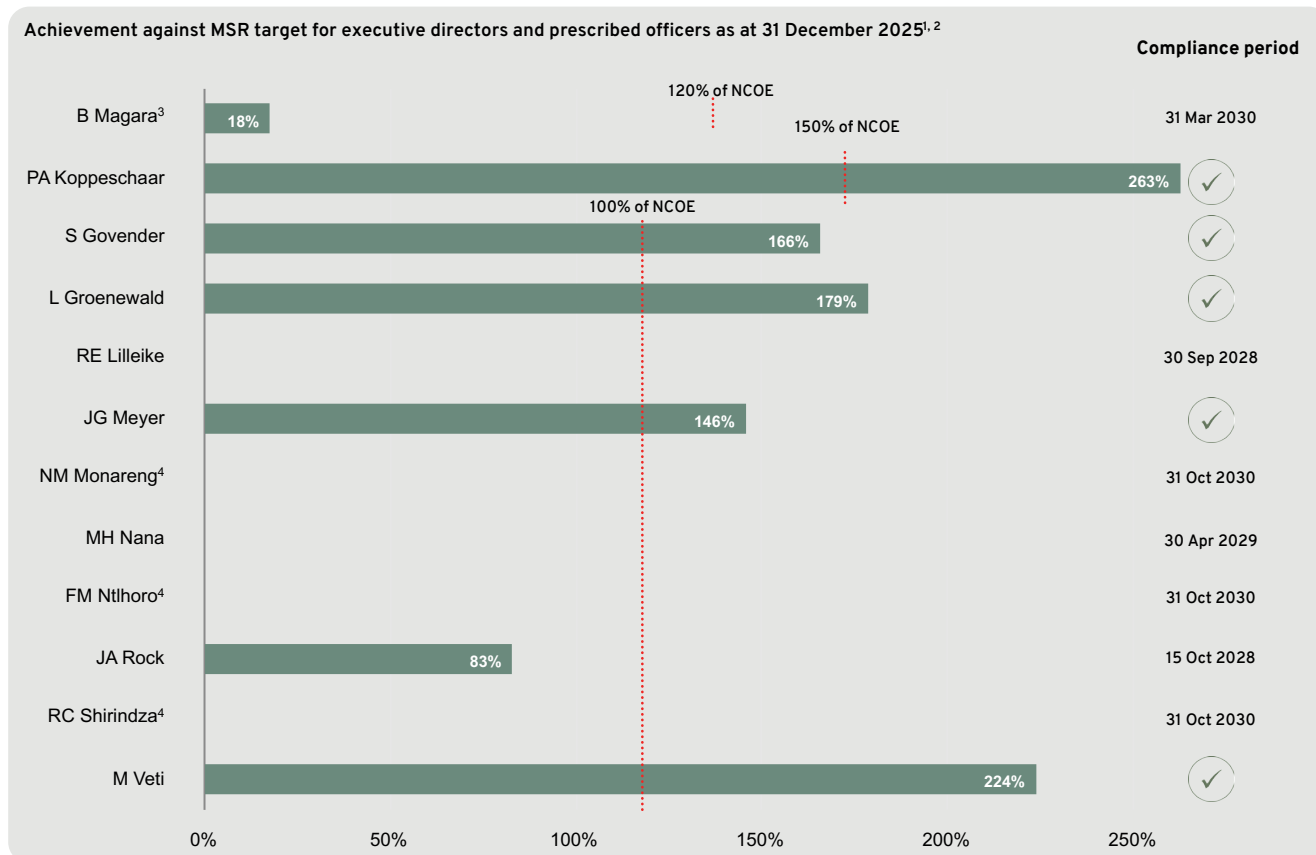
<sup>3</sup> Retired on 15 May 2025.

<sup>4</sup> Appointed on 3 January 2024.

<sup>5</sup> Resigned on 15 September 2025.

### MSR

MSR applies to all group executive committee members where the dates by which they are required to achieve compliance is based on their appointment dates.



<sup>1</sup> Based on the volume-weighted average share price of R179 that prevailed on 31 December 2025.

<sup>2</sup> MSR shares held on a pre-tax basis in an MSR account until the determination date.

<sup>3</sup> Appointed on 1 April 2025 (for the purposes of the MSR calculation, the NCOE was annualised).

<sup>4</sup> Appointed on 1 November 2025 as a prescribed officer (for the purposes of the MSR calculation, the NCOE was annualised).



## Table of unvested awards: LTIP

The table below illustrates the rights held by each participant, vested shares and shares forfeited due to performance conditions not being met in the review period and shares forfeited as a result of resignation in the review period.

LTIP details for executive directors and prescribed officers in 2025.

	Award date	Vesting date	Opening balance 1 Jan 2025 (Number)	Awarded during the year (Number)	Shares vested during the year (Number)	Shares forfeited <sup>1</sup> (Number)	Closing balance 31 Dec 2025 (Number)	Sale price/ market price (R)	Pre-tax gain (R)	Value at year end <sup>2</sup> (R)
<b>Executive directors</b>										
B Magara <sup>3</sup>	13/05/2025	13/05/2028		188 726			188 726			33 781 954
				188 726			188 726			33 781 954
PA Koppeschaar <sup>4</sup>	01/04/2022	01/04/2025	41 816		(32 757)	(9 059)		146.88	4 811 348	
	01/04/2023	01/04/2026	51 829				51 829			9 277 391
	01/04/2024	01/04/2027	61 258				61 258			10 965 182
	13/05/2025	13/05/2028		75 319			75 319			13 482 101
				154 903	75 319	(32 757)	(9 059)	188 406	4 811 348	33 724 674
Dr N Tsengwa <sup>1</sup>	01/04/2022	01/04/2025	14 224			(14 224)				
	01/04/2022	01/04/2025	78 093			(78 093)				
	01/04/2023	01/04/2026	112 157			(112 157)				
	01/04/2024	01/04/2027	132 640			(132 640)				
				337 114			(337 114)			
<b>Prescribed officers</b>										
S Govender <sup>4, 5</sup>	01/04/2022	01/04/2025	10 838		(8 490)	(2 348)		146.88	1 247 011	
	01/04/2023	01/04/2026	13 531				13 531			2 422 049
	01/04/2024	01/04/2027	15 993				15 993			2 862 747
	13/05/2025	13/05/2028		19 480			19 480			3 486 920
				40 362	19 480	(8 490)	(2 348)	49 004	1 247 011	8 771 716
L Groenewald	01/04/2022	01/04/2025	16 832		(13 186)	(3 646)		149.07	1 965 637	
				16 832		(13 186)	(3 646)		1 965 637	
RE Lilleike	01/10/2023	01/10/2026	38 223				38 223			6 841 917
	01/04/2024	01/04/2027	41 604				41 604			7 447 116
	13/05/2025	13/05/2028		50 915			50 915			9 113 785
				79 827	50 915			130 742		23 402 818
PK Masia <sup>1</sup>	01/04/2022	01/04/2025	34 170			(34 170)				
	01/04/2022	01/04/2025	34 170			(34 170)				
	01/04/2023	01/04/2026	42 264			(42 264)				
	01/04/2024	01/04/2027	49 954			(49 954)				
				160 558			(160 558)			
JG Meyer <sup>4</sup>	01/04/2022	01/04/2025	21 107		(16 535)	(4 572)		146.88	2 428 661	
	01/04/2023	01/04/2026	26 308				26 308			4 709 132
	01/04/2024	01/04/2027	31 094				31 094			5 565 826
	13/05/2025	13/05/2028		37 874			37 874			6 779 446
				78 509	37 874	(16 535)	(4 572)	95 276	2 428 661	17 054 404

## Remuneration report: section 3 continued

	Award date	Vesting date	Opening balance 1 Jan 2025 (Number)	Awarded during the year (Number)	Shares vested during the year (Number)	Shares forfeited <sup>1</sup> (Number)	Closing balance 31 Dec 2025 (Number)	Sale price/market price (R)	Pre-tax gain (R)	Value at year end <sup>2</sup> (R)
NM Monareng <sup>6</sup>	01/11/2025	01/11/2028		33 060			33 060			5 917 740
				33 060			33 060			5 917 740
MH Nana	01/05/2024	01/05/2027	12 417				12 417			2 222 643
	13/05/2025	13/05/2028		18 547			18 547			3 319 913
			12 417	18 547			30 964			5 542 556
TT Ratsheko <sup>4, 7</sup>	01/04/2022	01/04/2025	8 583		(6 724)	(1 859)		146.88	987 621	
	01/04/2023	01/04/2026	10 708		(5 929)	(4 779)		147.04	871 800	
	01/04/2024	01/04/2027	12 649		(4 919)	(7 730)		147.04	723 290	
	13/05/2025	13/05/2028		15 407		(15 407)				
			31 940	15 407	(17 572)	(29 775)			2 582 711	
JA Rock	16/10/2023	16/10/2026	24 928				24 928			4 462 112
	01/04/2024	01/04/2027	27 591				27 591			4 938 789
	13/05/2025	13/05/2028		33 702			33 702			6 032 658
			52 519	33 702			86 221			15 433
RC Shirindza <sup>6</sup>	01/10/2025	01/10/2028		7 662			7 662			1 371 498
				7 662			7 662			1 371 498
M Vet <sup>4</sup>	01/04/2022	01/04/2025	19 623		(15 372)	(4 251)		146.88	2 257 839	
	01/04/2023	01/04/2026	24 271				24 271			4 344 509
	01/04/2024	01/04/2027	28 687				28 687			5 134 973
	13/05/2025	13/05/2028		34 942			34 942			6 254 618
			72 581	34 942	(15 372)	(4 251)	87 900		2 257 839	15 734

<sup>1</sup> Shares forfeited due to performance conditions not being fully met and/or shares forfeited due to resignation/separation during the year.

<sup>2</sup> Based on the prevailing share price of R179 on 31 December 2025 and assumes 100% vesting.

<sup>3</sup> Appointed as CEO on 1 April 2025.

<sup>4</sup> April 2022 awards vested on 1 April 2025 but due to participants being on the insider register, they could only exercise on 13 May 2025.

<sup>5</sup> Acting up to 31 May 2025; appointed permanently as a prescribed officer on 1 June 2025.

<sup>6</sup> Appointed 1 November 2025 as prescribed officer.

<sup>7</sup> Acting up to 31 May 2025; shares vested as a good leaver.

### VARP details for Leon Groenewald in 2025

Leon Groenewald's employment contract stipulates a term of four years. Therefore, his award multiple is four. The VARP multiple for all other permanent employees is limited to five. The executive head: energy VARP will vest in two equal tranches of 50% each on 1 April 2026 and 1 April 2027, subject to achieving the performance milestones. After vesting, his awards will continue as usual with exercise windows of four years. Awards will not be accelerated.

The table below illustrates the rights held by the participant in terms of VARP tranches and vesting dates.

	Tranche	Value at grant date (R)	Vesting date	Exercisable date	Portion of VARP forfeited during the year	Fair value of award at year end (R)
Prescribed officer (L Groenewald)	Tranche 1 <sup>1</sup>	6 354 115	01/04/2026	01/04/2030	(14 932 170)	14 932 170
	Tranche 2 <sup>2</sup>	6 354 115	01/04/2027	01/04/2031		29 864 341
		12 708 230			(14 932 170)	44 796 511

<sup>1</sup> The fair value for tranche 1 at year end is determined as award value x milestones outcome x value multiple at year end.

<sup>2</sup> The fair value for tranche 2 at year end is determined as award value x likelihood of milestones being met x value multiple at year end (assumes 100% vesting).

### Table of unvested awards: BMP

The table below illustrates the rights held by the participant. BMP details for Leon Groenewald in 2025:

	Award date	Vesting date	Opening balance 1 Jan 2025 (Number)	Awarded during the year (Number)	Shares vested during the year (Number)	Shares forfeited (Number)	Closing balance 31 Dec 2025 (Number)	Sale price/market price (R)	Pre-tax gain (R)	Value at year end <sup>1</sup> (R)
Prescribed officer (L Groenewald)	01/04/2024	01/04/2025	1 149		(1 149)			149.07	171 281	
	01/04/2024	01/04/2026	1 149				1 149			205 671
	01/04/2025	01/04/2026		1 988			1 988			355 852
	01/04/2025	01/04/2027		1 988			1 988			355 852
			2 298	3 976	(1 149)		5 125		171 281	917 375

<sup>1</sup> Based on the prevailing share price of R179.00 on 31 December 2025.

### Table of unvested awards: DBP

The table below illustrates the rights held by each participant and the movements in these rights during the year. DBP details for executive directors and prescribed officers in 2025:

	Award date	Vesting date	Opening balance 1 Jan 2025 (Number)	Awarded during the year (Number)	Shares vested during the year (Number)	Shares forfeited <sup>1</sup> (Number)	Closing balance 31 Dec 2025 (Number)	Sale price/market price (R)	Pre-tax gain (R)	Value at year end <sup>2</sup> (R)
<b>Executive</b> PA Koppeschaar <sup>3</sup>	21/09/2021	21/09/2024	750		(750)			146.88	110 160	
	04/03/2022	04/03/2025	1 024		(1 024)			146.88	150 405	
	31/03/2024	31/03/2027	6 249				6 249			1 118 571
	13/05/2025	13/05/2028		13 369			13 369			2 393 051
			8 023	13 369	(1 774)		19 618		260 565	3 511 622
Dr N Tsengwa <sup>1</sup>	31/03/2024	31/03/2027	6 401			(6 401)				
			6 401			(6 401)				
<b>Prescribed</b> S Govender <sup>3,4</sup>	31/03/2022	31/03/2025	735		(735)			146.88	107 957	
			735		(735)					107 957
L Groenewald <sup>5</sup>	04/03/2022	04/03/2025	1 004		(1 004)			156.19	156 815	
	31/03/2022	31/03/2025	1 845		(1 845)			153.04	282 359	
			2 849		(2 849)					439 174
PK Masia <sup>1</sup>	31/03/2024	31/03/2027	5 098			(5 098)				
			5 098			(5 098)				
JG Meyer <sup>3</sup>	21/09/2021	21/09/2024	301		(301)			146.88	44 211	
			301		(301)					44 211
TT Ratsheko <sup>3</sup>	04/03/2022	04/03/2025	391		(391)			146.88	57 430	
	31/03/2022	31/03/2025	583		(583)			146.88	85 631	
			974		(974)					143 061
JA Rock	13/05/2025	13/05/2028		6 922			6 922			1 239 038
				6 922			6 922			1 239 038
M Vet <sup>3</sup>	21/09/2021	21/09/2024	278		(278)			146.88	40 833	
	31/03/2023	31/03/2026	7 230				7 230			1 294 170
	31/03/2024	31/03/2027	3 316				3 316			593 564
	13/05/2025	13/05/2028		6 808			6 808			1 218 632
		10 824	6 808	(278)		17 354		40 833	3 106 366	

<sup>1</sup> Matching shares forfeited due to resignation/separation during the year.

<sup>2</sup> Based on the prevailing share price of R179 on 31 December 2025.

<sup>3</sup> The awards granted on 21 September 2021, 4 March 2022, and 31 March 2022 vested on 21 September 2024, 4 March 2025, and 31 March 2025, respectively. However, due to participants being on the insider register, they were only able to exercise the awards on 13 May 2025.

<sup>4</sup> Acting up to 31 May 2025; appointed permanently as a prescribed officer on 1 June 2025.

<sup>5</sup> The award granted on 4 March 2022 vested on 4 March 2025, however due to a closed period the participant could only exercise the award on 14 March 2025.

# 5 Supplementary information



# Assurance report



Independent Auditor's Reasonable Assurance Report on Selected Key Performance Indicators

To the Directors of Exxaro Resources Limited

We have undertaken a reasonable assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the Environmental, social and governance (ESG) report of Exxaro Resources Limited (Exxaro) for the year ended 31 December 2025 (the Report). This engagement was conducted by a multidisciplinary team with relevant experience in health, safety, social, environmental, assurance and sustainability reporting.

## Subject Matter

We have been engaged to provide a reasonable assurance opinion in our report on the following selected KPIs, marked with an "RA" on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with Exxaro Resources Limited Exxaro's reporting criteria that accompanies the sustainability information and set out in "Appendix A: Criteria" (the accompanying Exxaro reporting criteria).

Category	Selected KPI	Unit	ESG Report page no.	Scope of coverage (Page 1)
<b>Human Capital</b>	Fatalities	Number	16	Exxaro Group
	Lost time injuries (LTI)	Number	16	Exxaro Group
	Lost time injury frequency rate (LTIFR)	Rate	16	Exxaro Group
	Occupational health incident frequency rate (OHIFR)	Rate	16	Exxaro Group
	Occupational health diseases	Number	16	Exxaro Group
<b>Social Capital</b>	Skills provision (percentage of appointment of employees within)	Percentage	17	Exxaro Group
	Scarcity skills retention (percentage turnover)	Percentage	17	Exxaro Group
<b>Natural Capital</b>	Scope 1 emissions	tCO <sub>2</sub> e/ktTM	31	Operating Mines
	Scope 2 emissions	tCO <sub>2</sub> e/ktTM	31	Operating Mines
	Carbon intensity	tCO <sub>2</sub> e/ktTM	31	Operating Mines
	Water intensity	kL/tonne run of mine	16	Operating Mines
<b>Environmental Compliance</b>	Reportable environmental incidents (level 2 and 3)	Number	16	Exxaro Group
	Stoppage directives (includes section 54(1)(a) and (1)(b) in terms of MHSA)	Number	18	Exxaro Group
	Stoppage directives (includes directives in terms of NWA, NEMA and MPRDA)	Number	18	Exxaro Group
<b>Talent attraction and retention</b>	D band bench	Percentage	74	Exxaro Group
	E band bench	Percentage	74	Exxaro Group

## Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the accompanying Exxaro reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

## Inherent Limitations

Greenhouse Gas (GHG) emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

## Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

KPMG Inc. applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Auditor's Responsibility

Our responsibility is to express a reasonable assurance opinion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the selected KPIs are free from material misstatement.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the measurement of the selected KPIs and related disclosures in the Report. The nature, timing and extent of procedures selected depend on the auditor's professional judgement, including the assessment of the risks of material misstatement of the selected KPIs, whether due to fraud or error.

In making those risk assessments we have considered internal control relevant to Exxaro Resources Limited's preparation of the selected KPIs. A reasonable assurance engagement also includes:

- Evaluating the appropriateness of quantification methods, reporting policies and internal guidelines used by Exxaro Resources Limited;
- Assessing the suitability in the circumstances of Exxaro Resources Limited's use of the applicable reporting criteria as a basis for preparing the selected information; and
- Evaluating the overall presentation of the selected sustainability performance information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Reasonable Assurance Opinion

In our opinion and subject to the inherent limitations outlined elsewhere in this report, the selected KPIs as set out in the Subject Matter paragraph above for the year ended 31 December 2025 are prepared, in all material respects, in accordance with the accompanying Exxaro reporting criteria.

## Other Matters

The maintenance and integrity of Exxaro's website is the responsibility of Exxaro's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent reasonable assurance report that may have occurred since the initial date of its presentation on Exxaro's website.

## Restriction of Liability

Our work has been undertaken to enable us to express a reasonable assurance opinion on the selected KPIs to the Directors of Exxaro in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Exxaro, for our work, for this report, or for the conclusion we have reached.

*KPMG Inc.*

KPMG Inc.  
Per Safeera Loonat  
Chartered Accountant (SA)  
Registered Auditor  
Director

29 April 2026

# Appendix A: Criteria

## KPI Definitions

KPI/Subject Matter	Level of assurance	Definition/criteria
<b>Fatalities</b>	Reasonable	A fatality is an occurrence where an employee/contractor/visitor dies as a result of an injury sustained.
<b>Number of lost-time injuries (employees and contractors)</b>	Reasonable	<p>Lost-time injury (LTI) occurs when a person is injured in the execution of his/her duties and as a result of this injury is unable to perform his/her regular duties for one full shift or more on the day following the day on which the injury was incurred, whether a scheduled work day or not.</p> <p>The following notes apply:</p> <ul style="list-style-type: none"> <li>Days lost are calendar days regardless of whether the injured was due at work or not on any of those days and include scheduled time off</li> <li>Regular duties are those duties associated with the job description of the injured</li> <li>Normal daily travel to and from work is only considered as being work related if the transportation is owned, hired or contracted by the company</li> <li>Restricted work (of light duties) which may follow on from lost time will normally be counted as lost time</li> <li>If a business unit chooses to continue to use restricted work cases (RWCs) and RWC days, the definition of Restricted Work Cases will apply</li> </ul> <p>Irrespective of whether business units record RWCs or not, the calculation of the lost-time injury frequency rate (LTIFR) will include both LTIs and RWCs and the sum of lost days and restricted days. The employee LTIFR shall be calculated whenever the LTI is reported and communicated.</p>
<b>Lost-time injury frequency rate (LTIFR) (employees and contractors)</b>	Reasonable	<p>Lost-time injury (LTI) occurs when a person is injured in the execution of his/her duties and as a result of this injury is unable to perform his/her regular duties for one full shift or more on the day following the day on which the injury was incurred, whether a scheduled work day or not.</p> <p>The following notes apply:</p> <ul style="list-style-type: none"> <li>Days lost are calendar days regardless of whether the injured was due at work or not on any of those days and include scheduled time off</li> <li>Regular duties are those duties associated with the job description of the injured</li> <li>Normal daily travel to and from work is only considered as being work related if the transportation is owned, hired or contracted by the company</li> <li>Restricted work (of light duties) which may follow on from lost time will normally be counted as lost time</li> <li>If a business unit chooses to continue to use restricted work cases (RWCs) and RWC days the definition of Restricted Work Cases will apply</li> </ul> <p>Irrespective of whether business units record RWCs or not, the calculation of the LTIFR will include both LTIs and RWCs and the sum of lost days and restricted days. The employee LTIFR shall be calculated whenever the LTI is reported and communicated.</p> <p>It is calculated as follows:</p> <ul style="list-style-type: none"> <li>LTIFR: (Number of LTIs X 200 000)/Total man-hours worked</li> <li>Total man-hours should include visitor hours.</li> </ul>
<b>Occupational health incident rate</b>	Reasonable	<p>Occupational health incident frequency rate (OHIFR):</p> <ul style="list-style-type: none"> <li>(Number of reportable occupational diseases)</li> <li>x 200 000/Total man-hours worked</li> <li>Total man-hours worked include hours for employees, contractors, and visitors.</li> </ul>
<b>Occupational health diseases</b>	Reasonable	Number of reportable occupational diseases: An occurrence of a medically diagnosed occupational disease by the Occupational Medical Practitioner, which is reported to MBOD, DMPR and/or RMA during the reporting period.
<b>Carbon intensity (ktCO<sub>2</sub>e/TTM)</b>	Reasonable	$\frac{\text{Total emissions from scope 1 and scope 2}}{\text{Total tonnes mined}}$ <p>in (ktCO<sub>2</sub>e per kt)</p>
<b>Carbon footprint – scope 1</b>	Reasonable	Total emissions from Exxaro operations – these include total litres of diesel oil used for primary production activities, fugitive emissions from mining activities and limestone emissions created through mining activities converted to ktCO <sub>2</sub> e. The above are all combined and the total scope 1 calculation is performed at head office.

KPI/Subject Matter	Level of assurance	Definition/criteria
<b>Carbon footprint – scope 2</b>	Reasonable	Total emissions from the consumption of purchased electricity converted to ktCO <sub>2</sub> .
<b>Number of level 2 and 3 environmental incidents</b>	Reasonable	<p><b>Level 0 environmental incidents</b> – Where a potential environmental impact was avoided simply due to a ‘moment in time’ or an ‘immediate clean up’ it would be expected that the incident would be rated as a level 0.</p> <p>Any environmental observations noted during inspections or site visits can also be classified as a level 0</p> <p><b>Guiding principles</b> Duration: Short term (immediate clean-up/remediation – less than a month) Extent: Impact will be contained within the section/ department or mining area Sensitivity: The receiving environment is not altered with any or extremely limited impacts on surface and groundwater resources Biodiversity value: The impacted site has extremely low biodiversity value</p> <p><b>Level 1 environmental incidents</b> – A minor environmental incident (level 1) is an internally reportable incident or sequence of incidents, whether immediate or delayed, that results in a minor negative impact on the environment.</p> <ul style="list-style-type: none"> <li>• Minor environmental incidents are not reportable to the authorities, since they should not result in significant pollution or pose a risk to the public if remedied within the set period</li> <li>• However, should the minor environmental incident/s trigger a non-compliance to any of the Environmental Authorisations the incident must be reported according to the timeframes stated in the said authorisation/s</li> </ul> <p><b>Guiding principles</b> Duration: Short term (immediate clean-up/remediation – between a month but less than 1 year) Extent: Impact will be contained on mine property/mining area/a small area (metres) limited to off-site Sensitivity: The receiving environment is altered with a limited impaired ecosystem function and with limited impacts on surface and groundwater resources Biodiversity value: The impacted site has low biodiversity value</p>
<b>Number of level 2 and 3 environmental incidents continued</b>	Reasonable	<p><b>Level 2 environmental incidents</b> – A medium environmental incident (level 2) is an internally reportable incident or sequence of incidents, whether immediate or delayed, that results, or has the potential to result, in widespread or localised, short-term, reversible, significant, negative impact on the environment and/or has a moderate risk of legal liability.</p> <p>In this regard a medium environmental incident may be reportable to the local authorities depending on the applicable legislation, can result in significant pollution and may entail risk of public danger but is not limited to the above.</p> <p><b>Guiding principles</b> Duration: Rehabilitation and remediation strategies will reverse the environmental impact between 1 year to a maximum of 2 years Extent: Mine and surrounding communities Sensitivity: The receiving environment is altered, with little natural habitat, with moderately impaired ecosystem function, and with moderately impacted surface and groundwater resources Biodiversity value: The impacted site has medium biodiversity value</p> <p><b>Level 3 environmental incidents</b> – A major environmental incident (level 3) is an internally and externally reportable incident or sequence of incidents, whether immediate or delayed, that result, or has the potential to result, in widespread, long-term, irreversible, significant, negative impact on the environment and/or has a high risk of legal liability.</p> <p>In this regard it must be noted that a major environmental incident usually should be reported to authorities depending on the applicable legislation, usually result in significant pollution and may entail risk of public danger but is not limited to the above. Major environmental incidents usually remain an irreversible impact even with the involvement of long-term external intervention.</p> <p><b>Guiding principles</b> Duration: Rehabilitation/remediation of more than 2 years Extent: Local, provisional and/or national Sensitivity: The receiving environment comprises largely natural habitat, with major impairment of ecosystem function, and major impacts on surface and groundwater resources Biodiversity value: The impacted site has high biodiversity value</p>

## Appendix A: Criteria continued

KPI/Subject Matter	Level of assurance	Definition/criteria
<b>Water intensity – RoM (tonnes)</b>	Reasonable	<p>Water intensity refers to the total water withdrawals (excluding supply to third party, game, farmers) from a resource (not recycled/reclaimed water) divided by RoM, and is expressed as:</p> $\text{Water intensity} = \frac{\text{water withdrawals (m}^3\text{)}}{\text{RoM (tonnes)}}$
<b>Skills provision (% of appointment from within)</b>	Reasonable	<p><b>New definition:</b>  External is: All new engagements and re-engagements  Internal is: Temporary to permanent, learnership to permanent, transfer to artisan and non-permanent employees appointed permanent. <i>Transfer within same BU, transfer between BU, transfer between company, promotion within same BU, promotion between company.</i></p> <p>The percentage is calculated as number of external or internal appointments/total number of appointments.</p>
<b>Scarcity skills retention (% turnover)</b>	Reasonable	Turnover %: Last 12 months' separations (excluding retrenchment and divesting)/an average of the last 12 months' manpower.
<b>Talent bench – % of clusters (DL to DU) that have at least two EE candidates in the 3A/3B/2A category</b>	Reasonable	<p><b>Measures the percentage of EE employees on D band that are immediately ready or medium-term ready for the next higher level – against the target of 15%</b></p> <ul style="list-style-type: none"> <li>Count number of D band clusters that have at least 2 Black individuals with 3A, 3B and 2A rating on immediately ready and medium-term cluster</li> <li>Count total number of clusters on specific D band level, divide number of clusters with individuals on 3A, 3B and 2A by total number of clusters</li> </ul>
<b>Talent bench – % of clusters (EL and above) that have at least two EE candidates in the 3A/3B/2A category</b>	Reasonable	<p><b>Measures the percentage of EE employees on E band that are immediately ready or medium-term ready for the next higher level – against the target of 10%</b></p> <ul style="list-style-type: none"> <li>Count number of E band clusters that have at least 2 Black candidates with 3A, 3B and 2A rating on immediately ready and medium-term cluster</li> <li>Count total number of clusters on specific E band level, divide number of clusters with individuals on 3A, 3B and 2A by total number of clusters</li> </ul>
<b>Number of stoppage directives (includes section 54 in terms of MHSA)</b>	Reasonable	<p><b>Stoppage (directive) instruction</b>  A stoppage instruction is an instruction issued by an inspector from the Department of Mineral and Petroleum Resources or Department of Employment and Labour in terms of section 54.(a) and (b) of the Mine Health and Safety Act, Act 29 of 1996 or section 30.(1) – (5) of the Occupational Health and Safety Act, Act 85 of 1993 for occurrences, practices or conditions that, in the opinion of the inspector, pose a threat to the safety or health of employees, to cease operations at the mine or part thereof with immediate effect.</p>
<b>Number of stoppage directives (includes directives in terms of NWA, NEMA and MPRDA)</b>	Reasonable	<p><b>Stoppage (directive) instruction</b>  A right/authorisation/permission/approval/licence under which has been placed under notice as per a) sections 93 and/or 47 of MPRDA; section 54 of NWA; and section 31L of NEMA, and/or regulation 38 of the NEMA EIA regulations.</p>

# Glossary

<b>B-BBEE</b>	Broad-based black economic empowerment
<b>BCEA</b>	Basic Conditions of Employment Act, 1997 ( 75 of 1997)
<b>BMP</b>	Bonus matching plan
<b>Board</b>	Exxaro Resourced Limited's board of directors
<b>BU</b>	Business unit
<b>CDP</b>	Carbon Disclosure Project
<b>CHIETA</b>	Chemical Industries Education and Training Authority
<b>DBP</b>	Deferred bonus plan
<b>DBS</b>	Deferred bonus scheme
<b>DEI</b>	Diversity, equity and inclusion
<b>DFFE</b>	Department of Forestry, Fisheries and the Environment
<b>DMPR</b>	Department of Mineral and Petroleum Resources
<b>DoE</b>	Department of Education
<b>DoH</b>	Department of Health
<b>dtic</b>	Department of Trade, Industry and Competition
<b>DWS</b>	Department of Water and Sanitation
<b>EBITDA</b>	Earnings before interest, taxation, depreciation and amortisation
<b>ECD</b>	Early childhood development
<b>EEA</b>	Employment Equity Act, 1998 (55 of 1998)
<b>EME</b>	Exempt micro-enterprise
<b>ERM</b>	Enterprise risk management
<b>ESD</b>	Enterprise and supplier development
<b>ESOP</b>	Employee share ownership plan
<b>EWP</b>	Employee wellness programme
<b>EWT</b>	Endangered Wildlife Trust
<b>GBV</b>	Gender-based violence
<b>GHG</b>	Greenhouse gas
<b>GIS</b>	Group-wide incentive scheme
<b>HDP</b>	Historically disadvantaged person/people
<b>HPIs</b>	High-potential incidents
<b>IFC</b>	International Finance Corporation
<b>IFRS</b>	International Financial Reporting Standards
<b>ILO</b>	International Labour Organization
<b>ISSB</b>	International Sustainability Standards Board
<b>King IV</b>	King IV Report on Corporate Governance™ for South Africa, 2016
<b>kTTM</b>	Kilotonnes mined
<b>LoM</b>	Life of mine
<b>LSP</b>	Lephalale solar plant
<b>LTI*</b>	Lost-time injury
<b>LTI*</b>	Long-term incentive

\* The abbreviation is context specific.



<b>LTIFR</b>	Lost-time injury frequency rate
<b>LTIP</b>	Long-term incentive plan
<b>M&amp;A</b>	Mergers and acquisitions
<b>MHSA</b>	Mine Health and Safety Act, 1996 (Act 29 of 1996)
<b>Mining Charter III</b>	Broad-based Socio-economic Empowerment Charter for the Mining and Minerals Industry 2018
<b>Mol</b>	Memorandum of incorporation
<b>MoU</b>	Memorandum of understanding
<b>MPRDA</b>	Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002)
<b>MQA</b>	Mining Qualifications Authority
<b>MSP</b>	Minerals succession programme
<b>MSR</b>	Minimum shareholding requirement
<b>NCOE</b>	Notional cost of employment
<b>NEMA</b>	National Environmental Management Act, 1998 (Act 107 of 1998)
<b>NIHL</b>	Noise-induced hearing loss
<b>NPAT</b>	Net profit after tax
<b>NWA</b>	National Water Act, 1998 (Act 36 of 1998)
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OHIFR</b>	Occupational health incident frequency rate
<b>PIT</b>	Professional in training
<b>PM</b>	Particulate matter
<b>PMO</b>	Portfolio management office
<b>PV</b>	Photovoltaic
<b>QSE</b>	Qualifying small enterprise
<b>RA</b>	Reasonable assurance
<b>RBR</b>	Risk and business resilience
<b>ROCE</b>	Return on capital employed
<b>RoM</b>	Run of mine
<b>SERC</b>	Social, ethics and responsibility committee
<b>SLP</b>	Social and labour plan
<b>STI</b>	Short-term incentive
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>TNFD</b>	Taskforce on Nature-related Financial Disclosures
<b>TSR</b>	Total shareholder return
<b>The group</b>	Exxaro Resourced Limited
<b>UNGC</b>	United Nations Global Compact
<b>VARP</b>	Value appreciation rights plan
<b>VFL</b>	Visible felt leadership
<b>WUL</b>	Water use licence

# Administration

## Registered office

Exxaro Resources Limited  
The conneXXion  
263B West Avenue  
Die Hoewes, Centurion, 0157  
South Africa  
Telephone +27 12 307 5000  
Company registration number: 2000/011076/06

JSE share code: EXX  
ISIN code: ZAE000084992  
Bond issuer code: EXXI

## Group company secretary, governance and ethics

Michelle Nana

## Independent external auditor

KPMG Inc.  
KPMG Crescent  
85 Empire Road  
Parktown, 2913

## Commercial bankers

ABSA Bank Limited

## Corporate legal advisers

Inlexso Proprietary Limited

## Lead equity sponsor and debt sponsor

ABSA Bank Limited (acting through its Corporate and Investment Bank Division)  
ABSA Sandton North Campus  
15 Alice Lane  
Sandton, 2196

## Joint equity sponsor

Tamela Holdings Proprietary Limited  
First floor, Golden Oak House, Ballyoaks Office Park  
35 Ballyclare drive  
Bryanston, 2021

## Transfer secretaries

JSE Investor Services Proprietary Limited  
One Exchange Square  
2 Gwen Lane  
Sandown, Sandton  
2196

## Disclaimer

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# King IV application register

Our detailed King IV application register aligns with King IV’s recommendation to apply and explain how we practise good governance. We explain actions taken, policies, frameworks, and processes that support the principles applied by Exxaro.

## Applicable action, policies and processes

### Ethical culture

The governing body should set the tone and lead ethically and effectively [1.1]

- The board adopted a code of ethics, statement of strategic ethical intent, an ethics strategy and management plan
- The board charter regulates the parameters the board operates in and ensures good corporate governance principles are applied
- We annually review the board charter, board committees’ membership, terms of reference, annual work plans and key focus areas
- The board charter states that directors have a duty to exercise a degree of care, skill and diligence expected of a reasonably diligent person with general knowledge, skill and experience, and a fiduciary duty to act in good faith and in a manner that is in Exxaro’s best interest
- In terms of our board charter, directors shall be individuals of calibre, integrity and credibility
- The board considers succession planning and board refreshment integral components for ensuring the long-term sustainability of the company
- The board applies a zero-tolerance approach to actions taken without integrity
- Guidelines in support of this principle include the code of ethics, the ethics strategy and management plan, and the director nomination and appointment, conflicts of interest, anti-bribery and anti-corruption, fraud prevention and response, gifts and benefits, politically exposed persons/publicly influential persons and whistleblowing policies

The governing body should ensure that the organisation’s ethics are managed effectively [1.2]

- The social, ethics and responsibility committee (SERC) oversees our ethics in business practices and relationships with employees, other stakeholders and the natural environment
- We ensure ongoing monitoring and reporting on the group-wide anti-bribery and anti-corruption programme to the audit committee
- The board oversaw the appointment of an ethics officer and approved an ethics management strategy and management plan, which is monitored by the SERC
- Our ethics officer implements the ethics management plan across the business to embed an ethical culture
- “The Exxaro Way” describes the ethical values-driven culture being embedded across the organisation through ethics awareness inductions and communication
- We use an electronic tool to declare and monitor declarations of conflicts of interest, as well as a gifts and benefits policy, to be disclosed by employees and consultants
- Our supplier code of conduct guides supplier selection and promotes our commitment to ethical conduct. This was bolstered by our supplier ethics day to ensure ethical alignment with our top suppliers
- The board approved a revised supply chain sustainability policy to align with regulatory changes, Exxaro’s strategy and revised tender evaluation criteria, taking into consideration industry peer benchmarked best practices

The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen [1.3]

- The board continues to monitor the implementation of our human rights policy through the SERC
- We express continued commitment to supporting the UNGC principles on human rights, labour, environment and anti-corruption
- Our Sustainable Growth and Impact strategy includes impact investments to contribute to an equitable society
- The SERC’s mandate entrenches responsible corporate citizenship as part of its focused activities, in addition to its responsibility for ethics and other areas
- Guidelines in support of this principle include: the diversity, equity, and inclusion framework, decarbonisation strategy, ESG policy, B-BBEE level 1 target, zero-harm safety target, emergency response plan, political donations, stakeholder management, and environmental, health and safety policies

### Performance and value creation

The governing body should lead the value creation process by appreciating that strategy, risk and opportunity, performance and sustainable development are inseparable elements [2.1]

- Our updated strategy process ensures a continuous and integrated strategy cycle across the group to support our purpose
- Before executive leadership presents the strategy to the board, iterative strategy workshops – which follow a bottom-up process – and board governance sessions are held, with inputs integrated into the strategy
- As part of the strategy review and development process, we conduct a risk and opportunity assessment, including emerging risks and material sustainability issues
- The board annually reviews, refines and approves our strategy
- In 2025 the SERC reviewed the company’s strategic KPIs to ensure alignment with our strategy
- The board approved the consolidated ESG framework as a lens through which to view the Sustainable Growth and Impact strategy
- Our strategic performance management dashboard has been cascaded for oversight to each of the relevant committees to ensure strategic execution and timely conversations within the group’s governance structure
- We reviewed the ERM framework and our risk appetite
- We monitor the impact of external and internal events on the strategic risk profile, including future events

<p>The governing body should ensure that reports and other disclosures enable stakeholders to make an informed assessment of the performance of the organisation and its ability to create value in a sustainable manner [2.2]</p>	<ul style="list-style-type: none"> <li>• Our integrated report is guided by integrated reporting principles</li> <li>• Materiality considerations serve as a crucial guide for our reporting practices</li> <li>• The integrated report sets out the strategic objectives, business model and material matters that impact the business and the risks preventing the achievement of objectives</li> <li>• The risk and business resilience (RBR) committee oversees the consolidated mineral resources and reserves report as part of integrated reporting</li> <li>• The audit committee annually assesses financial materiality and material matters, prior to board approval</li> <li>• The board approves the integrated report, ESG report and the financial statements</li> <li>• Guidelines in support of this principle include: the external communication policy, our integrated reporting process and the delegation of authority framework</li> </ul>
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## Adequate and effective control

<p>The governing body should serve as the focal point and custodian of corporate governance in the organisation [3.1]</p>	<ul style="list-style-type: none"> <li>• The board remains accountable for Exxaro's corporate governance, as supported by our group governance framework</li> <li>• The group governance framework was reviewed in 2025 to clarify the structures, principles and processes through which the board exercises oversight, direction and control of the group and its subsidiaries</li> <li>• The delegation of authority framework was updated in 2025 to keep it abreast with governance trends, reflect new management structures, and promote efficiency and collaboration in business execution</li> <li>• The board entrenches good corporate governance throughout Exxaro in all decision making</li> <li>• The board attends mandatory governance sessions for directors and executive management twice a year in addition to subject-specific deep dives at a committee level</li> <li>• New directors receive formal induction on appointment</li> <li>• The nomination committee determines and evaluates the adequacy, efficiency and appropriateness of the group governance structure, practices and processes</li> <li>• Guidelines in support of this principle include: the group governance framework, board charter, and the delegation of authority framework and policy</li> </ul>
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<p>The governing body should ensure, in its composition, a balance of the skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities [3.2]</p>	<ul style="list-style-type: none"> <li>• Our director nomination and appointment policy provides a framework and sets standards for the nomination and appointment of relevant, fit and proper, suitably skilled and ethical non-executive directors to the board</li> <li>• The nomination committee ensures the board comprises the appropriate level of skills, experience, diversity, independence and knowledge</li> <li>• The nomination committee annually categorises non-executive directors for independence</li> <li>• A high-level skills and experience matrix facilitates directors' appointments</li> <li>• The board reviews and approves its diversity and inclusion targets annually</li> <li>• Directors receive formal appointment letters</li> <li>• Directors declare any outside interests on appointment and before meetings, as well as a formal declaration of interests that is submitted twice a year</li> <li>• The board appoints the lead independent director</li> <li>• The CEO and chairperson's duties are divided as per the board charter</li> <li>• Policies and frameworks include, among others: the director nomination and appointment policy, director diversity and inclusion policy, board charter and the nomination committee's terms of reference</li> </ul>
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<p>The governing body should consider creating additional governing structures to assist with balancing power and effective discharge of responsibilities without abdicating accountability [3.3]</p>	<ul style="list-style-type: none"> <li>• The board reviewed all committee mandates and delegated powers to its committees</li> <li>• An ad hoc BEE unwind committee assists to address BEE liquidity events as stipulated in the relationship agreement with Eyesizwe</li> <li>• All board committees have formally approved terms of reference and annual work plans that are reviewed annually</li> <li>• The board assesses committee compositions annually and in 2025 appointed Isaac Malevu as chairperson of the logistics committee, and Billy Mawasha as a member of the remuneration and nomination committees, effective 30 July 2025</li> <li>• Board committee composition complies with the Companies Act, our memorandum of incorporation, King IV and each committee's terms of reference</li> <li>• The majority of each board committee's members are independent non-executive directors, with the audit committee comprising only independent non-executive directors who have not been directors for more than nine years</li> <li>• Guidelines in support of this principle include: the group governance framework, board charter and board committee terms of reference</li> </ul>
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<p>The governing body should ensure that the appointment of and delegation to competent executive management contributes to an effective arrangement through which authority and responsibilities are exercised [3.4]</p>	<ul style="list-style-type: none"> <li>• A clear division of power exists between the CEO and chairperson as per the approved board charter</li> <li>• The board monitors executive leadership's performance</li> <li>• The executive committee has formal terms of reference that were reviewed in 2025</li> <li>• The board approves the group delegation of authority and group governance framework</li> <li>• The board appoints the group company secretary, governance and ethics</li> <li>• The board assesses the group company secretary, governance and ethics' performance annually</li> <li>• Guidelines in support of this principle include: the group governance framework, and the delegation of authority framework and policy</li> </ul>
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<p>The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members supports continuous improvement in its performance and effectiveness [3.5]</p>	<ul style="list-style-type: none"> <li>• The board conducted an in-depth performance assessment through questionnaires and one-on-one interviews at the beginning of 2025</li> <li>• The board skills matrix was reviewed in 2025 to ensure the board measures its skill sets against the knowledge and experience required to oversee the strategy execution</li> <li>• The nomination committee oversaw a formal implementation plan to address potential improvement areas identified by the assessment and reported to the board</li> </ul>
<p>The governing body should govern risk and opportunity in a way that supports the organisation in defining its core purpose, and to set and achieve strategic objectives [4.1]</p>	<ul style="list-style-type: none"> <li>• The board approves and periodically reviews the ERM framework</li> <li>• The board links strategy, risks, risk appetite and performance via the strategic performance dashboard</li> <li>• The board considered the interconnectedness of risks and a tactical risk profile to mitigate potential key operational and short-term risks that could influence strategic execution</li> <li>• We apply an integrated risk management approach in the strategy review process, including identifying emerging risks</li> <li>• Our strategic risk profile was found to be robust and reflects relevant risks that apply to our peers</li> <li>• We updated the strategic performance dashboard based on the Sustainable Growth and Impact strategy, including focused and tiered KPIs for the board cascading down to management, to ensure metrics are aligned with strategic objectives and address matters within and outside of the defined risk appetite</li> <li>• Guidelines in support of this principle include: the strategic risk profile, the ERM framework, group compliance policy and the group treasury risk management policy</li> </ul>
<p>The governing body should govern technology and information in a way that supports the organisation in defining core purpose, and to set and achieve strategic objectives [4.2]</p>	<ul style="list-style-type: none"> <li>• The RBR committee monitors information management risks and security posture</li> <li>• The audit committee oversees IT management governance including cybersecurity resilience and the operational technology and IT environments</li> <li>• The oversight and management of the responsible use of artificial intelligence has been elevated to the board</li> <li>• We strategically aligned the information management governance framework with recognised industry standards</li> <li>• To further enhance decision making, oversight and strategic direction, we instituted several management governance forums</li> <li>• Guidelines in support of this principle include: the acceptable use of information and communications technology (ICT), security, operations, project management, asset management and ICT service continuity policies</li> </ul>
<p>The governing body should govern compliance with laws and ensure consideration of adherence to non-binding rules, codes and standards [4.3]</p>	<ul style="list-style-type: none"> <li>• The board formally approved a compliance policy</li> <li>• We promote a compliance culture at all levels, including going beyond compliance requirements</li> <li>• The board fully integrates the compliance process with the risk process</li> <li>• The board undergoes compliance awareness training on material legal risks annually through two focused governance sessions and reading room material, among others</li> <li>• We developed compliance self-assessment questionnaires for managers to assess compliance with licence to operate requirements</li> <li>• We reviewed and updated our regulatory compliance universe with the necessary content to assist management in understanding relevant legislation</li> <li>• We update compliance content as changes occur</li> <li>• We have updated our Protection of Personal Information Act (POPIA) policy and rolled out additional training</li> <li>• Our internal reporting process requires management to indicate the risk and compliance analysis of recommendations to the board</li> <li>• Our policies reflect on the relevant legislation that guides them as well as other non-binding rules and commitments made by Exxaro</li> <li>• Guidelines in support of this principle include: the group governance framework, group compliance policy, POPIA policy and Promotion of Access to Information Act manual</li> </ul>
<p>The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the creation of value in a sustainable manner [4.4]</p>	<ul style="list-style-type: none"> <li>• The remuneration committee determines and oversees implementation of the remuneration strategy and policy to ensure they are internally equitable and externally competitive</li> <li>• Shareholders vote on the remuneration policy at the AGM</li> <li>• Formal engagement with shareholders includes an annual governance roadshow</li> <li>• A round table discussion session post the governance roadshow was held with shareholders to provide feedback and to obtain input on potential legacy issues</li> <li>• The board is committed to meaningful engagements with stakeholders regardless of the outcome of the non-binding advisory vote at the AGM</li> <li>• The remuneration committee developed and approved a wage gap statement of intent</li> <li>• A light-touch review of non-executive director remuneration benchmarking took place in 2025</li> <li>• Guidelines in support of this principle include: the gender equality charter, and the diversity and inclusion, persons with disabilities, employment equity, unfair discrimination, malus and clawback, and remuneration policies</li> </ul>
<p>The governing body should ensure that assurance results in an effective control environment and integrity of reports for better decision making [4.5]</p>	<ul style="list-style-type: none"> <li>• The audit committee approves the internal audit charter and plan annually</li> <li>• The audit committee approves the external audit plan annually</li> <li>• We adopted a formal policy as a framework for engagement of auditors to supply non-audit services</li> <li>• The policy for engagement of the external auditor to supply assurance and other services was reviewed in 2024</li> <li>• We have a risk-based internal and external audit report</li> <li>• Our combined assurance forum with formally approved terms of reference ensures assurance activities are coordinated</li> <li>• We revised our combined assurance model to provide for the five lines of assurance</li> <li>• The audit committee monitors the close-out of all findings</li> <li>• Internal audit performance forms part of executive KPIs</li> </ul>

## Trust, good reputation and legitimacy

As part of its decision making in the best interests of the organisation, the governing body should ensure that a stakeholder-inclusive approach is adopted, which takes into account and balances legitimate and reasonable needs, interests and expectations [5.1]

- The board charter confirms the board's commitment to considering material stakeholders' interests and expectations
  - The board approved a stakeholder management policy
  - The annual board governance roadshow was held in September 2025 to create positive engagement with our investor community
  - The nomination committee considered recommendations flowing from the 2025 annual board governance roadshow
  - Our 2025 stakeholder days were attended by remuneration committee members and the executive responsible for stakeholder management
  - We follow a KAM approach to stakeholder engagement to ensure inclusivity and responsiveness
  - The SERC monitors the group's activities having regard to any relevant legislation, legal requirements or prevailing codes of best practice
  - All operations have an approved stakeholder engagement plan
  - All directors attend the AGM
  - Shareholders approve the appointment of members to the SERC as well as the members of the audit committee
  - Our internal reporting process requires management to address risk, compliance, finance, strategy and ESG implications
  - The board considered the JSE compliance certificate for the reporting period, confirming the company's compliance with the JSE Listings Requirements and Debt Listings Requirements
  - The board oversees the publication of our annual financial statements, ESG report, board committee reports, remuneration report and other online or printed information that complies with legal requirements and meets the legitimate and reasonable information needs of stakeholders
  - The board considered the controls in place to ensure insider dealing regulatory compliance
  - The board is satisfied that the sponsors have executed their mandate with due care and diligence for 2025
  - The audit committee considers the level and extent of assurance and other services rendered by the independent external auditor during the year, to ensure it did not affect its independence
  - Guidelines in support of this principle include: stakeholder management policy, external communication policy, insider dealing policy, engagement of the external auditor to supply assurance and other services policies and the delegation of authority framework
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